

Marketing Environment

Lecturer: Hoa Nguyen Quynh, PhD

SEM, HUST

Course details

(Please see the syllabus for more information)

What we do?

- Lecture
  - Tuesday & Thurday
  - 8.30am – 12.05 pm, 15-min break
  - See the detailed schedule
- Grading
  - 90-100% = A
  - 80 – 89% = B
  - 70 – 79% = C
  - 60 – 69% = D
  - Under 60% = F

Assessment

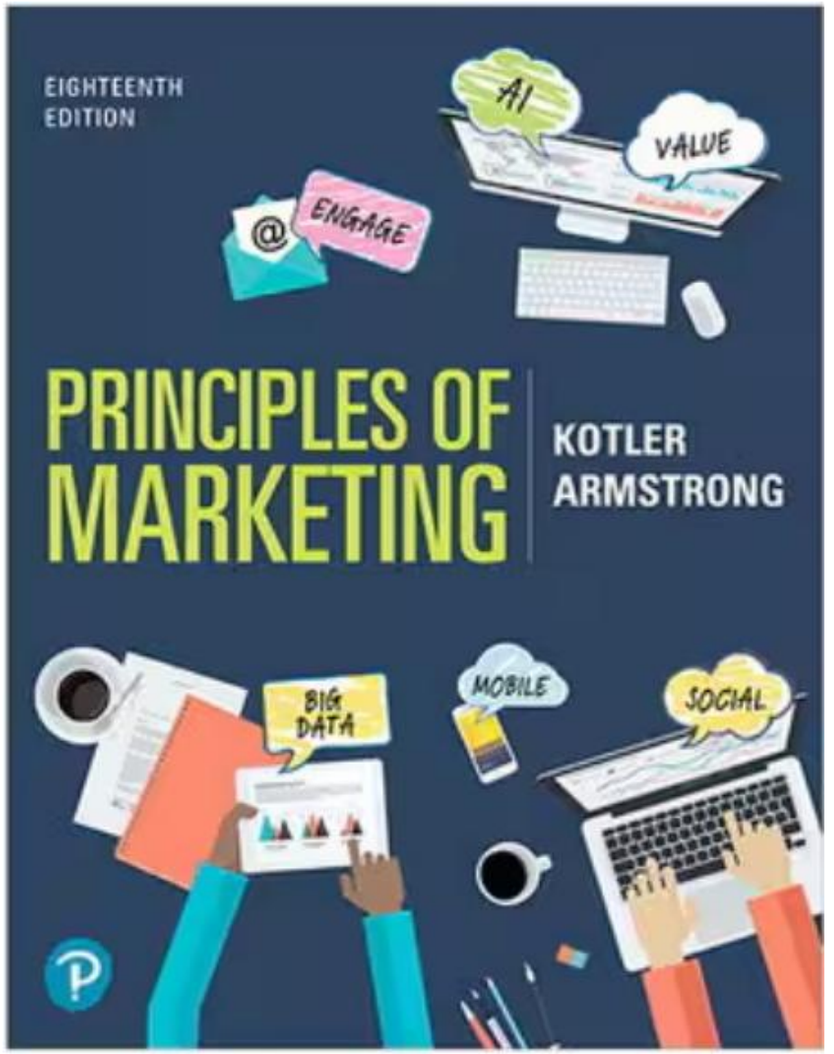
- Attendance 10% →
- Group Project & Presentation 20%
- Mid-term test 30%
- Final exam 40%
- Discussion in class → Plus points

Textbook and other documents

- Main textbook:

Kotler, P., & Armstrong, G. (2021). *Principles of Marketing, 18th Edition*. Pearson Education Limited.

- E-book: https://drive.google.com/file/d/12nuBRl2G0biy-jvpXQyfILC_nz6_1abQ/view?usp=sharing
- Case studies: Will be provided in class



What will we cover?

Class	Date	Content	Readings requirement	Teaching and Learning Activities
1	14 Jul 26 (Tue)	Introduction of Syllabus Chapter 1: Introduction to Marketing	Chapter 1 – Marketing: Creating Customer Value and Engagement	Course Introduction Lecture Assign students into groups
2	21 Jul 26 (Tue)	Chapter 2: Marketing Information System and Market Research	Chapter 4. Managing marketing information to gain customer insights	Lecture Case study about CRM and AI-led marketing
3	23 Jul 26 (Thu)	Chapter 3: Marketing Environment	Chapter 3. Analysing the marketing environment	Lecture Case studies Assign the research topics
4	30 Jul 26 (Thu)	Chapter 4: Customer Buying Behaviour	Chapter 5. Consumer market and buyer behaviour	Lecture Group presentation Coach on the assignment and group project
5	4 Aug 26 (Tue)	Chapter 5: Market Segmentation, Targeting and Positioning	Chapter 7. Customer value-driven marketing strategy: creating value for target customers	Lecture Group presentation Coach on the assignment and group project
6	11 Aug 26 (Tue)	**Mid-term exam (50')** Chapter 6: Product Decisions (P1)	Chapter 8. Products, services, and brands: building customer value	Lecture Case study
7	13 Aug 26 (Thu)	Chapter 6: Product Decisions (P1, cont)	Chapter 8. Products, services, and brands: building customer value	Group presentation Coach on the assignment and group project
8	18 Aug 26 (Tue)	Chapter 7: Price Decisions (P2)	Chapter 10. Pricing: understanding and capturing customer value Chapter 11. Pricing strategies: Additional considerations	Lecture Case studies Coach on the group project
9	20 Aug 26 (Thu)	Chapter 8: Place Decisions (P3)	Chapter 12. Marketing channels: Delivering customer value	Lecture Group work activities Coach on the group project
10	25 Aug 26 (Tue)	Chapter 9: Marketing Communication (P4)	Chapter 14. Engaging Consumers and communicating customer value: Integrated marketing communication strategy Chapter 15. Advertising and public relations Chapter 16. Personal selling and sales promotion Chapter 17. Direct, online, social media and mobile marketing	Lecture Group work activities Coach on the group project
11	27 Aug 26	**Group project presentation** Review		Group project presentation (15-min/group, followed by 5-min Q&A)
12	3 Sep 26	**Final Exam (60')**		

MKT361 – Course aims

- To enable students to understand the fundamental concepts and theories of marketing and how they may be applied to the marketplace in a modern and dynamic environment.
- After the course, successful students should be able to:

  - Understand and explain the four components of the marketing mix
  - Recognise the role of marketing in the strategic planning process of a firm.
  - Link the marketing mix elements to a firm's marketing strategy.
  - Apply marketing concepts to specific business cases and situations.

Group project

Requirement

1. Each group will be assigned a marketing-related case study to analyse throughout the course alongside the topics covered in class.
2. Each group is expected to discuss and present the following aspects of the assigned case study:
   a) How do the macro-environmental and micro-environmental factors influence the company's marketing activities?
   b) Who are the company's target customer segments? What are the key characteristics of these target segments?
   c) What are the consumer behaviour patterns of customers within these target segments?
   d) What product, pricing, distribution (place), and integrated marketing communication (IMC) strategies would be most appropriate for the target segments?
   e) What Customer Relationship Management (CRM) and Corporate Social Responsibility (CSR) initiatives should the company implement?
   f) What marketing performance metrics (KPIs) are most appropriate for evaluating the effectiveness of the company's marketing activities in relation to its business objectives?

