

Project Of Email Marketing Campaign for "RD winery" Wine Brand of Rang Dong Group

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II. Practical part

- **Complete the analysis of current situation about "RD winery" wine brand's marketing environment and campaign.**
- **Prepare the project of email-marketing campaign for "RD winery" wine of Rang Dong Group.**
- **Summit the project to risk, cost and time analysis.**

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ABSTRAKT

Vietnam, jeden z nejvíce potenciálních trhů pro rozvoj a investice v jihovýchodní Asii, je velmi atraktivní pro tuzemské i zahraniční investory, s rychlým vývojem v ekonomice, vzrůstající životní úrovni a rychlou urbanizací, rostoucími příjmy z rozrůstající se střední třídy.

RD víno je nové a mladé víno značky na vietnamském trhu. Cílem této práce je navrhnout novou strategii expanze na trhu a marketingovou strategii pro RD vína ve Vietnamu s použitím emailové marketingové kampaně. Diplomová práce bude analyzovat aktuální marketingová situace RD vína a formulovat strategii pro emailový marketing projektu, které mohou pomoci RD vína s cílem zlepšit jejich vztahy se zákazníky a dosáhnout svých cílů.

Klíčová slova: vinařský průmysl, digitální marketingové, email marketingové kampaně, email poskytovatele služeb, spam, HTML.

ABSTRACT

Vietnam, one of the most potential markets for development and investment in Southeast Asia, is very attractive to local and foreign investors, with the rapid development in economy, the increased standard of living and rapid urbanization, the rising income of middle class.

RD wine is a new and young wine brand in Vietnamese market. The purpose of this thesis is to propose the new market expansion strategy and marketing strategy for RD wine in Vietnam by applying email marketing campaign. The thesis will analyze the current marketing situation of RD wine and formulate the strategy for email marketing project which can help RD wine to improve their relationship with customers and achieve their objectives.

Keywords: wine industry, email marketing, email service provider, internet service provider, spam, mailing list, HTML, delivery rate.

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I hereby declare that the print version of my Bachelor's/Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

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INTRODUCTION

The term direct marketing is believed to have been first used in 1967 in a speech by Lester Wunderman, who pioneered direct marketing techniques with brands such as American Express and Columbia Records. According to the Direct marketing Association (UK), the industry trade group for direct marketing, the definition of direct marketing is: “an interactive process of addressable communication that uses one or more advertising media to effect, at any location, a measurable sale, lead, retail purchase or charitable donation, with this activity analyzed on a database for the development of ongoing mutually beneficial relationships between marketers and customers, prospects or donors.” Direct marketing is a very large and important part of the spectrum of business marketing techniques. In fact, \$149.3 billion was spent on direct marketing in 2009, according to the DMA.

Email marketing has been one of the most important components in the direct marketing industry nowadays with the development of Information Technology and Internet especially. Email marketing can enable companies communicate either common messages for all customers or tailored messages to each customers sectors much easier than other tools of direct marketing such as direct mail or telemarketing.

Email marketing should not be used standalone but email marketing is worth of investing and managing as a top priority tool of marketing for any company in the context of new technology world or Internet world. This is the reason why Viet My, a wine retailer company in Vietnam decide to invest in a brand new email marketing campaign to enhance its communication with customer. Wine is not a daily necessary good in Vietnam so that selling wine in Vietnam requires that beside the good quality, companies have to build strong brand and communicate with customers with tailored messaged for satisfying their unique demand. Incorporating email marketing with other tools is marketing model which Viet My select to address this issue in the near future.

The project of email marketing campaign for Viet My consists of the following parts:

Theoretical part covers the introduction about e-marketing, current market trend which support the rapid development of e-marketing and objectives of e-marketing and email marketing. The main theoretical part focuses on introduction of email marketing, the fundamental principal of applying email marketing. These principal of email marketing serve as the basic for future applications discussed in the analysis part for the projects. The last

part in theoretical part will give some information about email marketing and their main rival spam in the real business context.

The analysis part will introduce about Viet My and its current situation. This part will focus more on the current marketing situation of Viet My for its wine brand which is RD wine. Because brand is so important in wine industry, RD wine brand will be analyzed based on the Customer Based Brand Equity. This analysis can help to see where e-marketing and email marketing can help to improve the current marketing situation for RD wine. The last part is about the analysis of current uses of digital marketing of Viet My for RD wine.

Through analyzing the current situation we can answer the question: Where are we now? Then Viet My can now get to the project part which will concentrate on the strategy and action plan in order to achieve the objectives. The first and must thing to do is to define the objective for the email marketing campaign. The objective will give Viet My both the long-term vision and short-term goal when implementing email marketing as a customer communication tools. Then we will base on the principal of email marketing in the theoretical part to formulate the overall strategy for email marketing including some critical factors which influence the success of the campaign. The project part then comes to break down other important factors in the email marketing campaign which is cost, time and risk analysis.

In conclusion, the project will present the overall strategy for the email marketing campaign for RD wine brand in order to improve its brand image and customer communication in the near future.

I. THEORY

1 INTRODUCTION TO EMAIL MARKETING

1.1 Definition of e-marketing

According to Strauss, J., El-Ansary, A. & Frost, R. (2006), e-marketing is the use of information technology in the processes of creating, communicating, and delivering value to customer, and for managing customer relationship in ways that benefit the organization and its stakeholders. More simply defined, e-marketing is the result of information technology applied to traditional marketing. E-marketing affects traditional marketing in two ways. First, it increases efficiency and effectiveness in traditional marketing functions. Second, the technology of e-marketing transforms many marketing strategies. The transformation results in new business models that add customer value and/or increase company profitability.

1.2 Trend support E-marketing

Technological advances have accelerated the evolution of advertising throughout history, each fundamentally altering the way businesses could communicate with their customers. Interestingly, however, none of these ground-breaking developments such as from newspaper advertising, radio marketing to internet marketing superseded those that came before. Rather they served to augment them, offering marketers more diversity, allowing them to connect with a broader cross-section of consumers. In today's sophisticated age of paid search placement, keyword-targeted pay per-click advertising and social networking, you'll still find the earliest forms of advertising alive and well (Ryan and Jones, 2009).

The development of information technology supports the profound change in marketing practice. We will consider some significant effects which new technology has brought in and transform the basic of marketing. The traditional market place where seller and buyer physically met now gradually migrates into the electronic marketplace. These trends happen as the natural forces which trigger the marketers have to develop and apply new model and technique for e-marketing to keep their business competitive. (Chaffey and Smith, 2013)

Technological advance resulted in specific trends in which eventually has formed a class of new customer which can be called as Consumer 2.0 (Ryan and Jones, 2009). These trends can be described as follow:

- Power shift from sellers to buyers: Both individual and business consumers are more demanding than ever because they are just one click away from the global competitors, all vying for their business. In this situation, buyer is more demanding and customer relationship more important. In addition, the power of bargain of seller is decreasing when competitors are everywhere. The Internet offers a new paradigm for marketing, engendering a shift from product to customer focus that includes micro-level customization and customer relationship management (Rust and Espinoza, 2006).
- Market fragmentation: The mass market has been slowly disappearing. The abundance and diversity of online content allow consumers to participate in and indulge their specialist interests and hobbies. Aggregations of like-minded individuals congregate online; the homogeneous mass consumer population is fragmenting into ever-smaller niche groups, with increasingly individual requirements (Ryan and Jones, 2009).
- Death of distance: Geographic location is no longer a factor when collaborating with business partners, supply chain firms, or customers. The internet make physical place less important and allows many buyers and sellers to bypass traditional intermediaries.
- Time compression: Time is not a factor with Internet communication between firms and their stakeholders. Online stores can be open 24/7; people can communicate as their schedules permit.
- Critical knowledge management: In the digital world, customer information is easy and inexpensive to gather, store and analyze. Manager can track marketing results as plans are implemented. However, turning huge databases into meaningful knowledge to guide strategic decisions is a major challenge.
- Interdisciplinary focus: Marketers must understand technology to harness its powers. They do not have to personally develop the technologies, but they need to know enough to select appropriate suppliers and direct technology professionals.
- Intellectual capital rules: Imagination, creativity, and entrepreneurships are more important resources than financial capital (Ryan and Jones, 2009).

1.3 Objective for e-marketing and email marketing

The next question which marketers should answer is that “where do they want to be?” Simply put, marketers should formulate the proper strategy for e-marketing starting from the objectives of e-marketing. Email marketing also has the same objectives as the general e-marketing.

The general goal of every marketing effort is to drive profits, and digital marketing hold the promise not just of increased profitability, but of better understanding where those profits come from, and why (Peterson; Koch and Vo, 2010).

1.3.1 Objective – sell – using the internet as a sales tool

Internet tool can be used as a sales tool. This can be achieved through wider channel for customer to communicate with companies. A sale online webpage will help the products can be closer to customers which just need to know the address of webpages for purchasing the products. Customer can be benefited by the convenient features of online transaction which is cost-effective and time-effective as well. Jed Wylie (2012) expressed that emails marketing has demonstrated to be a highly effective method of generating sales based on research done by DoubleClick. The study discovered that 70% of online shoppers had made a purchase because of receiving an email inviting them to buy.

1.3.2 Objective – serve – using the Internet as a customer-service tool

Another e-marketing and especially email marketing objective is serving or adding value. In general, e-marketing can use a lot of tools and techniques for this objective. Marketers can use website, email, social network, digital TV and mobile to add value in term of customer service to customers. Especially, email can be used as a channel for communicating and conversation between customers and sellers. It is cheap, fast and very responsive for customer service. Dave Chaffey (2006) reported that it can take from 3 to 6 weeks to get a response from using direct mail, while email marketing has an average response time of 3 days.

1.3.3 Objective – speak – using the internet as a communication tool

A web site, email and social media are powerful new communication channels to increase awareness, build brand, shape customer opinion and communicate special offers. Accord-

ing to Chaffey, D. and Smith, P. (2013), there are three categories which internet can use as media for communicating with customer:

1. **Paid media.** Paid or bought media are media where there is investment to pay for visitors or conversion through search, display ad networks or affiliate marketing.
2. **Earned media.** Traditionally, earned media has been the name given to publicity generated through PR invested in targeting influencers to increase awareness about a brand. Earned media also includes word of mouth that can be stimulated through viral and social media marketing and includes conversions in social networks, blogs and other communities.
3. **Owned media.** This is media owned by the brand. In term of online media, this includes a company's own website, blogs, mobile apps or their social presence on Facebook, LinkedIn, Google+, Twitter or YouTube. Offline owned media may include brochures or retail stores.

Email in this case can be used as an owned media to start conversation with customers and potential customers. But email marketing can be used to start an earned media in form of viral marketing. Email included the viral element can be very useful and easily transferred to large number of audiences.

1.3.4 Objective – save – using the internet for cost reduction

E-marketing saves money in many different ways. Of all the benefits of e-marketing such as selling, serving, speaking and brand building, saving is the one that will help to present any business case. A clear example about saving can be seen in the long term when a brand migrate their products for selling online. Jerry Allocca (2011) suggested that one of the key benefits of email marketing is the relatively low costs that incur no design, printing or postage costs.

Email for marketing is clearly a cost-effective tools using to attract more potential customers. According to Direct Marketing Association (2011), email marketing typically returns £40 for every £1 invested.

1.3.5 Objective – brand building – using the internet as a brand-building tool

The Internet offers new opportunities to build and strengthen the brand – to add some “sizzle” to the brand. Brand building will refer to putting the right image of the brand into customer minds. Some Internet tools offers better technique and premise for marketers to in-

fluence to customers deeper into the emotional side such as social networks, websites or email.

2 EMAIL MARKETING

Email is a one of the widely known internet tool for everyone and at everywhere. The email popularity comes from its simple-to-use characteristics and very useful for doing daily business. We have seen a rapid increase in number of people using internet and along with it is the significant change of number of email users. According to the forecast of the market research company Radicati Group, the number of email users will increase to more than 4 billion users worldwide in 2014 and can increase to 5 billion in 2017 from 1.9 billion users in May 2009. The business email users are much less than the consumer email users which account for about 76% of total email users. Therefore, the assumption that most of your customers or potential customers are checking email every day is not far from truth. The trend of using Information Technology for doing business and marketing is becoming a mainstream. Among digital tools for support marketing activities and getting closer to customers, email is a prominent one. Because it might be the prominent and easiest way for keep in touch with customers so that it is sometime overused by marketers which we call as “spam”. Valid email marketing and spam are the two sides of the same coin and marketers should overcome the challenge of spam with the proper permission based email strategy.

2.1 What is email marketing?

Email marketing is a way to reach consumers directly via electronic mail. Unlike spam, direct email marketing reaches those interested in your business’ area of expertise. The information is sent out more like a laser-guided missile than a bomb. Email marketing is a way to reach thousands of potential customers directly and with tailored messages (Noman Rana, 2009). It brings your business’ message through an attractive mix of graphics, text and links directly to people who may have never heard of your business or considered your products, but are knowledgeable and interested in your business’ area of expertise at a relatively low cost when compared to advertising or other forms of media exposure (Shannon Kinnard, 2002).

Email marketing also provides an easy way to track how effective it is. By keeping track of how many hits your website gets after a mass mailing, it’s easy to gauge whether this technique works for your company. It’s also a good way to guide existing customers back to your business. Many companies also provide an “unsubscribe” option for viewers in an effort to focus only on interested potential customers. Also, your company can opt to have

a feedback mechanism where potential customers can tell you directly what they liked and disliked about a particular advertising campaign.

The internet is the most popular way for people to gather information about products and services which they are interested in. Maximizing your business' capability to appear in internet searches through press release distribution and email marketing are effective tools in reaching your current customer and potential customers with essential information about your products or services. It's a technique used by businesses worldwide and it can help your enterprise grow and establish a presence on the web.

There are some special forms of email marketing which marketers usually use to create conversation with customers which are opt-in email, opt-out email, email newsletter, email survey and promotion email, etc.

Email Newsletter

Email newsletters are an effective means of keeping your client base informed about the products and services your company offers. The email newsletter can be in the form of a press release, or it can include graphics and information about purchasing a product. Some email newsletters feature a coupon to entice customers to come back or take advantage of a special offer. It can be a regular way for your business to stay in contact with customers. William, Alvin, Richard and Saalem (2012) found that one of five permission email newsletter in an online gambling experiment had a significant and large effect in increasing expected gambler retention by an average 20 days.

Email Surveys

An email survey is material sent to your clients or potential clients asking for their feedback. It's a great way to test a new product, service or idea. It's also a great way to show the customer that you care about their opinions and are willing to work with them.

Opt-in and opt-out email

Opt-in email is a Web marketing term for email that recipients have previously requested by signing up at a Web site or special ad banner. 'Opt-in' newsletter services are growing in popularity, and are considered to be one of the safest methods of email marketing (Abrahams, Chaudhary and Deane, 2009). Typically, Web users are invited to sign up for promotional information about one or more categories of products or services. Those who

sign up have thus "opted in." Anyone sending them email as a result hopes that the message will not be perceived as unwanted spam.

Several companies gather sign-ups at their own site or through specially-designed banner ads and then sell mailing lists of those who have signed up in various interest categories. The marketer sending opt-in email may remind the recipient that they have previously indicated they were interested in receiving such email and that this is not spam. The recipient is given an opportunity to be removed from the mailing list if they so choose. The distribution model of sending unsolicited email (spam) and allowing the recipient to request removal is sometimes referred to as "opt-out."

Sometime person who subscribe for receiving follow-up email will be asked to confirm one more time about the permission of receiving more communications. This process will form the double opt-in email. The first time is when the user submits their email address to the web based form. For example, anyone who submits their name and email to a wine website must enter their first name and email address and then hit the button to submit their request to join the newsletter. After the initial request is received by the wine company, a special confirmation email is sent to the address the person input into the form. This is the second opt-in. The email contains a link which the recipient must click to confirm their subscription request. Once they have done this they have double opted-in (Brown, 2007).

2.2 Principal of email marketing

Permission marketing is an integral part of email marketing. "Permission marketing" is a term coined by Seth Godin, formerly a VP of marketing at Yahoo! It is best characterized by some features which are anticipated, relevant and personal marketing. Godin (1999) argues that there is a need for permission marketing, since there are ever-increasing numbers of marketing communications bombarding consumers. Research has shown that this permission based elicits email a much more positive response from consumers than unsolicited emailing (Abrahams, Chaudhary and Deane, 2009). According to Chaffey (2006), in order to formulating the permission base principal and also boots the email marketing campaign, marketer should respect some email marketing principals:

1. **Offer selective opt-in to communication.** Offer choice in communication preference to the customer to ensure more relevant communications. Some customer may not want a weekly e-newsletter; rather, they may only want to hear about new

product releases. In some countries, opt-in is a legal requirement in many countries. And this show the most important features of email marketing which distinguish a valid email marketing from spam. Four key opt-in options, selected by tick-box can be:

- a. **Content** – news, products, offers, events
- b. **Frequency** – weekly, monthly, quarterly, or alerts
- c. **Channel** – email, direct mail, phone or SMS
- d. **Format** – text or HTML

2. **Create a “common customer profile”**. A structure approach to customer data capture is needed; otherwise key data needed for delivering targeted email will be missed. This can be achieved through a common customer profile – a definition of all the database fields that are relevant to the marketer in order to understand and target the customer with a relevant offering. The customer profile can be divided into several levels which can be collected through different situation. For example, B2B company Tektronix (www.tektronix.com) uses three levels of profile. Level 1 is basic contact information; level 2 is position, market sector and application; level 3 is detailed information about standards and preferences. Through having goals to grow level 2 and level 3 detailed, improved targeting is possible.
3. **Offer a range of opt-in incentives**. Many websites now have “free-win-save” incentives to encourage opt-in. Different incentives for different audiences will generate a higher volume of permission. Marketer can also gauge the characteristics of the respondents by the types of incentives or communications they have requested, without the need to ask them.
4. **Don’t make opt-out too easy**. Marketer should not make it too easy to unsubscribe. Although providing straightforward opt-out is part of permission marketing and, in many countries, a legal requirement due to privacy laws, but a single click to unsubscribe is arguably making it too easy. Instead, wise e-permission marketers use the concept of “My profile”. Instead of ‘unsubscribe’, marketers offer a link to a web form to update a profile, which includes the option to unsubscribe to some or potentially all communications.
5. **“Watch don’t ask” or “sense and respond”**. The need to ask interruptive questions to profile customers better can be reduced through the use of monitoring of clicks to understand customer needs better, and to trigger follow-up communica-

tions or “sense and responds”. Dave Chaffey (2006) outlined email marketing can be evaluated and measured precisely based on delivery rates, click through rates and subscriber retention rates. Marketers can use following techniques to formulate this principal:

- a. **Monitoring click through to different types of content or offer.** The interests of individual list members can be assessed through monitoring what they click through to.
 - b. **Monitoring the engagement of individual customers with email communications.** This is achieved by monitoring trends of opening and click through by individual customers. These metrics indicate the level of interest of individuals, and marketer can monitor how these vary through time and use follow-up communication.
 - c. **Follow-up of response to a specific email.** In this case, marketer can observe and separate customer segment based on the customer’s response to a specific email. Marketers can use the responsive level from customers to decide whether they need to make further actions such as phone call or contact from sale persons.
- 6. Create an outbound contact or touch strategy.** This principal refers to whether marketers use the right frequency or interval for email campaign. A good starting point is to ask, what will annoy the customer? Clearly, if email communications are too frequent, then the customer is less likely to have the time or inclination to open email. Therefore, one approach is to monitoring the response rate and level for email communications to adjust and make it the right touch strategy.

