

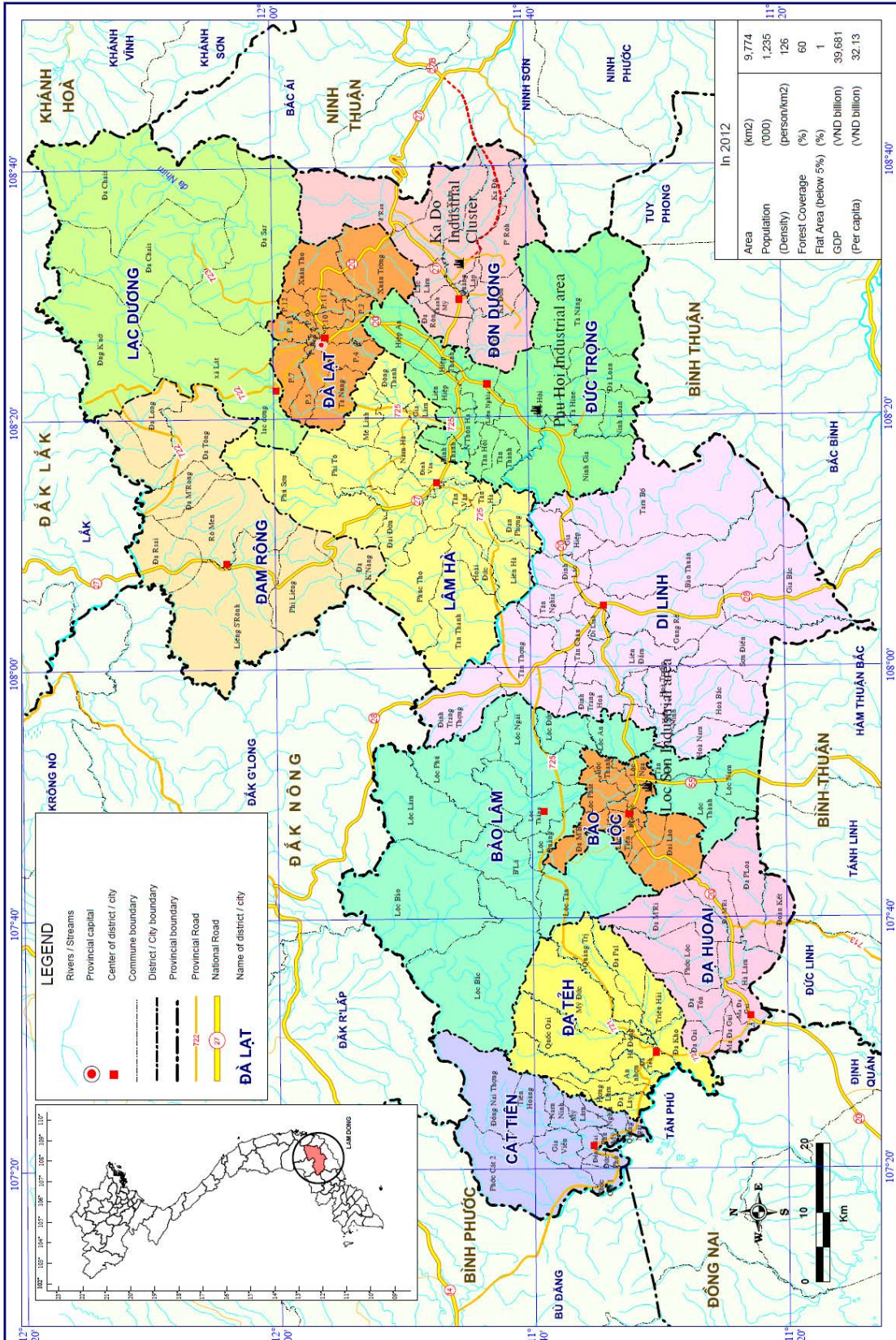
Socialist Republic of Viet Nam  
Lam Dong Provincial People's Committee

DATA COLLECTION SURVEY FOR  
FORMULATING BRANDING AND  
PROMOTION STRATEGY  
OF AGRICULTURAL PRODUCTS AND  
AGRO-TOURISM IN LAM DONG  
PROVINCE

FINAL REPORT  
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# DATA COLLECTION SURVEY FOR FORMULATING BRANDING AND PROMOTION STRATEGY OF AGRICULTURAL PRODUCTS AND AGRO-TOURISM IN LAM DONG PROVINCE

## FINAL REPORT

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Currency exchange rate applied in this report

1 Japanese Yen = 200 Vietnam Dong

1 USD = 22,800 Vietnam Dong



## List of abbreviations

<b>Abbreviation</b>	<b>Definition</b>
ABIC	Brazilian Coffee Industry Association
Asocolflores	Association of Colombian Flower Exporter
B2B	Business to Business
BSCA	Brazil Specialty Coffee Association
CoE	Cup of Excellence
CVS	Convenient Store
FCC	Flower Collection Center
FPO	Flower Promotion Organization
GPEC	Greenhouse Horticulture and Plant Factory Exhibition / Conference
GT	General Trade
HCMC	Ho Chi Minh City
HORECA	Hotel/ Restaurant/ Catering
ICO	International Coffee Organization
ISO	International Standard Organization
IZ	Agro Industrial Zone
JA	Japan Agricultural Cooperative
KSF	Key Success Factor
Mapa-Brasil	Ministry of Agriculture, Livestock and Food Supply
MEC	Mitsubishi Estate Corporation
MM	Mini Mart
MT	Modern Trade
POSM	Point of Sales Material
PPC	Provincial People Committee
PR	Public Relations
SCAJ	Specialty Coffee Association of Japan
SCAJ 2016	SCAJ World Specialty Coffee Conference and Exhibition 2016
SKU	Stock Keeping Units
SM	Super Market
TRP	Thailand's Royal Project
WTO	World Trade Organization
CPC	City People Committee
RPF	Royal Project Foundation
CF	Contracted Farmers
BA	Brand Authority
PTF	Phong Thuy Farm
CDF	Cau Dat Farm
PQCC	Public Quality Control Center
PHC	Post Harvesting Center

# Executive Summary

## **Background, Objectives and Scopes**

In continuance of the “Project for Supporting Lam Dong Province in Formulating Agriculture Development Model by Multi Sector Approach and Promoting Investment Environment in Agriculture Sector”, when eight basic strategies were proposed and incorporated in to Lam Dong Province’s 5-year Social-Economic Development Plan from 2016 to 2020, this survey was conducted to implement the strategy to enhance overall branding activities. The survey was to address the lacking brand awareness and brand recognition of Lam Dong’s agro products and agro tourism among consumers both domestically and internationally.

This survey aimed to formulate the branding and promotion strategy of agro products and agro tourism in Lam Dong province by three main tasks: (1) Establishing core branding and promotion strategy for primary agro products and agro tourism; (2) Defining implementation model, principle and detailed action plan; and (3) Exploring world successful cases and conducting actual promotion activities in Japan. The project approach was extracted from several relevant case studies, comprising of three main components. (1) Basic strategy; 2) Implementation plan; 3) Action plan. (1) The basic strategy: defined target products, target audiences and key value proposition. (2) The implementation plan: included two interactive modules namely “Brand Communication” and “Quality Control”. Brand communication, aiming to deliver a promise about the product’s quality to the target audience via suitable channels, composes of brand concept and key visual contents, communication plan and campaign contents. Meanwhile, quality control, aiming to deliver and sustain the product’s quality bearing the brand, comprises of various models for agro-products and agro-tourism. (3) The action plan: proposed necessary processes, key tasks and organizational structure to realize the brand. With these expected outputs, we hope to forge a comprehensive, strategic and sustainable approach to branding for Lam Dong province to implement and further develop in the future.

## **Basic Strategy: Target Products, Target Audiences and Key Value Proposition**

As the foundation to formulate branding strategy, detailed product and market screening was conducted to define target product, target market and their prioritization. Lam Dong’s main agro products and tourism services (including vegetable, flower, coffee (Arabica, Robusta), tea, dairy and agro-tourism) were evaluated to select the unique and commercially potential products:

- **Vegetable:** Thanks to the ideal climate, vegetable production grows steadily to occupy the second largest production area among all main products. Branding wise, “Da Lat vegetable” has more potential domestically given its already strong brand among the consumers, compared to the limited market presence and brand awareness abroad.
- **Flower:** Lam Dong’s flower production experiences robust growth given its highest revenue per hectare among all main products. Similar to vegetables, “Da Lat flowers” enjoy uniquely temperate climate, thus high quality and significant reputation domestically. Meanwhile, export performance and brand awareness are still limited.
- **Arabica coffee:** Lam Dong has the unique advantage as one of the very few areas in Viet Nam able to produce high-quality Arabia. Domestic branding potential is significant thanks to Starbucks’ recent attention. Oversea branding potential is limited due to our early market presence.
- **Robusta coffee:** Despite being the second largest production area in Vietnam, Lam Dong’s Robusta has limited branding advantage due to Robusta’s commodity nature.

- **Tea:** Lam Dong's tea has limited advantages in both production and branding compared to the Northern area.
- **Dairy products:** The bottleneck of Lam Dong's milk production is its limited ability to scale up.
- **Agro-tourism:** Although Da Lat is a popular tourism destination thanks to its unique year-round cool climate, its tourism activities are still limited. Therefore, branding for the new agro tourism service shall have great potential, especially among domestic tourists who accounted for 95% of total tourist count.

The above analysis narrowed down four target agro products and tourism to be prioritized for branding purpose, namely vegetable, flower, Arabica coffee and agro tourism, first in the domestic market and later expanded to the export markets. For each product, we have performed detailed analysis of consumer behavior and brand perception to determine key branding channel, target branding audience, current issues and key value propositions. In summary, Lam Dong's agro product and tourism branding should be positioned to communicate and maintain the credibility of origin, safety, quality and professionalism toward the consumers. In addition, Lam Dong should build its branding on the current brand equity: consumers already knew and appreciated "Da Lat" brand (as in Da Lat vegetable, Da Lat flower, Da Lat Arabica coffee and Da Lat tourism") as the representation of "Lam Dong" as a whole. The brand's audience should be the young consumers, via modern and effective channels like television and online communication.

### **Case Studies about Governmental Branding Approach**

The study cases were selected to provide systematic and comprehensive branding experience for Lam Dong province. Although each case study elaborated a different component of the brand building process, three foreign cases and four Japanese cases together created a comprehensive **two-component approach of brand communication and quality control**. In all cases mentioned, the roles of the respective governmental agencies were also closely examined.

- **Brazil – The Mechanism of Brand Building:** Brazil is the world's most successful coffee story and an exceptionally relevant case for Lam Dong to improve both domestic coffee consumption and international brand awareness by strict quality control, vivid brand communication and tight collaboration between the public and private sectors.
- **Thailand – The Mechanism of Consumer Trust Building:** Despite being a social development project, Thailand's Royal Project by the late King Bhumibol was also commercially successful. Based on the strict quality control thus excellent product quality, its brand communication positioning as authentic Thai and premium quality was well received by the consumers.
- **Colombia – How to Allocate Resources in Branding:** The commercial success of Colombia's national flower industry branding in the US export market was made possible by the strategic alliance and resources contribution between Colombian and American flower associations.
- **Minakami, Gunma – How to Attract Tourists:** Minakami has successfully developed agro-tourism service to renew and recover its tourism industry by gathering all service providers in the locality and supporting them to create various contents and experience for tourists.
- **Tokachi, Hokkaido – How to Attract Companies:** Tokachi region is a valuable case study for Lam Dong province thanks to their success to create the municipal brand "Food Valley Tokachi", attracting the participation and creating business opportunities for many food processors.

- Kochi – How to Attract Consumers and Governmental Leadership in Promotion: The governmental leadership and support for individual agricultural companies to leverage common branding assets were the key success factors for Kochi prefecture’s agro product branding.
- Kyoto – How to Attract Consumers and Governmental Leadership in Quality Control: Kyoto vegetables’ “Kyoto-yasai” elaborated how strict quality control helps to maintain brand credibility.

### **Implementation: Brand Communication Guideline**

The process includes four steps starting from (1) brand concept & key visual contents, (2) communication plan, (3) campaign contents, finally (4) campaign launch & monitoring. While the consultant team supported to create fundamental components like brand concept, key contents, budget and overall communication plan options and guideline in the scope of this Survey, most of the implementation tasks need to be performed by Lam Dong like detailed budget, detailed communication plan, actual contents, launch and monitoring. Thus, Lam Dong’s proactive execution, especially by a dedicated and technically capable team, is crucial to realize the brand.

- Brand concept was defined as “Wonders of Gifted Land”, also defying the brand’s vision, mission and personality. To symbolize this concept, key visual contents (video clip, key visual, logo) were created.
- Communication plan includes budget and detailed communication plan. Budget options were estimated mainly based on the coverage of target audience. Based on the budget, overall and detailed communication plan would include channel, budget, timing, key performance indicator.
- Campaign contents must then be developed for individual launch, using key contents and guideline. Application of these contents need to refer to Brand and Design Manuals.
- Lastly, communication activities would be launched to circulate contents across selected channels. Communication results would be monitored and the activities would be adjusted accordingly.

### **Implementation: Quality Control Guideline**

Five key elements for quality control include: key players (brand authority, brand beneficiary); role division among key players (perform or monitor); facilities and functions; model to organize players, roles, facilities and functions; and how those above differ by product. In this survey, we proposed solutions to address those key elements by researching successful model cases such as Thailand and Japan as well as investigating further about LD’s current situation.

- **Vegetable:** The consultant team proposes two basic models and steps to perform vegetable quality control for two distinctive groups of producers: (1) tie-up with core producers who possess scale, contracted farmers’ network and Viet Gap or Global Gap standard, (2) establishment of a public quality control center (PQCC) for the individual producers. The PQCC is essentially an extension of the existing PHC: the PQCC model comprises of both safety test and post-harvesting functions while the PHC model only serves the post-harvesting function. Safety test aims to ensure products are free from harmful factors (chemicals, heavy metals, microorganisms...); while post-harvesting is to standardize all products’ quality. Lam Dong government’s main roles are authorization and monitoring the core producers and the PQCC’s quality control practice
- **Flower:** Similar to vegetable products, two basic models and steps should be considered to perform flower quality control: (1) tie-up with core producers who have scale, contracted farmers’ network and adequate post harvesting, (2) establishment of a public quality control center for the individual producers as it is not practical to perform quality control on the individual farmers. The PQCC

would centralize all products and perform quality control on product during post-harvesting, and brand only qualified products before distributing to the market. The PQCC requires almost similar functions as in the currently planned Flower Collection Center (FCC), hence the FCC model could be leveraged. Again, the brand authority of Lam Dong PPC will take the monitoring role after authorizing the PQCC/ FCC for detailed quality control.

- **Arabica coffee:** Consumers are now very concerned about purity of roast and ground coffee because of harmful foreign substances added by the roasters. Currently, the core roasters in Lam Dong strictly control coffee purity to maintain their individual brand to consumer. Therefore, Lam Dong government, as the BA, should engage these core roasters into branding and promote with the province. Core roasters must be those possessing reliable roasting process and established market channel. To control quality, BA needs to perform purity test to monitor these roasters; only qualified products would be labeled with Lam Dong brand and supplied to market.
- **Agro-tourism:** 2 basic models were proposed for Lam Dong's consideration to implement professional agro-tourism namely "One-stop" and "Tour Route" model. "One-stop" model, centralizes all agro tourism activities in one location and overseen by one operator. "Tour-route" create one tour route and engages fragmented farmers as operator for each tour. Crucial 1<sup>st</sup> step to successfully implement these models is selecting capable professional operator. KSFs as selection criteria include financial capability, operation capability and branding capability. Both models will be implemented at the same time starting from 2017. One stop model implements in 2 phases: 1) cooperating with private companies initiated similar model concept till 2019; then 2) establish agro tourism integrating with FCC by public fund after 2019. Tour route model requires Lam Dong to select capable professional tour operator to control and improve service quality of farmers. BA should closely cooperate with private operator and tour operator to promote branding and provide feedbacks for improvement.

As regards to FCC's preparation, Lam Dong PPC/ Da Lat CPC needs to select the contractor and the operator by appropriate and transparent bidding process. To realize this model, Lam Dong decided to select 1) bidding scope: "contractor and operator separately"; 2) bidding selection criteria: technical capability, operation experience, financial capability, and market knowledge; 3) finalization of roadmap: bidding preparation (December 2016 to April 2018), business model and plan (before April 2017); collaboration scheme with HCM City (before April 2018), bidding announcement (April 2018) and operation (December 2019)

### **Action Plan**

There are three main tasks for Lam Dong to perform from 2017 to 2019, namely: preparation, brand communication and quality control. In order to perform these tasks, Lam Dong should establish a Brand Authority (BA) as the indispensable first step. The BA must be assigned to lead all brand implementation from planning, implementation to monitoring of both Brand communication and Quality control simultaneously, thus, members are required to be full time, with specialized marketing capability and multi – department experience. The BA organization should be structured with: (1) Lam Dong PPC, (2) Brand Authority's members and (3) external advisors. Lam Dong PPC will indirectly manage and initiate leadership direction and approve budget allocation to BA. Execution members of BA include marketing specialists, representatives from relevant departments of Lam Dong PPC and Da Lat CPC. Marketing specialists lead implementation of brand communication cooperating with external agency, while

department representatives execute quality control collaborating with core producers. External advisors including core producers and marketing consultant to advise during implementation.

### **Oversea Study Missions & Trial Promotion**

The project included three study missions abroad for participants from Lam Dong local government and private agro companies to observe good branding practices from other countries and consider suitable application in Lam Dong province.

- “Royal Project” in Thailand: The project successfully established domestic agro-product production, marketing and branding with impressive brand recognition and customer loyalty via diversified brand communication methods. The project’s branding strategies were to define areas of focus by deep understanding of consumers’ demand, position products at high quality segment, and conduct promotion across many channels and agro tourism, all by close collaboration between the public and private sectors.
- Greenhouse Horticulture and Plant Factory Exhibition/ Conference (GPEC) in Tokyo: This is Japan’s largest exhibition of high-tech horticulture (mainly flower and vegetable) with the participation of over 230 exhibitors and 40,000 visitors. The mission brought great opportunities for participants to observe and conduct promotion activities in Japan market, also to experience the latest horticultural technology for future application in Lam Dong. Many participants had exchanged contacts with both Japanese agro product buyers and agro technology sellers.
- Specialty Coffee Association of Japan World Specialty Coffee Conference and Exhibition (SCAJ) in Tokyo: This is Asia’s largest exhibition of specialty coffee with the participation of 100 exhibitors and 25,000 buyers and visitors from around the world. The mission helped Lam Dong participants to initiate promotion activities in Japan and learn about Japan market’s needs and requirements.

# Chapter 1: Introduction

## 1-1. Background of This Project

Viet Nam is one of the leading agricultural production and export countries. Agricultural industry contributed 20% of GDP while employing 70% of total population. Agricultural export of several products ranked well among the world's tops such as cashew (No.1), coffee (No.2), rice (No.2), cassava (No.2) ... Lam Dong is a major agricultural production province in Viet Nam, blessed by its location in the Central Highlands area and its uniquely ideal temperate climate. Agriculture contributed 51% of the province's GDP, employing 60% of total provincial population over 340,000 ha of cultivation area. Lam Dong and its capital city Da Lat's primary products include vegetables, flowers, coffee, tea and dairy products with significant production and marketing advantages compared with their competitors in both domestic and export markets. "Da Lat vegetables/flowers" are particularly competitive and reputable as the main supply for the vast consumption market of Ho Chi Minh City and surrounding provinces.

In lights of the close governmental cooperation between Japan and Viet Nam and the importance of agricultural industry in Viet Nam's macro economy, Japanese and Vietnamese governments agreed to cooperate to develop Viet Nam's agricultural industry in the "Japan-Viet Nam agricultural cooperation dialogue" in June 2014 and August 2015. Both governments regarded Lam Dong Province as one of the most potential model cases and the Japan International Cooperation Agency (JICA) has been actively supporting the province since. JICA has conducted the "Project for Supporting Lam Dong Province in Formulating Agriculture Development Model by Multi Sector Approach and Promoting Investment Environment in Agriculture Sector" in 2014 and 2015. As a result, eight strategies were proposed and incorporated into Lam Dong Province's 5-year Social-Economic Development Plan from 2016 to 2020.

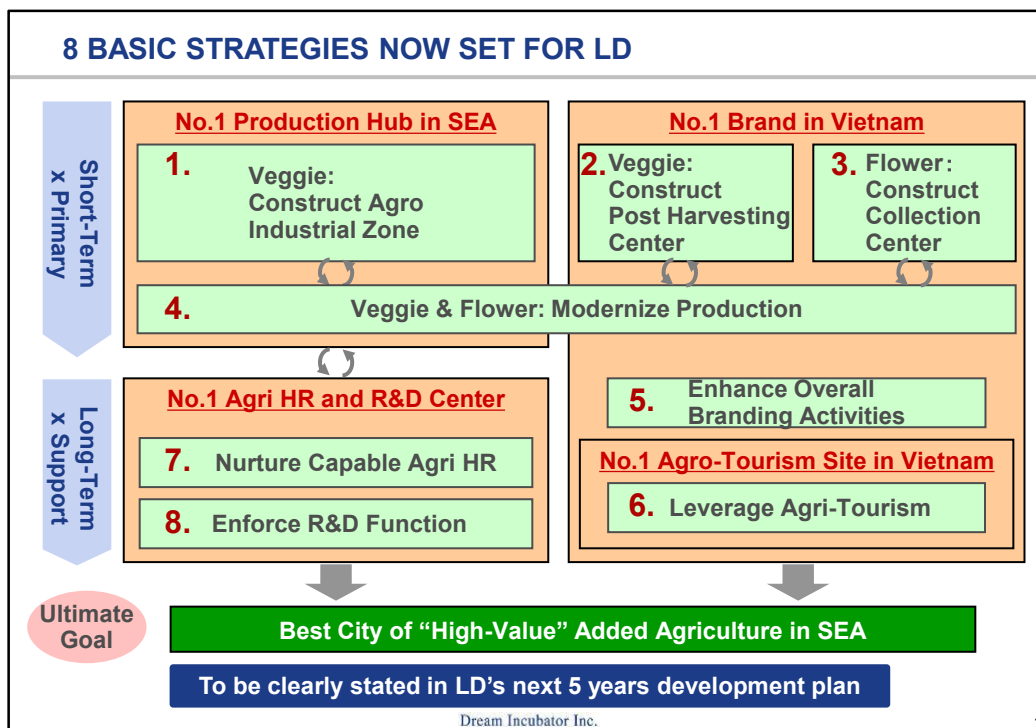


Figure 1: 8 Basic Strategies for Lam Dong Province's Agricultural Development

Short term and primary strategies to improve agricultural value chain include:

1. Construct Agro Industrial Zone (vegetable products)
2. Construct Post Harvesting Centre (vegetable products)
3. Construct Collection Centre (flower products)
4. Modernize Production (both vegetable and flower products)

Long term and supportive strategies to enhance and sustain the four strategies above include:

5. Enhance Overall Branding Activities
6. Leverage Agro Tourism Service
7. Nurture Capable Agro Human Resources
8. Enforce Research and Development (R&D) Function

Currently, the first to fourth strategies are being materialized by close collaboration between Japan and Viet Nam and between the public and private sectors. However, the supportive branding strategy is also crucially important to deliver the core value message of Lam Dong's agro products and tourism to the target consumers both domestically and overseas. Good brand awareness and brand recognition will help to deliver optimal returns for producers and obtain competitive advantage for the province's agricultural industry as a whole. From that perspective, the fifth and sixth strategies to enhance agro product and tourism branding should be the core initiative to be implemented simultaneously with the first to fourth strategies.

## 1-2. Purpose, Scope and Approach of This Project

**Project purpose:** The project aims to materialize the brand enhancement strategy by formulating the branding and promotion strategy of agro products and agro tourism in Lam Dong province.

**Project period:** The project will be conducted from March 14<sup>th</sup> 2016 to March 24<sup>th</sup> 2017.

**Project scope:** The project's main tasks include the following:

1. Establish branding strategy for primary agro products
2. Establish branding and enhancement strategy for agro tourism
3. Draft detailed action plan to implement the above (1) and (2) strategies
4. Define implementation models and principles
5. Conduct actual promotion activities in collaboration with local entities
6. Conduct study missions & foreign promotional activities
7. Hold presentation seminar to the public

**Project approach:** The project approach was extracted from several relevant case studies, comprising of three main components as below:



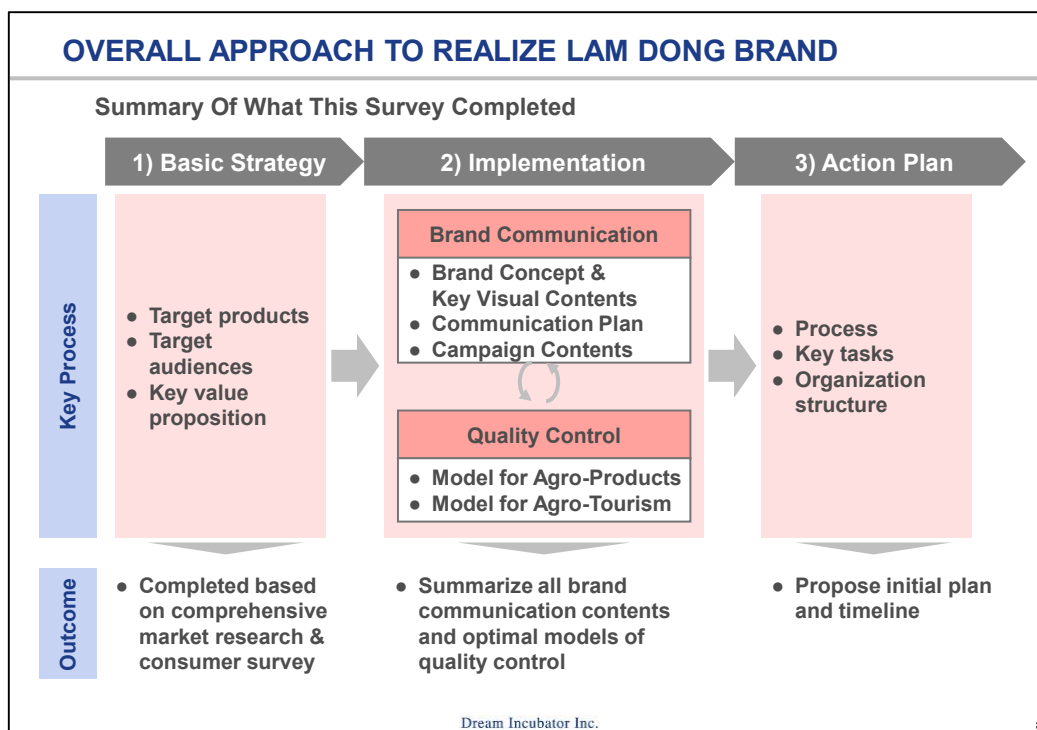


Figure 2: Overall Approach of This Survey

The survey’s approach had three components: 1) Basic strategy; 2) Implementation plan; 3) Action plan.

