D. HINTS & TRICKS

I. Introduction and research background

a. Company Overview

Briefly recap on year of establishment and history, vision & mission, the brand's product and its unique selling points - USPs)

Hints/Examples:
- Year of establishment: Paula's Choice was founded in 1995
- Brand's vision & mission/ Brand's story:
  + Paula's Choice envisions a world where everyone has access to effective, science-based skincare solutions that can transform their skin and boost their confidence
  + The brand's mission is to empower individuals to take control of their skincare and make informed choices about their beauty routines.
- Product line:
  + Exfoliants: A variety of chemical exfoliants, such as AHA and BHA, designed to unclog pores, improve skin texture, and target specific concerns like acne and signs of ageing.
  + Cleansers: Gentle yet effective cleansers for various skin types, designed to remove makeup, dirt, and impurities without stripping the skin's natural moisture.
- Unique selling point: The brand is renowned for its no-nonsense approach to skincare formulations, using proven ingredients at effective concentrations and avoiding common irritants like fragrance and dyes.

b. Market Overview

- Market Conditions: Analyse the current state of the market, including trends, economic conditions, and industry dynamics.
- Competitive Landscape: Identify key competitors, market share, and any notable industry disruptors.
- Consumer Behaviours: Discuss any changes or shifts in consumer preferences and behaviours that may impact the market.

Example
- **An overview of the cosmetics market in Vietnam and showcases the potential for future growth:** The cosmetics industry in Vietnam is one of the

fastest-growing in the region, with a projected annual growth rate of 3.21% from 2023 to 2028 ([Cosmetics - Vietnam | Statista Market Forecast](#))

Market analysis

"Vietnam's skincare market is rather young, yet is one of the most dynamic in the region. As living standards in Vietnam grow, Vietnamese consumers are becoming more aware of skincare products besides satisfying basic needs"
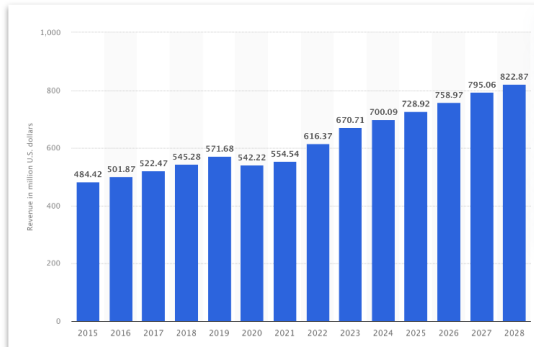
$670 Mil	Revenue of Skincare in 2023
11.7%	Annual growth rate (CAGR 2021-2027)
$1154 Mil	Revenue Opportunity (2020-2027)
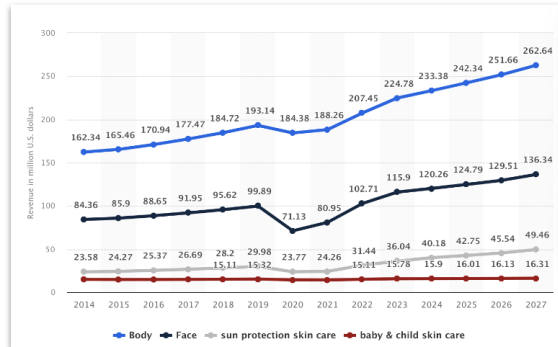
The Vietnam market has witnessed growth in the revenue of all product types, with body lotion and face care products achieving the highest revenue.
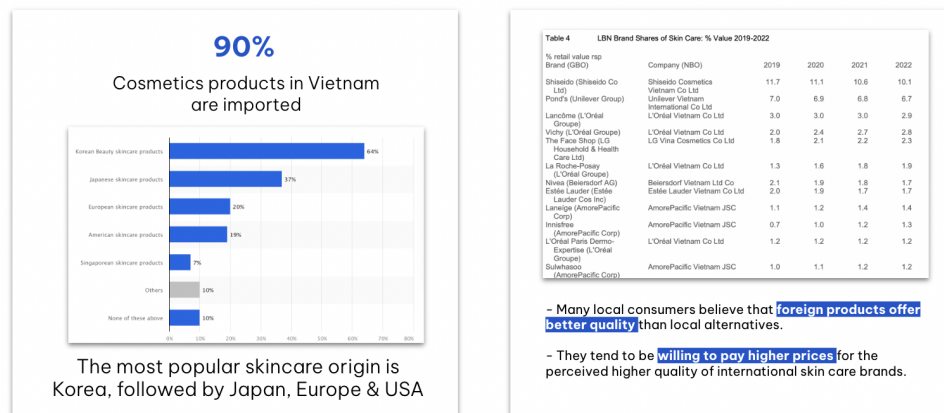
Source: Statista "Revenue of the skin care market in Vietnam from 2015 to 2028"
Research and Markets