3 EMAIL MARKETING AND SPAM

As mentioned above, email marketing and spam are the two sides of the same coin. Marketers nowadays have to overcome the biggest challenge of email marketing in order to be successful in their marketing campaign.

3.1 Email marketing in business

According to the National Email Client report 2013 from the Direct Marketing Association UK (LTD), email marketing activities in 2012 have some great result which can be summarized as following:

Email continues to be highly valued with impressive ROI

- Email marketing remains critical to business, with 89% of respondents declaring email to be “important” or “very important” to their organization.
- Email marketing’s ROI is strong: it returned an estimated average of £21.48 for each £1 spent in 2012.
- For roughly a third of respondents, email marketing accounts for 50% or more of all digital business revenue.
- Click and conversion rates are the factors that marketers rate most often as important to achieving business goals.

More budget and in-house resource set aside for email marketing – but marketers still feel constrained

- Budget allocation to email marketing increased slightly in 2012, with 15% more marketers spending at least 30% of their budget on email than in 2011. Over half expect their budget to increase across 2013.
- More organizations are managing email marketing in-house, with staff hours dedicated to email marketing rising accordingly.
- Marketers are more comfortable with email marketing basics than in 2011, but there is still a need for more customized, advanced training and education opportunities.
- The disconnection between email’s value and email’s position in the organization continues, with internal resources and budget the top two constraints to success cited by respondents: marketers need to better communicate email’s value internally.

Customers respond positively as email tactics mature

- Just over half of respondents reported open, click and conversion rates improved in 2012. Even more expect their numbers to improve in 2013. Only less than 12% reported any decline in these metrics.
- Despite relatively low volumes, trigger email campaigns accounted for 21% of email revenue. Over 75% of email revenue is now generated by alternatives to generic one-size-fits-all campaigns.
- Marketers are making use of a far wider number of email marketing approaches, but there is still significant room for improvement. For example, just under half still don't send a welcome email.

Marketers finesse their list-building and usage strategies

- Marketers are getting better at using different techniques to build their lists. Organic website traffic and transactions remain the top two acquisition sources.
- Marketers are also increasing their use of segmentation: the number segmenting into more than six different audiences rose 28% in 2012.
- The growth of diverse email streams has also encouraged marketers to develop strategies for maximum email contact levels. Some 11% more have such a strategy than in 2011.
- Maximum contact frequencies have risen significantly, with the number of organizations never sending more than one email a month to subscribers almost halving to 14%.

More sophisticated integration of email with other channels

- Marketers are using email for an increasing range of objectives beyond straightforward revenue generation, including retention, engagement, acquisition and brand awareness.
- Marketers report that the best other channels to integrate with email are online marketing, social networks, direct mail and mobile marketing – both for ROI and profitable relationship building.

Email marketing has become so cost-effective and important marketing tool for companies worldwide, especially in the sense of economic downturn. The report also showed that marketers have been paid more attention on building the internal or in-house email market-

ing resources other than outsourcing. The techniques for email marketing have also been employed more properly by marketers.

3.2 Spam

Spam is most often considered to be electronic junk mail or junk newsgroup postings. Some people define spam even more generally as any unsolicited email. John Arnold (2008) defined spam as “unsolicited commercial email send to many recipients”. Unlike legitimate commercial email, spam is sent without permission of the recipients, and then consumers can report your email as spam. According to the Kaspersky Security Bulletin – Spam evolution 2013, the percentage of spam in email traffic have slightly decreased in 2013 and below 70% the first time in several years. But it is still very high spam rate which is 69.6% in 2013.

The top sources of spam remain the same according to the report. The countries that are the top sources of spam remain the same: China (+3.5 percentage points) and the US (+2 points) were the source of 40.6% of the entire world’s spam. South Korea moved up to third, seeing its percentage share increase 3.5 times compared with the previous year. Taiwan also saw a significant increase (+3.7 percentage points) as it climbed to 4th place. Vietnam is also in the top spam resources with the percentage is about 2% of total spam worldwide.

As for the top sources of spam by region, Asia (+5.3 percentage points) and North America (+3.2 percentage points) are still out in front. Eastern Europe moved up to third place after its share almost doubled compared with the previous year. Western Europe’s share decreased by 2.4 percentage points, though it remains in 4th place. Latin America came 5th in 2013 with a threefold drop in its share.

The report also showed the forecast of insignificantly change in spam rate in 2014. Therefore, with the very high rate of spam over the total email traffic, marketers are facing a big challenge for reaching to their potential customers. The high rate of spam make the technology for spam fighter more sophisticated and sometime valid email marketing is also filled out by the spam scan. But the most effect may lie at the customers when they might ignore every email sending to them because they treat every email as spam. This trend force the marketers have to make their email more relevant and respect the basic principles of email marketing.

II. ANALYSIS

4 PROFILE OF VIET MY GENERAL INVESTMENT CORPORATION

Viet My General Investment Corporation is a member of Rang Dong Group which was founded in 1991. Rang Dong Group operates in construction sector, mining industry, producing building material, real estate & housing industry and tourism service & infrastructure (resort, hotel and golf court). (<http://rangdonggroup.com.vn/aboutus>)

Rang Dong Group now is one of the largest private corporations operating in construction sector in Vietnam. Rang Dong Group currently has more than 3000 employees. The head office is located in Phan Thiet City, Vietnam. In 2000, Rang Dong Group established the 10th subsidiary which marked a new development phase for them. One of the notable projects which Rang Dong Group invested in was the luxury resort “Sea Links City” which was selected to hold one of the events of Miss Earth 2010 in Vietnam.

4.1 Company background

In 2010, Rang Dong Group bought a winery in Napa Valley, California, USA. Rang Dong Group also renamed the winery as “RD Winery” which stands for the full name “Rang Dong Winery”. This is the first time a corporation in Vietnam owns a Winery in USA. The high quality wine produced at RD Winery in USA would be imported into Vietnam. Viet My General Investment Corporation was established with the mission of spreading the RD wine into Vietnam market.

Viet My General Investment Corporation was founded in 2011 with the authorized capital of 2.5 million USD. Viet My has head office located at 19 Truong Dinh St, District 3, Ho Chi Minh City. Viet My started to operate in 2012 and has 50 employees at the moment. Viet My is responsible for importing, marketing, branding, distributing and delivering the RD wine directly to customers. Viet My is a member of Rang Dong Group so that they receive a lot support from the Rang Dong Group about capital, network and human resources.

4.2 Current situation

With the population of more than 90 million people, Vietnam is one of the highest beer consumption countries in Asia. And a significant part of the beer consumers are changing their drinking style to healthier and more sophisticated kind of drinks. Because of the

trend, Vietnamese people are more familiar with wine using in their daily meal or in restaurant. The stable and faster than average economic growth in Vietnam in a long period also helps the trend more accelerated. Rang Dong Group have decided to expand their business to wine sector after seeing the huge potential growth of the Vietnam wine market in the near future. Most of the companies which operate in wine business in Vietnam import wine from the popular wine producing countries like France, Chile, Italy, and Australia and then distribute these wines to Vietnam market through many channels. In other words, they are Vietnamese intermediaries which are responsible for distributing and marketing wine for foreign winery. Unlike them, Rang Dong Group would like to control the quality and taste of wine from the beginning to the final stage of wine producing process so that it bought a whole winery in Napa Valley, USA. Rang Dong Group is the only corporation in Vietnam owning a winery in foreign country. At the moment, RD Winery can produce more than 2 million bottles of wines every year. RD Winery currently has five main types of wine which are four types of red wine and one type of white wine.

RD wine have just launched into Vietnam market for two years. Viet My General Investment Corporation is also a very young company. In 2012 and 2013, Viet My have been trying to build and complete the distribution channel for the RD wine in Vietnam market. Viet My also focus most of their marketing activities on branding the RD wine. For marketing, Viet My have been trying to focus on the quality and the original of the RD wine as a competitive advantage.

Till the end of 2013, Viet My have been using multiple channels for reaching to the customers and the consumers. Among them, there are three main channels which are mostly invested in and are showing the potential for growing. They are retail shops & supermarket channel, restaurant & hotel channels and institutional channels. Especially, the institutional channels refer to the institutional customers such as corporations, companies who buy the RD wine as gifts for giving at the special holidays and occasions. Retail shops & supermarket, restaurant & hotel and institutional are also the main customers of Viet My. The consumers who are the end users of the wine will buy or have access to RD wine through these channels. The consumers can be the family members who buy wine at the retail shop, the eaters at the restaurant and the employees at a company for instance.

Revenue in 2012 was 12 billion VND (approximately 600.000 USD). After one year, more customers know and were convinced by the quality of the RD wine so that the financial result has improved rapidly. Revenue in 2013 was 26 billion VND (approximately 1.3 mil-

lion USD). In the end of 2013, RD wine had 146 shops which are officially selling RD wine. RD wine also appeared in the menu of 64 restaurants in the main city. 47 supermarkets have accepted to sell RD wine all over the countries.

4.3 Expansion Strategy and future development plan

Vietnamese people have been familiar with Chile and France wine for nearly ten years so it is difficult for US wine like RD wine can gain customer's impression at the first time. Rand Dong Group and Viet My also recognize the challenges so that they created their business strategy for RD wine based on the long term goal and not so focus on the short term result.

RD wines are produce in Napa Valley, California, USA which is one of the most famous regions for producing wine like Bordeaux of France in the world. RD wine include four types of red wine and one types of white wine produced from famous and most used grapes for high quality wines such as Merlot, Cabernet Sauvignon and Syrah. Because of the guaranteed high quality, Viet My have been branding RD wine as above average wine in term of price in the Vietnam market. Vietnamese people's perception about wine can be seen like this: Chile wine is good and acceptable wine with cheap price while France wine is expertise and legend, Italy wine is sophisticated with much higher price. RD wine image would fill the gap between the Chile wine and France, Italy wine. It is the target segment which Viet My select for RD wine. In the near future, Viet My is going to keep the focus on the identified target market segment.

In 2014, Viet My also would like to create a new channel for serving the customers. They will open its wine supermarket. The supermarket will bring the RD wine closer to the customers. Customers will communicate to the RD Winery image more frequently through this supermarket. This wine supermarket would be the official place for any customer who would like to try the taste of the wine can come and test the wine for free. It is also a place for holding marketing event if necessary.

In 2013, Viet My already have planned to produce a new type of much higher quality wine for the high income market segment in Vietnam. The new type of wine is scheduled to launch to the market in late 2014. In addition to expanding the product portfolio, Viet My also have plan to enter new market. South East Asia countries and China will be the new target market for Viet My in 2016. These markets have several similar conditions to Vi-

etnam market and they are very potential market for wine in the future. One of the biggest Viet My's advantage is that it owns the RD Winery in US so that Viet My can have the right to control the type and taste of wine. Therefore, with this ability, Viet My can adjust to produce the suitable wine for each market which it would like to penetrate into.

The goal of Viet My looking forward to 2018 is to obtain 10% – 15% market share of Vietnam wine market. The gross revenue target is about 300 billion VND (approximately 15 million USD).

5 OVERVIEW OF WINE MARKET IN VIETNAM

With a population of over 86 million people and a quick gross domestic product (GDP) growth rate, the country is an important market for any businessman dealing in fast moving consumer goods. Indeed, a GDP average increase of about 7% in the last 10 years has vastly contributed to improving Vietnamese people's living standards, particularly in urban areas. Higher disposable income, although still way below other neighboring countries such as Thailand or China, means more opportunities for producers of quality foodstuffs and beverages. It is therefore advisable for them to start assessing specific opportunities, keeping in mind that the country's accession to WTO in 2007 and the opening of the retail market to foreign investors in 2009 are positively influencing sales prospects for imported goods.

5.1 Statistical highlights and characteristics

The total value of Vietnam wine market in 2013 is about 200.000.000 USD which includes both sale from imported wine and local wine produced in Vietnam. Because of the lack of information available and the limitation of the author in access to the latest report of Vietnam wine market, there would be some statistical numbers which are out of date, particularly back to 2010:

- In 2010, the Vietnamese wine market is estimated at approximately 25 million liters. While this volume appears large, in reality 19 million liters of this consumption comes from non-grape produced local wine. Of the remaining 6 million liters of grape-based wine consumed, we estimate that some 73 percent (4.4 million liters) is imported.
- Of this 4.4 million liters in imports, approximately 50 percent come from France, 14 percent from Australia, six percent from the United States, five percent from Chile, four percent from Italy, and two percent from Spain.
- Locally produced wines account for about 27 percent of the total wine market. Imported wine, which accounts for the rest, is perceived as a luxury product in Vietnam and demand for it largely comes from expatriates and tourists.
- Cabernet is the premier red variety of grape-based wine consumed, with 1.2 million liters consumed in 2009, a 33 percent increase from 2006. Chardonnay is the leading variety among the white wines, with consumption rising from 0.7 million liters in 2006 to 0.9 million liters in 2009—a 29 percent increase.

- According to a market sample conducted by Euromonitor in May 2010, the majority of still red and white wines are priced at Level 2 (US \$6.50-13.10).
- Demand for wine is seasonal. The highest demand occurs around the year-end festive season; during the “Tet” festival (Lunar New Year) around February every year, Christmas holiday, and New Year celebration. Some retailers state that between 60 and 70 percent of the wine sales occur during this period. Demand is generally low during other periods of the year (*JBC Vietnam wine market Study, 2010*).
- Still red wine was the fastest growing category of wine in 2010 for several reasons. Firstly, amongst all kinds of wine, except for local non-grape wine, still red wine was the most suitable to accompany Vietnamese meals. Secondly, still red wine was also believed to have more health benefits, such as high antioxidant levels and digestive aid benefits, compared to other wines. Thus, still red wine gained popularity faster than other types.
- Wine was consumed more through on-trade channels than off-trade channels, with on-trade channels contributing more than 70% of total volume sales in 2010. This was mainly because wine was still not a mass product, and was mostly consumed only during special occasions. Thus, it was usually ordered for parties and gatherings in restaurants. Besides, the percentage of on-trade sales also grew over the review period, thanks to the development of the consumer foodservice industry, and growing income levels which also resulted in more frequent eating out habits.
- While still red wine was often more preferred by affluent and health conscious middle-aged consumers, sparkling wine seemed to be more popular amongst a younger base of consumers, i.e. people in their 20s. This was mainly because the young consumers found the sweeter taste quite palatable and liked the refreshing feeling of sparkling wine (*Euromonitor International*).

5.2 Market Structure

Vietnam is both consumer and producer country where demand should develop, and particularly red wine due to the French paradox. With regard to alcoholic beverages, beer remains the dominant drink of local Vietnamese people with annual consumption per capita around 28 liters in 2010. The local production of beer was 2 billion liters in 2010 and expected to reach 4 billion liters in 2020.

Overall wine consumption is still very small and is estimated at less than 0.30 liters per capita (2010), with the size of the total wine market being around 25.2 million liters. The majority of Vietnamese do not drink grape wine because they have not acquired a taste for the wine. Vietnamese who do drink wine mainly drink the traditional rice wine. It is estimated that locally produced wines (around 6 million liters) account for around 25 percent of the total wine. Imported wine is perceived as a luxury product in Vietnam and demand for it largely comes from expatriates and tourists. Only a small number of Vietnamese from the middle to high income groups drink imported wine. Vietnamese that have acquired a taste for wine generally prefer old world wines and red wine from Bordeaux is the most popular. However, new world wines (Chile, Australia, Argentina, USA...) become more and more popular because of their structures and their volumes alcohol. While wine is not usually consumed at home. Vietnamese consumers who have acquired the taste consume imported wine while they are socializing, entertaining or dining during the week. It is estimated that the market is made up of approximately 10 percent champagne and sparkling wine, 70 percent red wine and 20 percent white wine (Brief Sector Note On Food and Beverage in Vietnam, 2013).

5.3 Competitive environment

“According to the Vietnam Beverages Association, there are approximately 15 wine producers operating in Vietnam with a total annual capacity of approximately 1.5 to two million liters. However, their market share is quite limited in comparison to their foreign rivals who have built up brand awareness and have a good reputation for quality and consistency.” (*JBC Vietnam wine market Study, 2010*)

There are two mainly Vietnamese wineries which have competitive advantages and significant scale for competing with the imported wine. They are Thang Long Liquor Co and Lam Dong Foodstuff JSC (Ladofoods).

Ladofoods is mostly famous for its wine products, with specialties in producing and trading varieties of Dalat red wines, Dalat white wines, Dalat strawberry wine, Dalat mulberry wine, Dankia wine, Lemon liquor, Dalat whiskey, Dalat rum, and Aviva wine coolers. Its grape varietal is Cardinal, which is grown in Ninh Thuan province. The wine processing technology employed by Ladofoods comes from Italy and Germany, thus its wine products meet international standards. The winery of Ladofoods had annual production capacity of three million liters in 2006, and the company aims to upgrade its capacity to five million

liters per annum in 2010. In the alcoholic drinks category, Ladofoods concentrates mostly on wine. Its key products include still grape wines, sparkling, strawberry, mulberry, and mixed-fruit wines. Still grape wine, particularly still red wine, accounts for the largest amount of sales. Ladofoods' products are mainly sold in Southern Vietnam, particularly in Ho Chi Minh City (<http://ladofoods.vn>).

Thang Long Liquor Co is one of the largest producers (distributors) of wine in Vietnam, falling behind Ladofoods in 2005. The company's key brands include Thang Long fruit wine, Thang Long Still Grape Wine, Thang Long Dry Wine, Thang Long Sparkling Wine, and Thang Long Vodka. All of Thang Long's products are manufactured locally, and the majority of its sales occur through off-trade outlets in Northern Vietnam. It has also built a winery with annual production capacity that is expected to reach 10 million liters in 2010 in Ninh Thuan province, for the production of Cardinal, Shiraz and Sauvignon Blanc grape varieties. In order to improve its competitiveness, Thang Long has decided to invest more capital in production technology, to ensure its product quality, to demonstrate care for the environment by setting up a new winery in Ninh Thuan, and train farmers there to ensure the good quality of shiraz and sauvignon blanc grape varieties. It has also focused on branding by launching some marketing campaigns aimed at health conscious consumers for the company's products made from tropical fruits. (<http://vangthanglong.com.vn>)

For the particular grape wine sector, Vietnamese wineries like Ladofoods and Thang Long Liquor Co dominate the lower market segment of wine with prices ranging from U.S \$2 to U.S \$ 5. So far, the wine producers in Vietnam are mostly confined to a few regions like Lam Dong and Phan Rang provinces, and the grapes do not seem to be of a quality for making premium wines, according to some experts. Recently Da Lat Winery had to import grapes and wine inputs from France to produce better quality wine. But with the rapid increase in wine demand from the average income Vietnamese people, these two wineries have seen their sale growing sharply more than 50% each year.