- **(1) The basic strategy:** defined target products, target audiences and key value proposition. All components of the basic strategy were well set up in phase 1 of the Survey. The target products (vegetable, flower, Arabica coffee and agro-tourism) were selected by a screening process. Each product has its own target audience and key value proposition depending on its situation (especially its issues) and consumers’ preference.
- **(2) The implementation plan:** included two interactive modules namely “Brand Communication” and “Quality Control”. Brand communication, aiming to deliver a promise about the product’s quality to the target audience via suitable channels, composes of brand concept & key visual contents, communication plan and campaign contents. Meanwhile, quality control, aiming to deliver and sustain the product’s quality bearing the brand, comprises of various models for agro-products and agro-tourism.
- **(3) The action plan:** proposed necessary processes, key tasks and organizational structure to realize the Da Lat brand.

With the above expected information collection, analysis, strategy formulation and creative design, we hope to forge a comprehensive, strategic and sustainable approach to branding for Lam Dong province. Nevertheless, actual implementation and maintenance of the proposed strategies should be proactively conducted by the Lam Dong Province’s People Committee (Lam Dong PPC) and other private agro-related players with due ownership and leadership.

## Chapter 2: Basic Strategy

### 2-1. Target Product Screening

BRANDING PRIORITY FOR LD = 4 PRODUCTS X DOMESTIC MARKET						
Summary of DI's Analysis						
Product	Current status		Unique Advantage	Potential for Branding		
	Scale	Output		Market Opportunity		Export
				VN Domestic		
Agriculture products	Coffee	1. Vegetable	55 (k ha) ↑	517 (Mill VND/ha)	High • 15% of VN market volume • Already a strong brand	Medium • Only 7% of current output • Mainly processed for B2B
		2. Flower	7 (k ha) ↑	1,414 (Mill VND/ha)	High • Ideal production environment • 70% of VN market volume • Good brand awareness	Medium • Only 10% of current output • No brand awareness
		3. Arabica	24 (k ha) →	175 (Mill VND/ha)	High • One of few areas in VN can produce	High • Strong attention by premium coffee chains
	Robusta	131 (k ha) →	103 (Mill VND/ha)	Low • Commoditized	-	-
	Tea	21 (k ha) ↓	85 (Mill VND/ha)	Low-Medium • Less advantage than Northern area	-	-
	Diary	14 (k cow) ↓	20 (kg/cow/day)	Medium • High productivity but hard to scale up	-	-
	4. Agro-tourism	5.4 (Mill tourists) ↑	830 (K VND/per/day)	High • Unique temperate climate in the South	High • Well-known destination • 95% from domestic	Medium • Only 5% are foreigners

Source: DI's research and analysis  
Dream Incubator Inc.

Figure 3: Summary of Target Product Screening

As the foundation to formulate branding strategy, detailed product and market screening was conducted to define target product, target market and their prioritization. Lam Dong's main agro products and tourism services (including vegetable, flower, coffee (Arabica, Robusta), tea, dairy and agro-tourism) were evaluated based on the following criteria: (1) Current status of production scale and output value; (2) Potential unique advantage for branding; and (3) Market opportunity for both domestic and export markets. In other words, for branding purpose, the screening aimed to select major, unique and commercially potential products. The detailed analysis as below:

- Vegetable:** With the second largest production area among the products at 55,000 ha, vegetable production is still growing steadily thanks to its second highest economic benefit (annual output value of VND 517 million per ha) and large market demand. Lam Dong, especially Da Lat and surrounding area, have the rare ideal climate in Viet Nam to produce temperature vegetables. In addition, "Da Lat vegetable" has long been a strong brand among domestic consumers with 93% of Lam Dong's production volume accounting for 15% of nationwide consumption volume. Export was limited to only 7% of the production volume, mainly as processed products for business to business (B2B) market where branding activities yield minimal impact.

- **Flower:** Although current production area was just 7,000 ha, Lam Dong’s flower production also experiences robust growth given its highest revenue per hectare among all main products (VND 1,414 million per ha). Similar to vegetable, Lam Dong’s flowers (mostly known as “Da Lat’s flowers”) enjoy uniquely temperate climate, thus high quality and significant reputation domestically. 90% of Lam Dong’s production volume dominated 70% of domestic consumption volume. However, export was made up only 10% of output volume with limited brand awareness as few producers are capable enough to reach export quality.
- **Arabica coffee:** Arabica cultivation yields the third highest revenue per hectare among the main agro products at VND 175 million, just behind flower and vegetable. This results from Lam Dong’s unique advantage as one of the very few areas in Viet Nam able to produce high-quality Arabia. Although not yet widely familiar to Vietnamese consumers, domestic branding potential is significant as it recently received great attention by world iconic coffee player – Starbucks. Export wise, it is still quite early for branding given our early market presence and limited brand awareness.
- **Robusta coffee:** Despite being the second largest among the Robusta production areas in Viet Nam (131,000 ha), Lam Dong’s Robusta only yields VND 103 million per ha and low branding advantage owing to its commoditization in both domestic and international markets.
- **Tea:** Tea plantation occupied only 24,000 ha in Lam Dong with modest output value of VND 85 million per ha. In addition, its tea production condition is not as advantageous and well-known as in the Northern area.
- **Dairy products:** Milk production in Lam Dong is known for its exceptionally high productivity. Nevertheless, its ability to scale up is limited.
- **Agro-tourism:** Da Lat is a popular tourism destination especially among Vietnamese people thanks to its unique cool climate all year round. In 2014, it attracted 5.4 million tourists with the average spending of about VND 830,000 per tourist per day. Domestic and foreign tourists accounted for 95% and 5% of total tourist count respectively, which means branding potential for Lam Dong’s tourism, especially the new agro-tourism, is higher among domestic tourists than foreign tourists.

Based on the above analysis, Lam Dong should define **vegetable, flower, Arabica coffee and agro-tourism as the target products and Viet Nam as the target market** for branding purpose. Other product such as tea should be targeted for branding in long term. On the other hand, export market is still in its very early stage thus export branding should be considered next in the expansion phase. For each of the target products, detailed fundamental research and analysis were conducted to deeply understand consumers’ behavior, concerns, trends and brand images to guide strategy formulation. Our research included four consumer surveys for the four target products using an online consumer access panel of more than 400,000 Vietnamese to cover the below points (Actual contents varied dependent on applicability for each product. Please refer to Appendix B for full contents.)

- Demographic background (Gender, Age, Marital status, Occupation, Income and Lifestyle)
- Purchasing/ Tourism activity behavior (Purpose, Sale channel, Frequency, Criteria, Satisfaction, Dissatisfaction, Alternative products)
- Brand awareness and recognition (Information channel, Alternative brands, Brand image of Da Lat/ Lam Dong versus others’)

## 2-2. Detailed Product and Consumer Analysis

### 2-2.1. Vegetables

#### Overview of Lam Dong Vegetables' Distribution Channels and Target Branding Channels




VEGETABLE: 1 <sup>st</sup> PRIORITY CHANNEL = MT					
Overview of Distribution Channels of Lam Dong Vegetable					
Channel	% Sales volume	Image	Potential for Branding		Priority for branding
			Future trend	Suitability for branding	
<b>GT</b> • Wet market • Traditional stores	80		<b>Slower growth</b> • CAGR=19%('10-15) • Consumers are switching to MT	<b>Low</b> • Mainly low quality products • No packaging • High price sensitivity	Low
<b>MT</b> • Supermarket • Minimart • CVS	14		<b>Expanding coverage</b> • CAGR=24%('10-15) • Higher demand for high-quality products	<b>Highly suitable</b> • Consumers demand high-quality & safety • Good packaging	High
<b>HORECA</b>	6		<b>Expanding</b> • Higher demand for tourism & eating out • Income growth	<b>Limited</b> • Key buying factor is price • No demand for branded product	Medium
<b>Target audience for MT vegetable buying is female consumers</b>					
<small>Source: Euromonitor; DI's research and analysis</small>			<small>Dream Incubator Inc.</small>		

Figure 4: Distribution Channels of Vegetables

Generally, general trade (GT), modern trade (MT) and hotel-restaurant-catering (HORECA) are three main distribution channels of Lam Dong's vegetables. Among these, the target channel must be commercially promising and also suitable for branding, i.e. consumers of the channel highly evaluate and reward branded products. The detailed analysis below showed that Lam Dong should prioritize to MT channel over HORECA and GT.

- General trade: Wet markets and traditional stores together distributed 80% of vegetable sales volume with 19% growth rate per annum. However, GT's growth has been slowing down as consumers switch to MT. Branding wise, GT has relatively low potential as its consumers do not prioritize branded products and require only moderate quality in return for affordable price.
- Modern trade: Although it accounted for only 14% of total sales volume, MT is expanding at an impressive growth of 24% per annum since shoppers now prefer more modern, hygienic, high quality, high value – added and convenient shopping. Such demand also implies great commercial benefits if the product branding can convince the consumers of its origin, quality & safety. Main buyers – decision makers in grocery shopping in MT channel are mostly female consumers.
- Hotel-restaurant-catering: Professional buyers constituted 6% of market volume. This channel is also expanding in line with the growing income and the tourism/ dining out trends in Viet Nam. Nevertheless, branding is of limited suitability in HORECA channel since buyers are most concerned about raw materials' price rather than brand.

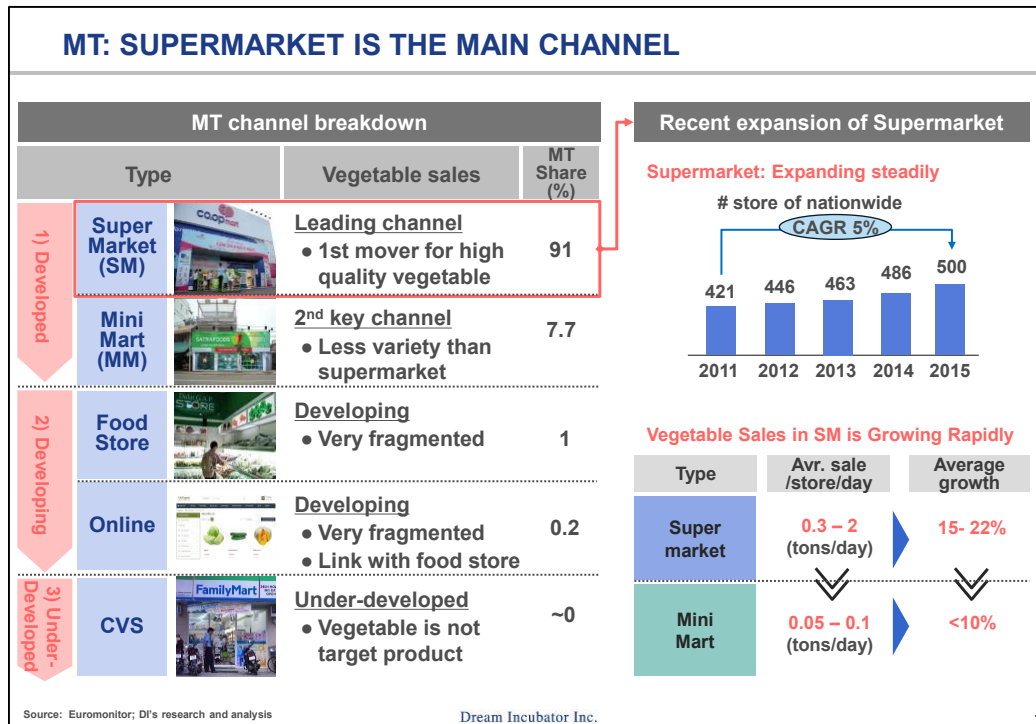


Figure 5: MT Sub-Channels

MT channel is classified into five sub-channels: supermarket, minimart, food store, online store and convenient store; among which, supermarket is the largest sub – channel for vegetable products with 91% share in total MT sales volume. Details information of each sub – channel below:

- Supermarket (SM): SM is the first and largest mover to provide safe, high – quality, high – variety vegetables and expanding steadily with 500 stores nationwide in 2015. Vegetables’ daily sales volume per store reached 0.3 – 2 tons with 15-22% average annual growth.
- Minimart (MM): Minimart is the second key channel with 7.7% share in MT vegetable sales volume. Usually defined as the miniature, more convenient model of SM, MM focuses on less variety and more common products, including vegetables. Vegetables’ daily sales volume per store was only 0.05 – 0.1 tons at 10% average annual growth.
- Food store and online store: These channels are still in their very early and fragmented stage with only 1% and 0.2% share in MT vegetable sales volume for food store and online store respectively.
- Convenient store (CVS): CVS is one of the new retail formats in Viet Nam and still under – developed. CVS’s share in MT vegetable sales volume of vegetable is negligible as its product portfolio by nature focuses on shelf stable products rather than fresh food.

## Target Consumers and Key Concerns

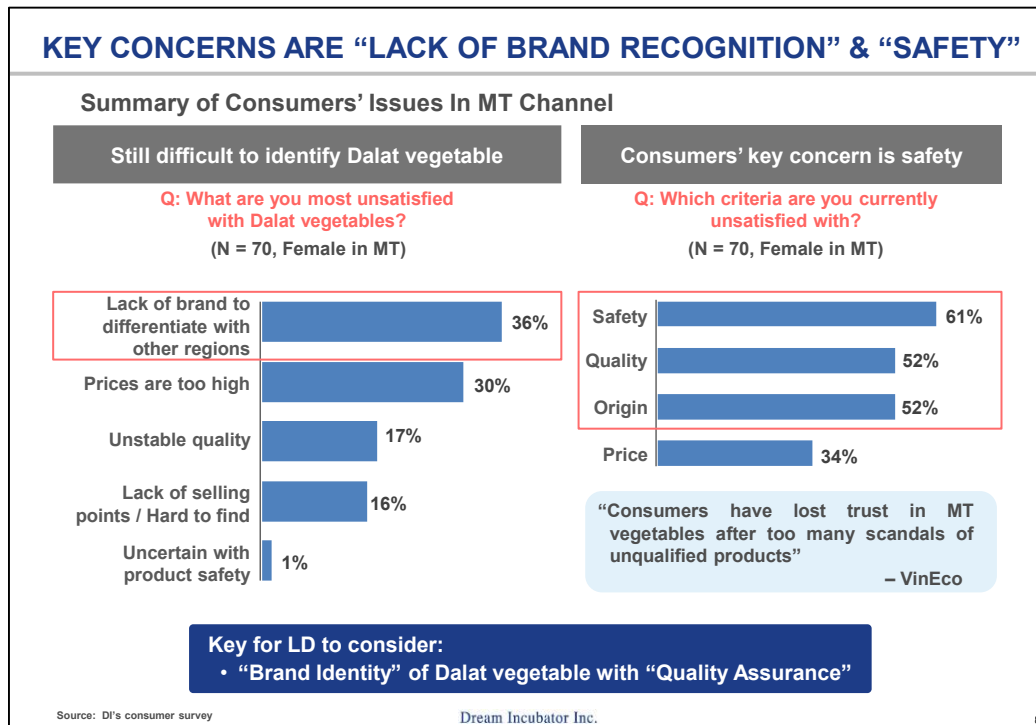






Figure 6: Consumers' Concerns of Vegetables

The consumer survey and other analysis defined female consumers via MT channel as the target audience for Lam Dong province’s vegetable branding. The filtered survey results from 70 female consumers via MT channel showed two main issues when buying Da Lat vegetables, namely brand identity and product safety. Figure 5 showed detailed survey results.

- Product safety of vegetables in general was the key unsatisfied buying criteria of 61% of respondents while only 34%, 52% and 52% expressed concerns on price, quality and origin respectively. As VinEco interview read, “Consumers have lost trust in MT vegetables after too many scandals of unqualified products.”
- Inadequate brand recognition is the main issue for Da Lat vegetables: deficient branding contents and materials makes it difficult for consumers to differentiate Da Lat products from other localities’. Such limited visual brand identity was the most unsatisfied factor for 36% of respondents, while high price, unstable quality, lack of selling points and uncertain safety accounted for 30%, 17%, 16% and only 1% respectively. Therefore, it is essential to improve points of sales materials (POSM) for Da Lat vegetables to indicate its origin and quality assurance.

## 2-2.2. Flowers

### Overview of Lam Dong Flowers' Distribution Channels and Target Branding Channels







FLOWER: 1 <sup>st</sup> PRIORITY CHANNEL = FLOWER SHOP					
Overview of Distribution Channels					
Channel	% Sales volume	Image	Potential for Branding		Priority for branding
			Future trend	Suitability for branding	
Wet market	78		<b>Stable growth</b> <ul style="list-style-type: none"> <li>Mainly for religious purpose</li> </ul>	<b>Low</b> <ul style="list-style-type: none"> <li>Low demand for high-quality flowers</li> <li>High price sensitivity</li> </ul>	Low
Flower shop	16		<b>Expanding</b> <ul style="list-style-type: none"> <li>10-15%/year</li> <li>Increasing demand for personal &amp; business gifts</li> </ul>	<b>Highly suitable</b> <ul style="list-style-type: none"> <li>Current main channel for high quality flowers</li> </ul>	High
Event Organizer / Hotel	6		<b>Expanding</b> <ul style="list-style-type: none"> <li>Increasing demand for corporate events &amp; weddings</li> </ul>	<b>Low</b> <ul style="list-style-type: none"> <li>Key buying factor is pricing</li> <li>Product brand is not important</li> </ul>	Medium
Super-market	~0.1		<b>Expanding but still limited growth for flowers</b> <ul style="list-style-type: none"> <li>1-2%/year</li> <li>Take time to adapt</li> </ul>	<b>Highly suitable</b> <ul style="list-style-type: none"> <li>Existing high quality &amp; strong brand name supplier (DL HasFarm)</li> </ul>	Medium

Source: DI's research and analysis  
Dream Incubator Inc.

Figure 7: Distribution Channels of Flowers

Lam Dong's flowers are distributed via four channels – wet market, flower shop, event organizer/ hotel and supermarket. Our analysis result prioritized flower shop as the most potential branding channel, followed by event organizer/ hotel, supermarket and wet market thanks to its promising growth and high suitability to branding activities. Details as below:

- Wet market made up 78% of flower sales volume with stable growth. The channel mostly serves demand for religious offering flowers with unsophisticated quality requirement and high price sensitivity. Thus, potential for branding via wet market channel is limited.
- Flower shop contributed only 16% of total sales volume but expanding quickly at 10 – 15% growth annually, thanks to the increased fresh flower demand for personal and business gifts and decoration. Flower shop is also the main channel to consume high quality flowers, thus highly suitable for quality – based branding strategy.
- Event organizer/ hotel accounted for 6% of market share. This channel is expanding because of the increased demand for fresh flower decoration at corporate events and weddings. However, the potential for branding is limited because pricing is the key buying factor, rather than quality or brand reputation.
- Supermarket channel is negligible with less than 0.1% volume contribution and 1-2% annual growth as end consumers are used to buying flowers at the wet markets. Flowers used for display are different from food products whose strict safety, quality and hygienic standards can be better accommodated by MT channel.

MAJORITY OF FLOWER SHOP IS MID-BASIC SEGMENT					
Overview of Flower Shop					
Type	# of Shop	Key players	Product characteristic	% High-quality flower	Trend
Premium	1-2% ● HN:~6 ● HCM:~20 	● HN: ○ La Foret ○ Hoa 10 gio ● HCM: ○ 38 degree ○ Flower Box ○ Flora	Customized ● High price: >VND1mil 	50% ● Imported ● DLHF 	<b>Expanding but slowly</b> ● Few consumers are willing to buy premium flowers
Mid-Basic	<div style="border: 1px solid red; padding: 2px; display: inline-block;">98%</div> ● HN:~900 ● HCM:~1000 	● HN: ○ Highly fragmented ● HCM: ○ Ben Thanh market shops	Standardized ● VND0.2-0.5mil 	10% ● DLHF only 	<b>Stable expansion (10-15%/year)</b> ● Growing demand for gift & decor ● Affordable price

Source: DI Interview & Analysis Dream Incubator Inc. 10

Figure 8: Flower Shop Channel

The target flower shop channel was closely examined and classified into two segments: premium and mid-basic. Most of the flower shops in the market fall into the mid-basic segment.

- Premium shops accounted for only 1-2% of nationwide number of flower shops. Their arrangements use high quality flowers from both domestic and imports, customized to meet individual needs and priced at over VND 1 million on average per arrangement. The channel's premium positioning results in limited consumer base and slow expansion.
- Mid-basic shops made up 98% of nationwide number of flower shops with more than 900 shops in Ha Noi and 1000 shops in Ho Chi Minh City. The segment has stable growth thanks to growing demand for gift and decoration flowers at affordable price. Their products are mostly premade and standardized at VND 0.2-0.5 million per arrangement. High quality flowers only made up 10% total volume in this segment.

### Target Consumers

The demographic profile of major flower buyers varies greatly by purchasing purposes whether it is for business or personal use. Based on the analysis of buying purpose, volume, product, key buyer, key decision maker... in Figure 8, female consumers and florists are the most suitable audience to be involved in the flower branding process.

- Flowers for business gift/ office decoration: Business use contributed 70% of total sales volume. Its largest and most stable key buyers are female office workers purchasing 1 – 2 times per week. 30% of these buyers purchase by themselves directly in shops and 70% indirectly via telephone order. Indirect buyers are usually frequent buyers and entrust florists to select flowers based on their budget.; in other words, florists are the decision makers. Therefore, both female buyers and florists should be the target audience for branding.



- Flowers for personal gift/home decoration:
  - Gift accounted for 25% of total sales volume. The key buyers are male from 18 to 35 years old, mostly for special occasions such as Valentine’s Day, Women’s Day... only. Apart from these occasions, sales from this buyer profile is very limited.
  - Home décor accounted for 5% of total sales volume. The key buyers are female from 30 years old. Their buying frequency is low at roughly once per month.

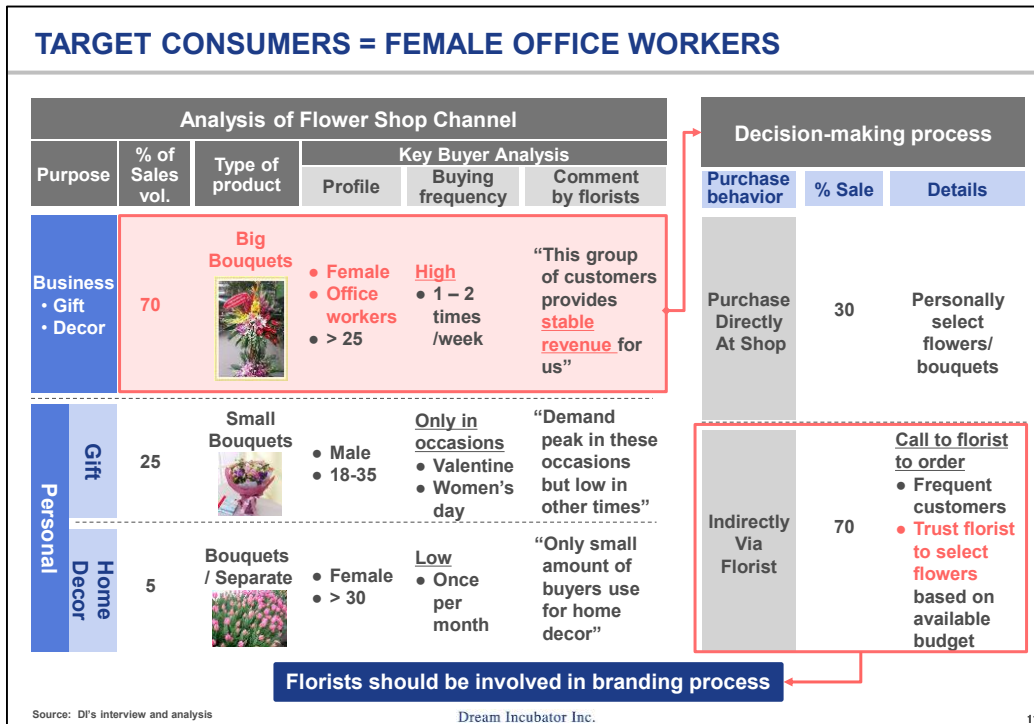


Figure 9: Target Consumer of Flowers

### Key Buying Factors and Key Concerns

Figure 9 illustrated the key buying factors and key concerns of the target consumers. Female buyers and florists highly evaluated quality as the most important factor while price is of less concern. They also acknowledged Da Lat flowers’ quality (including color, size and vase life) but still had difficulties to differentiate from flowers of other origins. In our survey result with 131 female buyers in flower shop, 58% of them cannot tell Da Lat flowers from other regions’ due to the lack of visual brand identity. Besides, 38% of respondents were complaining about Da Lat flowers’ relatively high price and 5% unsatisfied with their quality. Therefore, Lam Dong should position their flower brand as superior quality flowers produce in Da Lat area.

