Bachelor Assignment

Approaching the local market for Fisherboats Co., Ltd.

Author
Marten Becker

Student number
0053236

Study
Business Administration (BA)

University
University of Twente

Company
Fisherboats Co., Ltd

Location
Binh Duong (Vietnam)

Date
February April 2008

1st Supervisor
M R Stienstra

2nd Supervisor
E. Constantinides

Supervisor Fisherboats
J P Visser
MANAGEMENT SUMMARY

This report describes the research done for Fisherboats. This company is located in Vietnam where it produces several types of boats. Since the great political reforms of 1986 the country made an enormous economic growth. Fisherboats wants to participate in this growth of the local Vietnamese market. As it nowadays only focuses on export their home base is a new target market, which they want to approach with a polyester lifeboat. Therefore they formulated the following research problem:

"What is the right marketing strategy to create competitive advantage, in order to obtain growth, sustainability and finally market success regarding the market of polyester lifeboats in Vietnam?"

This research describes the different aspects of the local market and their possible influence on the market strategy. The research problem is split up in three sub-questions:

What do we understand by market strategy?
When does a company have a competitive advantage? And is this currently the case for Fisherboats?
What are the relevant characteristics of the market regarding polyester boats?

The research starts with a literature review. For the description of the macro environment a PESTEL analysis is being used, which will indicate the positioning of the polyester lifeboats in its market. PESTEL is an acronym for Political, Economic, Socio-cultural, Technological, Economic and Legal factors from the environment. On the hand of Porter’s 5 Forces Framework, the position of Fisherboats in its branch is described. The model observes five different forces: new entrants, suppliers, buyers, substitutes and competitors. The structure of the internal organization is described on the basis of McKinsey’s 7S Model. This will provide insight in the quality of the performance of the organization.

The research can be categorized as an observational study. In order to explore the general area of water sports in Vietnam several interviews were held. Based on the results of the in-depth interviews some questionnaires have been formulated for different sub-populations. Almost a hundred resorts were asked to fill in an online questionnaire. Besides, over a hundred tourists at the beach were asked for their opinion about water sports. Within the company, the action of the employees and staff was being observed in order to get insight in the operational exercises of the company. Finally, a database with all the information of the resorts was made, which provided a descent basis for the market description.

Vietnam is a political stable country with a steady growing economy. Foreign investments grew rapidly the last three years. The tourist sector also shows great potential by its growth in the last ten years. As Fisherboats is one of the only yacht building companies in the country it has a rather unique position. On the other hand this involves a threat of new entrants, who want to fill the niches in the market.

The Inland of Vietnam is not ready for sailing, as there is a lack of descent harbors for yachts. With a large number of tourists visiting Vietnam and an underdeveloped water sport offer, the resorts at the coastline form an interesting target group. Therefore this research focuses on the coastal area, where harbors are not necessary for lifeboats.

The research showed that the internal structure of Fisherboats is unstable. The company cooperates with several unreliable suppliers for major parts of the boat. This results in lots of delay with their current orders from outside Vietnam. The current laborers could not execute a growth of order portfolio, as they already are too busy with the existing projects. The confrontation matrix exposed three focus areas within the strategy. First of all there is the importance of the assistant manager. He can help by making use of the opportunities of the
market. Two other important focus points are the threat of new entrants and the lack of descent suppliers.

*Fisherboats* has to solve these problems first, before approaching the oca market. The research showed potential for the oca market at the coastline. Instead of spending a lot of money for mass marketing, *Fisherboats* should use direct marketing as market strategy. Instead of focusing on the whole market or a part of it, direct marketing puts its focus to the individual market, or target market - the resorts at the coastline. The research shows the customer characteristics and its preferences. This should be used when approaching the local market.

For approaching the possible customers directly, the company has to hire a commercial agent, who can visit the target groups. This person has to make use of the knowledge gathered by the research. As a motivational incentive the function can be created on a commission basis. Most respondents of the resort survey think that they will attract more tourists if they have a more diverse offer. As most of the resorts already have many general facilities, water sports can be a diversification of their current offer. According to the research, user friendliness and purchase price are the two most important factors of buying a boat. Besides, the database will provide the commercial agent with information about the resorts.

The final chapter describes the steps to take for *Fisherboats* in order to adapt the oca market successfully. The plan describes an internal reorganization and a specification of tasks for the commercial agent.

- **Internal reorganization**
  - *Fisherboats* should hire more personnel. The company needs unqualified employees. It will not be hard to find in Vietnam.
  - A planning structure should be made in order to answer the current and future demand.
  - *Fisherboats* should hire a commercial agent who will sell the product in the market. This agent should be rewarded with a standard salary plus a commission as a motivational incentive.
  - The company has to make promotion materials, like a prospectus with pictures and prices of the boats and additional products / services.

- **Specification of tasks for commercial agent**
  - Visiting the possible customers in order to sell lifeboats.
  - He / she has to make use of the database with information on all the resorts.
  - Should keep in mind the results of the questionnaires (resort & tourist).
  - If possible make use of an individual questionnaire for a resort (if they have filled it out).


**PREFACE**

During the last three months I had the privilege to accomplish my Bachelor Assignment by doing an internship for *Fisherboats* in Vietnam. This gave me the possibility to get insight in the company and the country it operates in. The diversity of life, which completely differs from the Western life, was an amazing experience.

First of all I like to thank Mr. Visser for his support during my internship at his company. He provided me with all the information needed and gave insight in *Fisherboats* by taking me to a lot suppliers and customers. I also like to thank my colleague Trung who was always willing to help me in his role as a translator for phone calls, letters and conversations in Vietnamese.

The rapidness of the responses of Mr. Stienstra – my first supervisor – helped me a lot when writing this report. Therefore I like to thank him a lot. The marketing background of Mr. Constantinides proved to be a good help when I had theoretical questions concerning this subject. I am very grateful with his help.

Finally I like to thank all the people who totally unselfish helped me when doing my research, most of the times only in exchange for a cup of coffee or a simple smile.

Cảm ơn!

Ho Chi Minh City,

April 2008
# Table of Contents

## Management Summary

## Preface

## List of Figures

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.1. Research Background</td>
<td>1</td>
</tr>
<tr>
<td>1.1.1. Fisherboat Co Ltd</td>
<td>1</td>
</tr>
<tr>
<td>1.1.2. Developments in Vietnam</td>
<td>1</td>
</tr>
<tr>
<td>1.2. Problem Definition</td>
<td>2</td>
</tr>
<tr>
<td>1.3. Research Problem</td>
<td>2</td>
</tr>
<tr>
<td>1.3.1. Sub-questions</td>
<td>2</td>
</tr>
<tr>
<td>1.3.2. Research Design</td>
<td>3</td>
</tr>
<tr>
<td>1.4. Outline of the Report</td>
<td>3</td>
</tr>
<tr>
<td>2. Literature</td>
<td>4</td>
</tr>
<tr>
<td>2.1. PESTEL Analysis</td>
<td>4</td>
</tr>
<tr>
<td>2.2. Porter's 5 Forces Framework</td>
<td>5</td>
</tr>
<tr>
<td>2.2.1. Competitive Strategies</td>
<td>6</td>
</tr>
<tr>
<td>2.3. McKinsey's 7S Model</td>
<td>6</td>
</tr>
<tr>
<td>2.3.1. Hard Factors</td>
<td>7</td>
</tr>
<tr>
<td>2.3.2. Soft Factors</td>
<td>7</td>
</tr>
<tr>
<td>2.4. SWOT Analysis</td>
<td>8</td>
</tr>
<tr>
<td>2.5. Marketing</td>
<td>9</td>
</tr>
<tr>
<td>2.5.1. Target Markets</td>
<td>9</td>
</tr>
<tr>
<td>2.6. Competitive Advantage</td>
<td>9</td>
</tr>
<tr>
<td>3. Methodology</td>
<td>11</td>
</tr>
<tr>
<td>3.1. Categorization of the Research</td>
<td>11</td>
</tr>
<tr>
<td>3.2. Literature Study</td>
<td>11</td>
</tr>
<tr>
<td>3.3. In-depth Interviews</td>
<td>11</td>
</tr>
<tr>
<td>3.4. Questionnaires</td>
<td>12</td>
</tr>
<tr>
<td>3.5. Qualitative Field Research</td>
<td>12</td>
</tr>
<tr>
<td>3.6. Database</td>
<td>12</td>
</tr>
<tr>
<td>4. Data Analysis</td>
<td>13</td>
</tr>
<tr>
<td>4.1. Relevant Market Characteristics</td>
<td>13</td>
</tr>
<tr>
<td>4.1.1. Macro Environment</td>
<td>13</td>
</tr>
<tr>
<td>4.1.2. Micro Environment</td>
<td>17</td>
</tr>
<tr>
<td>4.1.3. Micro Environment</td>
<td>22</td>
</tr>
<tr>
<td>4.1.4. Online Resort Survey</td>
<td>24</td>
</tr>
<tr>
<td>4.1.5. Resort Interviews</td>
<td>24</td>
</tr>
<tr>
<td>4.1.6. Results</td>
<td>25</td>
</tr>
<tr>
<td>4.2. Market Strategy</td>
<td>25</td>
</tr>
<tr>
<td>4.2.1. Direct Marketing</td>
<td>25</td>
</tr>
<tr>
<td>4.2.2. SWOT Analysis</td>
<td>26</td>
</tr>
<tr>
<td>4.2.3. Conclusion</td>
<td>27</td>
</tr>
<tr>
<td>4.3. Competitive Advantage</td>
<td>28</td>
</tr>
<tr>
<td>5. Discussion</td>
<td>29</td>
</tr>
<tr>
<td>5.1. Market Possibilities</td>
<td>29</td>
</tr>
</tbody>
</table>
Approaching the local market for Fisherboats

5.2. CULTURE
5.2.1. CONCLUSION

6. CONCLUSIONS

7. RECOMMENDATIONS
7.1. PLAN
7.2. RECOMMENDATION FOR FURTHER RESEARCH

PERSONAL EVALUATION

REFERENCES
BOOKS
ARTICLES
ON-LINE SOURCES
LAW

APPENDIXES
APPENDIX 1 – PICTURES OF THE CURRENT PROJECTS
APPENDIX 2 – INTERVIEWS
INTERVIEW 1 – MR. NGIA
INTERVIEW 2 – MR. LE SON
INTERVIEW 3 – MR. BLOCH
INTERVIEW 4 – MS. ILES
APPENDIX 3 – SCREENSHOTS
ONLINE QUESTIONNAIRE
EXCEL DATABASE
APPENDIX 4 – QUESTIONNAIRE FOR RESORTS
APPENDIX 5 – QUESTIONNAIRE FOR TOURISTS
APPENDIX 6 – DATA ANALYSIS, QUESTIONNAIRE RESORTS
APPENDIX 7 – DATA ANALYSIS, QUESTIONNAIRE TOURISTS
APPENDIX 8 – LETTER OF APPRECIATION
# List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Map of Vietnam</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Polyester Lifeboat in production</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Literature research</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>PEST analysis</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Porter's 5 Forces Framework</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>McKinsey's 7S model</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>SWOT analysis</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Literature study</td>
<td>11</td>
</tr>
<tr>
<td>9</td>
<td>Growth comparison of Asian countries</td>
<td>14</td>
</tr>
<tr>
<td>10</td>
<td>Development of FDI in Vietnam (1999 - 2007)</td>
<td>14</td>
</tr>
<tr>
<td>12</td>
<td>Annual population growth (%) in Vietnam (2000 - 2007)</td>
<td>15</td>
</tr>
<tr>
<td>13</td>
<td>Supply chain (15/02/2008)</td>
<td>17</td>
</tr>
<tr>
<td>14</td>
<td>Distinction of buyers and end-users</td>
<td>19</td>
</tr>
<tr>
<td>15</td>
<td>International visitors to Vietnam</td>
<td>20</td>
</tr>
<tr>
<td>16</td>
<td>Company structure Lifeboats</td>
<td>22</td>
</tr>
<tr>
<td>17</td>
<td>Response rates</td>
<td>24</td>
</tr>
<tr>
<td>18</td>
<td>From mass marketing to a direct marketing approach</td>
<td>26</td>
</tr>
<tr>
<td>19</td>
<td>SWOT analysis</td>
<td>26</td>
</tr>
<tr>
<td>20</td>
<td>Confrontation matrix</td>
<td>27</td>
</tr>
<tr>
<td>21</td>
<td>Discussion</td>
<td>29</td>
</tr>
</tbody>
</table>
1 INTRODUCTION

1.1 Research background

In this chapter the reader will be introduced to the company Fisherboats and its current projects. The developments in Vietnam, which are rather promising, can be seen as an opportunity for the company in approaching the local market. Fisherboats wants to do this with a relative new product; a polyester lifeboat. Due to the lack of a decent marketing and sales department there is no knowledge available about the current market situation. This research gives insight in possible new markets for approaching the local market with a polyester lifeboat.