For the medium and luxury market segment of grape wine, imported wines have obtained their domination by using their superior quality and good branding strategy. French and Chilean wines dominate the market both for brand recognition and market share. In 2010 they had a combined market share of around 54 percent. Though the French producers are still the strongest players with 23% market share in 2010 (*Brief sector note on food and beverage import in Vietnam, 2010*) and have continued to enjoy steady growth in value in recent years, their market share has steadily declined due to many new entrants into this

market, particularly those from Chile, Australia, USA, South-Africa and Argentina. A wide variety of Chilean wines are available in the market, including sparkling, red and white wines, and local consumers prefer Chilean red wines to wines from other parts of the new world.

New World wine, i.e. wine products from countries like the US, Chile, Australia and South Africa, entered Vietnam later than Old World wine from France and Italy. However, wine from these countries was also gaining a lot of popularity with brands like Jacob's Creek gaining remarkable market share. On the other hand, the countries that imported most wine in Vietnam included France, Italy, and Chile, followed by Argentina, Germany and Australia. New Zealand wine recently entered the market in 2008 and was gradually accepted by customers. French wine, however, continued to often be perceived by the Vietnamese consumers to be the "wine of choice". In 2013, there were 30 Chile wine brands, 7 French wine brands, 8 Spanish wine brands, 9 Italy wine brands, 3 Australia wine brands and 8 U.S wine brands imported into Vietnam market.

5.4 Prospect of Vietnamese wine market

Wine is expected to see a good performance over the forecast period thanks to the rising young generation, who are gradually more and more affected by Western culture. Some young consumers in major urban areas, like Ha Noi and Ho Chi Minh City, consider wine and spirits to be a healthier and more modern choice for social drinks than beer. As this group of consumers is increasing rapidly, they are expected to fuel the growth of wine consumption during the forecast period.

Still red wine, the fastest growing category in recent years, is expected to retain this position over the forecast period thanks to its strong potential. Red wine is more suitable to accompany Vietnamese cuisine, which has many red meat dishes, than other kinds of wine. Moreover, red wine is also believed to be healthier than other types of wine thanks to its digestive benefits. Thus, red wine will see rising consumption from more than one channel during the forecast period.

The on-trade continues to see more sales than retail sales, due the increasingly busy lifestyles of consumers and the rising trend of eating out in the country. During the early years of the forecast period, it would still be limited to high-end restaurants and hotels, while in the far future; the market will slowly expand to the mass market.

6 CURRENT MARKETING ACTIVITIES

RD wine in term of branding is a very young brand in the Vietnamese wine market. Viet My has started to distribute RD wine in Vietnam market since 2012 so that Vietnamese wine consumers have just been in experience with RD wine for a relatively short period of time of two years. Although Viet My have seen its revenue was double in 2013, RD Winery has just obtained a very small share of Vietnamese wine market. As mention above, the potential for the grape wine from new world countries like Chile, USA, and Australia is enormous. Therefore, Viet My has many things to work with their marketing activities to spread the RD wine brand to more widely customer base. Building a strong brand has been shown to provide numerous financial rewards to firms, and has become the top priority for many organizations. The number of marketing activities has been done showed that brand building has been the top priority of Viet My in their marketing strategy so far. In term of branding, Customer Based Brand Equity (CBBE) model by (Keller, 1999) has been employed to map out what brand equity is. The CBBE model was designed to be comprehensive, cohesive, well-grounded, up to date and actionable. The premise of this model is that the power of a brand lies in what customers have learned, felt, seen and heard about the brand over time. The power of a brand is in what resides in the minds of customers. Marketer's continuing challenge in building a strong brand is to ensure customers have the right types of experiences with the products or services. In order to assess to what extend Viet My marketing programs made the RD wine come into the consumer's minds, the CBBE model is employed as a blueprint and measurements.

6.1 Overview of the Customer Based Brand Equity (CBBE) model

Building a strong brand, according to the CBBE model, can be thought of as a series of steps, where each step is contingent on successfully achieving the previous step. The first step is to ensure identification of the brand with customers and an association of the brand in customers' minds with a specific product class or customer need. The second step is to firmly establish the brand meaning in the minds of customers (i.e., by strategically linking a host of tangible and intangible brand associations). The third step is to elicit the proper customer responses to this brand identity and brand meaning. The final step is to convert brand response to create an intense, active loyalty relationship between customers and the brand.

The following four steps represent fundamental questions that customers invariably ask about brands-either implicitly or explicitly: (1) Who are you? (Brand identity) (2) What are you? (Brand meaning) (3) What do I think or feel about you? (Brand responses) (4) What kind of association and how much of a connection would I like to have with you? (brand relationships)



Figure 1: *The 6 building blocks pyramid of CBBE model*

(Source: Keller, 1999)

Step 1: Brand Identity – Who Are You?

Achieving the right brand identity requires creating brand salience with customers. Brand salience relates to aspects of brand awareness: How often and easily is the brand evoked under various situations or circumstances? To what extent is the brand easily recalled or recognized? What types of cues or reminders are necessary? How pervasive is this brand awareness? Brand awareness refers to the customers` ability to recall and recognize the brand. Building brand awareness means making sure customers know which of their "needs" the brand is designed to satisfy. What basic functions does the brand provide to customers? In order to gain the optimal effectiveness from brand awareness, brand should be built base on both two dimensions which are depth and breadth. Depth of brand awareness refers to how easily customers can recall or recognize the brand. Breadth refers to the range of purchase and consumption situations where the brand comes to mind. Increasing the salience of the brand in those settings can help drive consumption and increase sales volume.

Step 2: Brand Meaning – What Are You?

Your goal in step two is to identify and communicate what your brand means, and what it stands for. The two building blocks in this step are: "performance" and "imagery."

"Performance" defines how well your product meets your customers' needs. According to the model, performance consists of five categories: primary characteristics and features; product reliability, durability, and serviceability; service effectiveness, efficiency, and empathy; style and design; and price.

"Imagery" refers to how well your brand meets your customers' needs on a social and psychological level. Your brand can meet these needs directly, from a customer's own experiences with a product; or indirectly, with targeted marketing, or with word of mouth.

Step 3: Brand Response – What Do I Think, or Feel, About You?

Your customers' responses to your brand fall into two categories: "judgments" and "feelings." These are the two building blocks in this step.

Your customers constantly make judgments about your brand and these falls into four key categories:

- **Quality:** Customers judge a product or brand based on its actual and perceived quality.
- **Credibility:** Customers judge credibility using three dimensions – expertise (which includes innovation), trustworthiness, and likability.
- **Consideration:** Customers judge how relevant your product is to their unique needs.
- **Superiority:** Customers assess how superior your brand is, compared with your competitors' brands.

Customers also respond to your brand according to how it makes them feel. Your brand can evoke feelings directly, but they also respond emotionally to how a brand makes them feel about themselves. According to the model, there are six positive brand feelings:

- **Warmth:** the brand makes consumers feel peaceful, sentimental, warmhearted, or affectionate.
- **Fun:** the brand makes consumers feel upbeat, amused, lighthearted, joyous, playful, or cheerful.
- **Excitement:** consumers feel energized about the brand and believe they are experiencing something special. Brands that evoke excitement may result in consumers feeling a sense of elation or a sensation that the brand is cool or sexy.

- Security: the brand produces a feeling of safety, comfort, and self-assurance without worry or concerns about the brand.
- Social approval: consumers have positive feelings about the reactions of others (i.e., when consumers feel others look favorably on their appearance or behavior) to the brand. Approval may occur when others directly acknowledge the
- Self-respect: this occurs when the brand makes consumers feel better about themselves, creating a sense of pride, accomplishment, or fulfillment.

Step 4: Brand Resonance – How Much of a Connection Would I Like to Have With You?

Brand "resonance" sits at the top of the brand equity pyramid because it's the most difficult – and the most desirable – level to reach. You have achieved brand resonance when your customers feel a deep, psychological bond with your brand.

Keller breaks resonance down into four categories:

- Behavioral loyalty: This includes regular, repeat purchases.
- Attitudinal attachment: Customers love your brand or your product, and they see it as a special purchase.
- Sense of community: Customers feel a sense of community with people associated with the brand, including other consumers and company representatives.
- Active engagement: This is the strongest example of brand loyalty. Customers are actively engaged with your brand, even when they are not purchasing it or consuming it. This could include joining a club related to the brand; participating in online chats, marketing rallies, or events; following your brand on social media; or taking part in other, outside activities.

The steps in this "branding ladder" follow an order, from identity to meaning to responses to relationships. Meaning cannot be established without first creating identity; responses cannot occur unless companies develop the right brand meaning; and a relationship cannot be forged without getting the proper responses from customers.


6.2 RD wine portfolio

RD Winery is located at 3 Executive Way; Napa Valley, California 94558, USA which is one of the most famous regions for producing high quality wine. Napa Valley is one of the American Viticultural Areas (AVA) which is a designated wine grape-growing region in the United States distinguishable by geographic features, with boundaries defined by the

Alcohol and Tobacco Tax and Trade Bureau (TTB), United States Department of the Treasury. (<http://www.ttb.gov/wine/ava.shtml>). Once an AVA is established, at least 85% of the grapes used to make a wine must be grown in this AVA area if the AVA is referenced on wine’s label. RD wine is produced and bottled at Napa Valley so the wine is accepted to use the appellation of the “Napa Valley” on its label. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to its geographic origin. In this case, Napa Valley is a guarantee of high and premium quality for RD wine.

Napa Valley Collection

RD wine includes two main product lines which are the red wine and the white wine. The red wine is divided into four sub brands: Napa 55, Napa 66, Napa 77, Napa 88 and Napa 99. These brand names have a significant advantage in term of remembering and recalling. It is very easy for Vietnamese people to recall the name which is not the original foreign name. The white wine consists of Napa Chardonnay and Napa Sauvignon Blanc. Each sub brand has different mix of grapes, tastes, flavors, colors, label and shape of bottle. They also have specific food pairing for each wine. More importantly, each sub brands have different price so that they target to different segment of customers base on their income, status and ways of usage.

Brands	Features
	<p>Cabernet Sauvignon- Blend: 85% Cabernet Sauvignon + 15% Syrah; Color: Ruby red; Aroma: Fresh berries and cedar; Flavor: soft fruit.</p> <p>Syrah- Blend: 100% Syrah; Color: Light raspberry; Aroma: Peppery; Flavor: Earthy with heavy tannins.</p> <p>Price range: \$18-\$20</p> <p>Target Customer: Male, average income persons, business man, family members use in restaurant or at home.</p>



Cabernet Sauvignon- Blend: 85% Cabernet Sauvignon + 15% Syrah; Color: Dark Ruby red; Aroma: Cherry and Anise; Flavor: Currant and Chocolate.

Syrah- Blend: 100% Syrah; Color: Deep Purple; Aroma: Nuts and Fruit; Flavor: Spicy Fruit

Price range: \$25-\$28

Target Customer: Male, Upper average income persons, business man, family members use in restaurant.



Cabernet Sauvignon- Blend: 90% Cabernet Sauvignon + 5% Syrah + 5% Merlot; Color: Dark hue of Ruby; Aroma: Floral perfume and toast; Flavor: Fruit and spice note.

Merlot- Blend: 100% Merlot; Color: Dark Burgundy; Aroma: Vanilla note; Flavor: Cloves and Spice.

Syrah- Blend: 100% Syrah; Color: Ruby Red; Aroma: Smoke and Spice; Flavor: Coconut.

Price range: \$32-\$36

Target Customer: Male, Upper average and high income, business man, people use in high class restaurant.



Cabernet Sauvignon- Blend: 100% Cabernet Sauvignon +; Color: Deep Burgundy and Ruby-Purple; Aroma: Cinnamon, Cocoa; Flavor: Blackberry, hint of clove.

Merlot- Blend: 100% Merlot; Color: Deep Burgundy; Aroma: Chocolate and Tobacco; Flavor: Vanilla, currant.

Syrah- Blend: 100% Syrah; Color: Garnet; Aroma: Subtle French oak; Flavor: Fruity with a brawny entry.

Price range: 43-47USD

Target Customer: Male, high income persons, managers, people with deep wine knowledge, people buy as gifts and



Cabernet Sauvignon- Blend: 100% Cabernet Sauvignon +; Color: Dark ruby red; Aroma: Boasting fruit, earthy and smoke; Flavor: Blueberry, chocolate, fig and spice.

Merlot- Blend: 100% Merlot; Color: Rich Burgundy; Aroma: Dark chocolate; Flavor: Tannin.

Syrah- Blend: 100% Syrah; Color: Deep Garnet; Aroma: Gentle Floral, wood; Flavor: Fruity Forward.

Price range: 63-66USD

Target Customer: Male, upper-high and high income persons, managers and senior managers, people with deep wine knowledge, people buy as luxury gift.



Napa Chardonnay white wine: 100% Chardonnay; Color: Pale Straw; Aroma: Citrus and fresh fruit; Flavor: Light crisp apple.

Napa Sauvignon Blanc: 100% Sauvignon Blanc; Color: Bright yellow; Aroma: Hint of grapefruit, pineapple, cut-hay; Flavor: Fresh fruit.

Price range: \$18-\$20

Target Customer: Male or Female, average income people, business man and woman, family members use in restaurant.

6.3 Current marketing activities

According to the JCB Vietnam wine market study in 2010, price level of wine can be describe as the table below:

Level	Price range (in VND)	Price range (in USD)
I	50,000.00-125,000.00	2.63-6.50
II	125,000.01-250,000.00	6.50-13.10
III	250,000.01- 350,000.00	13.10-18.30
IV	350,000.01-500,000.00	18.30-26.20

V	500,000.01 +	26.20+
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Table 1: *Price structure of wine*

(Source: JCB Vietnam wine market study)

Comparing the price range of RD wine portfolio with the price structure above, RD wines are fitted into level IV and level V which is the second highest and the highest price range for wine in Vietnamese market. Therefore, RD wines should be positioned as the high and premium quality wine comparing with other wines. Marketing programs for RD wine should be consistent with the high quality image which is the theme for all marketing activities.

6.3.1 Marketing strategy with 4 Ps model

Product

In term of Product relating to marketing activities, Viet My need to focus on and answer the basic question which is: “What is the value that customers benefit from the purchase of products?” As mentioned above, RD wines’ price is relatively high comparing to others so that Viet My have been trying to reach to customers by convincing them about high and premium quality of the products. All marketing activities underlined the facts that RD wines come from one of the best regions for making wine in the world. In addition, RD wines are distributed by the company who own the RD winery. Therefore, customers can be guaranteed about the quality and the entertainment value brought from the purchasing of RD wines. Beside the core products, Viet My also paid attention to the augmented products which are good customer services, gifts and discount programs, etc.

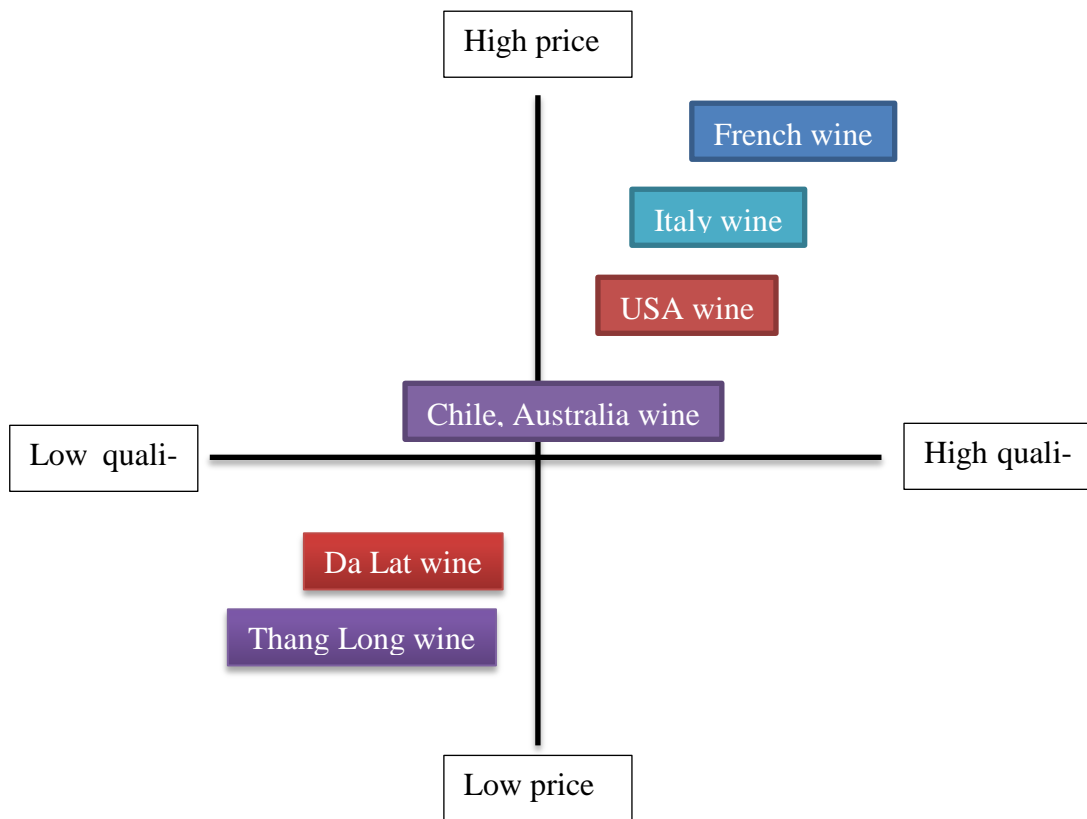


Figure 2 : Positioning of wines in Vietnamese market

(Source: Own Research)

Price

As mentioned above, the price level of RD wines is at the highest levels for wine in Vietnamese market. The price strategy should concern the question: “At what price should the customers pay for the value they receive?” RD wine is positioned as high and premium quality so that the price level is consistent with the overall business strategy. In Vietnamese market, price is usually used as a mean to express the quality level of the products. Therefore, the high price of RD wines can be seen as a tool of positioning. The price of RD wine implies that the direct RD wines’ competitors are the high quality wine from the old world countries of producing wine such as France and Italy. RD wine’s pricing strategy has nothing to do with the competition pricing, penetration pricing or cost base pricing which the goal is to increase the market share based on competitive price. Instead of these strategies, RD wines use the Psychological Pricing strategy along with the Product Line Pricing. The Product Line Pricing is pricing strategy which price different products within

the same product range at different price points. It make customer have more choice when choosing RD wines' sub brands for their use.

In addition to the price strategy for the product portfolio, Viet My also have different price levels which applied for each type of channel distribution. Based on the characteristics of each channel, Viet My would create the price strategy which is the most benefit for the channel. The price which is applied for the retail shop and supermarket is the lowest then to the price for hotel and restaurants. Because retail shops, supermarkets, hotel and restaurants are just the intermediaries so with the discount price they have profit and initiatives to sell RD wines to consumers. Hotels and restaurants have more pricing power to consumers than retail shops and supermarkets so the price level can be higher. The highest price is applied for selling RD wines to organizational customers because their concern is not profit but the quality of products and services.

