

Pom omo unilever



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HANOI UNIVERSITY FACULTY OF MANAGEMENT AND TOURISM PRINCIPLE OF MARKETING REPORT OMO – UNILEVER VIETNAM Tutor: Ph? m Th? Phu? ng Students: Khuong Du Kim Tr? n Th? H? ng Nga D? Qu? nh Trang Hoang Thanh Loan Tutorial: Tut 5 – Second Major Hanoi, May 2012 | PRINCIPLE OF MARKETING REPORT Subject: Principles of Marketing Tutorial: 5 – Second Major Tutor: Ph? m Th? Phu? ng Group members: 1. Khuong Du Kim- ID 0907010110 2. Tr? n Th? H? ng Nga- ID 0907010161 3. Hoang Thanh Loan – ID 0807010102 4. D? Qu? nh Trang- ID 0907010232 Date of submission: May 4th, 2012 TABLE OF CONTENTS Executive summary 4 I. Introduction 5 II. Situation analysis 5 1. Company analysis 5 1. 1 Mission statement 5 1. 2 Company objective 6 2. Environmental analysis 7 2. 1 Economic factor 7 2. 2 Demographic factor 7 2. 3 Cultural factor 7 2. 4 Technological factor 8 2. 5 Political factor 8 2. 6 Natural factor 8 3. Competitive analysis 8 4. Customer analysis 12 4. 1 Geographic segmentation 12 4. 2 Demographic segmentation 12 4. 3 Behavioral segmentation 12 4. 4 Psychographic segmentation 12 5. Brand analysis 13 5. 1 Brand’s current performance 13 5. 2 The current marketing strategy using framework 4 Ps 13 6. SWOT analysis 16 6. 1 Strengths 16 . 2 Weaknesses 18 6. 3 Opportunities 19 6. 4 Threats 19 III. Conclusion 20 REFERENCES 21 Executive summary In recent years, the surprising growth of economy along with the involvement of Vietnam into WTO has brought many opportunities for the purchase, sale and exchange of goods and services. Therefore, the company’s success mostly depends on how it carries out the business to utilize these advantages effectively. OMO is a highly aware washing powder product of

Unilever Vietnam Joint Venture Company (formerly Lever Vietnam) – a joint venture specializing in Home and Personal Care brands.

Since the commencement of Unilever's operation in Vietnam in 1995, Unilever Vietnam has successfully grown to become a leading fast-moving consumer goods company in the local market. This report presents the industry and competition analysis of the OMO product and shows the strong and weak features of the Unilever Vietnam to find out the suitable way coping with the current situation by suggesting some recommendations. In the main analysis, first, this report indicates the overview about the company operations. Next, it describes the macro environment trend that affects the market and the company's competitors.

Then, the customer segments and brand are analyzed, followed by the SWOT analysis. Finally, some recommendations are given for the company. OMO has become one of the detergent-leading brands in Vietnam market, but the competition will never stop there. Therefore, this research is essential to maintain the position of the OMO market as well as to help Government design better policies that aim to create a better environment where local business can play a greater role in the development of the society and economy of Vietnam.

I. INTRODUCTION

Vietnam's involvement in WTO has brought in many good results in every aspect of life, especially in the economy. In recent years, Vietnamese businesses have become more interested in and made better use of the big opportunities which WTO brought them. On top of that, there is a growing concern about the purchase, sale and exchange of goods and services. How

to facilitate Vietnamese consumers in doing the shopping, supply them with better choices, better goods and better prices is always the deep preoccupation of Vietnamese companies.

OMO is a highly aware washing powder product of Unilever Vietnam Joint Venture Company (formerly Lever Vietnam) – a joint venture specializing in Home and Personal Care brands. According to the recently issued report by the Central Institute for Economic Management (CIEM), by 2007, UVN ranks the 27th largest business in Vietnam and the largest in the Fast Moving Consumer Goods (FMCG) sector. Unilever Vietnam is a long-term investor, who has been deeply rooted in the economy, having strong forward and backward linkages and, by and large, serving domestic consumers. This drives us to conduct research about this product.