1.1.1 Fisherboats Co. Ltd.¹

Fisherboats was established in 1995 in Bình Dương, Vietnam. This is right next to Ho Chi Minh City, the economic capital of Vietnam. The company was founded by Jan P. Vissen and a Vietnamese national whom Mr. Vissen met during his voluntary work with Vietnamese boat refugees in The Netherlands. With his maritime background from the University of Delft Mr. Vissen decided to start a company in wooden boat construction in Vietnam.

In the mid nineties Vietnam was a country which was still not very open to the rest of the world and hesitant to permit foreign companies. The start-up years soon proved very difficult under the communist regime. The government and the huge cultural gap between the Dutch and Vietnamese owed down production resulting in a low sales volume. At the beginning of 2000 the situation began to improve allowing a more stable organization.

Now after more than a decade the company is no longer a Dutch-Vietnamese joint venture, but fully owned by Dutch investors with Mr. Vissen responsible for daily management. Changing from the occasional building of boats in the mid nineties the order portfolio has become increasing y full, putting stress on the capacity of Fisherboats. The company currently employs over 30 people of which the majority is production staff.

Fisherboats is specialized in customized boats. Together with the customer ideas are being transformed into designs and designs into real boats. This essentially means that most of the boats are custom projects and are not likely to be built again. The strength of Fisherboats is the combination of high skilled labor for acceptable costs. Most of the work is specialized handicraft, which would be costly in Western Europe. By producing in Vietnam, customized boats are made available to a larger customer group. Currently Fisherboats proffirates itself with the unique technique of a combination of wood and stainless steel to build the hull. By making the submerged part of the hull of stainless steel boats requires much less maintenance than boats of the competition. Besides boats of wood and stainless steel, Fisherboats also produces boats of steel and polyester. Recently, the company collaborated with a Vietnamese shipyard, named Nguyễn. In cooperation with this yard, Fisherboats will build 22 hotel boats and a 32-meter sailing boat, both for the local market. Besides these projects, the company has some other projects in its portfolio².

1.1.2 Developments in Vietnam

Fisherboats mentions a couple interesting developments in which it wants to participate. The development of Vietnam in comparison with other Asian countries shows a great potential. The

¹ Vissen, J.P., 2008
² Appendix I Pictures of the current projects
Approaching the local market for Fisherboats

Vietnamese economy has grown on average 7.29% in the last 10 years\(^3\). The GDP (Gross Domestic Product) raised from 31.2 billion in 2000 to 52.9 billion in 2005 and 60.9 billion in 2006; an enormous growth\(^4\). Dutch traders and investors are participating in these developments. In 2005, the total trade volume between The Netherlands and Vietnam reached 710 million Euros.

Ho Chi Minh City developed itself as economic capital of Vietnam with an interesting future perspective; the city has great potential for the coming years. Besides, the coastal area has lots of possibilities. Compared with other countries in the region, like Thailand, Cambodia and Indonesia, the offer of water sports is still underdeveloped.

1.2. Problem definition
Fisherboats wants to participate in this growth and these possibilities by adapting the local market with a relative new product: polyester lifeboats for coastal as well as inland navigation.

The company likes to know what the current possibilities are for approaching the local market with a polyester lifeboat. The mall of this boat has already been made, and used for two orders in the Netherlands.

The company has a lack of a decent marketing and sales department. Besides, there is no knowledge available about the current market situation. Future sales depend on individual orders, which threatens the stability of the organization.

A market study in Vietnam that describes the complete process from purchase until sales will assist Fisherboats in defining their marketing strategy. By doing this research a business plan for the described new products will help the company in selecting the best way to approach the local market.

Fisherboats wants to confirm their strategic position and adapt where necessary. Furthermore they want to know what the possibilities are for growth, as nowadays the Vietnamese market is very advantageous.

1.3. Research problem
In chapter 1.2 the current problems of Fisherboats are described. In order to react in a right way to these problems the company wants to have an answer on the following research question.

“What is the right marketing strategy to create competitive advantage, in order to obtain growth, sustainability and finally market success regarding the market of polyester lifeboats in Vietnam?”

1.3.1. Sub questions
The research problem will lead to the following sub questions. Finally, these questions have to answer the research question as set in chapter 1.3.

What do we understand by market strategy?

---

\(^3\) International Monetary Fund, 2007
\(^4\) The World Bank Group. Vietnam Data Profile
When does a company have a competitive advantage? And is this currently the case for Fisherboats?

What are the relevant characteristics of the market regarding polyester boats?

1.3.2 Research design

In order to answer the research problem the research has split up in smaller subjects, which cover altogether the broader topic of the research.

The study starts with a general description of Fisherboats and its environment. It will give insight in the business their operating in and the internal structure of the company. The current marketing system being used is discussed by showing the strengths and weaknesses.

After this general company description insight will be given about the environment of Fisherboats. The external environment will play a role in setting up business, in this case in the local market of Vietnam. Therefore we need to understand the developments and the current impact of the domestic and international environment to determine the local market for polyester lifeboats. The market is split up in three different segments (macro, meso, micro) which all have their own characteristics. Moreover, global trends can possibly be a forecast to local developments in Vietnam. The position of Fisherboats in its branch can play a role in their market success. The internal organization of the company can possibly influence the market success of the polyester lifeboats. Therefore these factors have to be observed so that their role in the process can be determined.

In order to get insight in the characteristics of the possible customers and with that the market possibilities, a study will be done to map the demand for boats and water sports in general and polyester lifeboats in particular.

This research helps to define which threats and opportunities the company faces. By knowing these facts the current marketing strategy can be adapted in order to reach the best possible market success.

1.4. Outline of the report

This report will describe the research done for Fisherboats from February until April 2008. This first chapter gave the reader background information about the company. The problem was made clear and the research design was defined.

In the second chapter the theories used as a framework for this research are being described. These models outline the research, which starts with a general description of the company to a specific exertion of the research problem.

The methodology being used for this research is described in the third chapter. The in-depth interviews, questionnaires, field research and theory study will be explained.

In the fourth chapter the data analysis will be described. On the basis of the literature as described in chapter 2, a data analysis is done in order to answer the research questions.

The first bridge to the conclusions is being made in chapter 5. A discussion will give insight in the market possibilities and make a note to the methodology used.

The conclusions and recommendations are given in the last two chapters. The conclusion will be formulated on the basis of the research question. Recommendations are given to Fisherboats what to do after this research. Besides, there are made some suggestions for further research.

The report concludes with a personal evaluation, which gives a reflection on my personal behavior during this internship.
2. **LITERATURE**

In order to answer the research questions and finally the research problem an analysis is done in four different steps. This will construct a framework for the solution of the research problem and provide support for the recommendations in chapter 7. The environment of Fisherboats will be described in three essays: starting from the general into the company specific. All factors are specified for the subject of the research: approaching the local market with the polyester lifeboats. After every paragraph the specific conclusions can be found, which finally will be integrated in a SWOT analysis as described in chapter 2.4.

![Diagram](image.png)

**Figure 3 - Literature research**

2.1. **PESTEL analysis**

For the description of the macro environment a PESTEL analysis is being used, which will indicate the positioning of the polyester lifeboats in its market. The listed influences of possible success or failure will be adapted in the SWOT analysis (paragraph 2.4). For Fisherboats it is important to analyze how the different factors change now and in the future.

The model is chosen for the wide overview it generates on the macro environment. A PESTEL analysis is often used for new market entry strategies as an environmental scanning method. Because of its close connection to the analysis of strengths and weaknesses, the model can perfectly be used in the whole framework as presented in chapter 2.

PESTEL is an acronym for the political, economic, socio-cultural, technological, environmental and legal forces. Sometimes not all the six subjects are described (for example only PEST), but in this case the environmental (E) and legal (L) forces probably have an important role.

<table>
<thead>
<tr>
<th>Political (incl. Legal)</th>
<th>Economic</th>
<th>Social</th>
<th>Technological</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental regulations and protection</td>
<td>Economic growth</td>
<td>Social responsibility</td>
<td>Government research spending</td>
</tr>
<tr>
<td>Tax policies</td>
<td>Interest rates &amp; monetary policies</td>
<td>Demographics, Population growth rates, Age distribution</td>
<td>Industry focus &amp; technological effort</td>
</tr>
<tr>
<td>International trade regulations and restrictions</td>
<td>Government spending</td>
<td>Labor / social mobility</td>
<td>New inventions &amp; development</td>
</tr>
<tr>
<td>Contact enforcement / Consumer protection</td>
<td>Unemployment policy</td>
<td>Lifestyle changes</td>
<td>Rate of technology transfer</td>
</tr>
<tr>
<td>Employment laws</td>
<td>Taxation</td>
<td>Work / leisure attitudes</td>
<td>Life cycle &amp; speed of technological development</td>
</tr>
<tr>
<td>Government organization / attitude</td>
<td>Exchange rates</td>
<td>Education</td>
<td>Energy use &amp; costs</td>
</tr>
<tr>
<td>Composition regulation</td>
<td>Inflation rates</td>
<td>Finances, houses</td>
<td>Changes in Information Technology</td>
</tr>
<tr>
<td>Political Stability</td>
<td>Stage of the business cycle</td>
<td>Health consciousness &amp; well-being</td>
<td>Changes in Internet</td>
</tr>
<tr>
<td>Safety regulations</td>
<td>Consumer confidence</td>
<td>Safety</td>
<td>Changes in Mobile Technology</td>
</tr>
</tbody>
</table>

**Figure 4 - PEST analysis**

The schedule above gives an example of factors, which can be discussed on the basis of a PESTEL analysis. Instead of making an eternal list, the key drivers for change should be kept in mind. These are “environmental factors that are likely to have a high impact on the success on failure of a strategy”. The key drivers differ for each specific business.

---

*Business Ball, 2008*
*Johnson, G., 2008*
*Johnson, G., 2008*
2.2. Porter’s 5 Forces Framework

The 5 Forces Framework of Porter\(^5\) will provide insight in the position of Fisherboats in its branch. This will help to define the strategy on a business-level. The framework will give insight in the competitive action of the business unit and will help to define the company’s strategy.\(^6\) The forces help determine the company’s position to its competitors in the industry environment.

As the model was originally designed as a way of assessing the attractiveness (profit potential) of different industries\(^7\) it is especially useful for this research. The different forces can easily be adapted into the SWOT analysis at the end of this chapter. Although the model is rather old (1980) it is still very useful for describing an industry. Nevertheless, the relative new developments of e-commerce and Internet combined with the outrageous globalization should be kept in mind. These factors are not yet mentioned in the model of Porter.

![Diagram](attachment:5_forces.png)

**Figure 5**  Porter’s 5 Forces Framework

Porter uses five different forces to describe the meso environment. The cumulative result of these different factors influences the market position of a company.

The first factor described by Porter is the threat of entry, or in other words the potential entrants. The size of this threat is defined by the extent to which there are “barriers to entry”. According to Johnson and Scholes\(^8\) these are “factors that need to be overcome by new entrants if they are to compete successfully”. We can think of a lot barriers like economies of scale, capital requirement, access to supply or distribution channels, experience, etc.

The second factor is the threat of substitutes. These are alternatives, which can be used by customers instead of the product or service that is being offered. This depend on the fact whether the new product or service is able to provide a higher benefit or value then the product or service offered.

The power of suppliers and buyers are described as third and fourth factor. They are considered together because of their “similar effects in constraining the strategic freedom of an organization and in influencing the margins (...) of that organization”. There are three conditions when the supplier power is likely to be high.\(^9\) First when there is a concentration of suppliers, instead of a fragmented source of supply. Second, when the switching costs from one to another supplier are high. And finally, there is the possibility in which the suppliers are.