Place

Place deals with the customers' concern which is: "how convenient do customers can find and purchase the products?" Viet My distributed RD wines through three main channels which are retail shops; hotel, restaurant and supermarket; and direct sale to institutional customers. Till the end of 2013, there were 150 retail shops, 47 supermarkets are accepted to distribute the RD wines over the countries. The philosophy of Viet My in delivering RD wine is "directly serving to customers". In order to make the philosophy to be real, Viet My have built a strong sale team which is responsible for regularly contacting to particular customers to maintain the existing relationship and seeking for others customers. In 2014, Viet My has plan to open a mini supermarket for only selling and RD wine in the center of Ho Chi Minh City. The mini supermarket would be the official place for customers can be directly in touch with the RD wines and the customer service as well.

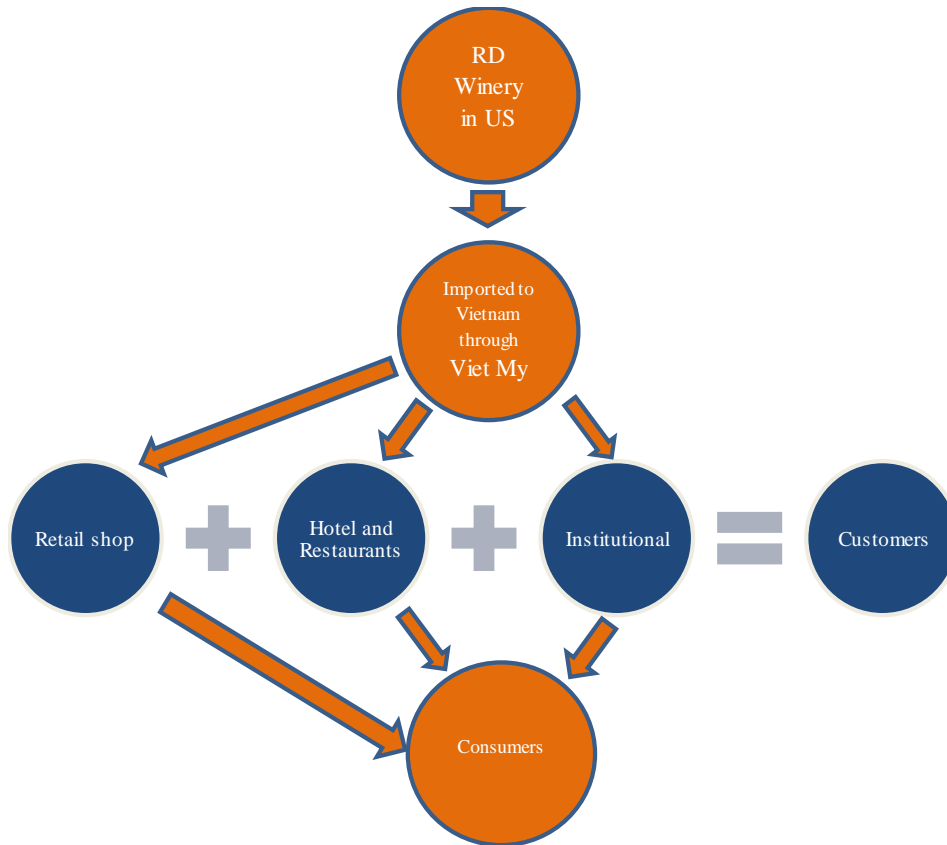


Figure 3: *The main distribution channels of RD wine*

(Source: Own Research)

Promotion

The question which is: “How is the relationship between customers and organization?” can be addressed by the Promotion section in the 4 Ps model. Based on the theme which is “high quality products”, all the marketing activities should build the image of RD wines as sophisticated, luxury products. Viet My regularly holds events to introduce new brands in the RD wine portfolio as well as maintain the customer relationship. The places and service providers for holding the event are the most famous and among the best in Vietnam which can be seen as luxury places. Viet My also paid attention to building the branding package which is used for contacting with the customers. All the items in the branding package are consistent and express the professional of the organization. The goal of Viet My continuously make the impression of luxury and high quality products to the customers’ mind. Ultimately, when customers purchase or drink RD wine, they can trust the RD brand and feel that they are respectable, sophisticated. Besides building image for RD wine, customer relationship is a very important part in the marketing campaign of Viet My.

It has discount program for customers who make the big amount of purchase or make the return purchase. Customers who have membership card have a lot of benefits in term of finance and customer service as well.

6.3.2 Marketing activities

Public Relation Message

It is important to build the brand awareness especially for the new brand in the market. So the marketing activities of Viet My when the RD wines first came to the Vietnamese market mostly focused on brand building activities. The goal of Launching event and public relation is obviously clear which is to communicate and put the right's RD wine image into customers' mind and make sure that customer can recall the right image at the right purchase situations. Therefore, there are two concerns which Viet My should address regarding to the RD wine's brand awareness. The first concern is to communicate the right image and impression of RD wines. The other is focus on the factor of right purchase situation. According to CBBE model, they refer to the depth and breadth dimension of brand awareness. Depth of brand awareness refers to how easily customers can recall or recognize the brand. Breadth dimension refers to the range of purchase and consumption situations where the brand comes to customers 'mind.

According to the different features of different sub brands of RD wine, we can separate them into two groups. Each group has different core products so that they have different brand awareness or brand salience according to CBBE model. The first group consists of sub brand: Napa 55, Napa 66 and white wine Napa Chardonnay, Napa Sauvignon Blanc. The second group consists of sub brand: Napa 77, Napa 88 and Napa 99.

The core product or brand identity of the first group is high quality alcohol drink use in restaurant or at home. The design and package of these sub brands is intentionally made fashionable and look like for young people. That's why the slogan for the Napa 55 and Napa 66 which are "A Stylish Moment" and "A Party Moment" is much more related to young, dynamic and successful people who would like to use high quality drink in daily social occasions.

The core product of the second group lies in the professional and social status which these sub brands bring to for their customers. Napa 77, Napa 88 and Napa 99 are usually used by upper high income people, especially people who have used wine for a long time. It means

that drinking these sub brands show that the customers did not just see wine as a drink but a hobby or an interest for researching and enjoying. Beside the use as a high quality and professional drink, the price of Napa 88 and Napa 99 make them can be used as luxury gift in holiday occasions in Vietnam. The message that Napa 88 and Napa 99 would like to communicate are: “A Moment of Business Elegancy and Wine” and “A Moment of Glory and Power”.

RD wine has a clearly message for each sub brand in communicating with their customers. But the second dimension of the breadth of awareness seem to be not received much attention from Viet My.

Customer meeting events

Till the end of 2013, Viet My have hold four important customer meeting events. The goal of these meeting events was to launch new products to customers and enhance the relationship between RD wine and customers. The places for holding these events were chosen carefully to be consistent with the themes of the events. RD wine is defined as high quality wine so that the services and people related to the brand should also be at the same level. Because of that, Viet My have invested a lot in term of finance and hours of working for holding these events. According to CBBE model, these customer meeting events can be used as a tool for creating customer relationship and ultimately enhance the brand resonance. But RD wine is a very young brand so that most of the customers who come to the events were new customers. Therefore, these events play a role in creating relationships with customers but the main role is to serve for brand awareness. At these events, Viet My also had special discount program to seek for new business contracts with new customers. In short, in term of CBBE model, RD wine’s customer meeting events have reinforced the brand identity or brand salience. More importantly, these events gave the customers opportunities to have ideas about the brand performance and feel the image and value of RD wine.

The cost for these events was high but these events were important because they are the rear opportunities which RD wine can contact directly with its customers. In the side of customers, they would have first impression about the RD wine, the product and the people as well.

Name	Time and Place	Goal of event	Number of customers	Cost
Lady luxury	06/26/2013- Ly Club, Ho Chi Minh City	Sponsor for the Lady luxury competition. Exhibition of products.	About 100 customers. Most of customers are high income people.	300 million VND- approximately 15,000 US Dollar
Napa Night HCM	10/24/2013- White Palace, Ho Chi Minh City	Launching the products to customers. Communicate and explain the Napa origin, quality of products. Customer can taste the products directly.	About 300 customers. Most of customers are retail shop owners, hotel, restaurant managers and CEO of big companies in the South of Vietnam.	500 million VND – approximately 25,000 US Dollar
Napa Night Hanoi	11/26/2013- Sheraton Hotel, Hanoi	Same as above	Same as above. Customers mainly from the North of Vietnam	Same as above
Napa Night Phan Thiet	12/17/2013- RD wine Castle, Sealink City Resort, Mui Ne, Phan Thiet City	Meeting and thanks giving the key customers at the end year occasions. Introduce the RD wine castle.	About 200 customers. Key customers of RD wine all over Vietnam.	400 million VND- approximately 20,000 US Dollar

Table 2: *RD wine customer meeting event*

(Source: Own Research)

Opening of RD wine mini supermarket

One of the most important marketing strategies in 2014 is opening the RD wine mini supermarket in the center of Ho Chi Minh City. Until the end of 2013, RD wine is mostly distributed through three main channels which are retail shops and supermarket; hotel and restaurant; and selling directly to institutional customers. With the opening of this supermarket, Viet My has increase the number of way that customers can communicate with RD wines. It would bring more value to customers in term of customers' convenience when they need to find RD wine. At the supermarket, Customers can directly contact with RD wine employees for their request. It can be a huge improvement because customers, especially potential one did not have any means for directly and easily communicate with RD wine. In term of CBBE model, this can help to improve the brand performance and the brand feeling. Customer can have proof about the RD wine reliability and serviceability. They know exactly where they can find help or other service with the opening of the RD wine mini supermarket.

Beside the benefit of new channel for customers, RD wine supermarket can be the place for supplying customers with new service beside the products. RD wine supermarket is a place for new and potential customers can come and taste the wine before they have decided for purchasing. The wine testing is free. This service increase the value to customers and through it, RD wine can communicate their confidence in the quality of the products and the origin of the products as well. In term of CBBE model, free wine taste testing give the chance for both the customers and RD wine to get benefit. Customers can feel the good service from RD wine from the first impression. The first impression is very important so that the customers feel they are respected. About the RD wine, through wine taste testing open the gate for them to get the valuable information about the customers such as their age, professionals, income, marriage status, where they live, etc. More importantly, RD wine can receive the feedback from customers directly at their mouth right after they try the wine. It helps them to know about the brand judgment and brand feeling from customers regarding to CBBE model. From these practical information, RD wine can make the right adjustment from the marketing campaign or the improvement of the product to get the right brand judgment and brand feeling they would like to receive from customers.

RD wine supermarket can also support for the RD wine in building brand image. Using the effect of sound, light, pictures or others physical tools, customers can be impressed about the luxury and professional image when they come to the RD wine mini supermarket. Located at the center of Ho Chi Minh City is an enormous advantage for the RD wine super

market can catch the eye of the potential of customers. Because of the rule of advertising alcohol drink in Vietnam, organizations can just advertise by images, other physical tools and sound inside the premise of restaurants, shops or hotels. So that having a mini supermarket for only RD wine will be a huge competitive advantage comparing to other brand of wine. In term of CBBE model, brand imagery can be enhanced so much with the opening of RD wine mini supermarket. In other words, RD wine can use the mini super market to show everything which they wish to put the right brand image of RD wine in their customers' mind.

At the RD wine mini supermarket, there is always an eye-catching place displaying all the retail shops, hotels, restaurants which have sold the RD wines. This can be explained that RD wine mini supermarket play less role in selling the wines. The main role of the mini supermarket is for marketing activities and customer services. Showing the other selling channel also helps to enhance the customer relationships regarding to retail shops, hotels and restaurants customers. In term of CBBE model, this activity can help to get the positive brand feeling from customers.

RD winery mini supermarket plays a very important in pricing strategy as well. Before the opening of the mini supermarket, RD wines are mainly distributed through retail shops, hotels and restaurants. So that Viet My cannot control the price which the last consumers have to pay for the wines. It is sometime can reduce the value which the consumers received comparing with the money they pay. Because of that, RD wine mini supermarket can play a role in stabilizing the price. The price which RD wines are sold in the supermarket can be the mark for other RD wines in the market. The stable price could help RD wine increase their brand identity and trust from the customers.

RD wine mini supermarket is the perfect place for execute the marketing activities for brand building. Because of that, the mini supermarket will received the main focus of Viet My in the first half of 2014. The cost for building the mini supermarket is not small but it is definitely a good investment in the long term future.

In conclusion, in order to assess how the opening of RD wine mini supermarket has impacts on the brand building in term of CBBE model, the table below can show us the overall picture:

Activities	CBBE elements	Impacts	Level of impacts
Official RD wine shop and physical place for supply customer services	Brand performance, Brand imagery	Increase the product reliability and serviceability. RD wine becomes more trusted by customers.	Strong
Free wine taste testing	Brand feeling, brand performance. Brand judgment and brand felling.	High level of service. Customers feel respected. Customers have chance for providing judgment and felling about the RD wine.	Strong
Advertising at the supermarket.	Brand imagery	Use the effect of image, sound to put the luxury, professional impression to customers' mind.	Medium
List of retail shops restaurants, hotels, and supermarkets selling RD wines.	Brand Feeling and Brand Resonance	Support the intermediaries and also the RD wine's customers. Enhance the relationship with these customers.	Medium
Referenced price for RD wines	Brand identity and Brand feeling	Price stable help increase their brand identity and trust from customers	Medium

Table 3: Assessment of opening RD wine mini marketing in term of CBBE model

(Source: Own Research)

Augmented products for the RD wine


Beside the core products and the actual products, the augmented products can be a very effective tool for organizations to differentiate from other competitors. Because RD wine is owned by Viet My and Rang Dong Group so that they have the power and resource to benefit customers in several ways. Therefore, RD wine has big advantage in providing to customers the augmented products than other wine brand.

Viet My can have the discount price for the customers if they want in a very simple way. They can also put the long term relationship with customers on top over the short term financial result. The sales persons play a very important role in maintain customer relationship and supply customer services. They help hotels, restaurants, retail shops and supermarkets design and run the marketing campaigns for RD wines such as: the 15% discount program, lucky gifts for consumers using RD wine every month in particular restaurants. Viet My also applied the discount policy for the customers who have the Visa or Master credit card issued by HSBC bank. The senior managers who have membership card in American Chamber of Commerce (Amcham) or EU Chamber (EuroCham) can also have discount for purchasing RD wine as well.

One other augmented product of Viet My is the service of free wine knowledge educating for hotel and restaurant employees. Every month, based on the demand of customers, Viet My hold classes for teaching about wine for hotel and restaurant employees. All the cost from teachers fee or other teaching equipment are paid by Viet My. In the learning content, there is a special part for introducing about only RD wines so that the hotel and restaurant employees can easily remember about RD wine when customers ask for wine. In term of CBBE model, it help Viet My to enhance the brand imagery and brand performance as well. The customer might feel the superiority and credibility of RD wine comparing to other brands.

Viet My also have planned for the membership program in 2014 when they open the RD wine mini supermarket. When the customers come to buy large enough amount of RD wines at the supermarkets they will received the membership card which can be brown, silver or gold card depend on the amount of purchasing. Membership card will be the physical proof for the customers to receive a great deal of benefit. RD wine's member can received 10% to 15% discount when purchase RD wine at any shop, hotel or restaurants.

They are free to visit the RD wine castle in Phan Thiet city which currently is used for storing imported wine from US and also for serving visitors who would like to know more about the process of producing wine. With the gold membership card, member can use the conference room at the supermarket for holding their meeting events for free. With the membership card, member can attend the member meeting event hold by Viet My every year. Beside an amount of gifts as a thank you statement for the customers' loyalty, customers can have opportunities to experience the RD wine's cultures in luxury places. In term of CBBE model, membership program have enhanced the brand imagery in the customers' mind substantially. It can prompt the positive customers' feeling about the RD wine brand. RD wine's customers might feel self-respected, excitement and warmth when they become a members. More importantly, it increases their loyalty to the wine; make them feel a sense of community. They also might have active engagement for the brand such as discuss about the brand offline or online, introduce brand to friends or family members. All of these activities above are sign of brand resonance which are the ultimate goal of any brands.

<p>EUROCHAM MEMBER CARD</p> <p style="text-align: center;">-10%</p>	
<p>AMCHAM MEMBER CARD</p> <p style="text-align: center;">-10%</p>	



<p>HSBC VISA & MASTER CARD</p> <p style="text-align: center;">-10%</p>	
<p>YERSIN MEMBER CARD (HCM)</p> <p style="text-align: center;">-5%</p>	

Table 4: Cards with promotion applied for RD wines

(Source: Own research)

6.3.3 Current e-marketing activities of RD wine

How significant the digital marketing influences to the overall business strategy depends on the nature of the products or services supplied by organizations. With the products include a great deal of services and can easily sell online like airline ticket and products can be transformed to digital form like books, video or music the internet marketing play a very important role. But with the products which are not generally appropriate for selling online such as energy or fast consumer products the internet play less important role. Wine can be categorized into the second groups which the offline channel play dominant role for selling the wine. Although the internet is less significant for the wine but is still rapidly growing in importance. RD wine is a young brand in the market so that most of its marketing activities have been focusing on the offline sales which are the traditional channel for the wine business. But they also started to pay their attention on the online marketing activities. Their internet marketing strategy is aimed for enhancing the brand awareness, connecting to the customer and lead to the online sale in the future. The brand awareness comes as the top priority for using internet marketing because of the cost effective and

their wide range to reach to the customers. Online sale can be used as tool for booting the sale in the future when the trend of online purchasing becomes more popular among Vietnamese consumers. Because Viet My has just focus on the internet marketing in a short period of time, the tool used for internet marketing still be very limited.

Website and Search Engine Optimization (SEO)

Viet My have built a very good website for RD wine which can be access through this link: <http://www.rdwinery.com>. As mentioned above the theme for marketing RD wine is the high quality and luxury products. Because of that, the website for RD wine should be consistent to the overall marketing theme. More specific, the website should use the effect of images, color, sound or mix of them to express clearly the luxury and elegant of RD wine. The current website is almost satisfied of all the expected features. Viet My have been using the website as a means for communicating the public relation messages of RD wine product portfolio to the customers who are interested in searching about the RD wine online. Through the website, customers can also read all detail information about the RD winery history, original and products. The customer can also download the list of retail shops, supermarkets hotels and restaurants which are currently selling RD wine. In conclusion, the website of RD wine can be an excellent representative for the RD wine when it can express the luxury and high quality feature of the wine. In addition, the website is a good communication tool. But in case of customer service, the website is lack of the tool for creating the online dialogue with customers. The list of frequently asked question section on the website can also be very valuable information for customers. The website also supports two languages which are Vietnamese and English is a big advantage for attracting both Vietnam and foreign customers.



Figure 4: Homepage of RD winery

(Source: www.rdwinery.com)

About the Search Engine Optimization application for the RD winery website, there is a lot of things that Viet My should do to improve it. When using Google and typing the key word “ruou vang” in Vietnamese which means “wine” in English, there is no result which can directly land customers to the RD winery website. Even when trying with other key words in English such as “buying wine in Vietnam” or “wine in Vietnam”, the result is not better in any cases. Customers just can find RD winery website by using some key words which are relevant to “RD wine” or “RD winery”. The search engine tool is not optimized for RD wine and it is definitely not a leading tool which can generate sale. Viet My should pay more attention to this tools because it becomes more and more popular today for everyone go online and use search engine like Google or Yahoo search to get the first purchase recommendation for their need. Using an advertising option on Google can be good choice for reaching to the very potential customers who spend time and their interest on finding wine.