Group assignments:

- Group 1: Tiến Đạt
- Group 2: Hà Anh group
- Group 3: Hoàng Anh
- Group 4: Đỗ Quang Huy
- Group 5: Duy Tuân
- Group 6: Trần Minh

The changing marketing landscape



The digital age: Big Data and AI era

- **Online, mobile and social media marketing:** The consumer love affair with digital and mobile technology makes it fertile ground for marketers trying to engage customers.
- **Digital and social media marketing**
  - involves using digital marketing tools, such as websites, social media, mobile ads and apps, online video, email, blogs and other digital platforms
  - engage consumers anywhere, anytime via their computers, smartphones, tablets, Smart TVs and other digital devices.
- **Social media marketing: Big Data and AI platforms**
- Most brand websites, and even traditional media ads, feature links to the brand's Facebook, Instagram, Twitter, LinkedIn, YouTube, Snapchat or other social media sites.

- Online social media offer an **ideal platform** for real-time marketing by which marketers can **engage consumers** in the moment by linking brands to
  - important trending topics
  - real-world events, causes, personal occasions
  - other important happenings in consumers' lives

Digital vs. Traditional Marketing Communications

Digital Mkt

- Tools: Search, social media, websites, email, apps
- Interactive communication
- Precise audience targeting
- High personalization
- Real-time and measurable data
- Flexible and easy to optimise

Key advantages:

Measurable

Targetable

Interactive

Flexible

Scalable

Key limitations:

Data privacy concerns

information overload and ad fatigue

Dependence on platforms and algorithms

Require continuous monitoring and optimisation

Traditional Mkt

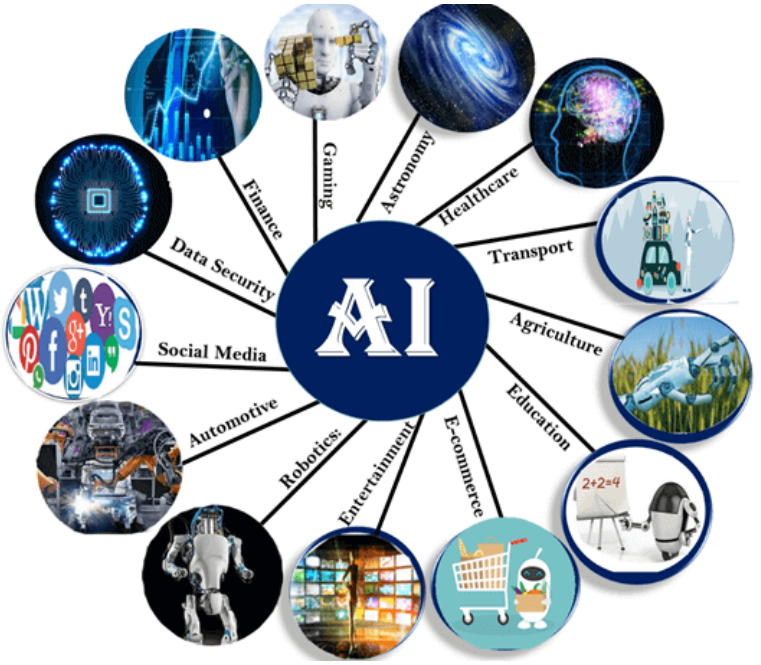
- Tools: TV, radio, newspapers, billboards
- Mainly one-way communication
- Broad audience targeting
- Limited personalization
- Difficult to track individual responses
- High cost of modification

Digital mkt does not replace traditional mkt:

Our consumers still live in both digital and physical worlds

Big data and artificial intelligence (AI) – AI Marketing

- The explosion in digital technologies means we now have **ready access** to more data than ever before.
- Companies can use this big data to **gain deep consumer insights**, personalise marketing offers, and improve communication, engagement and service with consumers.
- To make sense of big data and to be able to use it effectively, marketers are turning to even more-advanced **marketing analytics**.
- Artificial intelligence (AI) involves machines thinking and learning in a way that looks and feels human, but with **much greater analytical capacity.**
- Marketers use AI to **analyse data at lightning spee**d and **apply marketing insights** to engage customers in real time and help them through the buying process.



Mobile marketing



- **Mobile marketing** is perhaps the fastest-growing digital marketing platform.
- Four out of five smartphone users use their phones to:
  - access their bank account for online transfers and payments
  - browse product information through apps or the mobile web
  - make in-store price comparisons
  - read online product reviews
  - find and redeem coupons
- **Smartphones**
  - ever-present; always on; finely targeted; highly personal
  - ideal for engaging customers anytime, anywhere, as they move through the buying process

The growth of not-for-profit marketing

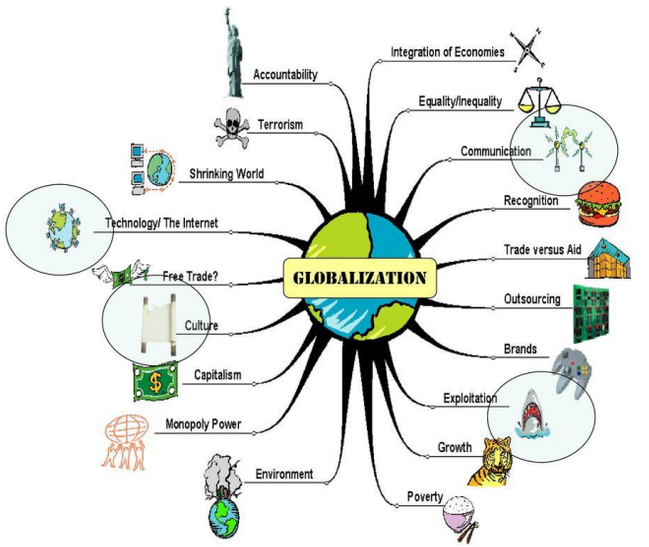
- **Not-for-profit marketing** is a type of marketing practised by a variety of organisations whose aim is to make surpluses so as to continue their operations, but **that do not seek to make profits for shareholders.**



"An engaged employee, is a fulfilled employee."

Rapid globalisation

- **Geographical and cultural distances have shrunk** as a result of burgeoning air travel, telephone links, digital communication, social networking and other technical advances.
- These technological advances have allowed companies to significantly **expand their geographical market coverage, purchasing and manufacturing**.
  - The result is a vastly more complex marketing environment for both companies and consumers.
- Q: Rapid globalisation brings with it both marketing opportunities and marketing challenges. Give some examples of each.



