



Cosmetic Market in Vietnam

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Abstract

Introduction: Among the Asia Pacific markets, Vietnam is the fastest growing market. However, despite the high growth, the competition in Vietnam is stiff as the main competitor as Unilever, L'Oreal, Johnson & Johnson and P&G occupy the market. Therefore, cosmetic company need effective marketing plan to cope with strong competition.

Problem Statement: “How can cosmetic companies successfully plan a marketing strategy in the Vietnamese cosmetic market for its skin care product line?”

Purpose: To study (1) Market’s environment which includes economic, legal, and culture aspects; (2) Market’s Competition which includes marketing strategy of existing cosmetic companies; and (3) Consumers’ demands which contains demographic, psychographic elements and marketing mix.

Research tools: Interview, field study and secondary data

Finding & analysis: The market environment in Vietnam in term of economic, legal and culture is favorable. The consumers demand in skin care products of the Vietnamese is increasing. However, the competition is high. Therefore, the newcomer should be competitor oriented.

Recommendation: However, there are some sections that are less competitive: (1) low price moisturizing, (2) low price acne products and (3) low-price, middle-price and high-price suncare products. The cosmetic company should design their marketing mix to serve this section.

Index Word: Cosmetic, skin care, cosmetic marketing, Vietnam, environmental factor, competition, consumer behavior, consumer demand, marketing mix, and marketing plan.

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1. Introduction

Recently, the growth of cosmetic industry in the global beauty market represents a slight slowdown due to a weakened economic state in the most developed markets and declining penetration of emerging markets. However, among the gloomy picture of the world's cosmetic industry, the Asian market emerges as the brightest star as according to the Euromonitor's report (2008), the Asia Pacific market's value is up to more than US\$70 billion which is the second highest after the Western European market.

Among the Asia Pacific markets, Vietnam is the fastest growing market with the compound growth rate of fourteen percent over the period of 2000 to 2005. The economic growth of more than seven percent a year since 1990 could be the reason why the Vietnamese cosmetic market has attracted a lot of the world's cosmetic leaders like Unilever, L'Oreal, Johnson & Johnson and P&G. These cosmetic companies' activities in Vietnam help creating an exciting and competitive cosmetic market.

Along side with the economic growth, the Vietnamese purchasing power is increasing as well. According to the VietnamNet news (2008), the Vietnamese has spent around US\$45 billion in 2007 on consumer goods. Being fascinated enough, more and more cosmetic companies are coming to Vietnam. However, these "newcomers" need a good marketing plan to stand up in the stiff competition from the existing cosmetic companies.

This thesis is written in order to suggest a good marketing plan for cosmetic companies to enter the Vietnamese cosmetic market. Within the scope of the thesis, the Vietnamese cosmetic market will be studied systematically. To have an overview of the market the following aspects of Vietnamese cosmetic market will be examined:

- The Market's environment which includes the economic, legal, and culture aspects;
- The Market's Competition which includes the marketing strategy of existing cosmetic companies;
- The Consumers' demands which contains the demographic, psychographic elements and marketing mix.

The thesis is useful for those who are:

- The Marketing Managers of cosmetic companies that are going to enter the Vietnamese cosmetic market. These people would have a deep understanding about the Vietnamese cosmetic market's factors like the market environment, consumer behavior, and existing competitors. And they would get the suitable suggestion to design the appropriate marketing plan.
- The Marketing Managers of the cosmetic companies that are already in the Vietnamese cosmetic market. They would have a better understanding about other competitors and consumer's perception toward cosmetic products. From that understanding, these managers can adapt their marketing strategy accordingly.

- The researchers who are interested in the Vietnamese cosmetic market. The thesis is a collection of information about cosmetic companies in Vietnam. The information includes all aspects of marketing mix theory. Furthermore, other information like the models, analysis method, the conclusion and recommendation would be used as the references for other researchers' work concerning the Vietnamese cosmetic market.

1.1 Problem Statement and Purpose

The high growth rate versus the tough competition of Vietnamese cosmetic market leads to problem statement which is **“How can cosmetic companies successfully plan a marketing strategy in the Vietnamese cosmetic market for its skin care product line?”** The skin care product section is chosen for study since it has the highest volume in cosmetic and toiletries category. It would be explained further in the Chapter 4 Cosmetic industry in Vietnam.

The aim of this thesis is to describe and analyze the Vietnamese cosmetic market with focus on **skincare products** in term of **market environment, market competition** and **consumer's demand**. The result will provide a foundation to build a constructive suggestion to the cosmetic companies in their marketing strategies planning.

1.2 Delimitation

The Vietnamese cosmetic market study is focused on Ha Noi's cosmetic market only. The reason is that cosmetic business is centralized in the Ha Noi Capital and Ho Chi Minh City. However, Ha Noi is a growing market as people has income from US\$600 per month to US\$1000 per month. And it is increasing dramatically (Thuy, 2008). Moreover, by searching through the main competitors' website it is known that these competitors are locate their head office in Ho Chi Minh City. This means Ho Chi Minh City is more competitive than Ha Noi. Moreover, the time constraint is another reason for choosing Ha Noi to simplify the study. The interviews and field study are conducted in Ha Noi only for the purpose of study the competition and consumer behavior. And the study about Ha Noi would be used as a reference for Ho Chi Minh City as well. Nevertheless, further research is recommended for accuracy of market condition in Ho Chi Minh City.

1.3 Disposition

The thesis is divided into chapters with different concerns. The chapters are connecting to each others in the following structure:

Chapter 1 – Introduction chapter: the chapter explains the authors' interest in the worldwide cosmetic industry and the cosmetic condition in Vietnam. The details would be explicitly explained later in the Chapter 4 Cosmetic Industry in Vietnam. The scope of thesis is stated so that the reader would understand Chapter 2 Method easily. Then Vietnam cosmetic condition leads to problem statement and beneficial readers. Further, the delimitation is given to define the limit of the thesis.

Chapter 2 – Method chapter: the chapter is used to describe the processes that are used to identify the variables and to develop the framework for the thesis. The way of selecting sample, collecting information, and analyzing data is also being introduced in this chapter.

Chapter 3 – Framework chapter: in this chapter the variables and the framework that are identified in the previous chapter will be described in detail. This chapter helps form a general structure of the thesis.

Chapter 4 – Cosmetic Industry in Vietnam: this chapter provides an overview of the world cosmetic industry and the Vietnamese cosmetic industry. This chapter is a connecting point to the next chapter.

Chapter 5 – Empirical finding chapter: this chapter is used to present deeper information about the Vietnamese cosmetic industry in terms of the market environment, existing competitors, and consumers' demand. The information is presented in accordance with the framework which is formed in Chapter 3.

Chapter 6 – Analysis chapter: in this chapter the information or empirical finding, which is presented in Chapter 5 will be analyzed base on the framework in Chapter 3. The analysis in this chapter will help forming the market condition in Vietnam and leading to the suitable marketing plan.

Chapter 7 – Conclusion chapter: This chapter includes a conclusion about the Vietnamese cosmetic market and the Vietnamese customers' behavior. This chapter is a foundation for the suggested marketing plan in Chapter 8.

Chapter 8 – Recommendation chapter: This chapter is the final section of the thesis. In this chapter recommendation on constructing the suitable marketing plan will be given.

2. Method

This part explains how the framework is constructed. It is divided into three sections. The Section 2.1 is the Literature review. It is used to explain how the relating information is collected for designing the framework constructing. The Section 2.2 is concerning with the process of Construction of framework. This section shows how the framework is constructed. The final section of this part is the Collection and analysis of data Section. It describes the employed procedure in data collecting and analyzing. The details of each section are presented as follows.

2.1 Literature Review

The literature review is an important part of the thesis because it is the initial step in forming the proper framework. This is the process of collecting and filtering literature to keep those closely relates to the cosmetic study topic. By reviewing those relating literature, critically important information will be kept and used in the framework forming.

In order to find the useful information in cosmetic studying, different sources of information were approached using variety tools and techniques. The sources extensively used were ABI Form, Ebrary, Libris, ELIN@Malardalen, and Emerald. Besides, the Google Scholar searching engine was another useful way. During the searching, “cosmetic”; “marketing”; “cosmetic industry”; and “cosmetic marketing” keywords were employed.

From the Ebrary database, the book named *Cosmeceuticals: Drugs vs. Cosmetics* (Elsner, 2000) was found. It is the useful book which provides the deep understanding of the legal aspect in cosmetic industry. Different laws regulates cosmetic industry in different countries are cited in the book. From the book an important conclusion is withdrawn: different country has different cosmetic concerning laws that would have an effect on the cosmetic industry. Moreover, a large amount of articles writing about cosmetics was discovered from the other databases and websites. The examples are:

- The article Differences in purchase behavior between France and the USA: the cosmetic industry (Weber, 2002) retrieved from Emerald Database. The article was about the USA and French women’s roles and their perception toward cosmetic. This article gives an understanding about the culture effect in women’s cosmetic purchasing decision.
- The articles like *Cosmetics Retailing in India: Obvious Excitement* (Bhattacharya, 2007), *Cosmetic Industry in Brazil* (Barbosa & Keller, 2004) and *Emerging Markets: A New Spin* (2007) help identify the important role of economic factor in cosmetic consumption.
- The article Competitive positioning and market orientation: two interrelated constructs (Bigné, Küster & Vila, 2000) explains the competition in term of marketing mix point of view in consumer product industry.
- Moreover, such articles as: Brand manager’s interfaces in different consumer goods industries (Panigyrakis & Veloutsou, 1999) provides an understanding that most brand managers fundamentally use marketing mix theory in order to cope with cosmetic marketing. Concluded from Marketing is everything: the views from the street (Saren, 2007) cosmetics are treated differently from

other consumer products. It is because cosmetic is the product or service to improve one's "body image" and body itself is a site of consumption. People's identities, self-esteem and self image are so closely associated with their bodies. And Strategies for building consumer brand preference (Alreck & Settle, 1999) provide an understanding that cosmetic marketing is circled around traditional marketing mix. To put it in another way, product; price; place; and promotion are the four elements under Marketing Manager's judgment in planning their marketing strategy in cosmetic industry. Furthermore, from the consumer behavior is one aspect was discussed much concerning the cosmetic industry development.

Conclusively, from the literature review the variables concerning cosmetic marketing are: **Market Environment** which included legal, culture, and economic factors; **Market Competition** from Marketing Mix perspective; and **Customers' Demand** from Consumers' Behavior and marketing mix perspectives. The three variables were used in constructing the framework in the following part.

2.2 Construction of framework

From the previous part, the three variables of the framework that are **Market Environment**, **Market Competition** from Marketing Mix perspective, and **Customers' Demand** from the Consumers' Behavior and Marketing Mix perspectives have been identified. In this part, the three variables will be defined in line with how they are going to be applied in this thesis. Furthermore, the framework will be developed according to the three defined variables.

According to Fisher (2007, p.125), it is important to decide what are the main terms or concepts will be used in the researching paper and to define them clearly. Therefore, the definition of the three variables was developed as below.

- **Market Environment** is the variable showing the attractiveness of the Vietnamese cosmetic market. The **Market Environment** variable will be examined from three aspects that are legal, economic and cultural aspects. The better the Vietnamese economic status the more attractive the market is. The fewer barriers in legal and culture the higher the market's attractiveness is and vice versa.
- **Market Competition** from **Marketing Mix** perspective is another variable of the framework. As identified above, the marketing mix includes Product, Price, Place, and Promotion elements. The marketing mix strategy applied by existing competitors will determine the **Market Competition**. The more similarity in the strategies the higher competition is.
- **Consumers' Demand** is identified from customers' behavior. The degree of demand is identified as high, medium or low. Meanwhile, from customers' behavior data the type of cosmetic products that the customers want most will reveal.

The conceptual framework will be built using the three variables: **Market Environment**, **Market Competition**, and **Consumers' Demand**. Some conceptual frameworks like Cause and Effect, Stage in a Process, and Map and Coordinates were tested to use for the thesis. However, only Cause and Effect with the support of Map

and coordinates Matrix (or Two-by-two Matrix) are suitable for the purpose of describing the Market.

The three variables are the causes affecting the Market condition. To identify the Market condition, the three variables will be analyzed using the two-by-two Matrix. According to Stern and Stalk (cited in Fisher, 2007, p.130) the two-by-two Matrix is used to assess the levels of investment needed by different strategic business unit. Taking its turn, the Market condition is a cause affecting Marketing strategies of new coming companies.

To put it shortly, the framework to be used in the thesis is the Cause and Effect model. In the model the three variables: **Market Environment**; **Market Competition**; and **Consumers' Demand** are the causes of the framework. The **Market analysis** is the effect of the three variables and the **Suggested marketing plan** is the effect of the three variables and market analysis. With the help of the two-by-two Matrix the market condition will be identified. And from that a suitable marketing strategy will be proposed.

2.3 Collection and analysis of data

The data collection and analysis is the next step of the variables and framework defining. Since each variable has its own property then different source of data and way of analyzing data will be applied. The data which is used for market environment will be collected from secondary source. Meanwhile the competition and customers' demand information will be collected from both secondary and primary source. The primary data will be collected from field study and interview with experts.

2.3.1 Collection and analysis of data used in Market Environment

As mentioned earlier, the Vietnamese cosmetic market is developing dramatically. That is the reason why there are many books, electric journal, article, newspaper and online articles writing about the market. These data are about various aspects of the Vietnamese cosmetic market. The availability of the market information is the reason why secondary source was chosen to collect the Vietnamese cosmetic market data.

Though the secondary data is abundant and can be easily approached, it does not mean that every data can be used. That is because of the validity and reliability of the information sources. The higher the validity and reliability of the sources the more accurate the collected information contributes to the thesis. Being aware of that, only reliable and traceable databases/ sources are used. These are ABI Form, Emerald, Business Insight, Global Cosmetic Industry, Journal of Consumer Marketing, Wall Street Journal, Vietnam Government Website, Vietnam Directory website, Euromonitor, Datamonitor, and cosmetic company official website. The secondary data is analyzed in qualitative manner. The data would be analyzed to determine whether the Vietnamese cosmetic market is attractive or unattractive and would the economic, legal and cultural factors foster or hinder cosmetic companies to enter Vietnam by assimilating finding with the theory.

The up-to-date and trustworthy secondary data provide a reliable recent overview of the Vietnamese cosmetic market in terms of economic, legal and cultural perspective.

The reliable sources also guarantee the validity of data analysis which is the foundation of the thesis.

2.3.2 Collection and analysis of data used in Market Competition

The information that is used in the competition analysis is from both primary and secondary sources. The primary data is collected from the field study. The data gained from the field study is from real environment and situation which can assure its credibility (Malhotra, 2007, p. 190). The field study is to provide information about the available products, price, promotion, and distribution channels of the existing competitors. Meanwhile the secondary data is collected from the website of the competitors found in the field study.

Thanks to the help of the two friends of the authors who are living in center of Hanoi, the field study is conducted accordingly. The two field workers are qualified to obtain the reliable information because they have Business Administrative bachelor degrees from National Economic University in Hanoi.

The main supermarkets and trading malls in Hanoi are Fivimart Supermarket, Big C Supermarket, Intimex Supermarket, Metro Supermarket, Ruby Plaza Shopping Center, Vincom Trading Center, Parkson Viet Tower and Trang Tien Trading Center. The field workers are assigned to go to supermarkets and trading malls in Hanoi to get the information. The instructions to obtain information are:

- The skin care products are being sold in the supermarkets and shopping malls;
- The type of skin care products like moisturizing, sensitive skin, whitening, anti-wrinkle, acne solution or sunscreen;
- The price of the skin care products;
- The quantity of each skin care product; and
- The promotion of the skin care products.

The instruction is open so that the field workers can write down whatever they observe. Then, the authors would gain more information than the closed instruction. The field study persons are required to collect and write down the above information to send to the authors.

The time field study persons do the observation was on Saturday and Sunday. These are free of work days so that they have more time to conduct the observation. The date, time, and place of conducting the field study are in the following table:

Sequence	Date	Time	Place
1	April 26, 2008	09.00 to 11.00	Fivimart Supermarket
2	April 27, 2008	13.00 to 16.00	Fivimart Supermarket
3	April 27, 2008	13.00 to 16.00	Big C Supermarket
4	May 03, 2008	13.00 to 16.00	Intimex Supermarket
5	May 04, 2008	13.00 to 16.00	Metro Supermarket
6	May 10, 2008	09.00 to 11.00	Ruby Plaza Shopping Center
7	May 10, 2008	14.00 to 19.00	Vincom Trading Center
8	May 17, 2008	14.00 to 19.00	Parkson Viet Tower

9	May 17, 2008	14.00 to 19.00	Trang Tien Trading Center
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Table 2.1: Detail of the conducted field study

The existing competitors will be identified as soon as the collecting of primary data from field study finished. The primary data will be tested and adjusted by using the secondary data. The secondary data will be collected from the competitors' websites and other reliable websites like Global Cosmetic Industry, Journal of Consumer Marketing, Wall Street Journal, Vietnam Government Website, Vietnam Directory website, Euromonitor, and Datamonitor.

When the existing competitors' data has been fine-tuned, the information is analyzed in comparison.

Data	How to collect	How to analyze
List of existing competitors	Internet and market research paper	Comparison
Product	Field Study and official company website	Comparison
Place	Field Study and official company website	Comparison
Price	Field Study and official company website	Comparison
Promotion	Field Study and official company website	Comparison

Table 2.2: Collection and analysis of data used in competition

The data will be interpreted in qualitative manner. The existing competitors' strategies in Product, Price, Place and Promotion will be compared in turn. The comparison is to identify similarity and difference among the competitors' strategy to recognize the competing tension within the market (Porter, 1996, p.33). The product is categorized by product benefit as moisturizing, sensitive, acne, whitening, suncare, and anti-wrinkle. The price is divided and grouped together in low, middle and high price. The price would be calculated for average price of 50 ml. of each product line in order to have the sound comparison. The product lines that distributed to the same channels and applied the same promotion efforts are grouped. From this, the authors would see whether the competitors apply similar or different marketing mix.

2.3.3 Collection and analysis of data used in Consumers' Demand

As identified above, the **Consumers' Demand** is identified from secondary data and primary data about customers' behavior. The secondary data will be collected to identify the degree of demand is identified as high, medium or low. Meanwhile, from the primary data the demanded cosmetic products will be recognized.

The secondary data is from reliable sources like the Vietnam News agency website, the International Council of Shopping Centers (ICSC), the Swiss Business Hub ASEAN, and the Vietnam FIPP World Magazine Trends. From these sources of information, the Vietnamese customers' demand will be spotted out.

In order to get primary data about customers' behavior, the **interview** with beauty experts will be conducted. The reason for using interview but not any other research tools is the exploratory nature of interviewing method. This method is in line with objective of customers' behavior which is to discover ideas and insight of consumers' thinking and perception. Additionally, as Malhotra (2007, p.179) argued that with the interview it is possible to control: which sampling units are interviewed, who is interviewed, and the degree of participation of the respondents. Moreover, it is easy to arrange a suitable condition like a suitable time, safe and relax environment with the interview method. By fulfilling that condition, the sound and validity of opinion is guaranteed.

From the *Yellow page of Vietnam* (2008), there are 103 shops selling cosmetic products in the Center of Ha Noi. From 103 shops, the 20 shops are chosen as sample for the population of cosmetic shops in Ha Noi. It is because these shops are locating in busy streets and in big shopping malls as Ruby Plaza Shopping Center, Vincom Trading Center, Parkson Viet Tower and Trang Tien Trading Center. The field study persons are sent to the 20 shops for preliminary observation. From the 20 shops, the 15 shops are chosen. The criterion are variety of skincare products; at different ranges of prices; from domestic to foreign origin and have high number of visiting customers. These final 15 shops will be the sample of the study. The list of shops is presented in the Appendix No. 2.

The interview will be conducted via phone with the interviewee. The phone number collecting and interview time arranging is done by the field study persons. Some interview was recorded by using recording software. The recorded conversation will be written down into transcripts for study purpose. Meanwhile there are some conversations are written down in drafts and then to be written into transcript later. The transcripts of the interview that include interviewees' name, date and time of the interview, phone number are in the Appendix No. 3.

In order to ensure that the information from the interviewee is reliable, the shops' number of real customers and experience in cosmetic selling of the interviewees are considered. The higher number of customers and interviewees' experience will give more reliable information. The following questions will be asked to decide whether the interview should be carried out further or not.

1. "How long have you been working in the cosmetic shop?" The more experience the interviewee is the more reliable the information is. The minimum experience is one year. If the potential working time is shorter than one year, the interview would not be continued.
2. "How many customers do you have a day?" The more customers the shops have the higher reliability of the acquired information. For luxury shop five customers a day is enough. Meanwhile, for low and medium shop ten customers a day is a minimum number.

From these questions, the two shops are filtered out because the staff available for interview has working experience less than one year. Therefore, 13 interviews are conducted.

The questions used for the interview are written base on the Customers' demand part in the Framework. The questions are about the customers' demand in terms of Product, Price. Meanwhile the data about the Places where customers goes for cosmetic shopping is collected by field study persons. The question about Promotion tools are to spot out the most effective advertising ways in the experts' view. Furthermore, the customers' preference toward products' origin and reference groups will be asked. Each question will be put in relating part of the framework in Chapter 3. The details of question guides are given in the Appendix No. 1.

The data from the interview and secondary sources will be analyzed in qualitative manner in order to determine the demand of the Vietnamese customers for cosmetic products. Consumer demand would analyzed whether low, medium or high the customers' demand. And the consumer's demand would be known.

Conclusively, the data used for the thesis is from both secondary and primary sources. The secondary data is from websites and databases. Meanwhile primary data is collected from field study and phone interview. Both primary and secondary data are qualified the reliable criteria before using for the thesis. The analysis for Market Environment and Customers' Demand are in qualitative manner. Meanwhile, the comparative way will be applied for the Market Competition data. The conclusion from the analysis of the three variables will be used as an input for the Market analysis using the Two-by-two matrix. And from that the conclusion and recommendation on the marketing plan will be made.

3. Framework for analysis

In the preceding parts, the literature review and construction of framework parts, the framework and its elements have been defined. The framework and its variables will be depicted in a graph form in order to provide an overview of the thesis. The detailed contents of the graph will be presented thereafter.

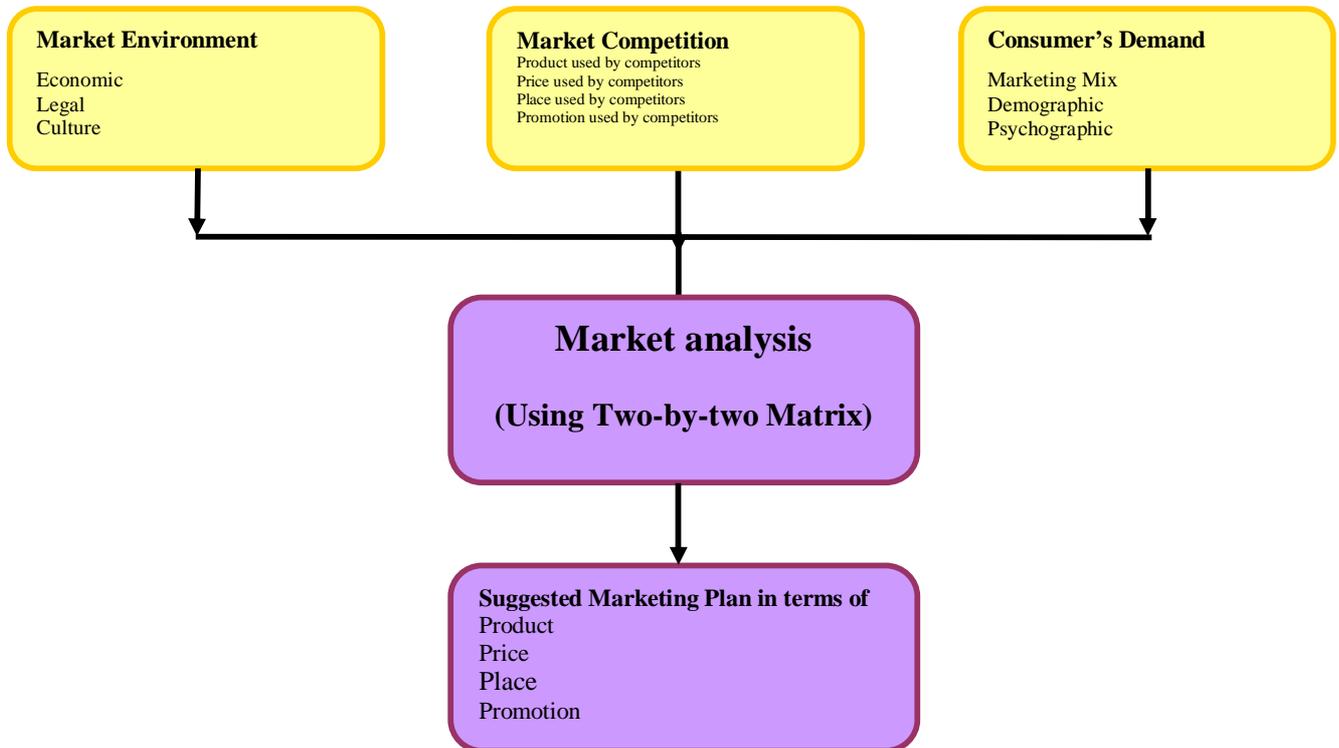


Figure 3.1: Conceptual framework for cosmetic marketing plan (Our Design)

3.1 Environmental Factors

Having been defined in the literature review part, the Market environment variable has three elements: economic, legal and culture. The three factors are interrelated and affect either positively or negatively on the cosmetic market.