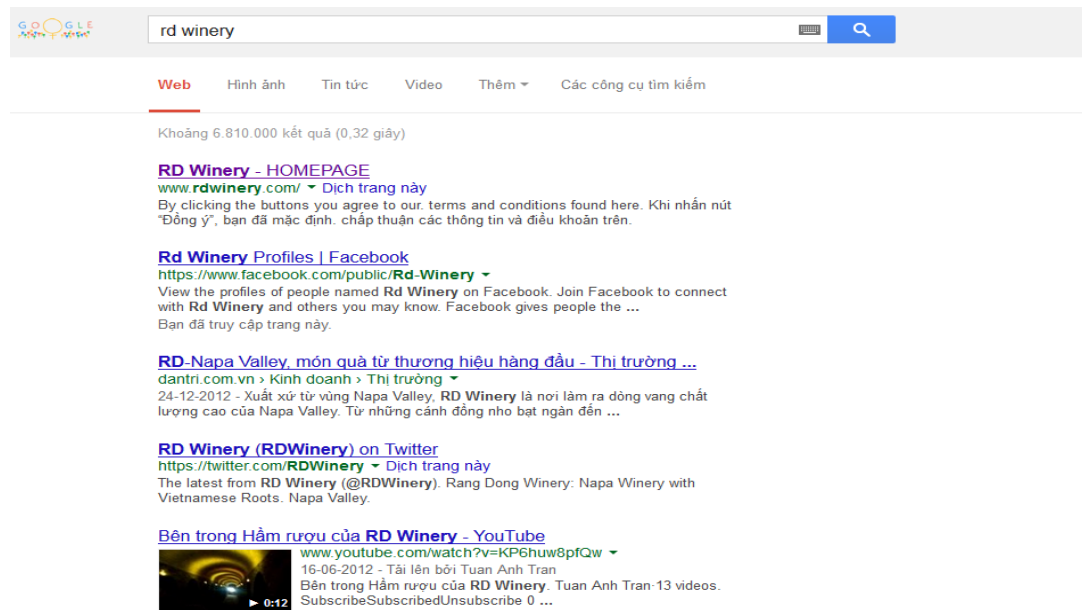


Figure 5: Result on Google with the key word RD Winery

(Source: www.google.com)

Other online media

The online newspaper could be a good way for spreading the brand to customers, especially for young customers who spend most of their time online. This tool refers to the appearance of RD wine on online newspapers through articles writing for introducing the RD wine or having references to RD wine in some cases. When searching about the RD wine on search engine like Google, there are great deals of information about RD wine on the online newspapers. Especially, when searching key words is “lau dai ruou vang” in Vietnamese (“winery castle” in English), the top results are about the RD winery castle in Phan Thiet city where the owner Rang Dong group located. Viet My is doing relatively well in using online newspapers and other third party websites to reach to customers. Using an unique and attractive building like “RD wine castle” as a symbol for online newspapers campaign is a wise choice. It makes customer not to be bored to read about a traditional introduction article but about a strange and worth for visiting place in Vietnam.

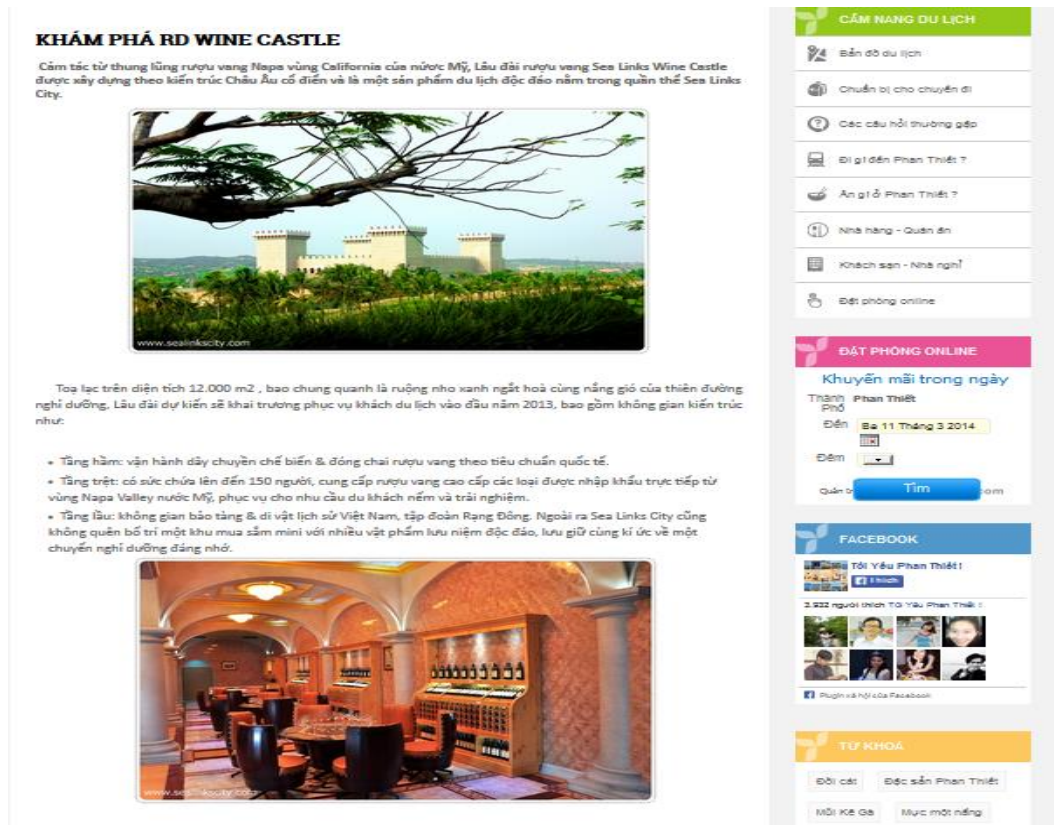


Figure 6: One of the tourism website introduce the RD winery Castle

(Source: www.phanthietvn.com)

According to the rule about advertising wine in Vietnam, wine companies cannot use banners or images about the wine to advertise outside the acceptable physical premises or official webpage about wine. So that Viet My cannot put the banners about RD wine to other third party website like other products. It is a big disadvantage in term of internet marketing. But using the “RD winery Castle” as an alternative proxy for RD wine can be acceptable for advertising on third party website. Therefore, Viet My should take advantage from that and use suitable third party websites for getting to potential customers.

Email marketing

Sale personnel in Viet My usually use email as a mean for contacting to customers after establishing the business relationship through offline channels. More specific, they use email for sending RD wine catalogue, the price list, the contracts and others information to customers. The current use of email is much more for business daily operation rather than for the marketing purpose. In some special occasion such as New Year celebration, sale persons can send email to their customers for introduce about the new products or new

discount program. This activity can be listed as a marketing activities using email. But the point is that email marketing is not a planned and well prepared activities of Viet My. It can be used occasionally by a sale person. But email marketing cannot be used effectively in that way. Email is a very cost - effective tool for marketing if it is used in a right way. Therefore, Viet My should pay attention to this tool. Fortunately, there are a lot of rooms for improving the email marketing for RD wine.

About the email list, because email is using as a mean for contacting with customers by each sale personnel so that there is no common customers email list for any marketing purpose. Each sale personnel will have different customers email list which can be not unique or in other words, the same customer can be on the email list of many sale personnel. Even if the marketing department start to build the common customer email list, it can be very hard for them to start online communicate with the customers because the customers is most of the time likely doing business in offline channel through the sale personnel. Moreover, there is a very important point in email marketing that it is a permission marketing type. So that it need the permission from customers to receive more email from the companies. When building the email list, Viet My should also consider to get the permission of customers for subsequent communication through emails. Viet My can use an opt-in options to get the permission from customers to receive more emails about RD wine. A subscribe or registration option on RD winery website is also a good idea for getting the permission.

The amount of customer and prospects' emails address in the current house building list is also a problem in email marketing for RD wine. Because the current email list is collected base mostly on the sale personnel's networking so the amount is very limited. Viet My should consider to buy an suitable rented email list or creating strategic plan for collecting email from potential customers. Viet My can use the traditional marketing activities such as events, free taste testing or even mini wine supermarket to get the information, email and permission from customers for subsequent online communications.

As mentioned above, the email marketing is sometime used by the sale personnel at the time of some special occasions to generate sale such as Lunar New Year occasion. But the strategic question that "how frequently should RD wine send an email to customers for reminding or communicating?" is not addressed in all the ways. The time for sending email should concern other marketing activities such as discount program, event marketing. So

that email marketing can be used as helpful tools to support the overall marketing strategy for RD wine.

To build successful email marketing campaign, Viet My should also pay attention to the tailor content to each customer segment. Personalization and mass customization should be considered when creating the content for customers. The attraction and how the email looks are also important to get the high effectiveness of the email marketing campaign. The current template for email marketing using by the sale personnel is not a good example for this.

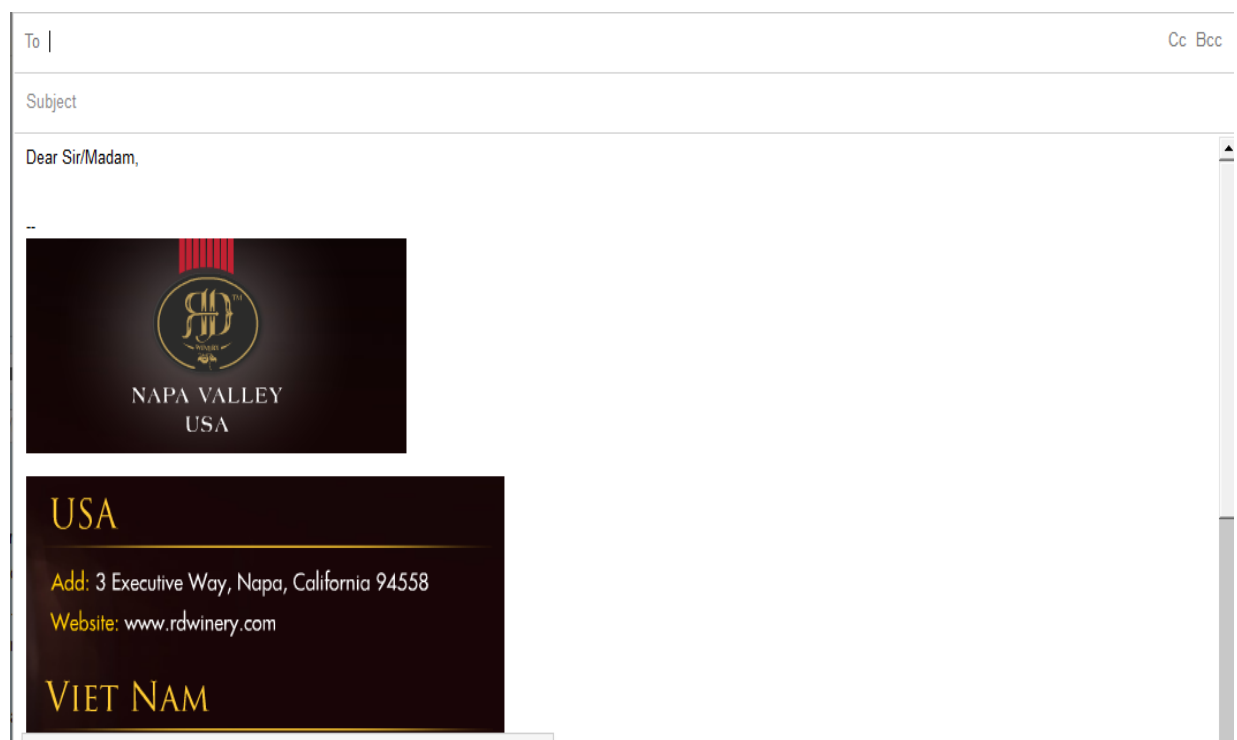


Figure 7 : Current template for email using by the sale personnel

(Source: Own research)

Social network

Today, one of the most rapidly growing areas for marketing is social network. The website can be a place for official and formal connecting channel to customers. But it can also be the limitation for the website when customers cannot communicate with the brand in a daily normal way. Social network can do it very easily so that it can be a very good supplement to the website for communicating to customers in all the ways. Facebook is chosen by Viet My to build the social network for RD wine. The social page of RD wine is named

as “RD wine castle” on Facebook. The page has nearly 1000 likes and number of people talking about it is about 76 peoples. The number is very small comparing to the most popular page on Facebook. But the point is that the social page can reach to the young customers more easily. In addition, the RD wine social page is building to have the personal characteristics when communicate to enhancing the two way dialogue with customers and potential customers. Coming to the social pages, customers can see more photos, information about the RD wine which is more informal and also can see how other customers say about the brands. It changes the one way dialogue to multi direction dialogue. Therefore, customers are more easily to keep up to date with the RD wine activities through the Facebook fan page.

In conclusion, digital marketing for RD wine is at the first stage of development so that it has a lot of limitations. The goal in this period for the digital marketing is enhancing the brand awareness of RD wine. For completing this target, Viet My should use more tools which is spread the RD wine brand to more potential customers such as third web page advertising, other internet media like online newspaper, etc. They should give more investment on email- marketing and social network to use them as the most powerful tool in term of digital marketing for RD wine brand.

6.4 Conclusion

Based on the analysis above, a SWOT analysis can be done as a conclusion to assess the current marketing situation for RD wine brand.

Strength

- RD wine is produced at RD winery in Napa Valley, California, USA. The world famous reputation of Napa Valley for making high quality wine is a big competitive marketing advantage for RD wine.
- RD winery is owned by Rang Dong Group and Viet My. Therefore, they have enough power for planning and executing marketing strategy in any aspects from label, image to public relation message. It helps RD wine’s marketing activities more consistent to each other and to be flexible enough to adapt to the changes in Vietnamese and other markets.
- RD wine’s taste, smell and other aspect of actual products can be changed to fit with Vietnamese customers’ demand and interests.

- Because of owning RD winery so that Viet My can have resources for implementing some marketing activities which other brands cannot, such as: wine taste testing, Opening mini supermarket, discount program, membership program, etc.
- RD wine is distributed directly to customers through three main channels so that they can cut the cost for intermediaries.
- RD wine has better customer service with the sales person directly contact to particular customers.
- RD wine has supplied a great deal of augmented products to customers.
- Because of owning Rd winery, Viet My can develop new products with lower or higher price to target to new market segment in a short period of time.
- Viet My is a subsidiary of Rang Dong Group so that they receive financial support from Rand Dong Group. Therefore, Viet My can focus on the long-term strategy for RD wine brand and accept the financial difficulty in the short-term.

Weakness

- RD wine is a new brand so that customers do not know about the quality and service of the products.
- RD wine currently cannot compete with the other France and Chile wine about the spread of distribution channels because these brands come to Vietnamese market for a long time.
- RD wine target to the high income people but the marketing activities has not yet tailor directly to this particular customers segment.
- Viet My still does neither have the complete Customer Relationship Management system nor the database about the customer data for researching. Therefore, they cannot do the direct marketing to existing or potential customers.
- Viet My do not do the marketing research to anticipate the demand for each sub brands. Therefore, they are encountering the fact that some sub brands have large amount of inventory while others do not have enough for selling.
- Viet My has not yet built the thorough and complete plan for using digital marketing to enhance their brand awareness.
- RD wine is obligated to pay the tax rate which is two times higher than what the Chile wine has to pay.

Opportunities

- The rapid increase in growth of wine consume in Vietnamese market. Especially, 50% of growth rate for the red wine in recent year.
- Vietnam is one of the countries which have the largest consume of alcohol drink per persons in the world. New generation of Vietnamese people are changing to more healthy alcohol drink such as wine instead of beer.
- The above average economic growth in Vietnam make the number of high income people increase so that the customer base for RD wine is also bigger.
- French wine and Chile wine which are the main competitors of RD wine currently do not pay much attention to the marketing activities because of they have a decent market share.
- In the future, Vietnam and USA can have more free trade agreement between two country so that there will be a lot of advantage for the RD wine to import wine from the RD winery in USA.

Thread

- The policy and law for alcohol drink can be change dramatically in Vietnam, such as increasing the tax rate on alcohol drink.
- The thread of another economic crisis will destroy the customer wealthy and reduce the customer base of RD wine because wine is not a necessary product.
- The thread of new competitors will enter Vietnamese wine market because the high growth will attract more investment from both domestic and foreign investors.
- The thread of new substitute drink will come to Vietnam and make the market share for wine reducing significantly.
- The thread of lower growth in sale for RD wine if Viet My do not develop new types of marketing activities and customer relationship management system to tailor the customer directly.

6.5 Suggestion

According to the CBBE model, Viet My is doing very well in term of building the brand salience or brand identity. However, while doing a great job in the depth dimension which is about product category, Viet My need to improve the breadth dimension which refers to the purchase situations which customer can recall about RD wine. Beside focus on the high quality of the products, Viet My should have messages, images or other tools suggest customers about the purchase situations which RD wine can be their choice.

About the brand performance and brand imagery, Viet My also had marketing activities focus on expressing the high quality and luxury image of the RD wine. In brand performance, Viet My concentrate on the reliability and serviceability of the products. The brand performance can be better if Viet My focus on the marketing for style and design of RD wine. A research can be done to see what style and design that the Vietnamese market is expected for a wine. Viet My can also choose to sponsor for more events which are have luxury, sophisticated feature and have same customer base with Rd wine to put the high quality, luxury image into the customers' mind. The augmented products policy should be maintained and develop to make the difference to the other brand. Viet My should have more marketing activities focus on the brand feeling. The regular customer meeting can help customer feel warmth about the brand. They feel that they are cared and served well. Improve and leading in innovation of the products' quality make customers feel that they are using the best products in the category. It leads to the feeling of social approval and self-respect. Therefore, Viet My should pay much attention on making the best wines and trying to get the high prize in international competitor about wine. In the future when the customer base getting bigger, Viet My and Rang Dong group should invest to build the complete Customer Relationship Management system. It will help Viet My to have more data and information to execute the marketing strategy more accuracy and more effectiveness.

Digital marketing play a very important role in spreading brand awareness today. Viet My should also pay more attention to using the internet for their marketing activities. Email marketing, social network and search engine advertising can be very effective in the current situation. Especially, the email marketing is a very cost effective and powerful tool. One of the big problem of RD wine is that Viet My do not have the direct marketing activities focusing on the high income people market segment. Fortunately, email marketing can be used perfectly solving this shortage in current marketing activities.

7 PROJECT OF EMAIL MARKETING CAMPAIGN FOR RD WINE

The main goal of this project is to define the essential step to formulate email marketing strategy and plan for RD wine in Vietnamese market. With the email marketing tool they have more channels to put the RD wine brand at front of the mind of Vietnamese customers. The project also elaborates to some extent other important factors which determine the success of the email marketing campaign for RD wine.