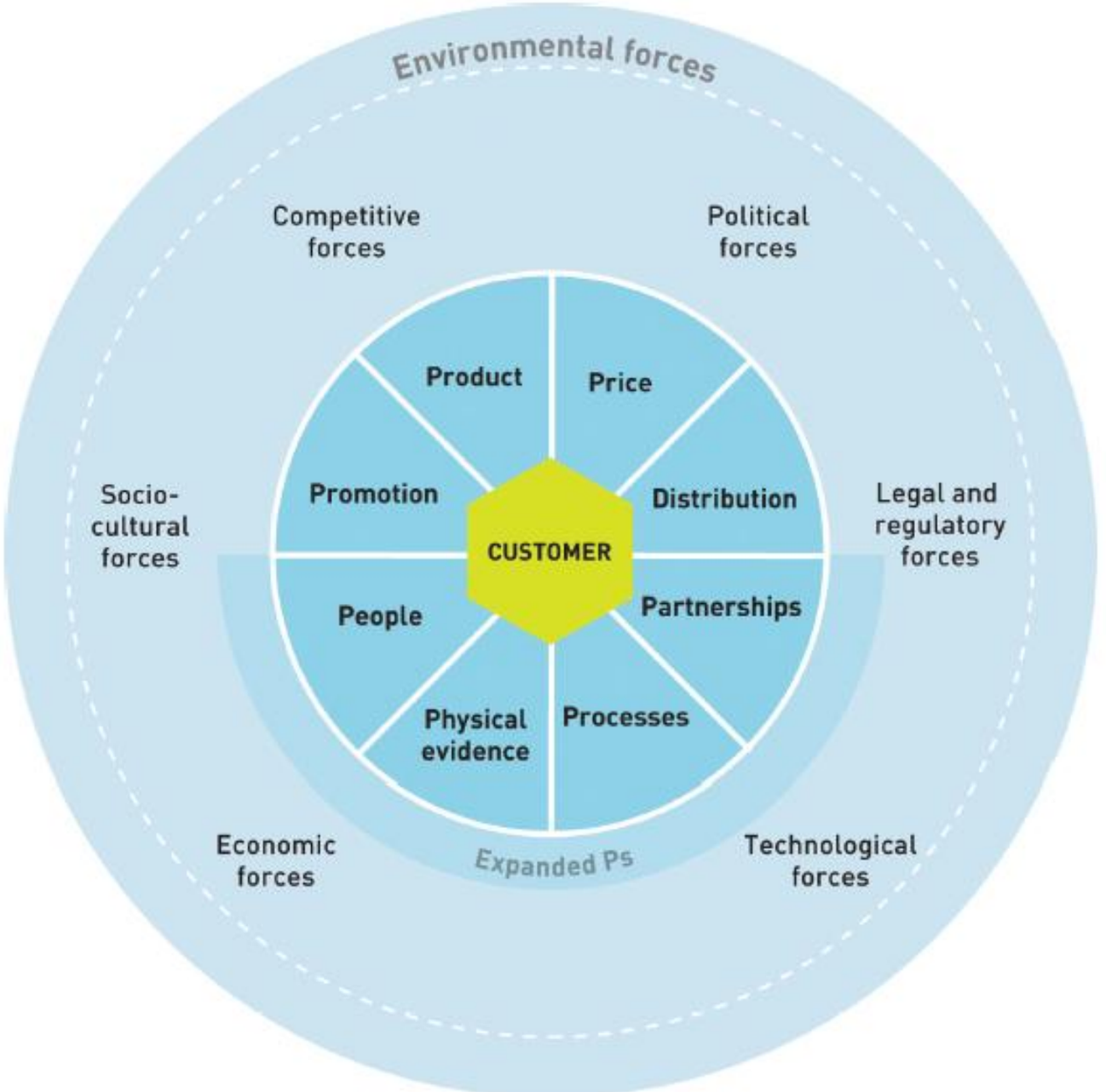
Sustainable marketing

- call for more environmental and social responsibility
- increased call for companies to take responsibility for the social and environmental impact of their actions
- Corporate ethics
  - have become an important matter in almost every business arena, from the corporate boardroom to the business-school classroom.

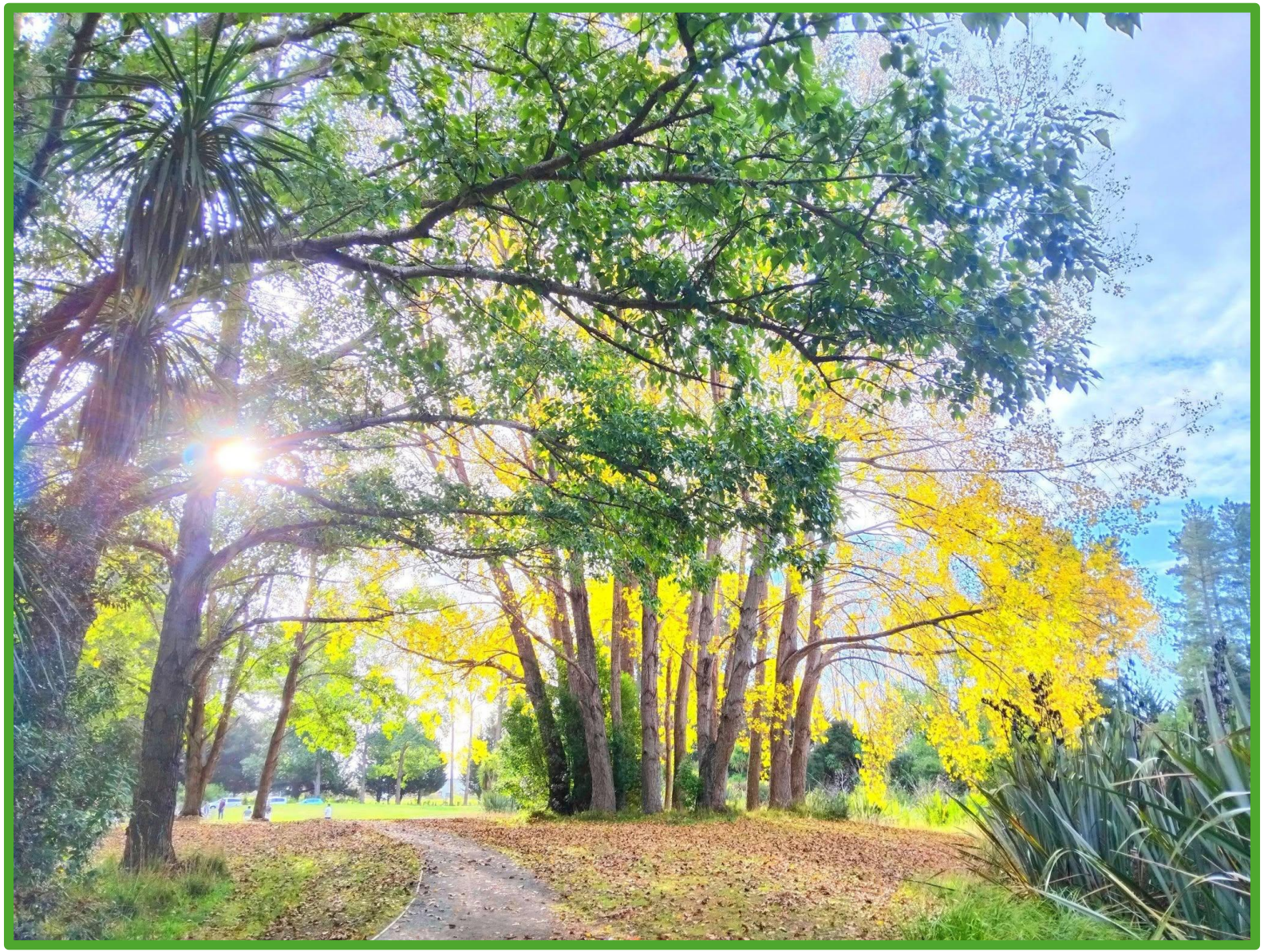
- Q: Global companies sometimes move operations from one country to another in search of lower labour costs. Should they be responsible for problems that arise as a result?



