

FIRM INTERNATIONALIZATION

MASAN CONSUMER



Group 3 - Class 23C1BUS50305211



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01

INTRODUCTION MASAN CONSUMER

Introduction of the focal firm

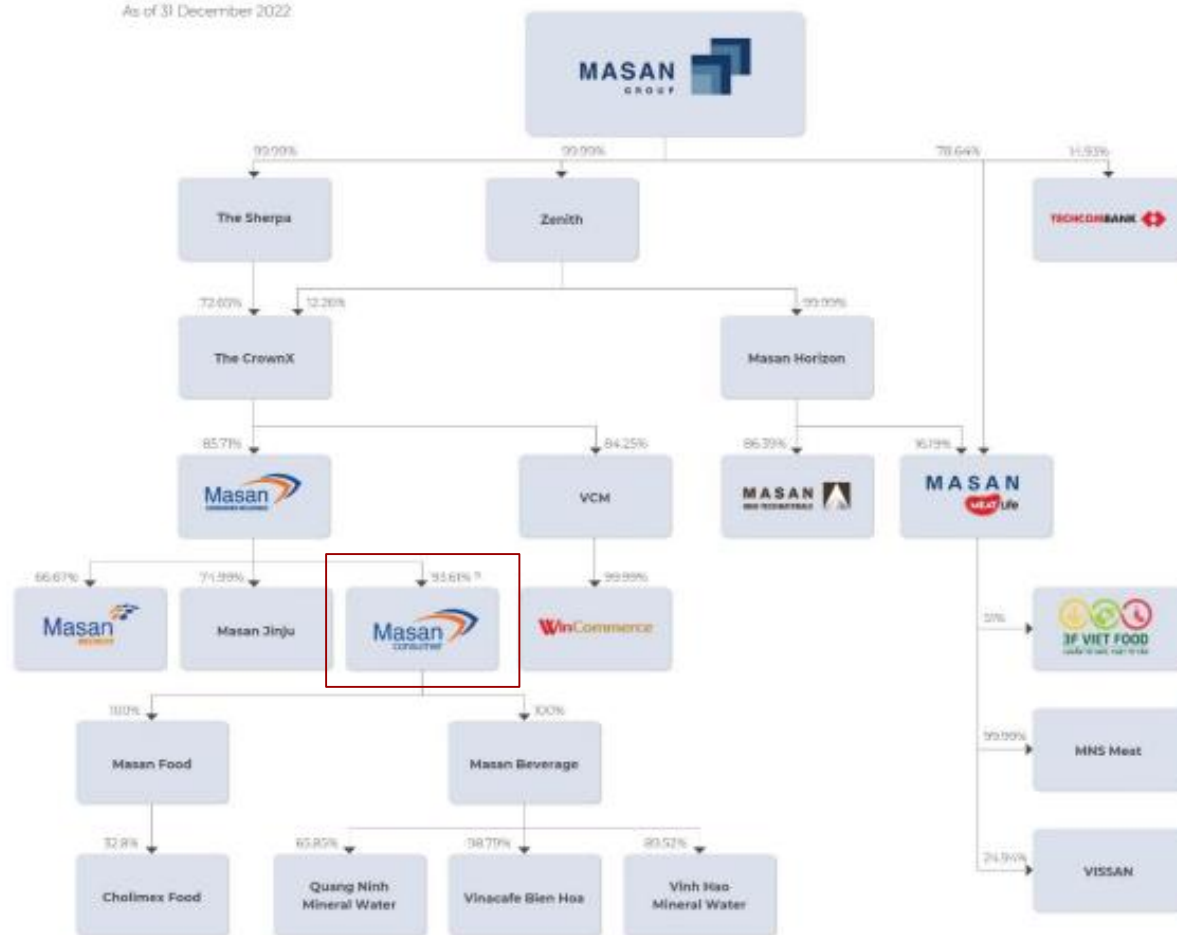


HISTORY



SNAPSHOTS





1. This percentage is calculated without considering the number of MSC treasury shares of 30,815,389 shares.

2. This percentage is calculated without considering the number of Quang Ninh Mineral Water Corporation treasury shares of 20,600 shares.

1.1. OVERVIEW



Masan Consumer Corporation was established in 1996 as a subsidiary of Masan Consumer Holdings Co., Ltd - a subsidiary of Masan Group JSC (Masan Group), specializing in manufacturing and distributing a wide range of food and beverage products. Its products include soy sauce, fish sauce, chili sauce, instant noodles, instant coffee, instant cereals, and bottled beverages. Masan Consumer has expanded its business and exported its products to many countries around the world.

