

TABLE OF CONTENTS

ACKNOWLEDGEMENTS

ABSTRACT

TÓM TẮT

TABLE OF CONTENTS

LIST OF FIGURE

LIST OF TABLE

INTRODUCTION

1. Research Problem
2. Objective and aim of thesis
3. Scope and scale of thesis
4. Methodology
5. Data resources

CHAPTER 1: LITERATURE REVIEW

- 1.1 Market share
 - 1.1.1. Definition
 - 1.1.2 Ways to increase market share
- 1.2 Consumer decision making process
 - 1.2.1 Information search
 - 1.2.2 Source of information
 - 1.2.3 Information search on the Internet
- 1.3 Customer Value, Satisfaction, and Loyalty
 - 1.3.1. Customer Value
 - 1.3.2. Total Customer Satisfaction
- 1.4. Marketing mix
 - 1.4.1 The product
 - 1.4.2 Promotion mix
 - 1.4.3 Place
 - 1.4.4 Price

CHAPTER 2: THE CASE OF ILA VIETNAM IN HANOI

- 2.1 Introduction

2.2. Business analysis

2.2.1. Analysis of visitor and sources of information channel

2.2.3. Product analysis and comparison.

2.2.3. New sales analysis.

2.2.4. Re-enrolment and customers' loyalty analysis

2.2.5 Promotion mix analysis

2.2.6. Place

CHAPTER 3: CONCLUSION AND RECOMMENDATIONS

3.1 Conclusion

3.2 Recommendations

3.2.1 The information search on the Internet

3.2.2 Building Customer Value, Satisfaction, and Loyalty

3.2.3. Marketing mix

3.1 Product

3.2 Promotion mix

3.3. Place

REFERENCES

Appendix

SOME RECOMMENDATIONS TO DEVELOP THE MARKET SHARE, THE CASE OF ILA VIETNAM IN HANOI

Tran Thuy Linh

MBA candidate, 2008-2010

School of Business Vietnam National University, Hanoi

Supervisor: Dr. Nguyen Thi Phi Nga

INTRODUCTION

1. Research Problem

ILA Vietnam in Hochiminh City is a very famous English Training Centre. Everyone can recommend friends and relatives to ILA to study when they are asked. There are six training centres in HCMC, one in Vung Tau, one in Da Nang and one in Hanoi.

The centre in Hanoi was established in 2007. This centre has a big problem with the market share development. Although Hanoi Training centre has more than three years running, it now still has negative profit.

The problem is that ILA Hanoi has to compete with many big competitors such as Apollo, Language Link, ACET and British Council. Hanoians are familiar with these centres and know little about ILA Vietnam. Besides, ILA still uses one marketing strategy for both northern and southern area.

With those research problems, the thesis will be conducted with the purpose to improve the market share then to get more profit for ILA Vietnam in Hanoi for the period of 2011-2016. The objectives will include: Study consumer behaviour of Hanoi market, analysis performance of ILA Hanoi; find out the problems occurring in the Hanoi Centre; and give the recommendations to develop the market share based on the consumer behaviour.

2. Objective and aim of thesis

Those research problems will be discovered with the purpose to improve the market share then to get more profit for ILA Vietnam in Hanoi for the period of 2011-2016.

The objectives will conclude: Study consumer behaviour and then build up the marketing program to increase market share; Study about marketing performance of ILA Hanoi; Find out the problem occur in the Hanoi Centre; and give the recommendations to develop the market share

3. Scope and scale of thesis

This research will be conducted based on some major objects are: Current customers of ILA Vietnam in Hanoi, visit customers and staffs in Hanoi

4. Methodology

The thesis used some method of research such as observation of surveys potential customers, existing customers of ILA staffs and analyse reports of the company.

5. Data resources

The main sources of the thesis was secondary data such as books, newspapers, internal and external reports and the Internet. The primary data was gathered from direct interviews and discussion with staffs and managers of ILA.

CHAPTER 1: LITERATURE REVIEW

The literature included theory of market share, ways to increase market share, consumer behaviour, consumer decision-making process, information search and building customer loyalty. This section will start off by explaining the market share concepts.

1.1 Market share

1.1.1. Definition

There were some definitions of market share as the following:

"Market share is the percentage of a market (defined in terms of either units or revenue) accounted for by a specific entity."

By Farris, Paul W.; Neil T. Bendle; Phillip E. Pfeifer; David J. Reibstein (2010). *Marketing Metrics: The Definitive Guide to Measuring Marketing Performance*.

“In very simple terms, market share is the number of **loyal** customers your business or company has been able to *retain* over a long period of time” by Tito Philip, Jr. It was quite different from other definition when mentioning the loyal customers. This author thought that no one else but loyal customers were the real market share of the companies.