3.1.1 Economic factor

The economic factor has strong effect on the cosmetic industry. As the situation of an economy can have direct impact on consumers' spending power and the input for the cosmetic industry. The effect of the economic factor to the cosmetic industry can be observed in India, Germany, and Brazil.

In India the high growth of economy means that purchasing power and willingness to spend are on the rise. According to a recent Merrill Lynch and Capgemini's Asia-Pacific Wealth Report (cited in Bhattacharya, 2007), there are more millionaires coming from the emerging markets than from the developed nations. The country's population of high-net-worth individuals (HNI) is increasing, and the report shows an increase of nearly 20 percent in 2005 over the previous year. India reportedly has the

youngest HNI population in the Asia-Pacific region. Talking about the market, Didier Villanueva, Managing Director of L'Oréal India, says, "The Indian middle class is growing rapidly and so is its demand for the best quality products. Today they want to use the international brands whether they are mass market or premium." As the economic and spending power of the Indian grows, both skin care and color cosmetics have seen the steady growth throughout the past five years. Color cosmetics have been growing at a steady rate of more than 30percent annually during this time. According to the latest Euromonitor report on the Indian cosmetics and toiletries market, the color cosmetics market stands at \$113.4 million and skin care at \$346.9 million (*Emerging Markets: A New Spin*, 2007).

The weak economic climate is also having an impact on the German consumers beyond the cosmetic purchase decision. Germany's birth rate, for example, is at an all-time low and is currently one of the lowest in Europe. While Germany's population is aging, young Germans are concerned about the uncertain political and economic situation. Consequently, the trend is to delay having a family or simply opt not to have a family at all. This, in turn, is affecting the demand for related products, with a strong decline in baby care products, for example, while the aging population is increasing the call for nourishing/ anti-agers and anti-cellulite body care. In Germany, the discounter channel is the most popular, for cosmetics and toiletries. The consumers in these markets have become experts at hunting out bargains, effectively shrinking cosmetics and toiletries sales (*Emerging Markets: A New Spin*, 2007).

According to the study of Barbosa and Keller (2004) about the Brazilian cosmetic market, the authors found out that the economic growth is in line with the industry growth. That tendency was shown in the following table:

Year	GDP	Cosmetic Industry
1997	3,3	13,9
1998	0,2	10,2
1999	0,8	2,8
2000	4,2	13,6
2001	1,5	6,4
2002	0,5	7,4

Table 3.1: Economic growth and Brazilian cosmetic market

From the cases of India, Germany and Brazil, it is clear to say that Economic climate can either foster or challenge the development of cosmetic industry. According to the study done by Euromonitor (*State of the Industry: Eco-values Escalate*, 2007) the cosmetic industry continues to benefit from a strong macroeconomic growth and a worldwide rise in consumer spending power. It is shown by the industry growth rate of more than 5 percent in 2006 over 2005. And that is the overall highest growth rate since 2001.

3.1.2 Legal Factor

Beside the economic factor, the legal is another factor affecting cosmetic market. The legal factor includes regulations, laws issued by the government help control the cosmetic market. These regulations and laws can have different effect on the market.

As Porter (1996, p. 25) claims that the government can limit or even foreclose entry to industries with such control as license requirements and limits on access to raw materials. And the government also can play a major indirect role by affecting the entry barriers through controls such as air and water pollution standards and safety regulations.

Furthermore, the regulations governing cosmetic products can be varied depending on the countries, society and over time. According to the Article 2 of the Council Directive (cited in Elsner, 2000, p.9) “A cosmetic product put on the market within the Community must not cause damage to human health when applied under normal or reasonably foreseeable conditions of use”. Meanwhile in the Japanese law (cited in Elsner, 2000, p.24) states that the cosmetic means any article intended to be used by means of rubbing, sprinkling or by similar application to the human body for cleansing, beautifying, promoting attractiveness and altering appearance of the human body, and for keeping the skin and hair healthy, provided that the action of the article on the human body is mild.

Moreover, the taxation and other non-tax measurements are one aspect of legal factor. These measurements can either foster or hinder the development of cosmetic industry. Pakistan, for example, is hindered by illegally imported goods from China, India and Afghanistan—the low prices of knockoffs are an inevitable lure for Pakistani consumers. Furthermore, government taxes of 50percent on imported products present a barrier to entry. Or currently, on November 16, 2007, the U.S. Food and Drug Administration (FDA) announced that it had seized 12,682 applicator tubes of a product called Age Intervention Eyelash, worth approximately \$2 million. The FDA, in its press release, alleges that the distributor was promoting the product’s use to increase the eyelash growth, i.e. a drug use, and the FDA had not approved that use for this cosmetic product. This seizure is one of several enforcement actions or warnings issued by the agency in 2007 to companies for making unapproved drug claims on cosmetic-type products. (Cited in Arnam, 2008)

The legal factor is such a complex factor that cosmetic companies need to consider carefully before entering a new market. The regulations on the same issue can vary from country to country. And these regulations can either foster or hinder the development of cosmetic industry.

3.1.3 Cultural Factor

Culture is the set of common patterns, beliefs, attitudes and way of doing things that gathers people in a reasonably homogeneous group. The components of culture include language, education, religion, customs, norms and values, interactions with others, etc (Weber, 2002). Different country has different culture which can affect their buying pattern toward cosmetics.

The US woman in Cost’s eyes (cited in Weber, 2002) is very active and dynamic. And she is well accepted in the workplace. She has a very entrepreneurial spirit. In 1999, eight million women ran 40 percent of the companies in the country, and they create two US companies out of three. Due to their increasing role in the society, a US woman considers her appearance very important and she spends about two hours everyday on her beauty and appearance. She is always looking for new cosmetics

products that will enhance her beauty. Her choice is based on four criteria: efficiency, ease to use, softness and competitive prices. She also wants immediate results. She is very sophisticated and loves playing with make-up. Skin care is more and more important to her. She is mainly concerned with cleanness and exfoliation, anti-age and AHA products (Alpha Hydroxy Acid). Because of lower price women use more products than European woman, while spending half as much. Because she is very busy, she takes advantage of new technology such as the Internet to shop from home or the office. She is also very comfortable with tele-shopping (Weber, 2002).

Meanwhile from a European country like France the women there are active and dynamic too. They have more natural look than US women, but they can be very sophisticated too. The French women are playing a growing role in community life. 40 percent of them belong to a community association of some kind or other. Of these, 20 percent hold executive positions in their associations, for the first time exceeding the percentage of men doing so (18percent). More men (45percent) still belong to an association, but the difference is mainly explained by their greater involvement in sports associations. Moreover, this gap is likely to narrow in that a growing number of women regularly take part in sporting activities (48 percent in 2000 as against 9 percent in 1968 and 32.5 percent in 1997). (French Embassy in the United Kingdom, n.d.) As the role of the French women is also growing in community life, they consider the appearance is very important even though they have more natural look than US women. According to Anna Lempereur, director of marketing for Parfums Caron, the French woman loves her favorite fragrance although she enjoys experiencing new scents. Taking care of her skin is crucial for her and takes part of daily beauty ritual. She usually learned from her mother in her childhood and continues to use the same skin products. Day cream, night cream, eye cream, and cleansing milk, etc., cover the shelves of her bathroom (cited in Weber 2002). She uses make-up but has fewer products than the US woman. She washes her hair frequently, but less often than her US counterpart. (Weber, 2002)

Nair and Pillai (2007) stated in their study about India today that “the increasing numbers of women in age group of 22 to 45 are becoming independent, have disposable income and the decision-making power to buy what they want. This emerging category has caught the attention of leading global luxury brands, with most in the process of either setting up or expanding their presence in the market”. Talking about the market, Didier Villanueva, MD, L’Oréal India, says, “The Indian middle class is growing rapidly and so is its demand for the best quality products. Today they want to use the international brands whether they are mass market or premium.” (Bhattacharya, 2007) According to Nair and Pillai (2007) the authors studied Indian women’s purchasing pattern of cosmetic. The samples were divided into different groups based on occupation, Education, Income and Age. The buying pattern is divided based on criteria with which the examined group purchase cosmetic. Or to put it in other way who affects their cosmetic buying decision. For example, housewife tends to purchase cosmetic with their spouse but other occupations like student, government employee, professional, or executive tend to purchase cosmetic individually. With increasing globalization, the young Indian woman has realized the importance of always looking good. All this has translated into a demand for high-quality and high-end skin care and color cosmetics. This awareness has been developing throughout the past five to six years, and industry experts believe that

2006 was the year when the Indian skin care and cosmetics market attained a certain level of maturity.

From the previous literature it is revealed that the change in women's role in society makes women, in either US or France or Asian country like India, changes their perception toward beauty and their cosmetic buying behavior. Modern women are aware more about their appearance and they also have more chance to take care of their beauty. The role's change also affects the way women make cosmetic purchasing decision. However differences in culture also make them behave a little bit differently. People have learned the specific characteristics of the French culture with its own set of patterns and behavior, they tend to act a certain way. On the other end, Americans follow the US culture, with other characteristics and are likely to act in a different way. In addition, because French and US customers have their respective cultures, they generate different motivations and personality. According to what they learned, their motivation and personality, they behave differently (Weber, 2002).

As the economic development, more women are free from the traditional position of housewives to have more important role in society. They are becoming independent, have disposable income and the decision-making power to buy what they want. That tendency has such a strong positive impact on cosmetic market that need to be considered more in marketing planning.

3.2 Market Competition from Marketing Mix perspective

The market competition will be examined by comparing the existing competitors in the marketing strategy on Product, Price, Place and Promotion. The comparison is to recognize whether these existing competitors' strategies are similar or not. And from that the level of competition in the market will be spotted out.

As from the practical studies, enterprises will compete to a maximum degree if they fulfill these conditions: if they attend the same market and if they follow similar competitive strategies and marketing strategy (Bigné, Küster & Vila, 2000). Moreover, the competition is more intense if the competitors are numerous and roughly equal in size and power; if the industry growth is slow and fight for market share; and the product is lack of differentiation and switching cost that lock in buyers. (Porter, 1996, p.33)

Consequently, the analysis of marketing mix theory will be applied in order to recognize the level of competition in the market. The outcome of the analysis will be used as an income for market condition analysis.

3.3 Consumers' Demand from Customers' Behavior perspective

The consumer behavior theory is used in order to study the customer's demand. The buying behaviors to consider are product consumption habit, media consumption behavior and response to promotion, price sensitivity, retail outlet patronized, and buyer preference in marketing mix. The demographic and psychographic of cosmetic users is the important information for the cosmetic companies to design their marketing mix.

3.3.1 Product

Cosmetic product is the product that emphasizes on the product benefit more than feature as Charles Revson, the founder of Revlon cosmetics stated, (cited in Lichti, 2003) “In the factory we make cosmetics; in stores we sell hope.” Cosmetic is a mean to improve appearance in order to boost self confidence and self gratification. The benefit of skin care products are moisturizing, sensitive skin, whitening, anti-wrinkle, acne solution or sunscreen (Benefit Cosmetics LLC, 2008). As a result, it is important to know desired benefit of the consumers.

***Question:** What type of skin care products do the different groups of customers look for? The authors would know which benefit of skin care products is the most desirable.*

3.3.2 Price

In cosmetic product, consumers associate high price with high quality and safety (Siu & Wong, 2002). Therefore, price is important to the image of the product and perception of consumers toward the cosmetic product and brand. Nevertheless, in pricing strategy, it must be considered whether the consumer is price-oriented or quality-oriented in order to find the suitable price for cosmetic product (Wynne, 2004). If the customer is price-oriented, the cosmetic company should keep the price as low as possible in order to attract customers. But if the customer is quality-oriented, the price should be middle-high or high in order to reflect the superior quality and prestige image of cosmetic.

***Question:** What price ranges do the different groups of customers buy? The price range that the customers spend on skin care product is revealed from this question.*

3.3.3 Place

The distribution channels for cosmetic are specialty store/counters in department store, cosmetic retail chain store, beauty shop, supermarket and drugstore. However, reputation and image of the stores that sell cosmetic is critical to customers' perception toward the product quality and safety, especially in the high price cosmetic products. (Siu & Wong, 2002) In addition, the shop location is important to the cosmetic distribution channel as well. The sale of product would be higher if the retailers locate in the business area, residential area or area near public transportation. It is because it is more convenient for consumers to access. The shop facilities as day care or parking lot are also essential. (Underhill, 1999, p.120) The information regarding place is collected from the field study.

3.3.4 Promotion

The promotional tools of cosmetic products are sales person, television advertisements, fashion magazines, entertainment magazines, newspaper, official homepages, and promotional leaflets. (Siu & Wong, 2002) It is important to determine which promotional tool affects cosmetic buyer the most. When the most

effective tool is known, cosmetic company can focus mainly on such tool and lessen on the other tools.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective? *The authors would know that which promotion tools are the most effective promotion tools to reach the Vietnamese consumers.*

3.3.5 Demographic

Age and gender are factors influencing cosmetic purchasing behaviors. In age variable, the research shows that the young generations are more open to cosmetic and like to try new experience while in senior generations with higher purchasing power seek for higher quality products that can lift up both mental and physical aspects. Male and female consumers use different cosmetics. In order to study male consumers, different approach is needed. Consequently, in this thesis the focus is merely on female gender (Venilton, 2007, p.30).

Question: Can you divide your customers into groups in terms of age? *From this question, the authors would know the demographic characteristics of the customers.*

3.3.6 Psychographic

3.3.6.1 Country of origins

The country of origins effects are the intangible barriers to enter new markets in the form of negative consumer bias toward imported products. Products from developing countries are evaluated as inferior quality, while, products from developed countries are perceived to have superior quality. However, consumers are willing to pay more for product quality and safety and concern more in country of origin, especially the in high involvement products such as automobiles, cosmetics, or insurance. The brand and manufacture of the cosmetics from certain countries such as Japan, the USA and Europe were perceived to be a safe and high quality product (Siu & Wong, 2002).

Question: Skincare products from what countries are favored by different group of customers? Do you know why? *The authors would understand which country of origin is perceived to be the best quality and the most suitable products in Vietnamese's eyes.*

3.3.6.2 Reference Group

Evans, Jamal and Foxall (2006, p. 171) argued that: the reference group refers to any individual or a group of individuals that can significantly influence one's behavior. Consumers use them as a source of attitude, belief, value or behavior. Reference groups consist of family member, friends, colleagues, and expert. Product with high self-image such as fashion, cosmetic or music has a high effect on reference group. Moreover, the reference group and opinion leader who spread Word of Mouth in cosmetic product are important. According to Nicola Armstrong, head of Rimmel's

agency, 70 per cent of women learn about a new product from another woman (cited in Chozick, 2007).

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else? *The authors would understand who the reference groups of skin care products are.*

3.4 Market Analysis

The result of the three variables analysis will be applied in the “Two-by-two” matrix for the market condition. In the Matrix, the vertical axis was employed to Competition; the horizontal axis was the Attractiveness of Market environment and Customers’ demand. The further from the original point “0” the higher the Competition/ Market environment and Customers’ demand is.

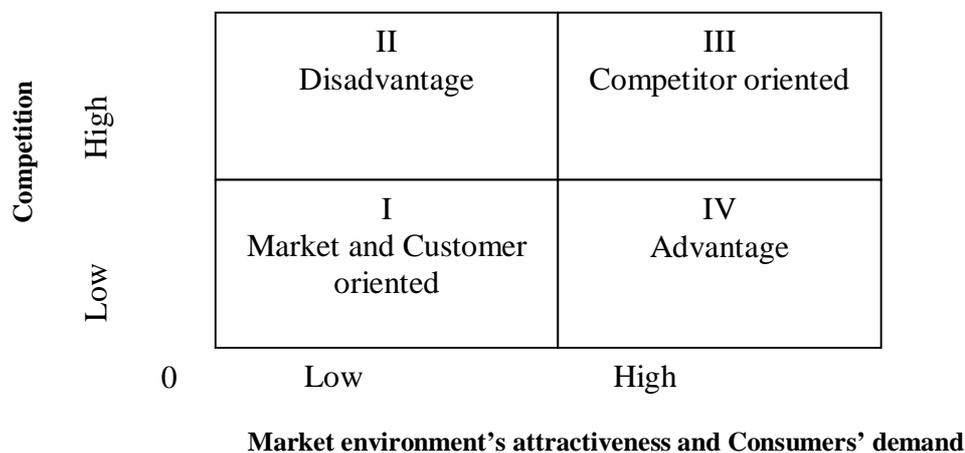


Figure 3.2: Matrix Model for Market description (Our Design)

When the competition, the Attractiveness of market environment and consumer’s demand are determined, the result of market’s condition is revealed as follows:

- *In the first quadrant of the matrix* where the Competition, the Attractiveness of Market environment and Consumers’ demand are low then the strategy should be focused more on customers in order to create their awareness toward new products;
- *In the second quadrant:* the Competition is high but the Attractiveness of Market environment and Consumers’ demand are low. In this situation the entry would create disadvantage for the newcomers;
- *In the third quadrant:* the Competition, the Attractiveness of Market environment and Consumers’ demand are high. The company should be Competitor oriented to compete against the existing competitors;
- *In the fourth quadrant:* the Competition is low but the Attractiveness of Market environment and Consumers’ demand are high. This is the very good condition for newcomers to enter with reasonable effort.

The recommended marketing plan depends on the market analysis's result. Different market situation need a different marketing plan. In other words the outcome of market analysis is a cause of marketing plan recommendation step.

4. Cosmetic industry in Vietnam

Before proceeding to the empirical finding chapter, information regarding cosmetic industry, Vietnamese cosmetic industry and cosmetic category are presented so that the readers would have overview regarding the industry and Vietnam market.

4.1 Overview of cosmetic industry

According to Euromonitor's just released 2008 cosmetics and toiletries data, the global cosmetics and toiletries market experienced another year of strong growth in 2007, registering six percent growth over 2006. However, in comparison to Euromonitor International's 2006 figures, the growth in the global beauty market represents only a slight slowdown, which may be attributed to a weakened economic state in most developed markets and declining penetration of emerging markets (Perez, 2008).

To maintain the high developing growth, beside the familiar markets like the Western Europe or United States, the cosmetic companies should increase the penetration into the emerging markets. Asia Pacific is considered as a strong candidate. It is because Asia Pacific has the highest market performance than other emerging market as Eastern Europe, Latin America or Middle East as showed in the figure below according to Euromonitor. Asia Pacific market performance accounted for more than US\$ 70 billion which second highest next to Western Europe.

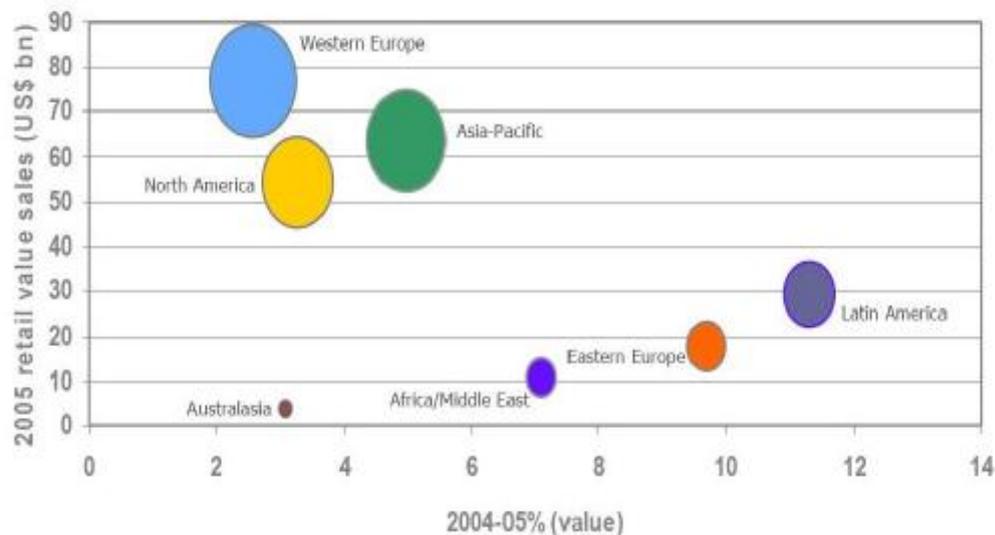


Figure 4.1: Cosmetic market performance by region

Among the emerging markets in Asia Pacific, Vietnam is a strong candidate. Moreover, even the size of the market in Vietnam is small; the growth is the highest than in other country in Asia Pacific region as in the table below, according to Euromonitor (Cited in Davies, 2007).

Market Size, retail value - US\$ million		
Country	2005	Compound Annual Growth rate 2000-2005 (Per cent)
Latin America	63117.3	4.4
China	10332.7	10.9
Hong Kong	823.2	2
India	3668.2	6
Indonesia	1268	12.3
Japan	31743.6	1.6
Malaysia	855.5	4.7
Philippines	1629	8.2
Singapore	500.7	5.5
South Korea	5459.9	4.7
Taiwan	2307	5.8
Thailand	1738.1	8.3
Vietnam	429.3	13.8

Table 4.1: Cosmetic Market in Asia Pacific

4.2 Vietnam's Cosmetic Industry

The cosmetics sector in Vietnam is developing continuously. The cosmetics market is flourishing having seen average annual sales growth of 14 per cent between 2001 and 2006, according to a recently published Euromonitor report (Cited in Montague-Jones, 2007). The report further suggests that Vietnam's cosmetic market would continue to grow so long as the economy remains on track, because the country's large youth population is driving the growth.

"Vietnam, with a booming economy and fashion-conscious youth market, is Asia-Pacific's lesser-hyped beauty market prospect," said Diana Dobson from Euromonitor. (Cited in Montague-Jones, 2007)

It is reported that approximately 90-95 percent of the market for international cosmetics products in Vietnam is centered on cosmopolitan areas of the country, for example, Ho Chi Minh City in the south and Hanoi in the north. Only few sales of international cosmetics occur outside of these cities. Market Size for Skin Care and Make-up Products is shown in the following table:

	2004 (US\$ million)	2005 (US\$ million)	2006 (US\$ million)
Imports	56.2	65.8	78.0
Local Production	3.8	4.2	6.0
Exports	0	0.7	1.26
Total Market	60.0	69.3	82.74

Table 4.2: Vietnam's Cosmetic Market of the year 2004-2006

The imported cosmetic products dominate approximately 95 percent of the whole market. Furthermore, local production of brand and non-brand cosmetic products is dramatically low compared with the level of imported beauty products. (*Vietnam Cosmetic Market Brief*, n.d.)

The imported brands in Vietnam are various, for example, L’Oreal, Estee Lauder, Clinique, Maybelline New Yorks, Lancome, Clarin, Oriflame, Ponds, Oil of Olays, Clear or Nivea. The local produced products are Sai Gon, Lan Hao, Dai Duong, Huong Que and Thorakao. Moreover, there are other smuggled product such as Neutrogena, Dove, Aquafresh, Mousavon, Snave, Tresemmé and other middle to high-end brand. There are high demands on imported or smuggled luxurious product for middle to high income consumers. While, locally produced cosmetic is popular among low income consumers. (*Vietnam Cosmetic Market Brief*, n.d.)

The market share for imported cosmetics products by foreign countries is as follows: Korea - 30percent, EU - 23percent, Japan - 17percent, Thailand - 13percent, US - 10percent, and others - 7percent. (*Vietnam Cosmetic Market Brief*, n.d.)