1996

*Viet Tien Technology - Industry -
Trade Joint Stock Company*

2000

*Minh Viet Import - Export and
Industry Joint Stock Company*

2002

Launched **first product: Chin-Su soy sauce**

2003

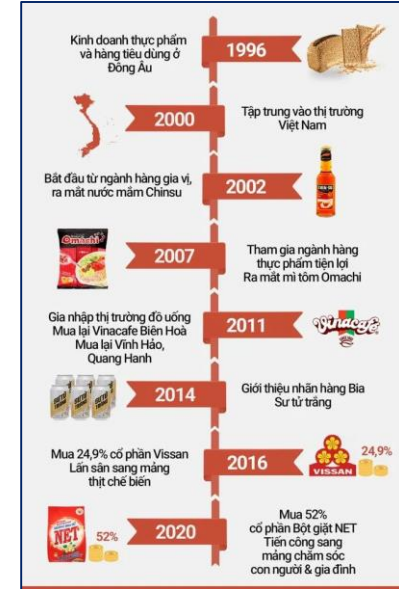
Merged : *Masan Industry and Trade Joint Stock Company.*

2008

Change name to *Masan Food
JointStock Company (Masan Food)*

2011

Change name to *Masan Consumer JointStock Company
(**Masan Consumer**)* and keep until now.



1.2. BUSINESS HISTORY

Firm milestones on international business

9/2016

Within 9 months from the date, the contract with Singha was signed, Masan launched a fish sauce product called "**Chin-Su Yod Thong**" to the **Thai market**.

8/2019

Chin-Su chili sauce event was officially presented and imported into the **Japanese market** within the framework of the "Vietnam Food Day" in Osaka city by the Vietnamese Consul General organization

NOW

Masan Consumer has expanded its business and exported its products to **many countries** around the world. Examples include *the United States, Canada, France, Russian Federation, Czech Republic, Poland, Germany, China, Middle East, Asia, Laos, and Cambodia.*

1.3. BUSINESS SNAPSHOTS

CURRENT

Today, **Masan Consumer** has become a **billion-dollar revenue company** with a diverse and trusted portfolio of branded products in the consumer goods (“**FMCG**”) sector.

In Vietnam, Chin-Su is leading the chili sauce market with a 60% market share. In addition to the Japanese market, this product has been exported to North America, Europe, Australia, China, Korea...

Masan consumer		Doanh số 2021 (tỷ đồng)	Tăng trưởng so với 2020
	01 Ngành hàng gia vị	10.028	▲ 18,4%
	02 Ngành hàng thực phẩm tiện lợi	8.629	▲ 25,4%
	03 Ngành hàng đồ uống đóng chai	3.654	▼ 2%
	04 Ngành hàng cafe thức ăn (uống) dinh dưỡng	2.197	▲ 54%
	05 Ngành thịt chế biến	1.276	▲ 51,7%
	06 Ngành hoá mỹ phẩm	1.502	▲ 20%

1.3. BUSINESS SNAPSHOTS

EMPLOYEES

- Best Company to Work for in Asia 2023
HR Asia Diversity, Equity, and Inclusion



- Nearly 6,000 employees have a "Masan Way" spirit



- Activities are carried out to help employees develop and reach their full potential



By the end of December 31, 2022, Masan Consumer has 5,866 employees, including 3,329 men (64%) and 1,882 women (36%), and this team is well-trained and highly qualified.

Tổng số CBCNV
5.866
nhân viên

	Trình độ	Số lượng	Tỷ lệ
●	Trên Đại học	52	1%
●	Đại học	1.829	35,1%
○	Cao đẳng	578	11,1%
○	Trung cấp	438	8,4%
●	PTTH	610	11,7%
●	PTCS	1.704	32,7%



Ghi chú: Tỷ lệ nhân viên có trình độ học vấn từ Trung cấp trở xuống phần lớn bao gồm lao động trực tiếp của các nhà máy, kho hàng, lái xe, tạp vụ.

1.3. BUSINESS **SNAPSHOTS**

MARKETS

- **Dominating market share** in many fast-moving consumer goods segments



- The largest market share in the *fish sauce industry*, second largest market share in the *instant noodle industry*, rank first in the *instant coffee industry*.
- **Wide distribution network throughout Vietnam** with about 180,000 food sales points and 170,000 beverage sales points



Năm 2011
Masan Consumer
đã bỏ ra **1,069** tỷ
đồng, chưa bao gồm chi
phí giao dịch để mua lại
50.25% cổ phần của
Vinacafe Biên Hòa.