The project starts with the identification of the email marketing campaign's objective for RD wine, followed by the analysis of how the email marketing campaign can be integrated with the overall marketing strategy of RD wine. These two factors along with the campaign design, measurements, testing and campaign management combined together to form the email marketing plan for RD wine. Then the project evaluate some key factors which influence to the email marketing campaign such as building the email list, crafting the email creative and the way how to use email to improve the customer acquisition and customer retention. These parts above are important to formulate the email marketing strategy and plan inconsistent with overall marketing strategy for RD wine. Therefore, the project pays much attention on these parts. Risks and how to control them during the campaign also is another factor which can influence so much to the success of the campaign so that they are also be evaluated in the project.

In addition to the above analysis, the cost and budgeting analysis can help the project be more realistic and more applicable to the current situation of Viet My and RD wine. The project can be very good at other aspects but if the return on money investing from the project is less than the cost investing, it cannot be acceptable. Time analysis is also discussed to get the jobs done in time and give some instruction on the order to do the jobs in the projects.

At the last part of the project, the project is completed with total evaluation

Construction Marketing Association has recently conducted a study to identify what types of marketing does A/E/C firm is using, what marketing initiatives are the most effective, what are the least effective and how companies can measure their marketing effectiveness. The result of the study is showed below:

7.1 Email Marketing Campaign Plan for RD Wine

As mentioned above in the analysis part about the digital marketing for RD wine, email marketing is sometime used occasionally in some special events and holidays in Vietnam. Email marketing is also used mainly by sale personnel not by the marketing department. Therefore, email marketing for RD wine is currently not effective in term of marketing purpose and brand building for RD wine. The main problem for this issue might be at the consistent and continuation when using the email sent to customers. Sale personnel use email contacting to customer on individual basic. Consequently, each personnel will use different themes, templates, contents and offers to solicit customers. It is helpful in the aspect of personalization and targeting when each personnel can understand his/her customers better than anyone else. But it will limit the effectiveness of the overall marketing strategy for RD wine by not having a good approach and long term effect do not last for long.

The issues of inconsistent and discontinuing can be addressed by having a thorough plan before using email for marketing. A good plan can help marketer know what are the key factors influenced to the campaign and how to control them. Having a plan also help marketer can continuously improve the project and concentrate on the long term objective instead of short term result.

7.1.1 Setting Objective for Email Marketing Campaign of RD Wine

To develop objectives for an email marketing campaign, a good starting point is to look at how the campaign fits into the e-marketing plans across the next year. The general objectives for e-marketing plans are about customer acquisition, customer retention and brand-building. Each of the objectives can have different approach for the e-marketing strategy. The acquisition-focused strategy will be aimed at increasing turnover through adding new customers. However, since the cost of acquisition is higher for new customers, this will typically result in a relatively low profitability in comparison with a retention strategy. A retention-focused strategy, achieving incremental sales, will have a lower cost of acquisition, so will typically be more profitable. The brand building-focused strategy will concentrate on the goal of putting the brand front of the customer's mind by frequently remind customer about the products. The brand building-focused will not be profitable in the short-term but will be substantially profitable in the long term. Of course all three these strategies will be conducted simultaneously, since acquisition is necessary to offset churn

and grow customer base, but the balance of resources into each will need to be set by setting objectives for each.

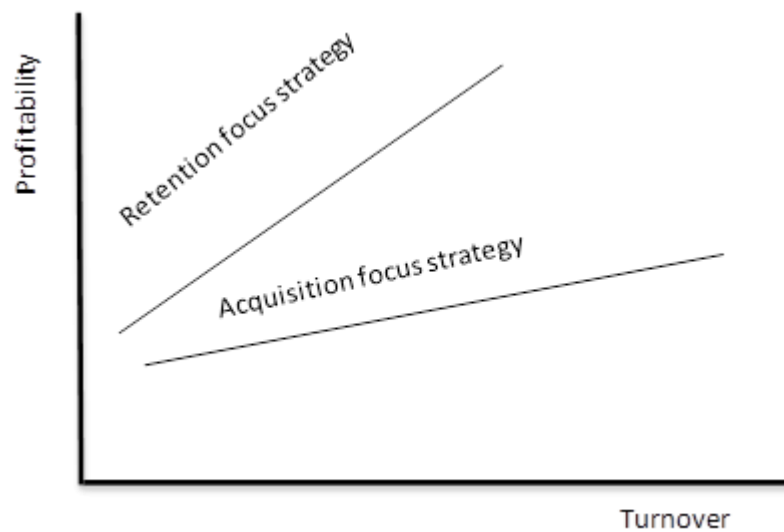


Figure 8: *Focus for acquisition and retention strategies*

(Source: Chaffey, 2013)

Because RD wine is a new brand in the old market so that the big challenges which it has to overcome are bring the RD wine brand to the mind of customers along with attracting new customers. Because the old world wine like French wine and Italy wine dominate the Vietnamese wine market for a long time so the barrier to enter to the market is high. The competition with other new world wine from Chile or Australia is also tough for the new brand. Therefore, the general objectives for the e-marketing strategy for RD wine focus on brand building and attract new customers. Viet My in the next period will pay attention on the e-marketing activities which can bring the RD wine to as much customers as possible such as:

- Search engine optimization and pay-per-click sponsorship
- Banner advertising on the popular wine online selling websites
- Increase the communication on social pages like Facebook, Twitter
- Viral marketing
- Using cost-effective email marketing for communicate the public relation message for RD wine with the large number of prospects.

These marketing tools above will help RD wine in the three stages of converting prospects to clients using an online approach. Each tool will play a different role in the process.

- Stage 1: Conversion of web browsers to visitors. The main source of visitors will be from the search engines and related sites. Viet My will use the search engine optimization and pay-per-click sponsorship to gain the web browsers who have interested in wine and spend time on searching about it. It will be very important because this segment of customers who show the interest in wine is what RD wine looking for. Of course, offline promotion techniques such as direct mail and advertising can also be used to gain site visitors. The key word for search engines should be related to “ruou” or “ruou vang” in Vietnamese which mean “alcohol” or “wine” in English.
- Stage 2: Conversion of site visitors to registered site visitors. This is dependent on a combination of the design of a site and the lead generation offers. This is effectively how good you are at gaining the customers permission to start a dialogue.
- Stage 3: Conversion of leads generated from the site to customers. This is referred to as the “lead conversion efficiency”. You have gained leads from the website, what do you now do with these lead? Using follow up promotion email will be an option.

We now know the general objectives for e-marketing plans for RD wine in the next few years which focus on attracting new customers and brand building. We also know the process which can turn suspects to be new customers according online approach. The key question to answer now is that “what is the role of email marketing in the overall e-marketing plan for RD wine?” By answering this question, Viet My can define the objective for email marketing consistent with the overall marketing strategy for RD wine.

The big advantage of email marketing is that it can be used at all three stages of the process of converting prospects to customers. In the first step, building the traffic to the website is very important in all cases. So Viet My can employ email marketing, especially the bought in email marketing campaign which use the rented email list to attract more prospects to visit the website. In this case email can be defined as a tool for introduction about the RD wine to the target prospect. The goal for this email activity is catch the attention of the prospects through the relevance, creative and offers so that the prospect will open and click through the link to get to a landing page or RD winery website.

In the second step, email can be used as a tool to collect the information to set up the profile for the prospects or can be used as an opt-in option to get the permission from the prospects for follow up communication about RD wine by email.

In the third step, in order to transform a lead to customer, promotional email can be used to follow up and persuade lead to take further step. In addition to calling the customer for action, the follow up email with the appropriate interval will keep the RD wine in front of the mind of customers.

According to the evaluation above about the role of email marketing in the overall e-marketing strategy for RD wine, Viet My can set the objective for email marketing for the next year based on the SMART (Specific, Measurable, Achievable, Relevant, Time-related) framework:

- Generate leads from prospect. This email marketing activities is used as advertising tools which the goal to reach to as many prospects as possible. The content for this email will mainly about the introduction about product or about some viral market-ing event. Offer or incentive for click on the link is an important factor which had to include. More specific:
 - o 95% email delivered
 - o 50% of prospects received email open the mail
 - o 40% click through the link
- Convert leads to registered customers. Follow up email with offer can be used to encourage prospects that open the mail to registry or subscribe to the RD wine website to received news about the products, promotion or events.
 - o 60% prospects that open the mail do subscribe
- Generate sale. This is the best outcome for attracting new customers. In order to complete this, Viet My need more email followed up after getting the permission. It can be regular email to remind customers about the RD wine monthly or email to tell customers about the new promotion program going on.
 - o 30% registered customer generate sale within a year.
 - o To generate awareness of web offering to 80% percent of existing customer base in one year.

- In addition to the relative measure above, the email marketing also focused on some key absolute number. To build the traffic to the website, the goal for the next years that email marketing should improve the traffic to the RD winery website and social network pages substantially as:

- o More 10 000 new site visitors within one year.
- o More than 1000 new registered customers within one year.
- o Deliver at least 10 newsletters about RD winery within one year.

- Email marketing not only used for sale purpose only, an important goal for email marketing in the next year is to support for researching customers of RD wine:

- o Within the next year, email marketing campaign should deliver at least one survey.
- o Invite customers to take part in one online discussion to listen to customer about the RD wine.

- Email marketing is also used to improve the brand awareness.

- o Increase brand awareness and interaction with brand by viral marketing through email or game on mail for example.
- o Deliver customer service by answer frequently asked question through email.

In conclusion, the email marketing plays a very important role in formulating the overall e-marketing strategy for RD wine for the next period. The email marketing consistent with the e-marketing strategy will concentrate on the customer acquisition and brand awareness.

7.1.2 Campaign Design

Here we will look at a simpler framework from Smith and Taylor (2002), which help to design an effective campaign. The four main variables are:

1. Creative – the design and layout of the mail shot
2. Offer – the proposition or the benefits of responding
3. Timing – the season, month or day when the offer or mailshot lands on a desk or in a house
4. Targeting – the segments we are targeting (the mailing list or section of a database)

The relative importance of these factors is not firmly defined but according to the UK Institute of Direct Marketing, rating these out of 4, where 1 is least important and 4 most important suggest these score for a mailshot:

Creative	1
Offer	2
Timing	2
Targeting	4

With assumption of the result for email marketing campaigns are likely to be similar to those for a mailshot. Viet My will focus much cost and time on targeting and the least resource for creative.

Targeting

In order to targeting customers, we identified five major approaches to targeting:

1. Customer lifecycle groups
2. Customer profile characteristics (demographics)
3. Customer behavior in response and purchase
4. Customer multi-channel behavior (channel preference)
5. Customer tone and style preference

Targeting for email marketing involves selecting subsets of the list for mailing, whether it is a bought-in or a house list. The questions for answering here are that “what are the prospects which highly likely to be the customers of RD wine?” and “what are their typical characteristics?”

From the five major approach for targeting, there are some categories which Viet My decides to rely on to set out the typical characteristics for the target customers. They are:

- Demographics
- Lifestyle
- Purchase history
- Customer value
- Response behavior

Base on the products features about price, uses, label, design, quality and purchase situation along with the categories that Viet My will base on to do the segmentation of customers, RD wine will target the customers which have some typical characteristics:

Categories	Characteristics/Types	Note
Demographics	<ul style="list-style-type: none"> - Average income to high income - Male - Age from 30 to 60 - High education - Manager position 	
Lifestyle	<ul style="list-style-type: none"> - Out going - Discover - Extraversion - Drinker interest - Business man - Office worker 	
Purchase history	<ul style="list-style-type: none"> - Frequency buyers for Napa 55,66 - Frequency buyers for Napa 77,88,99 - Frequency buyers for white wine 	- This target is used to separate the key customers who make purchase frequently for each products or interest.
Customer value	<ul style="list-style-type: none"> - Customers buys less than 1000 USD a years - Customers buys more than 1000 USD to 5000 USD a years - Customer buys more than 5000 USD a year 	- The amount of money customers spend on RD wine a years.
Response behavior	<ul style="list-style-type: none"> - Don't open - Open, don't click 	- This separate the prospects based on their

- Click but don't act	reaction the email mar-
- Do act	keting campaign. De-
	pend on the size of
	each group, Viet My
	will have actions to ad-
	just and improve the
	email marketing cam-
	paign for RD wine.

Table 5: *Typical characteristics of customers for targeting*

(Source: Own research)

Offer

The offer is the next of our direct marketing variables which is critical to the response to the campaign. The offer is the incentive that we use to encourage action. In the email marketing, we use incentives to encourage two distinct type of action. The first type of action is encouraging prospects and customers to provide their email address, profile information and permission to contact as a part of an acquisition campaign. This action can occur on the website or offline media.

The second action is encouraging click-through from e-newsletters or email promotions. This requires a sales generation or conversion offer.

Farris and Langendorf (2001) identify five different types of value which can be used to offer to customers and prospects:

1. Information value. This can take a variety of form. Most common is access to a report or white paper that can be downloaded as an Adobe Acrobat (.pdf) or Microsoft Word document. What we are trying to do is to achieve one of the key success factors for Internet marketing which is “help the customers do their job”.
2. Monetary value. This is a straightforward discount or a buy-one-get-one free offer. Monetary value is also offered through prize draw or other contests.
3. Privilege value. This is most likely to be privileged to access to information. A limited amount of information is available to all site visitors, further information is available to those who register, and all information is available to paying subscribers.

4. Service value. Offering a service that does something worthwhile for the customer such as keeping them informed or automating mundane tasks.
5. Transaction value. The purchase process is clearly opportunities to profile customers however make the purchasing process convenient for customers are emphasized.

Another sixth value, entertainment value is worth identifying separately. It may take the form of a game or quiz, screensaver or movie clip.

When choosing the offer using in email marketing campaign for RD wine, another issue which Viet My has to consider is the cost for the incentives and offers. The cost for incentives should be considered when Viet My do the cost analysis and budgeting for the RD wine's email marketing.

RD wine is a consumer product so that when using offers to encourage prospects and customers to provide their email address, profile, information and permission, information value and monetary value are the best option. Viet My can use interaction game or quiz to attract customer to visit the website along with the prize is some valuable things in term of monetary value. This interaction game or quiz can also be used as a key element for viral marketing through email for RD wine.

For the purpose of generating sale, newsletter and promotional email should offer monetary value related directly to the RD wine. It can be discounted program for RD wine at some special event or gifts program when purchasing RD wine. As mentioned above in the analysis part, RD wine currently has many promotion programs. Therefore, Viet My can use those promotion programs included in the email sending to customers as the offers. One of those promotion programs can be listed as service value is that customers who are the goal member of RD wine customer club can use facility in the RD wine mini supermarket to holding their event for free. Similar policy and program will be considered and implemented in the near future to improve the quality of the offer benefiting the customers.

Type of offers	Offers	Note
Lead generation offer	<ul style="list-style-type: none"> - Game or Quiz with monetary valuable prize. - Information offer about wine industry facts or wine industry facts. - Prize draw 	<ul style="list-style-type: none"> - The Game or Quiz and the prize draw can be used as viral marketing through email and social network pages. - The cost for buying these reports should be considered. Search engine optimization should be used to link to the RD winery website when someone looking for related information through keywords on search engine.
Sale generation offers	<ul style="list-style-type: none"> - Membership benefit program - Discount program - Buy-one-get-one program - Free gift program - Free delivery fees 	<ul style="list-style-type: none"> - The membership program with a lot of benefit is also can be consider as privilege value for loyalty customer. In term of CBBE model, this offer can help build the brand image and brand feeling about RD wine.

Table 6: *Offer in email marketing campaign for RD wine*

(Source: Own research)

Timing

One of the key questions to answer when deciding the timing element in the email marketing campaign for RD wine is: when is the best time to broadcast an email promotion? The answer for this question will vary according to audience, so Viet My should do some test-

ing to find the best timing for RD wine's customer to receive the email promotion or newsletters. The best timing should be the time that the audiences or email receivers are using computer or electronic device which can be used to access to the email service.

As mentioned above in the targeting part, the potential for RD wine can likely be manager, business man and office worker. Therefore, we want the email to arrive when the customers will give the most attention, so we are looking for the times in the week when business people are likely to be less busy. Viet My can do some testing to see the response rate for different time of sending email to decide which time is the best to use. This timing issue can be continuously improved during the email campaign through time.

For the consumer customers who are not using computer for checking email during the working day, Viet My can send promotion email during weekend or at night. The off time might be the best time for this type of customers checking email and receiving or searching for information, news, etc.

For the timing matter using to send email, another issue which Viet My should be considered that the timing for each of type of email. In other words, the question is: what is the best time to send promotion email and what is the best time to send newsletter to remind our customers about the RD wine? The promotion email can be welcome in most the time of the day but it is better to know the promotion program at the beginning at the day so that customer can have time to think of and decide during the day. The newsletter just give the update about the products should not be sent at the busy time when the customer easily to put them out of attention. It should come at the end of the day or at the very early morning when the work load is low.

The interval between emails sent is also an aspect should be included in the consideration. Is weekly, bi-weekly or monthly best? It is better for Viet My to define the minimum frequency and maximum frequency of communication. We should note that there are both advantages and disadvantages for either sending email frequently or not frequently. If sending email too frequently, we can generate more leads or sales but it will decrease the effectiveness of the email communication in the long term if customers find it as spam. If sending email too infrequently, the customers will find less time for reading the email and the content of the email also can be more important and relevant. But in the other hands, we might lose a lot of leads and sales.

The ultimate goal of Viet My when first using email marketing for the next years is attracting more customers and brand building. So Viet My will choose an aggressive approach in dealing with the timing matter of email marketing campaign for RD wine. Viet My will send promotion email and newsletter email more frequently.

Timing	When	Note
For business customer	Tuesday, Thursday and Friday Sending email during the day, at the early morning or at the noon.	Can be tested to see the best day for sending email. Can use website as a proxy to see the traffic at which day is highest.
For consumer customer	Weekend Sending mail at night during the weekdays.	Can be tested also during the email campaign.
For regular newsletter email	Minimum frequency: quarterly Maximum frequency: monthly	Choose more aggressive approach. Let the customers choose the frequency.
For event-related email	Less regular, but have higher impact. At least every three months.	News of a new product launch. Exceptional offer.
For all the email communication	The communication interval: at least one week between communications.	This will limit the number of communications that customers receive in the short period of time which can lead to negative attitude.

Table 7: *Timing for the email marketing campaign*

(Source: Own research)

Creative

The creative of an email campaign includes the message header (subject line, From) and the design of body message, including the text structure and copy and graphics. Creative also refers to the creative used for the web-site landing page.

Because Viet My is just an medium companies which do not have enough resources for designing the creative on their own for the email marketing campaign for RD wine. Therefore, Viet My will outsource the designing work about the body message, text structure, copy and graphics. But Viet My will control the subject line, content and the theme for the message.

As mentioned above the overall themes for the marketing activities for RD wine is luxury, sophisticated so that the theme for email should also be consistent with the overall theme. Viet My can outsource the technical things but Viet My has to control the process of designing so that every element in the email can be consistent to support the marketing strategy.

Testing

There are two main types of testing required for email marketing. The first, which is essential, is efficiency testing, to make sure the campaign reaches as many people as possible and that they can view it.

The second is effectiveness testing, which allow you to change the variables of the campaign (such as creative elements, targeting and media integration), which helps make sure the campaign objectives are met.