---

\(^5\) Porter, M., 1980
\(^6\) Daft, R., 2000
\(^7\) Johnson, G., 2006
\(^8\) Johnson, G., 2006
\(^9\) Johnson, G., 2006
Approaching the local market for *Fisherboats*

competing directly with their buyers. According to Daft\textsuperscript{14}, the bargaining power of suppliers is an important factor. "The concentration of suppliers and the availability of substitute suppliers are significant factors in determining supplier power." The power of the buyers depends on comparable issues: buyer concentration, switching costs and the threat a supplier is being acquired by the buyer (backward integration).

The last factor Porter mentions is the competitive rivalry, or in other words the influence of the industry competitors. Competitive rivals are "organizations with similar products and services aimed at the same customer group". This degree of rivalry is influenced by a number of factors: both internal and external as well.

2.2.1. **Competitive strategies**

The five forces as described above are the basis to build a competitive strategy on, according to Porter\textsuperscript{15}. He suggests that the company can now choose one of three strategies: differentiation, cost leadership or focus.

<table>
<thead>
<tr>
<th>1. Cost Leadership</th>
<th>2. Differentiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3A. Cost Focus</td>
<td>3B. Differentiation Focus</td>
</tr>
</tbody>
</table>

With differentiation the organization "seeks to distinguish its products or services from competitors." With this strategy a brand loyalty will raise with the customers.

With cost leadership the company chooses a strategy purely based on costs. "The organization aggressively seeks efficient facilities, cuts costs, and employs tight costs controls to be more efficient than competitors."

The last strategy mentioned is a focus strategy. In this strategy the organization chooses to focus on a specific regional market or buyer group. The company has either to choose a differentiation strategy or a cost strategy, but puts its focus on a small part of the market.

2.3. **McKinsey’s 7S Model**

The structure of the internal organization from *Fisherboats* is described on the basis of McKinsey’s 7S Model. This will provide insight in the quality of the performance of the organization. The factors describe how to organize a company in an effective way. Interesting to mention is the fact that the model has its origins in Asia, as it was first mentioned in "The Art of Japanese Management" by Richard Pascale and Anthony Athos (1981). The model is chosen because of its strength to guide organizational change. As *Fisherboats* nowadays focuses on the European market, the company has to change to adapt the local market.

The 7 factors (all beginning with an "s") are divided in three hard factors (rational) and four soft factors (emotional). According to the authors\textsuperscript{16}, these factors should be integrated in order to achieve the collective goals set. As we can see in the figure below, all factors are interdependent.

\textsuperscript{14} Daft, R., 2000
\textsuperscript{15} Daft, R., 2000
\textsuperscript{16} Pascale, R.T., 1981
2.3.1 Hard factors

With structure, the authors of the McKinsey model mean the organizational structure. According to Daft, these structural factors can be divided in an organic or mechanistic structure. The first one implies a flexible structure in which the organization is well able to adapt to environmental changes. The last one is a hierarchical structure that is characterized by “rigidly defined tasks, many rules and regulations, little teamwork, and centralized decision making”.

With strategy “the plan of action that prescribes resource allocation and other activities for dealing with the environment and the organization attain its goals” is meant. It describes the short- and long-term plan for the organization. According to Daft, the strategy is dealt up in three layers of analysis: corporate, business and functional. All these layers have their own strategy.

The systems used within an organization can be very diverse. Generally spoken, “a set of interrelated parts that function as a whole to achieve a common purpose” can be seen as the definition. “A system functions by acquiring inputs from the external environment, transforming them in some way, and discharging outputs back to the environment.” Daft makes a distinction between open and closed systems.

2.3.2 Soft factors

The first soft factor of the 7S model is the shared values of an organization. These values of the company will be expressed in the organizational culture. According to Sanders, the organizational culture is defined by “the collective understanding from the members and the interested parties of the company. This understanding will define the way in which daily business is executed.” A shared vision combined with shared goals will put the noses in the same direction. Creating a shared vision is one of the most important functions of a leader, according to Daft.

With skills two subjects are meant. On the one hand the (technical) skills of the laborers, who have to produce a product or service. On the other hand the management skills are meant.

---

1 Daft, R., 2000
2 Daft, R., 2000
3 Sanders, G., 1997
According to Daft these are split up in three different areas. The conceptual skill is "the ability to see the organization as a whole and the relationship among its parts." The human skill is "the ability to work with and through other people and to work effectively as a group member." And finally, the technical skill is "the understanding of and proficiency in the performance of specific tasks." Johnson and Scholes\(^2\) mention that strategic capability is concerned with "the resources and competences that an organization can use to provide value to customers and clients."

A manager can take different roles, divided in three categories of management styles\(^3\). The first role is informational, in which the manager is mostly busy with maintaining and developing an information network. The second role is interpersonal, which add to the previous mean in manager roles. Human skills are a key factor in this specific role. The last is decisional, in which the manager is responsible for taking decisions.

With the term staff McKinsey mentions a broader term than the couple of staff functions for the management. Instead, the compete labor force of the organization is described by this last soft factor.

### 2.4. SWOT analysis

To identify the Strengths, Weaknesses, Opportunities and Threats, a so called SWOT analysis\(^4\) is held to reflect the theoretical research of the macro, meso and micro analysis. The Strengths and Weaknesses are internal factors, which can be controlled by the company. The external factors - Opportunities and Threats - cannot be influenced by the company, but should nevertheless be taken into account.

![SWOT Analysis Diagram]

**Figure 7 - SWOT analysis**

According to Johnson and Scholes\(^5\), a SWOT analysis "summarizes the key issues from the business environment and the strategic capability of an organization that are most likely to impact on strategy development." The SWOT analysis can be used as a basis to judge future strategic choices. "The aim is to identify the extent to which the current strengths and weaknesses are relevant to, and capable of, dealing with the threats or capitalizing on the opportunities in the business environment."

The aim of this tool is finding a fit between the organization and its market. By matching the firm's Strengths and Weaknesses to Opportunities and Threats a sound strategy can be found.

---

\(^1\) Johnson, G., 2006
\(^2\) Mintzberg, H., 1971
\(^3\) Wi, B. do, 2008
\(^4\) Johnson, G., 2006
According to De Wit: “the key to success is alignment of the two sides”. By doing this the four factors can be adapted to the market demand.

The Threats and Opportunities can be defined on the hand of strategic gaps. These are “opportunities in the competitive environment that are not being fully exploited by competitors”. Strategic gaps can be identified with the help of Porter’s five forces model (paragraph 2.2), where rivalry is low. With the concept of strategic gaps, Johnson and Scholes mention six types of opportunity. For the market: of polyester life boats two kinds of opportunities are important. First of all there is the targeting of buyers, As the lifeboat is a relative new product for Vietnam it is important to know the characteristics of the customer group. “They might be willing to pay more for a safe product on service than the usual buyers”. Besides, the authors mention the opportunities in new market segments. This can be interesting for Fisherboats when entering the new market.

2.5. Marketing

On the basis of the literature in the previous chapters, a description of the market in which Fisherboats operates will be given. This chapter will disclose the theoretical background of marketing. According to Kotler, marketing is “typically seen as the task of creating, promoting, and delivering goods and services to consumers and businesses.”

Since the 1920s a lot of research is done in order to measure the results of a marketing campaign and its long-term effects. A aspect of planning, the marketing mix and the idea of targeting the consumer arose in this period. Lots of authors tried to make marketing into a professional scientific discipline.

Several big companies became famous because of their impressive marketing campaigns. Brands like Coca Cola, Apple and Microsoft are well known all over the world because of their billion costing marketing departments. For smaller companies this is not an option. Besides the fact that their budget for certain campaigns is not sufficient is such a mass instrument often not the best option for promoting their goods or services.

2.5.1. Target markets

Before the industrial revolution markets operated in clearly defined geographical spaces at clearly defined times. Advertisement changed and markets became more open since. In several ways the marketers split up the market, in order to adapt their marketing to specific wishes of customers. In the consumer market different classifications can be seen, for example men, women, boat enthusiasts, etc. Besides, there can be seen a segmentation in geography (local, national, regional, international).

For each target market a firm develops an adapted product that meets the preferences of the buyers. Therefore the firm has to understand the target market needs, wants, and demands.

“A product or offering will be successful if it delivers value and satisfaction to the target buyer.”

2.6. Competitive advantage

According to Hayes the world strategy originally comes from the Greek word for generalship as it was used only in warfare. It refers to “the establishment of objectives, the setting of direction, and the development of plans”.

As the word strategy is used in multiple contexts Hayes makes a distinction on three different types. The first one is the corporate, which defines the industries and markets in which

---

\(^{24}\) Wit, B. de, 2008

\(^{25}\) Johnson, G., 2006

\(^{26}\) Kotler, P., 2002

\(^{27}\) Brierley, S., 2006

\(^{28}\) Brierley, S., 2006

\(^{29}\) Kotler, P., 2003

\(^{30}\) Hayes, R., 2005
the company participates. The second level is associated with the different Strategic Business Units (SBU’s) of the company, usually a division or a product line. Each SBU can have its own strategy which defines the scope of that business and “how it proposes to ‘position’ itself within its particular industry so as to achieve and maintain a competitive advantage”. The last level is composed of functional strategies, “which support the type of competitive advantage being pursued”. According to Hayes, a typical SBU might have four of such functional strategies: a marketing/sales strategy, an operations strategy, a financial/control strategy and a research/development strategy.
3 \hspace{1em} \textbf{METHODOLOGY}

For this report research methods are used as described by Saunders, Lewis and Thornhill. The different methods described in this chapter resulted in an adequate and reliable view of the current market situation. This chapter will describe the different methods used.

According to the authors the population is "the complete set of cases or group members". For this research it will be the total Vietnamese population. As will be discussed in chapter 4.1.2.4 the buyers are divided into three groups, because of the expected similarities in their attitude to water sports. Within these sub-populations sampling took place. A sample is a "subgroup on part of a larger population".

3.1. \hspace{1em} \textbf{Categorization of the research}

The research can be categorized as an observational study. The study is non-experimental, as the units of analysis are not manipulated. The respondents are not receiving any intervention, but are only observed in their behavior or being asked questions.

For designing the theoretical framework a population is selected. The analysis puts its focus on the possibilities with resorts. This is done for a couple of reasons. The group is easy to access and has a limited number of units to analyze. Above all, this group of buyers can be very important according to the information from the in-depth interviews.

3.2. \hspace{1em} \textbf{Literature study}

As described in chapter 2 the research began with a literature study. The research problem is subdivided in three eyes of analysis: macro, meso and micro. The outcome of these analyses will be used as basis to define the market strategy.

![Figure 8 - Literature study](image)

The different models used will define the variables of the different markets to describe.

The models used are:
- PESTEL analysis
- Porter’s 5 Forces Framework
- McKinsey’s 7S Model
- SWOT analysis

3.3. \hspace{1em} \textbf{In-depth interviews}

In order to gain a general area of water sports in Vietnam and the Fisherboats Company several in-depth interviews were held. An in-depth interview is "an open-ended, discovery-oriented method." These non-directive conversations give the opportunity to freely talk about the beliefs and behavior in respect to the local market of polyester boats. These unstructured interviews will define the focus of the further research.

- Mr. Ngia – Director of Saigon Yachts
  As Fisherboats wants to approach the market with polyester lifeboats, we should get a broader knowledge about this material.

---

\(^{3}\) Saunders M., 2007  
\(^{v}\) Guin, L., 2008
Mr. Le Son – Commercial Officer of General Consulate of The Netherlands
In order to get a better view about the political forces within Vietnam an interview is planned with the Dutch Consulate. Besides knowledge about these politics, the Consulate can introduce us to other Dutch companies who are possibly interested in water sports.

Mr. Bloch – Marketing Manager of Alto Marine
Alto Marine operates in the same market as Fisherboats is planning to. But in contrast with Fisherboats the company has another customer group. On the basis of this interview more insight should be obtained about the market of water sports and sailing in particular. The reliability should be considered, as Alto Marine also operates in the same market. As they see great possibilities they will not declare this.

Ms. Iles – Public Relations of Saigon Yacht Club
The Saigon Yacht Club is already a couple of years busy of promoting sailing in Vietnam. They can probably inform us about the demand for boats and the possible problems.