The economy of Vietnam is gradually growing that enables people enjoy higher living standard. Higher living conditions demand higher quality products. As the world changes so the business must change to meet new consumer needs. It is inevitable that washing power is very a necessary consumer product in almost households. OMO has been partially met customer expectations for their quality products. Now this product has formed its brand equity on the market in both domestic and international market. This study attempts to make a deeper understanding about the OMO product in terms of the current market, the marketing environment, the organization, the customers, and the competitors – all of which influence the development of the OMO marketing plan. Furthermore, it is conducted to find out the actual situation of customer and the situation of the company.

Through this study, the advantages, disadvantages and the competition of

the OMO product was clearly highlighted II. SITUATION ANALYSIS 1.

COMPANY ANALYSIS 1. 1. Mission Statement Attracting and building long lasting relationship with customers through effective communication is what the OMO product has been doing.

It brings the wealth of knowledge and international expertise to the service of local consumers. Its mission is to add continuously vitality to the quality of life of consumers. OMO meets every day needs for hygiene and personal care with brands that help people feel good, look good and get more out of life. Its long term success requires a total commitment to exceptional standards of performance and productivity, to working together effectively, and to a willingness to embrace new ideas and learn continuously.

This is its road to sustainable, profitable growth, creating long-term value for our shareholders, our people, and our business partners. 1. 2. Company objectives a. Financial In order to achieve the good result for the future development and the mission of maximizing profit, pursuing a business growth strategy, year after year, OMO aggressively pursues the long term profitability and growth objective with the goal of gaining positive financial performance, specifically: * Earn an annual rate of return of at least 30% over the next 12 months. Produce net profits (before interest and tax) of 250 billion VND in 2013. b. Marketing objectives In the long run for the next 12 months, our company aims at becoming a market share leadership in the field of detergent powder. Specifically, the objective is to gain a market share of 68% of the domestic market. In order to reach this target, we have to: * Achieve total sales revenue of 900 billion VND in 2011, which represents a 28% increase. Therefore, achieve a unit sale volume of 800

million products. Increase product awareness of OMO brand among target audience to 98% over the planning period. * Inform target audience about features and benefits of our product and its competitive advantage, leading to a 10 percent increase in sales in one year. * Enter the higher-income segment of the 30 to 35 year old market with internet services and ordering capability. * Enlarge our distribution network by 200% by the next 12 months. * Aim for an average price of 28, 000 VND per kilo in the long run. * Increase loyalty among current customer Increase customer satisfaction and relationships

2. ENVIRONMENTAL ANALYSIS

2. 1. Economic factor

As the national living standard improves, the demand and need for common products are higher. However, when the inflation has been increasing in Vietnam in recent year, prices of many goods also increases uncontrollably and Vietnamese consumers have to pay more for daily-using products, including washing powder. Some recent statistics show that OMO's price has increased by about 10, 000 VND per kilogram since 2002 (Group 9 NH03, 2009).

This can makes most of consumer more reluctant when purchasing washing powders with higher price. They are likely to find cheaper substitutes to satisfy their demand. If OMO keeps such a high price level, the number of consumer may reduce significantly no matter how much the company advertises for their products. This will be a big obstacle for OMO in the near future.

2. 2. Demographic factor

The Vietnamese population is increasing quickly, as the total population now reaches 90 million and this figure is believed to rise by 1 million per year (Vietnam Demographics Profile 2012).

Washing powder is a necessary good used across the country, hence Unilever has many opportunities to increase their sale volume and develop OMO product. Another good news for OMO is that Vietnam's population density is higher and higher in big cities, especially Hanoi and Ho Chi Minh City (Vietnam Demographics Profile 2012). In addition, the fact that people are leaving the countryside for the city center to find better-paid jobs reduces the distance of delivery between buyers and sellers and saves transportation cost for the company.