VINACAFÉ BH

1.3. BUSINESS SNAPSHOTS

PRODUCTS

- Possessing a **widespread distribution system** with a large customer base
- **Diverse product portfolio**

Gia vị	Thực phẩm tiện lợi	Thịt chế biến	Cà phê và ngũ cốc	Nước giải khát	Chăm sóc cá nhân và gia đình
					
<ul style="list-style-type: none">- Thương hiệu Nam Ngur dẫn đầu thị trường nước mắm với 14,3% thị phần.- Các sản phẩm chính khác của MCH cũng có vị thế vững chắc như Chinsu (6,2%), Nam Ngur II (5,3%), Tam Thái Tử (4,3%)- Thống trị thị trường gia vị.	<ul style="list-style-type: none">- MCH thống trị phân khúc mì gói cao cấp với 45% thị phần vào năm 2020 nhờ thương hiệu Omachi.- Ở phân khúc trung cấp, thương hiệu Kokomi đang là sản phẩm bán chạy nhất miền Bắc.- Đối thủ cạnh tranh chính: Acecook.	<ul style="list-style-type: none">- Heo cao bồi trở thành thương hiệu "snack từ thịt" được trẻ em Việt Nam yêu thích.- Ponnie dẫn đầu xu hướng đột phá về sản phẩm trong phân khúc xúc xích tiết trùng, mang đến dinh dưỡng cao và trải nghiệm thơm ngon độc đáo.- Đối thủ cạnh tranh chính: CP Food & Vissan.	<ul style="list-style-type: none">- Giữ vị trí dẫn đầu ngành cà phê hòa tan (khoảng 40% thị phần) với hai thương hiệu chủ lực là Vinacafe và Wake-Up.- Đối thủ cạnh tranh chính: Nescafe, Trung Nguyên.	<ul style="list-style-type: none">- Wake up 247 là thương hiệu nước tăng lực lớn thứ 4 tại Việt Nam với 11,4% thị phần (theo Euromonitor).- Đối thủ cạnh tranh chính: Red Bull Việt Nam.	<ul style="list-style-type: none">- MCH gia nhập ngành HPC thông qua 52% cổ phần của Công ty Cổ phần Bột giặt NET vào tháng 2 năm 2020.- NET là một trong những thương hiệu bột giặt lâu đời nhất tại Việt Nam.- Đối thủ cạnh tranh chính: Unilever.

1.3. BUSINESS SNAPSHOTS

PRODUCTS

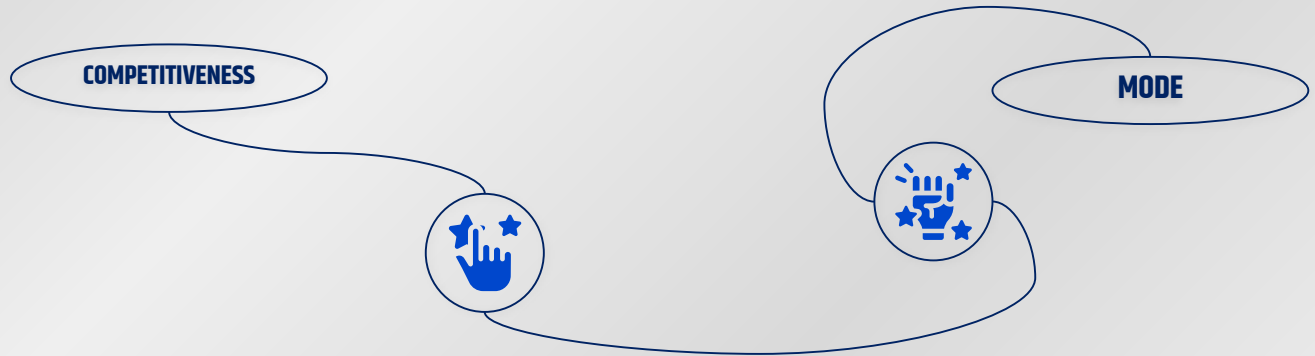
- Possessing a **widespread distribution system** with a large customer base
- **Diverse product portfolio**
- Own **strong brands**