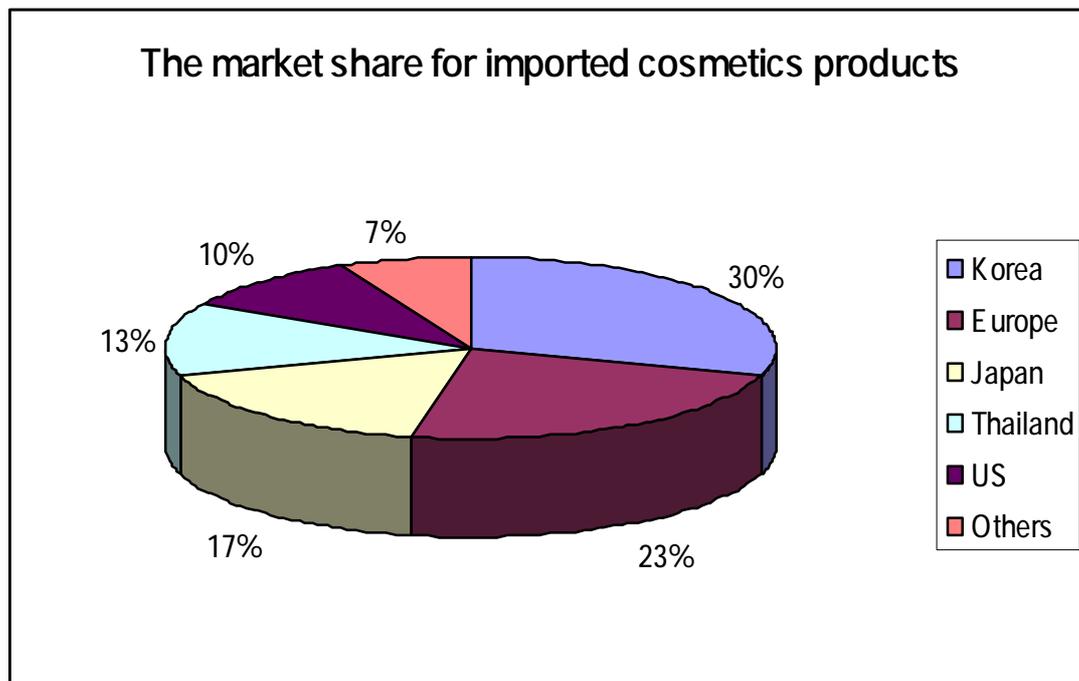


Figure 4.2: Market share for imported cosmetics products

In spite of the prosperity and growth of Vietnamese cosmetic market, Euromonitor warned that companies wishing to enter the Vietnamese market would face stiff competition. Unilever, Proctor & Gamble and Colgate-Palmolive have already captured half of the market, beating other foreign rivals for customer loyalty, and Johnson & Johnson and L’Oreal collectively have only achieved seven percent market share. (Cited in Montague-Jones, 2007) Therefore, it is important that the cosmetic company entering Vietnam need an effective marketing plan which is suitable for the Vietnamese environment factor, competition and consumer behavior.

4.3 Cosmetic Category

Cosmetic is a product/ a substance used to beautify people's appearance. The definition and coverage of the word cosmetic is very wide. According to Euromonitor, the cosmetic and toiletries in Asia Pacific region is divided in 11 categories which are baby care, bath and shower products, deodorants, hair care, color cosmetic, men's grooming products, oral hygiene, fragrances, skin care, depilatories and sun care. In this thesis the skin care category is focused because it contains the highest volume as of US\$ 22955.3 million from the whole industry as of US\$ 63117.3million. The value of the skin care category comparing with the whole cosmetic and toiletries is 34percent. (Davies, 2007) Consequently, the skin care is a dominating part of the cosmetic industry.

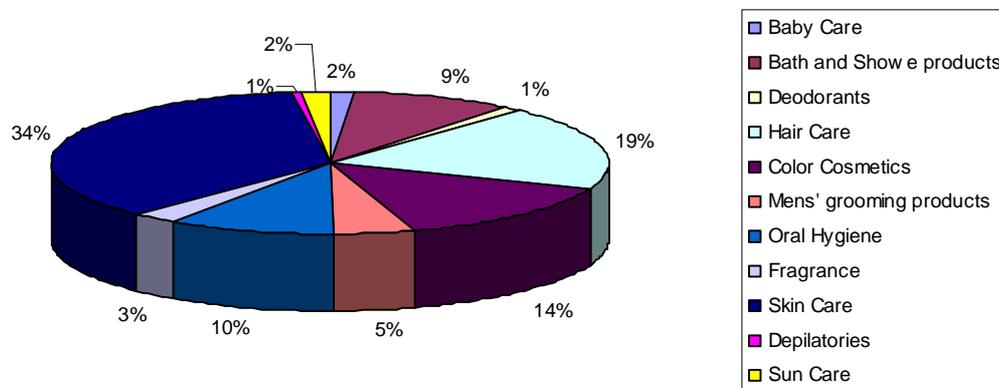


Figure 4.3: Cosmetic and toiletries categories value of Asia Pacific region

As a result, collection data and analysis of data presenting in the following chapter are focus on **skin care product line** in Vietnam market. It is because Vietnam cosmetic market has a high growth and the skin care sector is accounted for one-third of the market.

Among the eleven categories, suncare product achieves the highest growth in Asia Pacific region as presented in the table below (Davies, 2007):

Cosmetic Category	2000-2005 percent CAGR	2005-2010 percent CAGR
Cosmetic and Toiletries industry	4.4	4.7
Baby Care	5.1	5.6
Bath and Shower products	3	2.3
Deodorants	6.3	5.3
Hair care	3.3	4.7
Color cosmetic	1.7	4.9

Men's grooming products	4	4.2
Oral Hygiene	3.6	3.2
Fragrances	4.4	6.1
Skin care	6.3	5.3
Depilatories	2.3	2.1
Suncare	18.4	7.1

Table 4.3 Cosmetic category growth in Asia Pacific region

In conclusion, Vietnam cosmetic market is considered as continuously growing market with stiff competition. The skin care sector contains the highest volume and suncare has the highest growth.

5. Empirical Finding

The empirical finding is constructed in three parts as environmental factors, competition and consumer demand. In environmental factors, there are economic, legal and cultural factors. Then the marketing mix of each competitor is described in competition part. Finally, the consumer's demand is explained in term of marketing mix, demographic, and psychographic.

5.1 Environmental factors

Environmental factors are divided in three parts as economic factor, legal factor and cultural factor.

5.1.1 Economic factor

Vietnam is considered as one of the large emerging markets in the world. It has a high population of around 85 million people by the year 2007. (*Vietnam Internet Usage Stats and Marketing Report*, n.d.) And it is the second fastest-growing economy in the world next to China, averaging around 8 percent annual gross domestic product (GDP) growth from the year 1990 to 1997 and 6.5 percent from the year 1998 to 2003. From the year 2004 to 2007, GDP grew over 8 percent annually. (*Doing Business in Vietnam: 2008 Country Commercial Guide for U.S. Companies*, 2008)

Along side with the high economic growth, the Vietnamese buying power has been improved dramatically. As in the year 1994, the average Gross domestic product per capita (GDP per capita) was only US\$200. But in the year 2006, the GDP per capita has increased to US\$726. The Vietnamese people would have an average income of US\$1,000 by the year 2010 as an announcement from the Government. Economic analysts, including those at the World Bank, believe that this goal is attainable. It is noticeable that the average income in the two biggest cities is much higher than that of the country. In 2006, the average income in Ho Chi Minh was US\$1,800 (Bureau of East Asian and Pacific Affairs, 2007). And in Ha Noi, the number of people who have income from US\$600 per month to US\$1000 per month is increasing dramatically. As the income increased, the customers' purchasing power has been changing as well. In the year 2007, the Vietnamese has spent around US\$45 billion on consumer products (Thuy, 2008). And according to Thu, a banking officer (cited in *Thị trường mỹ phẩm hè*, 2008) it is now normal that the Vietnamese women pay US\$300 to US\$400 per one purchase for well-known cosmetic brand products.

The emerging and growing country with high population like Vietnam is a destination for more and more new products. Along side with the economic growth and higher living standard, people are rushing at new products and exposing themselves to advertising. (*Doing Business in Vietnam: 2008 Country Commercial Guide for U.S. Companies*, 2008)

5.1.2 Legal factor

In order to filter out low quality cosmetic product, the Vietnamese Government has imposed a series of legal measurements. These measurements are product registration, product testing, imposing tax, and advertising regulation.

Before the issuance of Circular No.06/2006/TT-BYT every cosmetic company needed the license issued by the Ministry of Health before importing cosmetics into Vietnam. However, since May 16, 2006 with the Circular No.06/2006/TT-BYT the cosmetic companies can freely import cosmetic products into Vietnam. Even though, during the custom processing companies are required to produce the original testing certificates for the imported cosmetics. The certificate must be issued by the producer. Once the products are imported, the cosmetic companies need to register their products with the Vietnam's Ministry of Health (MOH). The companies are requested to be responsible for their products' quality (Ministry of Health, 2006). The Ministry of Health requires cosmetic importers to provide at least three samples of each new product in order to examine its safety. The product categorized as cosmetics which are required quality assurance by the Ministry of Health are skin creams, lotions, foams and epidermal ointments, skin powders, shampoos and conditioners, hair dyes, lipsticks, blushes, eyeliners and mascaras. (International Business Strategies, 2006)

The taxation is another factor which directly affects the cosmetic importing into Vietnam. There are two types of tax: Import tax and Value Added Tax (VAT). The VAT for cosmetic is 10 percent which is the same with that of other commodities. In an attempt to reduce inflation rate, on August 3, 2007 the Vietnam's Ministry of Finance had issued two Decisions No. 69/2007/QĐ-BTC and No. 70/2007/QĐ-BTC to reduce cosmetic tax from 50 percent to 30 percent (Ha, 2007). Currently, Vietnam has four categories of tariff rates:

1. Normal Trade Relation (NTR)/ Most Favored Nation (MFN) rates that apply to all WTO Member countries;
2. Common Effective Preferential Tariff rates that apply to imports from ASEAN countries;
3. Preferential Tariff rates applied to China under the ASEAN-China Free Trade Area (ACFTA) and to South Korea under ASEAN-Korea Free Trade Area (AKFTA); and
4. General tariff rates that apply to all other countries. (International Business Strategies, 2006)

Lastly, the regulation on cosmetic advertisement is another concern. The Vietnamese Government is strictly regulating the advertising activities. The purpose is to confirm that the advertisement's content is in line with product's quality. Therefore, all the advertising messages for pharmaceuticals, agri-chemicals, cosmetics and toiletries are to be registered and approved from the government before being broadcast. The content of advertising message is approved by the Ministry of Culture and Information. (*Doing Business in Vietnam: 2008 Country Commercial Guide for U.S. Companies*, 2008.)

5.1.3 Cultural factor

In the past, the Vietnamese women were portrayed as a housewife and did not have an important role in the society. However, along with the economic and society development the Vietnamese women's life is changing. Nowadays, they are more open to society, more educated, and politically active.

The female Vietnamese is becoming more educated. The evidence was the increasing number of female enrolling in education over years. According to the Education

Management Information Center - Ministry of Education and Training (Cited in *Report on the state of woman in urban local government*, 1999), from the year 1996 to 1999, each year around 100,000 female more were attending upper secondary schools. The details are shown in the following table.

School Year	Primary schools	Lower secondary schools	Upper secondary schools
1996-1997			
Total:	10,348,964	4,872,813	1,171,267
Female:	4,965,464	2,279,697	532,821
1997-1998			
Total:	10,437,770	5,254,420	1,393,199
Female:	4,982,232	2,469,885	646,690
1998-1999			
Total:	10,250,214	5,564,888	1,657,708
Female:	4,842,589	2,596,213	776,628

Table 5.1: Number of students in education level

As women are more educated, they have more chance to join more professional and technical workforce. According to Human Development Report 2007 and 2008 (United Nation Development Program, 2008), from the year 1994 to 2005, 50percent of female perform professional and technical works.

The economic and society development not only helps the Vietnamese women have more chance to get higher education but also gives them adequate roles in the society. In Vietnam, women and men have equal right for casting votes at all levels and to stand for election. This right is in the 1946 Constitution and implemented in practice. As shown from the data below, woman plays an important role in politic more and more each year, according to Document of the VII and VIII National Women's Congress in the year 1978 and 1997. (Cited in *Report on the state of woman in urban local government*, 1999) Furthermore, increasing number of Vietnamese women is holding important roles in society. They are present in position of leadership and decision-making. That tendency can be shown in the following table.

Position	1986		1991		1996	
	Number	%	Number	%	Number	%
Vice-President of State	0	0	1	16.9	1	100
Female ministers and equivalent level	3	4.8	4	9.52	5	11.91
Female vice-ministers and equivalent level	13	4.9	11	7.05	13	7.29
Female chief of Department or Institute	13	4.2	30	13.33	46	13.01
Female deputy-chief of	154	6.1	54	8.97	84	12.12

Department of institute						
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Table 5.2: Number of woman active in politic

According to the Deputy Chairperson of National Assembly, as the women are in the position of making decision and creating policy, they would create laws and policies directing toward woman. The reason was that they understand better the female requirement and difficulty. Eventually, the living condition of the Vietnamese women would become better. The woman would have more chance to get higher education and skill training. It would results in more possibility for them to get managerial and professional employment. Or put in another way, the Vietnamese women are attaining better economic condition thanks to the higher role in society. (Cited in *Report on the state of woman in urban local government*, 1999)

5.2 Competition

According to Euromonitor (Cited in Montague-Jones, 2007) Unilever, Proctor & Gamble, Colgate-Palmolive capture 50 percent of the Vietnamese cosmetic market. Meanwhile, Johnson & Johnson, and L'Oreal captured seven percent. The other 43 percent was the target for many companies, domestic as well as well known foreign companies, to compete for. Among these companies, Shiseido from Japan, LG Household and Health or DeBon from Korea, and UNZA are the strong competitors. Shiseido has invested US\$40 million to build a factory in Vietnam (Vietnam News, 2008). The movement showed the company's strong commitment to Vietnamese cosmetic market. Meanwhile, the Korean company DeBon has shown a tremendous growth to get seven percent of the market share after six months launching the products in 2001. (Korea Times, 2001) Furthermore, UNZA captures around 14 percent in the early of 2008. (Business Times Online, 2008) Collectively, the eight companies capture more than seventy eight percent of the market shares. From the market shares perspective, the seven mentioned companies can be considered the main competitors in the Vietnamese cosmetic market.

Among these companies, Colgate and Palmolive is out of the thesis' scope since its products are concerning mouth and hair care. In order to understand the competition in the Vietnamese cosmetic market, the other main competitors that are mentioned above are being examined from different aspects in the following parts. These aspects are Products, Price, Place, and Promotion.

5.2.1 Product and Price

The products and price of the main competitors are listed in this part. The product and price are presented together so that the readers would follow the thesis easily. The details of the products and price will be explicitly explained in Appendix 4 and Appendix 5, respectively.

5.2.1.1 Unilever

Unilever has been exploring Vietnamese market since 1930. In present Unilever owns two skincare brands that are Hazeline and Pond's (*Unilever Vietnam*, 2006).

5.2.1.1.1 Pond's



Pond's product lines in Vietnam are Pond's Acne Expert and Oil Control; Pond's Double White; Pond's UV White; Pond's White Beauty Detox; Pond's Early Defense; and Pond's Age Miracle.

Acne Products

Pond's Acne Expert and Oil Solution

Pond's Acne Expert product line is developed especially for acne-prone skin. *Pond's Acne Expert* product line includes two branches:

- *Pond's Acne Expert Washing Foam*
- *Pond's Oil Solution Washing Foam*

The average price of *Pond's Acne Expert* Washing Foam and *Pond's Oil Solution* Washing Foam is 1.37 US\$ per 50 ml.

Whitening Products

Pond's Double White

Pond's introduces Double White Moisturizer with UV Shield & Melanin Dilutor. These new formulas have reinforced 24-hour action to lighten skin tone. With continuous usage of the *Pond's Double White Whitening Moisturizer*, skin starts to lighten in two weeks and improves dull and yellowish skin tone in four week.

- *Pond's Double White Whitening Moisturizer*
- *Pond's Double White Lotion Day & Night*
- *Pond's Double White Melanin Clean Facial Foam*

The average price of *Pond's Double White* is US\$2.33 per 50 ml.

Pond's UV White

Pond's UV White visibly whitens skin and gives skin its natural, flawless and pink radiance. Moreover, it fades away dark spots and blemishes, moisturizes, soften and smoothen skin. *Pond's UV White* has two branches:

- *Pond's UV White Cream*
- *Pond's UV White Washing Foam*

The average price of *Pond's UV White* is 2.22 US\$ per 50 ml.

Pond's White Beauty Detox

Pond's White Beauty Detox is formulated with breakthrough Detox Vitamins, vitamins B3, B6, C, and E, which used to be found only in professional whitening treatments. Detox Vitamins fight impurities and unknowingly accumulated under your skin so skin is smoother, purer and radiantly fairer. *Pond's White Beauty Detox* has two smaller branches:

- *Pond's White Beauty Detox Cream*
- *Pond's White Beauty Detox Washing Foam*

The average price of *Pond's White Beauty Detox* is 2.43 US\$ per 50 g.

Anti-Aging Products

Pond's Early Defense

Pond's Early Defense for 25-34 years old fights the 8 signs of skin aging. The 8 signs of skin aging that start as early as 25 years old are fine lines, wrinkles, large pores, rough skin, dull complexion, unhealthy skin, dark spots and blemishes, uneven sun-damaged skin. It contains Youth-Preserving Vita Complex that lets women's youthful beauty last longer.

- *Pond's Age Solution Early Defense Day Cream*
- *Pond's Age Solution Early Defense Night Cream*

The average price of *Pond's Early Defense* cream is US\$4.49 per 50 ml.

Pond's Age Miracle

Pond's Age Miracle works in just 7 days to reduce age spots and bring about a visible change in wrinkles. Pond's has combined its patented Advanced CLA⁴ technology with other well-known anti-ageing activities like AHA, Retinol and Retinol Boosters for maximum anti-ageing action. *Pond's Age Miracle* has five branches:

- *Pond's Age Miracle Cream*
- *Pond's Age Miracle Eye Cream*
- *Pond's Age Miracle Serum*
- *Pond's Age Miracle Remover*
- *Pond's Age Miracle Toner*

The average price of 50ml. *Pond's Age Miracle* is US\$13.12.

5.2.1.1.2 Hazeline

Hazeline is extracted to give natural look and protect skin to be soft and smooth. Hazeline usually uses natural ingredients for the products. Hazeline has three product lines:

Acne Product

- *Hazeline Seaweed Face Foam*

The average price of *Hazeline Acne product* is 1.13 US\$ per 50ml.

Suncare Product

- *Hazeline Suncare SPF 25 Sunflower Extract*

The average price of *Hazeline Suncare cream* is 3.23 US\$ per 50ml.

Whitening Products

- *Hazeline Whitening Facial Foam with cucumber extract*
- *Hazeline Whitening cream milk cucumber & yoghurt*
- *Hazeline White and Natural Mulberry Cream*
- *Hazeline Whitening cream SPF 20 with Rose extract and Vitamin E*

The average price of *Hazeline whitening product* is US\$3.16 per 50 ml.

5.2.1.2 P&G

Procter & Gamble Vietnam was established on July 1, 1995. Up to date, many P&G products have become household brand names in Vietnam such as Tide, Rejoice, Pampers, Olay, Downy, Pantene, Camay, Head & Shoulders, Safeguard, or Whisper. Among the brands, **Olay is the only skincare** brand that P&G carries (Olay skin care, 2008).

5.2.1.2.1 Olay



Moisturizing Products

- *Olay Moisturizing Cream* for dry and sensitive skin
- *Olay Moisturizing Lotion* for combination skin

The average price of *Olay Moisturizing product* is US\$8.27 per 50 ml.

Whitening Products

- *Olay UV Whitening Cream UV*

The average price of *Olay Whitening product* is US\$3.31 per 50 ml.

Anti-Aging Products

Olay Total Effects

Olay Total Effects help against 7 signs of aging with the harness of seven vitamins and minerals.

- *Olay Total Effects Cream*
- *Olay Gentle Formula Total Effects*

The average price of *Olay anti-aging product* is US\$11.1 per 50 ml.

5.2.1.3 Johnson and Johnson

Johnson & Johnson is a global American pharmaceutical, medical devices and consumer packaged goods manufacturer founded in 1886. Among its well-known consumer products are the Band-Aid Brand lines of bandages, Tylenol medications, Johnson's baby products, Neutrogena skin and beauty products, Clean & Clear facial wash and Acuvue contact lenses. In Vietnam the only available skin care product is Clean&Clear (Johnson & Johnson Consumer Companies, 2008).

5.2.1.3.1 Clean & Clear



Acne Products

The product line is developed specially for acne care. It is developed for young skin which is acne prone.

- *Clean&Clear Moisturizer*
- *Clean&Clear Acne clearing cleanser*
- *Clean&Clear Deep action cleanser*
- *Clean&Clear Foaming Facial Wash*
- *Clean&Clear Oil controlling toner*

The average price of *Clean&Clear Acne products* is 1.1 US\$ per 50 ml.

5.2.1.4 UNZA

UNZA is South East Asia's leading independent manufacturer and marketer of personal care products, bringing Asian focused brands to millions of Asian consumers. Since 1980 the UNZA Group has successfully built a wide portfolio of brands for the personal care and household products markets of Asia with headquarter base in Singapore. The leading brands in Vietnam are Eversoft and Enchanteur. Enchanteur is a fragrances and toiletry products while Eversoft is skin care product. Therefore, the brand Eversoft is the focus in this thesis.

5.2.1.4.1 Eversoft



Eversoft has a range of skin care products developed from natural ingredients formulated for Asian skin. It combines 3 powerful actions working in synergy to effectively (1) Lighten, (2) Protect and (3) Renew the skin (UNZA Eversoft, n.d.).

Whitening products

- *Eversoft White Effects Beauty Cream*
- *Eversoft White Double Effects Beauty Cream*
- *Eversoft Lumi-White Tri-Actif System*
- *Eversoft White Double Effects Facial Scrub*

The average price of *Eversoft Whitening products* is US\$3.82 per 50 ml.

5.2.1.5 Shiseido



Shiseido is the company from Japan. The company has a long history dated back in the year 1872. The company is present worldwide in Asia, United State and Europe. Shiseido has five product lines as Shiseido Pureness; Shiseido the Skincare; Shiseido White Lucent; Shiseido Sun care; and Shiseido Benefiance (Shiseido Skin care, n.d.).

Acne Products

Shiseido Pureness

Shiseido Pureness helps reduce problems like blemishes, shine and enlarged pores. It keeps control oil while provide essential moisture. *Shiseido Pureness* product line has:

- *Pureness Deep Cleansing Foam*
- *Pureness Balancing Softener Alcohol-Free*
- *Pureness Matifying Moisturizer Oil-Free*

The average price for *Shiseido Pureness* is US\$18.44.

Moisturizing products

Shiseido the skincare

Shiseido the skincare is the product line developed for skin moisturizing and hydration with Yuzu Seed Extract formula. It makes skin softer, smoother, and vibrant. *Shiseido the skincare* product line has:

- *The Skincare Gentle Cleansing Foam*
- *The Skincare Hydro-Refining Softener*

- *The Skincare Day Essential Moisturizer*

The average price for *Shiseido the skincare* is US\$18.18 per 50 ml.

Whitening products

Shiseido White Lucent

Shiseido White Lucent is product line developed for brighten and whiten skin with special Asian Plant Extract and Vitamin C. *Shiseido White Lucent* product line has:

- *White Lucent Brightening Cleansing Foam*
- *White Lucent Brightening Refining Softener*
- *White Lucent Moisturizing*

The average price for *Shiseido White Lucent* is US\$30.96.

Suncare products

Shiseido Suncare “Outpower the Sun”

Dual Sun Protection System protects skin from UVA and UVB. *Shiseido Suncare “Outpower the Sun”* has:

- *Gentle Sun Protection Lotion SPF 30 PA +++*

The average price of *Shiseido suncare product* is US\$27.5 per 50 ml.

Anti aging products

Shiseido Benefiance

Shiseido Benefiance is specially developed for matured skin. The products would help maintain skin’s youthfulness and moisture. With Anti-Photowrinkle System the *Benefiance* product line can improve the condition of mature skin. *Shiseido Benefiance* product line has:

- *Benefiance Creamy Cleansing Foam*
- *Benefiance Enriched Balancing Softener Lotion N*
- *Benefiance Daytime Protective Emulsion N*

The average price for *Shiseido Benefiance* is US\$19.73 per 50 ml.

5.2.1.6 L’Oreal

L’Oreal is a cosmetic company from France. It has been in Vietnam since 2003 (*Tập đoàn L’Oreal chính thức có mặt tại Hà Nội, 2006*). L’Oreal owns three well known skincare brands that are L’Oreal; Lancôme; and Clarins.

5.2.1.6.1 L’Oreal Plenitude



Moisturizing Products

L'Oreal Plénitude Futur-E

The product would provide pure Vitamin E. Also it has Beta Hydroxy Acid (BHA) to whiten skin and SPF 15 to protect skin from sunlight. The product is developed to moisturize and keep skin beautiful and healthy look. (L'Oreal Paris, n.d.) and (The Ministry of Health Vietnam, 2001)

- *L'Oreal Plénitude Future Moisturizing Cream + Daily Supply of Vitamin E*
- *L'Oreal Plénitude Future Moisturizing Lotion + Daily Supply of pure Vitamin E*

The average price for *L'Oreal Plénitude Futur-E* is US\$5.67 per 50 ml.

Acne Products

L'Oreal Plénitude Matte

The product line is suitable for oily skin. It helps absorb the oil with powder finish. The skin looks more healthy and smooth.