Marketing Environment



Macro-environments



Demographic environment: changes in the size, structure, location, and characteristics of a population.

Key factors

- Population growth or decline
- Age structure
- Family size and household composition
- Education and occupation
- Migration and urbanisation
- Ethnic and cultural diversity

Why it matters?

- who customers are,
- what they need,
- where they live,
- how much they buy, and
- how firms segment their markets.

Q: How might Vietnam's ageing population affect the marketing strategies of banks, hospitals, and tourism companies?

An ageing population creates greater demand for:

- healthcare services,
- retirement products,
- convenient packaging,
- accessible transport, and
- products designed for older consumers.



Residents eating lunch at the community room of the newly opened Dien Hong Retirement Home at Xuan Mai, Hanoi's Chuong My District, August 2, 2023. Photo by VnExpress/Phan Duong

Why Vietnam still lacks retirement homes for its aging population

By **Phuong Uyen** September 28, 2025 | 06:22 pm GMT+7

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Vietnam's aging population fuels demand for retirement homes, but high costs, cultural barriers and the lack of profits dissuade developers.

There are 16.1 million people aged 60 and above in the country, or 16% of the population. It is set to rise to 20% by 2038 and 25% by 2050.

Experts say elderly care can become profitable for the real estate and services sectors.

Data from the Vietnam Association of Realtors (VARS) shows the country has only a few dozen assisted living facilities, both public and private, with most offering only basic care and lacking specialized services such as medical treatment, nutrition and communal activities.

HCMC had seven public and 13 private facilities in 2024, six of them free and run with donor funding.

Economic environment: factors that influence consumers' purchasing power and spending patterns

Key factors

- Economic growth
- Inflation
- Interest rates
- Exchange rates
- Employment and income levels
- Income distribution
- Consumer confidence

Why it matters?

- how much consumers can spend,
- which products they prioritise,
- their sensitivity to price, and
- their willingness to borrow or save.

Q: Rising fuel prices push up the prices of goods and services across the economy, leading to higher inflation. How are consumers likely to change their behaviour in response?

- switch to cheaper products and services
- buy smaller package sizes,
- reduce non-essential spending,
- compare prices more carefully,
- respond more strongly to promotions.

Companies may introduce:

- economy product lines,
- flexible payment options,
- discounts,
- value bundles,
- or smaller, more affordable packages.

Should premium brands reduce their prices during an economic downturn?

Natural environment: natural resources, ecological conditions, climate issues, and environmental pressures affecting businesses and consumers

Key factors

- Climate change
- Natural disasters
- Resource scarcity
- Pollution
- Waste management
- Energy use
- Environmental regulations

Why it matters?

- Consumers, governments, and investors increasingly expect companies to reduce their negative environmental impact.
  - reduce plastic packaging,
  - use recyclable materials,
  - lower carbon emissions,
  - manage water consumption, and
  - source ingredients responsibly.

Marketing implications

- Businesses may adopt:
  - sustainable product design,
  - green packaging,
  - circular economy practices,
  - environmental certification,
  - and transparent sustainability communication.
- Q: Is sustainable marketing mainly an ethical responsibility or a competitive strategy?

- According to Zorpas et al. (2021), the amount of solid generated by tourists could be doubled by what was from tourism businesses and residents.
- Schumann (2020) further mentioned that 5.3% of total greenhouse gases from human activities may be generated from transport-related emissions from the tourism industry by 2030. These tourism eco-footprints contribute to climate change (Hall, 2009; Hall & Saarinen, 2021).
- In Vietnam, according to Jambeck et al. (2015), it is estimated that approximately 730,000 tons of plastic made on land would go to the ocean each year as garbage.
- If there is no necessary control, this plastic litter will continue to damage the marine environment, threaten marine biodiversity and contaminate marine life, which in turn will ruin the people's health and the country's economy, especially the **fishing and tourism industry**.
- It is not an easy job as the plastic waste leaks from Vietnam to the ocean every year mainly from the Red River and Mekong River which are running through several countries like China and some other Association of Southeast Asian Nations (ASEAN) countries before coming through Vietnam to the ocean.
- As Vietnam has a long coastal line from North to South, its economy and many local communities depend heavily on the ocean.

Understanding the Vietnamese Young Tourists' Self-image Congruence as Motivations for Their Destination Social Responsibility Towards Circular Economic Development

Conference paper | First Online: 29 March 2025
pp 243–251 | Cite this conference paper

Save conference paper

Hana Hoa Nguyen-Quynh



Environmental claims must be supported by evidence. Misleading claims may be regarded as greenwashing.

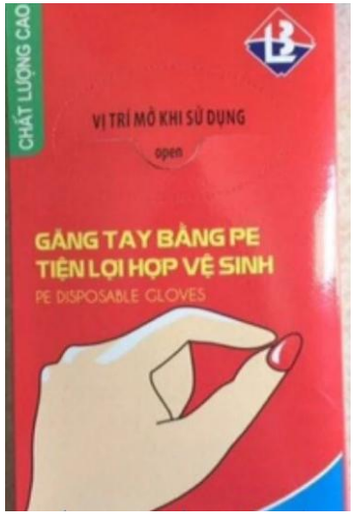
- A plastic bottle is labelled **“100% recyclable”**, but its cap, label, and adhesive cannot be recycled through most local recycling systems.
- A company advertises a product as **“made from recycled materials”**, but recycled material accounts for only 5% of the product, and this limitation is not disclosed prominently.
- A paper cup is promoted as **“plastic-free”**, but its production uses large amounts of water, energy, or chemicals. → The company highlights one environmental benefit while ignoring other significant impacts.
- A cosmetics company promotes a product as **“natural and eco-friendly”** because it contains botanical ingredients, while downplaying the use of persistent synthetic ingredients (silicone) and tests on animals.
- A company calls an electric car **“zero-emission”** or **“completely green”**, although emissions and environmental impacts still arise from battery production, electricity generation, mining, manufacturing, and disposal.



A company markets conventional PE packaging as “environmentally friendly” or “biodegradable,” even though the material does not naturally biodegrade.

This false claim may lead consumers to believe that the packaging will safely decompose in the environment. PE packaging may remain in the environment for a very long time.