Các thương hiệu có doanh thu trên 2.000 tỷ đồng trong năm 2020

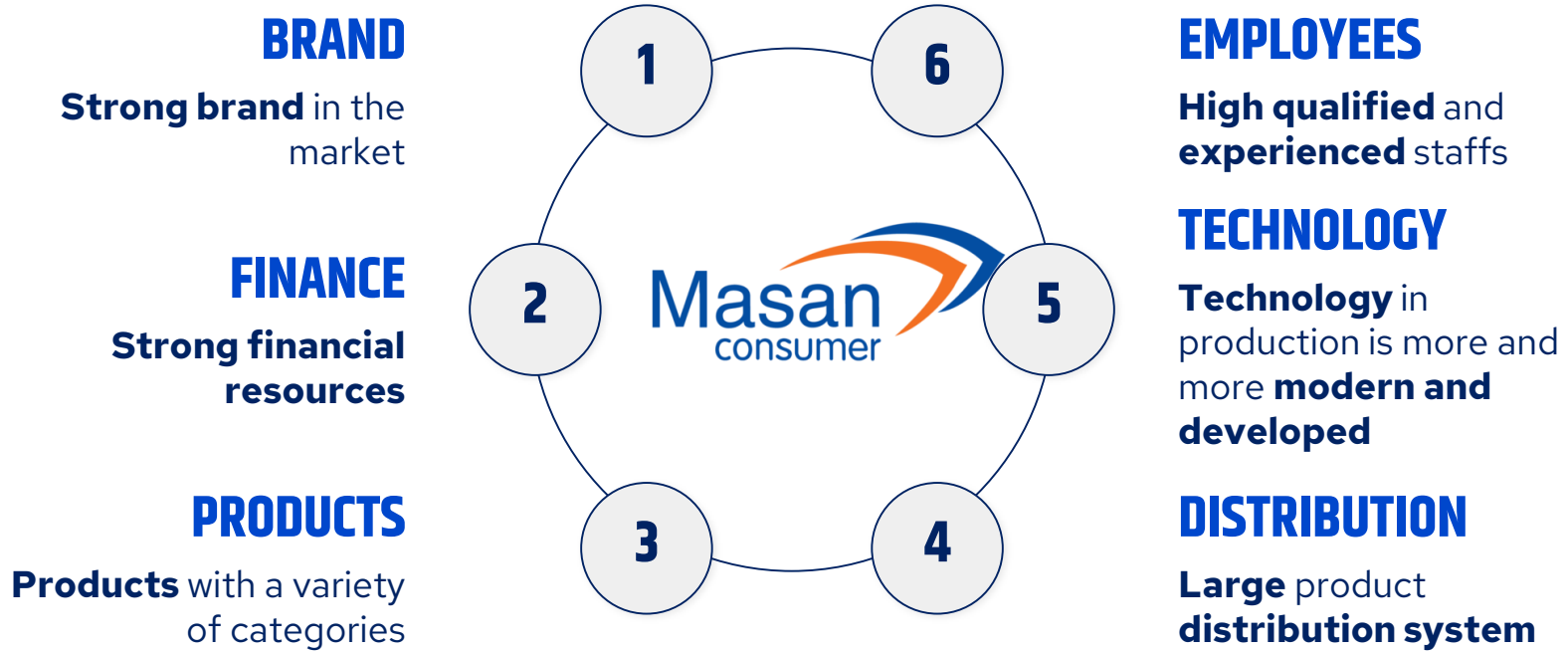


02

INTERNATIONAL COMPETITIVENESS & **MODE OF THE INTERNATIONALIZATION**



MASAN CONSUMER'S STRENGTHS



MARKET SELECTION



The company products are exported into **11 international markets**

TIMING OF ENTRY

Masan Consumer is **not a pioneer** enterprise entering international markets.

WHAT ARE THE **BENEFITS** OF NOT BEING A PIONEER ?



SCALE OF ENTRY

Masan Consumer take the common path which is **start small by exporting**

YES,

- Allow to learn about a foreign market before deciding whether to enter on a large scale and how best to enter.
- Entering on a small scale is less costly
- Minimizes the risks associated with a large entry, limit potential losses

BUT

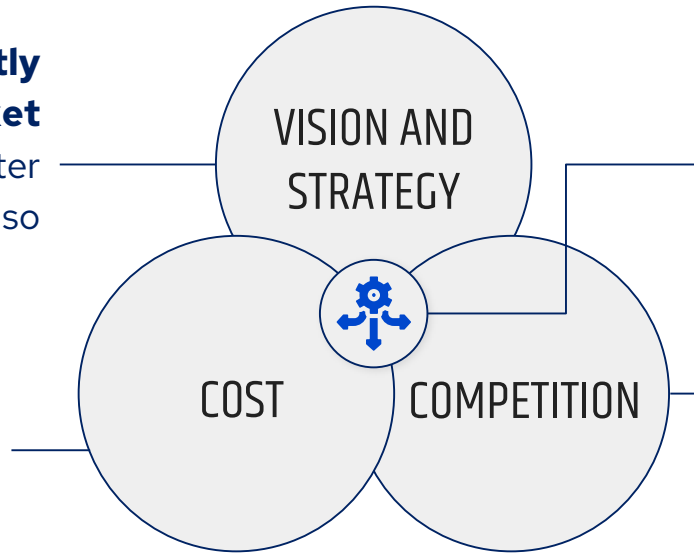
- More difficult to build market share
- Lack of commitment thus not attract to customers and distributors