Base on this definition, the author of the current thesis find out that to study consumer behaviour to make them become loyal customers is one of the good way to increase the market share. And it is the main content that the current thesis focus on.

All these definition had different calculation but all had a same idea of the “pie” of the maket “cake” that the company owned. The more important is how to increase this “pie”

1.1.2 Ways to increase market share

There were some ways to increase the market share as the following:

- Try to sell more to existing customer: encourage customer to buy more product and higher frequency.
- Get old customer back: find the reasons why customer left: they did not need this product anymore, the price was too expensive, customers were not satisfied, customers changed to company’s competitors...
- Try to sell effectively to similar customer by using data to telesales, send mail, advertising, word-of-mouth...
- Use other channels to sell: direct sales, whole sales, online sales or e-commerce
- Find the new market: at other province, other country
- Develop the new product for same market

In order to developing the market share for the company in the safer way, the marketer had to study the consumer behavior and customer buying process.

1.2. Consumer decision making process

Consumer decision making process had some states that presented in the figure 1-2 below. There were problems (need) recognition, information search, alternative evaluation and selection, outlet selection and purchase and post-purchase processes. The lowest level of purchase involvement was represented by nominal decisions: a problem was recognized, long-term memory provides a single preferred brand, that brand was purchased, and only limited post purchase evaluation occurs. As one move from limited decision making toward extended decision making, information search increases, alternative evaluation becomes more extensive and complex, post purchase evaluation becomes more thorough.

1.2.1 Information search

After problems recognized, people often used internal and external search for information that related to product or service. The internal search was included long-term memory of satisfactory solutions, characteristics of potential solutions. The external search were a price range, familiar manufactures, performance criteria, etc...that could be limited because of one or two criteria.

1.2.2 Source of information

There were two main types of information sources: the internal and external. In some example above, the source of information that the mother used was external and the fan-buying-woman used internal information source. The source of information could be:

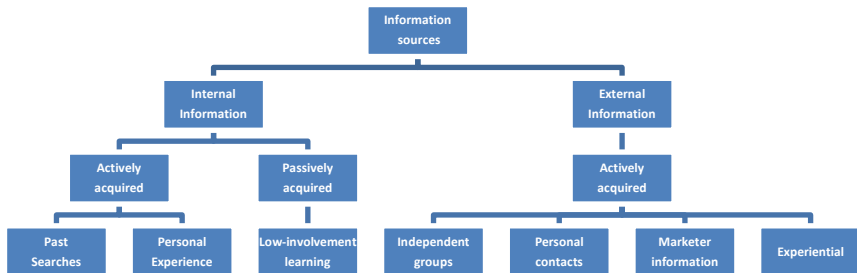


Figure 1-2 Information sources for Purchase Decision.

1.2.3 Information search on the Internet

The internet was a new consumer information search in the communication era. In the nineteen century, one expert had a prediction that the Internet would be popular and powerful search engine.

1.3 Customer Value, Satisfaction, and Loyalty

Customer should be the top of the company and they were profit centre of every company. It was not the manager who was most powerful but the customer. Therefore, the company must find what customer value was, how to satisfy them, how to make them become loyal.

1.3.1. Customer Value

In the era of communication and digital, consumers were more educated and informed than ever, and they had the tools to verify some companies at the same time and find out the best choice. Customers used to be value-maximizers, within some criteria as product cost, using value. Customers would estimate which offer could deliver the most value to choose it. Philip Kotler defined total customer delivered value as the figure 1-4 bellow:

Figure 1-4: Customer delivered value

| | | |
|--------|--------------------------|--|
| Minus | Total customer value | (Product, service, personal and image values) |
| | Total customer cost | (Money, time, energy and psychic costs) |
| equals | Customer delivered value | (Profit to the customer) |

1.3.2. Total Customer Satisfaction

Philip Kotler and his colleagues built a theory of customer satisfaction. In this theory, these authors defined that the buyer's satisfaction after purchase depended on the offer's performance in relation to the buyer's expectations. They said that:

1.3.2.1. Customer expectation

Customers' expectations were the most important factor in customer's satisfaction. Customers often used their experience buying in the past, the advices from their friend and relatives and promises from marketers and competitors to build their expectations.

1.3.2.2. Measuring Satisfaction

Measuring customer satisfaction were important to business and needed to maintain regularly. Customer satisfaction survey had to be done regularly once a month or once per year, depend on the product and service that supplied. It was the way to keep customer to be loyal with the company. The higher level of satisfaction, the longer customer staying with the brand or company.

1.4. Marketing mix

1.4.1 The product

Product was the first and the important element of marketing mix. It defined what company was doing or selling. In the book "Principles of Marketing" Kotler and his colleagues pointed out the concept of "product" and the relevant theory about it. In this thesis, the author

chose some criteria that needed for the company to apply in analysis. In the book, Kotler said that: “Product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organisations and ideas.”