- *L'Oreal Plénitude Hydra-Matte Cream*
- *L'Oreal Plénitude Pure - Matte Oil Control Foaming Gel*

The average price for *L'Oreal Plénitude Matte* is US\$6.1 per 50 ml.

L'Oreal Plénitude Skin Refiner Pore

Skin Refiner Pore Minimising Essence combines salicylic acid, algae extract and special optical diffusers for an intensive and ultra-complete action on pores. It smoothes visible pores and refines skin texture. Additionally it reduces excess sebum production to prevent pore dilation.

- *L'Oreal Plénitude Skin Refiner Pore Minimizing Deep Wash*
- *L'Oreal Plénitude Skin Refiner Pore Minimizing Moisturizer*
- *L'Oreal Plénitude Skin Refiner Pore Minimizing Essence*

The average price for *L'Oreal Plénitude Skin Refiner Pore* is US\$11.33 per 50 ml.

Whitening Products

L'Oreal Plénitude White Perfect

L'Oreal Plenitude White Perfect invents a new advanced triple action technology that acts at each step of the skin darkening process, for a perfect whitening efficiency. New Melanin-block acts to regulate the production of melanin, the main source of skin darkening and brown spots.

- *L'Oreal Plenitude White Perfect Facial Foam*
- *L'Oreal Plenitude White Perfect Instant Clear Wipe-off Lotion*
- *L'Oreal Plenitude White Perfect Whitening Essence*
- *L'Oreal Plenitude White Perfect Whitening Moisturizing Cream SPF 15*
- *L'Oreal Plenitude White Perfect Whitening Moisturizing Lotion SPF 15*

The average price for *L'Oreal Plenitude White Perfect* is US\$11.87 per 50 ml.

Anti-Aging Products

L'Oreal Plenitude Revitalift

The product line is developed for anti-wrinkle. It contains fortified Pro-Retinol and Criste Marine Extract for skin renewal to reduce the number and length of lines.

- *L'Oreal Plenitude Revitalift Anti-Wrinkle and Firming Cream*
- *L'Oreal Plenitude Revitalift Eye*

The average price for *L'Oreal Plenitude Revitalift* is US\$30.94 per 50 ml.

5.2.1.6.2 Lancôme



Moisturizing

Lancôme Aqua Fusion

Lancôme Aqua Fusion is moisturizer suitable for normal to combination skin. It would moisturize and hydrate skin. *Lancôme Aqua Fusion* has two sub-products: (Lancôme, 2008)

- *Aqua Fusion Continuously Infusing Moisture Cream/Gel*
- *Aqua Fusion Continuously Infusing Moisture Cream/Gel with SPF 15*

The average price for *Lancôme Aqua Fusion* is US\$37 per 50 ml.

Sensitive Skin Products

Lancôme Hydra Zen Neurocalm

Lancôme Hydra Zen Neurocalm provides intense, immediate and continuous moisture to sensitive and dry skin. And it helps soothe sensitive and dry skin. NEUROCALM™ complex with natural plant extracts combats the negative effects of

environmental and emotional stress. *Lancôme Hydra Zen Neurocalm* has two smaller sub-product lines:

- *Hydra Zen Neurocalm Day/Night Cream*
- *Hydra Zen Neurocalm Eye Contour Cream*

The average price for *Lancôme Hydra Zen Neurocalm* is US\$116.5 per 50 ml.

Acne Products

Lancôme Pure Focus

The product line is developed for oily skin. It is ideal moisturizing and perfect shine control. The product is fresh, non-greasy, water-light fluid which absorbs immediately into the skin for a soft, powder fresh finish. Dermo-Guide System™ uses Micro-captors to penetrate to the deepest level of the pores to absorb sebum. *Lancôme Pure Focus* includes:

- *Pure Focus Deep Purifying Cleanser*
- *Pure Focus Moisturizing Lotion*
- *Pure Focus Anti-aging Matifying Cream-Gel*

The average price for *Lancôme Pure Focus* is US\$24.41.

Whitening Products

Lancôme Blanc Expert NeuroWhite

The product line is developed to whiten skin with NeuroWhite technology. The skin would have brighter and even color. The products in Blanc Expert NeuroWhite line are:

- *Blanc Expert NeuroWhite Advanced Whitening Make-Off*
- *Blanc Expert NeuroWhite X3 Ultimate Whitening Beauty Day Lotion*
- *Blanc Expert NeuroWhite X3 Ultimate Whitening Beauty Night Cream Blanc Expert NeuroWhite X3 Ultimate Whitening Beauty Eye Care*

The average price for *Lancôme Blanc Expert NeuroWhite* is US\$40.

Anti Wrinkle Products

Lancôme Renergie Refill

Lancôme Renergie Refill is for wrinkle decrease. It would make skin smoother, suppler and softer. *Lancôme Renergie Refill* has three sub-product lines:

- *Lancôme Renergie Refill Anti-Wrinkle Cream SPF 15*
- *Lancôme Renergie Refill Anti Wrinkle Serum*
- *Lancôme Renergie Refill Anti Wrinkle Eye Cream*

The average price for *Lancôme Renergie Refill* is US\$84.34.

5.2.1.6.3 Clarins



Clarins has developed its product lines into different sub-product lines that are: Clarins Gentle Care; Clarins Truly Matte; Clarins White-Plus Care; Clarins Ultra Daily Protection; and Clarins Line Prevention Care (*Clarins Paris*, n.d.).

Sensitive Skin Products

Clarins Gentle Care

Clarins Gentle Care is suitable for sensitive skin. It contains Vegetal Complex and Vitamin B5 that make skin soft and comfortable as well as helps diminish redness caused by skin irritation. Moreover, it has Anti-Pollution to prevent skin from harmful UV rays and pollution. *Clarins Gentle Care* has:

- *Gentle Day Cream*
- *Gentle Night Cream*
- *Skin Beauty Repair Concentrate*

The average price for *Clarins Gentle Care* is US\$84.33.

Acne Products

Clarins Truly Matte

The product line is developed for blemish problem and pore minimization with White Dead Nettle, Zinc, Iris, Wintergreen and Witch Hazel ingredients. The product line is suitable for normal to combination skin.

- *Blemish Control*
- *Face Treatment Oil – Lotus*
- *Hydra-Matte Lotion*
- *Pore Minimizing Serum*
- *Purifying Cleansing Gel*
- *Purifying Toning Lotion*

The average price for *Clarins Truly Matte* is US\$69.31.

Whitening Products

Clarins White-Plus Care

Clarins White-Plus Care is developed to whiten skin with Clarins patented plant combination (Parsley, Camomile) and fruit extracts (Grapefruit and Japanese Mandarin). The natural ingredients brighten, freshen and illuminate the complexion. *Clarins White-Plus Care* includes:

- *Protective Day Screen SPF 40 Oil Free PA +++*
- *White plus Detoxifying Cleansing Mousse*
- *White plus Hydrating/ Tightening Whitening Lotion*
- *White plus Total Whitening Essence*
- *Whitening All Spots Corrector*

The average price for *Clarins White-Plus Care* is US\$100.47

Sun care Products

Clarins Ultra Daily Protection

Clarins Ultra Daily Protection has natural ingredient as White Tea Extract to protect from UVA and UVB.

- *UV Plus SPF 40*

The average price for *Clarins Ultra Daily Protection* is US\$50.

Anti-Aging Products

Clarins Line Prevention Care

Clarins Line Prevention Care helps protect skin from sign of ageing and regulates daily stress responsible for premature aging with ginseng, sweet almond, horse chestnut and other natural ingredients. *Clarins Line Prevention Care* has:

- *Line Prevention Multi Active Day Lotion SPF 15*
- *Multi-Active Day Cream/Gel Protection Plus*
- *Multi-Active Night Cream/Lotion Prevention Plus*
- *Multi-Active Serum*

The average price for *Clarins Line Prevention Care* is US\$80.08.

5.2.1.7 LG Household and Health (Debon)

Cosmetics J/V established in Vietnam (LG VINA) in 1999. One year later, 2000, its cosmetic plant construction finished. LG Household and Health in Vietnam is well known for the name “Debon”. “Debon” has brands like Essence Vitacell, Isa Knox, E’zup and Lacvert. Among these brands Isa Knox and Lacvert are the brands of skincare product lines (LG Household and Health Care, 2005).

5.2.1.7.1 ISA KNOX

ISA KNOX

The brand ISA KNOX has various product lines as ISA KNOX Celenium Control; ISA KNOX Pore Minish; ISA KNOX White Focus Clear Whitening; ISA KNOX Sun Care Protection; and ISA KNOX Wrinkle Decline.

Acne products

ISA KNOX Celenium Control

ISA KNOX Celenium Control product line is developed for acne care. It prevents acne with effective ingredients as Triclosan and bamboo salt. The product line includes:

- *ISA KNOX Celenium Control Wash Foam*
- *ISA KNOX Celenium Control Care Skin*
- *ISA KNOX Celenium Control Care Emulsion*
- *ISA KNOX Celenium Control Care Serum*

The average price for *ISA KNOX Celenium Control* is US\$19.83.

ISA KNOX Pore Minish

ISA KNOX Pore Minish is developed to diminish pores making the skin look more even. The product line includes:

- *ISA KNOX Pore Minish LS-8865 Serum*
- *ISA KNOX Pore Minish GE-025 Controller*

The average price for *ISA KNOX Pore Minish* is US\$48.49.

Whitening products

ISA KNOX White Focus Clear Whitening

ISA KNOX White Focus Clear Whitening is developed into four sub-products:

- *ISA KNOX White Focus Clear Whitening*
- *ISA KNOX White Focus Whitening Skin Toner*
- *ISA KNOX White Focus Tone-Up Whitening Emulsion Serum*
- *ISA KNOX White Focus Intensive Whitening Treatment*

The average price for *ISA KNOX White Focus Clear Whitening* is US\$91.32.

Suncare products

- *ISA KNOX Sun Care Protection Cream SPF 35.*

The average price for *ISA KNOX Sun Care Protection Cream* is US\$17.8.

Anti Aging products

ISA KNOX Wrinkle Decline

ISA KNOX Wrinkle Decline visibly reduces wrinkles on your skin with anti-wrinkle ingredient as Medimin A. Medimin A is a new cell-renewal ingredient that stimulates the synthesis of collagen, an elastic fiber element in your skin.

- *ISA KNOX Wrinkle Decline*

The average price for *ISA KNOX Wrinkle Decline* is US\$122.22.

5.2.1.7.2 Lacvert



Lacvert has four product lines as Lacvert Sensitive Skin, Lacvert Pore Care, Lacvert White Power, and Lacvert Wrinkle Cream.

Sensitive skin Product

Lacvert Sensitive Skin

The product line is specially developed for sensitive skin. *Lacvert Sensitive Skin* contains Medimin C, S, and G. The Medimin can help keep skin healthy, moisturized and revitalized for a beautiful, healthy look. *Lacvert Sensitive Skin* is developed into five sub-product lines that are:

- *Lacvert Sensitive Foam Cleansing*
- *Lacvert Sensitive Skin Toner*
- *Lacvert Sensitive Skin Emulsion*
- *Lacvert Sensitive Skin Cream*
- *Lacvert Sensitive Skin Serum*

The average price for *Lacvert Sensitive Skin* is US\$11.02.

Acne Products

Lacvert Pore Care

The product line is specially developed for pore tightening. *Lacvert Pore Care* has three smaller product lines:

- *Lacvert Pore Care Toning Skin*
- *Lacvert Pore Care Serum*
- *Lacvert Pore Care Emulsion*

The average price for *Lacvert Pore Care* is US\$13.79.

Whitening Products

Lacvert White Power

The product line is developed to whiten and brighten skin complexion. *Lacvert White Power* is divided into four sub-product lines:

- *Lacvert White Power Clear*
- *Lacvert White Power Clear Skin Softener*
- *Lacvert White Power Emulsion*
- *Lacvert White Power Serum*

The average price for *Lacvert White Power* is US\$11.8.

Anti-Aging Products

Lacvert Wrinkle Cream

The product line is developed specially for anti-wrinkle. *Lacvert Wrinkle Cream* is developed into two smaller product lines:

- *Lacvert Wrinkle Cream*
- *Lacvert Eye Repair Cream*

The average price for *Lacvert Wrinkle Cream* is US\$36.93.

5.2.2 Place

5.2.2.1 Unilever—Pond's and Hazeline

The Unilever has a distributing channel which includes a system of cosmetic trading company and the shops in super market. Unilever also has a line of shops in big super market lines like: Intimex Supermarket, Fivimart Supermarket and Big C Supermarket, or Metro Hypermarket.

5.2.2.2 P&G — Olay

Olay was distributed through a system of cosmetic trading company and the shops in super market. The Olay products are available in any cosmetic shop in Hanoi. And Olay products are also being sold in big super market lines like: Intimex Supermarket, Fivimart Supermarket and Big C Supermarket, or Metro Hypermarket.

5.2.2.3 Johnson & Johnson — Clean & Clear

Clean & Clear was distributed through a system of cosmetic trading company and the shops in super market. The Clean & Clear products are available in any cosmetic shop in Hanoi. And Clean & Clear products are also being sold in big super market lines like: Intimex Supermarket, Fivimart Supermarket and Big C Supermarket.

5.2.2.4 UNZA – Eversoft

Eversoft is distributed through a system of cosmetic trading company and the shops in super market. The Eversoft products are available in any cosmetic shop in Hanoi. And Eversoft is also being sold in big super market lines like: Intimex Supermarket, Fivimart Supermarket and Big C Supermarket.

5.2.2.5 Shiseido

Shiseido also have their own distributors that solely sell Shiseido products. Such shops are:

- Shiseido Cosmetic Shop in 49 Hai Ba Trung Str., Hoan Kiem Dist., Ha Noi;
- Shiseido Cosmetic Shop in 130B Hang Bong Str., Hoan Kiem Dist., Ha Noi;
- Shiseido Cosmetic Shop in 63 Ly Thai To Str., Hoan Kiem Dist., Ha Noi.

Apart from Shiseido own specialty shop, it also distributes the products through shopping malls as follows:

- Vincom Tower – 191 Ba Trieu Str., Hai Ba Trung Dist., Ha Noi;
- Ruby Plaza – Le Ngoc Han Str., Hoan Kiem Dist., Ha Noi;
- Parkson Viet Tower – 198B Tay Son Str., Dong Da Dist., Ha Noi

5.2.2.6 L’Oreal — L’Oreal Plenitude, Lancôme and Clarins

L’Oreal has a distribution line of luxury shops in big shopping malls in Hanoi. These malls are situated in busy street in Hanoi. These are like:

- Vincom Tower – 191 Ba Trieu Str., Hai Ba Trung Dist., Ha Noi;
- Ruby Plaza – Le Ngoc Han Str., Hoan Kiem Dist., Ha Noi;
- Parkson Viet Tower – 198B Tay Son Str., Dong Da Dist., Ha Noi

5.2.2.7 LG Household and Health (Debon) —ISA KNOX and Lacvert

LG Household and Health (Debon) has a distribution line of luxury shops in busy street in Hanoi. These are like:

- LG VINA Cosmetics Shop - Debon Cosmetics Division Clean & Beautiful at 109 Chùa Bộc Str., Đống Đa Dist., Hà Nội;
- Debon Cosmetic Shop – 106 Hue Str., Hai Ba Trung Dist., Ha Noi;
- Debon Cosmetic Shop – 18 Thai Ha Str., Dong Da Dist., Ha Noi

Apart from LG Household and Health (Debon) own specialty shop, it also distributes the products through shopping malls as follows:

- Vincom Tower – 191 Ba Trieu Str., Hai Ba Trung Dist., Ha Noi;
- Ruby Plaza – Le Ngoc Han Str., Hoan Kiem Dist., Ha Noi;
- Parkson Viet Tower – 198B Tay Son Str., Dong Da Dist., Ha Noi

5.2.3 Promotion

5.2.3.1 Unilever—Pond’s and Hazeline

Unilever uses different ways to increase the customers’ awareness toward its products. The mostly used ways are:

- **Television:** short advertising films are broadcasting frequently on local Television channels. The channels are VTV3, VTV1, and HANOI Channel. The times are either at 7.30 P.M local time after the news or at break time of showing films.
- **Magazines:** the magazines for female are mostly used by Unilever. Such magazines are: My Pham Magazine, Dep Magazine, My thuat doi song, or The gioi phu nu.
- **Gift promotion:** At March 8 (Woman’s day in Vietnam) if the customers purchase Pond’s product, they would get free gift from WOW.
- **Event Sponsoring:** Unilever used different product name to sponsor different events. For example: Pond’s was the main sponsor for Miss Vietnam Contest in 2002 (Mai, 2002). Pond’s also sponsored Vietnam’s super model contest in 2005. The event was named Vietnamese supermodel contest – Pond’s 2005 (Van & Tuan, 2005). Meanwhile, Hazeline also sponsored other events like Miss Worker for female workers working at Industrial Zones (Huong & Lan, 2006).
- **Funding:** the company founded a Unilever Fund to support social activities in Vietnam. One of the examples was Unilever provided funds to build two international standard playgrounds for children in Hanoi and Ho Chi Minh City in 2006 (Dai Doan Ket, 2006).
- **Website:** Unilever has company’s website to describe the details of their products and promote the products as <http://www.unilever.com.vn/>.

5.2.3.2 P&G — Olay

P&G also used similar ways as the Unilever producer to promote their products:

- **Television:** They also use the popular channels like VTV3, VTV1, and HANOI Channel. The times are either at 7.30 P.M local time after the news or at break time of showing films.
- **Magazines:** P&G uses the magazines for female like My Pham Magazine, Dep Magazine, My thuat doi song, or The gioi phu nu.
- **Gift promotion:** On special occasions like the 8th of March (the Vietnamese Woman’s day) and the 14th of February (Valentines Day) they normally launch a special discount for Olay products.

- **Event Sponsoring:** Olay sponsored Live-show of two Vietnamese singers, Luu Huong Giang and Phuong Anh. The live singing show was organized in different cities nationwide. (Trinh, 2006) In 2005, Olay sponsored another famous Vietnamese singer My Linh to produce an album Chat with Mozart. (Giang, 2006)
- **Website:** P&G has company's website to describe the details of their products and promote the products as <http://www.pgvietnam.com.vn/> or <http://www.olay.com/>.

5.2.3.3 Johnson & Johnson — Clean & Clear

Johnson & Johnson used only three ways to promote their Clean & Clear products:

- **Television:** As the two producers above Johnson & Johnson also uses the local channels like VTV3, VTV1, and HANOI Channel. And the times they broadcast the advertisement are either at 7.30 P.M local time after the news or at break time of showing films.
- **Magazines:** My Pham Magazine, Dep Magazine, My thuat doi song, or The gioi phu nu.
- **Website:** Johnson & Johnson has company's website to describe the details of their products and promote the products as www.cleanandclear.com or www.jnj.com.

5.2.3.4 UNZA – Eversoft

UNZA use Magazines, Gift promotion, Even Sponsor, and website to promote their products. The details are as follows.

- **Magazines:** My Pham Magazine, Dep Magazine, My thuat doi song, or The gioi phu nu.
- **Gift promotion:** The promotion is in form of selling Eversoft skin care products in package at cheaper prices comparing to buying the products separately.
- **Event Sponsor:** Eversoft sponsored the Live Broadcasting of the Miss World 2005 and 2006 contest on VTV3 channel.
- **Website:** UNZA has company's website to describe the details of their products and promote the products as www.unza.com.

5.2.3.5 Shiseido

Shiseido is considered as premium brand. Then beside the normal advertising ways they also use marketing team to promote their products:

- **Magazines:** My Pham Magazine, Dep Magazine, My thuat doi song, or The gioi phu nu.
- **Gift promotion:** The more customers buy Shiseido product per one purchase they will get more valuable gifts. The gifts would be Shiseido products like Shiseido travel set or other product types like handbags, hats, or towel.
- **Event Sponsor:** Shiseido sponsored the Miss Vietnam 2006 contest (*Sức cuốn hút từ cuộc thi Hoa hậu Việt Nam*, 2006). And it is going to sponsor the Miss Universe Contest 2008. The contest is going to be organized in Nha Trang – Khanh Hoa – Vietnam in July 2008. The sponsor is going to be in form of

cosmetic products that are used for the candidates in the contest (*PNJ tài trợ vương miện cho Hoa hậu Hoàn Vũ 2008*, 2008).

- **Marketing team:** Shiseido has a team of experts who have deep knowledge on the company's product line. The team's responsibility is to approach potential customers to give suitable advice and introduce products' benefit to them.
- **Website:** Shiseido has company's website to describe the details of their products and promote the products as <http://www.shiseido.co.jp/e/>.

5.2.3.6 L'Oreal — L'Oreal Plenitude, Lancôme and Clarins

Different ways are used to promote L'Oreal's products in Vietnam like:

- **Magazines:** My Pham Magazine, Dep Magazine, My thuat doi song, or The gioi phu nu.
- **Gift promotion:** The more customers buy L'Oreal Plenitude, Lancôme and Clarins products per one purchase they will get more valuable gifts. The gifts would be L'Oreal Plenitude, Lancôme and Clarins products like mini travel set or other product types like handbags, hats, and towel.
- **Marketing team:** L'Oreal expert teams are well trained about the company and the company's product lines. They give advices and samples to potential customers to persuade them to buy the products.
- **Website:** L'Oreal has company's website to describe the details of their products and promote the products as www.loreal.com/, www.lancome-usa.com, or <http://int.clarins.com/>.

5.2.3.7 LG Household and Health (Debon)—ISA KNOX and Lacvert

As other premium brands the company uses magazines, gifts, marketing team, and website to promote their products:

- **Magazines:** the magazines for female are mostly used. Such magazines are: My Pham Magazine, Dep Magazine, My thuat doi song, or The gioi phu nu.
- **Gift promotion:** The more customers buy ISA KNOX and Lacvert's products per one purchase they will get more valuable gifts. The gifts would be ISA KNOX and Lacvert products or other product types like handbags, hats, or towels.
- **Marketing team:** the marketing teams are available in the shops to give personal advice to customers. These team members are trained well before being allowed to communicate with customers.
- **Website:** LG Household and Health has company's website to describe the details of their products and promote the products as http://www.lgcare.com/english/products/main.jsp?flash_num=310.

From Market Focus: Vietnam report, the top five TV advertisers of consumer products are Unilever, P&G, Vinamilk, Dutch Lady and Nestlé. (Millwardbrown, 2008) From the information revealed by FIPP World magazine trends 2006/2007, the top ten magazine advertisers are Unilever, Janssen Cliag Pharma, LG Vina Cosmetics, Rohto Menthlatum Pharma, LG Debon Cosmetics, Suzuki, P&G, SYM-VMEP, Kimberly Clark and Johnson & Johnson.

Each company, Unilever, P&G, Johnson and Johnson, UNZA, Shiseido, L'Oreal, and LG Household and Health (Debon) has their own unique design in product, price, place and promotion.

5.3 Consumer Behavior

As mentioned earlier in economic part that Vietnamese consumers are exposed to wide varieties of product as well as advertising and promotional efforts. The high exposure to variety of product results in increasing demands. The idea is confirmed by TNS Vietnam survey – the trends in entertainment, high-tech consumer goods, as well as health and beauty products is increasing. Cosmetic and skin care product is one of the trends:

“Ten years ago, fewer than 10 per cent of Vietnamese women use cosmetic and skin care product regularly, but today nearly 80 per cent do” (Vietnam News, 2006)

Additionally, it is not only that Vietnamese consumers use more cosmetic product, but their demand is also more sophisticated as confirmed by Richard Leech, director of CB Richard Ellis (Vietnam) Co.

“We have a lot of demanding young consumers who have been exposed more and more to international trends in fashion, and they have an insatiable appetite for foreign goods.” (Cited in Hazlett, 2006)

Now as we know that the demand for cosmetic product is increasing, it is important to study such demand in details in term of demographic, psychographic, product, price, place and promotion.

5.3.1 Product

50 per cent of Vietnamese women have oily and mixed skin types. Due to the humid tropical climate and increasing air pollution, Vietnamese consumer demand, for cosmetic products, additional function as UV-protection, skin revitalization, whitening and anti-aging skin care product. (Swiss Business Hub ASEAN, 2006) When the desired benefit is known, it is important to examine which segment of Vietnamese consumers desire which benefit.

From the demographic data below, the customers are categorized by age. Their demand in skin care products are also changing accordingly. From the interview, in the young group, they desire for cleansing and moisturizing, acne solution and some also desire for whitening products. But acne solution is the most desired benefit among young consumer. The middle age group wishes to have white skin while the mature age group seeks for anti-wrinkle, strengthening, anti-aging and sometimes whitening product.

Additionally, from the interview, it is revealed that Vietnamese consumers desire for the product that do not have side effect on the skin. Sometimes skin care products

with natural ingredients are preferred because it is believed to be skin-friendly. Most importantly, the skin care product must be suitable to the type of skin.