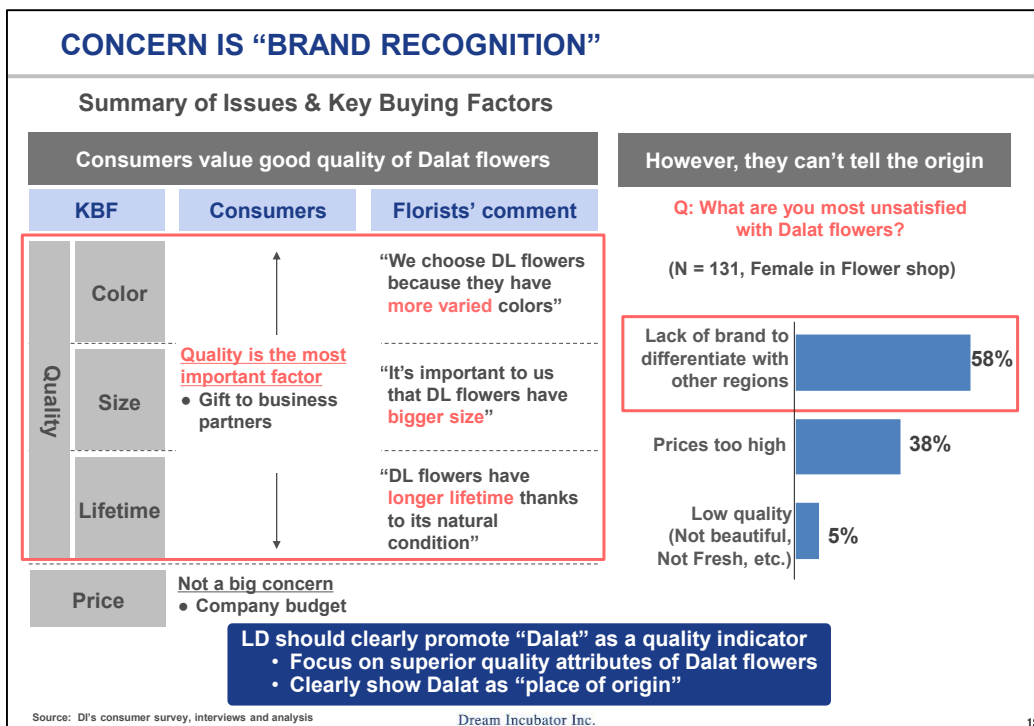


Figure 10: Consumers' Concerns and Key Buying Factors of Flowers

### 2-2.3. Coffee

#### Overview of Lam Dong Coffee's Distribution Channels and Target Branding Channels

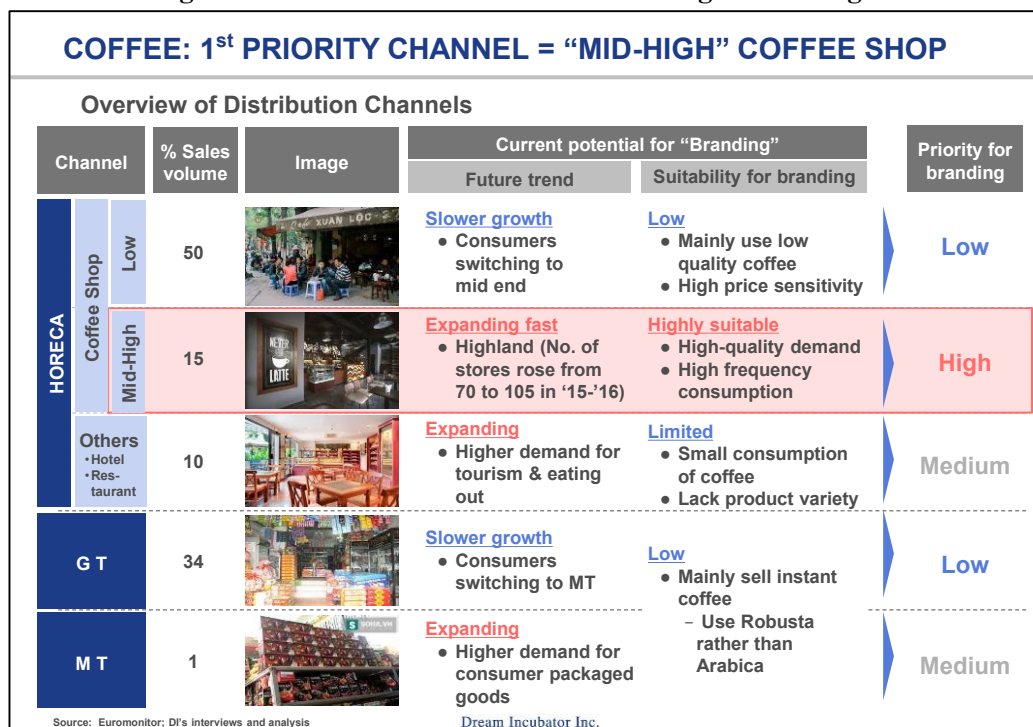


Figure 11: Distribution Channels of Coffee

In general, there are three main coffee distribution channels: HORECA including coffee shops – hotels – restaurants, GT and MT. Our analysis of commercial and branding potential came to prioritize coffee shops in mid-high segment for branding, followed by MT, and finally coffee shops in low segment and GT.

- HORECA: HORECA including coffee shop (both low and mid-high segments) and other HORECA players such as hotel, restaurant...
  - Low segment coffee shops made up 50% of total sales volume. However, its growth is slowing down as consumers started to switch to mid-high segment shops. The sub channel is also not suitable for branding because of their low quality – low price product positioning.
  - Mid-high segment coffee shops accounted for 15% market share and still expanding fast. An example of their success is Highlands Coffee chain whose number of stores jumped from 70 stores to 105 stores just in the 2015 – 2016 period. The sub channel is highly suitable for branding because of its high quality demand.
  - Other channels of HORECA such as hotels and restaurants contributed 10% of total sales volume and also expanding because of the growing tourism and dining out trends. However, they have limited branding potential due to its limited coffee product variety.
- GT and MT: GT and MT made up 34% and 1% of total market volume respectively. These channels are expected to expand in line with higher demand for coffee consumer packaged goods. Nevertheless, both channels are less potential for branding as their instant and packaged coffee products communicate limited branding about product origin.

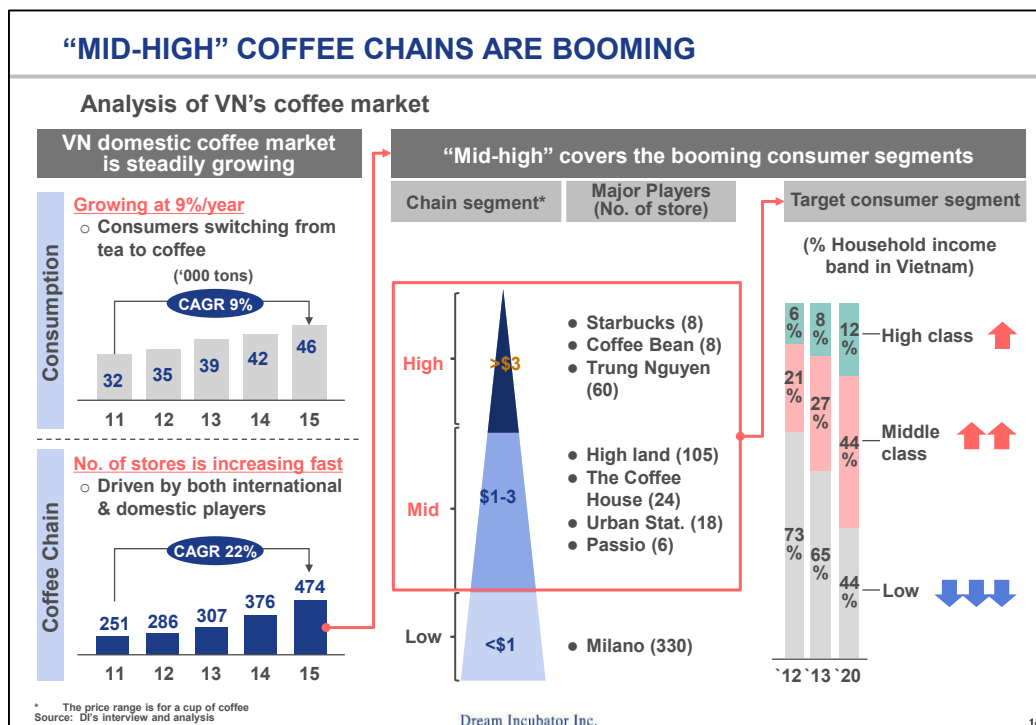


Figure 12: Coffee Shop Chains

In the growing Viet Nam coffee market thanks to the trend to switch from tea to coffee consumption and the expansion of coffee shop chains, the mid – high segment coffee shops and chains like Starbucks, The Coffee Bean and Tea Leaves, Highlands, Trung Nguyen, The Coffee House... captured the largest share of the new mid – high income consumer segments.

## Target Consumers

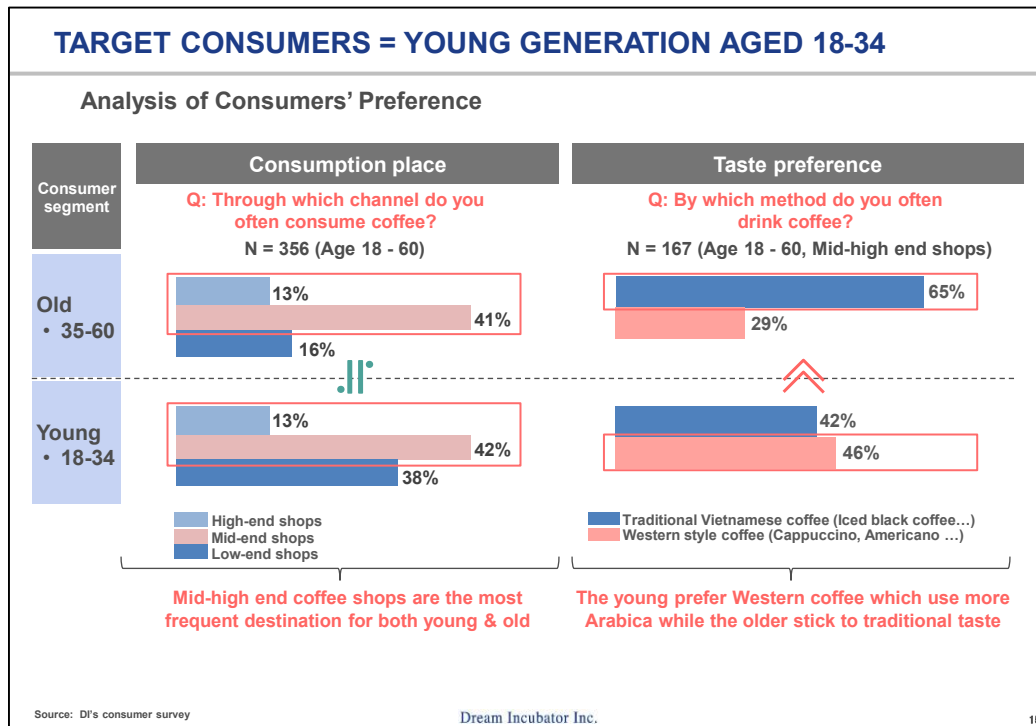


Figure 13: Target Consumer of Coffee

We compared the consumers from two age groups 35-60 and 18-34 to see their behavioral differences in location and taste preference.

- Location: There was no significant difference between two groups as majority of them (54% for 35-60 group and 55% for 18-34 group) chose mid – high end coffee shops as their frequent coffee destination, compared to low – end coffee shops at 16% (35-60 group) and 38% (18-34 group).
- Taste: The 35-60 group stick to the traditional Vietnamese style coffee made mostly from Robusta (65% respondents) while the 18-34 group started to switch from Vietnamese style coffee (42%) to Western style coffee (mostly Arabica) (46%). Since Arabica is our target product, our target audience should be the younger consumer group.

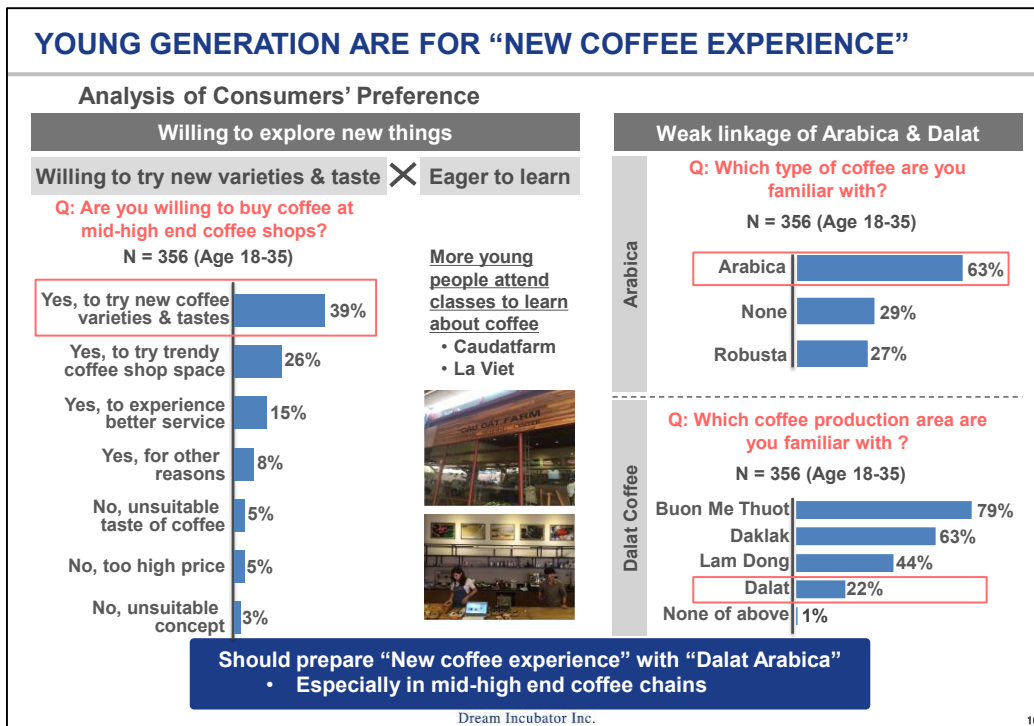


Figure 14: Analysis of Consumer Preference

Figure 13 listed out major insights from 356 respondents aged 18-25, which strongly showed the willingness to explore new tastes (39% respondents) and awareness of Arabica coffee (63% respondents). However, the respondents did not recall Da Lat as a major Arabica coffee production area (only 22% respondents), which is an issue to be addressed by branding. A new coffee experience with “Da Lat Arabica” may be the potential brand positioning and activation idea, given the growing trend among the young to attend coffee training classes.

#### 2-2.4. Agro-tourism

##### Overview of Da Lat Tourism and Agro Tourism

Figure 14 presented the overview of Da Lat tourism’s current situation. Da Lat area attracted 5.4 million tourists in 2015 with growth of 14% in the last three years. Domestic tourists, mainly from Ho Chi Minh City, accounted for 96% of total tourist count (5.2 million tourists in 2015) and growing steadily at 15% per annum, thanks to Da Lat’s unique cool climate in the Central and Southern areas. Foreign tourists made up only 4% of total tourist count to visit Da Lat and increased at slower pace (10% per annum). Among many types of tourism services, agro-tourism is not yet the top-of-mind choice among consumers with only 44% respondents, ranking forth after ecotourism (56%), resort (55%) and cultural tourism (47%) according to a survey conducted with 450 respondents. Such limited brand awareness of the newly launched agro tourism service must be improved by effective branding.

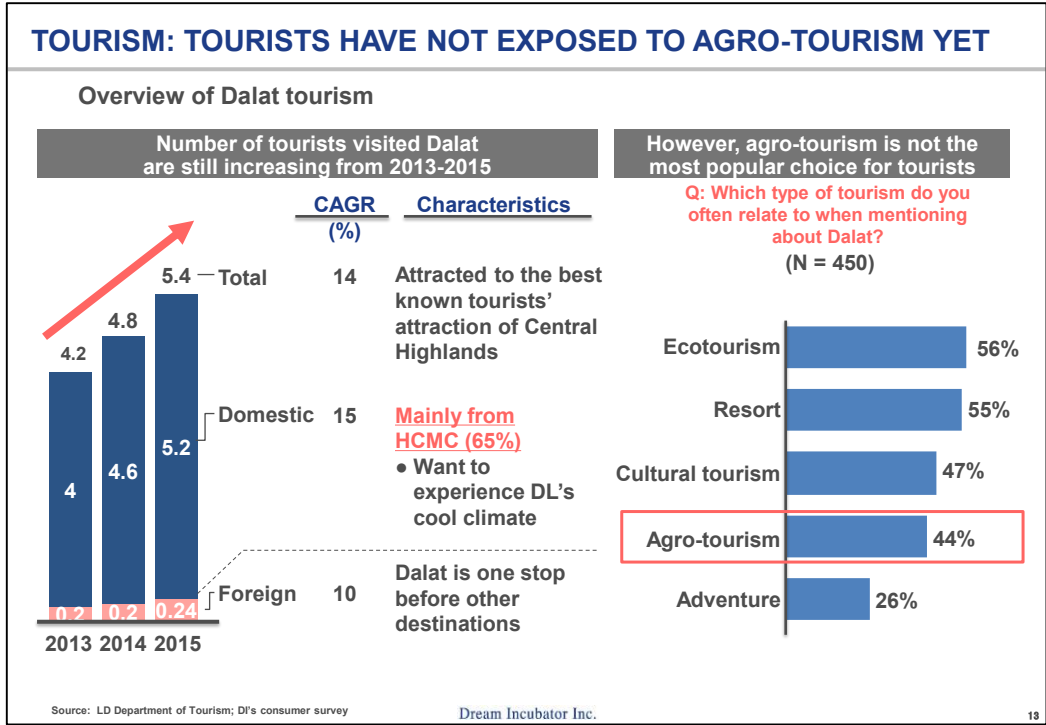


Figure 15: Overview of Da Lat Agro-tourism

### Target Consumers

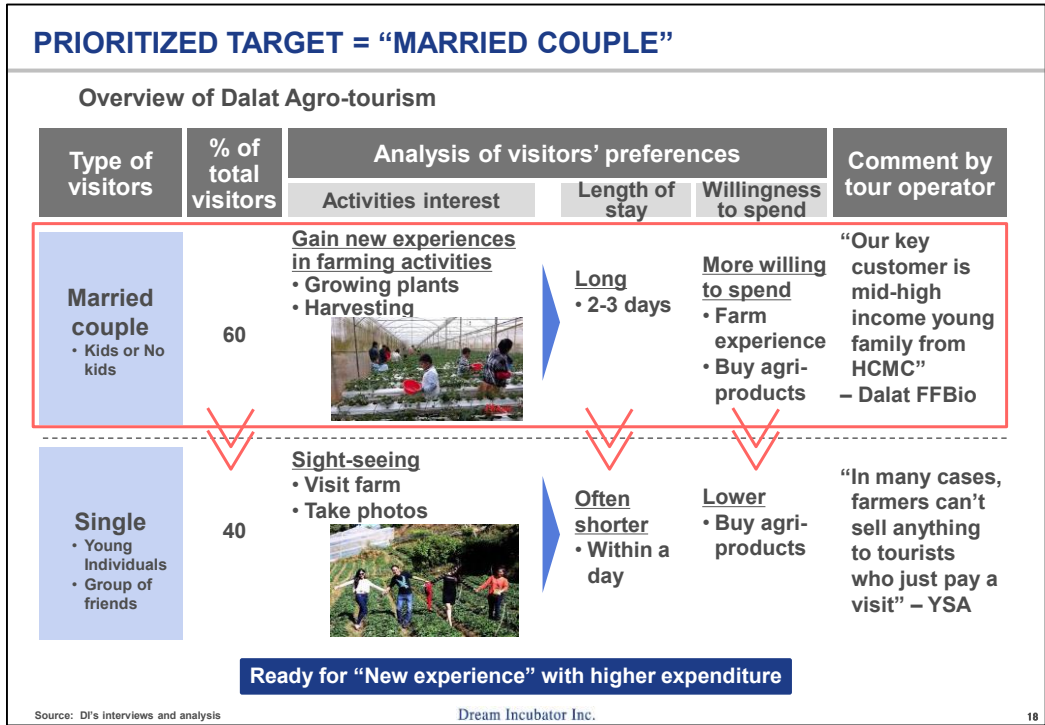


Figure 16: Target Consumer of Agro Tourism

Visitors to Da Lat can be largely categorized into two groups - married couples and single visitors – due to great differences in their travel activities:

- Married couples, many of them mid – high income city dwellers from Ho Chi Minh city, accounted for 60% of total Da Lat visitors. This group is particularly interested in experiencing farming activities like growing plants or harvesting, especially among child visitors. Their stay usually lasts 2-3 days with significant willingness to spend on farm experience or buying agro products.
- Single visitors are often young individuals or group of friends. This group made up 40% of total visitors. Their favorite activities are sight-seeing, visiting farms and taking photos. They spend less time on agro tours with limited spending on products only.

## Key Concerns

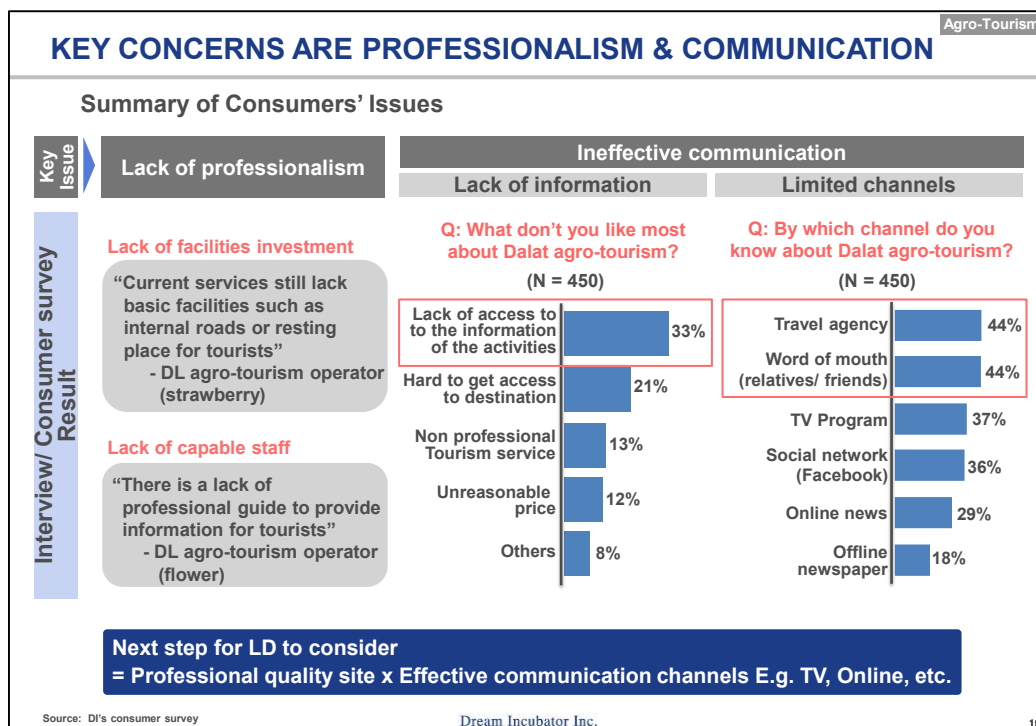


Figure 17: Consumers' Concerns of Agro Tourism

Lack of professionalism and ineffective communication are usually cited as the key issues of Lam Dong province's agro-tourism. Therefore, agro tourism players need to consider investments in professional facilities and human resources, as well as better destination communication with tourists via mass media channels such as television, online media...

- Lack of professionalism: Both well invested facilities and capable tour guides are still limited.
- Ineffective communication: According our consumer survey on 450 respondents, 33% felt unsatisfied with the lack of access to agro-tourism information. Besides, respondents also cited difficult access to the destinations, unprofessional service and unreasonable price as their major complaints. A closer examination of the communication channels showed traditional channels (travel agency 44%, word of mouth 44%) were still prevalent compared to modern, mass, fast and interactive channels (television 37%, social networks 36%, 29% online news).

2-3. Summary of Target Products, Target Audiences (Channel & Consumer), Key Issues and Key Value Proposition

SUMMARY OF BASIC STRATEGIC DIRECTION						
	Target Product	Target Channel	Target Consumer	Issues	Key Value Proposition	
Agro Products	1. Vegetable	MT • Supermarket • Minimart	Female consumers	• Concern of safety • Lack of brand identity	Create & promote visual brand identity	Safety appeal
	2. Flower	Flower shop	Female consumers; Florists	• Appreciate appearance quality • Lack of brand identity		Appearance appeal
	3. Arabica Coffee	Mid-high end coffee shop	Young consumers (age 18-34)	• Concern of purity (foreign substance)	Create new experience	Purity appeal
	4. Agro-tourism		Married couples	• Lack of professionalism • Ineffective communication		Professionalism appeal

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Figure 18: Summary of Basic Strategy Direction

In this chapter, we have selected four target agro products and tourism services to be prioritized for branding purpose, namely vegetable, flower, Arabica coffee and agro tourism, first in the domestic market and later expanded to the export markets. For each product, we have performed detailed analysis of consumer behavior and brand perception, thus determined its key branding channel, target branding audience (target consumer), current issues and basic directions.

- **Vegetable:** Despite its smaller share in market wise sales volume compared to GT, MT channel – especially supermarket and minimart – is the key branding channel as its consumers highly evaluate “Da Lat vegetable” brand as the identity of origin, safety and quality. Target branding audience is female consumers via MT channel. While the key product issue is safety, the key branding issue is the lack of brand recognition (consumers cannot identify Lam Dong vegetables). Lam Dong should seek to solve both issues simultaneously.
- **Flower:** Flower shops with their demand for high quality flowers is the most suitable channel for branding. Target branding audiences are female office workers and florists. Although consumers appreciate Da Lat flower’s quality, brand recognition is still limited. Thus, Lam Dong should better communicate its product origin.
- **Arabica coffee:** Given their demand for high quality, mid-high end coffee shops are highly suitable for branding. Target audience are young consumers (aged 18-34) who are excited to explore new and authentic product like Da Lat Arabica. For this consumer segment, the brand should be positioned as a “new coffee experience with Da Lat Arabica”.



- **Agro-tourism:** Vietnamese married couples are the most potential segment. Nonetheless, Lam Dong must address two key issues of lacking professionalism in both facilities and human resources, and ineffective marketing communication to customers. A professional agro tourism model case combined with effective marketing information channels are highly recommended.

In summary, Lam Dong’s agro product and tourism branding should be positioned to communicate and maintain the credibility of origin, safety, quality and professionalism toward the consumers. In addition, Lam Dong should build its branding on the current brand equity: consumers already knew and appreciate “Da Lat” brand (as in Da Lat vegetable, Da Lat flower, Da Lat Arabica coffee and Da Lat tourism”) as the long known representation of “Lam Dong” as a whole. The brand’s audience should be broad but still oriented toward the young and especially female consumers, via modern and effective channels like television and online communication.

#### 2-4. Directions of Implementation

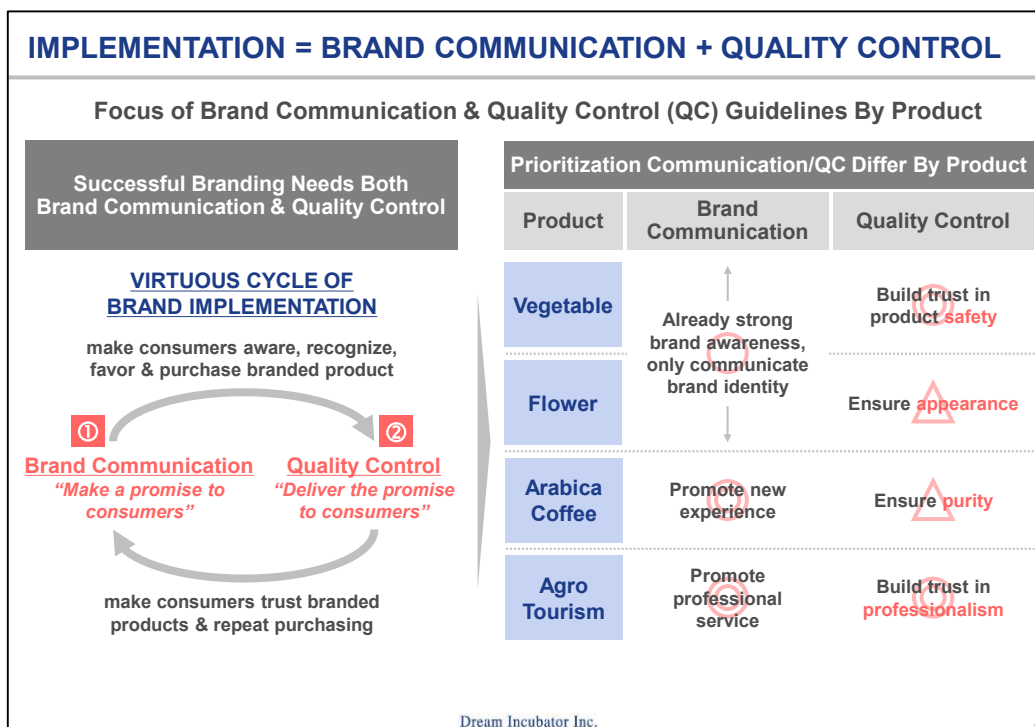


Figure 19. Details of implementation plan

Brand communication and quality control are key elements of brand implementation: brand communication can be understood as making a promise to consumers about the product’s quality, which informs consumers of the brand and the product (also known as brand awareness and brand recognition) and persuades them to favor and eventual purchase the product. On the other hand, quality control aims to deliver the promise above through the product’s actual quality so that consumers trust the brand and repeat purchasing (also known as brand loyalty). Nevertheless, prioritization of brand communication and quality control differ greatly among the products based on the varied situation of each product.