Research shows that conventional plastic persists and progressively breaks into micro- and nanoplastics. They can accumulate in soil and water, be ingested by animals, move through food webs, and carry chemical additives or other pollutants. Humans can be exposed through **food, drinking water and inhaled air**.



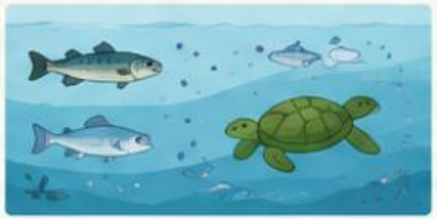
IMPACTS OF MICRO- AND NANOPLASTICS

ENVIRONMENTAL CONTAMINATION



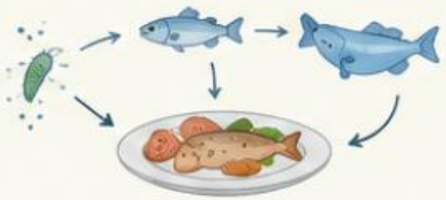
- Accumulate in soil and water
- Persist for a very long time
- Affect soil quality and ecosystems

UPTAKE BY ANIMALS



- Ingested by aquatic and terrestrial animals
- May cause physical harm and carry toxic chemicals

ENTER FOOD CHAIN



- Move through the food web
- Bioaccumulate in organisms

HUMAN EXPOSURE



- Exposure through food, drinking water and inhaled air
- Potential health risks (inflammation, hormonal effects, etc.) – research ongoing

KEY MESSAGE

Conventional PE does not biodegrade. It fragments into micro- and nanoplastics, contaminates the environment, enters the food chain and may harm animals and humans.

WHY THE CLAIM IS MISLEADING

Using terms like “environmentally friendly” or “biodegradable” for conventional PE creates the false impression that the product will naturally break down and not harm the environment.

WHAT IS TRUE AND RESPONSIBLE MARKETING?

- State accurate material properties.
- Do not claim biodegradability for conventional PE.
- Provide clear disposal and recycling information.
- Invest in reduction, reuse, and proper waste management.

WHAT CONSUMERS CAN DO

- Reduce single-use plastics.
- Reuse products as much as possible.
- Dispose properly and support recycling systems.
- Choose products with verified environmental claims.

TIME SCALE GUIDE (INDICATIVE)

Months – Years	= Short term
Years – Decades	= Medium term
Decades – Centuries+	= Long term

Technological Environment: innovations that change products, services, communication, distribution, and customer behaviour.

Key factors

- Artificial intelligence
- Automation
- Big data
- Social media
- Mobile technology
- E-commerce
- Virtual and augmented reality
- Digital payment systems

Why it matters?

- create new products,
- make existing products obsolete,
- improve customer experience,
- reduce costs, and
- change how customers search, compare, purchase, and review products.

AI Marketing

- AI allows business and marketers to provide:
  - personalised recommendations,
  - automated customer service,
  - predictive analytics,
  - dynamic pricing, and
  - targeted advertising
- Q: When does personalised marketing become an invasion of privacy?

MAIN FUNCTIONS OF DIGITAL MARKETING

Practical Example: The Hanoi Train – Tàu Hà Nội 5 Cửa Ô



THE HANOI TRAIN
— 5 CỬA Ô —

MAIN FUNCTIONS	WHAT IT MEANS
1. CREATE AWARENESS & ENGAGEMENT	• Attract the right audience and build interest in the brand. • Encourage interaction: like, comment, share, save.
2. GENERATE LEADS & CONVERSIONS	• Turn interest into action. • Drive traffic to booking channels and increase ticket sales.
3. MANAGE CUSTOMER RELATIONSHIPS	• Build and maintain long–term relationships. • Provide updates, customer support and respond to enquiries.
4. PERSONALISE COMMUNICATION	• Deliver the right message to the right people. • Tailor content by audience, interest, journey purpose and occasion.
5. MEASURE & OPTIMISE PERFORMANCE	• Track results across channels and content. • Analyse data to improve campaigns and increase ROI.

HOW THE HANOI TRAIN APPLIES IT (EXAMPLES FROM FACEBOOK PAGE)

Heritage storytelling, beautiful photos & videos

Introduce the experience, 5 heritage gates, culture, food and the journey from Hanoi to Quan Ho.



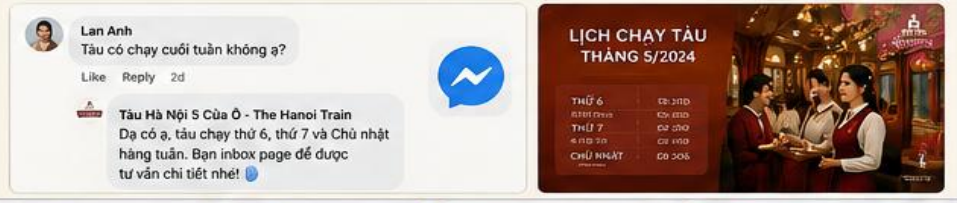
Clear call-to-action and booking channels

Posts direct customers to book tickets online, call the hotline or visit the Hanoi Station ticket counter.



Two-way communication & customer care

Respond to comments, messages and enquiries; share schedules, updates and travel tips.



Tailored content for different audiences

Different themes for cultural lovers, families, tourists, corporate groups, special events and holidays.



Track performance & improve

Monitor engagement, reach, video views, clicks, enquiries and ticket bookings to know what works best.

Facebook Insights (example)

Reach	Engagement	Link Clicks	Messages	Bookings (Online & Hotline)
1.2M	63K	18K	2.4K	3.8K
↑ 28%	↑ 35%	↑ 42%	↑ 31%	↑ 27%

Use insights to optimise: content, targeting, ad creative, posting time and offers.

★ DIGITAL MARKETING TURNS INTEREST INTO MEMORABLE EXPERIENCES – AND EXPERIENCES INTO LOYAL CUSTOMERS.

THE HANOI TRAIN – HƠN CẢ CHUYẾN ĐI, LÀ DI SẢN.

Political and Legal Environment: laws, regulations, government policies, and political conditions that influence marketing decisions.

Key factors

- Consumer protection laws
- Competition regulations
- Advertising standards
- Data protection rules
- Product safety requirements
- Taxation and trade policies
- Labour and environmental laws
- Political stability

Why it matters?

- Companies must ensure that their:
  - products are safe,
  - advertisements are truthful,
  - customer data are protected,
  - prices are fair,
  - and business practices comply with the law.

Japan’s Bluefin Tuna Dilemma

In July 2026, Japanese fishermen faced a strange situation. Pacific bluefin tuna had recovered strongly after years of strict conservation measures. Large tuna were now appearing in great numbers in Japanese waters, and fishing nets were often full.

However, fishermen could not simply bring all the tuna to market. International fishing quotas still strictly limited how much each region could catch and sell. In some areas, fishing cooperatives had already used 70–80% of their annual quota within the first few months of the year.

For example, fishermen around Sado Island in Niigata had an annual quota of 66 tonnes, but they caught 42 tonnes in April alone. To preserve part of the quota for winter—when bluefin tuna are fattier and more valuable—they sometimes had to remove live tuna from their nets and release them back into the sea.