5.3.2 Price

According to the interview, in the cosmetic shops the price of skin care products is divided in low price (US\$1 to 5.9), medium price (US\$6 to 31) and high price (US\$32 upward).

Some evidences show that Vietnamese consumers are price sensitive. (Swiss Business Hub ASEAN, 2006) However, some source indicates that Vietnamese consumers are willing to spend high price for luxurious products as they pay US\$ 50 – 60 for one skin care product. (*High-grade cosmetics overflow into Vietnam*, 2006)

However, from the interview, it is shown that different ages affect the spending behavior. Different age would be willing to pay for different price range. Per one purchase the young group is willing to pay below US\$ 20, while the middle age group and mature group are less price-sensitive since they are willing to pay from US\$ 20 to US\$ 60 and from US\$ 60 upward, respectively.

The reason is that middle age and mature age groups have stable jobs with high income so that they can afford higher price. Moreover, they are more concerned with quality of products rather than the prices. They would buy products at high prices providing that the products are suitable to their skin, highly effective to improve their skin condition, and making them more beautiful.

5.3.3 Place

From the field study, the Vietnamese shops for cosmetic in business and residential areas that suit their convenience. The places where Vietnamese shoppers purchase cosmetic are divided into two categories. For the low and medium price cosmetics, supermarkets and small shops are used as distributing places. Meanwhile, the high price cosmetics are distributed through specialized cosmetic shops and shops in trading centers.

The low and medium price products are available in the supermarkets like: Intimex Supermarket, Fivimart Supermarket and Big C Supermarket. These supermarkets are located in crowded areas. Intimex Supermarket is in Tran Hung Dao Street, Hoan Kiem District in the center of Hanoi. Big C Supermarket is in Tran Duy Hung Street near Nhan Chinh, a new residential center of Ha Noi. Meanwhile, Fivimart supermarket has a system of 10 stores locating in different streets in business and residential areas like:

- Fivimart Trần Quang Khải - 210 Tran Quang Khai Str., Hoan Kiem, Ha Noi;
- Fivimart Đại La - 163A Đại La Str., Hai Ba Trung Dist., Ha Noi;
- Fivimart Nguyễn Phong Sắc - D5, Nguyen Phong Sac Str., Cau Giay Dist., Ha Noi;

- Fivimart Hoàng Hoa Thám - 671 Hoang Hoa Tham Str., Ba Dinh Dist., Ha Noi;
- Fivimart Nguyễn Chí Thanh - 71 Nguyen Chi Thanh Str., Ba Dinh Dist., Ha Noi;
- Fivimart Đặng Tiến Đông - 12 Dang Tien Dong Str., Dong Da Dist., Ha Noi;
- Fivimart Hoàng Quốc Việt - 94 Hoang Quoc Viet Str., Cau Giay Dist., Ha Noi;
- Fivimart Nguyễn Văn Cừ - 583 Nguyen Van Cu Str., Long Bien Dist., Ha Noi;
- Fivimart Xuân Diệu - 51 Xuan Dieu Str., Tay Ho Dist., Ha Noi.

The high price products are distributed in the shopping malls like: Vincom Tower (191 Ba Trieu Str., Hai Ba Trung Dist., Ha Noi); Ruby Plaza (Le Ngoc Han Str., Hoan Kiem Dist., Ha Noi); and Parkson Viet Tower (198B Tay Son Str., Dong Da Dist., Ha Noi). These shopping malls are attracting high income people then the facilities are luxury as well. Customers can park their vehicles safely in a separate parking place under the ground. They can either take elevator or escalator to get to desired floors. Inside the malls, there are enough electric bulb and air conditioners for comfortable atmosphere. Customers would go around a whole day without feeling hot or bored. Besides the shopping mall, the companies that own high price brands also provide special shops in crowned streets like:

- LG VINA Cosmetics Shop - Debon Cosmetics Division Clean & Beautiful at 109 Chùa Bộc Str., Đống Đa Dist., Hà Nội;
- Debon Cosmetic Shop – 106 Hue Str., Hai Ba Trung Dist., Ha Noi;
- Debon Cosmetic Shop – 18 Thai Ha Str., Dong Da Dist., Ha Noi
- Shiseido Cosmetic Shop in 49 Hai Ba Trung Str., Hoan Kiem Dist., Ha Noi;
- Shiseido Cosmetic Shop in 130B Hang Bong Str., Hoan Kiem Dist., Ha Noi;
- Shiseido Cosmetic Shop in 63 Ly Thai To Str., Hoan Kiem Dist., Ha Noi.

These shops and shops in shopping malls all have good facilities like mirrors, skin testing machines, or make up table. These facilities are essential to have in order to attract more customers and provide favorable shopping atmosphere.

5.3.4 Promotion

The media mostly used by consumer product companies in Vietnam are television, magazine, newspaper, internet, outdoor, radio and cinema. (*Vietnam FIPP World Magazine Trends 2006/2007*, 2007)

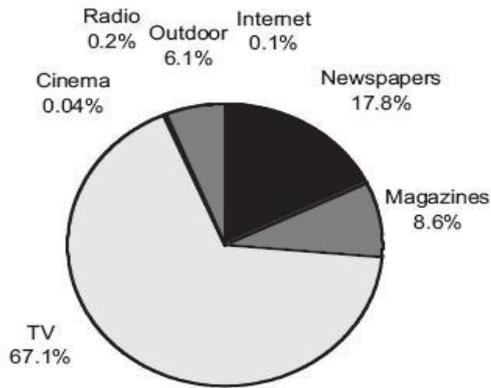


Figure 5.1: Promotion used by consumers' product companies

From the interview promotion mostly used to attract Vietnamese cosmetic buyers, apart from television, fashion magazines, newspaper, and cosmetic website, are promotional leaflets, gifts for every week, personal relationship between sale person and customers. The most effective one is gift. However, the TV and magazine are used only to create brand awareness, while, gift promotion urges the consumers to buy right away at the point of purchase.

5.3.5 Demographic

From the interview, most of the respondents categorize the age group affecting the cosmetic buying behavior as Young group: 18 – 29; Middle age group: 23 – 45; and Mature age group: 45 – 60 and upper.

5.3.6 Psychographic

5.3.6.1 Country of Origin

From the interview, the cosmetic products from European countries as France, from America and from Japan are considered to be higher quality than from other countries. It is because those countries are well-known in cosmetic production technology and safety standard.

Moreover, the products from Asia like Japan or Korea become more and more favorable. The reason is that people think that with similar climate and condition the producers would provide suitable products to the Vietnamese market. European products are normally to maintain skin humidity but the Vietnamese skin has high humidity and weather in Vietnam contains more humidity than in Western countries.

However, some customers prefer international products that are producing locally because these products provide good benefit in reasonable price.

5.3.6.2 Reference Group

Reference groups are also important in cosmetic purchasing decision. From the interview, shop's experts, colleague, friends and family member would influence the buying decision. They trust shop's expert because it is believed that the expert is well-

trained and knowledgeable in cosmetic field. Some consumers buy the skin care products because they are recommended by friends or family that certain products are highly effective.

After the information of the three variables of environmental factors including economic, legal and culture, marketing strategies of major current competitors and professional opinion from beauty expert on Vietnamese consumer behavior are presented; the information would be categorized and analyzed according to the theory in chapter 3 in the next chapter. And the structure of the next chapter would be the same as in empirical finding so that the readers would understand easily.

6. Analysis

In this part, the three variables of the framework: environmental factors, competitors, and consumer's demand, will be analyzed in a systematic way according to the theory presented in the Chapter 3 Framework for analysis. The analysis of the finding information about the three variables will be based on the theory in the framework part. The outcome of the analysis of each variable will be used for the market analysis. The market analysis will be done with the two-by-two matrix.

6.1 Environmental factors

6.1.1 Economic factor

As pointed out in the theory part that economic factor can either encourage or challenge the development of cosmetic industry. And the growth of economy fosters the growth of cosmetic industry. In the finding it is found that the average economic growth of the Vietnamese is more than seven percent annually. At the same time, the Vietnamese cosmetic industry grows at the rate of 14 percent annually. Furthermore, the high economic growth means higher purchasing power and more willingness to spend. As the Vietnamese people have more disposable income comparing to the past, US\$726 disposable income in the year 2006 comparing to US\$ 200 in the year 1994, they are going to buy more consumer products and affluent products. As in the year 2007, the Vietnamese has spent around US\$45 billion on consumer products. This is an explicit evidence to conclude that the Vietnamese economic condition is fostering the cosmetic industry.

6.1.2 Legal factor

Theoretically, the legal can either limit or even foreclose entry to industries. As the Vietnamese Government's issuance of Circular No.06/2006/TT-BYT cosmetic companies can freely import the cosmetic products into Vietnam. And the cosmetic importers need to produce the original testing certificates for the imported cosmetics. The certificate must be issued by the producer. And these companies are requested to be responsible for their products' quality. Furthermore, with the reduction of tax and tariff from 50 percent to 20-30 percent, the gate to the Vietnamese cosmetic market is opening wider. However, the cosmetic advertisement must follow strict control of the Ministry of Culture and Information. The cosmetic companies need to pass the Ministry's requirement to advertise their cosmetic products. Though, the procedure is similar to other countries and does not require any higher standards in Vietnam. Therefore, it would be no problem for cosmetic companies who pass the standard of their own countries to introduce products in Vietnam. Conclusively, the legal aspect is becoming less strict to the foreign cosmetic products. And it can be considered as a favorable factor to foreign cosmetic companies.

6.1.3 Cultural factor

As explained in the theory part, the change in women's role in society makes the women change their perception toward beauty and their cosmetic buying behavior.

Women in Vietnam nowadays are unlike in the past. They are more educated since the number of students in all education level is increasing every year. Due to the higher education, they are more active in profession as they involve more in professional and technical work as well as politically active. Since the women work more, they would surely have higher disposable income to buy cosmetic product. But apart from the disposable income, as mentioned in the theory, due to their increasing role in the society, a woman considers her appearance very important for her profession. She spends time on her beauty and appearance. She is always looking for new cosmetics products that will enhance her beauty. Therefore, since the Vietnamese women are more socially active, they would concern more in her beauty and use more cosmetic. The Vietnamese female would require more and more cosmetic not as an additional consumer product but as a necessity in their life. Cosmetic now is not only the substance to beautify them but it also important to her career life to present herself as an active, strong and attractive working woman. Therefore, the cultural factor also encourages the cosmetic usage in Vietnam and considered as favorable for cosmetic companies.

The high economic growth and more active women are the two signs showing that the Vietnamese cosmetic market is expanding. Meanwhile, the legal become easier for foreign cosmetic companies. Then it is obvious to say the three factors (economic, legal and culture) would help attract more foreign cosmetic companies to Vietnam.

6.2 Competition

6.2.1 Product

Company/Benefit	Unilever— Pond's	Unilever— Hazeline	P&G — Olay	Johnson & Johnson — Clean and Clear	UNZA – Eversoft	Shiseido	L'Oreal— L'Oreal Plenitude	L'Oreal— Lancôme	L'Oreal— Clarins	LG Household and (Debon) — ISA KNOX	LG Household and (Debon) — Lacvert
Moisturizing Products			Olay Moisturizing Cream/Lotion			Shiseido the skincare	L'Oreal Plenitude Futur- E	Lancôme Aqua Fusion			
Sensitive Skin Products								Lancôme Hydra Zen Neurocalm	Clarins Gentle Care		Lacvert Sensitive Skin
Acne Products	Pond's Acne Expert and Oil Solution	Hazeline seaweed Face Foam		Clean and Clear		Shiseido Pureness	L'Oreal Plenitude Matte L'Oreal Plenitude Skin Refiner Pore	Lancôme Pure Focus	Clarins Truly Matte	ISA KNOX Celenium Control ISA KNOX Pore Minish	Lacvert Pore Care
Whitening Products	Pond's Double White Pond's UV White Pond's White Beauty Detox	Hazeline whitening	Olay UV Whitening Cream UV		Eversoft White Effects	Shiseido White Lucent	L'Oreal Plenitude White Perfect	Lancôme Blanc Expert NeuroWhite	Clarins White- Plus Care	ISA KNOX White Focus Clear Whitening	Lacvert White Power
Suncare Product		Hazeline Suncare SPF 25 Sunflower Extract				Shiseido Suncare "Outpower the Sun"			Clarins Ultra Daily Protection	ISA KNOX Sun Care Protection	
Anti-Aging Products	Pond's Early Defense Pond's Age Miracle		Olay Total Effects			Shiseido Benefiance	L'Oreal Plenitude Revitalift	Lancôme Renergie Refill	Clarins Line Prevention Care	ISA KNOX Wrinkle Decline	Lacvert Wrinkle Cream

Table 6.1 Competition-Product Analysis

The more the cosmetic aim for the same attribute in skin care products, the more the competition in the market. Generally, the competition in the Vietnamese skin care products is high. As presented in table, the cosmetic companies are present in either one or more of the benefits. However, in some product benefit is less competitive than others.

Sensitive skin products are low to moderate competition. There are only three brands competing which are Lancôme Hydra Zen Neurocalm, Clarins Gentle Care and Lacvert Sensitive Skin. Each brand has its own distinctive formula to make the product different from competitors, for example, Clarins Gentle Care has Vegetal Complex and Vitamin B5, and Lancôme Hydra Zen Neurocalm is not only suitable for sensitive skin but also the Neurocalm technology help relieve stress.

Similar to sensitive skin product, the **moisturizing product**, the competition is low to moderate. There are only four brands, Olay Moisturizing Cream/Lotion, Shiseido the skincare, L’Oreal Plenitude Futur-E and Lancôme Aqua Fusion. Olay Moisturizing Lotion and Lancôme Aqua Fusion and L’Oreal Plenitude Future Moisturizing Lotion are suitable for combination and oily skin. The distinctive quality of Shiseido the skincare is Yuzu Seed Extract formula, while, L’Oreal Plenitude Futur-E is pure Vitamin E.

Suncare products are also low to moderate competition. Merely the four brands of Hazeline Suncare SPF 25 Sunflower Extract, Shiseido Suncare “Outpower the Sun”, Clarins Ultra Daily Protection and ISA KNOX Sun Care Protection are competing in suncare products benefit.

However, for acne product, whitening product and anti-aging product, it is highly competitive since almost all the companies are competing in the same products attribute.

Acne product is highly competitive since 11 product lines are competing in the same product attribute. Every company except for UNZA and P&G are not available in this segment. Pond’s Acne Expert and Oil Solution, Hazeline seaweed Face Foam, Clean and Clear, Shiseido Pureness, L’Oreal Plenitude Matte, L’Oreal Plenitude Skin Refiner Pore, Lancôme Pure Focus, Clarins Truly Matte, ISA KNOX Celenium Control, ISA KNOX Pore Minish and Lacvert Pore Care are the product lines present in acne products. However, in Pond’s Acne Expert and Oil Solution, Hazeline seaweed Face Foam, they have only cleansing product for acne but not moisturizer and product for special acne problems. Whereas in Clean & Clear it has Clean&Clear Moisturizer to fight against acne, L’Oreal Plenitude Skin Refiner Pore has salicylic acid, algae extract and special optical diffusers to provide less oily skin, Lancôme Pure Focus has Dermo-Guide System™ to penetrate to the deepest level of the pores to absorb sebum, Clarins Truly Matte has Blemish Control which is a SOS stick to fight against pimple, ISA KNOX Celenium Control has Triclosan and bamboo salt to clear the skin.

For **whitening products**, there are 12 product lines present in the same product benefit which are Pond’s Double White, Pond’s UV White, Pond’s White Beauty Detox, Hazeline whitening, Olay UV Whitening Cream UV, Eversoft White Effects, Shiseido White Lucent, L’Oreal Plenitude White Perfect, Lancôme Blanc Expert

NeuroWhite, Clarins White-Plus Care, ISA KNOX White Focus Clear Whitening, and Lacvert White Power. Every company, except for Johnson & Johnson, is competing in whitening product. Pond's competes strongly in the whitening products since they have three different product lines and each line has its own distinct effect. Pond's Double White lightens skin in two weeks and improves dull and yellowish skin tone in four weeks, Pond's UV White would provide glow and pink radiance, and Pond's White Beauty Detox formulated with breakthrough Detox which used to be found only in professional whitening treatments. For Hazeline, they emphasize on natural ingredients as rose extract, mulberry or cucumber & yoghurt. Eversoft White Effects has pearl cream and provide three effects as (1) Lighten, (2) Protect and (3) Renew the skin. Shiseido White Lucent is specialized for whitening by using Asian Plant Extract and Vitamin C. L'Oreal Plenitude White Perfect uses new Melanin-block technology to regulate the production of melanin. Lancôme Blanc Expert NeuroWhite applies NeuroWhite technology to brighten and even skin tone color. White-Plus Care has Clarins patented plant combination (Parsley, Camomile) and fruit extracts (Grapefruit and Japanese Mandarin) to whiten the skin. The whitening products are very competitive since many companies are competing and every product line has its own differentiation.

For **anti-aging products**, there are nine product lines fighting in the same segment which are Pond's Early Defense, Pond's Age Miracle, Olay Total Effects, Shiseido Benefiance, L'Oreal Plenitude Revitalift, Lancôme Renergie Refill, Clarins Line Prevention Care, ISA KNOX Wrinkle Decline and Lacvert Wrinkle Cream. Pond's Age Miracle is claimed to reduce the sign of aging in just 7 days by using Advanced CLA⁴ technology. Pond's Early Defense is to fight against seven signs of aging which is the product line launch to counteract Olay Total Effects who claims to reduce the seven sign of aging. Shiseido Benefiance uses Anti-Photowrinkle System to improve the condition of mature skin. L'Oreal Plenitude Revitalift uses Pro-Retinol and Criste Marine Extract for skin renewal to reduce the number and length of lines, while, Clarins Line Prevention Care uses natural ingredient as ginseng, sweet almond and horse chestnut. ISA KNOX Wrinkle applies Medimin A which is a new cell-renewal ingredient and boost skin to create natural collagen. Since many companies compete in the anti-aging product and each product line has its own special feature to soothe mature skin, the anti-aging product is very competitive.

With three out of six product lines are considered extremely high competitive. And two out of six product lines are at medium competitive level. The Vietnamese skincare market is at relatively high competition.

6.2.2 Price

Company/Benefit	Moisturizing Products	Sensitive Skin Products	Acne Products	Whitening Products	Suncare Product	Anti-Aging Products
Low (US\$1 to 5.9)			Clean and Clear (1.1) Hazeline seaweed Face Foam (1.13) Pond's Acne Expert and Oil Solution (1.37)	Pond's UV White (2.22) Pond's Double White (2.33) Pond's White Beauty Detox (2.43) Hazeline whitening (3.16) Olay UV Whitening Cream UV (3.31) Eversoft White Effects (3.82)	Hazeline Suncare (3.23)	Pond's Early Defense (4.49)
Medium (US\$6 to 31)	L'Oreal Plenitude Futur-E (6.17) Olay Moisturizing Cream/Lotion (8.27) Shiseido the skincare (18.18)	Lacvert Sensitive Skin (11.02)	L'Oreal Plenitude Matte (6.1) L'Oreal Plenitude Skin Refiner Pore (11.33) Lacvert Pore Care (13.79) Shiseido Pureness (18.44) ISA KNOX Celenium Control (19.83) Lancôme Pure Focus (24.41)	L'Oreal Plenitude White Perfect (11.87) Lacvert White Power (11.8) Shiseido White Lucent (30.96)	ISA KNOX Sun Care Protection Cream (17.8) Shiseido Suncare "Outpower the Sun" (27.5)	Pond's Age Miracle (13.12) Olay Total Effects (11.11) Shiseido Benefiance (19.73) L'Oreal Plenitude Revitalift (30.94)
High (US\$32 upward)	Lancôme Aqua Fusion (37)	Clarins Gentle Care (84.33) Lancôme Hydra Zen Neurocalm (116.5)	ISA KNOX Pore Minish (48.49) Clarins Truly Matte (69.31)	Lancôme Blanc Expert NeuroWhite (40) ISA KNOX White Focus Clear Whitening (91.32) Clarins White-Plus Care (100.47)	Clarins Ultra Daily Protection (50)	Lacvert Wrinkle Cream (36.93) Clarins Line Prevention Care (80.08) Lancôme Renergie Refill (84.34) ISA KNOX Wrinkle Decline (122.22)

Table 6.2 Competition-Price Analysis

As mentioned in the theory part, the more similarity in pricing strategy cosmetic companies have the higher the market's competitiveness is. According to the interview, in the cosmetic shops the price of skin care products is divided in low price (US\$1 to 5.9), medium price (US\$6 to 31) and high price (US\$32 upward).

In the **low price** segment:

- Whitening products category is highly competitive with six product lines are competing;
- An acne products category is moderately competitive with three product lines are present;
- Some products' categories are low competitive like: suncare products and anti-aging products. Each of them has only one product line;
- And moisturizing products and sensitive product categories are still open.

Meanwhile, the **medium price** segment is more competitive comparing to the low price segment. More products are provided by different companies in this price segment. Well known brands like L'Oreal, Shiseido, Lancôme, Pond's, Olay, Lacvert, ISA KNOX are concentrated in this segment.

However in this segment the high competition is not available in every product types.

- The competition is highest in Acne product category. There are six product lines are competing for the market share. Among them L'Oreal is the main competitor for the other two LG-DeBon and Shiseido. L'Oreal offers three product lines at different price: L'Oreal Plenitude Matte at US\$6.1/ 50g; L'Oreal Plenitude Skin Refiner Pore at US\$11.33/g; and Lancôme Pure Focus at US\$24.41/ g. Meanwhile LG-DeBon offers ISA KNOX Celenium Control at US\$19.83/ 50g and Lacvert Pore Care at US\$13.79/ 50g. And Shiseido introduce Shiseido Pureness at US\$18.44/ 50g.
- The second highly competitive category is anti-aging products. In this category, four different producers are competing. Among them, Pond's and Olay are offering products at similar price. Pond's offers Pond's Age Miracle US\$13.12/ 50g. And Olay offers Olay Total Effects at US\$11.11/ 50g. The other two producers offer products at higher prices but within medium price range. Shiseido is competing by Shiseido Benefiance at US\$19.73/ 50g. And L'Oreal use L'Oreal Plenitude Revitalift at US\$30.94/ 50g to compete.
- The third highly competitive category is whitening products. There are three brands are competing in this category. Among them L'Oreal and LG-DeBon are competing fiercely by offering similar price. L'Oreal has L'Oreal Plenitude White Perfect at US\$11.87/ g. And Lacvert offers Lacvert White Power at US\$11.8/ g. Meanwhile, Shiseido puts its Shiseido White Lucent product at US\$30.96/ g.

However, in the medium price segment, beside competitive product categories there are rooms for newcomers in some other product categories. These less competitive categories are:

- The sun-care category has two competitors that are offering their product lines at different prices. LG-Debon offers ISA KNOX Sun Care Protection Cream at US\$17.8/ 50g. Meanwhile Shiseido put their product's price at higher price.

Shiseido sells its Shiseido Suncare “Outpower the Sun” product line at US\$27.5/ 50g.

- Meanwhile, Product for sensitive skin category has only LG-Debon occupying the medium price segment. LG-Debon offers Lacvert Sensitive Skin at US\$11.02/ 50g.

In the **high price** segment less competitive segments are dominating. The high competition presents in two categories that are Whitening products and Anti-ageing products. Among the two, Anti-ageing category is more competitive. The competition is taken place between LG-Debon and L’Oreal. LG-Debon offers Lacvert Wrinkle Cream (\$36.93/50g) and ISA KNOX Wrinkle Dcline (\$122.22/ 50g). Meanwhile L’Oreal sells Clarins Line Prevention Care (\$80.08/ 50g) and Lancôme Renergie Refill (\$84.34/50g). Four product lines are competing in the Anti-ageing category. Furthermore, the two companies also compete in whitening product category. L’Oreal is selling two product lines that are Lancôme Blanc Expert NeuroWhite (\$40/ 50g) and Clarins White-Plus Care (\$100.47/ 50g). And LG-Debon is offering ISA KNOX White Focus Clear Whitening (\$91.32/ 50g). The other categories: Moisturizing products and Suncare products are still open to new cosmetic companies since there are one to two product lines are competing.

6.2.3 Place

Company/Place	Unilever— Pond’s and Hazeline	P&G — Olay	Johnson & Johnson — Clean and Clear	UNZA – Eversoft	Shiseido	L’Oreal (L’Oreal Plenitude, Lancôme and Clarins)	LG Household and Health (Debon) —ISA KNOX and Lacvert
Cosmetic Shop	Available	Available	Available	Available	NONE	NONE	NONE
Supermarket and Hypermart	Available	Available	Available	Available	NONE	NONE	NONE
Shopping Mall	NONE	NONE	NONE	NONE	Available	Available	Available
Specialty Store	NONE	NONE	NONE	NONE	Available	NONE	Available

Table 6.3 Competition-Place Analysis

The more the cosmetic companies use the same distribution channel, the higher the competition in the market in term of place. The competition between Unilever, P&G, Johnson & Johnson and UNZA are high because they have the same distribution channels which are cosmetic shop, supermarket and hypermart. Meanwhile Shiseido, L’Oreal and LG Household and Health (Debon) sell their products through shopping mall and specialty store. It can be concluded that the low price skin care products which are Unilever, P&G, Johnson & Johnson and UNZA use the same channels. In the same way, the high price skin care products which are Shiseido, L’Oreal and LG Household and Health (Debon) use similar channel. As a result, the competition in term of place is high in all skin care products with all ranges of prices.