Besides the interviews mentioned the employees of Fisherboats are willing to cooperate in interviews as well. This will give more insight in the internal structure of the company.

### 3.4. Questionnaires
Based on the results of the in-depth interviews some questionnaires will be formulated for different sub-populations. A questionnaire is a “general term including all data collection techniques in which each person is asked to respond to the same set of questions in a predetermined order.”

Several methods will be used to collect the data:
- online questionnaire (questionnaire delivered via the Internet)
- interviewer-administered questionnaire (interviewer reads the same set of questions to the respondent in a predetermined order and records the responses)

In order to reach a valid research, Babbie\(^\text{33}\) uses a minimum of 50 respondents. To collect reliable data the questionnaires have to fulfill this minimal requirement.

### 3.5. Qualitative field research
Observing the action of the employees and staff of Fisherboats will be done in a so-called qualitative field research\(^\text{34}\). This qualitative technique will give insight in the operational exercises of the organization.

During the internship I was introduced to the employees as intern. While walking around at the office and the shipyard, none of the workers felt to behave socially correct or any different then they were used to do. This gave the research a rather high validity and reliability.

### 3.6. Database
The general information of the nearly hundred resorts in Vietnam will be collected in a database\(^\text{35}\), which provided a decent basis for the market description. This database will be filled with the following information:

- resort name
- group name
- contact information (email, phone, address)
- region
- star rate
- availability of general facilities (swimming pool, spa, massage, conference room, etc.)
- availability of water sport facilities (banana boat, boat trips, jet-ski, sailing, etc.)

---

\(^{33}\) Babbie, E., 2001
\(^{34}\) Babbie, E., 2001
\(^{35}\) Appendix 3 – Screenshots, Excel database
4 DATA ANALYSIS

The previous chapters gave a description of the theoretical basis and the methodology used. This chapter will give insight in the outcomes of the research done for Fisherboats, by answering the sub questions as set in chapter 1.3.1:

What do we understand by market strategy?

When does a company have a competitive advantage? And is this currently the case for Fisherboats?

What are the relevant characteristics of the market regarding polyester boats?

The first paragraph will give insight in the relevant market characteristics of the market of polyester lifeboats. The next paragraph describes the required market strategy on the hand of a confrontation of the SWOT analysis. The final paragraph will describe how Fisherboats is able to gain competitive advantage in the market of polyester lifeboats.

4.1 Relevant market characteristics

Vietnam is a country with a rapid developing market, since it got out of the socialistic regime in 1987. Nowadays the nation is politically stable and faces an economy with great potential. Especially the tourist sector shows enormous possibilities.

Fisherboats has in its direct environment remarkable few competitors in a comparable product. Although the offer of water sports in general is rather various, still not many boat producing companies are established in Vietnam. Water sports and especially sailing is still in development, which can be seen in the lack of harbors and political support.

Within this research a distinction is made between the macro, meso and micro environments. The relevant characteristics are being described in this chapter. The choices made are based on the theory as described in chapter 2.

4.1.1 Macro environment

4.1.1.1 Politics

In 1975 after the end of the war between Vietnam and the United States of America visitors rarely did go to Vietnam for travel or business. Until 1986, when the Sixth Party Congress of Vietnam introduced an economic reform policy called doi moi, which is Vietnamese for renovation. From then, restrictions on investment by the private sector were removed. Since 1987 the tourism industry developed rapidly, thanks to the doi moi. Besides, the stability of the country’s politics made the developments of the tourism possible.

Since the economic reform of the mid-1980s the tax policy for Foreign Direct Investments (FDI) were radically adapted. According to Yui, the Foreign Investment Law, the Private Enterprise Law and the Company Law were all adapted around 1990 to the new economic structure. These regulations made it easier for foreign companies to invest which lead to a high economic growth in the 1990s. During the second phase of the reform the tax system was reformed. Nowadays the government is planning to carry out the third phase of a full-fledged tax reforms.

According to Le Son, the Ministry of Planning and Investment (MPI) is currently responsible for the investments being done. On a more local level, the decisions are made by the Departments of Planning and Investment (DPI). Mattner states that the last years these local governments are becoming more influential. These political influences can play a role, when watersports are developing.

---

\(^{*}\) Maay, C., 2000

\(^{\text{y}}\) Yui, y., 2007

\(^{\text{z}}\) Appendix 2: Interview with Mr. Le Son

\(^{\text{k}}\) Mattner, M., 2004

---
Another important factor of current politics unfortunately remains corruption. Although the government is trying to set a statement by prosecuting big corruption cases, it still remains a problem in the current situation. In all political layers, numerous officials are still corrupt. Doing business in Vietnam automatically involves the fact that bribes have to be paid, in order to prevent serious delays.

4.1.1.2. Economic

The development of Vietnam in the last decade is often compared with the development of China. A good way to show this growth is by examining the country’s Gross Domestic Product (GDP), which is “the value of all final goods and services produced in a country in one year.”

In the figure below, the increase of the GDP of seven Asian countries is being listed. In order to get a better comparison the numbers are based on a Purchasing Power Parity (PPP) conversion factor. “The PPP conversion factor shows how much of a country’s currency is needed in that country to buy what $1 would buy in the United States […] PPP helps us compare GDPs of different countries more accurately, while taking into account the difference in domestic prices for the same goods.” As the figure shows, the growth of Vietnam was very stable during the last ten years.

Figure 9 - Growth comparison of Asian countries

Another way of showing the potential of Vietnam is by its Foreign Direct Investments (FDI), which is “a component of a country’s national financial accounts. Foreign direct investment is investment of foreign assets into domestic structures, equipment, and organizations. It does not include foreign investment into the stock markets.”

In 2007 even percent of the FDI was used for investments on Hotels & Tourism projects, which was 1,964 million US$. In Figure 10 we can see a tremendous growth since 2004. According to the Ministry of Planning and Investment nowadays 82 different countries are responsible for these investments, with the United States as biggest investor.

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1568</td>
<td>2612</td>
<td>2503</td>
<td>1557</td>
<td>1512</td>
<td>2084</td>
<td>5300</td>
<td>10200</td>
<td>17855</td>
</tr>
</tbody>
</table>

Figure 10 - Development of FDI in Vietnam (1999–2007)

As Fisherboats nowadays obtains a part of its competitive advantage from labor costs, inflation is another important issue to take into account. As the prices for food, fuel and construction

---

*The World Bank Group, Vietnam Data Profile
*About Economics, Glossary
material increase\(^{46}\), the wages for the laborers also have to be adapted. If the inflation is higher than in other countries it will involve a loss of competitive advantage on cost price. The inflation is being expressed by the Consumer Price Index (CPI). This is a method that “measures how much the price of a basket of consumer goods has changed over a given time period\(^{29}\).” In the figure below the development of the Vietnam’s CPI is compared with that of The Netherlands. The year 2000 is used as start where the index is set at 100.

<table>
<thead>
<tr>
<th>year</th>
<th>Vietnam</th>
<th>The Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>2001</td>
<td>102.6</td>
<td>104.3</td>
</tr>
<tr>
<td>2002</td>
<td>104.3</td>
<td>107.6</td>
</tr>
<tr>
<td>2003</td>
<td>115.9</td>
<td>110.1</td>
</tr>
<tr>
<td>2004</td>
<td>125.5</td>
<td>123.3</td>
</tr>
<tr>
<td>2005</td>
<td>134.9</td>
<td>114.1</td>
</tr>
</tbody>
</table>

Figure 11 – Development of the Consumer Price Index (2000 – 2006)

4.1.1.3. Socio-cultural

Describing the social factors of Vietnam will give an insight in the current situation of the country. Fishermen need to be aware of these facts when they approach the local market.

According to the article of Stocking\(^{47}\), the consumer buying patterns changed since the late 1980s, when the government introduced the free-market reforms. Since the market is open for foreign companies the offer on the market has changed radically. The new generation Vietnamese like to show their richness by buying luxurious products.

Compared with the rapid population growth in the 80s and 90s Vietnam now faces a decrease in population growth. This is caused by the Vietnamese birth control program which promoted “one or at most two children” as launched officially in 1982\(^{29}\). This program implied cash awards for couples with only one child and payments for sterilization after the birth of a second child. In order to discourage family planning birth registration fees has been introduced.

The distribution of the population is uneven as lots of people live in the urban regions. In the relative small metropolitan area of Ho Chi Minh City (Saigon) live around nine million people, which is more than 10% of the total population\(^{30}\).

Figure 12 – Annual population growth (%) in Vietnam (2000 – 2007).

4.1.1.4. Technological

There is a big variety of techniques being used in Vietnam. On the range from basic handicraft until high tech is everything available. The country offers mass production companies with an enormous number of employees but also small sized enterprises with one or two laborers.

For the production of the lifeboats polyester is one of the most important supplements. There are numerous polyester producing companies which use state of the art techniques for all kind of products: bath thums, pools, furniture, boats, etc.

\(^{46}\) McCool, 2008
\(^{47}\) About Economics, Glossary
\(^{48}\) Stocking, 2007
\(^{49}\) Fraser, S., 1988
\(^{30}\) The World Bank Group, Vietnam Data Profile
Approaching the local market for *Fisherboats*

There are several techniques being used for making a product. Most well known is by hand lay-up. This technique – also used by the current supplier of *Fisherboats* – places mats to impregnate on a mall. By repeating this process a couple of time the thickness of the boat is determined. The quality of the mall is very important as every unevenness can be seen in all the products produced.

Another technique is by using vacuum to put the polyester resin on the mall. This process is much faster but enlarges the chances for failure. For the production of polyester boats it is still not common.

4.1.1.5. Environmental

Mok\(^{51}\) states that the tourist sector has a high market potential to become a major industry. But through lack of strategic planning and control by the Vietnamese government, the process of becoming a major tourist industry was not executed fluidly. The hotels built in the 90s in Hanoi and Ho Chi Minh City are facing a low occupancy. Nowadays, the government focuses on investments like entertainment parks and golf courses.

According to the United Nations Conference on Trade And Developments (UNCTAD)\(^{52}\) the environmental factors play an important role to achieve rapid and sustained export growth. There can be an important role for the government and the business community as well to take advantage of the niche markets the environment offers. Already in 1996 a workshop attended by the Ministry of Fisheries and the Vietnam National Environment Agency (NEA) expressed interest in tourism activities and marine resources.

4.1.1.6. Legal

The protection of Intellectual Property (IP) is a main issue in Vietnam. In this case the design of the polyester lifeboats have to be protected. In his article\(^{53}\), Dzung concluded that the Vietnamese IP system is in its early stage of development but already shown strong protection to inventors. Investors can feel secure that their technologies will be effectively and fairly protected in order to help them recover their substantial investments. But despite these statements, companies still find their products being copied on the Vietnamese market. As the market for polyester lifeboats is different from for example the shoe market, the approach of protecting the Intellectual property should also divers.

Another important legal issue is the Vietnam Maritime Code\(^{54}\). This law is mainly mentioned for the bigger industrial vessels but is also used for leisure boats. This law states amongst others that a minimum of three people are required to sail on a boat: a shipmaster and two deckhands. This may sound logical but for a small sized lifeboat it is ridiculous. Besides this article many other regulations are mentioned. The boat has to be recorded in the “Vietnam National Registry of Ships”.

4.1.1.7. Conclusion

The PESTEL analysis gives insight in the general environment of *Fisherboats*. Some of these factors play a role in approaching the local market. Politics will define the degree of attention to the tourism industry. More attention will almost automatically lead to more market possibilities, however this factor is not influenceable. The growth of the Vietnamese economy is an opportunity for approaching the local market. The development of the economy and the growth in number of tourists give *Fisherboats* the opportunity to put their lifeboat in the market.

A possible threat is the protection of the design of the lifeboat. Although there is some regulation about this issue, the Vietnamese copy mentality is still very common. The company should keep in mind the consequences this mentality implies for their production organization.