MODE OF ENTRY

The way to enter the market of Masan Consumer is in the form of **export**

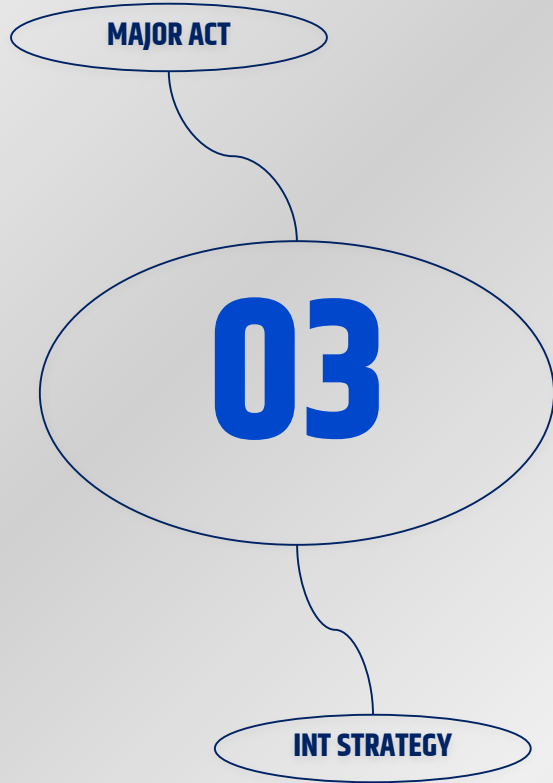
The company still **mostly focus on home market** and only decided to enter with a small scale so export is a suitable way

Exporting is **cheaper** than Wholly owned subsidiaries or Joint ventures



WHY ?

Avoiding the cost of **directly competing** with other famous international brand or the local brands



THE GLOBAL STRATEGIC DIRECTION

LOCATION OF MAJOR ACTIVITIES

— HOME

MACROENVIRONMENT	OPPORTUNITIES	THREATS
ECONOMIC	The economy is growing → Increasing personal income	Inflation has slightly increased
POLITICAL	Stable and robust politics create favorable conditions for the development of Masan.	Stability in politics attracts the attention of multinational companies and increases international competition among them.
CULTURAL	Vietnam ranks in the top 3 countries globally for instant noodle consumption .	Differences in taste preferences and consumer culture.
NATURAL	Easy transportation and import/export opportunities. High consumer demand due to floods in the Central region.	Floods and hilly terrain make transportation difficult.
TECHNOLOGICAL	Advancements in science and technology are on the rise	Quality control in Vietnam is not yet at a high level.

LOCATION OF MAJOR ACTIVITIES

— HOME

MICROENVIRONMENT	OPPORTUNITIES	THREATS
COMPETITORS	Drive development and innovate products to align with societal trends, ensuring not to lag behind competitors in the race.	The fast-moving consumer goods (FMCG) industry faces fierce competition from strong rivals like Vina AceCook and Asia Foods.
CUSTOMERS	A growing number of loyal customers due to the company's prominence and the rapid increase in people's stable incomes.	Customers have many choices when it comes to fast-moving consumer goods from various companies.
SUPPLIERS	Building sustainable relationships with suppliers.	The pursuit of low-cost suppliers may lead to potential issues with input materials not meeting quality standards.
SUBSTITUTE PRODUCTS	By researching and improving existing products, the business can gain a competitive edge in the market, helping to grow its market share.	Due to numerous substitute products, competition is high, and profit margins may decrease. The cost of research and development also tends to increase.
POTENTIAL COMPETITORS	The presence of additional competitors can motivate the company to operate more efficiently. Moreover, analyzing potential competitors can help Masan identify risks in the industry.	Potential competitors can emerge at any time, and there may not be specific strategies in place to deal with them.