3. Social/ Cultural factor Culture is a vital part of every society and the important cause of people's wants and behaviours. Recognizing the important role of culture in promoting products, Unilever has focused on Vietnamese culture in many advertisements. For example, OMO flower fragrance is associated with the image of Vietnamese diligent housewives, OMO TET with images of a happy family on Tet holiday with such impressive slogans as "T? t lam di? u hay ng? i gi v? t b? n", "T? t lam di? u phuc, sung tuc c? am"... OMO also participates in social welfare programs funding for poor students or contributing to the social facilities with meaningful slogans like "V? n tim vang cho tri? u t? m long vang", "OMO, ao tr? ng ng? i sang tuong lai", all of which are very consistent with Vietnamese culture and win many customers' heart ('Chi? n lu? c marketing c? a Omo', 2011, TNO, P. , 2005). In addition, Unilever has designed many product lines with diversified features to meet the needs of various customer groups, for instance, OMO 99 Stains, OMO Bleach, OMO Comfort and OMO Matic Frontload.

2. 4.

Technological factor In the technological era, every company tries their best to apply the newest technology to produce new products. In recent years,

Unilever has invested much in R&D to have modern production lines and new technology which help reduce costs and add more features to their products (Unilever, 2011). Because of the technology advance, advertisements of OMO appear constantly in the media, hence bring OMO much closer to the consumers (‘ Danh gia hi? u qu? qu? ng cao’, n. d.). Therefore, technology enables OMO not only to enhance its quality but also to reach target consumers easier. . 5. Political factor The government has a vital role in operating the business over the whole country. Vietnam is now implementing an open market policy by facilitating access to a wide variety of products. However, obstacles like tariffs and quotas on materials increase the price of many goods including OMO. Moreover, the regulations in Vietnam are not strict enough and people may commit illegal actions as in the case of a firm in Thanh Hoa province which produced fake OMO with a lot of stone (Huy, Q. , 2010).

Such problem may leave negative impressions of OMO brand in the customers’ mind. Nonetheless, the stability of Vietnam’s politics is still a significant factor that draws the interests of many international firms. 2. 6. Natural factor Today, most industries have to face a serious lack of resources and OMO is not an exception. Resources for OMO production have been increasingly exhausted because the main ingredients are fat acids derived from crude oil. In recent years, the oil price keeps going up, leading to the rise in costs of production and causes the price of OMO to increase.

Oil price increases also cause delivery cost to increase too. Moreover, nowadays, environment is a very hot issue; many companies have failed because they ignore the environmental concerns. The case of Vedan is one

typical example. Producing environment friendly products is a good way to attract customers who want to do something good for the surrounding environment. To save the environment, every company needs to follow the government laws, and take their responsibility to protect environment even when that will make their product more expensive.

Unilever is successful with their waste treatment water process and receives good feedbacks from society (Unilever, n. d.).

3. COMPETITIVE ANALYSIS

Nowadays, washing powder has become a common good and there are pretty much washing powder brands of different manufacturers in the market competing with each other for customers' attention. Specifically, OMO are facing many competitors such as: Tide, Hoa Mo, Surf, Viso, Vi Dan. However, Viso and Surf are both products of Unilever while P&G owns Tide and Vi Dan belongs to Vico.

These two brands, especially Tide, are the most threatening rivals to OMO in the market at the moment. According to the statistics, OMO currently accounts for 60% of the market share, while Tide makes up 30% and other brands only contribute 10% (Group 9 NH03, 2009).

3. 1. Direct and indirect competitors

a. Indirect competitors Indirect competitors are businesses that are offering products and services that are close substitutes. These competitors are probably targeting one's markets with a same or similar value proposition, but delivering a different product.

In Vietnam, there are many indirect competitors for OMO like Ariel, Amway, Lix, Lifeboy, Pamolive, Enchanteur, Lux, ... as they also provide washing products but concentrate more on washing water and soap.

b. Direct

competitors Direct competitors are businesses that are offering identical or similar products or services as a person's business. These are companies that customers can easily buy from instead of from that one, and they represent the most intense competition. In the situation of Vietnamese washing powder market, we can clearly see two strong competitors of OMO, which are Tide and Vi Dan. 3. 2.