Campaign efficiency testing cannot be omitted because when using technology to deliver different campaigns there are lots of things can go wrong due to different ISP and users set-ups for hardware and software. Therefore, a well-established procedure for testing the technical things before doing on the large scale is necessary.

Campaign effectiveness testing refers to testing the different variables of an email marketing campaign to learn about the communication outcome of each combination of variables. In this type of testing, Viet My will first list the key factors or variables which is important to the result of the email marketing campaign for RD wine. From the pool of key factors, Viet My will established number of alternative email promotions or email newsletters and

then send to a number of customers for testing purposes. We call it pre-testing campaign variables. The process can be described through some steps as:

1. Split the list of RD wine's customer into at least two parts. Number of small parts is for testing and the other is the control one. The testing part will be 5% of total email list.
2. Vary one feature or factor in each of the testing parts – the offer, creative, copy or subject line. It is vital that only one feature or variable is changed for each test parts.
3. The groups used are of course smaller in size than the list, but must be sufficiently large for differences in response to be significant. For email marketing for RD wine, we estimate the email list about 10000 email addresses for the first attempt of the campaign. Therefore, the size for testing groups will be about 500 email addresses.
4. The groups must be taken randomly from the list, should contain a range of segments and length of subscription to email.
5. Test the responses by tagging links in the creative.

After testing, Viet My will choose the best combination of variables according to responses to use for mailing the remainder of the list which is the control group.

When testing, each test should be marked with the key codes so that responses to it will be clear from studying the web analysis. For testing purpose, Viet My will develop a code system for each key elements participated in the testing. These codes can be used to highlight the characteristics of each test. The key elements for testing which Viet My chose to consider in testing will be lied mostly in the four most important factors (Targeting, Timing, Offer and Creative) which decided the success of the email marketing for RD wine:

- List= L1, L2, etc.
- Segment targeted = S1, S2, etc.
- Date/ time broadcast = D1, D2, etc.
- Offer = O1, O2, etc.
- Subject line = SL1, SL2, etc.
- Content = C1, C2, etc.
- Hyperlink = H1, H2, etc.
- Format = F1, F2, etc.

- Call-to-action = CA1, CA2, etc.

These codes can then be combined into the hyperlink that is the call-to-action within the email. The example for the hyperlink which might appear in the text of the email: “<http://www.rdwinery.com/promotion.htm?SL1O2CA1>”.

In addition to the pilot testing above, Viet My also can do another simple testing while executing the email marketing campaign that is live split-testing. In this approach, Viet My will test the success of different creative treatments during the campaign in order to change the style later in the same campaign or in future campaign. In this type of test, Viet My will also split the list of email addresses into groups, but it is usually equal groups to test combination of variables. This type of testing can be used as improvement activities for email marketing campaign.

Measurement

One of the best advantages of email marketing is that it can be measured easily and enables detailed analysis of direct marketing campaign. For the RD wine email marketing, Viet My will use number of measurements for controlling the efficiency and effectiveness which are mentioned above in the testing part. These measurements are important for Viet My to control the email marketing campaign for RD wine. Through these measurements, Viet My can identify the weaknesses in the campaign. It is able for them to do adjustments according to the reaction from the prospects and customers. The most important here is that, these measurements should show exactly how the customers communicate with the email promotion or newsletter they receive. When the customers receive the email with a particular subject line, is it relevant enough for them to open the email? Then when they open the email, the offer is appeal enough to get the click through. Then whether the customers generate the sale in response to the call-to-action offer or not? Viet My uses pool of measurements to get the clue for the answers for these questions above.

For the email marketing campaign for RD wine, Viet My will use the following measurements:

1. Receipt rate, calculated as:

$$\text{Receipt rate} = (\text{number of sent} - \text{number of bounce}) / \text{number of sent}$$

Bounce is returned emails that are not received by the intended recipient.

2. Reader rate or open rate, based on the number of readers, calculated as:

Reader rate = number of readers/ number of recipients

For HTML emails, we can get an indication of the reader rate according to whether a marker graphic contained within the email has been downloaded. Because we have much better visibility about the open rate when using HTML email so that Viet My will use the HTML email for most of the email promotion or email newsletter. This measurement shows the effectiveness of email marketing campaign in term of one of the most important factors which is relevant or targeting. This also shows the quality of some elements in creative factors which are Subject line, From or To display.

3. Click through rate (CTR), calculated as

Click through rate = number of Click on Links/ number of Reader or number of Recipient or number of Sent.

The click through rate is a key measure, since it indicates the quality of the creative and offer in the email. If the creative and offer are good, we expect the CTR will be high. In order to assess the effectiveness of creative and offer, Viet My can use number of reader for calculating. But if Viet My need to see the overall success of email marketing campaign, the number of recipient or number of sent should be used in calculation. When using this CTR measurement, we also need to be noted that one particular customer can click through link many times, so that it can be misleading if Viet My use the total click. Therefore, Viet My will use the unique click measurement which determine clicks from unique visitors to the microsite.

4. Conversion rate of completing landing page form, calculated as

Conversion rate = number of complete form/ number of Click through

The conversion rate refers to converting to any outcome, whether it is completing form, subscribing to a newsletter or catalogue. This measure will indicate the level of barrier to which customers or prospects have to complete to get through. It is good to get as much as information from customer for better targeting but if the barrier to complete too high it will reduce the rate.

5. Response rate (based on the number of response), calculated as

Response rate = number of Act/ number of recipient

Viet My should highly pay attention to this segment of customers who have much interest in RD wine. To get the response rate high, the follow up email to communicate with the customer is so important. Viet My should have the tailored con-

tent when sending email to this segment of customers. This measure will indicate the quality of follow up offer or communicate through both online or offline.

6. Reject rate (unsubscribe rate), calculated as

Opt-out rate = number of unsubscribe / number recipient

It is useful to monitor the unsubscribe rate of the email marketing campaign for RD wine against the average unsubscribe rate. Throughout the campaign, if the unsubscribe rate is somehow much higher than the average number for industry or for average number overtime, it can indicate a problem with the content or tone of the campaign.

7. Referral rate (based on number of referrals of new prospects), calculated as

Referral rate = Number of referrals / number of respondents

This refers to the viral element of an email marketing campaign. So if during the email marketing activities, Viet My use some viral marketing elements such as game or quiz for valuable prize, this measure should be the top to be considered. In addition, if the email marketing includes some offer to encourage the reference or forward to other prospects, this measure can be also useful. The measure can be measured as the number of referrals per respondent.

Above are some key measures which Viet My will use to measure the efficiency and effectiveness of the over email marketing campaign. These measures also can be used to show the quality of some key factors for success of email marketing campaign such as targeting, offers, creative, etc. Monitoring these measures carefully, Viet My can identify problems for the email marketing campaign early for action if necessary.

7.2 Using email for customer acquisition

7.2.1 Building email list

As mentioned above in the objective part for RD wine's email marketing campaign, email can be used in every stages of the process of e-marketing strategy. It can be used to drive the traffic to website, to get the information and permission from customer to communicate, to follow up customers with promotion offer to generate sale, to remind customer and put the RD wine at front of mind of customers.

There are a lot of advantages of using email marketing and the most important prerequisite in executing these benefits is having a good email list. A good email list can be defined of

quantity and quality as well. Having a large number of email addresses will increase the effectiveness in your email marketing campaign because the numbers of potential customers who are really interested in RD wine increase when the numbers of email addresses increase. The quality of the email list refer to the accuracy and valid of email addresses. Moreover, the degree of targeting which the email list has is also an important measure for the quality of the list. Therefore, when collecting email addresses, Viet My should think of both of the quantity and quality of the email list of email marketing for RD wine.

In order to building the email list for RD wine's email marketing campaign, there is two main types which Viet My will consider. The first type of email list building is to buy an email list from outside which is called a rented list campaign. This approach to email list building can reduce time and cost in term of collecting data from prospects and customers. With rented list, the number of email address can be very large. It is also an advantage for using the bought email list. Viet My is a new company so that a rented list will be a good option if Viet My would like to start the email marketing in a short time. The goal of brand building and customer acquisition is also suitable for using the rented list with large customer base. But the big and not easily solved problem in Vietnam and also in any market is that it is very difficult to find a good email list provider. Especially in Vietnam, email marketing is news so that the service supporting for email marketing is limited, uncompleted and relatively weak. Another problem is that the rental list is not targeting well. Consequently if Viet My use the rented list for email marketing, it is likely that the result will be very low. Although it is very quick and cost-effective for get a rented email list and start the email marketing right away, Viet My will postpone the use of rented or purchased list campaign until it can find a good rented list provider. This type of email list provider should have the function for targeting the email list according to the demographics features like ages, gender, income; job titles and job function, etc. It also should provide a good customer service for filter the email list to get the best for RD wine. There are also some good foreign email list provider which satisfied the criteria of Viet My such as FrescoData, Manta, Zoominfo, Experian, Nielsen, Mutual etc. which are recommended online to collect the rented email list. Viet My will first do some pilot test with small scale with these data provider before execution a rented list email marketing on the full scale. When doing the rented or purchased email list campaign, Viet My also pay attention to the cost factors for acquire the list. This is the first email marketing activities so that Viet My cannot measure the allowable cost for acquiring an email address. But through time, Viet My will conduct

to measure this cost and should consider to do the rented list email marketing campaign when this cost is less than the return for each acquisition.

The second type of email list building is doing the email house list building which refers to acquire the email addresses by itself through both online and offline channel. It is important to have a structured approach to collecting and maintaining customer data. A good way to review all the possible methods of capturing email addresses is to brainstorm alternative methods of doing this by thinking about opportunities for capture:

- Online
- Offline
- Of existing customers
- Of new customers

Viet My will use both online and offline communication to get the customer profile and permission for email marketing. Online methods which Viet My uses are:

1. Direct from website. For visitors to the RD website, permanent incentives to capture leads are emphasized on the website and should land on the main page where customers have a first look at the website. This requires redesign of the current RD winery website.
2. Web response from offline communication. Viet My use offline communication such as event or direct marketing through mail to publicize about a promotional event and refer customers to RD winery website for signing up.
3. Renting an email list. Recipients who click through to RD winery website or some landing page are encouraged by offer to opt-in to RD wine email list.
4. Placing an ad in a third party e-newsletter. This has the same goal as the renting email list to build the traffic to site but it more cost-effectively and can be tightly targeted.
5. Banner advertising or referral article on the third party site. RD wine will be more active in corporation with travel, restaurant, and hotel related website for banner advertising. RD wine can also appear on some largest online sale wine pages.
6. Search engine registration and optimization. This helps customers who have interest in wine finding and landing in the RD winery website easily.
7. Viral marketing. Viet My will use the viral element like game, quiz, prize draw or corporate with some special service to offer for customer who qualified at free.

Viet My also use some form of offline communication for doing the email list building such as:

1. Form of paper registration in the event. Membership program for RD wine can be used to get information from customers.
2. Visit from sale representative.
3. Getting more information from phone contact at a call center.
4. Telemarketing.
5. Point of sale. Viet My can use its wine mini supermarket as a place for further communicate with customers to get more information about them.
6. Trade show or conference.
7. Paper response to a direct mail offer.
8. Phone response to direct mail or ad.

7.2.2 Strategy for customer acquisition

There is a vast range of approach in using email to support customer acquisition. According to current marketing situation for RD wine, Viet My can use some techniques for customer acquisition in their email marketing.

Rented-listed email campaign

As mentioned above about the quality of rented email list for Vietnamese market, this approach can just be used and have high probability for success when Viet My can acquire a good rented list. Viet My now will try to do some pilot test for using the rented list in email marketing campaign. One of the most important criteria in the rented list is that it has to be the opt-in email list. It means that the recipients should be subscribes to receive email communication from the email list provider. Viet My will use the statement of origination as a tool to get the permission from the customers. This statement of origination helps to avoid the customer's perception of spam and encourage the reader to read on. It can be argue that such a statement of origination should be included in all email, even if it is to a house list, since prospects or customers may have forgotten that they opted in to receiving the email. A typical statement of origination is usually on the top and the bottom of the email and usually in the form like:

This email is sent to you using opt-in contact information that you supplied to <list owner>. It is sent on behalf of RD winery. For more information please visit <www.listowner.com>.

According to the objective for email marketing campaign for RD wine, the campaign has to generate more than 7000 visitors to website for the next year. In order to reach this goal, with the assumption that the delivery rate or receipt rate is 95%, the reader rate is about 40% and the click through rate is about 40%. Viet My will calculate the number of email addresses which is necessary. The number of email addresses Viet My should use for the rented list email campaign for achieving this goal is about 47000 email addresses.

The list purchase has to be targeting to some extent to increase the effectiveness of the campaign. Viet My has a clear targeted customer segment for targeting which is discussed in the previous part about the email marketing plan for RD wine. Based on the typical feature and characteristics of targeted customers for RD wine, Viet My will choose the rented list which is the closest one to the typical potential RD wine customers through applying “select” against the database. Main select which RD wine use in selecting the suitable subset of the database are:

- Average income to high income (> 600 USD/months)
- Male
- High education (above high school)
- Manager position
- Office worker
- People who subscribe to food and drink magazine or food and drink offers

Before doing the Viet My also do testing with the list rented or purchased. Using more than 47000 email addresses for the email marketing campaign, Viet My will use about 5% of the total list for testing (about 2500 email addresses).

Co-branded email

This is also a similar form as rented list campaign because Viet My also depend on the third party email list. But here, recipients receive an email with an offer from a company which they have a reasonably strong affinity. In this form of co-branded email campaign, Viet My will choose the co-brand based on their targeted customer for RD wine. The typical characteristics of RD wine targeted customers somehow is similar to the customer base

of credit card service company or customer of financial service like bank or security company. Therefore, Viet My will consider to cooperate with some famous bank or credit card service for the co-branded email campaign. Viet My now also have business relationship with the HSBC bank about the promotion program for HSBC credit card owners so that it can use this well established relationship for a co-branded email campaign. Viet My can take advantage from the strong brand image of HSBC bank to reach to higher reader and click through rate.

Event- triggered email and regular email newsletter

Event-triggered emails are automated follow-up emails that can be sent out to persuade the recipient to sign up for a service or make a first or subsequent purchase. Regular email newsletter is defined as a regular email which has special content sent to the subscriber in the same interval. The contents for the email newsletter vary according to the products and company objectives. For Viet My current situation, the email newsletters are also aimed at customer acquisition so that the content and offer in the email newsletter will be very similar to the event-triggered email. But in the future when Viet My has a large customer base, the email newsletter will be important weapons for existing customer retention. At this stage, the content and objective of email newsletter will be redefined and is more about recall approach. At the current situation, Event- triggered email and regular email newsletter are the low cost methods of booting the response for email marketing campaign. It is also very important because the people who receive follow-up email are the customers who express their interests for RD wine. This segment of customers is the one with the highest probability of making purchase in the near term.

Viet My develop a general plan for event-triggered email campaign as following table.

Message type	Interval and trigger condition	Outcome required	Medium for message
1. Welcome message	Immediate after a RD winery website visitor has registered for the membership sign-up or opt-in for further	<ul style="list-style-type: none"> Encourage of wine taste testing for RD wine at the RD wine mini supermarket. Increase awareness of range of commercial 	Email

	email communication.	and informational offering.	
		<ul style="list-style-type: none"> • Phone assistance offer. 	
2. Engagement message	After the welcome message 1 months and with the inactive registered customers. The inactive customer is defined as having less than 2 communication with RD wine in the last three months	<ul style="list-style-type: none"> • Ask for feedback from the customer about RD wine. • Deliver offer to inactive customers to encourage them to act (promotion program or prize draw) 	Email, home page
3. Initial cross-sell message	After the welcome message 2 weeks and to the active customers who have more than 4 communication with RD wine within one month.	<ul style="list-style-type: none"> • Ask for feedbacks about the RD wine. • Direct tailored message to offer a call to action in urgent to generate sale. 	Email or phone call
4. Order confirmation email	Immediate after customers making purchase	<ul style="list-style-type: none"> • Confirm the order information with customers and • Thank you statement for purchasing to customers. 	Email

<p>5. Survey email</p>	<p>Five days after purchasing, an email sent with link to online customer satisfaction survey asking about the quality and service of using RD wine.</p>	<ul style="list-style-type: none"> • Asking about the feedbacks after using RD wine and recommendation for next purchase. • Asking for further information to profile customer better (reason for buying, status of employment and average income.) 	<p>Email or direct mail</p>
<p>6. Reactivation message</p>	<p>6 months or 1 years active</p>	<p>Give option to re-engage through:</p> <ul style="list-style-type: none"> • Feedback/ Customer satisfaction survey • Offer related products based on profile • If no responses, reduce message frequency 	<p>Email or direct mail</p>
<p>7. Regular newsletter</p>	<p>Based on the option which options customers choose At least quarterly a newsletter will be sent to customers.</p>	<ul style="list-style-type: none"> • Update customers about the RD wine. • Remind customers about the benefits of membership program. • Supply to customer valuable information about traveling, entertainment, hot deals, etc. • Asked for updated information profile if 	<p>Email</p>

needed.

Table 8: *Email marketing overall plan for customer acquisition for RD wine*

(Source: Own research)

7.3 Cost analysis

For the RD wine email marketing campaign, Viet My should also pay attention to the cost factors of the campaign. Because it is the first time Viet My do the email marketing campaign so it is easy for them to put the cost factor aside and only pay attention to the effectiveness of the campaign. A successful email marketing campaign for RD wine has to be cost-effective as well. In other words, the return of the campaign should at least equal the cost investment. Viet My will use the ROI measure to assess the overall cost and return for the campaign. The ROI index is calculated as:

$$\text{ROI}\% = 100 \times (\text{revenue} - (\text{cost of goods sold} + \text{communication cost})) / \text{Communication cost}$$

In the email marketing campaign for RD wine, Viet My will consider different types of cost which are:

7.3.1 Variable cost

Variable costs are costs which are dependent on the number of email sending or responses received. Typical variable costs are:

$$\text{Total list cost} = (\text{number of email sent} \times \text{list rental price}) / 1000$$

If Viet My use the house building list for email marketing, this total cost list will be at 0.

$$\text{Total sending cost} = \text{number of email sent} \times \text{Cost per email sent}$$

If Viet My use their own system for sending email, the cost will be at 0.

$$\text{Total fulfillment cost} = \text{number of responses received} \times \text{fulfillment cost per response.}$$

The total fulfillment cost will depend on what you offer for the customers.

7.3.2 Fixed cost

Fixed costs are the costs which are not dependent on the number of email sent. This type of costs is usually seen as initial investment cost and usually happens before the campaign start.

Fixed costs include:

- Email creative cost
- Landing page creative and database integration costs
- Set-up cost for sending
- Fixed fulfillment costs.

7.3.3 Other costs

This category of cost will include costs which are also important cost but it is not compulsory cost for every company in implementing email marketing campaign. They are:

- List building cost for house list
- Database management
- Testing
- Software purchase
- List-cleaning and de-duplication
- Measurement and reporting

List building cost, database management, testing and measurement and reporting cost will also happen in the case of RD wine email marketing campaign. List building cost for house list will be the cost for revise the RD winery website in order to capture new email list. Database management, testing, list-cleaning and de-duplication and measurement and reporting cost are charged by the email service which Viet My outsources some tasks for email marketing campaign, so that it will be included in the cost for outsourcing part of email campaign.