In this part, the thesis delivered characteristic of service and new produc process.

1.4.2 Promotion mix

The Promotion mix was the specific mix of advertising, personal selling, sales promotion and public relations that a company used to pursue its advertising and marketing objectives, Kotler wrote. It also was the very important element of marketing mix. If the company had good products and services but they did not had good promotion strategy, people could not know who they were, what products were and of course, they could be failed.

1.4.2.1 Advertising

Advertising was not only used by firms but it was also used by others such as social agencies non-profit organisations to communicate to various target publics. Advertising was the good way to inform and persuade. Philip Kotler defined advertising as any paid form of non-personal presentation and promotion of ideas, goods or services through mass media such as newspapers, magazines, television or radio by an identified sponsor.

1.4.2.2 Sales promotion

According to the writer, sales promotion consisted of short-term incentives, in addition to the basic benefit offered by the product or service, to encourage the purchase or sale of a product or service. Whereas advertising offered reasons to buy a product or service, sales promotion offered reasons that would achieve immediate sales.

1.4.2.3 Public relation

Public relation (PR) was very popular in the modern life. This was a very important technique of mass-promotion that had a strong impact

on public awareness and was much lower cost than advertising. Public relation used to build brand not advertising.

1.4.3 Place

Place was one of the marketing mix element and was very important for not only firms that produced goods but also services. In this part, the author wanted to mention to distribution channel for service industry.

The most common of the three types of contractual relationship was the franchise organisation.

“In a franchise relationship, the franchiser links several stages in the production–distribution system. The franchiser typically provides a brand identity and start-up, marketing and accounting assistance as well as management know-how to the franchisee. In return, the franchiser gets some form of compensation, such as an initial fee and a continuing royalty payment, lease fees for equipment and a share of the profits.”

Philip Kotler, Principal of Marketing, 4th edition

1.4.4 Price

Pricing was one element of the marketing mix. The theory of price in the marketing mix that was written by Phillip Kotler included new product pricing strategies, product mix pricing strategy, price adjustment strategies based on buyers and situational factors and price reaction strategy.

CHAPTER 2: THE CASE OF ILA VIETNAM IN HANOI

2.1 Introduction

ILA is a wholly foreign owned education and training company. The company offers a broad range of high quality training programme and services to individuals and organizations throughout Vietnam, including: English language programs (for children, teenagers and adults), ILA business school (in co-operation with Kaplan,

Singapore), Corporate training, Teacher training (CELTA, DELTA, CELTYL), Overseas study consultancy and placement services
 ILA is one of the biggest English centres in Ho Chi Minh and this statement has being proved by the number of visitors and the revenue during over 10 years. However, ILA Hanoi has not achieved the similar success since 2007. Three years passed by whereas ILA Hanoi still is one of the highest fee centres in Hanoi but is not the most popular centre at all.

| | |
|--|--|
| <p>Strength</p> <p>High qualified staffs</p> <p>Good standardized working system</p> <p>Good reputation from the south to the north</p> <p>Good product quality</p> <p>Good customer services</p> <p>Financial source was supported by head-office</p> <p>Strong academic manager team to manage teaching quality</p> | <p>Weakness</p> <p>A lot of indirect management level</p> <p>Qualification of staff was reduced</p> <p>Low level of profit margin and limited budget for marketing</p> <p>Do not have sales channel</p> <p>Lack of new products and innovation</p> <p>Marketing activities applied for the hold country and not suitable for the north area</p> |
| <p>Opportunity</p> <p>Social trend was changed to profitable way to Foreigner English training centres</p> <p>Living standard was grown</p> <p>MOET threatening the training activities helped reducing competitors</p> <p>Competitors losing reputation</p> | <p>Threat</p> <p>Key staff leavings</p> <p>Many new competitors</p> <p>New technologies applied in studying English</p> <p>Competitors set up new campus near ILA</p> |

2.2. Research Business analysis

2.2.1. Analysis of visitor and sources of information channel

The thesis started analyzing problem with visitor of the past three years. Author used tables to show in a visual way.

Table 2-1: Number of visitor from 2008 to 2010

| Year | 2008 | 2009 | 2010 |
|----------|------|------|------|
| Children | 632 | 697 | 1020 |
| Adult | 808 | 555 | 536 |
| Total | 1440 | 1252 | 1556 |

As could be seen from the table above, the total number of visitors of year 2008 was higher than the number of 2009. But the highest number of visitors was the year 2010. The number of children increased sharply in this year because of economic recovery. In contrast, the number of adults who visit ILA Hanoi is reduced. There was a 31% reduction between 2008 and 2009 from 808 to 555 people. And still on the trend, it was continuing down by 19 people in 2010 in comparing with 2009.