Analysis of two direct competitors The table below shows the comparison of three washing powder brand names. Products Characteristics | OMO| Tide| Vi Dan| Quality| Good| Good| Normal| Design| Diversity| Diversity| Normal| Skin safety| Relative| Relative| Relative| Name| Simple, easy to remember, consumers preferred| Simple, easy to remember, consumers not appreciated| Close to the Vietnamese people| Catalog| Diversity| Relative| Less| Price| Expensive| Expensive| Cheap| Distribution| Wide| Wide| Within territory| Advertising| Good, a lot, attractive| Good, not much| Less| Promotions| A lot, attractive| A lot| Less|

Technology| Modern| Modern| Modern| Brand name| Famous, prestigious| Famous, prestigious| Normal| Scale| Large| Large| Small| Management ability| Good| Good| Good| a. Advantages of Tide over OMO Tide belongs to P&G Corporation which concentrates on detergent and cosmetics. In terms of global strategy, P&G is considered to be superior to Unilever with a more advanced position in many important market sectors. By occupying Gillette and focusing on its strategic goods, P&G will continue to expand (Unilever vs. P&G (Procter and Gamble), 2009).

In terms of brand, while OMO has a series of products including OMO 99 Stains, OMO Bleach, OMO Matic Frontload and Topload, Tide also has a wide variety of products such as Tide Downy, Tide Spring Flower Scent, Tide Supermatic, Tide White and Clean... It targets all customers with different income levels and characteristics with different styles and features. Tide has launched many impressive promotion programs under the theme “ Dirt can’t hide from intensified Tide,” “ If it’s got to be clean, it’s got to be Tide” and “ Tide’s in, dirt’s out. ” These programs attract a lot of people and gradually gain position in customers’ mind. . Disadvantages of Tide relative to OMO Firstly, P&G penetrates the Vietnamese market after Unilever. Vietnamese people know about OMO before Tide, and Comfort before the existence of Downy. In addition, the pronunciation of “ OMO” is quite easy for Vietnamese while many people feel ashamed of pronouncing “ Tide” in Vietnamese as it can easily cause misunderstanding. Moreover, the producer of Tide has not paid enough attention to the product design so Tide remains relatively simple and little changed (Unilever vs. P&G (Procter and Gamble), 2009). c.

Advantages of Vi Dan relative to OMO Besides Tide, OMO also has to pay attention to the existence of Vi Dan – a product of Vico Co. , Ltd. , a 100% Vietnamese washing powder brand. The brand name Vi Dan sounds very Vietnamese and familiar with Vietnamese people life. The price of Vi Dan is also much lower than both Tide and OMO. Therefore, Vi Dan attracts more low income people and people in countryside (Phuong, K. , 2010). d.

Disadvantages of Vi Dan relative to OMO Vi Dan is a small brand name so their products are distributed in a small areas and the scale is also small.

Vi Dan is not popular in the market because VICO does not pay much attention to advertisement and promotion. This company also has little experience in producing and distributing. These drawbacks make customers know little about Vi Dan (Phuong, K. , 2010). * OMO Low reliable trademark Low perceived quality High reliable trademark * Vi Dan * Tide To sum up, in such a competitive environment, OMO should push up their promotion and improve the products' quality to retain customers in current markets and aim at expand their market further to the rural areas.

A positioning map 4. CUSTOMER ANALYSIS Criteria| Target customers| Behaviour| Purchase occasion: regular occasion Benefits sought: clean and bright clothes, safety, labour-free, time-saving User status: regular user Usage rate: heavy user Loyalty status: strong Readiness state: almost all Vietnamese households have tried OMO at least once (Unilever, 2011). Brand familiarity: preference or recognition (the most highly recognized brand in Vietnam in 2005, second rank in top 500 famous brand name in 2006) (Unilever, 2011). Psychographic| Socioeconomic status: women are getting more important positions in society, holding responsible for choosing which domestic products to purchase Values, attitudes and lifestyles: customers prefer products that can offer quick, safe and effective stain removal, modern style, natural sweet scent and family's satisfaction| Demographic| Age: users of all age groups, especially those who are eighteen and above, mature, employed and married Gender: mainly focus on female who are responsible for washings in a family Family size: extended families with two or three generations living in the same house Income: stable, medium to high income| Geography| Density: focus on cities and towns with high population