- Da Lat vegetables' brand awareness is already strong, thus only brand identity communication is necessary. Quality control wise, it is essential to build consumers' trust in product safety.
- Da Lat flowers are similar to its vegetables, with strong brand awareness but limited brand recognition, thus brand identity communication is necessary. On the other hand, quality control should seek to enhance flower's outer appearance quality.
- Arabica coffee is especially favored by the young as they want something different from the traditional Robusta coffee's taste. Therefore, brand communication would seek to promote a new experience delivered by Arabica. Meanwhile, product purity remains the key concern of coffee consumers due to the increasing use of extraneous substances. Ensuring purity, therefore, is ultimate purpose of quality control.
- Agro tourism's brand communication and quality control should seek to address and communicate professionalism of agro tourism's service.

## Chapter 3: Case Studies about Governmental Branding Approach

### 3-1. Strategic Approach

SELECTED CASES IN THIS CHAPTER			
	Cases	Overview	Key Questions
Foreign Country	1. Brazil	World's most successful <b>coffee</b> story	Mechanism of brand building
	2. Thailand	Royal PJ: Thailand's iconic <b>premium agri product</b> brand	How to maintain consumer trust
	3. Colombia	Export-oriented national <b>flower</b> branding case	How to direct resources in branding
Japan Region	1. Minakami	Drastic expansion of <b>agro-tourism</b>	How to attract tourists
	2. Tokachi	"Food Valley": <b>Food related innovation</b> hub	How to attract companies
	3. Kochi	<b>Prefectural leadership</b> in agri product marketing	How to attract consumers
	4. Kyoto	JP's leading premium <b>vegetable</b> brand	
			Governmental roles

Dream Incubator Inc. 24

Figure 20: Strategic Selection of Case Studies

The study cases were selected to provide systematic and comprehensive branding experience for Lam Dong province: while the foreign cases answered basic strategic questions on brand building mechanism, consumer trust and resources allocation in branding; the Japanese cases elaborated more on the implementation pillars of company, consumer and tourist attraction. In all cases mentioned, the roles played by the respective governmental agencies were also closely examined.

- **Brazil – The Mechanism of Brand Building:** Brazil is the world's most successful coffee story. Given their product similarity to Lam Dong province (coffee), commercial success (world largest exporting country and second largest consuming country) and applicability into Lam Dong (similar issues concern both domestic market and export promotion), Brazil is the exceptionally relevant case for Lam Dong's coffee.
- **Thailand – The Mechanism of Consumer Trust Building:** Thailand's Royal Project also possesses great product similarity to Lam Dong province (temperate vegetables, flowers), commercial success (an iconic premium agro product brand in Thai domestic market), thus their experience would be of significant applicability to Lam Dong province.
- **Colombia – How to Allocate Resources in Branding:** The commercial success of Colombia's national flower industry branding in the US export market was made possible by the strategic alliance and resources contribution between Colombian and American flower associations.

- **Minakami, Gunma – How to Attract Tourists:** Minakami town in Gunma prefecture has successfully developed agro-tourism genre to renew and recover its tourism industry.
- **Tokachi, Hokkaido – How to Attract Companies:** Tokachi region is a valuable case study for Lam Dong province in municipal branding (the “Food Valley Tokachi”) and business matching to create a successful and innovative processing industry.
- **Kochi – How to Attract Consumers and Governmental Leadership in Promotion:** The prominent governmental leadership and support for individual agricultural companies was the key success factors (KSF) for Kochi prefecture’s agro product branding and an essential reference for Lam Dong province.
- **Kyoto – How to Attract Consumers and Governmental Leadership in Quality Control:** Kyoto prefecture government has imposed strict quality control so as to maintain “Kyoto vegetables” brand credibility.

### 3-2. Foreign Cases

#### 3-2.1. Brazil – The Mechanism of Brand Building

#### Introduction of Brazil Domestic and Export Coffee Industry

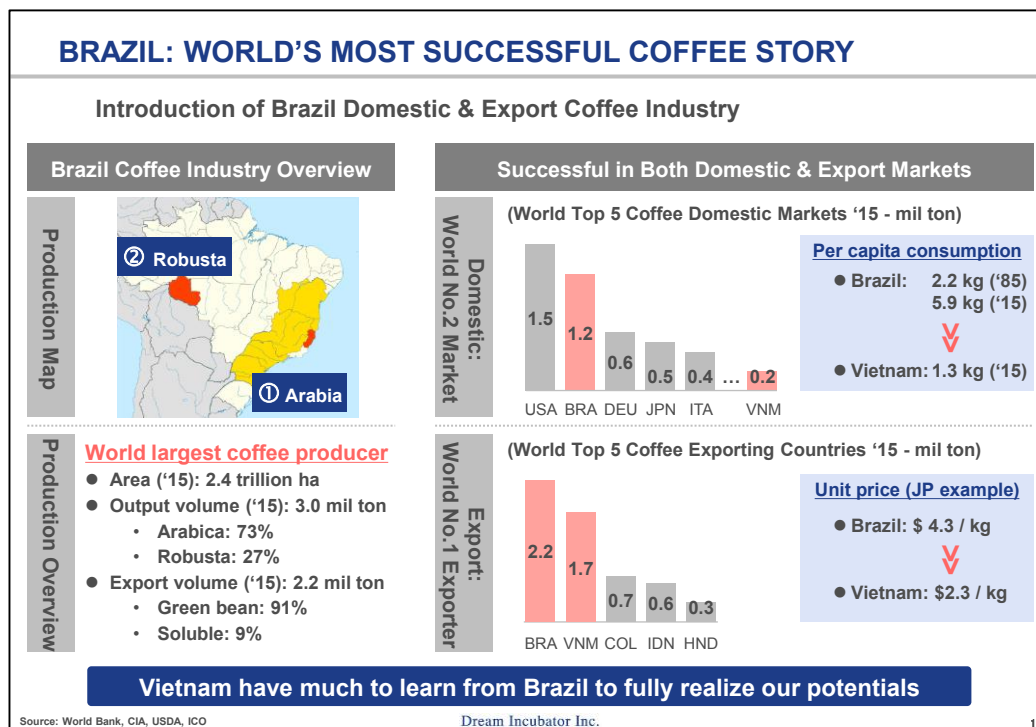


Figure 21: Introduction of Brazil Domestic and Export Coffee Industry

Brazil is the world’s most successful coffee story in terms of production, export and domestic consumption. As the world’s largest coffee producer, Brazil had total cultivation area of 2.4 trillion ha, generating total annual output of 3 million tons in 2015. Arabica accounted for 73% of total output and the remaining 27% was Robusta. The country exported 2.2 million tons of coffee in 2015; ranking first worldwide, followed by Viet Nam at 1.7 million tons. However, Brazilian coffee’s exporting price was twice as high as

Vietnamese coffee's at 4.3 and 2.3 USD/kg respectively. Brazil was also the only coffee producing and exporting country to rank among the world's top coffee consuming countries. Her domestic consumption reached 1.2 million tons in 2015, ranking second worldwide only after the US market. In comparison, Vietnam's domestic consumption was only 0.2 million tons. On per capita basis, Brazil's consumption increased sharply from 2.2 kg in 1985 to 5.9 kg in 2015 while Vietnam's was still far behind at only 1.3 kg in 2015. In short, Brazil's good practices and successes would be invaluable for Viet Nam to learn to fully realize our potentials.

### Summary of Brazil Coffee Industry's Brand Building Efforts Over Time

<b>KSF = STRONG LEADERSHIP + STRATEGIC APPROACH</b>				
<b>Summary of Brazil Coffee Branding Over Time</b>				
Phase	Domestic Market Focus		Global Focus ('99 ~ Now)	
	Phase 1 ('89 ~ '98) Revive Domestic Market	Phase 2 ('99 ~ Now) Enhance Domestic Market	Reshape International Quality Recognition	
Mechanism	Eliminate impure product (roasted coffee)	Grade & enhance overall quality (roasted coffee)	Grade, select & promote the best quality (green bean)	
Key Steps	1. Est key org.	ABIC – roaster association	BSCA – grower association	
	2. Iconic campaign	<b>"Purity Seal"</b> <ul style="list-style-type: none"> <li>Conduct lab test</li> <li>Certify the qualified</li> <li>Punish the unqualified</li> <li>Publicize all results</li> </ul>	<b>"Quality Seal"</b> <ul style="list-style-type: none"> <li>Grade by quality attributes</li> <li>Certify based on results</li> <li>Motivate roasters to improve quality</li> </ul>	<b>"Café do Brasil" – "Cup of Excellence"</b> <ul style="list-style-type: none"> <li>Grade &amp; certify "Café do Brasil" by quality characteristics</li> <li>Hold "Cup of Excellence" competition to select &amp; auction the best quality</li> </ul>
	3. Target education	Train roasters	Educate consumers	
Government Role	<ul style="list-style-type: none"> <li>Enforcement power: punish the unqualified</li> </ul>		<ul style="list-style-type: none"> <li>Fund &amp; actually conduct branding campaign</li> </ul>	
Outcome	<ul style="list-style-type: none"> <li>Per capita consumption 2.8kg ('85) → 4.5kg ('98)</li> </ul>	<ul style="list-style-type: none"> <li>Per capita consumption 4.7kg ('99) → 6.1kg ('15)</li> </ul>	<ul style="list-style-type: none"> <li>"Cup of Excellence" buyer: 5 ('99) → 269 ('14)</li> </ul>	
Source: ABIC, BSCA, ICO		Dream Incubator Inc.		

Figure 22: Development of Brazil Coffee Branding

Brazil's domestic and international successes was brought about by the strong leadership of the key organization and the strategic approach to focus on domestic market first, then expand globally.

Domestic market – roasted coffee: two main phases first to reverse the decreasing domestic consumption; then to enhance the overall domestic product quality

- Phase 1 (1989 – 1998) aimed to revive domestic consumption: The mechanism was to eliminate impure roasted coffee products on the domestic market and regain consumer trust, which was initiated and led by the Brazilian Coffee Industry Association (ABIC). Under this approach, ABIC launched the "Purity Seal" Program as a voluntary quality control system for its member roasters, enabling them to identify their products as pure coffee and separate from impure coffee. The program's core activities encompassed independent laboratory tests to verify coffee quality, certification the "Purity Seal" for the qualified coffee, punishment for the unqualified coffee by the relevant governmental authorities and announcement of all results to the mass public. To enhance

and sustain its effect, the program also conducted training for roasters on both managerial and technical skills. In this phase, the government significantly supported the initiative by exercising its enforcement power to punish those violating the quality and consumer protection regulations. As a result, at the end of phase 1, Brazil 's coffee consumption per capita jumped from 2.8 kg in 1985 to 4.5 kg in 1998.

- Phase 2 (from 1999 until now) to enhance the overall quality thus encourage consumption: After successfully eliminating impure products in phase 1, phase 2's mechanism was to introduce a roasted coffee grading system and certification, encouraging quality segmentation and improvement, whose main campaign was also known as the “Quality Seal”. The activities aimed to educate consumers on coffee quality attributes, quality differentiation and price premium. At the end of phase 2, per capita consumption rose from 4.7 kg in 1999 to 6.1 kg in 2015.

Export market – green bean: International branding was conducted in parallel with the domestic phase 2 when the country strived to reshape Brazilian coffee's quality recognition from commodity to high quality, even specialty grade coffee. The initiative was led by the Brazil Specialty Coffee Association (BSCA). BSCA carried out the quality control and certification system known as the “Café do Brasil” program and the specialty coffee competition and auction called the “Cup of Excellent” (CoE). CoE's membership increased from only 5 members in 1999 to 269 members in 2014. The government also played an active role throughout this phase by funding and conducting branding campaigns in collaboration with BSCA.

### Domestic Market: Introduction of ABIC – Domestic Branding Initiator and Executor

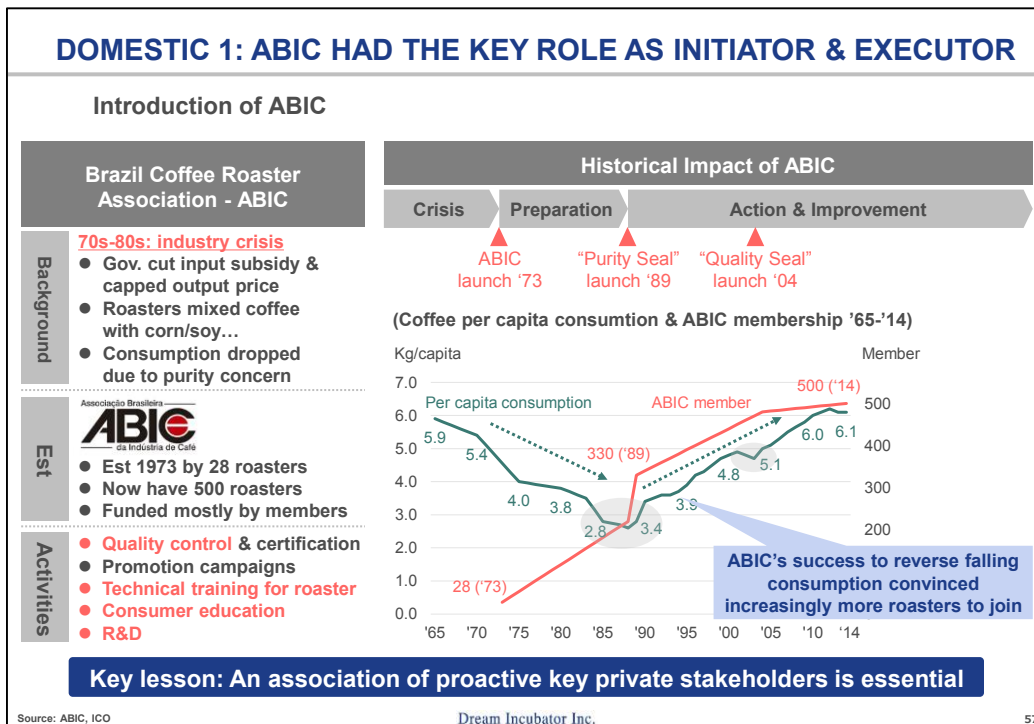


Figure 23: Introduction of ABIC

Since its establishment in 1973, ABIC was the key organization to initiate and execute the comprehensive coffee marketing and branding plan in the domestic market. Founded an association of coffee roasters amid the 70s – 80s crisis of the coffee roasting industry, ABIC was charged with the responsibility to defend its members from unfavorable governmental policies and slumping consumption. Then, the government was strongly curbing input subsidy on green bean, at the same time, capping output price, which seriously hurt roasters' margin. Attempting to save their profitability, roasters started to mix coffee with corn or soy, causing consumers to distrust coffee quality and cut back on consumption. Consumption per capita sunk from 5.9 kg back in 1965 to as low as 2.8 kg in 1985 before ABIC's establishment and during its early days. Through its operation, ABIC sought to regain consumer trust by establishment of quality control, roaster training, consumer education and promotion. Its most iconic campaign was the "Purity Seal" launched in 1989 which managed to overturn the falling coffee consumption from 2.8 kg to 3.4 kg in 1985 and 1990 respectively. Since then, it has launched the "Quality Seal" and several other campaigns, maintaining stable consumption growth until now with current consumption as high as 6.1 kg per capita (2014). Both the "Purity Seal" and the "Quality Seal" were unique of their kind to evaluate roasted coffee quality and accumulate rich experience in domestic market development as other certifications in the world only evaluate green bean coffee for export. Such incredible achievements also helped ABIC attract many more roasters to join: founded with 28 members, now it has 500 members, whose contributions fund the organization's activities.

### ABIC's "Purity Seal" Program

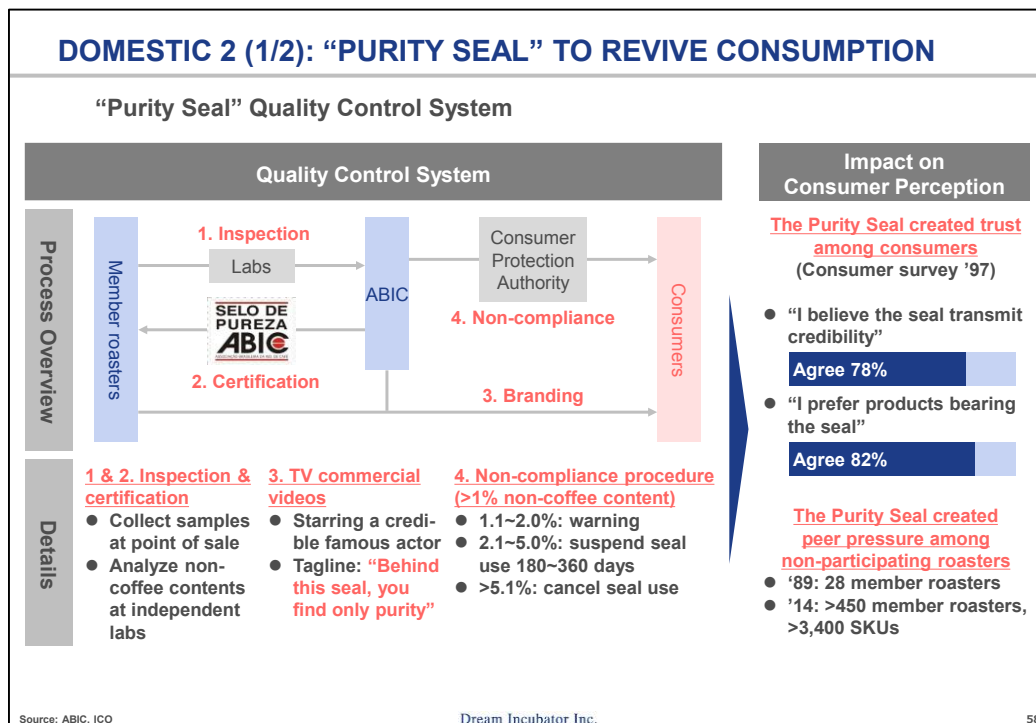


Figure 24: "Purity Seal" Quality Control System

The iconic "Purity Seal" program was launched in 1989 and still in operation today as a voluntary quality control system for coffee roasters. ABIC collect samples at point of sales then send to the independent

laboratories to look for any foreign contents like corn or soy... In the case of member roasters, if the sample contains less than 1% of foreign contents as specified by the national coffee quality standards issued by the government, the product will be certified by ABIC and able to use the “Purity Seal” on their packaging. Otherwise, the member will receive ABIC’s warning (non-coffee contents from 1.1% to 2.0%); suspension from the “Purity Seal” usage from 180 to 360 days (non-coffee contents from 2.1% to 5.0%); or cancellation of the “Purity Seal” usage (non-coffee contents from 5.1% up). In case of non-member roasters with sample containing more than 1% of foreign contents, ABIC will notify the relevant authorities for further procedures and punishments. In addition to the core activities, the association has also been investing heavily in branding campaigns to build up the credibility of the “Purity Seal” among end-consumers. One of the most popular commercials by ABIC even starred a credible famous actor saying the iconic slogan: “Behind this Seal, you find only purity”. ABIC also seriously and frequently evaluate the program’s impact on consumers using detailed consumer surveys. For example, in the 1997 survey, 78% of respondents believed the seal transmitted credibility of product quality; 82% preferred products bearing the seal. Such proven consumer trust in turn created peer pressure among non-participating roasters: from 28 member roasters participating in the program in 1989 to 450 member roasters with more than 3,400 stock keeping units (SKU) in 2014.

### ABIC’s “Quality Seal” Program



Figure 25: "Quality Seal" Grading System

After successfully eliminating the impure coffee in the first phase, ABIC launched the “Quality Seal” program in 2004 as a quality grading system to enhance the overall coffee quality, thus encourage quality differentiation among roasters as below:

- “Gourmet”: Highest quality, score from 7.3 to 10/10, account for top 10% of total market volume



- “Superior”: Score from 6.0 to 7.2/10, account for the medium 25% of total market volume
- “Traditional”: Score from 4.5 to 5.9/10, account for the mass 65% of total market volume

Under the program, ABIC collect samples of participating roasters at point of sales, send to independent laboratories to grade against various quality attributes and award the score-based certification to roasters. The “Quality Seal” gradually became a useful tool for roasters to position their products, attract target consumers and promote their brands. The Seal also helped consumers to select products suitable to their taste and budget. Up to now, ABIC has certified 500 SKUs.

### ABIC’s Roaster Training and Consumer Education Efforts

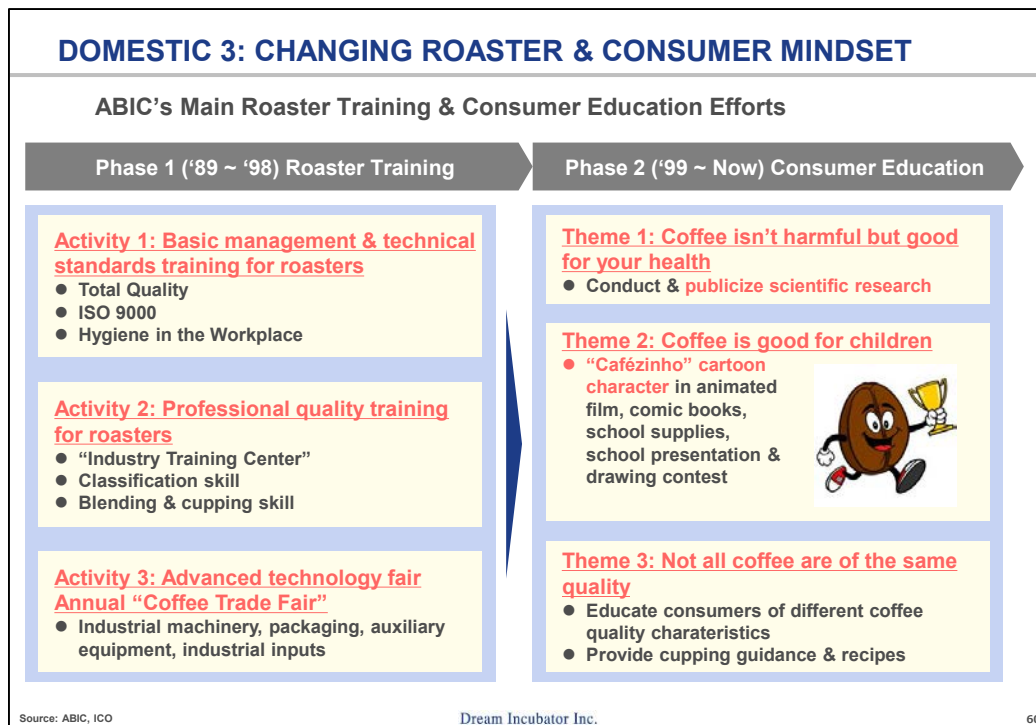


Figure 26: ABIC's Main Roaster Training and Consumer Education Efforts

Behind the “Purity Seal” and the “Quality Seal” ’s successes were ABIC’s continuous efforts in roaster training and consumer education. Phase 1 targeted roasters to improve their technical and management capability, contributing to sustain a healthy roasting industry. Meanwhile, phase 2 focused on consumers: encouraging consumption and familiarizing the concepts of quality.

- Roaster training:
  - Management standards for roasters: Total Quality, ISO 9000, Hygiene in the Workplace...
  - Classification training: “Industry Training Center” (1996)
  - Advanced technology fair to provide modern industrial machinery, as well as packaging, auxiliary equipment, industrial inputs...
- Consumer education:
  - First theme – “Coffee is not harmful but good for your health” – targeted to fight consumers’ misconceptions about coffee’s negative impacts on health by conducting and publicizing

- scientific research showing otherwise. As a result, consumers started to appreciate coffee's positive impacts on health among children, the young and the elder.
- Second theme – “Coffee is good for children” – targeted to increase consumption among children using cartoon character “Cafézinho” in animated films, comic books, school supplies, school presentations and drawing contests...
  - Third theme – “Not all coffee is of the same quality” – targeted to educate consumers on different coffee quality attributes. The program also stimulated consumption by providing cupping technique and recipes.

### Governmental Role: Key Role Was Enforcement

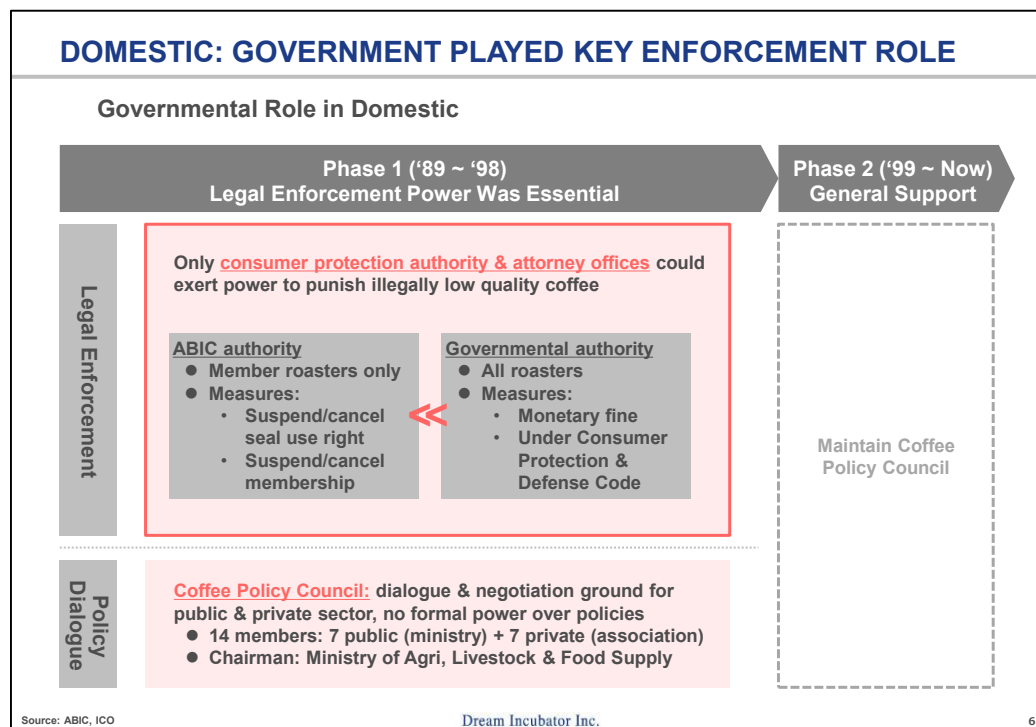


Figure 27: Governmental Role in Domestic Phase

Although Brazil's success in domestic market development was largely thanks to ABIC's strong leadership and strategic approach, the government also played the essential role to regulate the roasting industry as well as its product quality, most significantly in phase 1. As ABIC's programs started to gain momentum in Phase 2, the government maintained only general supporting role.