The table below showed that most of visited customers in 2010 were via friends and relative recommendations: 1121 over 1556 people equivalent to seventy two percents of total visitors.

Table 2-2: Visit Sources

| Visit | Sources | Quantity | % |
|-------|-------------------------------|----------|----|
| | Press | 41 | 3% |
| | Press Ad | | |
| | - Tuoi Tre | 1 | |
| | - Thanh Nien | 3 | |
| | - Good Morning (Korean) | - | |
| | - Saigon Giai Phong (Chinese) | - | |
| | - Muc Tim | - | |
| | - Hoa HT | 13 | |
| | - Lao Dong | 5 | |
| | - Others | 17 | |
| | Advertorials | 5 | |
| | Flyer Distribution | 14 | 1% |

| | | |
|------------------------------------|-------|-------|
| Direct mail | 2 | 0% |
| Online Ad | 6 | 0% |
| - VN Net | 2 | |
| - VN Express | 1 | |
| - BariaVungtau | - | |
| - Hoa HT | - | |
| - Dan Tri | 3 | |
| Internet | 249 | 16% |
| TV Popup/ TV Film | 29 | 2% |
| Billboard | - | 0% |
| Street Banner | 1 | 0% |
| Ad on taxi | - | 0% |
| Light Box - HN | 3 | 0.19% |
| Direct Sales | 2 | 0.9% |
| Friend-Relative Recommendation-ILA | 1121 | 72% |
| Promotion | 5 | 0.32% |
| Survey Form | - | 0% |
| Others | 82 | 5% |
| TOTAL | 1,556 | 100% |
| Placement test | 1,215 | 78% |
| Sales | 840 | 69% |

(Source: Visit report 2010; ILA Vietnam in Hanoi)

The second effective channel of customer was people who knew ILA via the Internet. There were 249 people equivalent to sixteen percents overall. The third channel was unidentified one because most of them were transferred from other centres of ILA in Vietnam nationwide or simply not included in statistic questions. This group had 82 over 1556 people, about five percents. The company should find other way to note down and analyze this group.

The last group, also the traditional marketing channels, was people who came after reading article on press and saw advertisement on TV. There were 41 persons in this group from press and 29 persons from TV. Even the company spent a huge amount of money each year on these two channels but it seemed not working.

2.2.2. Product analysis and comparison.

Table 2-3: Programme, schedule and fee of English course in ILA Hanoi

| Programme | Level | Duration (hrs) | Week | Schedule | Fee (USD) |
|-----------|-------|----------------|------|----------|-----------|
|-----------|-------|----------------|------|----------|-----------|

| | | | | | |
|--|------------------------------------|-----|----|---|-----|
| Jumpstart 4-6 years old | 1A, B | 74 | 19 | Sat and Sun 7:45-9:45, 10:00-12:00, 14:30-16:30, 16:50-18:50 | 455 |
| | 2A, B | 74 | 19 | | 455 |
| | 3A, B | 74 | 19 | | 455 |
| Juniors 6-11 years old | 1A, B | 100 | 25 | Sat and Sun 7:45-9:45, 10:00-12:00, 14:30-16:30, 16:50-18:50; | 615 |
| | 2A, B | 74 | 19 | | 455 |
| | 3A, B | 74 | 19 | | 455 |
| | 4A, B | 74 | 19 | Tue and Thu 17:30-19:15 | 455 |
| | 5A, B | 74 | 19 | | 455 |
| | 6A, B | 74 | 19 | | 455 |
| Seniors 11-15 yrs old and Elite 15-18 yrs old | 0 | 60 | 15 | Mon/Wed; Tue/Thu; Wed/Fri; 17:30-19:15; 19:30-21:30 | 385 |
| | 1 | 100 | 25 | | 625 |
| | 2 | 100 | 25 | | 625 |
| | 3 | 100 | 25 | | 625 |
| | 4 | 110 | 28 | | 687 |
| | 5A, B | 75 | 19 | | 475 |
| | 6A, B | 100 | 25 | | 625 |
| | 7A, B | 100 | 25 | | 625 |
| | 8A, B | 100 | 25 | | 625 |
| | 9A, B | 100 | 25 | | 625 |
| English communication skill 18 yrs old and older | Beginner 1,2,3 | 46 | 8 | Mon/Wed/Fri; Tue/Thu 17:15-19:15; 19:30-21:30 | 300 |
| | Elementary 1,2,3,4 | 46 | 8 | | 300 |
| | Pre- intermediate 1, 2, 3, 4 | 46 | 8 | | 300 |
| | Intermediate 1,2,3,4 | 46 | 8 | | 300 |
| | Upper- inter1,2, 3, 4 | 46 | 8 | | 300 |
| | Post- inter1, 2, 3, 4 | 46 | 8 | | 300 |
| | Advance 1,2,3,4 | 46 | 8 | | 300 |
| Examination Preparation Course | IELTS 1,2 | 60 | 10 | Mon/Wed/Fri 17:15-19:15; 19:30-21:30 | 615 |
| | TOEFL 1,2 | 60 | 10 | | 615 |
| | TOEIC 1,2 | 60 | 10 | | 615 |

