

PROTECTING CHILDREN INTERESTS, MARKETING 4P STRATEGY OF MILK PRODUCTS FOR CHILDREN IN VIETNAM CASE OF VINAMILK - AND RELEVANT ISSUES TO DISCUSS ABOUT ITS BUSINESS SUSTAINABILITY

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Abstract:

During the Covid 19 Pandemic, Realizing that the ability to reach consumers with online videos is very high, this brand has built a strategy to increase interaction and brand awareness for Vietnamese women, especially mothers. Protecting consumers as children with milk products is among concerns of scientists and public in recent years. When it comes to watching videos online, Vietnamese mothers are very interested in family content, including cartoons and videos related to healthy food and drinks that are good for themselves and their families.

This has given Vinamilk an opportunity to build their content marketing (content marketing) strategy with their video format around the content that their customers care about, esp. In the segment of milk products for children. Last but not least, By using qualitative and quantitative models, we see that with multi macroeconomic variables: there is positive correlation between VNM net profit and cot, while negative relationship with R, CPI. This result gives us implications for economic policy.

Keywords: marketing 4P; risk management; Vinamilk; milk products; children interests protection;
JEL: M21, N1

1. Introduction

Milk industry in Vietnam has been developing so fast, esp. Milk market for children and their parents.

In 2021, Vinamilk marks 45 years of development as the only Southeast Asian brand to enter many global rankings. This is the result of the strategy and determination to bring the Vietnamese dairy brand to a higher position on the map of the world dairy industry.

Its products such as Dielac Alpha with a 3-in-1 formula provides a full range of essential nutrients to help children break through in height and perfect brain structure. The special ingredient in Dielac Alpha's formula is Colostrum colostrum - cow's milk expressed in the first 48 hours after birth - containing a lot of antibodies and essential micronutrients such as Zn, Se, Vitamins A, D, etc. C helps to increase resistance, protect babies to stay healthy against infections when they are more exposed to the surrounding environment.

Next, caring our children and protecting children interests are hot concerns. Children have right to be cared for and nurtured.

Children have the right to be cared for and nurtured for their physical, intellectual, spiritual and moral development. Parents have the obligation and right to love, look after, nurture, care for and protect their children's

legitimate rights and interests; respect children's opinions; take care of learning and education for children to develop healthy physically, intellectually and morally, become filial children of the family, useful citizens for society, take care of their studies and education develop physically, intellectually and morally, become a filial son of the family, a useful citizen to society.

The paper is organized with introduction , research questions, literature review and methodology. Next, main research findings/results and some discussion and conclusion and policy suggestion will be presented.

2. Body of manuscript

2.1 Research questions

This study will cover:

Issue 1: What are marketing mix strategy for Vinamilk during post covid?

Issue 2: What are the impacts of multi economic factors on firm profit and some solutions regarding to risk management?

2.2 Literature review

In Viet Nam, UNICEF strengthens the national child protection system. The national child protection system includes all the measures and organizations that work together in Vietnam to protect children. These organizations may include those that play an important role in social welfare, education and health care, as well as law enforcement agencies. A strong child protection system will address the many interrelated risks that children and families face.

Child rights are everything a child needs to live and grow up healthy and safe. Children's rights aim to ensure that children are not only passive recipients of adult kindness, but that they are active participants in their own development.

Children have the right to be cared for and nurtured for their physical, intellectual, spiritual and moral development. Parents have the obligation and right to love, look after, nurture, care for and protect their children's legitimate rights and interests; respect children's opinions; take care of their study and education so that their children can develop healthily physically, intellectually and morally, become filial children of the family and useful citizens to society, accordingly:

Parents have the obligation and right to jointly care for and raise their minor children or adult children who are disabled, have lost their civil act capacity, have no working capacity and have no property to support themselves. me.

- Parents create conditions for their children to live in a warm and harmonious family environment; set a good example for your children in all aspects; closely coordinate with schools and social organizations in educating children.

- Parents guide their children to choose a career; respect their children's right to choose a career and participate in social activities.

- When their children face difficulties that cannot be solved by themselves, parents can ask relevant agencies and organizations for help in carrying out their child's education.

Last but not least, Hang, T.T.B, Nhung, D.T.H, & Huy D.T.N (2020) stated that there is risk in tourism sector in Vietnam after global crisis which need to be controlled. Also, Huy, D.T.N et al (2020) shed risks also happen in banking sector which need macro policies control.

Ahmad and Ramzan (2016) stated the macroeconomic factors have important concerns with stocks traded in the stock market and these factors make investors to choose the stock because investors are interested to know about the factors affecting the working of stock to manage their portfolios. Abrupt variations and unusual movements of macroeconomic variables cause the stock returns to fluctuate due to uncertainty of future gains.