Source: [Vietnam Skin Care Products Market by Type, Demographics, Age Group and Sales Channel: Opportunity Analysis and Industry Forecast, 2021-2027](#)

- **Discuss competitive dynamics in Vietnam's cosmetics industry and opportunities for new entrants versus established brands:** The competitive landscape of the Vietnamese cosmetics market is highly competitive, with a mix of domestic and foreign players. Korean brands dominate the Vietnamese cosmetics market;

Players in the game

Vietnam is a hotspot for foreign brands, with the majority of Vietnamese people prefer foreign skincare products

90%

Cosmetics products in Vietnam are imported

The most popular skincare origin is Korea, followed by Japan, Europe & USA

Table 4   LBN Brand Shares of Skin Care: % Value 2019-2022

% retail value rsp Brand (GBO)	Company (NBO)	2019	2020	2021	2022
Shiseido (Shiseido Co Ltd)	Shiseido Cosmetica Vietnam Co Ltd	11.7	11.1	10.6	10.1
Pond's (Unilever Group)	Unilever Vietnam International Co Ltd	7.0	6.9	6.8	6.7
Lancôme (L'Oréal Groupe)	L'Oréal Vietnam Co Ltd	3.0	3.0	3.0	2.9
Vichy (L'Oréal Groupe)	L'Oréal Vietnam Co Ltd	2.0	2.4	2.7	2.8
The Face Shop (LG Household & Health Care Ltd)	LG Vina Cosmetics Co Ltd	1.8	2.1	2.2	2.3
La Roche-Posay (L'Oréal Groupe)	L'Oréal Vietnam Co Ltd	1.3	1.6	1.8	1.9
Nivea (Beiersdorf AG)	Beiersdorf Vietnam Ltd Co	2.1	1.9	1.8	1.7
Estée Lauder (Estée Lauder Cos Inc)	Estée Lauder Vietnam Co Ltd	2.0	1.9	1.7	1.7
Laneige (AmorePacific Corp)	AmorePacific Vietnam JSC	1.1	1.2	1.4	1.4
Innisfree (AmorePacific Corp)	AmorePacific Vietnam JSC	0.7	1.0	1.2	1.3
L'Oréal Paris Demo-Expertise (L'Oréal Groupe)	L'Oréal Vietnam Co Ltd	1.2	1.2	1.2	1.2
Sulwhasoo (AmorePacific Corp)	AmorePacific Vietnam JSC	1.0	1.1	1.2	1.2

– Many local consumers believe that foreign products offer better quality than local alternatives.

– They tend to be willing to pay higher prices for the perceived higher quality of international skin care brands.

- However, domestic brands are also increasingly gaining popularity, as they offer affordable and high-quality products that are tailored to the needs of Vietnamese consumers.

Example:

The Cocoon & Hazeline with a focus on natural ingredients, which is a focal need for VN young girls who assume that the skincare industry is becoming too complicated for them.