(Source: Sale department; ILA Vietnam in Hanoi)

Table above showed that ILA has varieties of products for customer from age of four year old up to adult. Spending too much money, from 300USD to 600USD, at a time was a barrier for those customers who have not studied or had known about ILA. Customers felt taking risk for the first time using

service in a new centre that many of their friends and relatives have not tried or known about.

Table 2-4: Programme, schedule and fee of English course in Apollo Centre

| Programme | Level | Course information | | | |
|---|--|--------------------|------------------|--|-----------|
| | | Duration (hrs) | Week | Class Schedule | Fee (USD) |
| English for Kindy (4-6 years old) | Kindy A, B, C | 40 | 20 weeks | Mon or Sun or Sat on 17:30-19:30 or 07:45;10:00;13:45:16:00 and 18:15 | 220 |
| English for Junior (6-12years old) | Starter A, B, C Movers A, B,C Flyers A,B,C Juniors Pre-elementary A Juniors Pre-elementary B | 40 | 20 weeks | Sat/Sun ; Sat & Sun from 13:45-15:45 or 16:00 - 18:00 | 220 |
| English for teens (12-15 years old) | Seniors Starter A,B Seniors Beginner A,B Seniors Elementary A,B Seniors Pre-Inter A,B Seniors Inter A,B,C,D Seniors Upper Inter A,B,C,D Seniors Advanced A,B,C | 40 | 20 weeks | Sat/ Sun; Sat & Sun (18:00-19:30 or 19:45-21:45) Tue / Thu :17:30 - 19:30; Thu &Sun: 07:45:10:00;13:45 | 220 |
| Confident teen course (16-19 years old) | Elementary 1,2 Pre-Inter 1,2 Inter 1,2 Upper Inter 1,2 | 48 | 10.6 or 16 weeks | M/W/F or T/T/Sat or T/T: 18:00-19:30 or 19:45-21:45 | 268 |
| General English (for adult) | Starters Beginner A,B Elementary A,B,C Pre-Inter A,B,C,D Inter A,B,C,D Upper-Inter A,B,C Advanced A,B,C Proficiency A,B,C | 46 | 8-12 weeks | M/W/F or T/T/Sat or T/T or Mon/ Wed | 268 |
| IELTS - general for Pre - Inter Level | IELTS Success 1 IELTS Success 2 IELTS Success 3 | 60 | 10-15 weeks | M/W/F or T/T/Sat or T/T or Mon/ Wed | 360 |

| | | | | | |
|------------------------------------|---|----|---------------|--|-----|
| IELTS - academic for Inter | IELTS Skills 1 IELTS Skills 2 IELTS Skills 3 | 60 | 10 - 15 weeks | 17:30- 19:30 or 19:45 -21:45 | 360 |
| TOEFL iBT | Intermediate Upper Intermediate | 60 | 10 weeks | M/W/F or T/T/Sat | 360 |
| English for Business Communication | Pre-Inter A,B,C, Inter A,B,C, Upper-Inter A,B,C | 60 | 15 weeks | M/W/F or T/T/Sat or T/T from 17:30- 19:30 or 19:45 - 21:45 | 348 |

(Source: Apollo Vietnam, Hanoi)

Table 2-5: Programme, schedule and fee of English course in Language Link

| Programme | Level | Duration (hrs) | Week | Class Schedule | Fee (USD) |
|-----------------------------------|---|----------------|------------|------------------------|-----------|
| Super Kids (7-11 years old) | Starters 1,2,3 Movers 1,2,3,4 Flyers 1,2,3,4 | 36 | 8,12 or 24 | Sat | 200 |
| Top class teens (12-16 years old) | Beginners 1,2 Elementary 1,2,3 Pre-inter 1,2,3 Inter 1,2,3 Upper-Inter 1,2,3 | 36 | 8,12 or 24 | Sun | 200 |
| Speed up | 1 | 30 | 2 | Mon- Fri | 120 |
| English Communication Skills | Beginners 1 Elementary 1,2,3 Pre-inter 1,2,3 Inter 1,2 Upper-Inter 1,2 Advance 1,2 | 52.5 | 12 | M/W/F or T/T/S | 250 |
| Business English | Elementary 1,2,3 Pre-inter 1,2,3 Inter 1,2,3 Upper-Inter 1,2 Advance 1 | 50 | 8 | M/W/F or T/T/S | 270 |
| TOEFL | 1 | 55.5 | 8 | 19:30-21:30 on Tue/Thu | 179 |
| IELTS | 2 | 52 | 8 | | 290 |

(Source: Language Link Corp, Vietnam)

These tables showed that products of these two companies were similar in schedules, duration and fee.