LOCATION OF MAJOR ACTIVITIES

— ABROAD

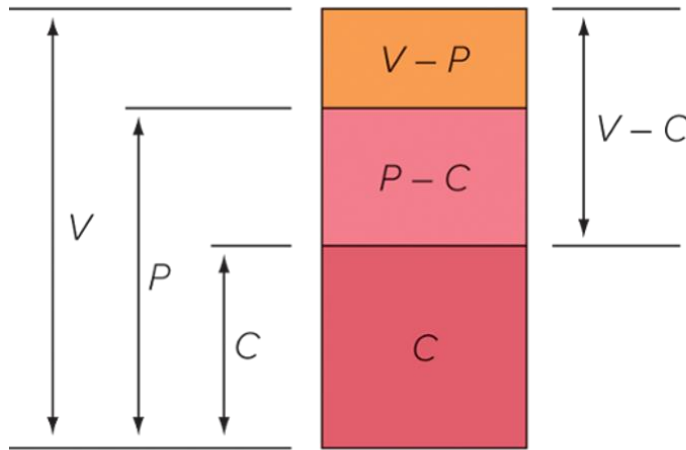
In **2016**, having realized the potential of the Thai market, the business established its business and distribution activities in **Thailand**, establishing **Masan Consumer (Thailand) Limited**.

Tại ngày 31 tháng 12 năm 2022, Công ty có 5 công ty con sở hữu trực tiếp, 17 công ty con sở hữu gián tiếp và 1 công ty liên kết (1/1/2022: 5 công ty con sở hữu trực tiếp, 18 công ty con sở hữu gián tiếp và 1 công ty liên kết). Thông tin về các công ty con và công ty liên kết được mô tả như sau:

STT	Tên công ty	Hoạt động chính	Trụ sở	Phần trăm lợi ích kinh tế tại ngày		Phần trăm quyền biểu quyết tại ngày	
				31/12/2022	1/1/2022	31/12/2022	1/1/2022
Các công ty con sở hữu trực tiếp							
1	Công ty TNHH Một Thành viên Thực phẩm Masan	Kinh doanh và phân phối	Tầng 12, Tòa nhà MPlaza Saigon, 39 Lê Duẩn, Phường Bến Nghé, Quận 1, Thành phố Hồ Chí Minh, Việt Nam.	100%	100%	100%	100%
2	Công ty TNHH Một Thành viên Masan Beverage	Kinh doanh và phân phối	Tầng 12, Tòa nhà MPlaza Saigon, 39 Lê Duẩn, Phường Bến Nghé, Quận 1, Thành phố Hồ Chí Minh, Việt Nam.	100%	100%	100%	100%
3	Masan Consumer (Thailand) Limited ("MTH")	Kinh doanh và phân phối	Số 83, Lầu 4, Đường Amnuay Songkhram, Tiểu khu Tanon Nakornchaisri, Quận Dusit, Bangkok, Thái Lan.	99,99%	99,99%	99,99%	99,99%
4	Công ty TNHH Masan HPC	Kinh doanh và phân phối	Tầng 12, Tòa nhà MPlaza Saigon, 39 Lê Duẩn, Phường Bến Nghé, Quận 1, Thành phố Hồ Chí Minh, Việt Nam.	100%	100%	100%	100%
5	Công ty TNHH Masan Innovation	Kinh doanh và phân phối	Tầng 12, Tòa nhà MPlaza Saigon, 39 Lê Duẩn, Phường Bến Nghé, Quận 1, Thành phố Hồ Chí Minh, Việt Nam.	100%	100%	100%	100%

LOCATION OF MAJOR ACTIVITIES

— ABROAD



V = value of product to an average consumer

P = price per unit

C = cost of production per unit

$V - P$ = consumer surplus per unit

$P - C$ = profit per unit sold

$V - C$ = value created per unit

Pursuing such a strategy can realize regional economic advantages, which are **savings** that arise from **performing value-creating activities** in the optimal location for that activity. This may **reduce the cost** of value creation and help the firm achieve a low-cost position, and/or may enable the firm to **differentiate its products** from those of its competitors.

INTERNATIONAL STRATEGIC **DIRECTION**

Masan **first focused on** developing its market at **Vietnam**

After gaining superb achievements at its home market, the company **expands its market**

Embracing cultural sensitivity, linguistic expertise, and **respect for local nuances**

Customizing the firm's goods or service matching taste and preference of consumer in new market

Thus, Masan can **increase** the product **value** and **profitability**



CHIN-SU

NGON HẢO HANG

Great taste from Vietnam
for great Japanese food.



E.G. DIFFERENT PACKAGING IN DIFFERENT LANGUAGES
AND CUSTOMIZED PRODUCTS FOR EACH COUNTRY

คุณเคยชิมน้ำปลาหรือเปล่า?