density such as Hanoi, Ho Chi Minh, Hai Phong, Da Nang,.. | Decision type of the product: Routine response behaviour OMO is a low cost, low risk and frequently purchased product. Therefore, the customers need little search and decision effort and mostly rely on past experience when buying this product. We need to satisfy current customers by maintaining sufficient quality service and value. We must also try to attract new buyers by introducing new features and using points of purchase displays and price deals. 5.

BRAND ANALYSIS 5. 1. Brand's current performance Since the first day of appearing in Vietnam in 1995, through delivering the simplest and most efficient laundry, OMO are contributing to a cleaner and happier Vietnamese life. The consumers' love for OMO brand is the highest recognition for what the company has been doing (Unilever, 2011). Theoretically, most of products follow 5-stage product life cycle and each stage is marked with certain sales growth and profit level (Kotler, P. , Adam, S. , Brown, L. , & Armstrong, G. , 2006). The five stages are product development, introduction, growth, maturity and decline, which represent an S-shaped life cycle.

Since OMO came to Vietnam, it seemed that this product has undergone 4 stages: product development, introduction, growth and maturity. Today, OMO is at the maturity stage because of some reasons: it is facing growth rate slowed down, supply of goods tends to rise higher than actual demand, having high pressure from large customers because of various choices of other brands. OMO is implementing some special strategies to deal with this period. For instance, OMO is always changing to improve product quality to

attract the attention of customers and maintain market share as adding washing powder for more active whitening ingredients, bleaching 99 types of stains, flower flavors added to make clothes more sweet smelling, ...

OMO also changes the products' styles from package into plastic bags with many size for more convenient usage, or changes the color and image...

Beside, OMO has applied cutting price strategies by increasing the amount of products without rising prices, promotional bonus, using the form of lucky draw, lucky scratch card, won gold, houses, cars, tours,... together with discounts in special occasions to attract more consumers' attention (' Chi? n lu? c marketing c? a Omo', 2011).

5. 2. OMO using the 4Ps framework To gain such a position in current marketplace, Unilever had an excellent marketing strategy for all of their products in general and for OMO in particular. It can be said that the company has applied the 4Ps framework effectively to promote the OMO brand. a. Product: Characteristics: OMO is a product with high quality in comparison with other kinds of washing powders; it can dislodge completely any dirty spots on the clothes. * Brand name: OMO is the short name which is easy to remember and pronounce. *

Packaging: Packaging is considered as a silent salesperson, and the most outstanding feature about packaging of OMO products is that it is very vivid, colorful, fresh, friendly, striking and very eye-catching. OMO's traditional colors are red, white, and blue. Packaging is always improved to create the highest aesthetics to consumers and ensure the product quality. * Size: To meet consumers' demand, there are many kinds of OMO products with many sizes: 400g, 800g, 1. 5kg, 3kg, 4. kg, and 5kg. * Types of product: During development period, OMO always gives new products to meet the new

demand as soon as possible. For example: * In 2003, OMO is the first brand to provide detergent for washing machine. Up until now, OMO Matic has been recommended by 80% of washing machine manufacturers in Vietnam (Unilever, 2011). * In 2004, OMO launched break-through formulation which cleans dirt even in hard-to-reach places, showing that it is the expert when it comes to removing the toughest stains. * In 2007, OMO Comfort with long lasting fragrant was introduced. * On May 8th 2010, Unilever launched the OMO Concentrate Laundry. b. Price

Price is another important part of the marketing mix including wholesale prices, retail prices, discounts, rebates and credits. Price must be commensurate with the value received by customers and competition. Recognizing that 80% of consumers in Vietnam live in rural areas with low incomes; Unilever Vietnam has set targets to reduce production costs in order to bring the reasonable price for consumers. The company has relied on small local businesses to find local raw materials to replace the imported ones, reducing costs by paying less import taxes. In addition, the company has allocated the branches across the North, Central and South areas to reduce transportation and warehouse costs.