Finishing this part, the thesis found the differences of products from the three companies and the reason that customer chose ones of the

two competitors of ILA. This was an important part of rationale and would transfer to sales analysis in a logical way.

More products analysis:

Teacher of ILA was native speaker who came from UK, USA, Canada, Australia...ILA had good teaching assistant team but they need to be trained to be more professional. ILA products was lacking of outdoor activities. The books had been used for long time.

Table 2-6: Book using analysis

| Programme | Books | Year of using | Note |
|---------------|------------------|---------------|---|
| Jumpstart 4-6 | Fingerprint | Before 2007 | Same with Apollo |
| Junior 6-11 | Way Ahead | Before 2007 | |
| Seniors 12-17 | Galaxy starter | Before 2007 | |
| | More 1,2,3 | Since 2009 | |
| | Adventure | Before 2007 | |
| Adult | New-Inside Out | From 2009 | Publisher changed some small parts of the book. |
| IELTS | IELTS foundation | Before 2007 | |

2.2.3. New sales analysis.

New sales analysis was an important part that would show the development of the company.

Table 2-6 The number of new sales volume

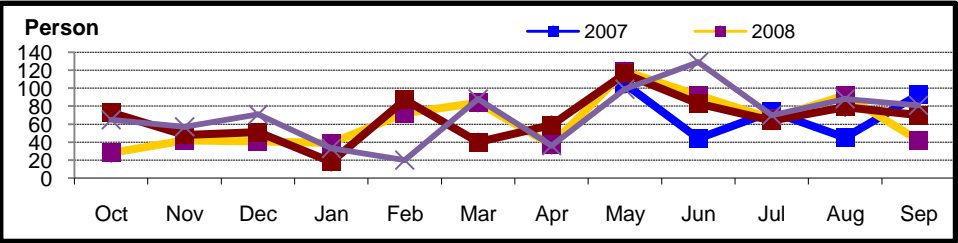
| Year | 2008 | 2009 | 2010 |
|----------|------|------|------|
| Children | 352 | 424 | 565 |
| Adult | 439 | 341 | 273 |
| Total | 791 | 765 | 838 |

The table above showed that the numbers of new student was increased stable in children and decreased steadily in adult. The figure bellow described the number of new sales in detail.

Figure 2-1: Sales volume of ILA Vietnam in Hanoi since 2007

(Source: Sale department; ILA Vietnam in Hanoi)

Figure 2-1, showed the Sales volume over the past three year. Hanoi



center had started since May 2007. The chart showed the trend of sales volume and it repeated annually, even though it has some differences. After having a brief on the chart of New Sales, some conclusion can be draw as the following: There is seasonal character in selling an English course; Promotion at a specific of time would help increasing number of sales; Marketing activities should concentrate on selling seasons then launch relevant ones

The thesis would move to the next and very important part: re-enrolments of old students.

2.2.4. Re-enrolment and customers' loyalty analysis

Table 2-7 Re-enrolment in ILA Hanoi

| Programme | | 2009 | | | | 2010 | | | |
|---------------|-----------|-------|-------------|------|------|-------|-------------|------|------|
| | | Total | Re-enrolled | Rate | Stop | Total | Re-enrolled | Rate | Stop |
| Adult | | 562 | 198 | 35% | 364 | 450 | 138 | 31% | 312 |
| Young learner | Elite | 64 | 17 | 27% | 47 | 43 | 19 | 44% | 24 |
| | Jumpstart | 160 | 124 | 78% | 36 | 174 | 113 | 65% | 61 |
| | Juniors | 371 | 291 | 78% | 80 | 571 | 436 | 76% | 135 |

| | | | | | | | | | |
|-------|---------|------|-----|-----|-----|------|-----|-----|-----|
| | Seniors | 219 | 116 | 53% | 103 | 228 | 114 | 50% | 114 |
| TOTAL | | 1376 | 746 | 54% | 630 | 1466 | 820 | 56% | 646 |

The table showed that the rate of old students re-signed up other course at ILA was nearly the same in the two years. About fifty five percent of students would like to take other course at ILA. In those number of students, the higher of age the less of loyalty rate. The most loyal students were group of children from 6 to 11 years old, Juniors. The number of stop student was a huge amount and most of it came from group of adult students.

The company would have grown better than ever if the students were loyal and the rate of re-enrolment was higher. Revenue and profit of the company would have been higher if re-enrolment rate was higher and stop student was reduced.