Next, We also summarize related studies in aspect of marketing mix:

Table 1 - Previous studies

Authors	Year	Content, results
Truc Dang	2014	The combinations of theoretical contents and the practical information showed that, by

		<p>applying the marketing mix 4Ps in proper ways, Vinamilk has gained many achievements that cannot be done easily by any dairy producers in Vietnam. Vinamilk is leading the market share of Vietnam's dairy in liquid milk, yoghurt, and sweetened condensed milk products, owning the most modern chains of factories and farms in Vietnam. Moreover, the product prices of Vinamilk are set at competitive levels, and accepted as "suitable" with purchasing ability of Vietnamese consumers. Vinamilk owns the largest distribution channels nationwide and being the pioneer of its industry in applying the online sales management system. Furthermore, Vinamilk has highly invested for its advertisements and accompanied with many social and government organizations to implement meaningful activities to community. Nevertheless, besides the achieved advantages, there are still obstacles that Vinamilk has to deal with and overcome</p>
Mohammed et al	2013	<p>Processors and producers of dairy products should implement modern marketing concepts that focus on the consumers' needs and wants. Also, producers and processors should use marketing mix in ways that increases their sales and creates satisfied customers.</p>
Kotler and Armstrong	2014	<p>the companies have to determine where their position is and how they differentiate themselves from their rivals in the market. When all steps above are completed, it means the company's overall marketing strategy is determined. Under the guidance of marketing strategy, the companies start to plan the marketing mix specifically. To achieve the company's goals, the marketing mix elements are blended into an integrated marketing program.</p>
Hang, T.T.B., Nhung, D.T.H., Hung, N.M., Huy, D.T.N., Dat, P.M.	2020	<p>Need risk management activity in tourism and airline and hotels sectors</p>

(source: author synthesis)

3. Methodology and data

This research paper establishes correlation among macro economic factors by using an econometric model to analyze impacts of six macro economic factors in Vietnam such as: GDP growth, inflation, interest rate, exchange rate,... on VNM net profit.

We build a regression model with Eview software to measure impacts of factors on net profit

4. Main findings

4.1- Marketing mix for milk products for children during post covid time

Vinamilk products for children:

Figure 1 - Products For children



(source: author synthesis)

We look at below table:

Table 2 - Marketing mix during post covid time

Product	Price
<p>- With an easily absorbed milk formula, supplemented with Whey protein rich in Alpha-Lactalbumin, which is an easily hydrolysed soft protein for quick digestion & easy absorption, along with soluble fiber FOS and probiotics system Bifidobacterium, BB- 12 supports digestive system health, helps support the development of the child's immune system, increases serum IgA antibodies and reduces the frequency of diarrhea.</p> <p>Optimum Gold is a comprehensive child nutrition solution that is accredited to meet the International Quality Management System by UKAS UK. Optimum Gold adds 20% DHA from pure algae and Lutein clinically proven to help your baby's brain development, height and resistance as follows:</p> <p>Help children gain weight and good height after 6 months. Daily 2 glasses of Optimum Gold 4 provide about 27%-35% more energy needs for children from 24 to 60 months old.</p> <p>- Next, Dielac Grow Plus with a formula to enhance MCT fat that metabolizes quickly, without the effect of bile (which is less secreted when children eat too little)</p>	<p>- need to be competitive for most of consumers and parents can buy</p> <p>- need to price based on psychology as well</p>

<p>to help children quickly replenish energy, increase calcium by 30%. and twice as much Vitamin D3, a vitamin and mineral supplement that meets 100% of the RNI nutritional needs recommended by the FAO/WHO international organization for malnourished and stunted children. Special products for malnourished and stunted children, helping them catch up with growth</p>	
<p>Promotion - advertisement online, on websites - Vinamilk regularly publishes posts to advertise products, promotions, contests, etc. on its fanpage.</p> <p>In product advertisement posts, Vinamilk always emphasizes on the benefits that customers can own when using products of this brand. Dielac Alpha with a 3-in-1 formula provides a full range of essential nutrients to help children break through in height and perfect brain structure. The special ingredient in Dielac Alpha's formula is Colostrum colostrum - cow's milk expressed in the first 48 hours after birth - containing a lot of antibodies and essential micronutrients such as Zn, Se, Vitamins A, D, etc. C helps to increase resistance, protect babies to stay healthy against infections when they are more exposed to the surrounding environment.</p>	<p>Place - Vinamilk distribute via system of milk agents and supermarkets and milk stores, etc.</p>

(source: author analysis)

Figure 2 - Dielac Grow Plus



(source: author synthesis)

4.2 Opportunities for pushing tourism demand

First, Our country need to foster cooperation through common digital platforms, sharing information and graphics on safe travel practices. The pandemic makes the adoption of digital and other tech tools even more important. However, when implementing "contactless" technology or online booking and payment for tourism-related transactions, countries should cooperate and share cross-border data flows for relevant information. to vaccine passport or digital health certificate.