Moreover, Unilever provides financial supports to help local businesses upgrade production facilities, offers technology transfer, and holds training programs to increase the quality and productivity. Besides, OMO uses the penetration price strategy. In the first 5 years since the introduction, the company maintained OMO price and quality in the face of rises in raw materials and fuel price. These measures helped OMO gradually gain market share and increase the price later. Calculations show that from 2002 up to

date, OMO washing powder prices have increased by about 10, 000 VND/ kg (Group 9 NH03, 2009). ND? c ng? a c. Placement Unilever decided to create a marketing and distribution system across the country, covering more than 100, 000 locations. Unilever Vietnam is divided into seven regional sales.

Unilever has classified the cities into one group, the group communication channel 2 (GT2), including Ho Chi Minh City and Hanoi, the GT4 group consists of GT2 and Da Nang, Can Tho; and GT8 includes GT4 and Hai Phong, Vinh, Nha Trang, Bien Hoa (Chi? n lu? c marketing c? a Omo, 2011). OMO is the daily and individual consumption, so the channels also differ compared to other commodities. Firstly, as a direct channel, the producers sell directly to final consumers. Consumers now have a certain belief in the OMO products so the company only has to use some forces as home sales, or sales through mail, mail order ... The forms allow the consumer to buy products through the media without advertising directly and interacting with the seller.

Secondly, the product is sold via indirect channels using intermediaries between producers and consumers. There are three levels in this channel. * Manufacturers =; Retailers =; Consumers. For example, OMO products sold in retail stores such as Big C , supermarket chain Co-op mart, Maximax systems ... * Manufacturer =; Wholesalers =; Retailers =; Consumers. For instance, OMO products sold in the commercial distribution centers such as Metro Binh Phu in Ho Chi Minh City. * Manufacturer =; Agent =; Wholesalers =; Retailers =; Consumers. For example, agents in Binh Duong have very modern equipments and scientific operating layouts.

Goods after production at the plant will be set up in this center, and then shipped to dealers in Central (from back to Nha Trang) and the South, and this is the transit point for goods from Hanoi and Da Nang. d. Promotion: Promotion is a series of mixtures of activity: Advertising, promotions, public relations, direct sales and direct marketing. The selection of promotional tools to spread the brand image and message is extremely important. Unilever Vietnam have chosen to promote OMO through commercials on television and newspapers, organized programs such as promotional support, participates in events or exhibitions, established study promotion funds for poor children... The company also sponsored TV programs like “Vu? t qua th? thach” and “Chi? c non ki di? u”.

OMO’s advertisements usually take the theme of family, contributing to the emotional appeal. As a result, OMO is getting more supports from the Vietnamese consumers. Besides, OMO is known as a leading brand participating in many social activities. Among these, poverty reduction is the most outstanding activity: OMO has developed the project “OMO mai d? ? m tinh xuan,” building nearly 300 houses in 37 districts of five poorest provinces in Vietnam and supported economic development programs at Cu Chi. Through these activities, Unilever drew a lot of attentions and received many positive responses for the company as well as the brand.

6. SWOT ANALYSIS

The SWOT Analysis of the company is summarized in the following table:

Internal	External	Unfavorable	Favorable
Strengths * Brand equity * “Talent” policy * Distributor channels * R; D * Market share	Opportunities * Vietnam’s demographics * Favorable environment for foreign investment		

Geographical favors | Weaknesses * Foreign brand in an Asian country | Threats * Shrinking market share * Decreasing customers demand due to economic downturn| The strengths, weaknesses, opportunities and threats of the company are discussed in details in the following section. 6. 1. Strengths * Brand equity Unilever was first founded in 1890s.