In conclusion for this rationale part, the thesis found out that ILA Hanoi had negative profit since its opening because of having poor brand image in Hanoi market and the company did not understand the consumer behaviour of Hanoians

2.2.5 Promotion mix analysis

Before analysing the advertising activities of ILA, the author would like to use the research of AC Nelson on the marketing effect. This was a general research about the differences between Hanoi and Hochiminh city. In the number of differences, marketer could find useful parts to apply to the marketing strategy of the company.

The role of advertising is more critical in Hanoi

| | HCMC | Hanoi |
|--|------|-------|
| I watch advertisement and also refer to others ideas to feel assured | 57 | 81 |
| I like strange, unique and funny advertisements. It makes me laugh, feel happy and attracts my attention | 44 | 75 |
| Advertisements are really helpful when I need to buy something | 28 | 73 |
| I have a tendency to love meaningful implied Advertisements | 30 | 68 |
| I feel more comfortable with products which have many advertisements | 19 | 49 |

| | | |
|--|----|----|
| Preference for products will depend on the popularity of its advertisement | 17 | 49 |
|--|----|----|

Unit: percentage

This research showed the fact that doing business in Hanoi is much different than in Hochiminh City and the company should apply different strategy and marketing campaign in Hanoi in order to develop revenue.

Table 2-10: Types of advertising and frequency

| Sources | Frequency |
|-------------------------------|---------------------------------------|
| - Tuoi Tre | 16 (each quarter 4 times) |
| - Thanh Nien | Once a month |
| - Good Morning (Korean) | Once per two months |
| - Saigon Giai Phong (Chinese) | Once per month |
| - Muc Tim | Once per month |
| - Hoa Hoc Tro | Once per month |
| - Lao Dong | Once per 2 weeks at peak time |
| Flyer Distribution | Once per months in 2007 and 2008 only |
| Direct mail | Once in 2007 |
| Vietnamnet | Once per month |
| VNExpress | Twice per month |
| BariaVungtau online | Once per month |
| HoaHocTro online | Once per month |
| DanTri.com | Twice per month |
| TV Popup/ TV Film | Once in 2009 |
| Street Banner | Once per month |

- Discount
 - For family member when customer had more than one child study at ILA. If there were two siblings, the second one would receive 5% discount. If there were more than two siblings, all of them had 5% discount

- For students of Universities and colleges, students could receive 5% discount if their student card of identification was valid.
- For students who studied one course at ILA Hanoi, the second course would receive 5% discount. From the third course, students could receive 10% discount. Students had to pay money by the finishing date of the previous course.
- Discount for new students in some special time of the year as Christmas and New Year, Children day etc..
 - Gift voucher: when having friend and relative recommendation promotion, ILA would reward recommenders by 500,000vnd shopping voucher if their friends, relatives pay money.

2.2.6. Place

Place in marketing mix could be understood as distribution channel. At ILA, a service company, place concept could be understood as a strategy of developing a net of training centres for students to use services. The author wanted to analyse the impact of location of the centre on the number of students and the market share of ILA in Hanoi.

Table 2-11: Student statement by district and areas

| Districts | Student No. | Rate |
|--------------|-------------|------|
| Cau Giay | 418 | 29% |
| Tu Liem | 307 | 21% |
| Dong Da | 319 | 22% |
| Ba Dinh | 254 | 17% |
| Hai Ba Trung | 59 | 4% |
| Hoang Mai | 19 | 1% |
| Hoan Kiem | 45 | 3% |
| Long Bien | 5 | 0% |
| Other | 40 | 3% |
| Total | 1466 | 100% |

Source: ILA report of student statement by areas

CHAPTER 3: CONCLUSION AND RECOMMENDATIONS

3.1 Conclusion

There were some conclusions that author found after doing research as the following:

- ILA Vietnam in Hanoi had poor performance up to now and still in negative profit.
- Marketing strategies that ILA applied in Hanoi was the same with those in Hochiminh city but was not effective and had little result.
- Potential customers were reduced gradually at the field of Adult's products.
- Few Hanoians knew about ILA through marketing channels except word-of-mouth.
- The rate of re-enrolled customers was low at the major products such as secondary students up to Adult.
- Products of ILA were long and less attractive than competitors' one.
- Price of ILA's courses were higher than competitors but not much different.
- ILA did not define who it is in Hanoian's minds.

Through these conclusions above, the author would like to deliver some recommendations as the following.

3.2 Recommendations

3.2.1 The information search on the Internet

ILA should redesign the website for easy searching and customers could pay course fee in this web. Customers could choose courses and book for a seat. Beside the use of home page, ILA needs advertising on the Internet. For the era of searching in the Internet, common called "Google", the company need to manage the advertising well. The other tool of advertising in the Internet was public relation. Some company used topics in forums to advertise their products. The effect of this tool was uncontrollable. Many competitors could use

this channel to point out some disadvantages of the company. So, ILA should consider advertising in the Internet in some famous forums, online websites, blogs...and carefully consider using topics in forums.