Based on these analysis above, Viet My develops an overall plan for cost in email marketing campaign. This plan will keep a role as a reference for further actions. It should be updated frequently when there are new events happen.

		Best case	Worst case
Email campaign measurement	Number emails sent from list	47000	47000
	Delivery rate	95 %	90%
	Number of recipients	44650	42300
	Reader rate	40 %	25%
	Number of recipients open mail	17860	10575
	Click through rate	40 %	25%
	Number of recipients who click through	7144	2644
	Completion rate	60%	30%
	Number of recipient responses	4286	793
Type of cost	Cost	Value in best case	Value in worst case
Variable cost	List rented (per thousand)	\$ 150	\$ 150
	Cost per email sent	\$ 0.05	\$ 0.05
	Fulfillment cost per response	\$ 0.5	\$ 0.5
	Total list cost	\$ 7050	\$ 7050
	Total sending cost	\$ 2350	\$ 2115
	Total fulfillment cost	\$ 2143	\$ 396
Fixed cost	Email creative	\$ 500	\$ 500
	Landing page/ microsite creative	\$ 800	\$ 800
	Set up cost for sending list	\$ 250	\$ 250
Other cost	List building for house list	\$ 1000	\$ 1000
	Out sourcing cost	\$ 1500	\$ 1500
Total cost		\$ 15593	\$ 13611

Table 9: Cost analysis forecast for the email marketing campaign for RD wine
(Source: Own Research)

7.4 Time analysis

The email marketing campaign for RD wine encompasses many tasks and activities which sometime depend on each other to complete the campaign. Therefore, a good plan which indicate clearly the key tasks and activities and more importantly, the order in which these tasks and activities are finished can be a very good resource for an overall successful campaign. Viet My will using the Critical Path Method (CPM) to identify which jobs is critical, non-critical and the shorted time by which the campaign could be completed.

In order to finish the email marketing campaign for RD wine, Viet My must finish the following activities with the required predecessors:

Activities	Description	Predecessor
A	Analysis the current marketing situation for RD wine.	
B	Analysis the current digital marketing for RD wine.	A
C	Setting the marketing strategy for RD wine for the next year.	B
D	Setting the objectives of e- marketing for RD wine to support the overall marketing strategy.	C
E	Setting the objectives of email marketing campaign for RD wine.	D
F	Formulating the overall plan for email marketing campaign.	E
G	Doing customer segmentation for targeting.	F
H	Preparing the offers for customer.	G
I	Designing the email sending plan for customer acquisition.	G

J	Designing the email creative for each group of customers and for each purpose.	G
K	Redesign the website and create the landing pages for each group of customers to support email marketing.	I
L	Buying the rented list	G
M	Finding the suitable Email Service Provider which provides necessary services and features.	G
N	Testing.	G,H,I,J,K,L,M
O	Calculate the budget for the email marketing campaign.	N
P	Adjust the email marketing plan, design, and budget after testing.	O
Q	Set up to start the campaign in the full scale.	P
R	Collect and analysis measurements of the campaign.	Q
S	Making changes to improve for the campaign	R

Table 10: *Key tasks and activities with predecessors for RD wine email marketing campaign*

(Source: Own Research)

The above activities and their predecessors with three possible situations – optimistic, most likely and pessimistic times to complete each activity will be shown in the following Figure 8.

Appendix I will represent the optimum solution of PERT method for the completion time for RD wine email marketing campaign. The earliest start, earliest finish, latest start and latest finish of all activities are also mentioned and the completion time is 26 weeks.

Activity Number	Activity Name	Immediate Predecessor (list number/name, separated by ',')	Optimistic time (a)	Most likely time (m)	Pessimistic time (b)
1	A		1	1	2
2	B	A	1	1	2
3	C	B	1	1	2
4	D	C	1	1	2
5	E	D	1	1	2
6	F	E	1	1	2
7	G	F	1	2	3
8	H	G	2	3	4
9	I	G	1	2	3
10	J	G	2	3	4
11	K	G,I	2	2	3
12	L	G	1	1	3
13	M	G	1	1	2
14	N	M	4	4	6
15	O	N	1	1	1
16	P	O	2	2	3
17	Q	P	1	2	3
18	R	Q	1	1	2
19	S	R	2	2	3

Figure 9: Activities, predecessors and three possible completion times for each activities (in week)

(Source: Own Research)

PERT analysis also points out the critical paths of the project; Viet My can choose one of these two critical paths in order to establish the RD wine email marketing project with the same completion time in 26 weeks.

03-18-2014	Critical Path 1	Critical Path 2
1	A	A
2	B	B
3	C	C
4	D	D
5	E	E
6	F	F
7	G	G
8	I	I
9	K	N
10	N	O
11	O	P
12	P	Q
13	Q	R
14	R	S
15	S	
Completion Time	26.00	26.00
Std. Dev.	0.85	0.83

Figure 10: Critical paths of activities for RD wine email marketing campaign

(Source: Own Research)

At the end, a graphical solution and Gantt chart of all activities solved by PERT are presented in Appendix II and III with the same result which is the optimum completion time of 26 weeks.

7.5 Risk analysis

Risk analysis will be taken to identify the risks, their impacts and the measures to reduce and solve these risks. Therefore, the company can prepare actions to against and minimize or even avoid the risks accordingly.

With email marketing campaign for RD wine, there are some risks which are necessary to be considered to ensure the successful of the campaign.

Spam issue reduce the deliverability

The number of spam has increased enormously recently because the increasingly use of email and the easy to spam with current technology. As a result, increasing number of spam make the marketer really hard to get their message deliver to the prospects or customers because of increasingly spam-prevented technology used. What Viet My afraid is that their email will be marked as spam although it is not. This can be called as “false positive”. The reason for the “false positive” can be divided into:

- Inbox identification by user: this is the simplest way when the users will identify what email is spam and what email is not. If the emails look like spam, the users will not open and read it.
- Software filtering: email can be identified having the same characteristics as spam by anti-spam software.
- Domain blocking: here, the domain from which the email is broadcasted is blocked since its IP address is deemed to be a known source of spam.
- Sender authentication system: here, the recipient’s system or administrator identifies that the email has not been sent from a recognized broadcasters.

RD wine email marketing campaign has to overcome these reason for false positive because the delivery rate is very important and can determine the success of the campaign. Viet My have to make sure that their email do not look like a spam at all which means that the email should have clearly “From” and “To” filed helping customers know exactly who send the email. The subject line of the email should be as much as relevant as possible. It means that Viet My should do the targeting carefully and effectively. Viet My also need to

do some research about the typical characteristics of spams to make sure their email so away from them and get through the email filter software. Using the good Email Service Provider with high trust will increase the deliverability for the RD wine email marketing campaign.

Touch frequency

This risk refers to the fact that using wrong timing strategy can ruin the effectiveness of the campaign. It is also related to the spam risk because when the customers do not feel comfortable seeing the emails in their inbox they will perceive them as spam and can report it spam for the anti-spam software. Because of that, Viet My should pay much attention to the timing strategy or touch frequency. There are some techniques Viet My can apply to reduce the risk:

- Offer more customer choice by offering communications preferences- enable customer to tailor the type and frequency of communication received.
- Customers who are responsiveness to email must be monitored at a more level than the whole list. Ask for feedback and apply more aggressive frequency to this segment of customers.
- But with the less responsiveness customers, they should be emailed less frequently. More periodic emails with stronger offers may have a stronger response.
- Increase the relevance of message by matching them with customer intent- a sense and respond approach where email are sent in response to customers at different stages of lifecycle, or when they are visiting the website unprompted by an email.
- Keep the limit about frequency which identified in the timing section.

Rented email list quality risk

When doing the rented list campaign for RD wine, the most important factor might be the quality of rented list. If the rented email list is well-targeted, the probability of successful campaign is enormously increase but it can ruin the campaign and waste a lot of money if we buy a fail rented list. Because of that, Viet My should consider to buy the rented list from trusted vendor although the cost for the rented list is higher than other sources. Viet My should evaluate the quality of the rented list carefully. There are some questions, Viet My should answers or seeking answers from vendor before making purchasing, which are:

- Type of list – is the list opt-in and what form of opt-in was used?

- Location of email capture – which particular site was used to collect emails and profile information? Was it an independent site set up for this purpose or is associated with a particular content site such as an online magazine?
- Invalid email addresses – how often is the list cleaned of duplicates and out-of-date email addresses, and what mechanism is used for this?
- Recency – when was the emails on the list added?
- Targeting options – what selects can be used to target consumers more closely?
- Exclusivity – how many times will prospects on the list have received emails?
- Responsiveness – what were the results from previous campaigns using the list?

Viet My also need to do testing carefully before implementing on the full scale.

Other alternatives media for customer acquisition

The development of other media for customer acquisition can reduce the effectiveness of email marketing campaign for RD wine significantly. The increasingly used of digital mobile device make marketer more opportunity to reach to customer through other media such as mobile message. The rapidly advanced in technology also invent new type of email which can attract more customer attention like rich media email. Therefore, Viet My should be aware of this risk and continuously improve its email marketing campaign.

7.6 Project Evaluation

In order to help Viet My having overall picture of what happening in their current marketing situation and initially planning project of using a very supportive and cost-effective useful tool which is email marketing, the main and important issued in this project are divided into two main parts. The first parts mostly about the analysis of Viet My current marketing situation for RD wine which includes: company background; prospect of Vietnamese wine market; products portfolio of RD wine; analysis of current marketing strategy; current digital marketing and some suggestion for improvement. From the result of first analysis part, the second part is mostly about the project of using email for marketing purpose which includes some main topics: setting objectives for email marketing; email marketing plan about targeting, offers, timing, and creative; how to build email list; strategy of using email marketing for customer acquisition; measurements and testing. We also discuss the risk encounter by Viet My when using email marketing along with cost and time analysis for the project.

CONCLUSION

The main purpose of this thesis is to propose the project of email marketing campaign for RD wine. In the new development cycle, RD wine needs more channels, tools, new models and concepts for communicating and satisfying its customers. Viet My can use email marketing as a breakthrough vehicle above the current marketing model which based mostly on the traditional marketing channel such as place marketing, sale personnel, news, etc.

The thesis began with the theoretical part about the e-marketing and email marketing. The most important part here is the principal of email marketing, which can be used as the fundamental basic for further application. The thesis also refer to some fact about “spam” which is one of the challenges and risk which legitimate email marketer need to overcome to communicate their messages to customers more effectively and profitably.

The analysis part showed us that RD wine is a very new brand in the market. RD wine has been doing a mediocre marketing strategy. But the problem was that RD wine did not have any consistent strategy for their e-marketing and it depend much on traditional marketing tools. For the increasingly competitive wine market, email marketing can be used as a marketing competitive advantage for RD wine. Email marketing incorporated with other marketing activities will help RD wine get to customer with more tailored message. It can create a positive brand image in customer mind and remind customer regularly about the RD brand. Email can be used as the alternative channel for selling. It might can help Viet My reduce cost on other tools for sale generation.

Because Viet My is a medium size companies so that when implementing the email marketing campaign, it will focus on the most important things and outsourcing some factors which is not much critical. Viet My will certainty control the email campaign through their objectives which is defined from the beginning. The most important objective for the first email campaign is to generate leads and increase the traffic to the RD wine’s website. The proper touch strategy, incentive, creative, offers are also defined specifically and testing in order to find the best combination for each customer segments. But before going to these email technique, the first and imperative thing Viet My should do is building a good email list. It might be the most critical factors which determine the success or fail of the campaign. Viet My will use two sources for email list. The first source for collecting customer email is internal sources. It refers to collecting email list based on first communication with customers generated from other marketing activities such as event, discount program,

customer relations, etc. The second source for email list is from outside which is called rented list or bought list. The quality of the rented list is the matter which Viet My has to control. The ultimate rented list has to be the right potential customers which are consistent with the overall marketing strategy for RD wine.

At the end of the thesis, cost analysis, time schedule and risk management are discussed to complete the project of email marketing for RD wine. The cost for implemented the campaign is estimated so that there might be missed some other costs. But the cost for the campaign is suitable for the medium size company like Viet My. The biggest risk for the project is “spam”. But if Viet My can respect the principal of email marketing and building the email list carefully, it is easy for them to overcome spam risk.

In conclusion, the project of email marketing campaign for RD wine is realistic and applicable. According to the current situation of RD wine, it is the suitable time for doing the project of email campaign to improve the marketing competitive advantage for the new cycle of development.

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LIST OF ABBREVIATIONS

RD	Rang Dong
AVA	American Viticultural Area
AMCHAM	American Chamber of Commerce
CANCHAM	Canadian Chamber of Commerce
CPM	Critical Path Method
PERT	Probabilistic Activities Time Project
ESP	Email Service Providers
EUROCHAM	European Chamber of Commerce
HTML	Hyper Text Markup Language
ROI	Return on Investment
SEO	Search Engine Optimization

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APPENDICES

Appendix I: *Result of PERT method for activities in RD wine email marketing campaign*

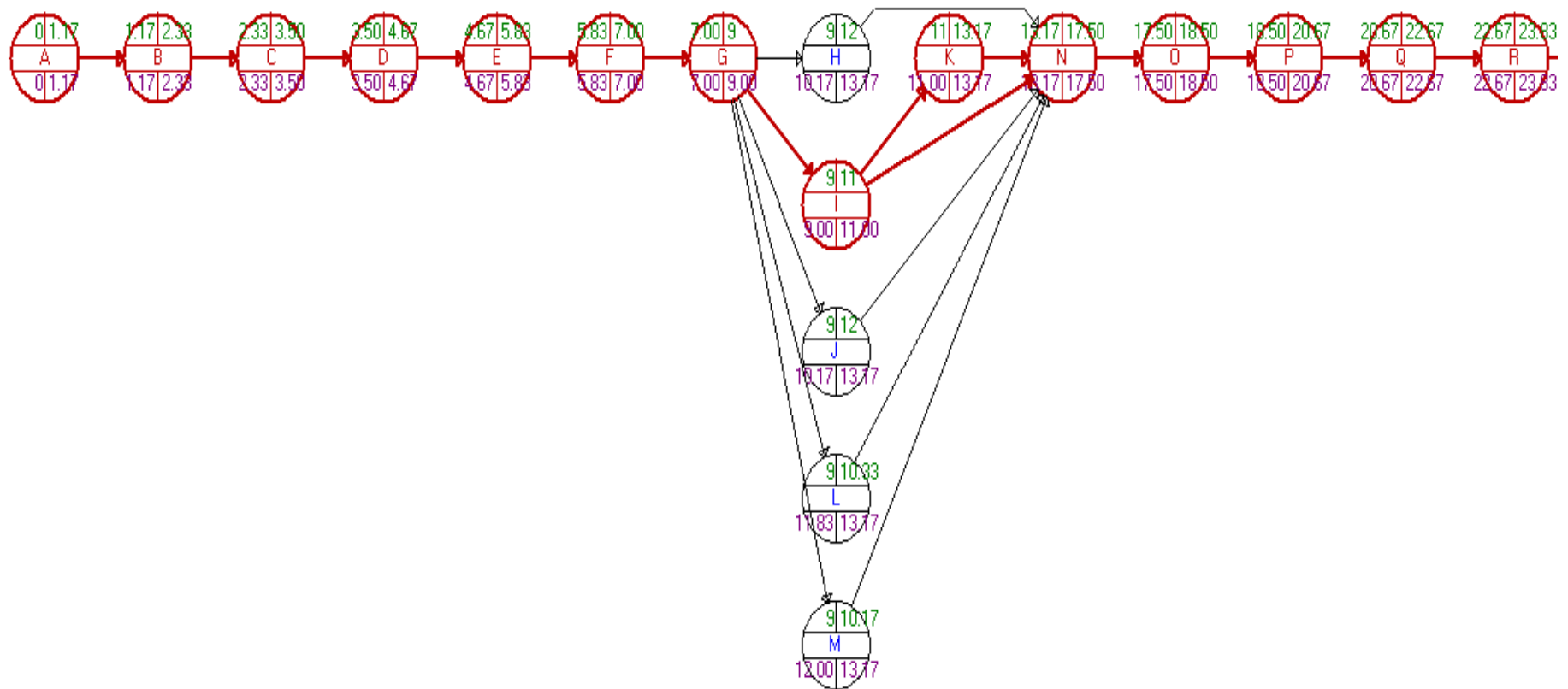
Appendix II: *Graphic solution for RD wine email marketing campaign*

Appendix III: *Gantt chart solution for RD wine email marketing campaign*

APPENDIX I: RESULT OF PERT METHOD FOR ACTIVITIES IN RD WINE EMAIL MARKETING CAMPAIGN

03-18-2014 11:52:36	Activity Name	On Critical Path	Activity Mean Time	Earliest Start	Earliest Finish	Latest Start	Latest Finish	Slack (LS-ES)	Activity Time Distribution	Standard Deviation
1	A	Yes	1.1667	0	1.1667	0	1.1667	0	3-Time estimate	0.1667
2	B	Yes	1.1667	1.1667	2.3333	1.1667	2.3333	0	3-Time estimate	0.1667
3	C	Yes	1.1667	2.3333	3.5	2.3333	3.5	0	3-Time estimate	0.1667
4	D	Yes	1.1667	3.5	4.6667	3.5	4.6667	0	3-Time estimate	0.1667
5	E	Yes	1.1667	4.6667	5.8333	4.6667	5.8333	0	3-Time estimate	0.1667
6	F	Yes	1.1667	5.8333	7	5.8333	7	0	3-Time estimate	0.1667
7	G	Yes	2	7	9	7	9	0	3-Time estimate	0.3333
8	H	no	3	9	12	10.1667	13.1667	1.1667	3-Time estimate	0.3333
9	I	Yes	2	9	11	9	11	0	3-Time estimate	0.3333
10	J	no	3	9	12	10.1667	13.1667	1.1667	3-Time estimate	0.3333
11	K	Yes	2.1667	11	13.1667	11	13.1667	0	3-Time estimate	0.1667
12	L	no	1.3333	9	10.3333	11.8333	13.1667	2.8333	3-Time estimate	0.3333
13	M	no	1.1667	9	10.1667	12	13.1667	3	3-Time estimate	0.1667
14	N	Yes	4.3333	13.1667	17.5	13.1667	17.5	0	3-Time estimate	0.3333
15	O	Yes	1	17.5	18.5	17.5	18.5	0	3-Time estimate	0
16	P	Yes	2.1667	18.5	20.6667	18.5	20.6667	0	3-Time estimate	0.1667
17	Q	Yes	2	20.6667	22.6667	20.6667	22.6667	0	3-Time estimate	0.3333
18	R	Yes	1.1667	22.6667	23.8333	22.6667	23.8333	0	3-Time estimate	0.1667
19	S	Yes	2.1667	23.8333	26	23.8333	26	0	3-Time estimate	0.1667
	Project	Completion	Time	=	26.00	weeks				
	Number of	Critical	Path(s)	=	2					

APPENDIX II: GRAPHIC SOLUTION FOR RD WINE EMAIL MARKETING CAMPAIGN



APPENDIX III: GANTT CHART SOLUTION FOR RD WINE EMAIL MARKETING CAMPAIGN