- **Consumer behaviours in the Vietnamese cosmetics industry:** Vietnamese consumers are becoming more aware of the importance of using natural and organic products, which are perceived to be healthier and safer. More and more Vietnamese consumers are shopping for cosmetics online, due to the convenience and wide selection of products available.)
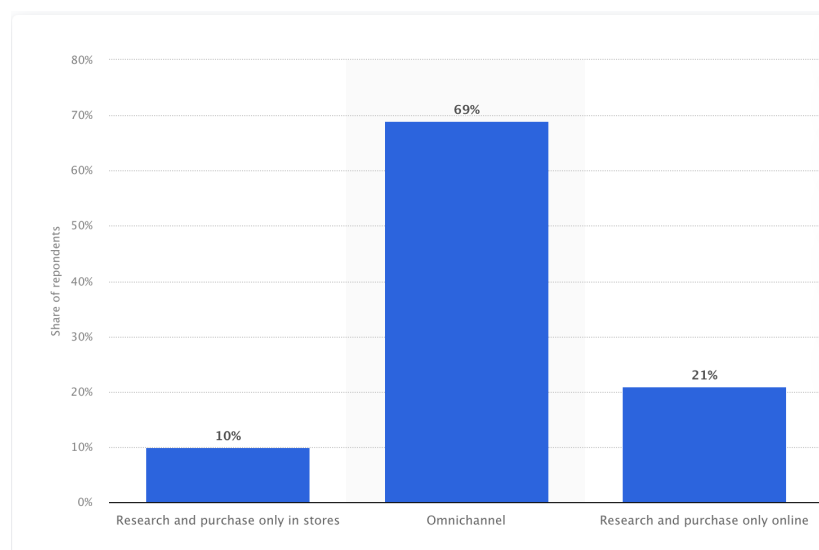
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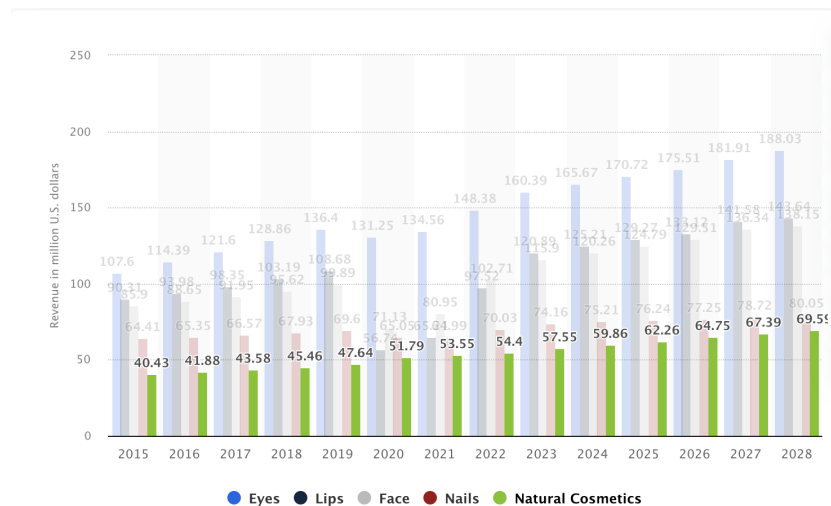
(The rise in revenue of natural cosmetics)

- **Buying channels:** Although VN people research & purchase both online and offline, most of them prefer to purchase online rather than offline

Vietnam: channels to search and purchase cosmetic products 2022 | Statista

II. Research problem, including research objectives and questions

- **Research objectives:** Identify what specific data/information is needed; what information you will need to gather to help management with decision-making
- **Detailed questions:** Present a series of specific research questions that the project aims to answer. These questions should directly relate to the research objectives.

Example

Research Objectives	Detailed Questions
1. To evaluate consumer demand for natural skincare products	- How important is using natural skincare products to you? - Have you increased your use of natural skincare products over the past 2 years? If so, what drove this change?
2. To assess consumer perceptions of natural skincare products	- When purchasing skincare, do you actively seek out natural products? Why or why not? - How much more would you be willing to pay for a natural skincare product versus a conventional product? - How do you define a skincare product as "natural"? What specific ingredients do you look for?
3. To identify effective promotional strategies	- On what channel do you often purchase? - Have you ever felt excited when you saw a promotion/campaign of a cosmetic brand? If so, name the brand and its campaign? - What role do influencers play in driving your trial and sales?