6.2.4 Promotion

Company/Place	Unilever— Pond’s and Hazeline	P&G — Olay	Johnson & Johnson — Clean and Clear	UNZA – Eversoft	Shiseido	L’Oreal (L’Oreal Plenitude, Lancôme and Clarins)	LG Household and Health (Debon) — ISA KNOX and Lacvert
Television	Apply	Apply	Apply	NONE	NONE	NONE	NONE
Magazines	Apply	Apply	Apply	Apply	Apply	Apply	Apply
Gift Promotion	Apply	Apply	NONE	Apply	Apply	Apply	Apply
Event Sponsoring	Apply	Apply	NONE	Apply	Apply	NONE	NONE
Funding	Apply	NONE	NONE	NONE	NONE	NONE	NONE
Marketing team	NONE	NONE	NONE	NONE	Apply	Apply	Apply
Websites	Apply	Apply	Apply	Apply	Apply	Apply	Apply

Table 6.4 Competition-Promotion Analysis

All cosmetic company uses magazines and website as their promotion channels. For magazine advertisement, Unilever, P&G, LG Vina Cosmetics, LG Debon Cosmetics (LG Household and Health (Debon) and Johnson & Johnson advertise heavily as stated in the finding. As for website only P&G and Unilever develop a website especially for Vietnam. As for television advertisement, Unilever is the number one, while P&G comes as number two mainly on VTV3, VTV1 and Hanoi Channel. However, L’Oreal and Shiseido use limited advertisement on the television and magazine to remain the exclusive image of the product since they are high-end brands. Instead, L’Oreal, Shiseido and LG Household and Health (Debon) emphasize more on their marketing team to sell their products directly to customers as well as to establish a good relationship between the sale persons of the company and the customers. According to the interview the relationship of the sale person and buyers is considered important in cosmetic sale. Almost all the company except for Johnson & Johnson uses gift promotion by giving special discount or additional product on special days as Woman’s day or Valentines Day to encourage the customers to buy more products. To create a good image to the corporation and the brand, Unilever, P&G, UNZA and Shiseido also use event sponsoring and funding. Since the low price skin care product uses similar distribution channel as TV, magazine, gift, event sponsoring and website, while, medium to high price skin care products use magazine, gift, marketing team and website. Then the competition is considered high due to similarity in promotion strategy in low price and high price product.

The competition among the current major players and Vietnam cosmetic market is considered high. It is because the competitors: Unilever, P&G, Johnson & Johnson, UNZA, Shiseido L’Oreal and LG Household and Health (Debon) apply similar marketing strategies as discussed above.

6.3 Consumer Behavior

The demand in cosmetic product of Vietnamese consumers is considered to be high as the demand in consumer products and cosmetic product is higher and more sophisticated for foreign products.

6.3.1 Product

According to the theory, it is necessary to determine the benefit most desired by the consumers. Generally, Vietnamese woman needs the skin care products suitable for oily and mixed skin types since 50 per cent of them have that kind of skin. Additionally, age also affects the type of desired skin care products since the young age group mostly buy acne solution product as well as cleansing and moisturizing product, the middle age seeks for whitening products and the mature age group opts for anti-aging products.

6.3.2 Price

From the theory, it is necessary to consider whether the consumer is price-oriented or quality-oriented in order to find the suitable price for cosmetic product. Some Vietnamese consumers are price sensitive and some are quality oriented. The buying behavior is different according to the age. The young group is willing to pay for low price, while the middle age group and mature group are more quality-focused since they are willing to pay for medium price and high price. Moreover, from the theory, consumers associate high price with high quality and safety in cosmetic products. The Vietnamese consumer would pay for high prices skin care product providing that the products are suitable to their skin and highly effective.

6.3.3 Place

According to the theory, there are three factors in place affecting customer's behavior toward cosmetic products. These factors are: reputation, location and facilities of the place. From the finding, the places used for distributing cosmetic products would help capture customers' mind. From the low and medium price to high price cosmetic products, the cosmetic companies always choose well known distributors. The low and medium price cosmetic producers go for popular supermarket chains like: Intimex Supermarket, Fivimart Supermarket. Meanwhile high price cosmetic producers choose luxury shopping malls or special shops to be their distribution channels. These channels, supermarket/ shopping malls/ and special shops, are all from popular to well known. The luxurious place also reflects the high quality and justifies the high price. Moreover, consumer also associates the luxurious place with high quality skin care products. They all have good facilities to support the business activities. Furthermore, these places are located in either busy streets, center districts or near residential centers.

6.3.4 Promotion

Promotional tools mostly used to attract Vietnamese cosmetic buyers, apart from television, fashion magazines, newspaper, and cosmetic website, are promotional leaflets, gifts for every week, personal relationship between sale persons and customers. However, the most effective tool is promotional gift.

6.3.5 Demographic

As mentioned in theory that age has an effect on cosmetic usage. The cosmetic expert mostly categorize the customers as Young group: 18 – 29; Middle age group: 23 – 45; and Mature age group: 45 – 60 and upper. The detail of age and cosmetic buying behavior are discussed in product and price part.

6.3.6 Psychographic

6.3.6.1 Country of Origin

As stated in theory that products from developed countries are perceived to have superior quality and consumers are willing to pay more for product quality and safety. From the interview, the consumers are willing to pay more for products from European countries as France, from America and from Japan or Korea because they think that the quality is higher and the products are more suitable to their skin.

6.3.6.2 Reference Group

Product with high self-image such as fashion, cosmetic or music has a high effect on reference group. Reference groups are also important in cosmetic purchasing decision. From the interview, shop's experts, colleague and friends and family member would influence the buying decision.

The Vietnamese demand on cosmetic products is considered to be increasing. Different age groups desire for different kind of skincare products. Moreover, their patron of distribution channel and their perception in price are also varied according to the age. Moreover, reference group and country of origin affect the purchasing decision of the Vietnamese.

6.4 Market Analysis

After the analysis of environmental factor, competition and consumer demand is revealed, the analysis would be applied further in determine the market condition of Vietnam.

The environmental factors of economic, legal and culture are considered as favorable (High) to cosmetic companies. Consumer demand is high while the competition is also high. Therefore, the market description falls in to **Competitor oriented**.

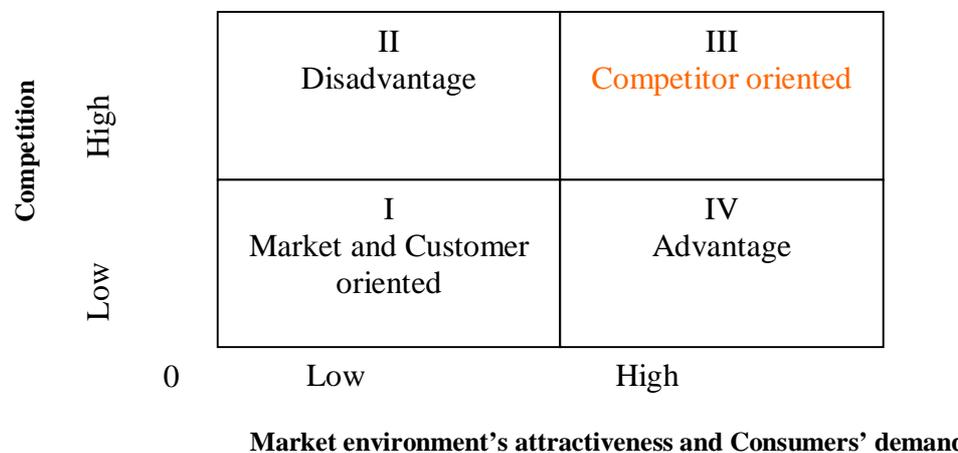


Figure 6.1: Matrix Model for Result of Market description

Consequently, in order to design an effective marketing plan the company has to be conscious to the competitors' marketing strategy.

According to the table 6.1 in competitor analysis of product, the least competitive segment is moisturizing product and sensitive skin product. Further, in the table 6.2 in competitor analysis of price, both segments are even open for low price moisturizing product and low price sensitive skin product. Therefore, in term of competition only **low price moisturizing and low price sensitive products** seems to be advantageous for the newcomer to enter. However, further analysis with consumer behavior is needed.

Meanwhile, if the consumer behavior analysis is examined together with competitor analysis, the most desired benefits are acne product and moisturizing product (for young group who favors low price), whitening product (for middle age group who favors middle price) and anti-aging product (for mature group who favors high price). According to the table 6.1 in product competitor analysis, all three segments are moderate to high competitive.

Mature group: the mature group is looking for anti-aging product. They choose high price since they associate high price with high quality. However, according to the table 6.2 in competitor analysis of price, the high-price anti-aging products are highly competitive. Therefore, the company should not enter this segment.

Middle age group: This group uses whitening products with middle price. However, according to the table 6.2 in competitor analysis of price, the middle-price whitening products are highly competitive. Therefore, the company should not enter this segment.

Young group: This group chooses acne products and moisturizing products with low price. The moisturizing product with low price is still open to enter. As for low-price acne products, the competition is moderate. The present brands are Clean&Clear, Pond's and Hazeline. However, Pond's and Hazeline are not strong competitors since they offer only cleansing product. While, Clean&Clear is considered as strong competitor since they offer the whole range of acne products as acne care cleansing and moisturizing products. Therefore, the company should enter **low-price moisturizing product and low price acne product**.

Another segment worth entering is suncare products since the segment achieved highest growth among other cosmetic products, as presented in table 4.3. Moreover, according to Swiss Business Hub ASEAN 2006 presented in the finding, 50 per cent of Vietnamese consumers need UV-protection products because of the warm weather in Vietnam. Most importantly, the competition is low in **low-price, middle-price and high-price suncare products**.

Conclusively, Vietnamese skin care market is attractive for cosmetic company to enter. However, the company must concern the high competition. The less competitive segments are low price moisturizing, low price sensitive products, low price acne products and low-price, middle-price and high-price suncare products. However, the sensitive products are not desired by the Vietnamese. Therefore, the

segments worth entering are **(1) low price moisturizing, (2) low price acne products and (3) low-price, middle-price and high-price suncare products.** The suggested Marketing plan will be presented in the recommendation part.

7. Conclusion

The high growth of cosmetic industry is the inspiration for this thesis. The aim in this thesis is to describe and analyze the Vietnamese cosmetic market in term of **market environment, competition and consumer's demand**. The result will provide a foundation to build a constructive suggestion to the cosmetic companies in their marketing strategies planning.

For the **market environment**, the economy of Vietnam is favorable to cosmetic industry of the country since the disposable income is higher and result in higher demand in affluent products as cosmetic. At the same time, for the cultural aspect, women in Vietnam are more liberal and active in career life. Consequently, their usage in skin care product is increased over time. The legal control in cosmetic in Vietnam is not considered strict. Therefore, the market environment in Vietnam is **favorable** to cosmetic company.

Nevertheless, due to the high growth in cosmetic industry of Vietnam, many cosmetic companies have already invested in the countries. As a result, the newcomer to Vietnam cosmetic market would surely face a **high competition**. The main competitors are Unilever, P&G, Johnson & Johnson, UNZA, Shiseido, L'Oreal and LG Household and Health (Debon). The main competitors invested heavily in whitening, anti-aging and acne care products.

As the economic situation in Vietnam is continuously improving, the **demand** in cosmetic is also **increasing** since the consumers exposed more and more to wide variety of products both domestically and locally produced.

Since the environmental factor is favorable, the demand in cosmetic is high and competition is high, the market description of Vietnamese cosmetic market is **competitor-oriented**. Therefore, the cosmetic company should enter the less competitive section as (1) low price moisturizing, (2) low price acne products and (3) low-price, middle-price and high-price suncare products. However, the suggested marketing plan would be presented in recommendation part.

8. Recommendation

As mentioned in the analysis part that the segments worth entering are (1) low price moisturizing, (2) low price acne products and (3) low-price, middle-price and high-price suncare products. The marketing plan would be suggested in detail as product, price, place and promotion.

Product

The key to success is to find the product that really matter to customers. From the finding, the desired benefits are moisturizing, acne and suncare products. Therefore, the cosmetic companies should focus on them.

In moisturizing product, the products should not be so thick or highly moist because Vietnam weather has high humidity. Instead, it should be light weight and easily absorb to the skin. It should be in a form of gel or lotion, instead of cream, according to beauty expert.

In acne products, the company should focus on the acne products suitable for oily and combination skin. It is because oily skin is acne prone skin and 50 per cent of Vietnamese women have those skin types (Swiss Business Hub ASEAN, 2006).

In suncare products, the SPF or sunscreen protection should be high because of the warm weather in Vietnam. The SPF should be high since Vietnam is located in tropical area and expose in high degree to sunlight.

Furthermore, to differentiate from the competitors, the company should find the special ingredient or technology that is unique. According to the cosmetic expert, natural ingredients is preferred among Vietnamese consumer since it is believed to have low side effect.

Moreover, it is very important to the consumers that the skin care products must be suitable for their skin types and the products should really work so effectively that the users can notice the visible improvement. The cosmetic company from France, the States, Japan or Korea would have higher advantage than other countries. The consumers view the skin care products from those countries to be high quality. And the products from Japan or Korea are not only high quality but also suitable for Asian skin like Vietnamese.

Price

The price for moisturizing and acne products should be low. According to table 4.2., the low-price moisturizer products are even open and in low-price acne products are less competitive than in medium and high price. Moreover, for the two products the company should target the young consumers since they prefer low price and from the cosmetic expert moisturizing and acne products are desirable from the young.

The price for suncare product can be low, medium or high since the competition is low in all ranges of price. The company can target young, middle or mature age.

However, the suncare product for the young should be low price while in the middle or mature age should be medium or high. It is because the two latter groups associate high price with high quality and they are willing to pay for the high quality products, according to the interview.

Place

The place to sell cosmetic product should be easily accessed by the consumers. It should be located in residential area or business area as Fivimart Supermarket, Big C Supermarket. Moreover, high-price skin care product should be distributed through luxurious shopping malls as Vincom Tower, Ruby Plaza or Parkson Viet Tower. It is because the consumers would associate the image of the cosmetic store to quality and safety of the cosmetic products as mentioned in the theory.

Promotion

The cosmetic company should emphasize on gift promotion since it is claimed to be most effective by the cosmetic expert.

Moreover, cosmetic company with high price should focus more on marketing team to directly inform the product benefit. From the interview, consumers give credit to the expert since they believe that the experts are knowledgeable in cosmetic and can advise for suitable skin care product. Cosmetic is high involvement product. The higher the price, the higher the consumer would seek for information.

Additionally, as mentioned in the product part, skin care product should be highly effective that the users notice the visible improvement. It is because word of mouth is important in cosmetic product as mentioned in the theory. With highly effective skin care product, the consumers not only satisfied with the product, but they also “talk” about the products to their friends, colleagues and family and recommend them to use it. According to the interview, colleague and friends and family affects the Vietnamese consumers’ purchasing decision in skin care products.

In summary, the cosmetic market of Vietnam is considered as prosperous due to high demand from the consumer and attractiveness of the market environment. But at the same time the competition in the market is high. However, the cosmetic company can successfully enter Vietnam market by applying the competitor-oriented marketing strategy that suits Vietnamese consumers as mentioned above.

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10. Appendix

Appendix No. 1 Interview Guideline

Hello. May I talk to a person who is selling skincare products in your shop? I am Mai, a Master student at Malardalen University in Sweden. I am doing a Master Thesis on the Vietnamese Cosmetic Market. Since I am far away then the only way for me to collect information is interview via Phone/ email. I got your contacts from website Yellow Page. May you help me?

I would like to ask your professional opinion on Vietnamese Cosmetic Buyers. Your help would be valuable to me. The interview is for studying purpose only. I promise to send you one copy of my work if you would like via e-mail. The information in the report would be beneficial for you on how to attract more customers and boost the sale.

Firstly we would like to thank you for your help. And may we start with the first question:

1. May I have your name and position please?
2. How long have you been working in the cosmetic shop/ field?
3. How many customers do you have a day in your shop?
4. Can you divide your customers into groups in terms of age?
5. What type of skin care products do the different groups of customers look for?
6. What price ranges do the different groups of customers buy?
7. Skincare products from what countries are favored by different group of customers? Do you know why?
8. From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?
9. Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

And lastly, can you recommend other cosmetic expertise it would be very helpful to us?

Thank you very much for your help!

Appendix No. 2: List of cosmetic shop and beauty salon in Hanoi

Order	Name	Address	Phone number	Date	Time	Interviewee
1	L'OCCITANE COSMETIC SHOP	Counter No. 10ABC – VINCOM Trading center No. 191 Ba Trieu Str., Le Dai Hanh Ward, Hai Ba Trung Str., Ha Noi	008442200295	May 10, 2008	09-27 to 09- 38	Miss Mai
2	Shiseido cosmetic shop	Counter Ruby Plaza – 44 Le Ngoc Han Str., Hanoi	008442206755	10 May, 2008	09-40 to 09-50	Miss Tram
3	Guerlain cosmetic shop	Parkson Viet Tower – 198B Tay Son Str., Hanoi	0084904350425	10 May, 2008	09-55 to 10-05	Miss Ngoc Anh
4	Lorcal Cosmetic shop	Trang Tien Trading Center – 23 Hai Ba Trung Str., Hanoi	0084913389798	10 May, 2008	10-05 to 10-16	Miss Nga
5	Elitis Cosmetic shop	Trang Tien Trading Center – 23 Hai Ba Trung Str., Hanoi	008449365749	10 May, 2008	10-20 to 10-32	Miss Linh
6	Coreana Cosmetic Shop	28 Hang Cot Str., Hoan Kiem Dist., Ha Noi	00844927344	12 May, 2008	09-13 to 09-34	Miss Hien
7	Bich Thuy Co., Ltd	28 Le Thai To Str., Hang Trong Ward., Hoan Kiem Dist., Ha Noi	008449286116	12 May, 2008	10-00 to 10-08	Miss Tuyet
8	LG – DeBon Cosmetic company	4A Lang Ha Str., Ba Dinh Dist., Ha Noi	008447724741	12 May, 2008	10-10 to 10-19	Miss Hanh
9	Lovite Cosmetic Shop	No. 17 – Hoa Lu Street, Hai Ba Trung Dist., Hanoi	0084912363535	13 May, 2008	09-10 to 09-19	Miss Thao
10	Hong Ha Cosmetic Shop	No. 228 – Nguyen Trai Street, Dong Da Dist., Hanoi	008445563338	13 May, 2008	10-00 to 10-12	Miss Lan
11	Hoang Gia Cosmetic Shop	No. 332 – Nguyen Trai Street, Dong Da Dist., Hanoi	008445563328	13 May, 2008	10-15 to 10-25	Miss Linh
12	L'OCCITANE COSMETIC SHOP	Counter No. 10ABC – VINCOM Trading center No. 191 Ba Trieu Str., Le Dai Hanh Ward, Hai Ba Trung Str., Ha Noi	0084916899916	14 May, 2008	09-00 to 09-10	Miss Ly
13	Linh Giang Shop – Cat Phu Co., Ltd.	22 Trang Thi Str., Hoan Kiem Dist., Ha Noi	008449287105	14 May, 2008	10-15 to 10-25	Miss Hoa

Appendix No. 3: Interview script

Interview No. 1

Interviewee: Miss Mai

Position: Sale person; Experience: 6 (years)

Shop/ Company: L'OCCITANE COSMETIC SHOP

Address: Counter No. 10ABC – VINCOM Trading center

No. 191 Ba Trieu Str., Le Dai Hanh Ward, Hai Ba Trung Str., Ha Noi

The interview was conducted via internet phone. The interview was on 10 May, 2008 from 09-27 to 09-40. The contacting phone number was 008442200295. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has many customers because it is located inside the trading center.

Question: Can you divide your customers into groups in terms of age?

Answer:

Young group: 18 – 25

Middle age group: 26 – 40

Old age group: 40 - 60

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Young group: Cleansing and moisturizing or acne solution

Middle age group: Whitening

Old age group: Anti-wrinkle; whitening.

For the moisturizing, it should not be too thick. It should be light weight and easily absorbed.

Question: What price ranges do the different groups of customers buy?

Answer:

Young group: Lowest price

Middle age group: Medium and high price

Old age group: High price.

The reason: the middle and old age groups have stable jobs with higher income comparing to young group.

Question: What brands, or name, of products do you sell?

Answer:

L'OCCITANE

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

From France and products have ingredients extracted from green sources like vegetable, flowers. L'OCCITANE is one of those types. These products are friendly to skin and do not side effect on skin.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

Customers get advices from shop's experts. They trust shop's expert because it is believed that the expert is well-trained and knowledgeable in cosmetic field.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

Magazines; gifts for every week; website: <http://www.loccitane.com/>

Mai said: customers have priority over safety in choosing skincare products. The effectiveness of product comes second.

The facilities are essential for the shop to support customers. The customers' needs must be satisfied since the customers are the center of the service. Besides, the staffs need to be well trained before taking the job.

Thank you very much for your help!

Interview No. 2

Interviewee: Miss Tram

Position: Sale person; Experience: 3 (years)

Shop/ Company: Shiseido cosmetic shop

Address: Counter Ruby Plaza – 44 Le Ngoc Han Str., Hanoi

The interview was conducted via internet phone. The interview was on 10 May, 2008 from 09-40 to 09-50. The contacting phone number was 008442206755. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has many customers because it is located inside the trading center.

Question: Can you divide your customers into groups in terms of age?

Answer:

Middle age group: 30 – 45

Old age group: 46 - 60

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Middle age group: Whitening

Old age group: Anti-wrinkle; Strengthening; Anti-aging.

Question: What price ranges do the different groups of customers buy?

Answer:

Middle age group: Medium and high price

Old age group: High price.

The reason: the Shiseido skincare products are medium and high price products, the customers are normally people who have stable medium and high income.

Question: What brands, or name, of products do you sell?

Answer:

Shiseido

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

Customers prefer products from Japan and Asian countries because the climate in Japan and Asian countries are similar to that in Vietnam. And due to that, the products are suitable for Japanese and Asian people would be suitable for Vietnamese as well.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, companions, family member, friends, colleagues, experts or anyone else?

Answer:

Customers get advices from shop's experts.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

The Television; Magazines; gifts are used to attract more customers. Among these, using Television and using gifts to advertise is more effective comparing to using Magazines.

Tram also said that the customers are more concerned with quality of products rather than the prices. They would buy products at high prices providing that the products are suitable to their skin and making them more beautiful. Furthermore family members and experts are groups the customers get advices from.

Thank you very much for your help!

Interview No. 3

Interviewee: Miss Ngoc Anh

Position: Sale person; Experience: 2.5 (years)

Shop/ Company: Guerlain cosmetic shop

Address: Parkson Viet Tower – 198B Tay Son Str., Hanoi

The interview was conducted via internet phone. The interview was on 10 May, 2008 from 09-55 to 10-05. The contacting phone number was 0084904350425. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has around 10 customers a day. The reason was that only medium and high incomes people are afford buying Guerlain.

Question: Can you divide your customers into groups in terms of age?

Answer:

Middle age group who has medium and high income

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

The customers buy Whitening, Anti-wrinkle; Strengthening; Anti-aging skincare products.

Question: What price ranges do the different groups of customers buy?

Answer:

Guerlain is a luxury brand. The prices are high comparing to living standard in Vietnam.

Question: What brands, or name, of products do you sell?

Answer:

Guerlain

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

Customers prefer products from France because in customers' eyes France is well-known for high quality cosmetic and fragrance products.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

Customers get advices from college and experts.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

The Magazines; gifts are used to attract more customers. Magazines are more effective than gifts in products advertising.

Ngoc Anh also said that the customers are more concerned with quality of products rather than the prices. They would buy products at high prices providing that the products are suitable to their skin and making them more beautiful. And some customers would pay up to USD200 for one set of products.

Thank you very much for your help!

Interview No. 4

Interviewee: Miss Nga

Position: Sale person; Experience: 2 (years)

Shop/ Company: Lorcal Cosmetic shop

Address: Trang Tien Trading Center – 23 Hai Ba Trung Str., Hanoi

The interview was conducted via internet phone. The interview was on 10 May, 2008 from 10-05 to 10-16. The contacting phone number was 0084913389798. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

It depends on the days in a week. In normal days, the shop has around 5 customers. But in weekends there would be around 20 customers a day.

Question: Can you divide your customers into groups in terms of age?

Answer:

Middle age, from 30 to 50, people who has medium income

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

The customers mainly buy Whitening skincare products.