ลอง “เหนือกว่าอร่อยคือ...
อร่อยอร่าม”



ใหม่ น้ำปลาแท้



E.G. DIFFERENT PACKAGING IN DIFFERENT LANGUAGES
AND CUSTOMIZED PRODUCTS FOR EACH COUNTRY

STRATEGIC CHOICE: **DISADVANTAGES**



Not taking advantages of
Economies to scale



Paying taxes and tariffs each time
exporting



Different strategy in different
markets



Supply chain systems can be
easily affected by external factors
like Covid,...



Increase the
products' prices

STRATEGIC CHOICE: **ADVANTAGES**



Meet the taste and preference of people in different markets



Reduce the time it takes for potential customers to connect with your offering



Builds trust and brand loyalty with local audiences by making your brand relevant to them



Improves customer satisfaction with customized experiences



Provides a competitive edge when facing local and global competitors



Chances of **creating superb products**

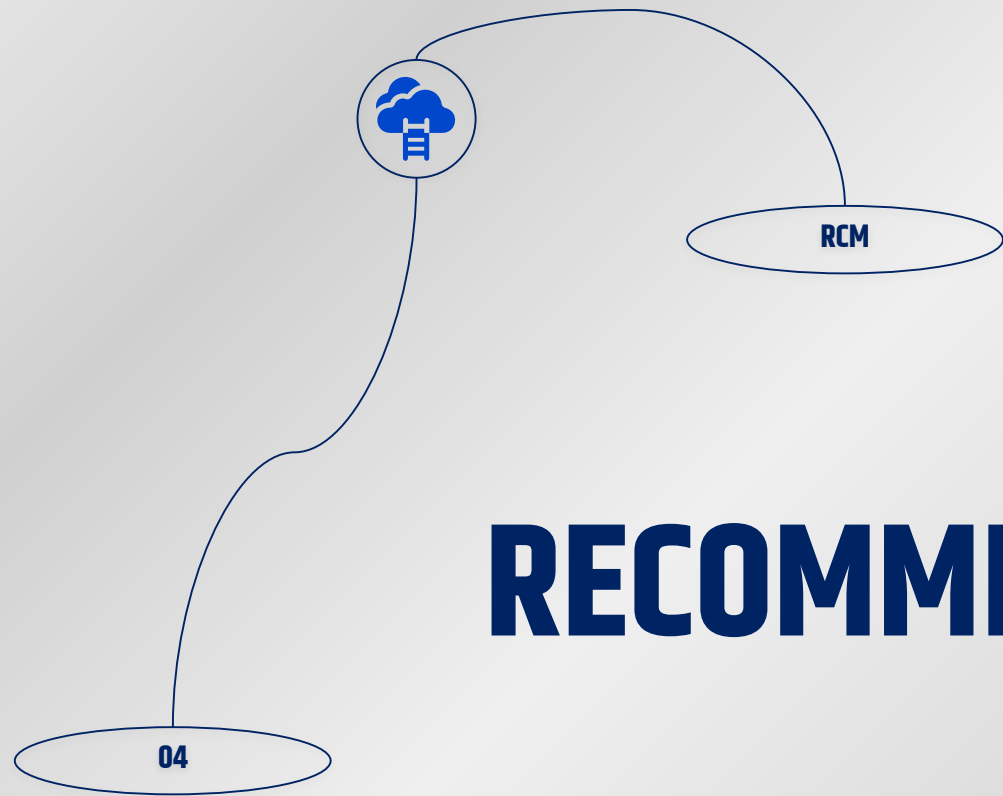
STRATEGIC ALLIANCE

On Masan Consumer's journey to go global, it had formed strategic alliances with many big company in the food and beverage industry.

Help shorten the time to market penetration:

- Masan can take advantage of Singha's distribution channel
- Overcoming Competition: The companies, when together can overcome a large competitor, especially at Thai market
- Improve company public image
- Make use of Singha's market information and the company's experience
- Innovating beyond current capabilities: together bring out new products