In 2011, this Anglo-Dutch multinational group ranked the third-largest consumer goods company measured by revenues after P; G and Nestle. The company's 400 brand portfolio ranges from nutritionally balanced foods to indulgent ice creams, affordable soaps, luxurious shampoos and everyday household care products. They are sold in more than 190 countries with 2 billion consumers on any given day. Unilever so far has expanded its business to more than 100 countries, including Vietnam. After more than 15 years of operation in Vietnam, Unilever has become a very familiar brand with the Asian country's people. Nearly 5 million Unilever products such as OMO, PS, Clear, Pond's, Knorr, etc are bought by Vietnamese consumers per day, (JV Raman, as cited in Phuong, T. , 2011).

Obviously, trade mark is an advantage for Unilever to shorten the gap between the company products and the consumers. OMO, as a result, enjoys the favorable brand name to be an international standard detergent. * Effective " talent" policy " Brand and brains are two assets of our company" said Mr JV Raman, chairman of Unilever Vietnam. Unilever Vietnam is fully aware of the human resource's role in business performance. The company has a variety of activities to pool in high-quality employees. Logging on Unilever website, the message of the Chairman is like a welcoming greeting,

which offers the opportunities for all the people with the willing to coordinate, to challenge themselves and to help develop the company.

The company program known as “ Unilever Future Leaders Program” was first launched in 1998 and till now, it has provided many newly-graduated students with employment opportunities. This policy no doubt has been an efficient investment of Unilever Vietnam in human resource. * Distributor channels By the year 2009, Unilever had a total of 283 distributors and nearly 150, 000 retail stores across the country. In the year 2011, the number of retail stores rocketed to 180, 000 – channeling Unilever products to an average number of 35 million Vietnamese customers per week. Larger distribution systems prove stronger position of Unilever brand name in the market.

This system not only focuses on metropolitans like Hanoi or Ho Chi Minh city but also allocates evenly throughout the country. OMO then, like other Unilever products, has the access to a wide range of customers. * R; D Recognized innovation as “ the key to progress”, research and development are always paid sufficient attention. Generally, nearly €1 billion was reported to have been invested in research and development every year, contributing to laboratories establishment, which paved the way for new thinking and techniques. Till now, a variety of OMO products are available: OMO bleach, OMO comfort, OMO packshot handwash, OMO packshot matic front load, OMO topload.

This variety offers multiple choices for customers with different preferences. Moreover, to be in line with the company’s Sustainable Living Plan, the

technology is suggested to be based on sustainable inputs and used in a sustainable manner. Unilever products are used 2 billion times per day (Wright, R. , n. d.) and each technology advance in each product can help to protect the environment. Take OMO liquid for example, if dosed correctly, the concentrated OMO liquid provides the same number of washes as ‘ dilute liquids’ and at the same time, reduces water and waste, halving the number of trucks required to transport them and then reducing greenhouse gas emissions per wash, (Wright, R. , n. d.).

This new type of OMO detergent not only saves the time and the cost for the consumers but also raise the awareness of environment protection and social responsibility. * Market share Despite the fact that Unilever holds 48% of Vietnam market share, in term of Fabric cleaning, Unilever is the leading brand with a dominant provider with 77% of Vietnam market share (Manwani, H. , 2005). This figure clearly confirms OMO position in the detergent market of Vietnam. However, the statistics from 2005 has not fully reflected the current situation of fiercer competitions since new products have been entering the market. Unilever generally and OMO particularly is suggested to continue advance its technology and product quality to retain the market share. 6. 2. Weaknesses * Foreign brand in a typical Asian culture

Despite many years of experience operating in Vietnam, the Anglo-Dutch multinational group sometimes seems to have encountered cultural disparity between it and the Asian country. Take OMO Bleach promotion program for example. In the year 2006, Unilever organized an event called “ Possible mission”, involving the giant short sleeve shirt washed with OMO bleach (Huong, L. , 2006). This Guinness recognized largest shirt was made from 6,

200 meters of cloth. And for OMO Bleach to wash the shirt, a team of more than 100 engineers and mechanics had been working for 17 straight days to make a giant steel washing tank. After pouring 1800 liters of colors into the shirt, Unilever cleaned it out just in 10. 35 minutes with OMO Bleach.

