

Trang tien ice cream: logistics issues



Being introduced into the market from 1958 in Hanoi, the product Trang Tien ice cream, owned by Trang Tien Ice Cream Joint Stock Company, has earned quite a big reputation and become a well-known product in the confectionery industry throughout the country. Trang Tien Ice Cream JSC (Trang Tien, for short) has received the Vietnamese Products Favored by Consumers award in 2011 (ongmienui. com n. d.) and Thang Long Golden Brand award (kemtrangtien35.

com n. d.), in return to its over-fifty-year concerted effort to bring the best quality products to customers. Behind its success, how does Trang Tien create value for its products through logistics activities in keeping the business running? In answering to this question, three examples are chosen and will be examined clearly below.* Combining manufacturing and distributing plants By having own stores in Hanoi where ice cream is manufactured and sold directly to end customers, Trang Tien is able to reduce warehousing cost as well as transportation cost, two relatively high costs in logistics (Adapted from: Council of Supply Chain Management Professionals 2007). Trang Tien can literally replenish their stock anytime without lead-time or order placement, which contributed greatly to maximized reduction of stock-out cost.

* Packaging Design Purchasing and instant consuming is the traditional way of Trang Tien's customer service. However, realizing the need of takeaway purchase from customers, Trang Tien introduced packaged ice cream in 2008 (kemtrangtien35. com n. d.) and opened various small retailers in Hanoi for larger distribution. This practice helps add more value

to products in terms of design, preservation and handling process as well as creating new level of product differentiation (Coyle et al 2009).

* Cooperating with third party logistics company In 2009, with huge success in Hanoi, Trang Tien decided to reach for customers in Southern Vietnam with the packaged ice cream products. The company established relationship with VNT Co., Ltd to distribute its goods through VNT???'s distribution system in Ho Chi Minh City (Vinacorp 2009). Issues and StrategiesAs a business running, logistics problems are certainly inevitable.

These problems more or less do affect the logistics and supply chain system of the company; some of the problems will be discussed in this report along with possible solutions in eliminating them. Reference

http://www.12manage.com/methods_3rd_party_logistics.html
<http://blog.iqsdirectory.com/general-industry-articles/outsource-manufacturing/>