- Regulation and enforcement: While ABIC – as a private industrial association – could only impose seal usage or membership suspension or cancellation on its member roasters in the case of violations, governmental authorities could regulate and enforce fines upon all roasters as specified in Brazil's Consumer Protection and Defense Code. By doing so, the government supplemented ABIC's limited capability to separate and eliminate substandard coffee from the mass market.
- Policy dialogue: Comprising of both public and private sector representatives, the Coffee Policy Council was established in 1996 as a policy dialogue and negotiation platform. Its 14-member

board included 7 representatives from the related ministries and 7 representatives from the association. The board was chaired by the Ministry of Agriculture, Livestock and Food Supply.

**Global Market: Introduction of BSCA – Export Branding Initiator and Executor**

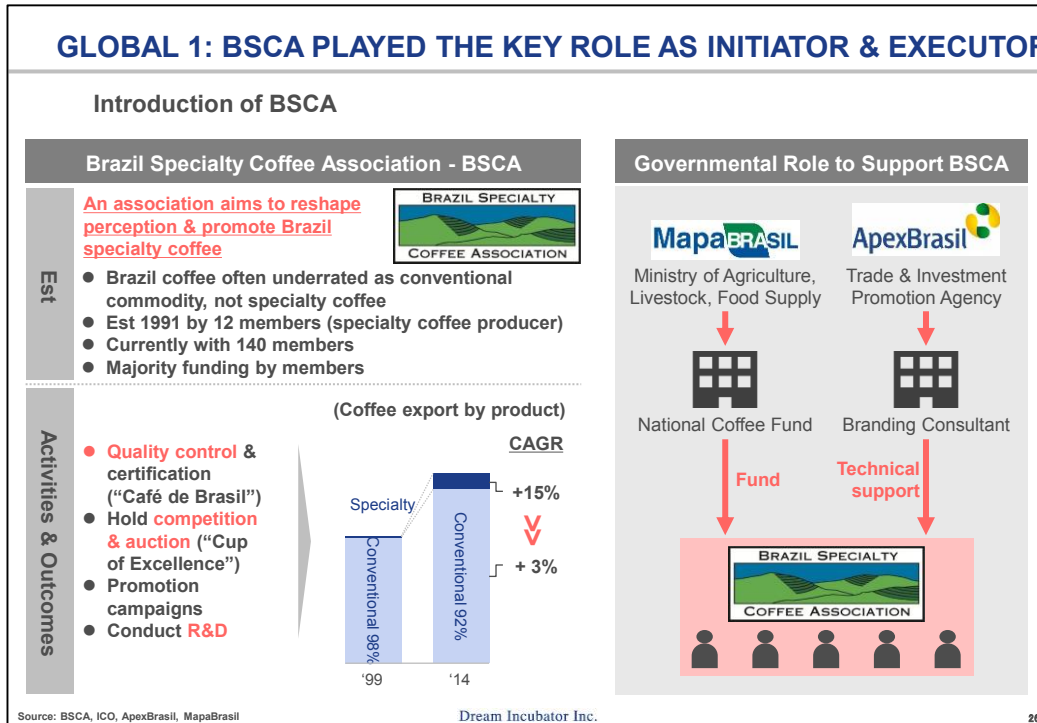


Figure 28: Introduction of BSCA

After successfully reviving the domestic market, Brazil shifted their branding focus into improving the quality perception of Brazilian coffee, which was initiated and executed by BSCA. Despite its reputation as the world’s No.1 coffee exporter, Brazil’s coffee quality was then undervalued as commodity quality and thus underpriced. BSCA was founded in 1991 with 12 specialty coffee growers to promote Brazil as a premium quality coffee producer, not just a mass coffee exporter. As of 2014, BSCA had 140 members. Since its establishment, the association has focused on quality control and certification (known as the “Café de Brasil” program), quality promotion (via the “Cup of Excellence” competition and various other promotion campaigns) and R&D activities. Thanks to BSCA’s efforts, specialty coffee’s share in Brazil’s total coffee export volume increased sharply from 1% in 1999 to 8% in 2014 with the annual growth rate of 15%, compared to conventional coffee’s 3% annual growth rate.

Apart from members’ contributions, BSCA also received both financial and technical supports from the government: the Ministry of Agriculture, Livestock and Food Supply (Mapa-Brasil) provided funding for the “Café do Brasil” program via the National Coffee Fund; while the Trade and Investment Promotion Agency (Apex-Brasil) hired professional branding consultants to formulate BSCA’s branding strategy and conduct promotional activities. Apex-Brasil’s supports to BSCA in branding have been proactive, practical and effective, including promotional campaigns like “Brazil. The Coffee Nation”, oversea offices and

exhibitions at the target markets like the United State, Canada, Japan, South Korea, China, the United Kingdom, Germany and Australia.

## BSCA’s “Café do Brasil” Program

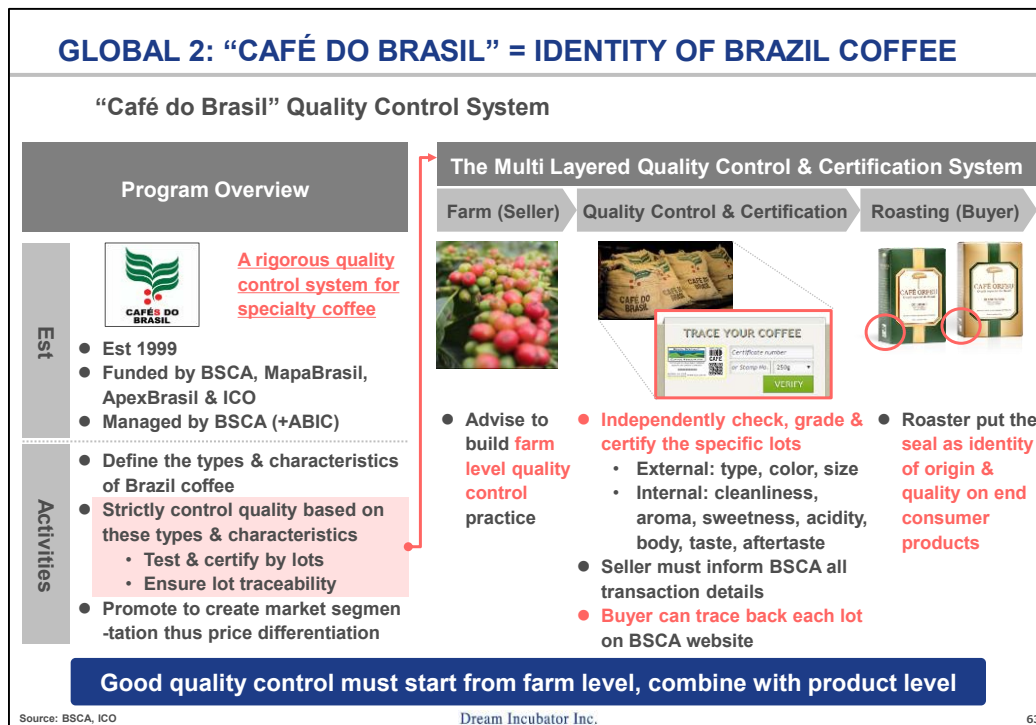


Figure 29: "Cafe do Brasil' Quality Control System

As mentioned above, BSCA started a rigorous coffee quality control system named “Café do Brasil” in 1999, aiming to establish Brazil as a high quality coffee supplier both domestically and internationally. The program was funded by BSCA, Mapa-Brasil, Apex-Brasil and the International Coffee Organization (ICO) and co-managed by BSCA and ABIC.

The program would define the types and quality attributes of Brazilian coffee, strictly assess and certify coffee against those predefined attributes and ensure traceability. The multi-layered system encompassed quality control at all stages from farm level to roaster level.

- Farm – level: Advise on best quality control practice
- Certification – level: Independently assess, grade and certify each lot based on both external quality factors (type, color, size) and internal quality factors (cleanliness, aroma, sweetness, acidity, body, taste and after taste). BSCA also requires sellers to inform all transaction details (buyer, quantity...). Thus, buyers were able to trace back any lot using tracking number on BSCA website.
- Roaster (end product) – level: Roasters shall put the seal of “Café do Brasil” on end consumer products as a proof of coffee’s origin and quality.

## BSCA's "Cup of Excellence" Program



Figure 30: "Cup of Excellence" Quality Competition and Auction

While the "Café do Brasil" program targeted to control the quality of mass green bean supply in both domestic and export markets, the "Cup of Excellence" program (CoE) targeted to build up the reputation of Brazilian specialty coffee. The ionic CoE was founded in Brazil in 1999 by BSCA, funded by the ICO and the World Trade Organization (WTO), aiming to showcase Brazilian specialty coffee quality. As of early 2016, 10 other countries have replicated the CoE model. Until 2014, Brazil CoE has generated a total auction volume of 600 lots, equivalent to 8 million USD in value, and attracted up to 200 producers and 269 buyers. Globally, 110 competitions in 11 countries including Brazil have generated a total auction volume of 2,800 lots, equivalent to 47 million USD in value.

The competition was indeed extremely comprehensive and demanding with 6 assessment rounds in total by professionals from both the country of origin and countries of consumption: in round 1 - pre-selection, samples would be visually inspected; in round 2 and 3 - national jury, samples would be blind cupped and scored by professionals from the country of origin; in round 4 to 6 – international jury, samples would be blind cupped and scored again by professionals and buyers from the countries of consumption. Finally, winning lots would be sold exclusively via auction and roasters would put CoE seal on the end products.

CoE's extreme quest for perfect quality has earned its worldwide reputation as the most prestigious specialty coffee competition – auction and badge of exceptional quality. CoE's winning coffee is said to be at the top 0.002% of the world's total production, undoubtedly earning remarkable price premium. As an example, Brazil CoE's price increased three folds from USD 2/pound in 1994 to USD 6/pound in 2014; meanwhile, New York commodity price stayed almost unchanged.

### 3-2.2. Thailand: The Mechanism of Consumer Trust Building

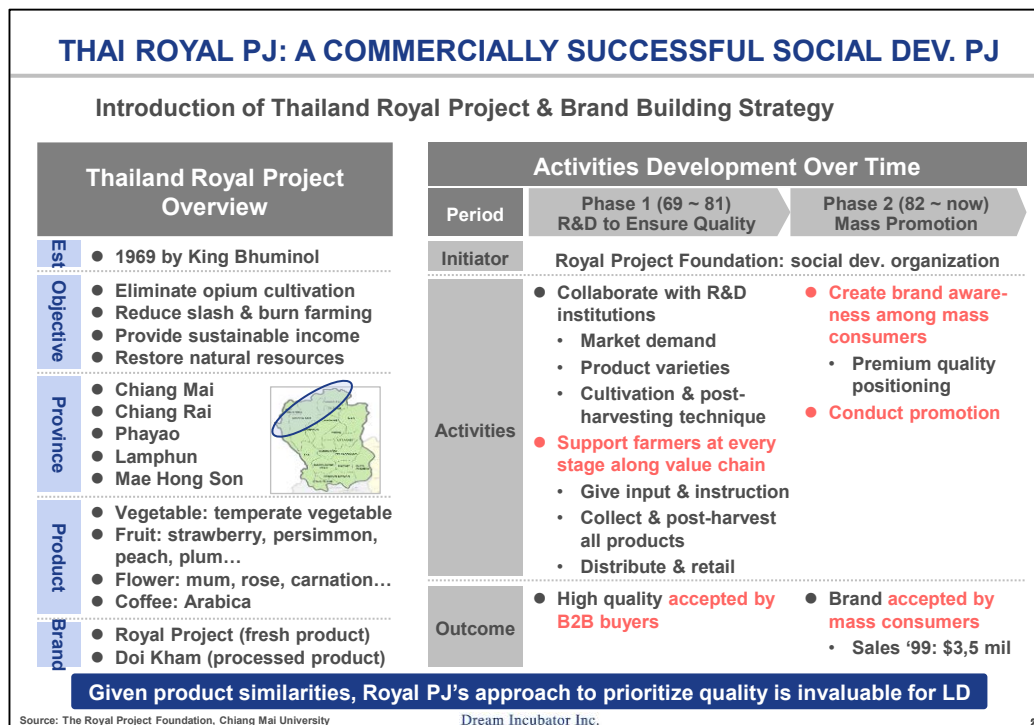


Figure 31: Introduction of Thai Royal Project and Its Branding Strategy

Thailand's Royal Project was founded in 1969 by the late king Bhuminol and managed by the Royal Project Foundation with four main purposes: eliminate opium cultivation, reduce slash and burn farming, provide sustainable income, and restore natural resources in five mountainous provinces, namely Chiang Mai, Chiang Rai, Phayao, Lamphun, Mae Hong Son. After several R&D efforts, four key product groups were selected, including: vegetables (mainly temperate species), fruits, flowers and Arabica coffee, among which, fresh products will be branded "Royal Project", and processed products as "Doi Kham". After two implementation phases, the project's branding activities have achieved significant commercial success, which is an invaluable lesson for Lam Dong given their similar product and market focus.

- Phase 1 (1969 – 1981): Created quality foundation to win B2B buyers. To achieve this, the foundation collaborated with various R&D institutions to improve all stages along the value chain, starting from market studies in order to guide subsequent researches upstream. This approach helped to pinpoint product varieties, cultivation and post-harvesting techniques to fulfill exactly the buyers' requirements. Farmers were also supported at every stage along the value chain including inputs, production instructions, post-harvesting, distribution and retail. As a result, the project's high quality products was accepted by B2B buyers.
- Phase 2 (1982 until now): Conducted mass promotion to attract end-consumers. The Foundation aimed to establish the "Royal Project" and "Doi Kham" brand positioning as premium quality products. This approach successfully earned the project USD 3.5 million of revenue in 1999.

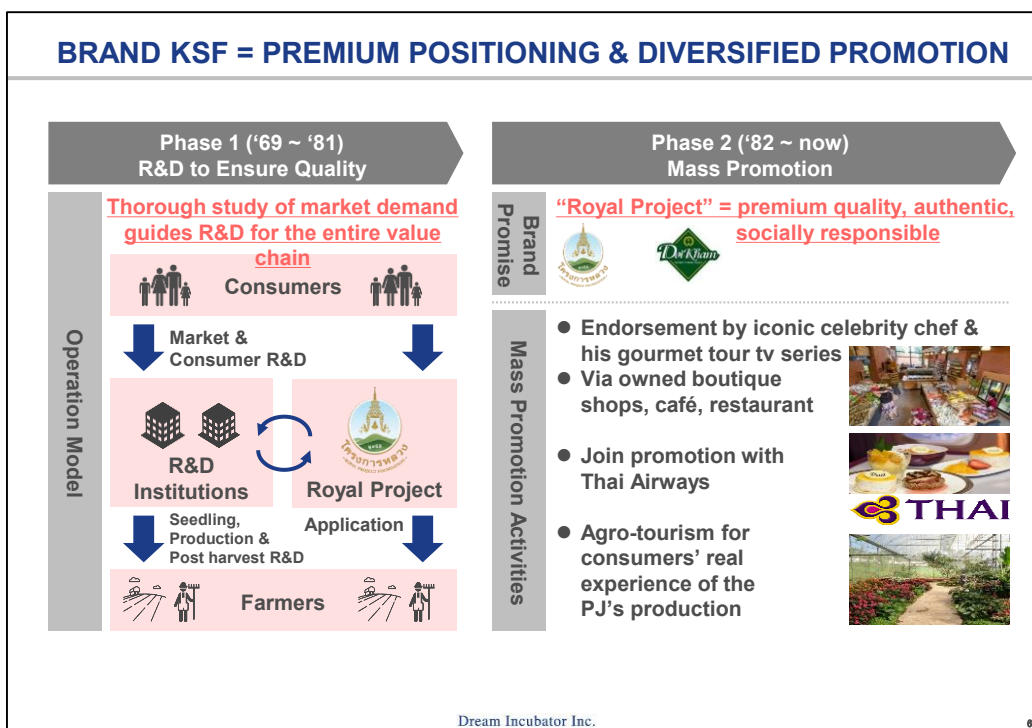


Figure 32: Summary of Thai Royal Project's KSF

As mentioned above, in Phase 1, the Foundation mainly focused on market-oriented R&D efforts to ensure product quality. In Phase 2, although R&D activities still continued, the main area of focus was mass promotion among end consumers with a premium, authentic, socially responsible brand positioning communicated via various channels:

- **Celebrity endorsement:** The “Royal Project” products were introduced to consumers by Thailand’s iconic fine dining chef Norbert Kostner in his food tour aired on television channels and YouTube. In many episodes, the chef used and praised the “Royal Project” products on its premium quality, essential creating consumer trust using expert voice and credibility.
- **In-store promotion:** The Foundation also launched several boutique shops, cafés and restaurants in many cities and airports, especially Bangkok.
- **Joint promotion:** By collaboration with Thai Airways, the “Royal Project” products were used for in-flight dining and promoted to not just Thai consumers but also foreign travelers.
- **Agro-tourism:** Agro-tourism activities were deployed right at the agricultural R&D and collection stations for tourists to experience actual production, thus to create trust among consumers.

### 3-2.3. Colombia – How to Allocate Resources in Branding

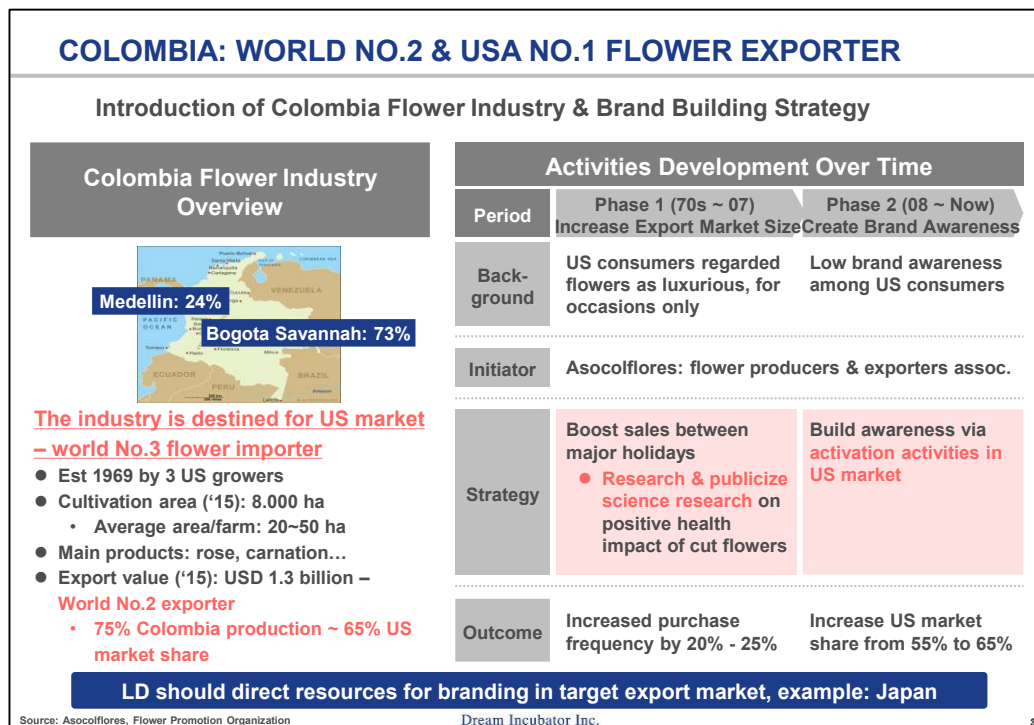


Figure 33: Introduction of Colombia Flower Industry and Its Branding Strategy

Established by three American growers since 1969 as an effort to shift US flower industry overseas due to increasing labor cost, Colombia’s flower industry was destined for US market. With total production area of 8,000 ha in 2015 (on average 20 to 50 ha per farm), Colombia was the largest exporter in US market, accounting for 65% of US market share, and second largest worldwide. Its production, trading and branding activities were led by the Association of Colombian Flower Exporter (Asocolflores), well targeted at the US market and divided in two main phases:

- Phase 1 (1970 – 2007): Aimed to increase US market size. The US’s flower consumption per capita was much lower than the UK’s or Netherlands’ as US consumers then regarded flowers as luxurious and for special occasions only. To encourage daily consumption between major holidays, Asocolflores funded scientific research on cut flowers’ positive impact on health, then publicized the results among consumers via large scale media campaigns. Thanks to the initiative, US consumers’ purchasing frequency increased by 20~25%.
- Phase 2 (2008 until now): Targeted to boost Colombian flower’s limited brand awareness among US consumers despite its major market presence. Asocolflores carried out several activation activities in US market: most impressively, in 2008, the association even gave away 100,000 fresh-cut Colombian blooms to commuters in New York city. As a result, phase 2’s promotion sharply increased US market share of Colombia flowers from 55% in 2005 to 65% in 2015.



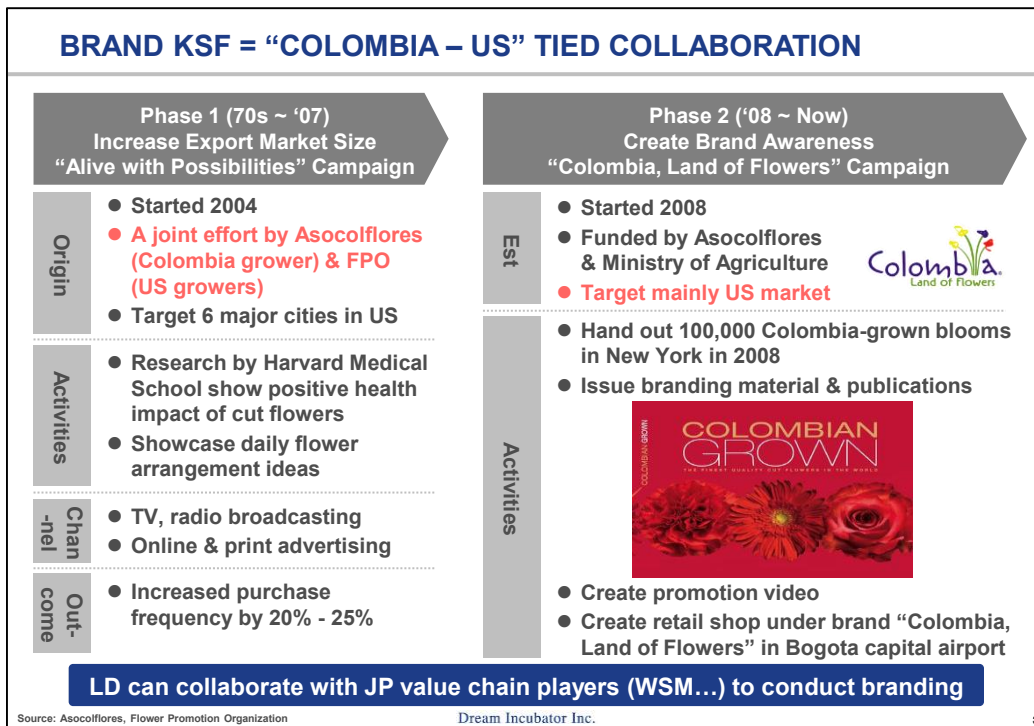


Figure 34: Summary of Colombia's KSF

The success of Colombian flower brand largely depended on the tight collaboration between Colombia and the US during both brand promotion phases:

- Phase 1's iconic campaign was called "Alive with Possibilities", launched in 2004. The campaign was a joint promotion effort between Colombian and American flower growers via two representative organizations, namely Asocolflores and the Flower Promotion Organization (FPO) – an association of US flower growers. The campaign targeted to publicize the Harvard Medical School 's research results on cut flowers' positive impact on health, and showcase new and easy daily flower arrangement ideas among women in six US metropolitan cities. Television, radio broadcasting, online and print advertising were the main communication channels to reach out to the mass consumer audience.
- Phase 2's main campaign was the "Colombia, Land of Flowers" program. The program was launched in 2008, funded by Asocolflores and the Ministry of Agriculture, mainly targeting the US market. The program included branding materials and publications, promotion video and a boutique shop branded "Colombia, Land of Flowers" in Bogota capital airport.

Colombian flower industry's success to remarkably improved market shares and purchasing frequency in the US market proved the importance of resource allocation. Learning from Colombia's experience, Lam Dong should channel their branding resources in the target market like Japan by close collaboration with Japanese value chain players.

### 3-3. Japanese Cases

#### Overview of Japanese Cases

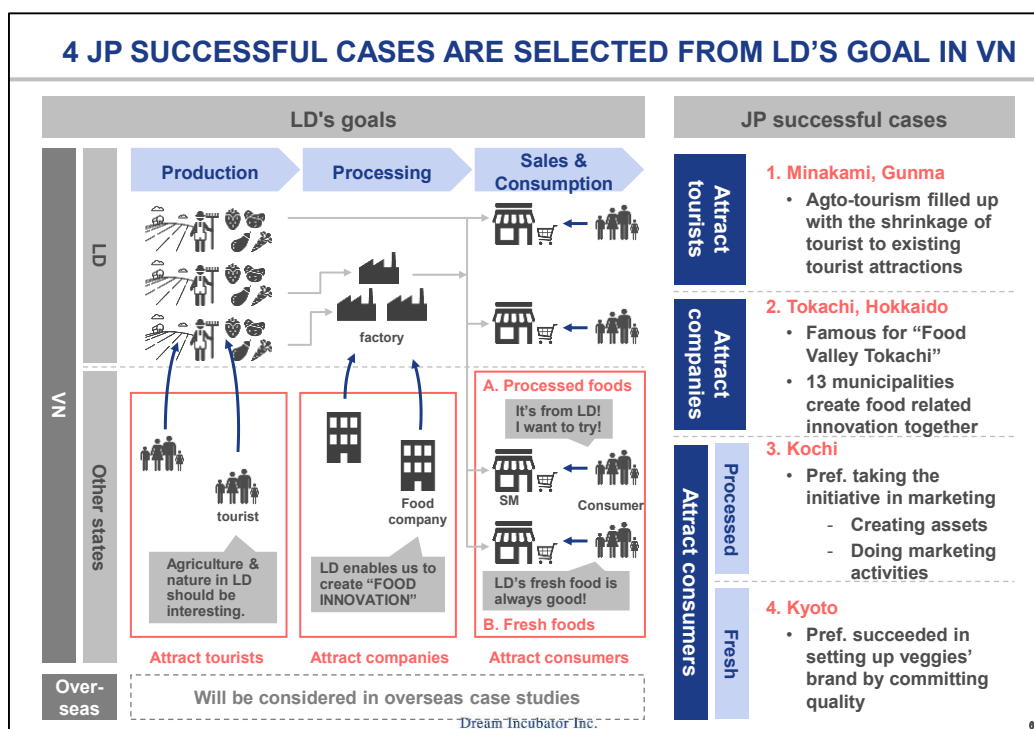


Figure 35: Lam Dong's Goals and 4 Successful Cases in Japan

This section describes 4 successful cases in Japan, which should be a great example for agricultural development of Lam Dong province. Goals set in this report are 1) attracting tourists from other provinces to Lam Dong's agricultural production sites by interesting aspects of the sites, 2) attracting food processing companies and let them use products from Lam Dong and 3) attracting consumers and let them buy processed/fresh foods from Lam Dong.