Japan proposed increasing the quota for large tuna by 25% from 2027. Although the United States supported the proposal, Mexico opposed it because of conflicting national fishing interests. The international meeting ended without agreement, so Japan had to keep the existing quota.



The situation created several business concerns. Domestic tuna supply could become limited during winter, potentially increasing prices for sushi restaurants and consumers. Some businesses might need to use imported or frozen tuna. Fishermen could also lose income despite the abundance of fish.

At the same time, the recovery of bluefin tuna may affect the wider marine ecosystem because tuna consume commercially important species such as mackerel and sardines.

Socio-Cultural Environment: society's values, beliefs, norms, lifestyles, traditions, and attitudes.

- Cultural values
- Social norms
- Religion and traditions
- Lifestyle changes
- Attitudes towards family and work
- Gender roles
- Health consciousness
- Social responsibility

- Consumers do not buy products only for functional benefits. Products may also represent:
  - identity,
  - social status,
  - belonging,
  - values,
  - lifestyle,
  - and cultural meaning.

A campaign that succeeds in one country may fail elsewhere because symbols, humour, values, and social norms differ.

In 2018, Italian luxury brand Dolce & Gabbana launched a social-media campaign to promote a major fashion show in Shanghai.

The videos showed a Chinese woman attempting to eat Italian foods, including pizza and spaghetti, with chopsticks. The campaign appeared intended to be humorous and to combine Italian and Chinese culture.

However, many Chinese consumers interpreted the advertisements very differently. The woman's exaggerated behaviour, the traditional music and the presenter's tone were viewed as stereotypical, patronising and disrespectful to Chinese culture.

The reaction spread rapidly across Chinese social media. Celebrities withdrew from the Shanghai fashion show, the event was cancelled, and major Chinese e-commerce platforms removed Dolce & Gabbana products. The controversy later contributed to weaker sales for the brand in China.

The campaign demonstrated that humour and cultural symbols do not carry the same meanings in every market. What a company intends as playful cultural interaction may be perceived by local consumers as mockery or disrespect.





Micro-environments

The company

Key internal groups

- Top management
- Finance
- Research and development
- Purchasing
- Operations
- Human resources
- Accounting
- Customer service

Why it matters?

- Mkt cannot work independently. It needs cooperation across the organization:
  - Mkt budget
  - Product quality and delivery
  - New products
  - Skilled mkt staff
  - Satisfied and loyal customers

Suppliers/ Contractors: provide the resources a company needs to produce its goods and services.

What they provide?

- Raw materials
- Components
- Equipment
- Technology
- Energy
- Labour services
- Information

Why they matters?

- Supplier performance affects:
  - Product quality
  - Production costs
  - Availability
  - Delivery speed
  - Pricing
  - Customer satisfaction
- Competitive ability

- A construction company wins a contract to build a shopping centre within 12 months. To complete the project, it depends on a supplier for steel beams.
- If the supplier delivers late, raises prices unexpectedly, or provides steel that does not meet quality standards, the construction company may:
  - delay the project,
  - exceed its budget,
  - fail to meet the contract deadline,
  - pay financial penalties,
  - damage its reputation,
  - and lose future business opportunities.

- Suppliers do more than provide materials and components; they directly affect the value a company can offer customers and its ability to compete.
- If a company fails to manage its supplier relationships effectively, it may face delays, rising costs, inconsisten quality, or shortages.
- As a result, the company may miss business opportunities, fail to fulfil customer orders, or be unable to complete contracts on time.

Marketing Intermediaries: help a company promote, sell, distribute, and deliver its products to final customers.

Who are they?

- **Resellers**
  - Wholesalers
  - Retailers
  - Distributors
  - Online marketplaces
- **Physical distribution firms**
  - Warehouses
  - Transport companies
  - Delivery services
- **Marketing service agencies**
  - Advertising agencies
  - Market research firms
  - Media companies
  - Digital marketing agencies
- **Financial intermediaries**
  - Banks
  - Payment providers
  - Insurance companies

Why they matters?

- Intermediaries help companies:
  - Reach customers
  - Reduce distribution costs
  - Provide convenient purchasing
  - Manage logistics
  - Process payments
  - Communicate with the market

Supermarkets: powerful mkt intermediaries

- A small food manufacturer develops a popular yoghurt product and wants to sell it through a major supermarket chain. Although the manufacturer owns the brand, the supermarket controls access to a large number of customers.
  - The supermarket may require the manufacturer to:
  - offer a lower wholesale price,
  - pay listing or shelf-placement fees,
  - provide frequent discounts,
  - participate in supermarket promotions,
  - accept long payment periods,
  - meet strict delivery and packaging requirements,
  - and take back unsold or expired products.



- The supermarket may also decide:
  - where the product is placed: A product displayed at eye level or at the end of an aisle is more visible, while one placed on a low shelf may sell less.
  - How long the product can be displayed on the shelf
  - If the manufacturer refuses the supermarket's conditions, the retailer may reduce its shelf space, replace it with another brand, or promote its own private-label yoghurt.
- A manufacturer may produce a good product, but without access to powerful retailers, it may struggle to reach customers and compete effectively.

How a bank-issued Letter of Credit (LC) helps two unfamiliar overseas businesses trade

A Vietnamese furniture importer wants to buy USD 200,000 worth of timber from a supplier in Brazil. The two companies have never worked together before. The Vietnamese importer is worried that it may pay in advance but never receive the goods. The Brazilian supplier is worried that it may ship the timber but not receive payment.

To reduce this risk, the importer asks its bank to issue a **Letter of Credit (LC)** in favour of the Brazilian supplier. The process is:

- The importer and supplier sign a sales contract.
- The importer's bank issues the LC.
- The supplier ships the timber and submits the required documents, such as the bill of lading, invoice, packing list, and certificate of origin.
- If the documents comply with the LC terms, the bank pays the supplier.
- The importer receives the documents and collects the goods.

→The bank acts as a trusted intermediary between two businesses that do not yet trust each other.

→Banks and other financial intermediaries can make international trade possible by reducing risk, building trust, and enabling unfamiliar businesses in different countries to cooperate.

Competitors: offer similar products or satisfy the same customer need.

Different levels of competition

- **Brand competition:** Coca-Cola versus Pepsi
- **Product-category competition:** Soft drinks versus bottled juice
- **Need-based competition:** A soft drink versus coffee, tea, or water
- **Budget competition:** Buying a drink versus spending the money on another product

Q1: Does a lady who sells sticky rice compete with another lady who sells noodles in the same lane? Why?

Q2: Does a cinema compete with other cinemas?

Yes. It also competes with Netflix, YouTube, Social media, Restaurants, and other form of entertainment. Why?

Q3: Who are the main competitors of a university: other universities, online courses, employers, or all of them?

Publics: any group that has an actual or potential interest in, or impact on, a company's ability to achieve its objectives.

Companies must manage relationships not only with customers, but also with groups that can influence public trust and business operations.