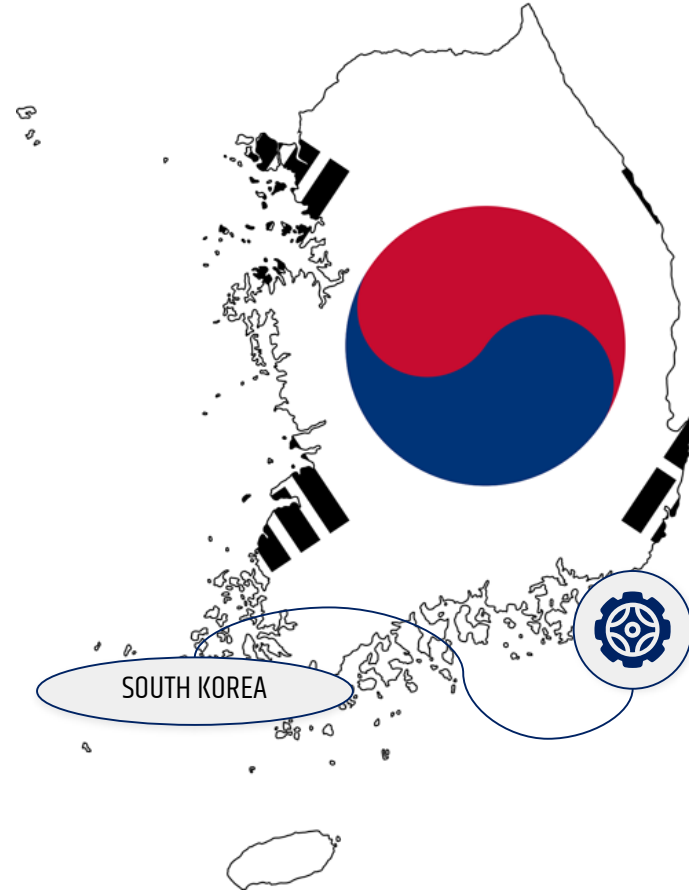


04

RECOMMENDATION

INCREASE THE SCALE OF MARKET ENTRY

Entering the **spice products** into a
potential market for businesses



(LEAD) S. Korea decides to join CPTPP trade agreement

When Korea decided to sign the **CPTPP trade agreement**, it created greater opportunities than ever for Vietnamese businesses that want to expand their business scale.

CPTPP

환태평양경제동반자협정



YONHAP NEWS

—INTERNATIONAL STRATEGIC DIRECTION

LOCALIZATION

With this strategic direction, Masan has to improve products, add new unique flavors, and upgrade packaging designs to suit Korean needs.

Recently, Masan Consumer has accelerated its '**Go Global**' strategy when officially introducing the **Chin-su Pho** and **Spice Collection** at the **Seoul Food 2023** event.



PRICING STRATEGY

IN THE EARLY STAGE

This is an opportunity for Masan to implement **a low-cost strategy** in the context that the Korean Won has been priced down since 2022 as well as the impact of the Russia - Ukraine war. As a result, the price of Korean essential goods increased. Masan is confident that it can produce products with **similar quality but at lower prices** than any competitors in the same segment. With strong resources in the financial, supply chain and factories system in VietNam, Masan can maximize the scale production in order to take advantage of **economies of scale** to reduce costs. Thereby creating a big competitive advantage over competitors and increasing the revenue.



PRICING STRATEGY

IN THE LATER STAGE

Slowly increase product prices to match product quality, goals and competitive position. Because Korean people have strict requirements for quality as well as lack sympathy for products with prices that are too low; After successfully penetrating at a low price, Masan needs to use **the market price method** to raise prices reasonably, to increase profits, and at the same time confirm product quality in the market.



DISTRIBUTION STRATEGY

Using exclusive distribution strategy with indirect distribution method

DISTRIBUTION CHANNEL STRUCTURE

Producer → Distributor → Retailer → Consumer

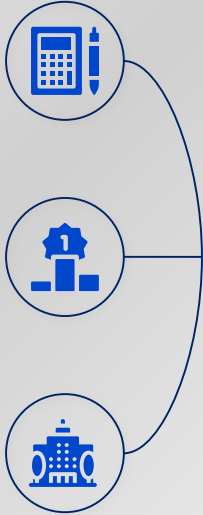
We recommend Masan to choose only one distributor and distribution channel level 2 to **avoid lengthening distribution channels** in Korea due to regional differentiation and the gap between rich and poor as well as helping the product reach consumers faster without having to go through many other intermediaries.

Masan can implement a **joint venture or acquisition strategy** with a Korean business to participate **in distributing** products.

DISTRIBUTION STRATEGY - DISTRIBUTION CHANNEL

Advantages

- Both Masan Consumer and distributors can focus on their specific tasks, which **creates specialization**. This contributes to *increasing productivity, the number of products produced as well as minimal production costs and increased profits*.
- **Use distributors' localization advantages**, including relationships with retailers to *strengthen the Masan brand in the market*.
- Masan Consumer is a reputable company in its home market with strong financial resources. However, Masan Consumer lacks experience and management ability in Korea - a new and large market, so it chooses a distribution system for its products with a single channel helps **manage distribution quality better** and will meet consumer needs as quickly as possible. Besides, this strategy allows Masan to have **control over promotion policies, services, prices,...**



THANKS!