4 cases are chosen for the 3 goals described above. For the 1<sup>st</sup> goal, attracting tourists, this report describes a story of Minakami, Gunma. Minakami is famous for hot springs and used to attract many tourists. However, these existing facilities lost popularity and the number of tourists decreased. To regain tourists' popularity, Minakami focused on agro-tourism and succeeded in increasing the number of tourists. For the 2<sup>nd</sup> goal, attracting companies, this report describes a story of Tokachi, Hokkaido. 13 municipalities in Tokachi area gathered and established "Food Valley Tokachi" to promote their products. They did not only succeed in attracting companies but the area got revitalized through this trial. For the 3<sup>rd</sup> goal - attracting consumers, this report describes two stories, the story of Kochi on fresh and processed foods and the story of Kyoto on fresh branded vegetables. Kochi prefecture took initiative and prepared 3 marketing assets, namely an antenna shop, logos and websites to promote fresh and processed products from Kochi. They succeeded in building brands by investing in these assets. Moreover, economic outcome made out of these investments were enormous. Kyoto prefecture succeeded in building fresh vegetable brand, namely Kyo-yasai by focusing on quality.

SUMMARY OF GOVERNMENTAL ROLE FROM CASE STUDIES IN JP				
JP successful cases	1st:How to establish brand		2nd: How to maintain brand power	
	Leader	Organization	Management	Implementation
	Governmental leadership at initial stage is essential	Leverage "Quantity" first, and then "Quality"	Let anyone join regional brand first, then tie its qualification	Even partial involvement by public is effective
<b>Attract tourists</b> 1. Minakami, Gunma • Agro-tourism is drastically expanding	Local government	semi-governmental corporation  Structure to leverage "quantity" • Minakami: Bundle regional tourism resource • Tokachi: Bundle prioheral municipalities • Kochi: Create marketing assets for the inhabitant	Minimum • Almost every producers & companies in the region can use the brand	Actively help creating contents • Diversify the tourism assets
<b>Attract companies</b> 2. Tokachi, Hokkaido • Innovation hub for food industry				Softly intervene company's activities • Recommend to put "Tokachi" in package
<b>Processed</b> <b>Attract consumers</b> 3. Kochi • Pref. taking the initiative to marketing		Structure to leverage "quality" • Lead quality improvement activities	Very strict • Producers should be authorized to use the brand	Focus on marketing • Kochi: Leverage professional & support companies • Kyoto: Create stories to PR
4. Kyoto • Set up high quality veggies' brand				

Dream Incubator Inc.

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Figure 36: Summary of Governmental Role from Case Studies in Japan

Each story described in this report focuses mainly on the role of governmental institutions.

4 important lessons are: 1) To establish brand, governmental leadership at initial stage is essential. 2) Leveraging "quantity" is the first thing to do. Quality follows the quantity. 3) To maintain brand image, it is important to let anyone join regional brand first and then set certain regulations. 4) Even partial involvement by the public is effective.

In the case of Minakami, where agro-tourism saw drastic expansion, semi-governmental corporation organized by the leadership of local government took important role. Large number of regional companies, including farmers, hotels and outdoor activity facilities, joined this organization. Providing wide variety of experience by wide variety of players was really important for Minakami's success. Enterprises in tourism industry could make use of Minakami's asset with minimum procedures and local government actively helped each player create contents for tourists.

In the case of Tokachi, which became an innovation hub for food industry, initial involvement by the local government was essential. The enthusiastic mayor of Obihiro city took the lead and made 12 other municipalities participate in the local branding organization, "Food Valley Tokachi". With a group of 13 local governments, great achievement which could not be done by a single municipality was made. Attracted processing companies could utilize the brand with minimum procedures. The organization recommended food processing companies to use the area name, "Tokachi", to make brand stronger.

In the case of Kochi, where government took great initiative to promote brand, the role of local government was, by far, important. Kochi government invested in marketing assets and these assets could be utilized by various players with minimum application procedure. Kochi government hired marketing experts and made great success in appealing the brand without making great amount of financial investment.

In the case of Kyoto, which became famous for its high-quality vegetables, local government set very high standards to make local vegetables into branded vegetables. Various organizations, including local governments, a local university and research institutions, took the lead to establish branded vegetables. Compared to other examples, Kyoto was very strict in authentication procedure and agricultural producers who wanted to make branded vegetables had to follow a series of regulations. To promote the vegetable, Kyoto leveraged their significant history and delivered sophisticated brand story.

### 3-3.1. Minakami, Gunma: How to Attract Tourists

#### Overview of Minakami

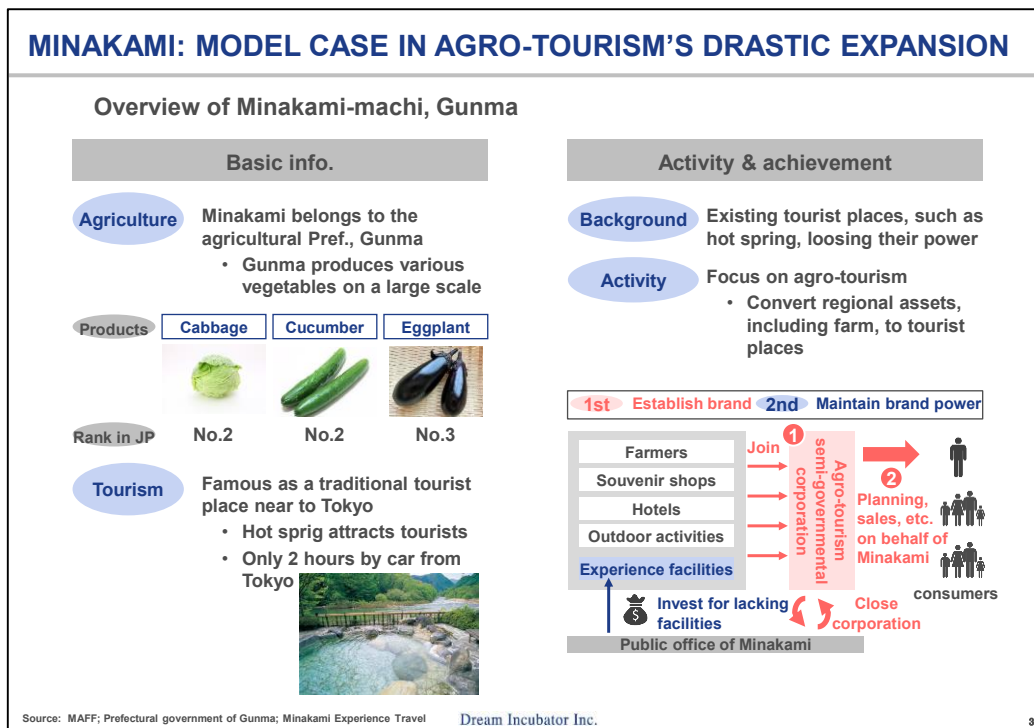


Figure 37: Overview of Minakami

This section describes the case of Minakami in detail. Minakami belongs to Gunma, an inland prefecture known for its agricultural production. Gunma produces various vegetables on a large scale. For example, Gunma ranks no.2 in cabbage and cucumber production and no. 3 on eggplant production. For a long time, Minakami has been known as a traditional tourist destination near Tokyo. The town is 2 hours away from Tokyo and famous for hot springs. Recently, however, traditional tourist facilities, such as hot springs, lost market attraction and this led the town to shift focus to agro-tourism. People in the tourist industry decided to utilize regional assets, including farms and other agricultural sites for tourist attraction.

To make agro-tourism popular, Minakami established semi-governmental corporation. This enterprise worked closely with the public office of Minakami and was in charge of developing plans for attracting more tourists and sales of Minakami products. Many individuals and institutions, including farmers, souvenir shops, hotels and outdoor activity facilities, joined this enterprise. This collaboration made it possible to establish Minakami's brand as attractive tourist destination.

Although there were a lot of collaborators for establishing Minakami as an attractive tourist destination, Minakami was lacking some facilities and the city needed to put more resources to enrich tourists' experience. In such cases, Minakami government invested in building new facilities to attract more visitors. These investments allowed Minakami to keep its brand power and visitors continuously coming to the city

### Key Role of Semi-Governmental Organization

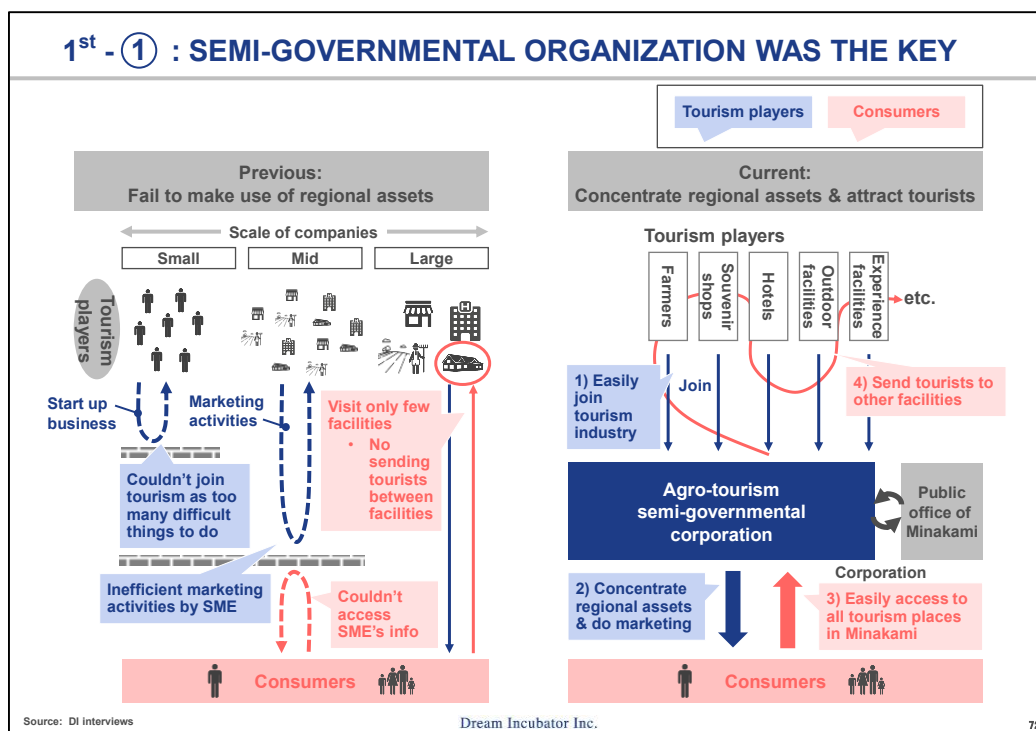


Figure 38: Role of Semi-Governmental Organization in Minakami

For the success of Minakami's agro-tourism, semi-governmental organization was the key. Before establishing the enterprise, the area failed to make use of regional assets. That means a limited number of companies could access the consumers coming from other parts of Japan. Only large facilities could draw attention and, even if they succeeded, tourists visited only few places. Mutual exchange between these facilities was not active. This, resulted in lower spending by consumers and low consumer satisfaction. Mid-sized facilities did some marketing activities but most were inefficient. Tourists from outside of Minakami could not access information of small and mid-sized enterprises. Meanwhile, small companies and individuals could not join tourist industry as there were a lot of difficult things to cope with, such as following the procedures to establish a new enterprise. Even if they succeeded in establishing a startup business, it was difficult for the company to reach to large number of customers due to resource constraints.

After establishing the semi-governmental corporation, which focuses on agro-tourism, Minakami succeeds in attracting tourists. Both tourism players and tourists merit from the establishment of this corporation. For tourism players, it became easy to join tourism industry with the help of this organization. Existing and new companies joined the enterprise. As the semi-governmental corporation concentrated on regional assets and did marketing activities accordingly in collaboration with the public office of Minakami, the whole marketing process became more efficient. Moreover, mutual exchange among farmers, souvenir shops, hotels, outdoor facilities and experience facilities became active and tourism players began sending their customers to other facilities. For tourists, it became much easier to get information of Minakami's tourist destinations through this semi-governmental corporation, making their visit to Miakami more attractive.

### Organizational Support in Minakami

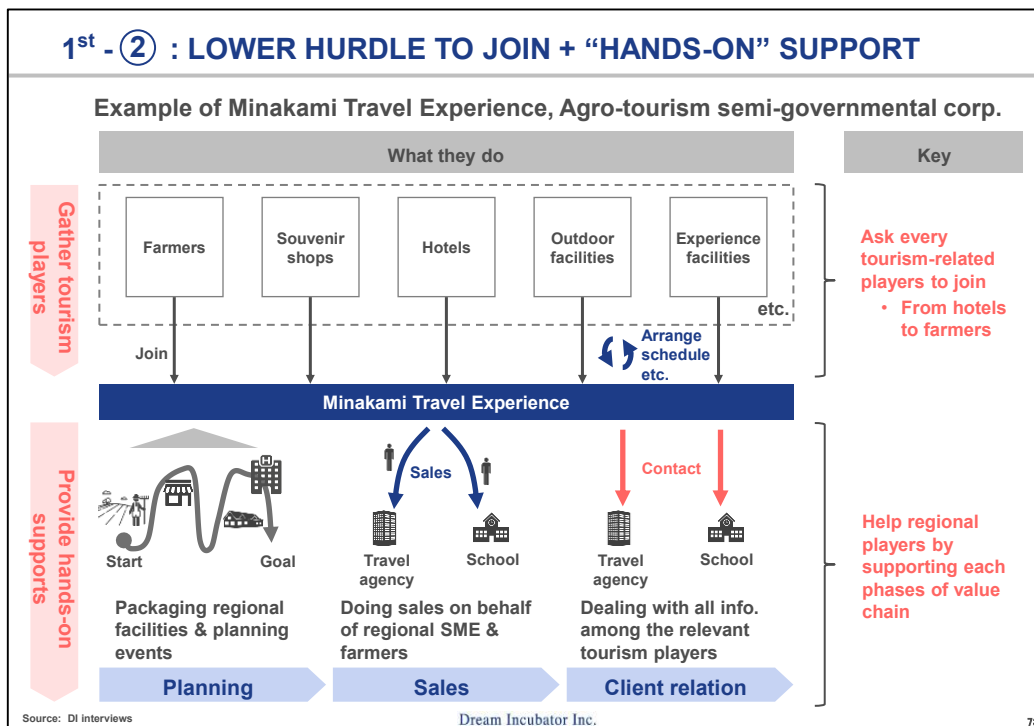


Figure 39: Organization Structure in Minakami

Important roles of the semi-governmental corporation were to gather tourism players and provide hands-on supports for these players. The enterprise asked every tourism-related player, including farmers, retailers, hotels and other facilities to join the organization. Then, it provided hands-on supports for each facility. For example, the organization made a tour package which covers Minakami's highlights and arranged business meetings with potential customers. Also, the enterprise took part in sales activities for travel agencies and schools on behalf of regional small and mid-sized enterprises and farmers. These supports greatly helped small enterprises lacking human and financial resources to do marketing and sales activities. The corporation did not only promote Minakami but also built long-term relationship with customers. The organization dealt with all information among the relevant tourism players to build strong client relationship. These activities greatly helped regional players which used to have limited access to customers outside of Minakami area.

## Minakami Travel Experience

### OVERVIEW OF MINAMAMI TRAVEL EXPERIENCE

Reference

#### Basic info.

**What they do?** Agent service of farmhouse accommodation for party traveler


- Coordinate farmers
  - 180+ farmers joined & became host
  - 500 people can be accepted in 1 day
- Plan & manage tour
  - Collaborate with tourist places, such as outdoor activities in Minakami

**Who's their target?** Mainly junior-high & high school


- Farmhouse accommodation as teenagers' education
  - Spending time in the nature is good for teen

#### Image of farmhouse accommodation

Work experiences in farm



Cook & eat dinner together with farmers



**Minakami makes use of school tour as an opportunity to spread their attractiveness**

Source: DI interviews Dream Incubator Inc. 74

Figure 40: Minakami Travel Experience

Minakami Travel Experience, the semi-governmental organization dedicated for agro-tourism, offers agent service for group travelers and arrange farmhouse accommodations for them. The organization coordinates with farmers and plan/manage tours. Over 180 farmers joined the program and hosted tourists. With the help of these farmers, 500 tourists can stay in Minakami in 1 day. Also, the enterprise collaborates with tourist destinations, such as outdoor activity facilities in Minakami and keeps the content of the tour refreshed and attractive.

Minakami Travel Experience tries to attract junior high schools and high schools as a part of school education program. It is believed that spending time in farmhouse accommodation surrounded by the nature is good for teenagers. In the program, students experience what it is like to work in a farm, cook and eat dinner together with farmers. Overall, Minakami makes use of school tour as an opportunity to spread their attractiveness.

## Pursuit for Tourists' Fulfillment

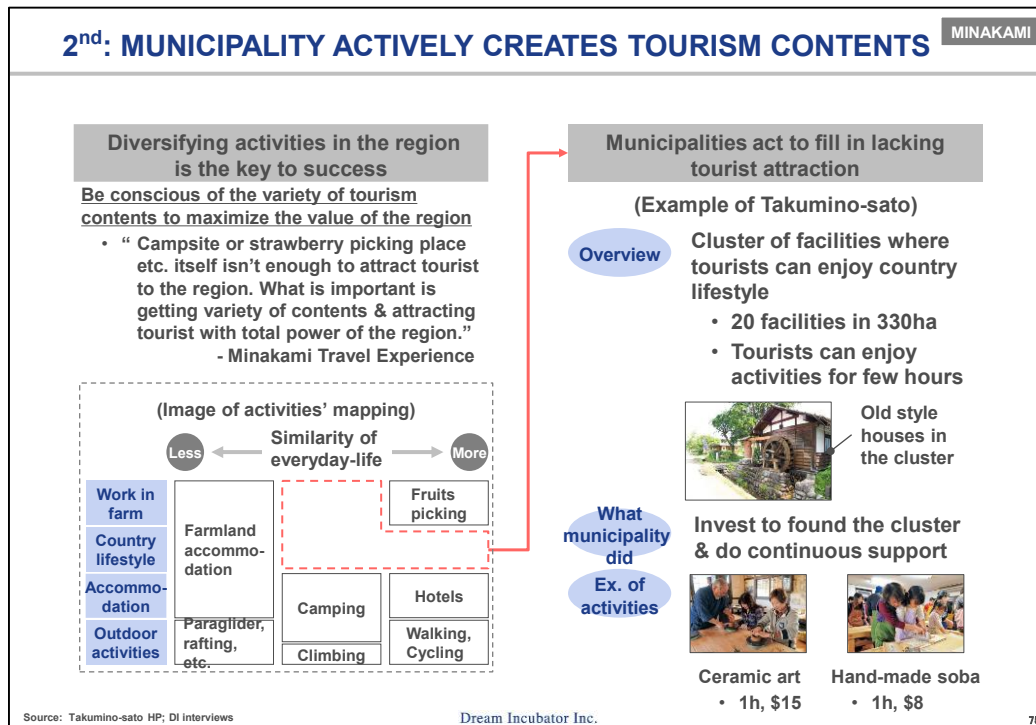


Figure 41: Minakami's Commitment for Creating Tourism Contents

Minakami succeeded in attracting tourists not only because they established semi-governmental organization, but also because the city tried hard to establish new contents. Minakami provided diverse activities in the region and this is also the key to their success. To provide the best experience to tourists, Minakami was very conscious of the variety of tourist activities provided in the area. Their commitment for providing variety of contents are apparent in the voice of an official working in Minakami Travel Experience: “Campsites or strawberry picking places etc. themselves are not enough to attract tourist to the region. What is important is getting variety of contents and attracting tourist with total power of the region”. Usually, tourist destination focuses on one or two highlights. Voice of the official makes it clear that Minakami's attitude was different.

To attract more tourists, Minakami invested in tourist attractions. Before investing in the facility, to understand the current situation of Minakami, they analyzed their assets and decided what kind of activities needed to attract more tourists. Minakami had many places where tourists can enjoy the nature of the area with relatively long period of time, such as farmland accommodation, camping sites. The number of attractions that can be enjoyed with relatively short period of time, however, was limited. Thus, the city decided to invest in lacking facilities.

Takumino-sato was one of those facilities developed by the municipals. The place is a group of facilities where tourists can enjoy country lifestyle for few hours. There are 20 facilities in 330 ha ground and these facilities form a cluster. Each facility focuses on different activities, such as ceramic art, hand-made soba, paper crafts and has a country-style outlook.



**Output: Increase in Overnight Tourists**

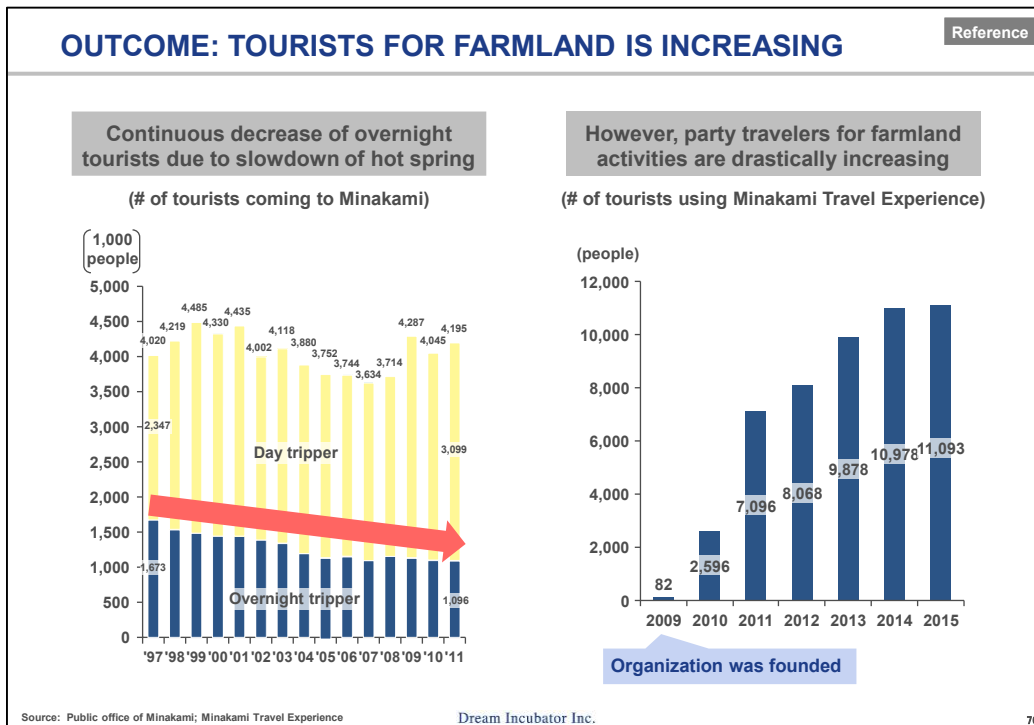


Figure 42: Number of Tourist to Minakami

Minakami faced constant decrease of overnight travelers from the mid-90s, due to the slowdown of hot springs. Although the total number of travelers did not change much, the number of overnight travelers decreased by approximately 40%, from 1,673,000 people in 1997 to 1,096,000 in 2011.

The result of establishing new enterprise was significant. After the foundation of the organization, Minakami Travel Experience, in 2009, Minakami is seeing drastic increase of travelers staying overnight. Number of travelers using Minakami Travel Experience increased from 82 in 2009 to 11,093 in 2015.

### 3-3.2. Tokachi, Hokkaido: How to Attract Companies

#### Overview of Tokachi

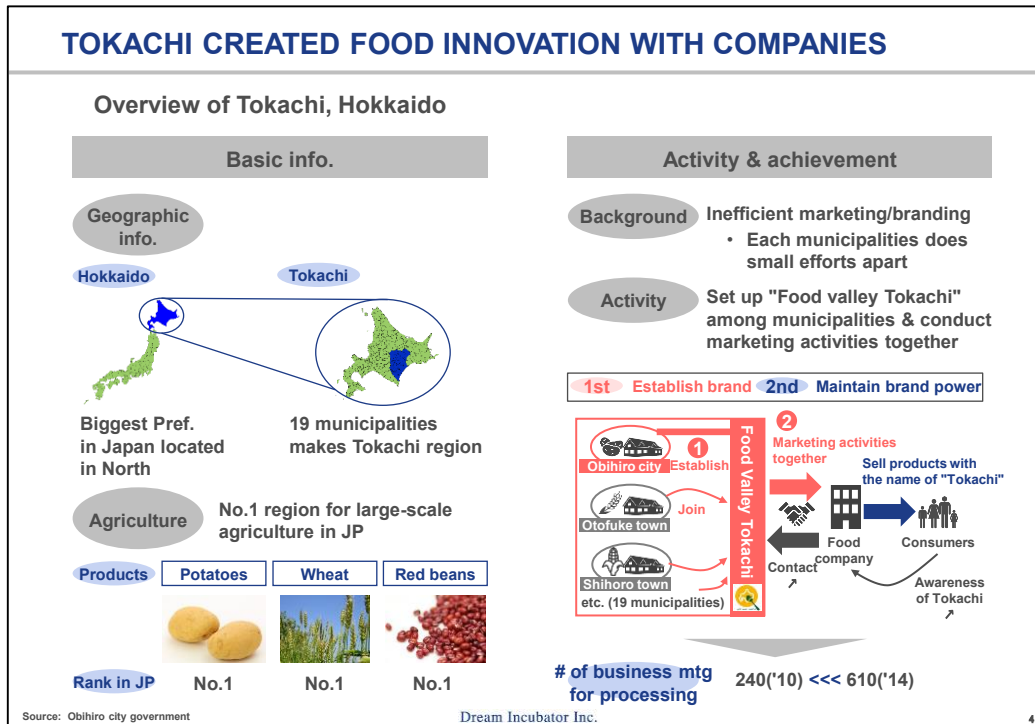


Figure 43: Overview of Tokachi

This section describes a case of Tokachi in detail. Tokachi is located in Hokkaido, the biggest prefecture in Japan. Hokkaido is located in the north part of Japan and known for large scale agricultural production. Hokkaido ranks as the top in potato, wheat and red beans production. Tokachi is located in the eastern part of Hokkaido and is constituted by 19 municipalities.