Question: What price ranges do the different groups of customers buy?

Answer:

Lorcal cosmetic shop is selling medium price products. The price is ranging from USD15 to USD30 per one set of products. Normally price ranges of skin care products are divided in low price (US\$1 to 5.9), medium price (US\$6 to 31) and high price (US\$32 upward).

Question: What brands, or name, of products do you sell?

Answer:

Nivea, Olay and Ponds

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

Customers prefer international products that are producing locally. These products are suitable for the Vietnamese people in term of price and effect.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

Customers get advices from college and friends.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

The Magazines; discounts; gifts are used to attract more customers. Using gifts is a more effective than Magazines and discounts. Magazine is just to create brand awareness. Gift encourage people to buy right away.

Nga also said that the customers are more concerned with prices. The customers want products that can help quickly improve skin condition after using. And she introduced Miss Linh for interview. Miss Linh is working for different shop in the same trading center

Thank you very much for your help!

Interview No. 5

Interviewee: Miss Linh

Position: Sale person; *Experience:* 3 (years)

Shop/ Company: Elitis Cosmetic shop

Address: Trang Tien Trading Center – 23 Hai Ba Trung Str., Hanoi

The interview was conducted via internet phone. The interview was on 10 May, 2008 from 10-20 to 10-32. The contacting phone number was 008449365749. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

It depends on the days in a week. The shop has around 12 customers a day on average.

Question: Can you divide your customers into groups in terms of age?

Answer:

Middle age group: 30 to 45

Old age group: 46 to 60

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Middle age group: Dark spots reducing and whitening products

Old age group: Dark spots reducing products; anti-wrinkle products.

Question: What price ranges do the different groups of customers buy?

Answer:

The customers buy medium price products. They think that medium price products are good enough. The important is that they need to choose suitable products for their skin.

Question: What brands, or name, of products do you sell?

Answer:

Nivea, Coreana, Debon and Ponds

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

Customers prefer products from France and Japan because these products are high quality, well-known, and passing the testing requirements.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

Customers get advices from college and family members.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

The Promotional leaflets; discounts; gifts are used to attract more customers. Using gifts is a more effective than promotional leaflets and discounts.

Thank you very much for your help!

Interview No.6

Interviewee: Miss Hien

Position: Sale person; Experience: 5 (years)

Shop/ Company: COREANA COSMETIC SHOP

Address: 28 Hang Cot Str., Hoan Kiem Dist., Ha Noi

The interview was conducted via internet phone. The interview was on 12 May, 2008 from 09-13 to 09-34. The contacting phone number was 00844927344. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The number of customers depends on days in a week and times in a day. The shop has more customers in weekends. And more customers come to the shop at lunch time and after working hours. Coreana has 10 distributors in Hanoi. A big distributor has around 20 customers a day. A small distributor has around 5 customers a day.

Question: Can you divide your customers into groups in terms of age?

Answer:

Young group: 15 – 20

Middle age group: 21 – 45

Old age group: 46 - 60

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Young group: Cleansing and acne solution

Middle age group: Whitening

Old age group: Anti-wrinkle; whitening.

Question: What price ranges do the different groups of customers buy?

Answer:

Young group: Lowest price

Middle age group: Medium and high price

Old age group: High price.

The reason: the middle and old age groups have stable jobs with higher income comparing to young group.

Question: What brands, or name, of products do you sell?

Answer:

Nivea, Ponds, L'Oreal, Olay

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

Previously, products from European countries like France are considered the best. However, recently products from Asian countries like Japan and Korea are preferred. The reason was that people think that with similar climate and condition the producers would provide suitable products to the market. European

products are normally to maintain skin humidity but the Vietnamese skin has high humidity.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

Customers get advices from shop's experts; close relationship.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

Magazines; product introduction events; personal relationship of customers; website: <http://www.coreana.com/>

Mai said that comfort is most important factor in choosing which skincare products to use. The comfort comes from the substance's perfume and skin's relaxation. The effectiveness of product comes second.

The facilities are essential for the shop to support customers. The customers' needs must be satisfied since the customers are the center of the service. Besides, the staffs need to be well trained about products so that they can provide proper advices to customers.

Thank you very much for your help!

Interview No. 7

Interviewee: Miss Tuyet

Position: Sale person; Experience: 4 (years)

Shop/ Company: Bich Thuy Co., Ltd.

Address: 28 Le Thai To Str., Hang Trong Ward., Hoan Kiem Dist., Ha Noi

The interview was conducted via internet phone. The interview was on 12 May, 2008 from 10-00 to 10-08. The contacting phone number was 008449286116. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has around 10 customers a day.

Question: Can you divide your customers into groups in terms of age?

Answer:

Middle age and old age group: 30 – 50

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Middle age group: Anti-wrinkle and anti-aging products

Question: What price ranges do the different groups of customers buy?

Answer:

Middle age and Old age group: Medium and high price because the middle and old age groups have stable jobs with high income.

Question: What brands, or name, of products do you sell?

Answer:

L'OCCITANE

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

The customers prefer products from Japan, France and America

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

Customers get advices from shop's experts.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

Magazines; personal relationships are the major advertising channels.

Tuyet said: customers care more about suitability of products than price. And in her shop, the staffs are well trained with knowledge so that they can give proper advices to customers.

Thank you very much for your help!

Interview No. 8

Interviewee:

Position: Sale person; Experience: 5 (years)

Shop/ Company: LG – DeBon Cosmetic company

Address: 4A Lang Ha Str., Ba Dinh Dist., Ha Noi

The interview was conducted via internet phone. The interview was on 12 May, 2008 from 10-10 to 10-19. The contacting phone number was 008447724741. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has around 15 customers a day.

Question: Can you divide your customers into groups in terms of age?

Answer:

Middle age and old age group: 30 – 45

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Middle age group: Anti-wrinkle and anti-aging products

Question: What price ranges do the different groups of customers buy?

Answer:

Middle age and Old age group they buy products at high price.

Question: What brands, or name, of products do you sell?

Answer:

ISA Knox and Lacvert

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

The customers prefer products from Korea, Japan because products from these countries are suitable for Asian women.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

Customers get advices from shop's experts to decide what product to try. After trial period they will choose by themselves.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

Magazines; personal relationships are the major advertising channels.

Tuyet said: customers care more about suitability of products than price. And in her shop, the staffs are well trained with knowledge so that they can give proper advices to customers.

Thank you very much for your help!

Interview No. 9

Interviewee: Miss Thao

Position: Sale person; Experience: 5 (years)

Shop/ Company: Lovite Cosmetic Shop.

Address: No. 17 – Hoa Lu Street, Hai Ba Trung Dist., Hanoi

The interview was conducted via internet phone. The interview was on 13 May, 2008 from 09-10 to 09-19. The contacting phone number was 0084912363535. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has around 05 customers a day.

Question: Can you divide your customers into groups in terms of age?

Answer:

Young age group: 25 – 30

Middle age group: 31 – 50

Old age group: 51 upward

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Young age group: Whitening skincare products;

Middle age group: Sunburn release; whitening products

Old age group: Anti-wrinkle and anti-aging products

Question: What price ranges do the different groups of customers buy?

Answer:

Young age group: medium prices

Middle age and Old age group: high price

Question: What brands, or name, of products do you sell?

Answer:

Lovite

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

The customers prefer products from Japan, France because these products are considered high quality and produced by using high technology.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

It does not matter from who customers get advice from. The important is the quality. They need to try the products first to have a real experience about the products. If the products are suitable they would buy.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

Sales person and popular Magazines for female are the commonly used advertising channels.

Thao said that the shop has 20 employees. The new employees are well trained by other experienced staffs.

Thank you very much for your help!

Interview No. 10

Interviewee: Miss Lan

Position: Sale person; Experience: 3 (years)

Shop/ Company: Hong Ha Cosmetic Shop.

Address: No. 228 – Nguyen Trai Street, Dong Da Dist., Hanoi

The interview was conducted via internet phone. The interview was on 13 May, 2008 from 10-00 to 10-12. The contacting phone number was 008445563338. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has around 20 customers a day.

Question: Can you divide your customers into groups in terms of age?

Answer:

Young age group: 17 – 29

Middle age group: 30 – 48

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Young age group: Acne solution and cleansing skincare products;

Middle age group: Sunburn release; whitening products

Question: What price ranges do the different groups of customers buy?

Answer:

The skincare products are at medium prices. Middle age and Old age people are customers of the shop.

Question: What brands, or name, of products do you sell?

Answer:

Nivea, Ponds, Essence, Maybelline

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

The customers prefer products from Japan, Korea, Thailand, America, and European countries because products from these countries are considered high quality and well-known.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

The customers get advices from friends or colleagues. Some consumers buy the skin care products because they are recommended by friends or colleagues that certain products are highly effective.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

Popular Magazines for female and Television advertisement are the commonly used advertising channels.

Thank you very much for your help!

Interview No. 11

Interviewee: Miss Linh

Position: Sale person; Experience: 2 (years)

Shop/ Company: Hoang Gia Cosmetic Shop.

Address: No. 332 – Nguyen Trai Street, Dong Da Dist., Hanoi

The interview was conducted via internet phone. The interview was on 13 May, 2008 from 10-15 to 10-25. The contacting phone number was 008445563328. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has around 18 customers a day.

Question: Can you divide your customers into groups in terms of age?

Answer:

Young age group: 17 – 29

Middle age group: 30 – 46

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Young age group: Acne solution and cleansing skincare products;
Middle age group: Sunburn release; whitening products; anti-wrinkle

Question: What price ranges do the different groups of customers buy?

Answer:

The skincare products are at medium prices. Middle age and Old age people are customers of the shop.

Question: What brands, or name, of products do you sell?

Answer:

Nivea, Unilever's skincare products

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

The customers prefer products from Japan, Korea, Thailand, America, and European countries because products from these countries are considered high quality and well-known.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanys, family member, friends, colleagues, experts or anyone else?

Answer:

The customers get advices from friends, colleges, and sales person.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

Popular Magazines for female and Television advertisement are the commonly used advertising channels.

Thank you very much for your help!

Interview No. 12

Interviewee: Miss Ly

Position: Sale person; Experience: 1.5 (years)

Shop/ Company: L'OCCITANE COSMETIC SHOP

Address: Counter No. 10ABC – VINCOM Trading center

No. 191 Ba Trieu Str., Le Dai Hanh Ward, Hai Ba Trung Str., Ha Noi

The interview was conducted via internet phone. The interview was on 14 May, 2008 from 09-00 to 09-10. The contacting phone number was 0084916899916. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has many 30 to 40 visitors and around 10 to 15 real customers a day.

Question: Can you divide your customers into groups in terms of age?

Answer:

Young group: around 20
Middle age group: 35 – 35
Old age group: 60 - 70

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Young group: Acne solution
Middle age group: Moisturizing
Old age group: Anti-wrinkle.

Question: What price ranges do the different groups of customers buy?

Answer:

Young group: Lowest price from USD20
Middle age group: Medium and high price
Old age group: High price.

Question: What brands, or name, of products do you sell?

Answer:

L'OCCITANE

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

Customers prefer products from Japan, France. These products are friendly to skin and do not side effect on skin.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

Customers get advices from family member, friends, and college;

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

Newspaper; trial gifts

Mai said: customers have priority over safety in choosing skincare products. The effectiveness of product comes second.

The facilities are essential for the shop to support customers. The customers' needs must be satisfied since the customers are the center of the service. Besides, the staffs need to be well trained before taking the job.

Thank you very much for your help!

Interview No. 13

Interviewee: Miss Hoa

Position: Manager of Sale Department; Experience: 5 (years)

Shop/ Company: Linh Giang Shop – Cat Phu Co., Ltd.

Address: 22 Trang Thi Str., Hoan Kiem Dist., Ha Noi

The interview was conducted via internet phone. The interview was on 14 May, 2008 from 10-15 to 10-25. The contacting phone number was 008449287105. The details are as follows.

Question: How many customers do you have a day in your shop?

Answer:

The shop has around 15 customers a day.

Question: Can you divide your customers into groups in terms of age?

Answer:

Young age group: 18 – 30

Middle age group: 31 – 45

Question: What type of skin care products do the different groups of customers look for? Is it moisturizing, whitening, anti-wrinkle, acne solution or sunscreen, or else?

Answer:

Young age group: Moisturizing skincare products;

Middle age group: Anti-wrinkle; anti-aging skincare products.

Question: What price ranges do the different groups of customers buy?

Answer:

Low price (below USD20): Young age group with low income;

Medium price (from USD20 to USD60): Young age group

High price (from USD60 upward): Middle age group.

Question: What brands, or name, of products do you sell?

Answer:

Essence, Debon, Naris, L'Oreal

Question: Skincare products from what countries are favored by different group of customers? Do you know why?

Answer:

The customers prefer products from Japan, Korea countries because products from these countries are suitable for Asian people.

Question: From who do customers normally get advice buying skincare product at your shop, whether decide by themselves, accompanies, family member, friends, colleagues, experts or anyone else?

Answer:

The customers get advices from friends to try using products. After trial time they will choose products that are suitable to their skin.

Question: Which of these following ways ever has been applied to get more customers to your shop: sales person; television advertisements; magazines; newspaper; promotional leaflets; website; gift, or else? What ways do you think the most effective?

Answer:

Popular Magazines for female is the most effective advertising channels.

Thank you very much for your help!

Appendix 4: Product's detail of the main competitors

1. Unilever

1.1 Pond's

Acne Products

Pond's Acne Expert and Oil Solution

- *Pond's Acne Expert Washing Foam* reduces acne inflammation for clearer and flawless-looking skin. It contains Acne reduction complex and Tea Tree extract that help reduce acne inflammation and clean impurities without over-drying skin. It also has Vitamins E & C which is known to help reduce the appearance of marks and spots, so your skin is blemish-free from old acne.
- *Pond's Oil Solution Washing Foam* helps solve 5 oily skin problems – from pimples, blackheads, big pores, to shiny face and rough skin. It contains TDS, Triclosan, Lemon, Cucumber, and Mint to remove excess oil on skin surface and in the pores, as well as dull cells and dirt to prevent blackheads and pimples. This formula gives radiant and smoother skin as face is nourished and cleaned.

Whitening Products

Pond's Double White

- *Pond's Double White Whitening Moisturizer* is a double cream with day and night for **dry and sensitive skin**. The product branch is divided into two smaller branches:
 - Day Cream has UV Shield formula SPF 17 & PA++ act as a shield to protect skin from harmful UV rays; Vitamin B3 effectively helps prevent melanin forming.
 - Night Cream has Melanin Dilutor formula with Milky Acid & Collagen continuously reduce the production of tyronaise, an important element that causes the formulation of melanin and help visibly renew skin cells.
- *Pond's Double White Lotion Day & Night* would give the same benefit as Pond's Double White Whitening Moisturizer but for **combination and oily skin**.
- *Pond's Double White Melanin Clean Facial Foam* with breakthrough formulation contains cell renewal complex with Milky Acid which, combined with Whitening Beads & message action, effectively removes oil, dirt and darkened skin cell, making your skin fair and radiant.

Pond's UV White

- *Pond's UV White Cream* protects against the sun's UV rays with PA++. The cream is suitable for all skin types.
- *Pond's UV White Washing Foam* washes away dullness and dirt. It reveals beautiful and radiant skin.

Pond's White Beauty Detox

- *Pond's White Beauty Detox Cream* is a nourishing detox moisturizer formulated to give you up to 50percent whiter and illuminated skin with fewer dark spots and acne marks.
- *Pond's White Beauty Detox Washing Foam* helps detoxify and purify darkness from skin. It gives a cleaner, more illuminated mark-free complexion.

Anti-Aging Products

Pond's Early Defense

- *Pond's Age Solution Early Defense Day Cream* helps in firming and protecting your skin during the day.
- *Pond's Age Solution Early Defense Night Cream* repairs and strengthens damaged skin and successfully renews it. It also reduces all the early signs of ageing.

Pond's Age Miracle

- *Pond's Age Miracle Cream* is developed to fight fine line and wrinkle and diminish age spot.
- *Pond's Age Miracle Eye Cream* is developed to fight fine line and wrinkle especially for eyes area.
- *Pond's Age Miracle Serum* is intensive anti-ageing serum that boosts your skin with a daily dose of highest concentration of wrinkle-fighting and age-spot.
- *Pond's Age Miracle Remover* is a daily regenerating cleanser that removes make-up and dirt and helps fight signs of ageing.
- *Pond's Age Miracle Toner* helps prepare faces for cream and make-up.

1.2. Hazeline

Hazeline is extracted to give natural look and protect skin to be soft and smooth. Hazeline has three product lines:

Acne Product

- *Hazeline seaweed Face Foam* contains active seaweed extract to gently help reduce facial oil. It removes dirt and grime to unclog pores so that the skin is free from sticky shine and pimples with cool and fresh feeling.

Suncare Product

- *Hazeline Suncare SPF 25 Sunflower Extract* the natural sunflower would help protect skin from UVA and UVB.

Whitening Products

- *Hazeline Whitening Facial Foam with cucumber extract.* It protects skin to be soft, smooth and white. The facial foam gently cleans without drying out skin and give refreshing glow.
- *Hazeline Whitening cream milk cucumber & yoghurt* the cucumber would give skin cool and soft result while yogurt is a natural ingredient help whitening skin.
- *Hazeline White and Natural Mulberry Cream* is skin lightening moisturizer that contains mulberry extract which is a natural lighting ingredient. It moisturizer works to reveal fairer complexion. It contains UV sunscreen to maintain lighter color.
- *Hazeline Whitening cream SPF 20 with Rose extract and Vitamin E* the cream would help protect skin from UVA and UVB. The rose extract would give the skin natural pinkish color while soften skin with vitamin E.

2. P&G

2.1 Olay

Moisturizing Products

- *Olay Moisturizing Cream* the cream moisturizes and improves skin softness and smoothness to leaves skin youthful looking for dry and sensitive skin. Olay Moisturizing cream provides healthy looking fairness that glows.
- *Olay Moisturizing Lotion* provides the same benefit as Olay Moisturizing cream but for combination skin.

Whitening Products

- *Olay UV Whitening Cream* UV reflectors and whitening particles to whiten skin, visibly reduce spots, and make pores look smaller. Niacinamide, Mulberry Extracts and skin-nourishing vitamins enhance skin's natural radiance from within. UVA/UVB protection SPF19 to protect skin from harmful UVA and UVB rays, major causes of dull and dark skin.

Anti-Aging Products

Olay Total Effects

The product line would help (1) Line Minimization: Reduces the appearance of fine wrinkles (2) Nourishing Moisturization: For a radiant, healthy glow (3) Tone Enhancement: Balances color & reduces appearance of age spots (4) Gentle Exfoliation: Smooths and evens skin texture (5) Pore Refinement: Minimizes the appearance of pores (6) Free Radical Defense: Helps prevent damage to skin's surface and (7) Subtle Lifting: Hydrates for firmer skin appearance

- *Olay Total Effects* promises to help against 7 signs of aging with the harness of seven vitamins and minerals.
- *Olay Gentle Formula Total Effects* this daily non-fragrance and non-color facial moisturizer provide the same benefit of reduce the sign of aging as regular Olay Total Effect.

3. Johnson and Johnson

3.1 Clean & Clear

Acne Products

- *Clean&Clear Moisturizer* this unique moisturizer combines an oil-free formula with a proven acne-fighting ingredient.
- *Clean&Clear Acne clearing cleanser* this oil-free foaming cleanser gently lifts away dirt and oil and thoroughly removes all types of makeup, including waterproof mascara. It is gentle enough to use around the sensitive eye area, and rinses away without leaving an oily residue that can clog pores. The skin is left refreshingly clean and acne free.
- *Clean&Clear Deep action cleanser* this cream cleanser removes dirt, oil and makeup while working deep down to pores. And it is gentle enough to use every day. Its oil-free formula will not clog pores.
- *Clean&Clear Foaming Facial Wash* it gently cleanses by removing oil, dirt, and makeup-impurities that can cause breakouts. This oil-free formula rinses clean, leaving no residue.
- *Clean&Clear Oil controlling toner* it works deep down to the pores to remove dirt, oil and makeup and leaves a refreshingly clean feeling.

4. UNZA

4.1 Eversoft

Eversoft has a range of skin care products developed from natural ingredients formulated for Asian skin.

Whitening products

- *Eversoft White Effects Beauty Cream* It has 22 SPF to protect UVA and UVB and moisture for 24 hours.
- *Eversoft White Double Effects Beauty Cream* it has intensive pearl cream to whiten and renew skin faster and more effective.
- *Eversoft Lumi-White Tri-Actif System* is a revolutionary whitening skincare system that provides a simple, yet effective solution for Asian women to restore their skin's natural luminosity and fairness. It has 22 SPF to protect UVA and UVB and moisture for 24 hours.
- *Eversoft White Double Effects Facial Scrub* is used to clean the impurity deep down in the skin to reveal the whiter skin.

5. Shiseido

Shiseido is the company from Japan. The company has a long history dated back in the year 1872. The company is present worldwide in Asia, United State and Europe. Shiseido has five product lines as Shiseido the Skincare, Shiseido Pureness, Shiseido White Lucent, Shiseido Benefiance and Shiseido Sun care.

Acne Products

Shiseido Pureness

- *Pureness Deep Cleansing Foam* it helps remove dirt and excess oil without stripping skin of vital moisture.
- *Pureness Balancing Softener Alcohol-Free* it helps smoothening and hydrating skin to its natural balance.
- *Pureness Matifying Moisturizer Oil-Free* the oil-free moisturizer protects skin's natural moisture balance with oil-absorbing powder.

Moisturizing products

Shiseido the skincare

- *The Skincare Gentle Cleansing Foam* the deep cleansing foam is used to remove make up and impurity.
- *The Skincare Hydro-Refining Softener* the softener or toner helps soften and hydrate skin for the next step of moisturizing.
- *The Skincare Day Essential Moisturizer* the moisturizer provide skin hydration and balance while protecting against UV Rays and damaging effects of environment.

Whitening products

Shiseido White Lucent

- *White Lucent Brightening Cleansing Foam* purifies skin and quickly cleans away makeup and surface cells that contain melanin build up.
- *White Lucent Brightening Refining Softener* helps exfoliate surface cells to reduce melanin build up.
- *White Lucent Moisturizing* revitalizes skin complexion for more even skin tone. It provides skin awakening and healthy white glow.

Suncare products

Shiseido Suncare “Outpower the Sun”

- *Gentle Sun Protection Lotion SPF 30 PA +++* which is specially developed to protect the skin damage from sunlight. The product is highly effective while it is suitable for sensitive skin.

Anti aging products

Shiseido Benefiance

- *Benefiance Creamy Cleansing Foam* through the cleaning the skin would be free from make up and impurities that contribute to sign of aging.
- *Benefiance Enriched Balancing Softener Lotion N* the softener or toner would help enhance moisturizer effect in the next step.
- *Benefiance Daytime Protective Emulsion N* the emulsion would help protect skin from UVA/UVB and other external hazards to prevent skin from aging.

6. L’Oreal

6.1 L’Oreal Plenitude

Moisturizing Products

L’Oreal Plenitude Futur-E

- *L’Oreal Plenitude Future Moisturizing Cream + Daily Supply of Vitamin E*
The product would replenish moisture to improve its smoothness. The product is suitable for dry and sensitive skin.
- *L’Oreal Plenitude Future Moisturizing Lotion + Daily Supply of pure Vitamin E*
The product would provide the same benefit as L’Oreal Plenitude Future Moisturizing Cream. It is suitable for combination and oily skin.

Acne Products

L'Oreal Plenitude Matte

- *L'Oreal Plenitude Hydra-Matte Cream* It would absorb oil in skin to make it looks fresh and healthy.
- *L'Oreal Plenitude Pure - Matte Oil Control Foaming Gel* The gel would remove dirt and make-up to leave clean, fresh and pure skin.

L'Oreal Plenitude Skin Refiner Pore

- *L'Oreal Plenitude Skin Refiner Pore Minimizing Deep Wash* The product helps wash away make up and impurity. It unclogs and minimizes pores.
- *L'Oreal Plenitude Skin Refiner Pore Minimizing Moisturizer* The product helps minimize pore and evens skin tone.
- *L'Oreal Plenitude Skin Refiner Pore Minimizing Essence* The product would give similar effect as L'Oreal Plenitude Skin Refiner Pore Minimizing Moisturizer but more intensely.

Whitening Products

L'Oreal Plenitude White Perfect

- *L'Oreal Plenitude White Perfect Facial Foam* purifies skin and quickly cleans away makeup and surface cells that contain melanin build up.
- *L'Oreal Plenitude White Perfect Instant Clear Wipe-off Lotion* It provide the same benefit as L'Oreal Plenitude White Perfect Facial Foam but also for heavy make up.
- *L'Oreal Plenitude White Perfect Whitening Essence* The essence would provide the intense whitening effect.
- *L'Oreal Plenitude White Perfect Whitening Moisturizing Cream SPF 15* The cream would provide whitening effect while protect skin from UVA and UVB. It is suitable for dry skin.
- *L'Oreal Plenitude White Perfect Whitening Moisturizing Lotion SPF 15* The lotion would provide the same effect as L'Oreal Plenitude White Perfect Whitening Moisturizing Cream SPF 15. It is suitable for combination to oily skin.