This set Unilever records but posed a negative group image towards Vietnamese people, who would prefer practical contributions to heavily brand promotion like that. The organization then had responded timely, using the shirt cloth to make 3000 small shirts for disadvantaged Vietnamese children. Being a foreign brand in an Asian culture like Vietnam, Unilever then needs to improve its marketing approach for them to be more suitable and relevant with the country context and people's norms. 6. 3.

Opportunities: * Vietnam's demographics By July 2011, total Vietnam population was more than 90 million people. This is obviously a dynamic market with a lot of potentials to realize. Children account for 25. 2%, adolescent and adults account for 69. % of the total 90 million people. This golden demographic model happens only one time of a country's history. Conglomerate like Unilever then can tap on consuming market and at the same time take the full advantage of the available labor force. This may be the reason why for OMO to choose children as their advertisings' main characters. With the slogan " Dirt is good", OMO encourages all the parents to let their children freely explore the life and naturally uncover their own potentials (Unilever, 2011). In this way, OMO is not simply a fabric cleaning product but a close friend of every household. * Favorable environment for foreign investment

In the global context of political disturbance and conflict, it is Vietnam's political stability and national integrity that draw the attention of foreign investors. Moreover, since the "Doi Moi", Vietnam authorities have implemented a variety of transformation, from administrative procedure to policies. The administrative procedure is much more simplified. Tax incentives are also employed to encourage foreign investors to invest in the Asian country. Last but not least, the bilateral dialogue between government and enterprises is encouraged. Foreign investors in Vietnam like Unilever have the right to directly reveal their opinions and recommendations. Vietnamese authorities at the same time can give positive or negative feedbacks on the businesses' activities.

Specifically, Unilever received the Prime Minister's award for environmental protection in 2011. This two-way interaction ensures that all the company's aspirations as well as efforts are fully recognized by the government. *

Geographical favors Being a country in the favorable position, Vietnam has long coastlines with many harbors along. In addition, the country share border lines with a number of countries like China, Laos and Cambodia. As a result, it is very convenient for Unilever to export products, import raw materials or allocate products flexibly within the region. 6. 4. Threats *
Shrinking market share More and more foreign investors are entering this Asian country.

Not to mention Unilever's biggest competitor in Vietnam – P; G, many distributor groups now came up with their own products. Take Big C Supermarket for example. This French supermarket group has had their own products like Big C detergent, Big C softener, etc at more reasonable prices.

To solve the problem of different level of income, Unilever has had three types of detergent including OMO, Surf, Viso. However, in order to retain the market share, Unilever is suggested to make each detergent product to be more customers-oriented. Otherwise, OMO market share can be lost to another Unilever detergent like Surf or Viso. * Decreasing consumer demand due to economic downturn

As a result of overheating economic growth, Vietnam economy is now in the situation of hiking inflation. The Consumer price index hit its peak at 18.6% in November 2011. Although this index has been gone down to 16.5% in March 2012, it is undeniable that the high inflation had decreased the people's trust and their consuming demand. Depreciated currency lowers the people's purchasing power. As a result, instead of buying a high-quality and high-price detergent like OMO, they can make up with an average-quality and more reasonable price one. It is Unilever's duty to figure out ways to minimize the cost, improving the production's efficiency and then gradually offer the products at a more affordable price.

Besides, promotion and sales are appropriate solution to stimulus the demand. Only by doing these can Unilever take a firm hold on its current market share in Vietnam. III. Conclusion In conclusion, OMO has got a large market share in Vietnam. From the product life cycle perspective, the Unilever's detergent has entered the process of maturing, which signals the requirements to have more innovations with the view to upgrading quality and decreasing cost. In the context of more domestic and foreign competitors emerging in Vietnam, not to mention the inflation rate which has

not completely decreased, the long-term relationship with customers is much more emphasized in OMO's strategies.

Being a daily household's product, the long-term relationship with customers definitely will enhance and prolong OMO sales and profits. Last but not least, more promotions and continually updated commercial ads to catch up with customers' expectations and market trend will be a deciding factor for OMO future development. Directing development to be more in line with government's policies and stake holders' benefits, OMO's stance on Vietnam market is for many years to come.

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