Before the establishment of area brand, each municipality separately branded and marketed their products but the result of these activities were not fruitful due to the limited amount of resources. To make whole process of marketing more effective and efficient, municipalities in Tokachi established an enterprise called “Food Valley Tokachi” and started to do marketing activities together to build “Tokachi” brand. Obihiro city, one of the largest cities in the Tokachi region, took the lead to establish this organization and other municipalities, such as Otofuke town and Shihoro town, followed its lead. One of their goals was to contract with food companies. Through the relationship with these food companies, the municipals tried to maintain their brand power, constantly raising awareness of Tokachi. In overall, the establishment of the “Food Valley Tokachi” was a success. After establishing this organization, number of business meetings held increased remarkably. In 2010, the number of meetings was 240. In 2014, the number of meetings increased to 610, bringing more business opportunities to the region.

## Leadership by Mr. Yonezawa

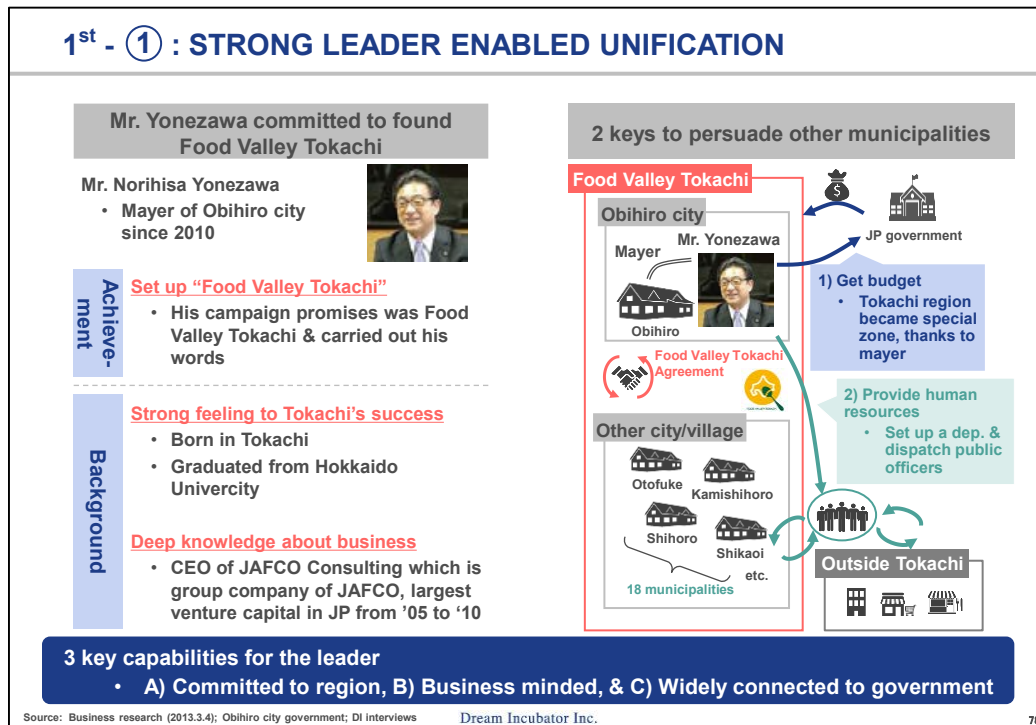


Figure 44: Strong Leadership Taken by Mr. Yonezawa

For the unification of municipalities, strong leadership is a must. In the case of Tokachi, strong leadership by Mr. Yonezawa, mayor of Obihiro city, was a necessary part of building “Food Valley Tokachi”. In his campaign, Mr. Yonezawa promised to build Food Valley Tokachi and after he was elected as the mayor of Obihiro he carried out his plan. He was born in Tokachi area and went to Hokkaido University, one of the best known national universities in the region. He was really enthusiastic about raising Tokachi’s presence. He was not just an enthusiast but a successful businessman. He served as a CEO of JAFECO Consulting, which is a group company of JAFECO, largest venture capital fund in Japan, from 2005 to 2010.

There were two keys to persuade other municipalities to join “Food Valley Tokachi”. Firstly, Tokachi was chosen as a special zone thanks to Mr. Yonezawa’s leadership and had significant amount of budget. This covered the initial cost for establishing “Food Valley Tokachi” and makes it easier for other municipalities to join the organization. Secondly, Obihiro city set up a department dedicated for promotion of “Food Valley Tokachi” and dispatched public officers. Other municipalities, Otofuke, Kamishihoro, Shihoro, Shikaoui, also sent some officers to the department. The department was in charge of communicating with companies and organizations outside of Tokachi.

By looking at Mr. Yonezawa’s case, we can extract 3 important capabilities for the leader. A) He/she should be committed to the region. B) He/she should be business-minded and C) He/she should have wide connection to the government.

## United Municipalities Lead to Success

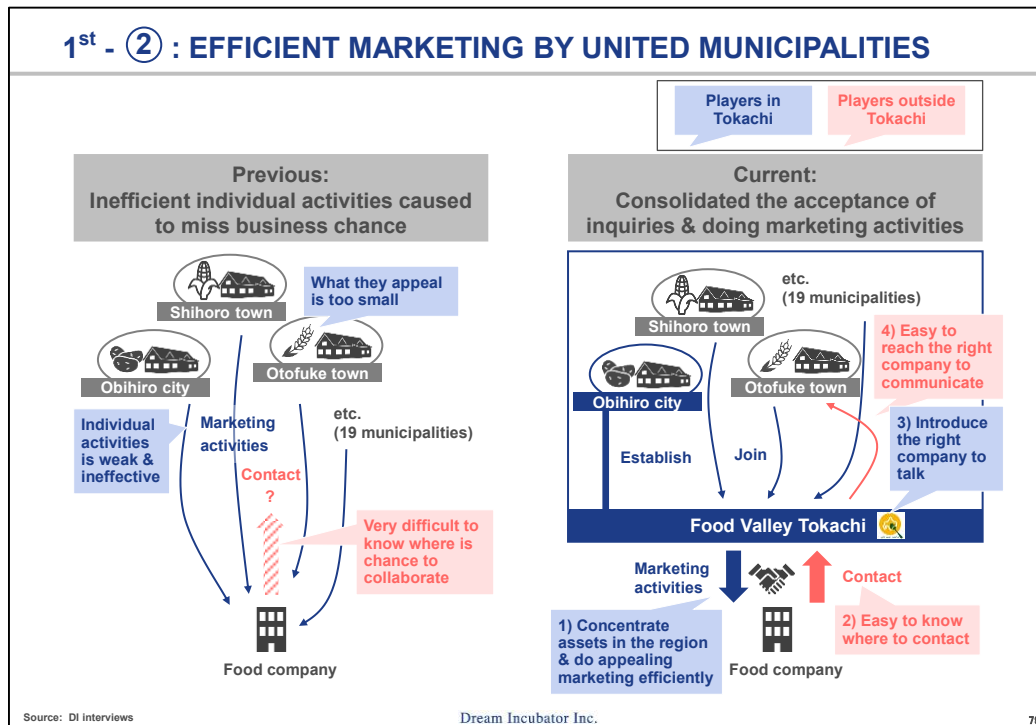


Figure 45: Marketing by United Municipalities

Efficient marketing of products from Tokachi area was made possible by united municipalities. Before establishing “Food Valley Tokachi” each municipality planned individual marketing activities. Most of the time, individual activities were weak and ineffective. Also, what they appealed in these marketing activities was too small and specific to attract food company’s interest. From food company’s perspective, it was very difficult to know where the chance of collaborating with the municipalities are.

After Obihiro city established “Food Valley Tokachi”, the situation changed drastically. Food Valley Tokachi concentrated on assets in the region, promoting agricultural products such as corns and wheats. This strategy led to appealing and efficient marketing activities toward food companies. Also, food companies who look for partners now easily understand where and who to make a contact. When “Food Valley Tokachi” receive inquiries from food companies, the institution introduces appropriate companies to them. Food companies from other areas as well as local food companies in Tokachi area benefit from this system.

## Promoting “Tokachi” as Brand

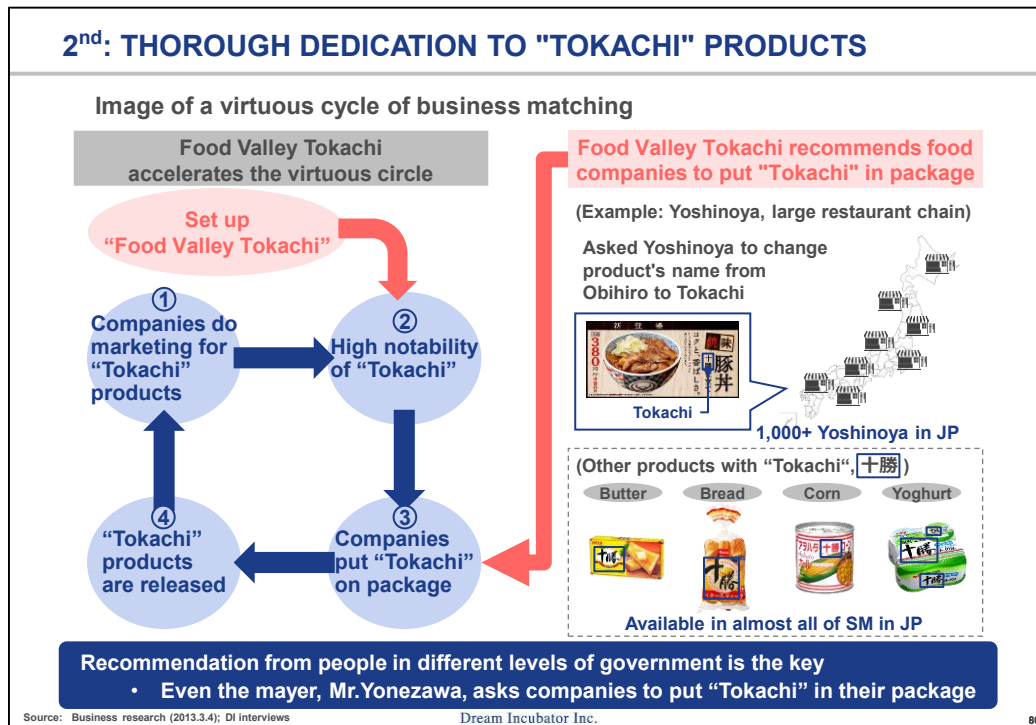


Figure 46: Establishment of “Tokachi” Products

“Food Valley Tokachi”’s dedication to Tokachi branded products formed virtuous circle. When company makes a Tokachi branded product, they will do marketing activities for their own Tokachi product. This will lead to high notability of “Tokachi”. Then, attracted by the high notability of Tokachi brand, more companies start to put Tokachi brand on their products and release more “Tokachi” products. This will lead to more marketing activities of Tokachi brand and Tokachi brand’s high notability. By setting up “Food Valley Tokachi”, companies in Tokachi area made it easier to put Tokachi brands and thus giving Tokachi even higher notability.

Food Valley Tokachi is concerned about building Tokachi brand and recommends food companies to put “Tokachi” on product package. One example comes from Yoshinoya, one of the largest restaurant chain. Yoshinoya operates more than 1,000 restaurants around Japan and the fact that agricultural products are selected and used by Yoshinoya gives enormous marketing effect. Yoshinoya decided to make a special rice bowl made in a way especially popular in Obihiro area. At first, the restaurant put Obihiro on their product name. Food Valley Tokachi, however, negotiated with Yoshinoya and asked to change product’ name to Tokachi. This is because the institution is dedicated to build “Tokachi” brand instead of Obihiro. Products with Tokachi brand vary a lot. As Tokachi is famous for dairy products, some companies put Tokachi name on their butter and yoghurt products. Tokachi name can also be found on bread and corn products as wheat and corn are produced in the area. These products can be found in most of the supermarkets in Japan.

To persuade companies to put area name on their products, recommendation from various level of government officials is important. In Tokachi case, Mr. Yonezawa, mayor of Obihiro city, directly asked companies to put Tokachi name on their products.

**Output: Revitalization of City**

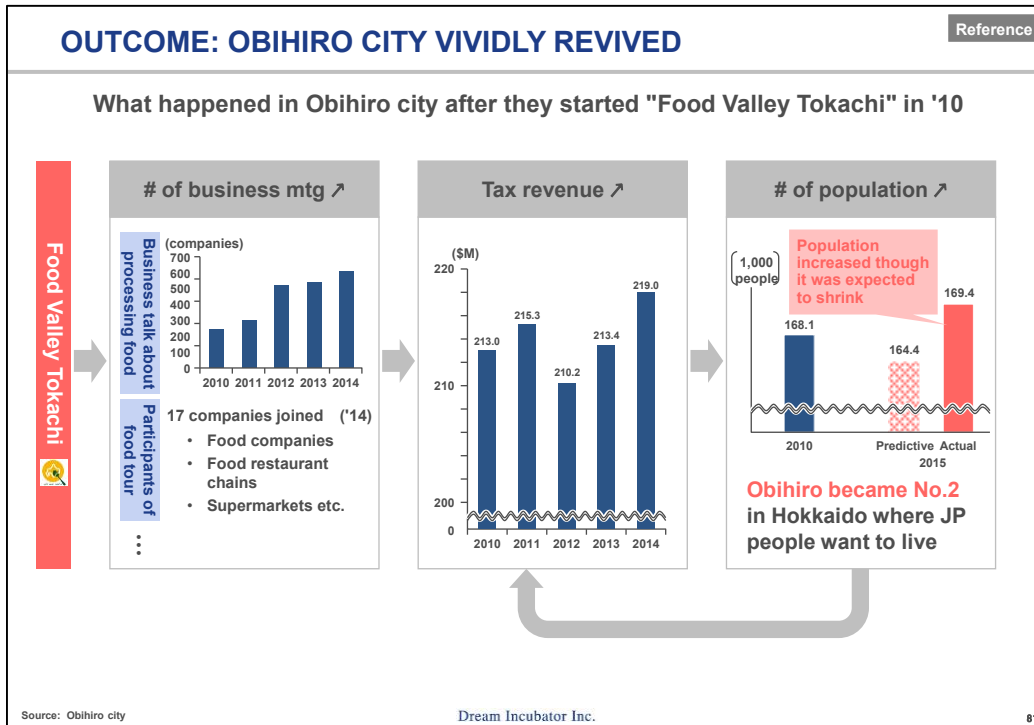


Figure 47: Outcome of “Food Valley Tokachi”

After establishing “Food Valley Tokachi”, Obihiro city vividly revived. For example, number of business meetings grew rapidly. In 2010, there were less than 300 meetings held with companies interested in making processed foods. In 2014, it turned out to be more than 600 meetings. Furthermore, 17 companies, including food companies, food restaurant chains and supermarkets, joined tours to understand features of foods grown in Tokachi area. With the revitalization of business, tax revenue also grew. In 2014, the amount of tax revenue was worth 219 million USD, compared to that of 213 million USD in 2010. The image of Tokachi area also changed. This can be observed in the changes in population. From 2010 to 2015, Obihiro city saw growth of population, growing from 1,681,000 to 1,694,000. This was a big surprise since population in Obihiro city was expected to shrink to 1,644,000. Also, Obihiro city ranked number 2 in Hokkaido for the place people want to live in.

### 3-3.3. Kochi: How to Attract Consumers and Governmental Leadership in Branding

#### Overview of Tokachi

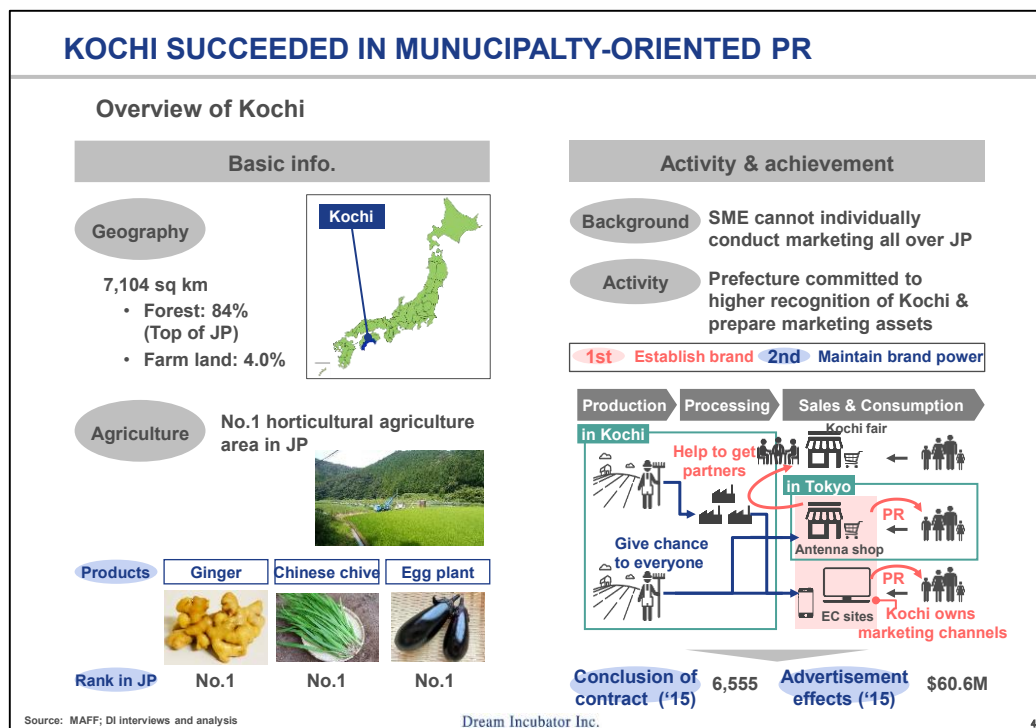


Figure 48: Overview of Tokachi

This section describes a story of Kochi in detail. Kochi succeeded in promoting their products through municipality-oriented public relation (PR). Kochi is located in Shikoku island, southeast part of Japan. The prefecture is known as top horticultural agriculture area in Japan. Production of ginger, Chinese chive and eggplants are ranked number 1 in Japan.

Although the area is known for agricultural production, small and mid-sized enterprises cannot individually do marketing activities targeting whole Japanese market. Thus, prefectural government committed to build higher recognition of Kochi and prepared marketing assets.

Here are some of the actions Kochi prefecture takes to establish Kochi brand. 1) Kochi prefecture connects farmers with partners to make processed foods. 2) Kochi prefecture hosts fairs and operates an antenna shop in Tokyo to promote their products. 3) Kochi owns a website to sell and promote Kochi grown products. Through these activities Kochi is trying to establish brand and approach food processors and consumers. To support agricultural production and maintain brand image, Kochi gives every farmer a chance to sell their products in antenna shop or website owned by Kochi prefecture. As the results of these marketing activities, more than 6,500 contracts were made and economic value of these activities was worth 60.6 million USD.

## Kochi's Marketing Assets



Figure 49: Marketing Assets by Kochi

Kochi created 3 marketing assets on their own. These are 1) antenna shop, 2) logo and 3) web site. Antenna shop, located in center of Tokyo, operates as the main show case of Kochi prefecture. In this shop, not only general consumers but also expert buyers from food related industries can easily access Kochi-grown products and Kochi-based companies. The shop is a three-story building located in Ginza and all the products in this shop are related to Kochi's farmers or food companies. For general consumers, the shop provides shopping opportunities and meals. Expert buyers can come to the shop to have business meetings. Kochi prefecture also created original logos so that consumers can easily recognize which products are from Kochi. One logo was designed from kanji related to Kochi prefecture. Another logo was made to show Kochi's friendly atmosphere. Kochi prefecture also owns a website to promote Kochi-grown products. This website allows small and mid-sized enterprises to promote their products on the internet easily. From consumers' point of view, this site is very convenient because they can easily buy Kochi's products through one web site. Out of the three assets, antenna shop plays the key role to expand Kochi's recognition throughout Japan.



## Unique Approach: Easy Application and Professional Involvement

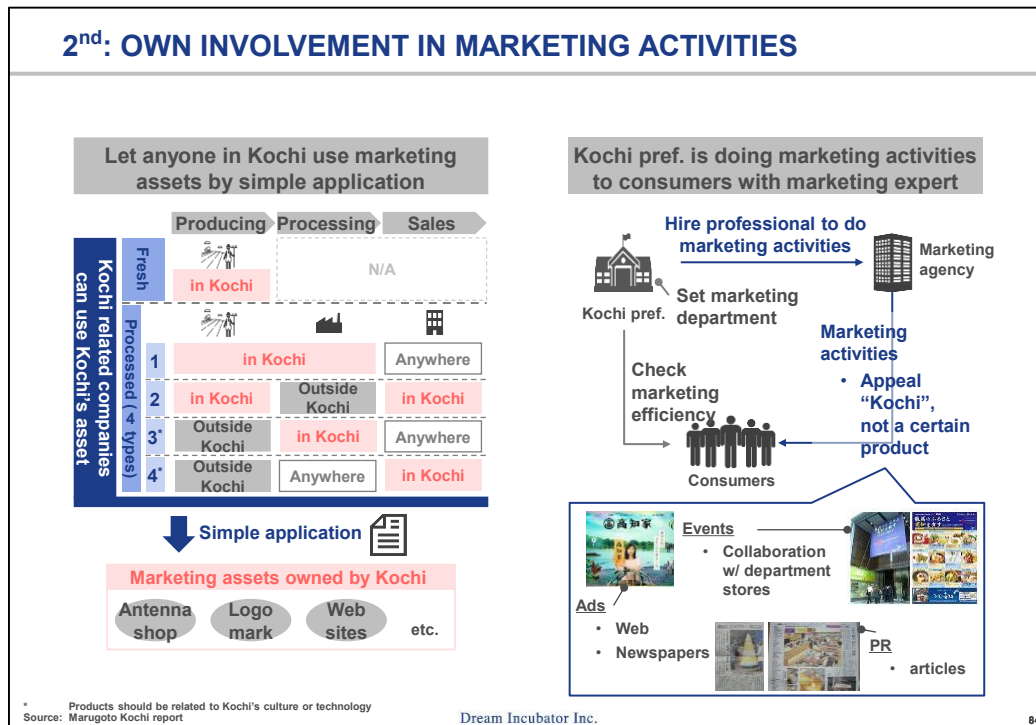


Figure 50: Kochi's Marketing Activities

By simple application, companies or individuals can use marketing assets prepared by Kochi prefecture. There are several categories. If one is making fresh products in Kochi, regardless of where it will be sold, one can use 3 marketing assets. If the ingredients are made in Kochi and then processed in Kochi, one can also use 3 marketing assets. Same applies for products which are grown in Kochi and sold in Kochi, products which are grown outside of Kochi but processed in Kochi and products grown outside of Kochi but sold in Kochi.

Kochi prefecture is doing marketing activities to consumers with the help of marketing experts. For developing Kochi's brand, Kochi established a department dedicated to marketing and also they hired marketing professionals. Their marketing approach and goal are unique. They are not focusing on promoting certain products but focusing on promotion of "Kochi". To attract consumer interests, Kochi published ads in various media including, the web, collaborated with department stores to hold fairs dedicated to Kochi. Sometimes these activities lead to PR articles in various media, allowing them to appear on media free of charge.

## Output: Kochi's Success in Numbers

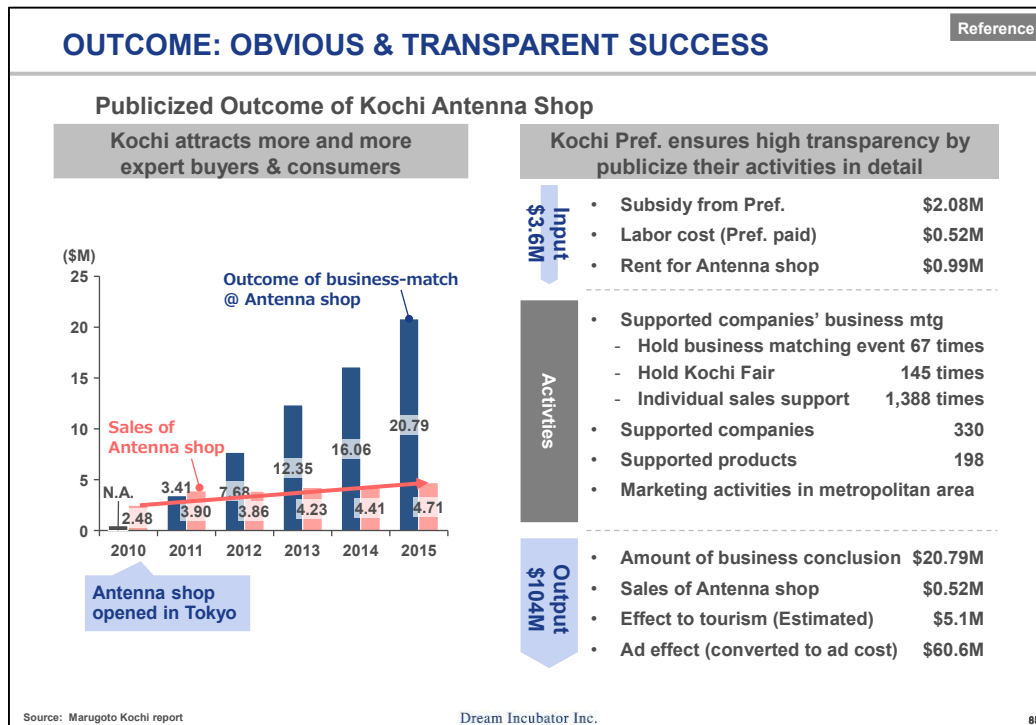


Figure 51: Outcome of Kochi's Marketing Activities

These efforts made obvious and transparent success. Kochi publishes reports of their activities and results of those marketing activities are open to the public. For example, sales of antenna shop owned by Kochi in 2015 was worth 4.71 million USD and the outcome of business-matchings made in the shop was worth 20.79 million USD. Kochi is publishing more detailed information on their activities. Kochi invested 3.6 million USD into marketing activities, having 67 business-matching events, holding 145 Kochi fairs and having 1,388 companies visited Kochi. The results are enormous. With the investment of 3.6 million USD, Kochi made output worth 104 million USD. Among these results ad effect, converted to ad cost are huge, worth 60.6 million USD.