III. Research design

- Nature of research problem: exploratory, descriptive, causal research
- Types of data: qualitative or quantitative approach
- Sources of data: secondary data or primary data

Example:

Research Problem Nature: Exploratory Research

Type of Data: Qualitative Approach

Sources of Data: Primary Data

Research Design Explanation:

- Exploratory research is often used when a brand like Paula's Choice wants to gain a better understanding of a particular issue or explore new opportunities. In this case, Paula's Choice might want to explore consumer perceptions and

preferences related to their skincare products and identify potential areas for improvement or new product development.

- Qualitative research is suitable for exploratory research because it focuses on gaining in-depth insights into consumer behaviour and opinions. This can be achieved through methods such as focus groups, in-depth interviews, or online forums and surveys.
- Primary data would be collected directly from consumers or target audiences. For Paula's Choice, this could involve conducting focus group discussions with a select group of customers or online surveys distributed to their customer database.

IV. Data collection

a. Data collection methods

For each research objective, clearly state which data collection method (eg. online surveys, telephone interviews, or focus group discussions,...) will be used and why they are suitable for that particular objective.

Example
A beverage company is launching a new energy drink aimed at teenagers. The marketing team wants to better understand this target audience's attitudes, interests, emotions and values to position the brand effectively.

Data Collection Methods:
- Focus groups - Interactive discussions can provide nuanced qualitative insights into teen attitudes, feelings, interests etc.
- Online surveys - High reach, scalable way to gather quantitative data on consumer preferences.

Sampling Approach:
- Target population: Teenagers aged 13-19 in 2 major cities of Vietnam (HN and HCM cities)
- Sample size: Four focus groups with 6-8 participants each for qualitative data. Online survey of 500 teens for quantitative data.
- Sampling frame: Recruit teens from malls, schools, community centres in the test markets for focus groups.
- Sampling method: Judgement sampling for quality focus group recruiting. Representative random sampling for the survey.

Potential errors may include sampling bias, nonresponse bias, or measurement error. For each potential error, explain the remedies or strategies you've put in place to minimise its impact.

- Sampling bias: Discuss the potential for bias in your sampling and how you plan to mitigate it
    + Example: In a random survey of smartphone users, a significant portion of respondents are from younger age groups, and older individuals are underrepresented.
    + Solution: To mitigate sampling bias, researchers can use stratified random sampling, where the population is divided into subgroups (strata) based on relevant characteristics (e.g., age, gender), and then random samples are drawn from each stratum proportionally. This ensures representation from all groups
- Nonresponse bias: Explain how you intend to handle nonresponse and encourage participation
    + Example: In a random telephone survey, a significant number of selected individuals refuse to participate, potentially leading to biased results.
    + Solution: To address nonresponse bias, researchers can use follow-up techniques like callbacks or incentives to encourage participation. They can also compare the characteristics of respondents and non-respondents to assess potential biases.
- Measurement error: Describe steps to ensure the accuracy and reliability of measurements
    + Example: In a clinical trial measuring blood pressure, an improperly calibrated blood pressure monitor may produce inaccurate readings, leading to measurement error.
    + Solution: Researchers can reduce measurement error by using reliable and well-calibrated instruments, providing clear instructions to data collectors, conducting pilot testing, and using validation techniques where applicable.

E. TIPS & TRICKS

Tip 1: Logical order
Marketing Research Background → Research Problem Statement → Management Decision Problem
The key reasons are:

- The background provides context needed to frame the research problem statement.
- The research problem statement summarises the information needs, which informs the management decision problem.
- The management decision problem articulates the specific decisions that need to be made based on the research findings.

Tip 2: Prioritise rationales

Provide detailed rationale on why you selected your proposed research methods, communication techniques, sampling approach etc.

Example:
- Surveys and Questionnaires:
    + Rationale: Surveys and questionnaires are effective methods for collecting quantitative data on consumer preferences, demographics, and buying behaviour. They allow for standardised data collection, making it easier to analyse and identify trends.
    + Explanation: By using surveys, we can gather structured data on factors like preferred product types (e.g., moisturisers, serums), ingredients of interest (e.g., hyaluronic acid, vitamin C), price sensitivity, and shopping habits.