---

\(^{51}\) Mok, C., 2000  
\(^{52}\) UNCTAD, 2008  
\(^{53}\) Dzung, N.N., 2007  
\(^{54}\) Vietnam Maritime Code, 2008
The macro environment in a nutshell:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Steady growth of GDP since 2001. Enormous growth of FDI (103.8% in 8 years).</td>
</tr>
<tr>
<td>Socio-cultural</td>
<td>Changed consumer buying patterns since free-market reforms. Decline of population growth due to birth control program.</td>
</tr>
<tr>
<td>Technological</td>
<td>Po yestern production with a new market.</td>
</tr>
<tr>
<td>Environmental</td>
<td>Rapid growth of the tourist sector.</td>
</tr>
<tr>
<td>Legal</td>
<td>Problems with protection of intellectual property (IP). Complicated Maritime Law.</td>
</tr>
</tbody>
</table>

4.1.2. Meso environment

The 5 Forces model of Porter\(^\text{TM}\) describes the meso environment in order to define the position of Fisherboats in its branch. Chapter 2.2 describes the lack of attention for new developments like Internet and e-commerce in the model. Nevertheless, the research shows that these factors only pay a negligible role.

This chapter describes the suppliers, buyers, new entrants, substitutes and competitors of Fisherboats. In chapter 4.1.2.6 the main factors are summarized, which influence the strategy on a business level.

4.1.2.1. Suppliers

![Supplier diagram](image)

Figure 13 – Supply chain (15/02/2008)

In the schedule above, the suppliers of Fisherboats can be seen. The main process of the company is the assembly of the several parts. Some parts like the teak flooring are made by the company itself; others are bought from external parties.

The most important parts of the lifeboats are the po yester parts (made by Saigon Yachts) and the motor. Other accessories are bought at several places which have a variable offer. This imparts uncertainty on the one hand but also a price advantage, as the products are relatively cheap.

\(^\text{TM}\) Porter, M., 1980
Approaching the local market for *Fisherboats*

After the lifeboats are finished they are shipped in a container to The Netherlands. The domestic transport in Vietnam can easily done by truck, as was exercised during a sailing test in Saigon.

4.1.2.2. New entrants

In the business of polyester lifeboats competitiveness is mainly based on two issues: quality and price. As mentioned in paragraph 1.1.1 *Fisherboats* already operates in The Netherlands with the polyester lifeboats. The importance of entry barriers can be defined by looking at the Dutch market. About five main players offer rather comparable products, which differ from each other only by price and quality. Because of the high similarity, customers base their decision on these two issues instead of brand identity. Therefore the economic barriers should play an important role in Vietnam when entering the market.

"Life Resorts" is a big investor that is setting up resorts at the coastal area of Vietnam. To improve the facilities of these resorts they are planning to make small sized coastal harbors and sailing boats for trips.

According to Le Son\(^56\) a new investor from the United States is coming to Vietnam to invest in harbors and boats. These are only rumours and still not officially confirmed.

The development of the Vietnamese market for water sports will probably attract more competitors. Compared to other countries in the South East Asian region the use of boats for leisure is still not common. With the coming of big investors, more resorts and a government policy adapted to the rapid growth of tourism the market will probably develop itself in the coming ten years. These opportunities will attract more producers of leisure boats, as well as importers of boats from other regional countries.

4.1.2.3. Substitutes

As mentioned before the current offer of water sports in Vietnam is still underdeveloped. For the market in Saigon there are no alternatives offered. As there is a lack of a small sized harbor no boats for leisure are available. Boat trips by bigger boats are scarcely offered. The development at the coast is a little bit further as they offer several kinds of water sports. In the following list the substitues for the polyester lifeboat are shown.

List of water sports offered in Vietnam:

- banana boat
- boat trips
- body boarding
- fishing
- golf surfing
- jet-ski
- kayaking
- kite-surfing
- parasailing
- sailing
- scuba diving
- snorkeling
- swimming
- water skiing
- windsurfing

4.1.2.4. Buyers

There should be made a distinction between the buyers and the end-users of the lifeboats. According to Brierley\(^57\), advertisers have to make a distinction between these two groups. The sales factors will be influenced by the preferences of the end-users and the buyers as well. When the research shows a demand for the lifeboats, buyers are probably willing to invest in

---

\(^{56}\) Interview 2 – Mr. Le Son

\(^{57}\) Brierley, S., 2006
these products. In some situations, the buyer and end-user are the same which is showed in the figure below.

![Diagram showing the distinction between buyer and end-user]

**Figure 14 – Distinction of buyers and end-users**

The possible end-users can be divided in three groups: local Vietnamese people, tourists and foreigners living or working in Vietnam.

**Local market**

Selling a boat to a Vietnamese is like promoting a refrigerator to an Eskimo: almost impossible. Vietnamese people do not like sunshine and are mostly not interested in water sports. Besides, a lot of people do not know how to swim. The few Vietnamese daring their lives by paddling in the sea often wear hats, shirts and are even covering their mouth. Nonetheless, the local market should not be forgotten. As the country has a population of over 85 million people, there must be potential in the upper class, which like to show their richness.

**Tourists**

Since the year 2003 the tourist industry has developed rapidly. In 2007, over 2.5 million tourists visited Vietnam.

---

* CIA, The World Factbook
* Ministry of Culture, Sports and Tourism, Vietnam Tourism
In the figure an enormous growth of tourists can be seen in the last five years, while at the same time the business only grows steady.

As mentioned before, the resorts and tourists are the main customers for Fisherboats. The offer of facilities is very broad, with water sport facilities in particular. Many kinds of sports are offered. Some times by the resorts, other times by external parties. The resorts are expecting a growth of customers while their offer is expanded. There can be seen a stronger relationship between current offers and growth expectations at general facilities than at water sport facilities in particular.

Only a slight number of resorts (6%) currently face a lack in their offer. But 30% of the resorts have thought about buying a boat in history. From the end-users (the tourists) a significant number of 41% let its choice for a certain resort depend on the presence of water sports. Of all the tourists 27% says to make a boat trip if offered.

Tourist interviews
To measure the opinion of tourists in Vietnam, a small sized survey will be kept at the beach. This survey has to provide information about the characteristics of the end-users.

In order to test the opinion of tourists about water sports, random people are asked to fill in a small questionnaire. This survey will be held at the beaches of Nha Trang, Mui Ne and Vung Tau.

| number of respondents (N) = 108 |

In order to reach a valid research, Babbie\(^\text{V}\) uses a minimum of 50 respondents. As the tourist interviews reach this number easily, the research can be seen as reliable.

According to the research, only a slight number of resorts (6%) currently face a lack in their offer. But 30% of the resorts have thought about buying a boat in history. From the end-users

\(^{\text{V}}\) Babbie, E., 2001
(the tourists) a significant number of 41% let its choice for a certain resort depend on the presence of water sports. Of all the tourists 27% says to make a boat trip if offered.

Foreigners/Expats

As described in Chapter 2.1.2, the Foreign Direct Investments grow rapidly. According to the European Chamber of Commerce in Vietnam 639 European companies are located in Vietnam, of which 40 members of the Dutch Business Association (DBAV). This group of buyers can pay an important role. On the one hand, these companies could buy a boat for their own use, for example to sail with customers. On the other hand, these foreign companies can be possible investors for boats for resorts. For example combined with advertisement or shared ownership programs.

4.1.2.5. Industry competitors

Fisherboats has in its direct environment remarkable few competitors in a comparable product. Although the offer of water sports in general is rather various, still not many boat producing companies are established in Vietnam. Water sports and especially sailing is still in development, which can be seen in the lack of harbors and political support.

Fisherboats has a rather unique position, as it is one of the few boat-building companies in Vietnam. In order to ship containers the marinas build huge vessels, but that cannot be seen as a competitive market. The boat builders of leisure boats can be counted on the fingers of one hand.

- The “Alto Marine” company mainly imports Zodiac boats from the French market. They sell their boats locally to the army as main customer. The boats are completely different from the ones Fisherboats produces, as they use an inflatable technique.

- “Corsair Marine” is an Australian owned company that has a branch in Vietnam. Except from their production they do not operate on the local market. The boats they produce are in the same range of Fisherboats as they produce yachts for leisure use.

- “Tan-Vien Dong Trading” is a Vietnamese owned company. Like Alto Marine, they have the Vietnamese army as their main customer. Besides, they also produce speedboats for the local market.

The competitors mentioned above are rather unimportant. As they operate on a different market segment Fisherboats will not face direct rivalry of them. More important is the threat of new entrants as described in chapter 4.1.2.2.

4.1.2.6. Conclusion

The factors mentioned in this chapter describe the macro environment of the company, Fisherboats should consider these factors when entering the market, as they describe the external influence. In paragraph 4.2 the threats and opportunities from the macro environment will be used in a SWOT analysis. Finally, these factors help to determine the market strategy.

Saigon Yachts is a main weakness as a supplier of the organization. As was experienced during the internship, the visiting of the company and the interview held, the supplier of the polyester parts faces big problems in delivering on time. Promises are made over and over but no improvement was being noticed. Another weakness is the motor part of the lifeboats. Fisherboats does not make use of one regular supplier but always searches in the market for new sized overhauld engines. The offer of this type is limited and its quality changes even more. On the other hand, the price of these engines is rather acceptable. Several spare parts are bought at the Yen Sin Market. Again, the offer is limited but the price advantage implies a strength.

---

5 Interview 3 Mr. Boch
2 Interview 1 Mr. Ngia
Approaching the local market for *Fisherboats*

As the market for leisure boats is still underdeveloped there are not yet many comparable boat-building companies in Vietnam. The development of this market predicts great opportunities for *Fisherboats* to approach the local market. But with the coming of a more extensive water sports offer probably more competitors will enter the market with comparable products. Also the import of boats from the South East Asia region can be seen as a possible threat. As the Vietnamese are well known for their ability to copy existing products *Fisherboats* should be aware of these threats.

The lack of harbours in Saigon is an important weakness that brings to a halt the sales of boats at the local market. Although people are willing to buy the facilities are not yet sufficient.

### 4.1.3 Micro environment

#### 4.1.3.1 Hard factors

**Structure**

In the schedule below the formal organization of *Fisherboats* can be found, which is based on a team-structure.

![Diagram of company structure](image)

*Figure 16 - Company structure Fisherboats*

The team leaders get their tasks directly from Min Vissen. They will instruct the workers about their daily tasks. Besides this communication role, team leaders also cooperate in the operational process. The teams are composed with workers with different special skills, like welders, carpenters and experienced boat builders. The team members are often moved between the different projects, while the team leaders remain at the projects.

**Strategy**

For its strategy *Fisherboats* uses three points of attention. First of all the boats produced are adapted to the special wishes of each individual customer. This can differ from a highly customized design to several adjustments to the wish of the customer. The second point of attention is price. *Fisherboats* competes on price even by making use of cheap and fairly priced boat parts from the local market. The last important point is quality. With his maritime background the director has a good sense for quality and style. Although the boat has to be cheap, the company does not want to make many concessions on these aspects. The combination of these three facts can be seen as the strategy of *Fisherboats*. 
The planning structure, which should contribute to the company goals, is not present in the organization. This results in the delay of many projects, with lower customer satisfaction as a consequence.

**Systems**

*Fisherboats* can be seen as an open system that needs to interact with its environment in order to survive. The company does not make use of many systems. Mr. Vissen manages all the processes without any formal structure used. A planning and controlling system for the production is lacking. The only system found in the organization is the design of the boats. As Vissen admits, this is the part of the production he admires most: the creative element of entrepreneurship. Finally there is a kind of reward system that gives employees the incentive to work harder temporarily in order to finish a specific project on time.

4.1.3.2. Soft factors

**Shared values**

At *Fisherboats* there cannot be seen much shared values. The main driver for the employees to come to work is the salary they earn. The only exceptions are some team leaders, who have a bit feeling with the products made. Workers have more collective understanding during the daily break at twelve o'clock than with the boats they are producing.

**Skills**

Skills among employees differ widely. At the Vietnamese labour market there is extremely little personnel available with yacht building experience. There is an industry of large vessel construction, therefore are study programs available for ship designing.

The assistant designer is a naval architect and during work in *Fisherboats* he has gained the experience to design yachts. Together with Mr. Vissen they are two of the very few people in Vietnam experienced in this field giving them a large advantage over possible competitors in Vietnam.

The workers are selected on skills such as welding or experience in carpentry. They are then further trained to gain experience in boat building. None of the workers have a background in boat building but through experience at work they have earned a great deal about yacht construction.

**Style**

As is described in chapter 0 Mr. Vissen uses a top-down approach. He makes all the decisions that are to some extent important. To stimulate productivity he sometimes rewards his personnel financially.