- Financial publics: Banks, investors, and shareholders influence access to funding.
- Media publics: News organisations, bloggers, and social-media creators influence reputation.
- Government publics: Regulators affect advertising, product safety, competition, and data use.
- Citizen-action groups: Environmental organisations and consumer groups may challenge company practices.
- Local communities: Residents may support or oppose company operations.
- General public
- Internal publics: Employees and managers affect organisational culture and brand reputation.

Residents' opposition to overtourism in Kyoto

- Kyoto receives large numbers of visitors, but tourism is concentrated in famous locations such as **Gion, Kiyomizu-dera and Fushimi Inari**. In Gion, residents complained that some tourists entered private streets, blocked narrow roads, photographed geiko and maiko without permission, and disturbed people living and working in the neighbourhood.
- As a result, residents in parts of Gion installed signs banning tourists from entering or photographing on private roads, with warnings of fines of up to **¥10,000**. Public streets remain open, but access to some private alleys has been restricted.
- The residents' opposition has influenced tourism. Kyoto had to manage visitor behaviour, disperse tourists to less crowded areas and protect public transport and residential life.
- Residents are an important public in the tourism micro-environment. When local people feel that tourism is damaging their quality of life, their opposition can lead to access restrictions, new regulations and changes in destination marketing.





Customers

- **Consumer markets**
  Individuals and households buying for personal use.
- **Business markets**
  Organisations buying goods and services for production or operations.
- **Reseller markets**
  Organisations buying products to resell at a profit.
- **Government markets**
  Public agencies purchasing goods and services.
- **International markets**
  Buyers in other countries.

Different customer groups require different value propositions and marketing strategies.

The Seishun 18 Kippu

If you live in Japan—or simply love slow, exploratory travel—you have probably heard of the Seishun 18 Kippu (青春18きっぷ), commonly shortened to the Seishun Pass or the “18 Ticket.”

The name Seishun, meaning “youth,” was not chosen by accident. Although the ticket has no age restriction and can be purchased by anyone, it was created for people who are young at heart: travellers with limited money, plenty of time, and enough courage to take the long way around.

If you travel from Tokyo to Osaka by Shinkansen, the journey takes only a few hours, with the scenery flashing past the window. With the Seishun 18 Ticket, however, you must travel on ordinary local trains. You have to get off, wait, and change trains at quiet, ageing stations in rural areas.

Yet this enforced slowness is precisely what makes the experience special. Young Japanese travellers have long used the ticket to discover a more authentic side of Japan: golden rice fields, deserted coastlines, and small towns they would never notice from a high-speed train.

For decades, the advertising campaigns for the Seishun 18 Ticket have also been considered artistic masterpieces by JR and classic examples of effective marketing.

However, JR Kyushu, one of the companies within the JR Group, recently released some shocking figures: ticket sales have fallen dramatically. From a peak of more than 620,000 tickets, sales dropped to 420,000 in 2024 and then to only 240,000 in 2025.



In just two years, nearly 60% of customers turned away from a ticket that had once symbolised youth and adventure. Why was such an iconic national product pushed towards a slow decline? The answer may lie in what many customers regard as one of JR management’s worst decisions.

First, travellers are now required to use the ticket on consecutive days. In the past, someone could travel on one Saturday and save the remaining days for the following weekend. Under the new rules, a three-day or five-day ticket must be used continuously—for example, on Friday, Saturday, and Sunday without a break. A leisurely journey has therefore been turned into an exhausting race against time.

Second, group sharing is no longer allowed. Previously, a five-day ticket could be used by a group of five people travelling together for one day, with each person using one day of the pass. The ticket has now been converted into an individual magnetic ticket that can be used by only one person. Families or groups of friends who want to travel together must each purchase a separate ticket.

The fall from 620,000 to 240,000 tickets offers a costly lesson for any business:

When a company prioritises administrative convenience over the customer experience and the product’s core value, the market may respond by walking away.

Group 1: The Hanoi 5 Gates Train

- Launched in September 2025, **The Hanoi Train – Five Gates** is a cultural-tourism railway product connecting Hanoi Station with Từ Sơn in Bắc Ninh. It is operated by BHL Tourism Service Trading Joint Stock Company in collaboration with Vietnam Railways. Rather than selling transportation alone, the business transforms a short railway journey into an experience built around the history, culture and visual identity of Hanoi and the Red River Delta.
- The train's passenger carriages are named after five historic gates of Thăng Long–Hanoi: **Ô Cầu Dền, Ô Quan Chưởng, Ô Cầu Giấy, Ô Chợ Dừa and Ô Đống Mác**. Its double-decker carriages use different historical and cultural themes, while additional spaces are designed for photography and social-media "check-ins."
- The Hanoi Train does not compete primarily with ordinary trains. Its competitors include city tours, museums, cultural performances, day trips and other leisure activities.
- During the journey, passengers may experience traditional forms of performance such as **quan họ, ca trù, chèo and xẩm**, together with regional food, lotus tea, storytelling and craft-related activities. The visit to Từ Sơn can also connect the journey with Đô Temple and the heritage of the Lý dynasty



- Many customers may travel once to experience the new train, take photographs, and share them online, but they won't come back.
- Customers may not clearly understand whether the product is a sightseeing train, a cultural performance, a heritage tour, a family excursion, or a premium tourist experience.
- Information about schedules, packages, prices, activities, and booking channels may appear across several websites, agents, and social-media pages, but inconsistent, and with limited accessibility for international tourists.
- The total experience depends on railway operations, performers, tour guides, food providers, booking agents, and local attractions. One weak part of the service can damage the entire customer experience.