3.2.2 Building Customer Value, Satisfaction, and Loyalty

ILA can improve its offer in three ways. First, it can increase total customer value by improving product, services, personnel, and/or image benefits. Second, it can reduce the buyer's non-monetary costs by reducing the time, energy, and psychic costs. Third, it can reduce its product's monetary cost to the buyer.

In order to improve the rate of re-enrolment from loyalty customers, the company should build good relationships with customers through some marketing strategy. ILA should choose partnership marketing as well. In order to do so, the company should treat employees as well as they treat the customers. Regarding loyalty, author thinks that the company should keep on developing their loyalty programs and customers services linked to their English training programmes – such as offering one year of free entrance testing fee. In addition, promotion for existing students should be applied to encourage reenrolment for next-time study such as loyalty discount or scholarship for high achievement students.

On the other hand, ILA should consider applying the Loyalty Profit Chain as the chart below explains. This approach could make a real

difference in employee turnover and customer satisfaction and eventually shareholder return.

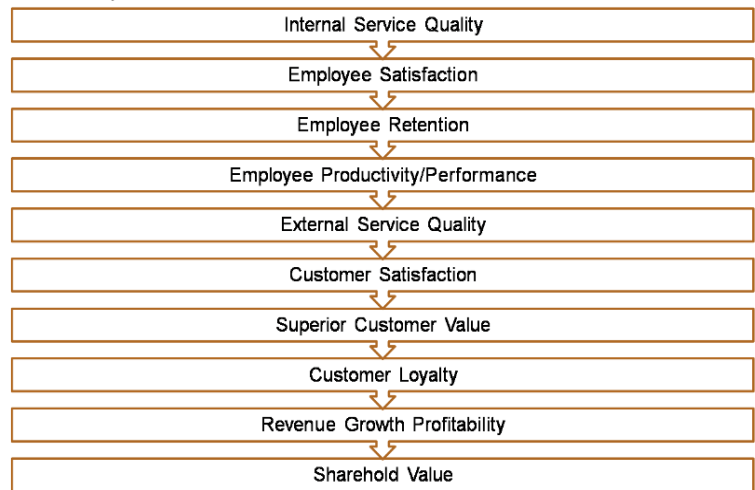


Chart 3-1: Loyalty Profit Chain

Regarding loyalty, author recommended that the company should keep on developing their loyalty programs and customers services linked to their English training programmes – such as, for instance, offering one year of free entrance testing fee.

3.2.3. Marketing mix

3.1 Product

ILA did not have new products for years. It was necessary for ILA to have new products to attract more customers and gain the market share. There were two ways to have the new products. The company could renew current products and develop the new product. The author recommended doing both at ILA. Renew products could help ILA save time and cost in short term. In long term, ILA had to develop new product to gain competitive advantages.

3.2 Promotion mix

- Advertising: ILA should have one marketing person for Hanoi and do a campaign for Hanoi only. Advertising should be increased frequency in popular newspaper and television channels.
- Public relation: ILA should organize events to school and do charity at SOS and other school.
- Sales promotion: ILA should use VIP card to loyal customers, have more reward by coupon and scholarship. ILA should have more discount for companies.

3.3. Place

In order to get more market share, ILA could try to get more students but customer could not travel for two hours to use two hours service. ILA should expand the business in Hanoi. The company should open a new centre in Hanoi downtown because, in the customers' mind, the famous brand name "must have" a branch in downtown. If a company have an office or branch in the city centre, the brand name was perceived as a high value one. The author would recommend ILA to set up a new training centre in Hai Ba Trung Street for collecting students from Hoan Kiem, Long Bien, part of Hai Ba Trung districts and Gia Lam. One more training centre should be open on Tay Son Street in order to collect students from Ha Dong, Dong Da, Thanh Xuan Districts.

It cost the huge amount of capital to establish many training centres. ILA should consider using franchise. There were some advantages:

- Franchising could help ILA save cost of building set up, staff's. ILA could also receive the initial fee.
- The rapidly expansion would help ILA increase its market share faster.
- The centre's managers worked for themselves so the business must be different than current centre in development and management.

Beside these advantages, ILA had to face some disadvantage of franchising as the following:

- ILA had to give up some control
- The franchisees might not perform exactly ILA standards so it could harm to ILA brand name
- The franchisees might not be good dealers.

To avoid these disadvantages, ILA should design the standard contract that point clearly that ILA had the right of recruit teacher and supply course books.

ILA should franchise in Hai Phong, Quang Ninh and Bac Ninh provinces.

In general, the place of ILA, a service company, were very different from develop a place marketing mix to other products. ILA should choose suitable partner to achieve success.