**Staff**

The company employs about 30 workers. Besides the blue-collar workers, there are a designer and a secretary for support.

Mr. Vissen, who directly decides whether someone will be hired, holds job interviews or not. When a new worker is accepted he will start working immediately. The main motivator for the employees is their salary, which they receive every end of the month. Within the company there are no activities or programs to develop new skills.

4.1.3.3. Conclusion

The lack of structure within *Fisherboats* is the main cause for a lot of problems. Although the formal structure of the organization seems to be well organized, the company faces a lot of problems. The lack of planning and control can be seen as one of the main weaknesses at *Fisherboats*. Almost all the projects are delayed, which causes stress and dissatisfied customers.

---

Lissen, J.P., 2008
Approaching the local market for *Fisherboats*

The work force of 30 employees is too small compared with the current order portfolio. *Fisherboats* has the opportunity to grow but due to the limited labor force and the lack of planning mentioned before it only faces problems. The short labor relations and the low skill level of the personnel are a threat for the company. The current structure requires a lot of direct control by Mr. Visser, which cost him a lot of time and stress.

The strength of the company in the course of the 7S model can be found in the reward system. Although undeveloped yet, this tool gives the workers an incentive to finish a project on time. The company should look for a structured model which provides such an incentive constantly. At this time it faces a weakness; workers only work hard when a reward is promised.

**4.1.4. On-line resort survey**

All the resorts with an e-mail address or contact form on their website were contacted by e-mail. They are requested to fill in an on-line survey\(^6^4\) and received two reminders when not filling in.

The response rate for this method is calculated as follows:

\[
\text{total response rate} = \frac{\text{total number of responses}}{\text{total number in sample} - \text{ineligible}} = \frac{25}{87 - 0} = 28.7\%
\]

\[
\text{active response rate} = \frac{\text{total number of responses}}{\text{total number in sample} - (\text{ineligible} + \text{unreachable})} = \frac{25}{87 - (0 + 29)} = 43.1\%
\]

The following numbers of the response rates are presented in the scheme below.

![Response rates diagram](image)

**Figure 17 – Response rates**

**4.1.5. Resort interviews**

In order to improve the response rates and hereby the reliability of the research, structured interviews with resorts were also held. During these interviews the resorts were asked exactly

---

\(^6^4\) Appendix 3 – Screenshots, Online questionnaire
the same questions as those of the on-line survey. After filling in these questions there was a
short in-depth interview with the respondent.

4.1.6. Results
The resorts have a diverse offer of facilities. As expected the higher class resorts offer a more
complete facility package. Almost all the respondents (88%) agree that these facilities are very
important when clients make a choice which resort they want to book. 75% of the respondents
think that they will attract more customers when they have a more diverse offer

Water sports are clearly less developed, as many resorts do not offer them. Most of the times
a swimming pool or spa is the only ‘water sport’ facility available. Almost half of the offer is not
owned by the resort itself but owned by a third party. Another 19% has water sport facilities
with combined ownership. Only a very small percentage of the respondents (6%) experience a
lack in their current offer. At the same time, more than 50% have small islands nearby their
resort.

Of all the respondents 30% have considered of buying a boat once. User friendliness and
purchase price are said to be the two most important factors of buying a boat. Also the costs
are rather important.

4.2. Market strategy
This chapter describes outcomes of the literature research combined with the results of the
market research. Together they will define the best possible market strategy for Fisherboats.

4.2.1 Direct marketing
Often the relevance of a marketing campaign does not meet the objectives set by the
organization. Segmentation and niches seem to be a way to reach the goals set, but result
unsuccessful very often. “Direct marketing on the other hand cuts through the confusion and
uncertainty of mass marketing, segmentation, and niches and goes right to the customer.” The
marketing should be adapted to the wishes of each individual customer, or at least as good as
possible. Where segmentation looks at groups of customers, the direct marketing makes a
focus for a specific customer with its wishes. This process is also referred to as market
demassification™. For Fisherboats this method should be used when approaching the resorts.

According to the definition of Ling and Li¹, direct marketing is “a process of identifying likely
buyers of certain products and promoting the products according to”. In the article of Thomas²
a change in marketing is described in what he calls “the end of mass marketing”. In five clear
steps he describes the mistakes about mass marketing and brings into front direct marketing
as a solution to fit the problems. “The seemingly one consistent message yelled in the business
world is that most marketing efforts have nothing to do with the customer. It is all worse than
noise. It is an interruption. It is hostile. That is the unspoken but well known reality for much
of marketing today.”

Instead of focusing on the whole market or a part of it, direct marketing puts its focus to the
individual market, or target market: the specific customer. “Whether large or small, all
companies can benefit from a direct marketing approach. Smaller companies with fewer
resources can ill afford to throw dollars to the wind, so using marketing dollars wisely is very
important.” Already in the 1920s companies like Unilever and Guinness tried to find out how
consumers consumed their products and what they felt about them. Therefore they used a
process of classifying and positioning consumers to measure those things that they have in
common. The marketing campaign could then easily be adapted.

¹ Korler, P., 2003
² Ling, C., Li, C., 1999
³ Thomas, A., 2007
Approaching the local market for Fisherboats

Figure 18 – From mass marketing to a direct marketing approach

The primary goal of direct marketing is creating and maintaining of a direct relationship between the supplier and its buyers\(^{68}\). Due to the developments of Internet and call centers, we are now able to get more information about the specific customers. Combined through data mining and data warehousing these facts will provide more information. Market research arose in the 1920s when managers became aware of the advantage they could get from insight in customers. “Marketing rose as a discipline to provide business with manageable and controllable consumer markets”\(^{69}\).

As described in chapter 1.1.2 Vietnam began its economic reforms in 1987, which started the beginning of a complete new period and a total reform for the country. The commercial advertising came back after it had largely disappeared under the socialist government. The research of Speece\(^{70}\) et al looks at how Vietnamese managers in local and foreign consumer goods view various patterns of advertising. Roughly, there can be distinguished two styles of their marketing management. The first pattern of advertising shows the specific elements of the products. The second pattern pays more attention to style and execution.

4.2.2. SWOT analysis

*Fisherboats* should try to create a fit with its external environment and the possibilities it offers. The important factors from the market characteristics of paragraph 4.1 are put in a SWOT analysis of figure 19.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• purchase price of several products</td>
<td></td>
</tr>
<tr>
<td>• reward system to motivate personnel</td>
<td></td>
</tr>
<tr>
<td>• knowledge of assistant manager</td>
<td></td>
</tr>
<tr>
<td>• small sized work force, compared to the order portfolio</td>
<td></td>
</tr>
<tr>
<td>• lack of planning and control structure within the Fisherboats organization</td>
<td></td>
</tr>
<tr>
<td>• lack of time for management</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• steady growth of the Vietnamese economy</td>
<td></td>
</tr>
<tr>
<td>• growth of number of tourists</td>
<td></td>
</tr>
<tr>
<td>• only a few competitors in a developing market for leisure boats</td>
<td></td>
</tr>
<tr>
<td>• political stability</td>
<td></td>
</tr>
<tr>
<td>• foreign investor friendly</td>
<td></td>
</tr>
<tr>
<td>• available Singapore parts as supplier of main parts of the lifeboat</td>
<td></td>
</tr>
<tr>
<td>• protection of design of the life boat (intellectual property)</td>
<td></td>
</tr>
<tr>
<td>• new entrants</td>
<td></td>
</tr>
<tr>
<td>• Vietnamese copy mentality</td>
<td></td>
</tr>
<tr>
<td>• complicated Marina Law</td>
<td></td>
</tr>
<tr>
<td>• lack of local maintenance skills in Singapore and all the country</td>
<td></td>
</tr>
<tr>
<td>• lack of regular supplier of motor parts</td>
<td></td>
</tr>
</tbody>
</table>

Figure 19 – SWOT analysis

---

\(^{68}\) Hoekstra, J., 1998

\(^{69}\) Brierley, S., 2006

\(^{70}\) Speece, M., 2003
The SWOT analysis only gives an insight in the market strategy. Main points of attention can be found by putting the entries in a confrontation matrix.

Figure 20 - Confrontation matrix

The confrontation matrix above gives a clear insight in important points of attention. The knowledge of the assistant manager is an important strength for three opportunities the external environment offers. The weaknesses of Fisherboats have a large influence on two threats. First of all there is the threat of new entrants on the market. Secondly, the lack of planning and control and the lack of time for management have influence on the suppliers of the organization. A lot delay is caused by a lack of planning.

4.2.3. Conclusion

In order to define the marketing campaign, the main characteristics of the possible buyers had to be researched. On the hand of a questionnaire filled in by the resort, Fisherboats was able to understand their preferences.

The literature prescribes direct marketing as the best way to adapt to a rather small market. Instead of spending a large amount of money to expensive marketing campaigns, Fisherboats should pay more attention to the individual customers.

By the help of the database made and the results from the questionnaires, direct marketing is a great possibility. The relative small number of resorts allows this form of marketing. The use of several characteristics of a specific resort gives Fisherboats the possibility to adapt their marketing to a unique customer.

The research gave insight in the factors that play an important role when a resort wants to buy a boat. Purchase price and design friendliness are very important for the resorts. A commercial agent can use this information when selling the lifeboats. Direct marketing gives the possibility to get insight in potential customers.

There can be made a distinction between two forms of advertising: ads based on actual physical product characteristics and ads based on intangible image components. The Vietnamese managers nowadays focus mainly on the information aspects, but elements of
execution style are rather more important. Both price and user friendliness are intangible product characteristics. Commercial agents should keep this in mind when selling the boats.

4.3. Competitive advantage
According to the research goal set (paragraph 1.3) Fisherboats wants to obtain a competitive advantage on its competitors. Therefore, the company should take a couple of steps as described in the literature research (chapter 2).

As we can learn from Porter the company has to choose a competitive strategy. In the case of Fisherboats this will be a focus strategy. We can find this back in the problem definition and the aim the company puts to the research: it wants to develop market share in Vietnam. Within this regional focus, the company has to choose a customer focus. Because of the beginning developments on water sports in Vietnam and the accessibility of the customer group, Fisherboats should focus on the resorts. Within this focus strategy the company can compete on differentiation, as the product offers several custom specific characteristics.

---

71 Speece, M., 2003
72 Deit, M., 2000
5 DISCUSSION

Figure 21 - Discussion

5.1 Market possibilities

Although the market has great possibilities, Fishereboats has to face several problems when launching their product to the local market. Besides their internal problems the company has to bridge external problems too.

In the in and there is a lack of decent harbors. Customers probably want to invest in a lifeboat (or other type of yacht), but as there is no safe place to secure the boats the interest in water sports is rather low.

At the coastal area there is no need for a harbor. As the boats are originally designed to rescue people they are able to store on the beaches. The bottleneck for approaching the local market can be found in financial causes. For most of the smaller resorts a boat is a rather huge investment. They are only willing to do this if this automatically means more customers. The marketing campaign proposed can be used to convince resorts and investors as well. The information gathered from the tourist survey\(^3\) can be made useful for the campaign.

5.2 Culture

Another point of discussion can be the culture aspect. According to Hofstede\(^4\) culture can be seen as “the collective programming of the mind.”

The theories used are models made for a Western environment. For the theoretical support by ReSTEL, Porter and McKinsey it had only a small influence, as they are descriptive. Nevertheless, the cultural aspect should be kept in mind while looking at the marketing approach. Although most of the articles used are written for Vietnamese or Asian context, there can be other influences in execution.

\(^1\) HCMC refers to Ho Chi Minh City (Saigon)
\(^2\) Appendix 5
\(^3\) Hofsnade, G. (1996)
Hofstede\textsuperscript{76} mentions a couple of threats for doing research in other cultures. First of all the research setting can cause problems. The translation of a questionnaire can possibly lead to misunderstandings by the local population. In this case the questionnaire for the resorts was held in English, which is only the second language of Vietnamese people. This can possibly influence the results of the research. Also the level of education can play a role by the understanding and willingness to fill in a form. The employees of Fisherboats are not influenced by the research. They did not act else since I was introduced as an intern.