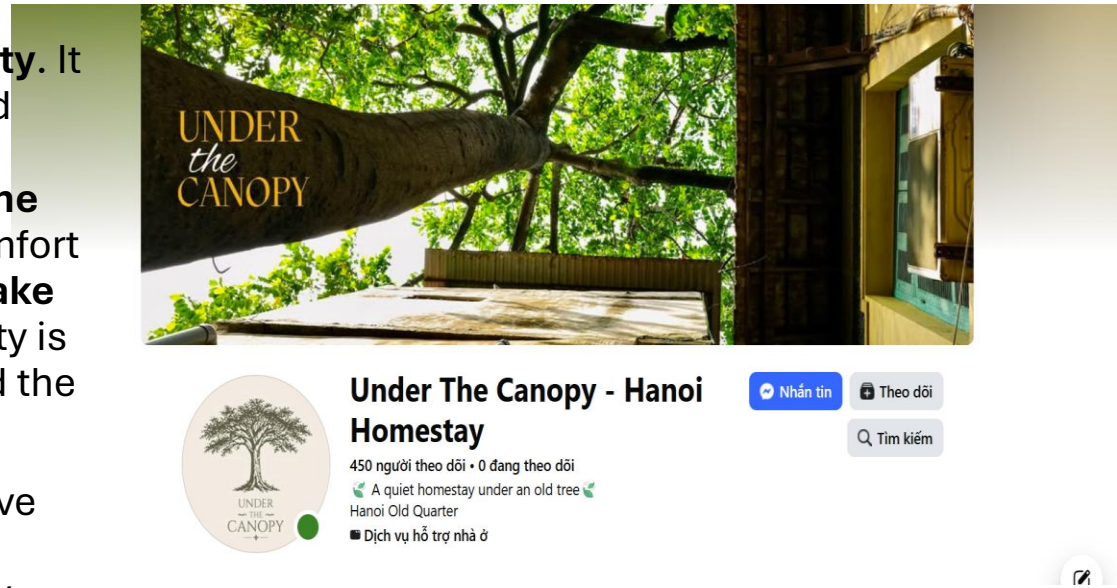
Group 2: Under the Canopy Homestay

A small Airbnb in Hanoi is located inside **an old villa in the heart of the city**. It offers only two private rooms. The walls are old, some paint is peeling, and many traces of time are still visible. The owner has deliberately kept these imperfections. The aim is not to create a polished hotel, but to **preserve the spirit and memories of an old Hanoi home** while adding just enough comfort for modern guests. Visitors can wake up to **green views and birdsong, make tea, read, listen to music, and enjoy a slower rhythm of life**. The property is also within **walking distance of cafés, the train street**, Tống Duy Tân, and the Hanoi Flag Tower.

However, this special experience is not easy to market. Many travellers have **never heard** of the property, and its charm is **difficult to communicate** through a simple list of facilities. At the same time, people who are already searching online for a unique stay in central Hanoi may **never find** it.

However, the business faces a **marketing problem**. Its Facebook page has some attractive photos and stories, but only a small number of people see the posts (https://www.facebook.com/profile.php?id=61589432002124). Many potential guests have never heard of the property. At the same time, the owner believes that there are travellers actively searching online for **unusual, authentic, or centrally located** accommodation in Hanoi, but the property is difficult to find through search.

The owner has a **limited advertising budget** and **wants to increase bookings** without losing the distinctive identity of the property.





Group 3: Marou Chocolate: Turning Vietnamese Cacao into a Premium Cultural Product

Vietnam was traditionally better known for coffee and rice than for premium chocolate. Marou changed this perception by producing high-quality bean-to-bar chocolate from cacao grown in Vietnamese provinces such as Đắk Lắk, Lâm Đồng, Bến Tre and Tiền Giang.

Marou buys cacao directly from small farmers and fermenters rather than relying only on large international commodity suppliers. The company states that it pays premium prices and provides financial and technical support to more than 500 small-scale farmers and around 30 fermenters across Vietnam. It also encourages cacao agroforestry, in which cacao is grown alongside other trees and crops to support biodiversity.

In Đắk Lắk, cacao offers farmers an opportunity to diversify beyond familiar crops such as coffee, pepper and rubber. Marou's Dak Lak single-origin chocolate connects the name of the farming region directly with the final premium product. Rather than selling anonymous cacao beans at a low commodity price, farmers become part of the story and value chain behind an internationally marketed Vietnamese chocolate brand.

This relationship can create value for several stakeholders:

- Farmers may receive better prices, technical knowledge and a more reliable market.
- Marou gains access to higher-quality and traceable cacao beans.
- Consumers receive distinctive chocolate with a clear geographical origin.
- Local communities benefit when more of the product's value is created and retained in Vietnam.

However, Marou must ensure that its social-impact claims are transparent. Paying a premium price does not automatically prove that all farmers receive stable incomes or that every farming relationship is equitable. The company should therefore communicate measurable information about farmer income, purchasing volumes, training, long-term contracts and environmental outcomes.



Group 4: TH True Milk and the fight for “Good milk”

For many years, Vinamilk was the dominant and most familiar dairy brand in Vietnam. Its wide distribution, long history, broad product portfolio and strong association with children’s nutrition made it a trusted household name.

When TH true MILK entered the market in 2010, it did not try to compete only through lower prices or a larger product range. Instead, it focused on a changing concern among Vietnamese consumers: growing interest in food safety, product origin, natural ingredients and healthier lifestyles.

TH positioned its products around the ideas of “true,” “fresh,” “clean” and “from nature.” Its communication emphasised fresh milk from its own farms, modern technology, traceability and internationally managed dairy herds. TH also developed the TH true mart retail chain, allowing it to present its products in a controlled environment associated with freshness, safety and healthy living.

This positioning helped redefine competition in Vietnam’s dairy market. Consumers were encouraged to think not only about whether milk was nutritious, but also where it came from, how the cows were raised, how the milk was processed and whether the product was “natural” or “clean.”

Vinamilk remained the larger and more established competitor, but it increasingly highlighted its farms, product quality, clean-label credentials, sustainable production and Green Farm fresh-milk range.

The two companies therefore competed not simply by selling milk, but by offering different meanings of “good milk”.

However, the word “clean” also creates a marketing challenge. By describing one brand as “clean milk,” consumers may infer that competing products are less clean, even when they meet legal safety and quality standards. Marketers must therefore distinguish strong positioning from claims that may confuse or unfairly influence consumers.

Group 5: Cocoon Vietnam: When Beauty Reflects Changing Social Values

Vietnam's cosmetics market was traditionally dominated by international brands, while locally made products were sometimes perceived as less sophisticated or less trustworthy. However, younger Vietnamese consumers have gradually become more interested in ethical consumption, animal welfare, environmental responsibility, transparent ingredients and pride in local products.

Cocoon entered this changing market with a distinctive proposition: cosmetics that are made in Vietnam, use familiar Vietnamese plant-based ingredients and are positioned as 100% vegan and cruelty-free.

Instead of relying only on globally fashionable ingredients, Cocoon built product stories around local materials such as Đắk Lắk coffee, Hậu Giang lotus, Bến Tre coconut, turmeric, grapefruit and winter melon. This helped the brand connect skincare with Vietnamese places, agriculture and cultural identity. Cocoon states that it does not use animal-derived ingredients such as honey, beeswax, lanolin or snail secretion.

To make its ethical claims more credible, Cocoon joined international certification programmes. It became the first Vietnamese cosmetics brand accepted into Cruelty Free International's Leaping Bunny programme, and its cruelty-free status is also listed by PETA. Its products are registered as vegan with The Vegan Society.

The company extended this positioning through social and environmental initiatives. These included packaging-collection points, refill packaging and partnerships supporting animal welfare, such as campaigns against elephant riding and projects to protect moon bears.

Cocoon therefore sells more than functional skincare. It offers consumers a way to express several values at once:

- concern for animals;
- interest in environmentally responsible consumption;
- preference for plant-based ingredients;
- and pride in a modern Vietnamese brand.

However, this positioning also creates challenges. Ethical consumers may closely examine whether Cocoon's packaging, sourcing and environmental activities are consistent with its brand promises. The company must also convince customers that vegan and locally sourced products are not only morally attractive, but also safe and effective.



Classroom activity

Each group identify:

- one important supplier,
- one intermediary,
- two major competitors,
- one influential public, and
- its main customer market

for your assigned case study. Then answer:

Which micro-environmental actor creates the greatest opportunity or threat for this company?