Anti-Aging Products

L'Oreal Plenitude Revitalift

- *L'Oreal Plenitude Revitalift Anti-Wrinkle and Firming Cream* the cream would reduce the sign of aging and wrinkles. It also provides firmer skin.
- *L'Oreal Plenitude Revitalift Eye* the cream is suitable for eye areas which are sensitive. It is used to reduce wrinkle in the eye areas.

6.2 Lancôme

Moisturizing

Lancôme Aqua Fusion

- *Aqua Fusion Continuously Infusing Moisture Cream/Gel* helps keep moisture balance so that the skin is hydrated and radiated with a healthy glow.
- *Aqua Fusion Continuously Infusing Moisture Cream/Gel with SPF 15* gives suitable level of moisture with the feeling of freshness. It also helps protect skin from sun damage.

Sensitive Skin Products

Lancôme Hydra Zen Neurocalm

- *Hydra Zen Neurocalm Day/Night Cream* instantly hydrates skin and helps skin to maintain optimum moisture balance.
- *Hydra Zen Neurocalm Eye Contour Cream* is a soothing eye contour cream which helps reduce puffiness and signs of fatigue.

Acne Products

Lancôme Pure Focus

- *Pure Focus Deep Purifying Cleanser* is a refreshing, skin-purifying cleanser which helps remove oil and shine for fresh, pure skin.
- *Pure Focus Moisturizing Lotion* is a refreshing, skin-purifying face lotion which helps remove oil and shine for fresh, pure skin. It also helps tighten and refine pores.
- *Pure Focus Anti-aging Matifying Cream-Gel* is a lightweight, creamy gel formula which provides suitable-targeted hydration to skin.

Whitening Products

Lancôme Blanc Expert NeuroWhite

- *Blanc Expert NeuroWhite Advanced Whitening Make-Off* is a gentle cleanser for daily use to thoroughly clean and to remove impurities & makeup.

- *Blanc Expert NeuroWhite X3 Ultimate Whitening Beauty Day Lotion* hydrates and whitens skin so that the skin would be white and glow.
- *Blanc Expert NeuroWhite X3 Ultimate Whitening Beauty Night Cream* is an advanced whitening night renovator to gently polish and to remove dead cells with melanin.
- *Blanc Expert NeuroWhite X3 Ultimate Whitening Beauty Eye Care* is a unique eye care product made of latest whitening technology for the Asians. It visibly lightens the dark circles under eye area.

Anti Wrinkle Products

Lancôme Renergie Refill

- *Lancôme Renergie Refill Anti-Wrinkle Cream SPF 15* would give users smoother and softer skin. Wrinkles appear to be reduced. The cream provides anti-aging benefit at the same time with sun protection.
- *Lancôme Renergie Refill Anti Wrinkle Serum* works similar way as the cream but it is more intense and effective.
- *Lancôme Renergie Refill Anti Wrinkle Eye Cream* is specifically formulated for use around the delicate eye area, helps to strengthen the skin and decrease wrinkle.

6.3 Clarins

Sensitive Skin Products

Clarins Gentle Care

- *Gentle Day Cream* is an essential daytime treatment for sensitive skin. Using the product would result in soft and healthy looking skin.
- *Gentle Night Cream* is a perfect nighttime complement to Gentle Day Cream. It helps soothe, comfort and add radiance to sensitive skin.
- *Skin Beauty Repair Concentrate* is an emergency treatment for sensitive skin. The product is formulated with ultra-soothing natural plant extracts that help soothe and minimize redness.

Acne Products

Clarins Truly Matte

- *Blemish Control* is a SOS stick for clear skin. At any moment, it calms and neutralizes imperfections.

- *Face Treatment Oil – Lotus* helps rebalance skin prone to oiliness during the night.
- *Hydra-Matte Lotion* is a lightweight lotion that gently yet effectively ensures the moisture balance of the skin where needed.
- *Pore Minimizing Serum* is a serum helps effectively tighten and minimize pores.
- *Purifying Cleansing Gel* gently cleanses and removes make-up and surface impurities. The result is clean and healthy-looking skin.
- *Purifying Toning Lotion* helps tone, refresh skin. The toning lotion also tightens pores and refines skin's texture.

Whitening Products

Clarins White-Plus Care

- *Protective Day Screen SPF 40 Oil Free PA +++* with “screen” formula, Protective Day Screen helps protect your skin against UVA, UVB and IR rays.
- *White plus Detoxifying Cleansing Mousse* helps remove make-up and cleanses skin deep down.
- *White plus Hydrating/ Tightening Whitening Lotion* is an essential protective day care which helps moisturize/ strengthen skin and helps protect skin from UV with SPF 20 PA+++
- *White plus Total Whitening Essence* is a complete whitening treatment having a triple anti-dark spots, anti-ageing and anti-dull complexion action for flawless, even and luminous skin.
- *Whitening All Spots Corrector* is a corrector which is used locally to treat both stubborn pigmentation marks and small spots.

Sun care Products

Clarins Ultra Daily Protection

- *UV Plus SPF 40* is for sunscreen to protect skin from harmful UVA and UVB with natural ingredient as White Tea Extract. The product is friendly to skin so that can be used every day.

Anti-Aging Products

Clarins Line Prevention Care

- *Line Prevention Multi Active Day Lotion SPF 15* help fight the first signs of aging.

- *Multi-Active Day Cream/Gel Protection Plus* helps protect skin against all visible daytime ageing factors and at the same time promotes hydration and prolonged radiance.
- *Multi-Active Night Cream/Lotion Prevention Plus* promotes extremely soft and smooth skin.
- *Multi-Active Serum* is a beauty treatment which helps renew skin's radiance, freshness and vitality for a more beautiful-looking complexion.

7. LG Household and Health (Debon)

7.1 ISA KNOX

The brand ISA KNOX has various product lines as ISA KNOX Celenium Control, ISA KNOX Pore Minish, ISA KNOX Sun Care Protection, ISA KNOX White Focus Clear Whitening, and ISA KNOX Wrinkle Decline.

Acne products

ISA KNOX Celenium Control

- *ISA KNOX Celenium Control Wash Foam* completely washes away makeup and impurities.
- *ISA KNOX Celenium Control Care Skin* is a refreshing skin toner that controls oil and keeps skin clean.
- *ISA KNOX Celenium Control Care Emulsion* effectively controls skin trouble as it supplies essential nutrients for skin.
- *ISA KNOX Celenium Control Care Serum* works right on the trouble spot for clear skin.

ISA KNOX Pore Minish

- *ISA KNOX Pore Minish LS-8865 Serum* works to tighten pores and soften skin textures.
- *ISA KNOX Pore Minish GE-025 Controller* refines pores and keeps skin from excessive surface oil.

Whitening products

ISA KNOX White Focus Clear Whitening

- *ISA KNOX White Focus Clear Whitening Mask* is a wash-off type mask that removes dead skin cells without scrubbing.

- *ISA KNOX White Focus Whitening Skin Toner* is a soft facial lotion that supplies plenty of moisture, while refining skin texture and adjusting the pH balance.
- *ISA KNOX White Focus Tone-Up Whitening Emulsion Serum* It infuses dull and tired-looking skin with vitality with Oligo peptide ingredient. This emulsion has both whitening and moisturizing effects.
- *ISA KNOX White Focus Intensive Whitening Treatment* is a concentrated treatment for whitening small specific areas of your skin.

Suncare products

- *ISA KNOX Sun Care Protection Cream* effectively blocks sun to prevent skin discoloration with SPF 35.

Anti Aging products

ISA KNOX Wrinkle Decline

- *ISA KNOX Wrinkle Decline* help improves skin elasticity and reduces wrinkles with superior skin absorption and stability.

7.2 Lacvert

Sensitive skin Product

Lacvert Sensitive Skin

- *Lacvert Sensitive Foam Cleansing* is a low-irritating foam cleanser which is specially developed for sensitive skin. It effectively removes pollutants and dead skin cells.
- *Lacvert Sensitive Skin Toner* is made with an ultra-fine emulsification formula containing all-natural lecithin, an essential element of cells in the human body, to keep moisture in the skin.
- *Lacvert Sensitive Skin Emulsion* is a low-irritating product which contains Medimin C, S, and G. The Medimin can help keep skin healthy, moisturized and revitalized for a beautiful, healthy look. The emulsion is for combination to oily skin.
- *Lacvert Sensitive Skin Cream* provides the same benefit as Lacvert Sensitive Skin Emulsion but it is suitable for dry skin.
- *Lacvert Sensitive Skin Serum* provides the same benefit as Lacvert Sensitive Skin Emulsion but the effect would be faster and more intense.

Acne Products

Lacvert Pore Care

- *Lacvert Pore Care Toning Skin* contains natural flower acid formula help diminishing old cells in around the pores and making skin looks even.
- *Lacvert Pore Care Serum* helps control pore sizes and diminishes pore traces.
- *Lacvert Pore Care Emulsion* helps control pore sizes and diminishes excess shine and oiliness.

Whitening Products

Lacvert White Power

- *Lacvert White Power Clear* helps brighten and clean skin without leaving any impurities.
- *Lacvert White Power Clear Skin Softener* is a whitening softener that prepares skin for the moisture.
- *Lacvert White Power Emulsion* contains white power emulsion help blocking UV rays and moisturizing skin at the same time.
- *Lacvert White Power Serum* would whiten skin and prevent melanin building.

Anti-Aging Products

Lacvert Wrinkle Cream

- *Lacvert Wrinkle Cream* is an effective wrinkle care cream that retains skin moisture, provides a light protective layer, and protects your skin from harmful environment.
- *Lacvert Eye Repair Cream* is an effective eye zone care cream that provides vital moisture to the delicate area around your eyes.

Appendix 5: Price's detail of the main competitors

1. Unilever

1.1 Pond's

Acne Products

Pond's Acne Expert and Oil Solution

The average price of Pond's Acne Expert Washing Foam and Pond's Oil Solution Washing Foam is 1.37 US\$ per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Pond's Acne Expert Washing Foam	50ml.	1.37	1.37
Pond's Oil Solution Washing Foam	50ml.	1.37	1.37

Whitening Products

Pond's UV White

The average price of Pond's UV White is 2.22 US\$ per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Pond's UV White Cream	30ml.	1.87	3.12
Pond's UV White Washing Foam	50ml.	1.31	1.31

Pond's Double White

The average price of Pond's Double White is US\$2.33 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Pond's Double White Whitening Moisturizer Cream	50ml.	2.5	2.5
Pond's Double White Lotion Day & Night	50ml.	2.68	2.68
Pond's Double White Melanin Clean Facial Foam	100 ml.	3.6	1.8

Pond's White Beauty Detox

The average price of Pond's White Beauty Detox is 2.43 US\$ per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Pond's White Beauty Detox Cream	20ml.	1.44	3.6
Pond's White Beauty Detox Washing Foam	50ml.	1.25	1.25

Anti-Aging. Products***Pond's Early Defense***

The average price of Pond's Age Solution Early Defense cream is US\$4.49 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Pond's Age Solution Early Defense Day Cream	50ml.	4.49	4.49
Pond's Age Solution Early Defense Night Cream	50ml.	4.49	4.49

Pond's Age Miracle

The average price of 50ml. Pond's Age Miracle is US\$13.12.

Product		Size	Price (US\$)	
			For Product	For 50ml.
Pond's Age Miracle Cream	50ml.		11.87	11.87
Pond's Age Miracle Eye Cream	15ml.		8.75	29.17
Pond's Age Miracle Serum	30ml.		13.68	22.8
Pond's Age Miracle Remover	150ml.		5.62	1.87
Pond's Age Miracle Toner	150ml.		5.62	1.87

1.2 Hazeline**Acne Product**

The average price of Hazeline Facial Foam is 1.13 US\$ per 50ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Hazeline Seaweed Facial Foam	50ml.	1.13	1.13

Suncare Product

Hazeline Suncare cream is 3.23 US\$ per 50ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Hazeline Suncare SPF 25 Sunflower Extract	40ml.	1.13	1.41

Whitening Products

The average price of Hazeline Whitening product is US\$3.16 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Hazeline Whitening Facial Foam	50ml.	1.13	1.13
Hazeline White and Natural Mulberry Cream	20ml.	2.00	5.00
Hazeline Whitening cream SPF 20 with Rose extract and Vitamin E	10ml.	0.94	4.7
Hazeline Whitening cream milk cucumber & yogurt	50ml.	1.81	1.81

2. P&G

2.1 Olay

Moisturizing Products

The average price of Olay Moisturizing product is US\$8.27 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Olay Moisturizing Cream	50ml.	3.31	13.31
Olay Moisturizing Lotion	30ml.	1.94	3.23

Whitening Products

The average price of Olay Whitening product is US\$3.31 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Olay UV Whitening Cream UV	50ml.	3.31	3.31

Anti-Aging. Products

Olay Total Effects

The average price of Olay anti-aging product is US\$11.1 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Olay Total Effects	50ml.	10.94	10.94
Olay Gentle Formula Total Effects	50ml.	11.25	11.25

3. Johnson & Johnson

3.1 Clean & Clear

Acne Products

The average price of Clean&Clear Acne products is 1.1 US\$ per 50 ml.

Product		Price (US\$)	
		For Product	For 50ml.
Clean&Clear Acne clearing cleanser	Size		
Clean&Clear Deep action cleanser	50ml.	1.10	1.10
Clean&Clear Foaming. Facial Wash	50ml.	1.03	1.03
Clean&Clear Oil controlling. toner	50ml.	1.03	1.03
Clean&Clear Moisturizer	50ml.	1.17	1.17

4. UNZA

4.1 Eversoft

Whitening products

The average price of Eversoft Whitening products is US\$3.82 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Eversoft White Effects Beauty Cream	20ml.	2.50	6.25
Eversoft White Double Effects Beauty Cream	40ml.	4.25	5.31
Eversoft Lumi-White Tri-Actif System	40ml.	3.63	4.54
Eversoft - White Double Effects - Facial Scrub	50ml.	1.75	1.75
Eversoft-Facial scrub	50ml.	1.25	1.25

5. Shiseido

Acne Products

Shiseido Pureness

The average price for Shiseido Pureness is US\$18.44.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Pureness Deep Cleansing Foam	75ml.	20	13.33
Pureness Balancing Softener Alcohol-Free	100ml.	22	11
Matifying Moisturizer Oil-Free	50ml.	31	31

Moisturizing products

Shiseido the skincare

The average price for Shiseido the skincare is US\$18.18 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
The Skincare Gentle Cleansing Foam	125ml.	28	11.2
The Skincare Hydro-Refining Softener	100ml.	36.13	18.07
The Skincare Day Essential Moisturizer	75ml.	37.9	25.27

Whitening products

Shiseido White Lucent

The average price for Shiseido White Lucent is US\$30.96.

Product		Price (US\$)	
	Size	For Product	For 50ml.
White Lucent Brightening Cleansing Foam	125ml.	33	13.2
White Lucent Brightening Refining Softener	150ml.	44	14.67
White Lucent Moisturizing	40ml.	52	65

Suncare products

Shiseido Suncare “Outpower the Sun”

The average price of Shiseido suncare product is US\$27.5 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Gentle Sun Protection Lotion SPF 30 PA +++	60ml.	33	27.5

Anti Aging. products

Shiseido Benefiance

The average price for Shiseido Benefiance is US\$19.73 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Benefiance Creamy Cleansing Foam	125ml.	33	13.2
Benefiance Enriched Balancing Softener Lotion N	150ml.	36	12
Benefiance Daytime Protective Emulsion N	75ml.	51	34

6. L'Oreal

6.1 L'Oreal Plenitude

Moisturizing Products

L'Oreal Plenitude Futur-E

The average price for L'Oreal Plenitude Futur-E is US\$5.67 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
L'Oreal Plenitude Future Moisturizing Cream + Daily Supply of Vitamin E	100 ml.	11.34	5.67
L'Oreal Plenitude Future Moisturizing Lotion + Daily Supply of pure Vitamin E	100 ml.	11.34	5.67

Acne Products

L'Oreal Plenitude Matte

The average price for L'Oreal Plenitude Matte is US\$6.1 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
L'Oreal Plenitude Hydra-Matte	50 ml.	9.16	9.16
L'Oreal Plenitude Pure - Matte Oil Control Foaminml. ML.el	100 ml.	6.05	3.03

L'Oreal Plenitude Skin Refiner Pore

The average price for L'Oreal Plenitude Skin Refiner Pore is US\$11.33 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
L'Oreal Plenitude Skin Refiner Pore Minimizing. Deep Wash	100 ml.	4.05	2.03
L'Oreal Plenitude Skin Refiner Pore Minimizing Moisturizer	50 ml.	9.2	9.2

L'Oreal Plenitude Skin Refiner Pore Minimizing Essence	30 ml.	13.65	22.75
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Whitening Products

L'Oreal Plenitude White Perfect

The average price for L'Oreal Plenitude White Perfect is US\$11.87 per 50 ml.

Anti-Aging. Products

L'Oreal Plenitude Revitalift

Product		Price (US\$)	
	Size	For Product	For 50ml.
L'Oreal Plenitude White Perfect Facial Foam	100 ml.	4.39	2.2
L'Oreal Plenitude White Perfect Whitening Essence	30 ml.	12.92	21.53

The average price for L'Oreal Plenitude Revitalift is US\$30.94 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
L'Oreal Plenitude Revitalift Anti-Wrinkle and Firming Cream	50 ml.	15.34	15.34
L'Oreal Plenitude Revitalift Eye the cream	15 ml.	13.96	46.53

6.2 Lancôme

Moisturizing

Lancôme Aqua Fusion

The average price for Lancôme Aqua Fusion is US\$37 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Aqua Fusion Continuously Infusing. Moisture Cream/gel	50 ml.	37	37
Aqua Fusion Continuously Infusing Moisture Cream/Gel with SPF 15	50 ml.	37	37

Sensitive Skin Products

Lancôme Hydra Zen Neurocalm

The average price for Lancôme Hydra Zen Neurocalm is US\$116.5 per 50 ml.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Hydra Zen Neurocalm Day/Night Cream	50 ml.	50	50
Hydra Zen Neurocalm Eye Contour Cream	15 ml.	55	183

Acne Products

Lancôme Pure Focus

The average price for Lancôme Pure Focus is US\$24.41.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Pure Focus Deep Purifying Cleanser	125 ml.	21	8.4
Pure Focus Deep Purifying Toner	200 ml.	21	5.25
Pure Focus Moisturizing Lotion	50 ml.	48	48
Pure Focus Anti-Aging. Matifying Cream-gel	50 ml.	36	36

Whitening Products

Lancôme Blanc Expert NeuroWhite

The average price for Lancôme Blanc Expert NeuroWhite is US\$40.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Blanc Expert NeuroWhite Advanced Whitening Make-Off	125 ml.	40	16
Blanc Expert NeuroWhite X3 Ultimate Whitening Beauty Day Lotion	50 ml.	64	64

Anti Wrinkle Products

Lancôme Renergie Refill

The average price for Lancôme Renergie Refill is US\$84.34.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Lancôme Renergie Refill Anti-Wrinkle Cream SPF 15	50 ml.	77	77
Lancôme Renergie Refill Anti Wrinkle Eye Cream	30 ml.	55	91.67

6.3 Clarins

Sensitive Skin Products***Clarins Gentle Care***

The average price for Clarins Gentle Care is US\$84.33.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Gentle Day Cream	50 ml.	45	45
Gentle Night Cream	50 ml.	48	48
Skin Beauty Repair Concentrate	15 ml.	48	160

Acne Products***Clarins Truly Matte***

The average price for Clarins Truly Matte is US\$69.31.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Blemish Control	5 ml.	25	250
Face Treatment Oil - Lotus	40 ml.	45	56.25
Hydra-Matte Lotion	50 ml.	35	35
Pore Minimizing Serum	30 ml.	35	58.33
Purifying Cleansing Gel	125 ml.	25	10
Purifying Toning Lotion	200 ml.	25	6.25

Whitening Products***Clarins White-Plus Care***

The average price for Clarins White-Plus Care is US\$100.47

Product		Price (US\$)	
	Size	For Product	For 50ml.
Protective Day Screen SPF 40 Oil Free PA+++	50 ml.	50	50
White Plus Detoxifying Cleansing Mousse	150 ml.	33	11
White Plus Hydrating/ Tightening Whitening Lotion	50 ml.	58	58
White Plus Total Whitening Essence	30 ml.	80	133.33
Whitening All Spots Corrector	10 ml.	50	250

Sun care Products

Clarins Ultra Daily Protection

The average price for Clarins Ultra Daily Protection is US\$50.

Product		Price (US\$)	
	Size	For Product	For 50ml.
UV Plus SPF 40	50 ml.	50	50

Anti-Aging Products***Clarins Line Prevention Care***

The average price for Clarins Line Prevention Care is US\$80.08.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Line Prevention Multi Active Day Lotion SPF 15	50 ml.	68	68
Multi-Active Day Cream/Gel Protection Plus	50 ml.	68	68
Multi-Active Night Cream/Lotion Prevention Plus	50 ml.	71	71
Multi-Active Serum	30 ml.	68	113.3

7. LG Household and Health (Debon)**7.1 ISA KNOX****Acne products*****ISA KNOX Celenium Control***

The average price for ISA KNOX Celenium Control is US\$19.83.

Product		Price (US\$)	
	Size	For Product	For 50ml.
ISA KNOX Celenium Control Wash Foam	120ml.	24	10
ISA KNOX Celenium Control Care Skin	180ml.	28	7.78
ISA KNOX Celenium Control Care Emulsion	130ml.	30	11.54

ISA KNOX Celenium Control Care Serum	30ml.	30	50
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ISA KNOX Pore Minish

The average price for ISA KNOX Pore Minish is US\$48.49.

Product	Size	Price (US\$)	
		For Product	For 50ml.
ISA KNOX Pore Minish LS-8865 Serum	35ml.	58	82.86
ISA KNOX Pore Minish ML.E-025 Controller	140 ml.	39.5	14.12

Whitening products

ISA KNOX White Focus Clear Whitening

The average price for ISA KNOX White Focus Clear Whitening is US\$91.32.

Product	Size	Price (US\$)	
		For Product	For 50ml.
ISA KNOX White Focus Clear Whitening Mask	120ml.	29	12.08
ISA KNOX White Focus Whitening Skin Toner	210 ml.	60	14.29
ISA KNOX White Focus Tone-Up Whitening Emulsion Serum	45 ml.	44	48.89
ISA KNOX White Focus Intensive Whitening Treatment	15 ml.	87	290

Suncare products

ISA KNOX Sun Care Protection Cream

The average price for ISA KNOX Sun Care Protection Cream is US\$17.8.

Product	Size	Price (US\$)	
		For Product	For 50ml.s

ISA KNOX Sun Care Protection Cream	80ml.	28.5	17.8
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Anti Aging. products

ISA KNOX Wrinkle Decline

The average price for ISA KNOX Wrinkle Decline is US\$122.22.

Product	Size	Price (US\$)	
		For Product	For 50ml.
ISA KNOX Wrinkle Decline	45ml.	110	122.22

7.2 Lacvert

Sensitive skin Product

Lacvert Sensitive Skin

The average price for Lacvert Sensitive Skin is US\$11.02.

Product	Size	Price (US\$)	
		For Product	For 50ml.
Lacvert Sensitive Foam Cleansing	150ml.	15	5
Lacvert Sensitive Skin Toner	150ml.	16.9	5.63
Lacvert Sensitive Skin Emulsion	110ml.	18.75	8.52
Lacvert Sensitive Skin Cream	55ml.	18.75	17.05
Lacvert Sensitive Skin Serum	45ml.	17	18.89

Acne Products

Lacvert Pore Care

The average price for Lacvert Pore Care is US\$13.79.

Product	Size	Price	
		For Product	For 50ml.

Lacvert Pore Care Toning Skin	200ml.	21	5.25
Lacvert Pore Care Serum	45ml.	23.5	26.11
Lacvert Pore Care Emulsion	110ml.	22	10

Whitening Products

Lacvert White Power

The average price for Lacvert White Power is US\$11.8.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Lacvert White Power Clear	120ml.	15	6.25
Lacvert White Power Clear Skin Softener	150ml.	16.9	5.63
Lacvert White Power Emulsion	110ml.	18.75	8.52
Lacvert White Power Serum	35ml.	18.75	26.79

Anti-Aging. Products

Lacvert Wrinkle Cream

The average price for Lacvert Wrinkle Cream is US\$36.93.

Product		Price (US\$)	
	Size	For Product	For 50ml.
Lacvert Wrinkle Cream	55ml.	23.5	21.36
Lacvert Eye Repair Cream	20ml.	21	52.5