Another aspect of culture is called power distance. “Inside organizations, inequality in power is inevitable and functional. This inequality is usually formalized in hierarchical boss-subordinate relationships.” In such a situation the subordinates try to reduce the power distance, while the bosses try to maintain or enlarge it. The equal level, in which a consensus is found, is societal determined. Due to this power distance a sphere can originate in which the colleagues fear to disagree with the preferences of the boss. In this research, we should keep in mind that employees have possibly filled in forms in consensus with their boss’ opinion.

Uncertainty avoidance is another dimension of culture, which is about “the future in a basic fact of human life with which we try to cope through the domains of technology, law and religion. In organizations these take the forms of technology, rules and rituals.” Cultural aspects are influencing all these aspects of uncertainty. Investment decisions are based on the perceptions of these characteristics. “The tolerance for uncertainty varies considerably among people in different countries.”

Hofstede concludes with the effect of time, which can possibly influence the cultural aspects. There can be seen different trends in different countries. The societal change over time in Vietnam where the country is becoming more and more Western will also influence the country’s culture. With that the aspects mentioned above can also change.

5.2.1. Conclusion
Although Hofstede mentions several aspects of cultural influence the importance for Fisherboats is rather low. The aspect of time plays a major role. As the company nowadays faces troubles in the deliverance of their supply this factor can possibly influence future demands.

The target population (resorts) is Western focused, but often with a Vietnamese management team. Language and habits will play a role in the bargain process. Fisherboats should therefore hire a sales agent with a Vietnamese background.

\textsuperscript{76} Hofstede, G., 1980
6 CONCLUSIONS

"What is the right marketing strategy to create competitive advantage, in order to obtain growth, sustainability and finally market success regarding the market of polyester lifeboats in Vietnam?"

Fisherboats wants to participate in the growth of the local Vietnamese market. As it focuses only on export their home base is a new target market, which they want to approach with a polyester lifeboat. This research describes the different aspects of the local market and their possible influence on the market strategy.

Vietnam is a political stable country with a steady growing economy. Foreign investments grew rapidly the past three years. The tourist sector also shows great potential by its growth in the past ten years. As Fisherboats is one of the only yacht building companies in the country it has a rather unique position. On the other hand this involves a threat of new entrants, who want to fill the niches in the market.

The inland of Vietnam is not ready for sailing, as there is a lack of decent harbors for yachts. Therefore this research focuses on the coastal area, where harbors are not necessary for lifeboats. With a large number of tourists visiting Vietnam and an underdeveloped water sports offer, the resorts at the coastline form an interesting target group.

The research showed that the internal structure of Fisherboats is unstable. The company cooperates with several unreliable suppliers for major parts of the boat. This results in lots of delay with their current orders from outside Vietnam. Above all, the labor force is too small to solve the problems. The current aborers could not execute a larger order portfolio, as they are already too busy with the existing projects. The confrontation matrix exposed three focus areas within the strategy. First of all there is the importance of the assistant manager. He can help by making use of the opportunities of the market. Two other important focus points are the threat of new entrants and the lack of decent suppliers.

Fisherboats has to solve these problems first, before adapting the local market. The research showed potential for the local market at the coastline. Instead of spending a lot money for mass marketing Fisherboats should use direct marketing as market strategy. Instead of focusing on the whole market on a part of it, direct marketing puts its focus to the individual market, on target market: the specific customer. The research shows the customer characteristics and its preferences. This should be used when approaching the local market.

For approaching the possible customers directly, the company has to hire a commercial agent, who can visit the target groups. This person has to make use of the knowledge gathered by the research. As a motivational incentive the function can be created on a commission basis. Most respondents of the resort survey think that they will attract more tourists when they have a more diverse offer. As most of the resorts already have many general facilities, water sports can be a diversification of their current offer. According to the research, user intendness and purchase price are the two most important factors of buying a boat. Besides, the database will provide the commercial agent with information about the resorts.

To summarize in short mentioned above: Fisherboat should start by solving their internal problems. When finished, they can approach the local market using a direct marketing strategy.
7. RECOMMENDATIONS

Although the research shows interesting possibilities for the polyester lifeboat, I strongly recommend not approaching the local market at this moment. With its limited labor force, Fisherboats is not able to answer the current demand from the international market. A new demand from the local market could not be fulfilled. All the current projects are delayed without any improvements expected. The lack of a planning and control structure should be improved before approaching the local market with this new product. If the company changes these shortcomings, it will be ready to approach the local market: the ship is then able to leave the harbor.

While approaching the local market, a distinction should be made between the inland of Vietnam and its coastal area. As there is currently a lack of a harbor this research focused on the coastal area. Nevertheless, there are great possibilities expected with this type of boat for inland navigation, for different kind of customer groups. In the coastal area the main customers are the resorts, with the tourists as end-users. The research shows the interest of tourists for water sports and sailing in particular. With the help of the customized database and the knowledge gained from the research Fisherboats is able to approach the local market.

The product should be put in market through direct marketing, adapted to the preferences of individual customers. The research shows the "boat buying factors" which makes clear on what specifications to focus. Fisherboats should campaign mainly on purchase price, user friendliness and costs. In order to fit these factors the design of the lifeboat should therefore be adapted.

Fisherboats should recruit a commercial agent who will sell the lifeboats in Vietnam. This person has to visit the individual customers.

7.1. Plan

This paragraph describes the steps to take for Fisherboats in order to adapt the local market successfully. The plan describes an internal reorganization and a specification of tasks for the commercial agent.

- Internal reorganization
  - Fisherboats should hire more personnel. The company needs unqualified employees. It will not be hard to find in Vietnam.
  - A planning structure should be made in order to answer the current and future demand.
  - Fisherboats should hire a commercial agent who will sell the product in the market. This agent should be rewarded with a standard salary plus a commission as a motivational incentive.
  - The company have to make promotion materials, like a prospectus with pictures and prices of the boats and additional products / services.

- Specification of tasks for commercial agent
  - Visiting the possible customers in order to sell lifeboats.
  - He / she has to make use of the database with information on all the resorts.
  - Should keep in mind the results of the questionnaires. (resort & tourist)
  - If possible make use of an individual questionnaire for a resort (if they have filled it out).

7.2. Recommendation for further research

This paragraph will describe the recommendations for further research.

- Willingness of companies to invest in a sponsorship
  The resorts showed great interest in the exploitation of a boat with combined ownership. Besides, to place advertisements on boats can be effective. Therefore the willingness of
companies to invest in a sponsorship should be researched. *Fisherboats* is able to customize the polyester parts of the boats in every possible color, which will provide great possibilities for sponsored boats.

- **Possibilities of a harbor**
The exploitation of a small-sized harbor will give the company great opportunities to sell a lifeboat (or other types) to local customers. The research showed great possibilities in Saigon, as where a lot of expats, foreign companies and rich Vietnamese people are looking for a way to spend their money.

- **Cultural influence**
The influence of culture should be analyzed more deeply, in order to see the exact influence. The theory used is just a small basis for making conclusions about the cultural influence of several factors. A research will have to define what the exact influence of culture is in the branch of *Fisherboats*.
PERSONAL EVALUATION

In this last chapter of my Bachelor Assignment I will give a personal evaluation. The experience of an internship abroad was not completely new for me as I have been in Ghana for the minor International Management. It was a great experience to be in a foreign country in another way then just for holiday. Taking part of the daily life was a nice way to get to learn about Vietnam. Its culture, the habits, the food, the drinks. Especially driving around on a ragged Honda motorbike gave me and my friend Jochem the idea that we were really a part of the Vietnamese society.

The assignment required a lot of independency, as Mr. Visser did not tell what to do or gave feedback during the process. The interesting part of the internship started in the third week when I had planned the interviews with resorts. This was difficult because they could possibly become a customer for Fisherboats. Sometimes the people helping me were not the ones that were allowed to take decisions about investments.

The lack of structure within Fisherboats sometimes led to inconvenient situations. Products were missing, clients got angry or workers did not know what to do. As Jochem ordered two lifeboats for a customer in The Netherlands these situations sometimes became personal.

When I look back by walking through my book of pictures I remember a fantastic period. I am getting used to adapt to a strange culture, almost as quick as you’re used back home again. I think I did a significant contribution with my research for Fisherboats. The company has great possibilities in a beautiful country; hopefully they will make use of their chances.

Trần năm trong cõi người ta,
Chỉ vì mưu danh tên khó lẫn nhau,
Trải qua một cuộc bế tắc,
Những điều trong lòng mải mê.
Là gì biết sánh trước lòng,
Trời xanh quên trời mải hường dầm ghen.
REFERENCES

Books

Articles

On-line sources
- About Economics. Economics Glossary. Available at: http://economicsabout.com
- Business Ethics. Free ethical reading and development for people and organizations. Available at: www.businessethics.com
- Central Intelligence Agency. The World Factbook. Available at: www.odci.gov/cia/publications/the-world-factbook
- International Monetary Fund. (2007). World Economic Database. Available at: www.imf.org/external/pubs
- Vietpartners. Foreign Direct Investment Statistics.
Approaching the local market for Fisherboats

Available at: www.vietnampartners.com/Statistic-FDI.htm

- Value Based Management. Management Methods, Management Models and Management Theories. Available at: www.valuebasedmanagement.net

Law

- The Vietnamese Maritime code. Available at: www.dzungsrt.com/marilaw.htm#c3
APPENDIXES

1. Pictures of the current projects
2. Interviews
   a. Mr. Ngia
   b. Mr. Le Son
   c. Mr. Binh
   d. Ms. Ies
3. Screenshots
   a. Online questionnaire
   b. Excel database
4. Questionnaire for resorts
5. Questionnaire for tourists
6. Data analysis, questionnaire resorts
7. Data analysis, questionnaire tourists
8. Letter of appreciation
Appendix 1 – Pictures of the current projects

Halong Bay Yacht

LV 730 lifeboat

"Vrouwe Magdalena"

10m steel "sloep"

Abel Tasman

Wooden speedboat
Appendix 2  Interviews

Interview 1 – Mr. Ngia

Date  February 13th 2008
Place  Thu Duc, Ho Chi Minh City

Respondent  Mr. Ngia
Company  Saigon Yachts
Function  Director

The production of the polyester hull and interior of the lifeboats has stagnated a lot of times in the past. In order to improve this part of the value chain, we arranged an interview with Mr. Ngia.

Can you describe the process of making a boat?
First we make two main, for the inside and outside part of the boat. These main exist of two parts, so that they can be separated from the boat. The main have to be clean and smooth in order to get the best possible result. On the main a thin layer of polyester is put together with a chemical product. This process is repeated a couple of times, until the layer is thick enough. Then the main are separated and the two boat parts will be finished. Besides this, we produce parts for the boat, like boxes and the motor cover.

What were the reasons for the stagnation of the process in the past?
There were several reasons the process got delayed. Due to some changes to the design, we had to adapt the main. This took us a couple of days. Besides, there were some start up problems, as this was the first time we made this type of boat. Finally, there were some problems with our work force. Five men were well trained in the specific techniques, but the additional workers had to be trained.

How long will the process take in the future, when the main is correct and your workforce complete?
The total process will then take around two weeks (12 workdays). On long-term, we strive to ten days.

There is a current order of two lifeboats, which is delayed due to the mentioned reasons. What is the current status?
For the last parts of the current order, competing the boxes and doing the polishing of the boat will be finished in three days.

In order to prevent coming production stagnation, we decided to make a task list for the production. During every single step in the production, Mr. Ngia will sign for the completion of a stage. This will result in a control mechanism for Mr. Visser.
Approaching the local market for *Fisherboats*

**Interview 2 – Mr. Le Son**

**Date**  
February, 26th 2008

**Place**  
Consulate of The Netherlands, Salgon Tower, Ho Chi Minh City

**Respondent**  
Mr. Le Son

**Company**  
General Consulate of the Netherlands

**Function**  
Economic/Commercial Officer

For approaching the local market, help can be needed from local investors. The current water sport market is diverged and in development, but I expect there still are lots of possibilities in expanding these sports. Finally, this will lead to a more complete offer, which will contribute to the position of Vietnam as an attractive country for tourists.

My presumption is that the trade and industry business can also play a role in the expansion of water sports, for example as investor or possible consumer (for example to sail with expats). Therefore I need to research, whether there are companies interested in investing in water sports.

**What is your opinion about the current offer of water sports in Vietnam?**  
The current offer is very small. Other companies I visited, like Indonesia, Thailand and Cambodia have a much bigger offer to satisfy tourists.