Second, Sharing experiences to strengthen post-pandemic recovery capacity among countries is also essential. Several national travel agencies have begun working with online travel agents, telecommunications companies and financial services companies to ensure the effectiveness of policies. These experiences can be shared and replicated at the regional level.

Third, community tourism and cultural tourism also become other channels to explore and develop, as well as family tours,

4.3 General data analysis

4.3.1 Scenario 1 - Regression model with 2 variables: analyzing impact of Inflation (CPI) on VNM Net profit (Y):

Running Eview gives us below results:

Dependent Variable: Y
 Method: Least Squares
 Date: 02/24/20 Time: 12:47
 Sample: 1 10
 Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COST	0.383317	0.098980	3.872690	0.0061
CPI	-1.676050	11.56777	-0.144890	0.8889
C	-0.714318	2.743437	-0.260373	0.8021
R-squared	0.854392	Mean dependent var	7.400000	
Adjusted R-squared	0.812790	S.D. dependent var	2.560382	
S.E. of regression	1.107819	Akaike info criterion	3.285989	
Sum squared resid	8.590845	Schwarz criterion	3.376765	
Log likelihood	-13.42995	F-statistic	20.53722	
Durbin-Watson stat	1.458519	Prob(F-statistic)	0.001178	

Therefore, $Y = 0.38 * COST - 1.6 * CPI - 0.71$, $R^2 = 0.85$, $SER = 1.1$
 (0.09) (11.5) (2.7)

Hence, this equation shows us VNM Net profit has a positive correlation with Cost and negative relationship with inflation in Vietnam. Esp., it is highly positively affected by CPI.

4.3.2. Scenario 2 - Regression model with 3 variables: adding lending rate (r) into the above model

Eviews generates below statistical results :

Dependent Variable: Y
 Method: Least Squares
 Date: 02/24/20 Time: 12:47
 Sample: 1 10
 Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COST	0.356197	0.136951	2.600908	0.0406
CPI	-0.550825	12.90487	-0.042684	0.9673
R	-6.188754	19.77534	-0.312953	0.7649
C	0.547754	4.990306	0.109764	0.9162
R-squared	0.856731	Mean dependent var	7.400000	
Adjusted R-squared	0.785097	S.D. dependent var	2.560382	
S.E. of regression	1.186933	Akaike info criterion	3.469798	
Sum squared resid	8.452866	Schwarz criterion	3.590832	
Log likelihood	-13.34899	F-statistic	11.95976	
Durbin-Watson stat	1.499498	Prob(F-statistic)	0.006077	

Hence, $Y = 0.35 * COST - 0.5 * CPI - 6.18 * R + 0.54$, $R^2 = 0.85$, $SER = 1.18$
 (0.13) (12.9) (19.7)

The above regression equation shows us that VNM Net profit (Y) has a positive correlation with Cost (c.o) and negative relationship with inflation (CPI) and lending rate (R). And the coefficient (with lending rate) is the highest, the 2nd highest is with inflation. Lending interest rate increases together with CPI increases will increase costs of business and lead to a decrease in VNM net profit.

5. Discussion and conclusion

We analyze from above table:

- With multi macroeconomic variables: there is positive correlation between VNM net profit and cot, while negative relationship with R, CPI.

Hence, we would suggest the government, Ministry of Finance and State Bank of Vietnam consider to control inflation more rationally, i.e not increasing much and suitable with each economic development stage.

Also, reduction in R will increase VNM profit and vice versa.

Beside, With the aim of reaching a group of female consumers, especially mothers - customers who care a lot about dairy products to effectively feed their children, this brand has used the strategy of building content below. videos and upload them to your YouTube channel. Vinamilk makes long-form videos with insightful and engaging content.

Promotional videos have always been an important part of Vinamilk's marketing campaign. With certain successes, this is an effective form of advertising content that helps Vinamilk increase its brand awareness effectively.

Figure 3- Optimum gold for child



(source: author synthesis)

Limitation of research

We can expand our research model for markets and regions of Vietnam.

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Conflicts of interest

There is no conflict of interest

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Exhibit

Exhibit 1 – GDP growth rate past 10 years in Vietnam