**What can be done to improve this situation?**  
The infrastructural facilities in Vietnam, like roads and harbors, are still not well. The government – especially the Ministry of Transport – should recognize the importance of a good infrastructure and invest a bigger amount of money. On the other hand, there is the Ministry of Culture, Sports and Tourism. They are too dependent of the Investments of external parties. This will attract big investments, but they should also promote smaller projects, in which medium sized companies can combine their strengths. I will give you an example, specified to your research. A small resort with only 25 bungalows is not able to buy an expensive boat. But when they combine their strengths, with other resorts or maybe investors, they have the possibility too. The Ministry of Culture, Sports and Tourism should stimulate this kind of cooperation.

**Which local (political) organs are involved in making these investments?**  
The Ministry of Planning and Investment, in short MPI, is the highest layer in the structure. They split up the country in several districts or departments which are called Departments of Planning and Investment (DPI). When an investor wants to start a project, an approval given by the local DPI has to be requested. If you are interested in which projects start at the coast, for example the construction of a new resort, you can contact the DPI.

**Are there other branch organizations involved?**  
For Dutch companies, there is the so-called DBAV: Dutch Business Association Vietnam. This organization supports business activities between The Netherlands and Vietnam. The Department of Sport and Tourism located in Saigon is responsible for the local tourist sector. They often interact with agencies like Saigon Tourist and Vietnam Tourist.
Interview 3 – Mr. Bloch

Date: March, 3rd 2008
Place: Melong Merchant, Ho Chi Minh City

Respondent: Mr. Patrick Bloch
Company: Alto Marine
Function: Marketing Manager

During this interview, Mr. Bloch shared his vision about the current market situation, its present difficulties and the coming possibilities. As an importer of boats and lately producer of small sized (6.5m) boats, he can provide his view to the water sport possibilities in Vietnam. He lived in Vietnam for two years so far, therefore he lived in France.

Compared to other countries in the area, Vietnam is underdeveloped concerning water sports. What do you see as main reason(s) why this is not the case yet?

The main problems I faced were legal issues. It is hard to register a boat; it has to suffice to a lot of legal claims. The current government sees the great opportunities the water sports in Vietnam have, but they still have not adapted their regulations to it. This is one reason; on the other hand there’s the lack of harbors and marinas in Vietnam. Vina Capital received the authorization to build a harbor for 30 yachts in Da Nang, which will probably be finished in three years. This is an important step in the right direction, but the Vietnamese government should see the importance of their help. What was difficult yesterday can be easy tomorrow: when a higher official likes to sail, the regulations can be adapted very quickly.

What more can the resorts pay for these developments?

The resorts nowadays invest in their buildings, their accommodations and other issues inside their resort. They are not willing to invest a big amount of money in a harbor yet. Besides, the age of the average costumer is mostly around 30/40, those people are not willing to enter the wild sea. Beside this problem of storage, the resorts have the following questions. Who will be in charge of the maintenance? Which people can be responsible and able in case of a rescue operation, for example when the boat turns over?

What characteristics of a boat are important?

The Vietnamese market is interested in prices. When you want to sell a boat to a resort, you should definitely adapt your price to the local market. Importing boats will bring along much costs: taxes, tariffs, shipping costs, etc.

Which areas of Vietnam will be – according to your vision – developing most rapidly coming years?

There are two areas which are very interesting: Da Nang and Phu Quoc. The first place because of the coming harbor. Resorts like the Full Moon Resort are already investing. And the second one, Phu Quoc, because of their current situation. As it is an island and they already have facilities for water sports there, it will develop more over the coming years.
Interview 4 – Ms. Iles
Date March, 4th 2008
Place Café Evita, Ho Chi Minh City
Respondent Ms. Noelle Iles
Company Saignon Yacht Club
Function Public Relations

Although there still is no harbor or marina in Saigon, there already is a yachting club. An interview with Ms. Iles was arranged, in order to hear her ideas about the current water sport situation.

Can you tell something about the Yachting Club?
The association is founded in order to bring people together who love sailing and have the same shared interest. Together we want to be a strong party when the water sports of Vietnam – and especially sailing – is being discussed. The Club had 30 members and 600 people interested on a mailing list.

What are the current activities of the association?
We often have orators who talk about sailing. But more important, we are planning a harbor in a lake nearby Saigon. My biggest concern nowadays are the boats. We want to start a small sized harbor where kids can learn to sail. It is rather easy to import a boat, but it is hard to get it paid. In my function as Director of Admissions for the British School I get to speak a lot of interesting people. A lot of them are also interested in sailing, and can possibly fulfill a role in the investment. A lot of people are interested, as well for leisure as for business.

What role does the government play in the development of water sports?
As the government is responsible for the infrastructure, they have an important role in the development of water sports. But also the Vietnam Olympic Committee (VOC) has much influence, especially through the Vietnam Aquatic Sport Association (VASA), located in Hanoi.

Are there other organizations involved?
A main player is the Sunsail organization. They charter sailing yachts to customers every half-year. Besides there is an Australian owned company called Corsaire Marine, they sell imported boats on the local market.
Appendix 3 Screenshots

Online questionnaire

Water sports in Vietnam

Question 5
What kinds of water sport activities are offered?
- banana boat
- body boarding
- golf surfing
- kayaking
- parasailing
- scuba diving
- water skiing
- none
- other water sports

Question 6
*The water sports offered, play an important role when clients choose for our resort*

Question 7
*More clients are expected to book, when our offer of water sports increases*
Exce database

- Easy access buttons
- Divided into regions
- Selection by star rate
- General resort information
- Availability of water sports
- Availability of facilities
### Appendix 4  Questionnaire for resorts

<table>
<thead>
<tr>
<th>Name of the resort</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resort group name</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td></td>
</tr>
</tbody>
</table>

1. **What is the current offer of facilities?**
   - [ ] beach volleyball
   - [ ] children playground
   - [ ] conference room
   - [ ] fitness centre / gym
   - [ ] golf
   - [ ] massage
   - [ ] (motor)bike rental
   - [ ] spa
   - [ ] swimming pool
   - [ ] tennis
   - [ ] other facilities: __________

2. "When clients choose for our resort, the offer of these facilities is very important"
   - [ ] strongly agree
   - [ ] agree
   - [ ] neutral
   - [ ] disagree
   - [ ] strongly disagree

3. "Having a more diverse offer, will probably attract more customers to our resort"
   - [ ] strongly agree
   - [ ] agree
   - [ ] neutral
   - [ ] disagree
   - [ ] strongly disagree

4. **What kinds of water sport activities are offered?**
   - [ ] banana boat
   - [ ] boat trips
   - [ ] body boading
   - [ ] fishing
   - [ ] golf surfing
   - [ ] jet-skiing
   - [ ] kayaking
   - [ ] kite surfing
   - [ ] parasailing
   - [ ] sailing
   - [ ] scuba diving
   - [ ] snorkeling
   - [ ] water skiing
   - [ ] windsurfing
   - [ ] other water sports: __________

   [ ] none (→ proceed question 9)

5. "The water sports offered, play an important role when clients choose for our resort"
   - [ ] strongly agree
   - [ ] agree
   - [ ] neutral
   - [ ] disagree
   - [ ] strongly disagree

6. "More clients are expected to book, when our offer of water sports increases"
   - [ ] strongly agree
   - [ ] agree
   - [ ] neutral
   - [ ] disagree
   - [ ] strongly disagree
7. Are the water sports facilities owned by the resort, or is a third party involved?
☑ owned by the resort  ☐ owned by a third party  ☐ combined ownership

8. What are the costs charged to customers for the water sport activities (in US$ per hour)?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Banana Boat</th>
<th>Kite-Surfing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boat trips</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>Bodyboarding</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>Fishing</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>Golf surfing</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>Jet-skiing</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>Kayaking</td>
<td>☐</td>
<td>☑</td>
</tr>
</tbody>
</table>

9. Do you experience a lack in your current offer?
☐ no  ☐ yes

10. Are there (small) islands nearby your resort?
☐ no  ☐ yes

11. Have you ever considered buying a boat for your resort?
☐ no  ☐ yes (→ proceed question 13)

12. What are the reasons this was not considered?
☑ costs too high  ☐ no demand by customers  ☐ no harbor  ☐ lack of experience  ☐ our resort already have a boat  ☐ other reasons, ...

13. Would you be interested in exploiting a boat when it is financed by an investor?
☐ no  ☐ yes

14. Presume your resort wants to buy a boat. Which role play the following factors?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very Important</th>
<th>Important</th>
<th>Neutral</th>
<th>Unimportant</th>
<th>Very Unimportant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase price</td>
<td>☐</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Costs</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Safety</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Size</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>User friendliness</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Maintenance</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Comfort</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Thanks for your time!!
Appendix 5  Questionnaire for tourists

1  "My choice for a resort depends (amongst others) on the water sports offered."
   □ agree
   □ disagree

2  "If a boat trip is offered I would be interested to join."
   □ agree
   □ disagree
Appendix 6  Data analysis, questionnaire resorts

Current offer of facilities:
- beach volleyball: 15
- children playground: 10
- conference room: 22
- fitness centre / gym: 12
- golf: 10
- massage: 10
- (motor)bike rental: 10
- spa: 10
- swimming pool: 10
- tennis: 10
- water sports: 10

“When clients choose for our resort the offer of these facilities is very important”

Water sport facilities:
- banana boat: 2
- boat trips: 3
- body boarding: 6
- fishing: 8
- golf: 8
- sailing: 8
- jet-skiing: 8
- kayaking: 8
- kite-surfing: 8
- parasailing: 8
- snorkeling: 8
- scuba-diving: 8
- water skiing: 8
- wind surfing: 8
- none: 8

“When a more diverse offer will probably attract more customers to our resort”
"The water sports offered, play an important role when clients choose for our resort."

"More clients are expected to book, when our offer of water sports increases."

Ownership of the water sports:

"Do you experience a lack in your current offer of water sports?"

"Are there (small) islands nearby your resort?"

"Have you ever considered buying a boat for your resort?"

"Would you be interested in exploiting a boat when it is financed by an investor?"
Boat buying factors:

- Attractiveness: 22% very important, 39% important, 35% neutral, 4% unimportant, 0% very unimportant
- Maintenance: 22% very important, 26% important, 39% neutral, 13% unimportant, 0% very unimportant
- User friendliness: 81% very important, 30% important, 4% neutral, 4% unimportant, 0% very unimportant
- Ease: 17% very important, 48% important, 36% neutral, 9% unimportant, 0% very unimportant
- Safety: 17% very important, 30% important, 39% neutral, 13% unimportant, 0% very unimportant
- Costs: 39% very important, 35% important, 26% neutral, 0% unimportant, 0% very unimportant
- Purchase price: 74% very important, 17% important, 0% neutral, 0% unimportant, 0% very unimportant
Appendix 7  Data analysis, questionnaire tourists

"My choice for a resort depends (amongst others) on the water sports offered."

"If a boat trip is offered I would be interested to join."
Appendix 8 – Letter of appreciation

Martin Becker
Business Administration (BA)
Stage Fisherboats Co., Ltd

Di An, 10 April 2008

Geachte heer of mevrouw,

Martin Becker heeft 2 maanden een afstudeer opdracht gedaan naar de afzet
mogelijkheden op de locale markt van een nieuw type boot van Fisherboats.

Hierin heeft niet alleen gekeken naar de verkoop mogelijkheden maar ook naar de
hele watersport in Vietnam die nog in zijn kinder schoenen staan.

Fisherboats kan met de uitkomst van het onderzoek een aantal specificaties
bijstellen.

Hij heeft Fisherboats gewezen op zwakke punten in de organisatie en hoe het
bedrijf in de toekomst verder zal moeten gaan.

Wij bedanken hem voor zijn inzet en op de positive manier waarin hij in een vreemde
cultuur zijn onderzoek heeft gedaan.

Wij wensen hem veel succes met zijn afstuderen en hopen en vertrouwen erop dat
zijn inbreng bij Fisherboats ook in de toekomst behouden blijft.

Met vriendelijke groet, Jan P. Visser

JAN PETER VISSE
Tổng Giám Đốc

Fisherboats Co., Ltd
31/8C Dong An Tan Dong Hiep
Di An, Binh Duong, Vietnam
Fisherboats@gmail.com