### 3-3.4. Kyoto: How to Attract Consumers

#### Overview of Kyoto

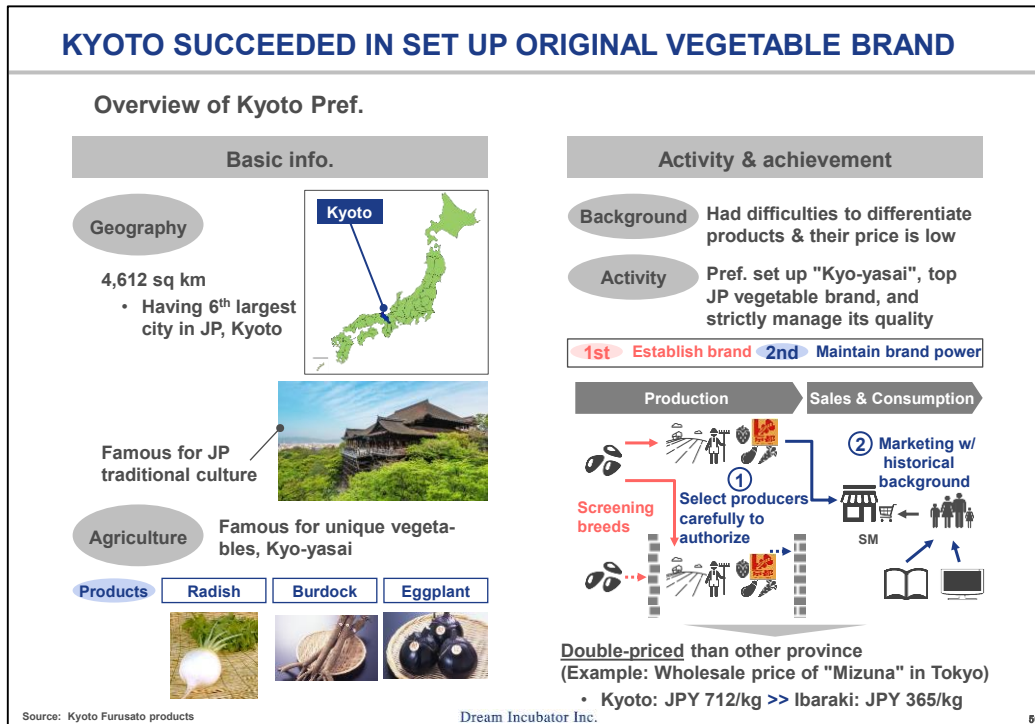


Figure 52: Overview of Kyoto

This section describes the story of Kyoto in detail. Kyoto prefecture is located in the center part of Japan and has 4612 km<sup>2</sup> of land. Kyoto city, capital of Kyoto prefecture, is the 6<sup>th</sup> largest government ordinance designated city in Japan, following Yokohama, Osaka, Nagoya, Sapporo, Kobe (on population basis). Kyoto is known for its traditional culture but recently it is becoming famous for its unique vegetables, called Kyo-yasai. Among Kyo-yasai, radish, burdock and eggplant are especially famous. Although Kyo-yasai got popularity and established its brand in recent years, it was difficult to differentiate agricultural products grown in Kyoto from those grown in other part of Japan years ago. This led to low price of agricultural products made in Kyoto. To take action against this trend Kyoto prefecture decided to make prestigious vegetable brand. The vegetables are strictly managed in quality to maintain its fame as a top-ranked vegetable brand.

To establish Kyo-yasai brand, Kyoto took a series of actions. Firstly, they screened seeds suitable for establishing high-ranked brand. Then, they carefully selected producers of these vegetables and authorized them. Their marketing strategy was also great. The prefecture branded vegetables by describing Kyo-yasai's historical background. These actions succeeded in establishing the brand of Kyo-yasai and the vegetables are now well accepted by Japanese consumers and sold at double the price of vegetables grown in other provinces. For example, wholesaler price in Tokyo for mizuna branded as Kyo-yasai is 712 yen/kg. On the other hand, the price for mizuna grown in Ibaraki, prefecture near Tokyo, is just 365 yen/kg.

## Prefectural Leadership for Improvement of Vegetable Quality

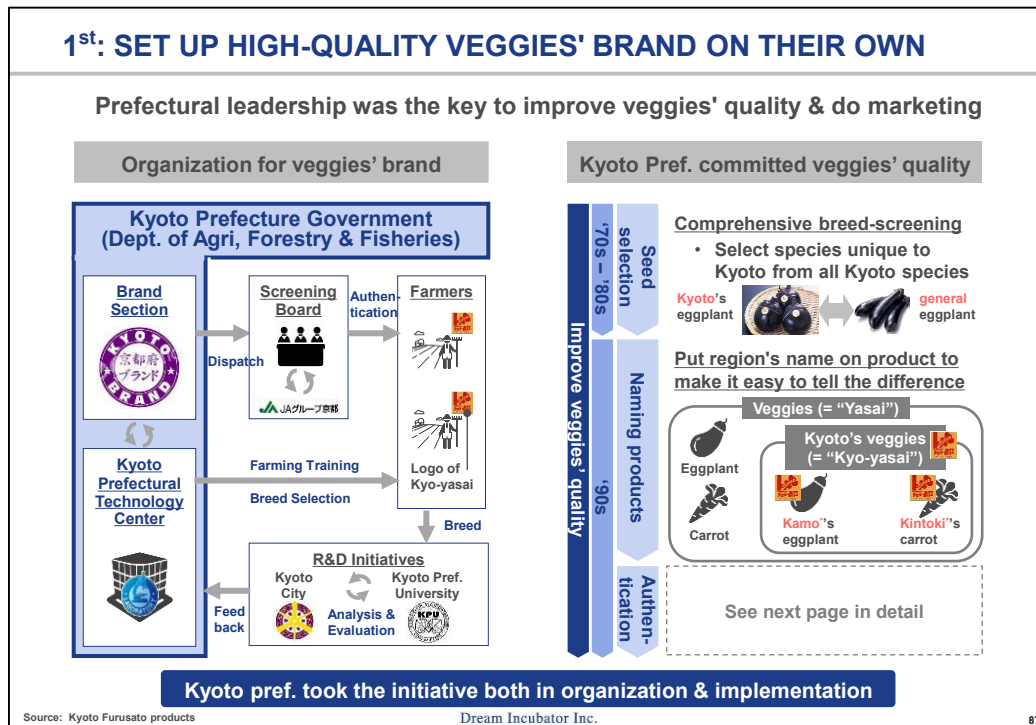


Figure 53: Governmental Involvement in Establishment of Brand

Kyoto took leadership in developing vegetable brands. There are several agencies in charge of development of Kyo-yasai brand. In Kyoto prefectural government, there are two offices taking important role, namely brand section of Department of Agriculture, Forestry and Fisheries and Kyoto Prefectural Technology Center. Brand section, working collaboratively with JA group Kyoto, governs the screening board for authentication of farmers. Kyoto Prefectural Technology Center gives farming training to the farmers and provide breed selection services. Authenticated farmers can use brand logo. For R&D, Kyoto city and Kyoto Prefectural University are taking the lead. They are, for instance, doing research for nutritional facts of Kyo-yasai. These research results are given to Kyoto Prefectural Technology Center to make their activity more effective.

The road to establishing Kyo-yasai was not simple. In 1970s to 80s, Kyoto prefecture conducted comprehensive breed-screening, selecting species unique to Kyoto from all Kyoto species. From 1990's, Kyoto started to put region's name on the product to differentiate. For example, eggplant characteristic of Kyoto is known as Kamo's eggplant, named after a region famous for producing eggplant in Kyoto. Likewise, carrot characteristic of Kyoto is known as Kintoki carrot, named after a historical episode.

## Strict Procedure Set by Kyoto

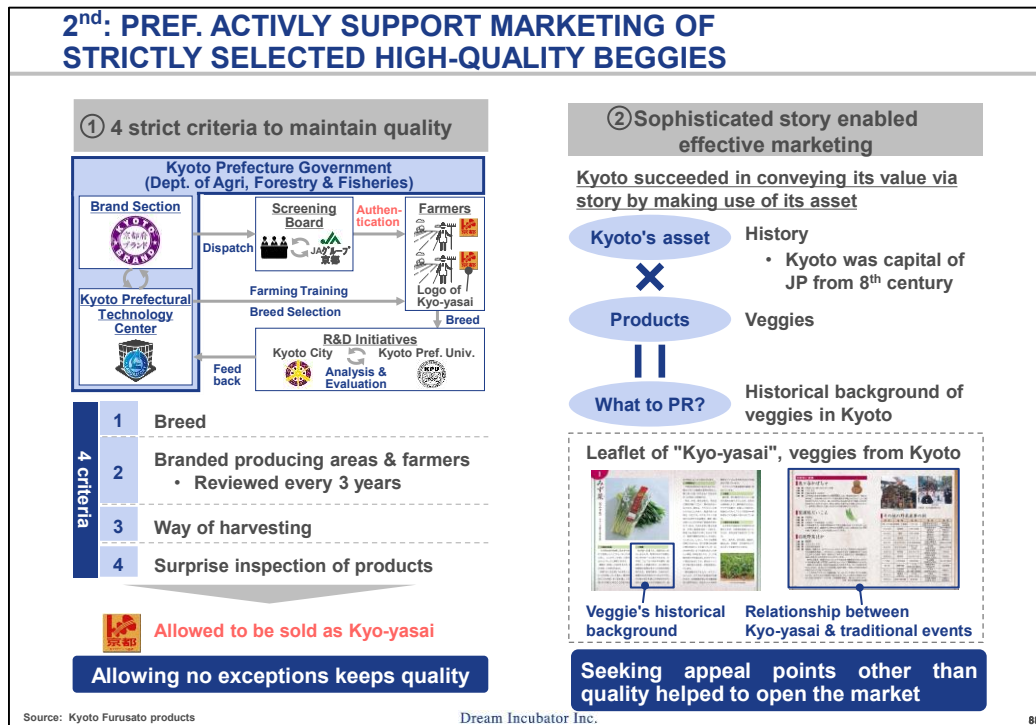


Figure 54: Details of Authentication Process

Kyoto Prefecture sets strict quality standards for Kyo-yasai brand. There are 4 criteria for the authentication: 1) Breed must be characteristic of Kyoto prefecture 2) Each vegetable must be produced in authorized area by authorized farmer. Areas and farmers are reviewed every 3 years. 3) Harvested in a standardized way 4) Contingent inspection of products by officials are conducted regularly. Only those vegetable that meet these quality standards are allowed to be sold as Kyo-yasai and use the logos.

Kyoto succeeds in marketing the products with sophisticated brand story. These stories add value to the agricultural products grown in Kyoto. Kyoto was capital of Japan from 8<sup>th</sup> century and is recognized as a city with sophisticated culture. Combining this image with vegetables, Kyoto appealed historical background of vegetables. For example, in the promotion material for Kyo-yasai, there is a section describing historical details of the vegetable, such as what kind of historical book the vegetable appears in and what kind of relationship the vegetable has with traditional events. By focusing on appealing points other than quality, Kyoto successfully established its vegetable brand.

## Output: Increase in Production

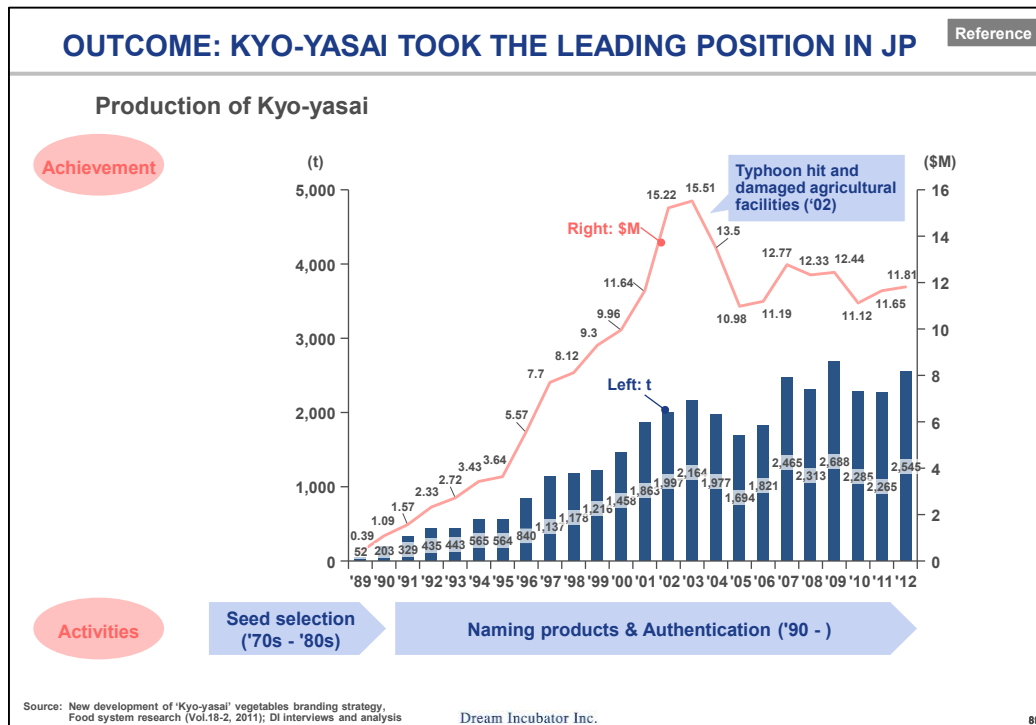


Figure 55: Production of Kyo-yasai

The graph above shows total production of Kyo-yasai and its traded value. The amount of vegetable production has been gradually increasing and it is clear that from late 80s to present, Kyo-yasai is gaining popularity. In the late 80s, total value of traded Kyo-yasai was worth 0.39 million USD, only 52 tons in quantity. Although typhoon damaged the production facilities in 2002 and amount of production temporally decreased, total amount of production grew to be 2,545 tons, worth 11.81 million USD, in 2012. Through the long-term commitment by the local government, Kyo-yasai is now one of the most well-known vegetable brand in Japan.

Although each case study elaborated a different component of the brand building process, three foreign cases and four Japanese cases together created a comprehensive two-component approach of brand communication and quality control.

## Chapter 4: Implementation – Brand Communication Guideline

### 4-1. Basic Concepts of Brand

**Origin of “Brand”:** In ancient times, to differentiate his animals from others’, the owner would burn a stamp on his animals. This is how the word “brand” came into existence: to “brand an animal”. The overall concept and ultimate purpose of “brand” or “branding” is to mark to distinguish one’s assets from others’.

**Definition of a Brand:** A brand is defined as: “an image conceived from an entity, a company or a product that made an imprint on people’s mind, or a word or a design that symbolizes it.” A classic example would be Apple’s brand: when Apple launched the Macintosh, computers were huge machines used only in big corporates. Apple’s Macintosh created a historic revolution into the Age of Personal Computer (PC). Thanks to the impression, “Apple” brand has been associated with being “cutting-edge”, “trendy” and “cool” compared to other manufacturers’ “traditional” impression. In other words, a brand is a commitment and representation of a distinctive character to the society.

**Importance of a Brand:** Brand should be memorable, credible and able to create loyalty.

- Memorable: A brand needs to be unique enough to imprint on people’s mind.
- Credible: A brand needs to convey trustworthiness for people to make their first purchase, i.e. customer acquisition. In other words, it is a promise of the values to be delivered to the consumers.
- Customers’ loyalty: A brand needs to convince people to repeat their purchases, i.e. customer retention.

### 4-2. Basic Concepts of Brand Strategy

Brand strategy are of great importance because of the “commoditization” phenomenon when market competition among firms in the same industry creates products with similar functions and qualities. In order to compete in such situation, the brand must be able to establish a personal connection to the extent to create empathy in the audience. The best brands are the stories to create empathy, without an original and attractive story, a product is just another commodity. A story should be about the scarcity and the value beyond mere functionality or utility, making people believe: “This product is special”, “This product was made just for me”. Thus, strategy wise, story – telling is the cornerstone of effective branding. For detailed analysis and examples, please refer to Appendix A.

#### 4-3. Brand Communication Process

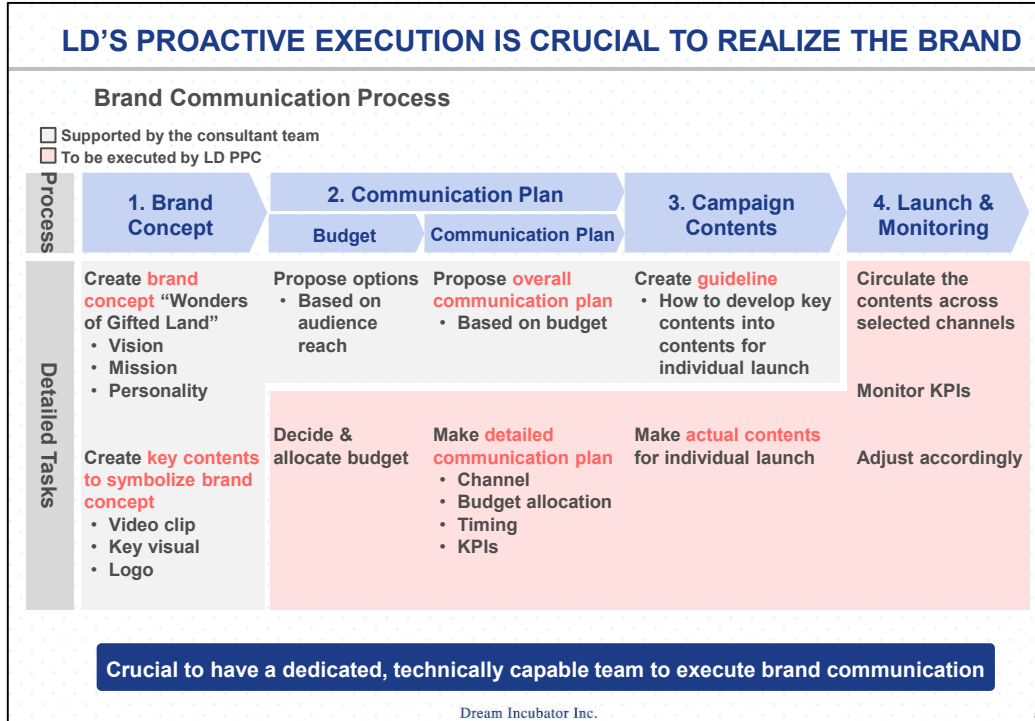


Figure 56. Brand communication process

The process includes four steps starting from (1) brand concept, (2) communication plan, (3) campaign contents, finally (4) campaign launch & monitoring.

- Brand concept was defined as “Wonders of Gifted Land”, also defying the brand’s vision, mission and personality. To symbolize this concept, key contents (video clip, key visual, logo) were created.
- Communication plan includes budget and detailed communication plan.
  - Budget options were estimated mainly based on the coverage of target audience, the larger audience coverage, the higher budget. This budget, upon approval, would be allocated to different phases and channel categories.
  - Based on the budget, overall and detailed communication plan would be proposed, which includes channel, budget allocation, timing and KPIs.
- Campaign contents must then be developed for individual launch, using key contents and guideline. Application of these contents need to refer to Brand and Design Manuals as attached in Appendix C
- Lastly, communication activities would be launched to circulate contents across selected channels. After that, communication results would be monitored by relevant KPIs and the activities would be adjusted accordingly.

While the consultant team supported to create fundamental components like brand concept, key contents, budget options, overall communication plan options and guideline in the scope of this Survey, most of the implementation tasks need to be performed by Lam Dong like detailed budget, detailed communication



plan, actual contents, launch and monitoring. Thus, Lam Dong's proactive execution, especially by a dedicated and technically capable team, is crucial to realize the brand.

#### 4-4. Brand Concept

##### 4-4.1. Brand Images

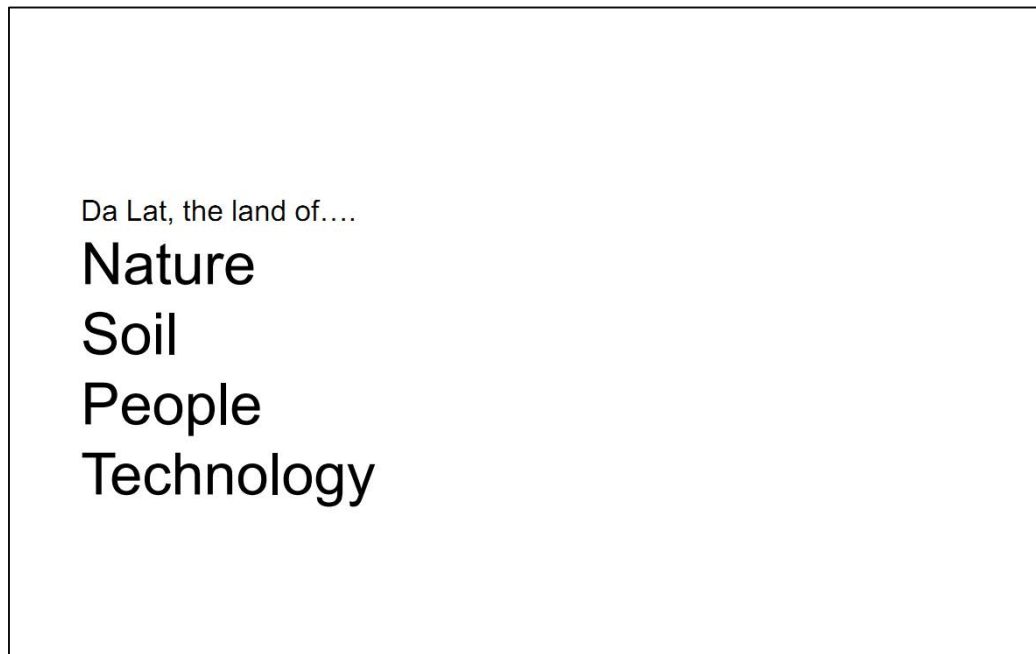


Figure 57: Extracting Key Aspects

Several interviews were conducted with various stakeholders to extract Da Lat's special aspects and descriptive keywords as the basic materials to build up the brand concepts. To achieve the objective, the consultant team and the interviewees explored Da Lat in many different contexts such as its long history, daily life, agricultural production and modern developments... The interview results consistently listed nature, soil, people and technology as Da Lat's most distinctive aspects.

- **Nature and soil:** Located in the Central Highlands, 1,500 meters above sea level, Da Lat enjoys year-round temperate climate with four seasons within a day and large temperature gap between day and night. Its picturesque landscape is famous for the lush pine woods, the magnificent lakes and mountains. Its basalt soil is rich and fertile, ideal for agricultural production. Mr. Phong from Phong Thuy Farm with nearly 20 years of agricultural production experience commented that: "Thanks to its unique climate and soil, Da Lat has been creating the best temperate vegetables in the South East Asia region".
- **People:** Da Lat people are said to be easily recognizable from their gentle, caring, patient and artistic personality. Their traits reflect in their slow, peaceful, romantic daily life and culture; in the way they tend to every bloom, every sprout, every fruit.
- **Technology:** Many interviewees also highlighted the recent but significant contribution of technology into agriculture to create better, higher value products for Da Lat's citizens and vast consumers. Technology application is made possible by the new, young, passionate and innovative generation of Da Lat farmers.

All these aspects create differentiating values that cannot be captured in one word

**BEAUTY. FRESH. NUTRITION.  
DELICIOUS. GREEN. PURE. GOOD  
SMELL. RIPE . FLOWER CITY.  
SMOKY. DREAMY. ROMANTIC. PINE  
HILL. LOVE...**

Figure 58: Extracting Key Words

Although each interviewee had many descriptive words (or “brand images”) of Da Lat like “beauty”, “fresh”, “nutritious”, “delicious”, “green”, “pure”, “good smell”, “ripe”, “flower city”, “smoky”, “dreamy”, “romantic”, “pine”, “hill”, “love” ...; none of the words could fully describe the place. Da Lat’s nature, soil, people and technology have created greatly diversified values that cannot be comprehensively captured within any single word. Thus, instead of a single facet impression, the brand concepts would be built as an inclusive story of Da Lat’s nature, soil, people and technology. The brand stories and their communication would be structured at both general location branding level and specific product level as below.

- General level: a story about Da Lat communicated to the mass audience via channels with high geographical coverage (television commercial, print advertising or out of home advertising ...),
- Product level: a product-based adapted story communicated to the target consumers via packaging, television commercial and POSM.

#### 4-4.2. Selection of Brand Concepts

Based on the above direction, the consultant team created three brand concepts as three stories based on individual or combination among Da Lat’s four special aspects of nature, soil, people and technology.

- Concept 1: “The Land of Full Potential”
- Concept 2: “Wonders of the Highland”
- Concept 3: “The Land of Thousand Goodness”

After the consultant team’s presentations and Lam Dong PPC’s internal discussions, Lam Dong PPC decided to further develop the combination of concept 1: “The Land of Full Potential” and concept 2: “Wonders of Highlands”. As of 31<sup>st</sup> October, the final concept was agreed to be “Wonders of Gifted Land”.

#### 4-4.2.1. Concept 1: "The Land of Full Potential"

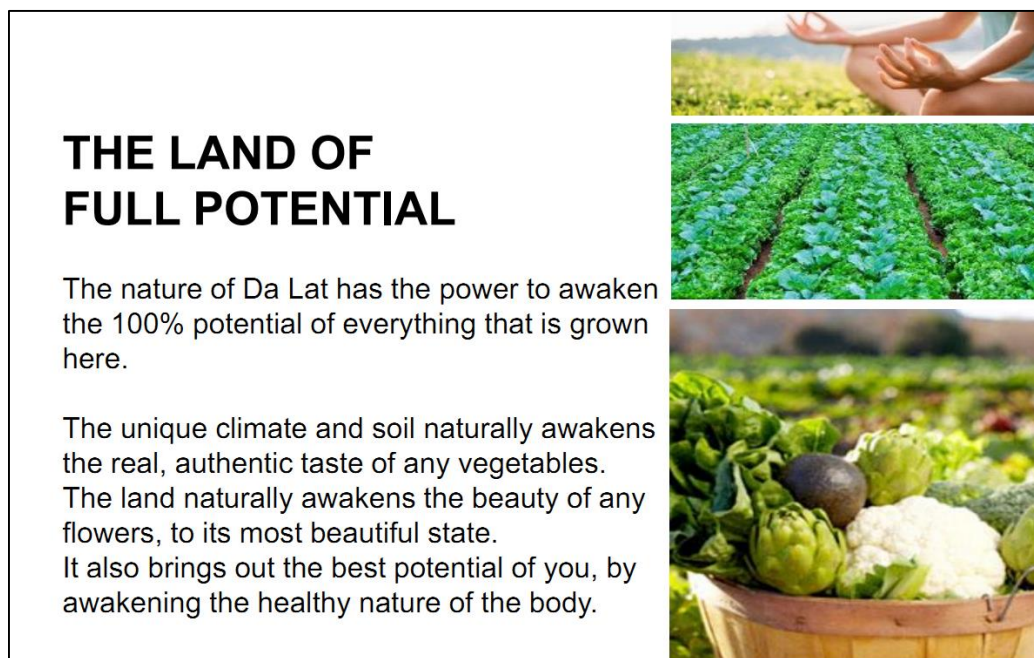


Figure 59: Concept – "The Land of Full Potential"

#### **Concept**

"The Land of Full Potential" concept focused on Da Lat nature's magical power to awake and preserve the 100% potential of everything grown there, as described by the interviewed producers and locals. As many producers said, the large temperature gap between day and night lengthen the agro products' growing time, nurturing them to slowly and fully reach their 100% of nutrition, taste and beauty. Da Lat's fresh air, good food and beautiful scenery are also able to calm one's mind, rejuvenate the body and even bring inspirations. Da Lat's uniquely ideal climate and fertile soil naturally bring out the richest taste of vegetables and fruits, the most charming beauty of flowers, the fullest health for people.

#### **Key Visual Idea**

The key visual in Figure 21 showed the best quality agro produce against the lush green landscape of Da Lat in the background: pretty blooming flowers, green artichoke buds, steaming cup of fine Arabica coffee, delightful salad of fresh and crispy vegetables... as a visualization of the land's full potential.



Figure 60: Key Visual - "The Land of Full Potential"

## Brand Structure

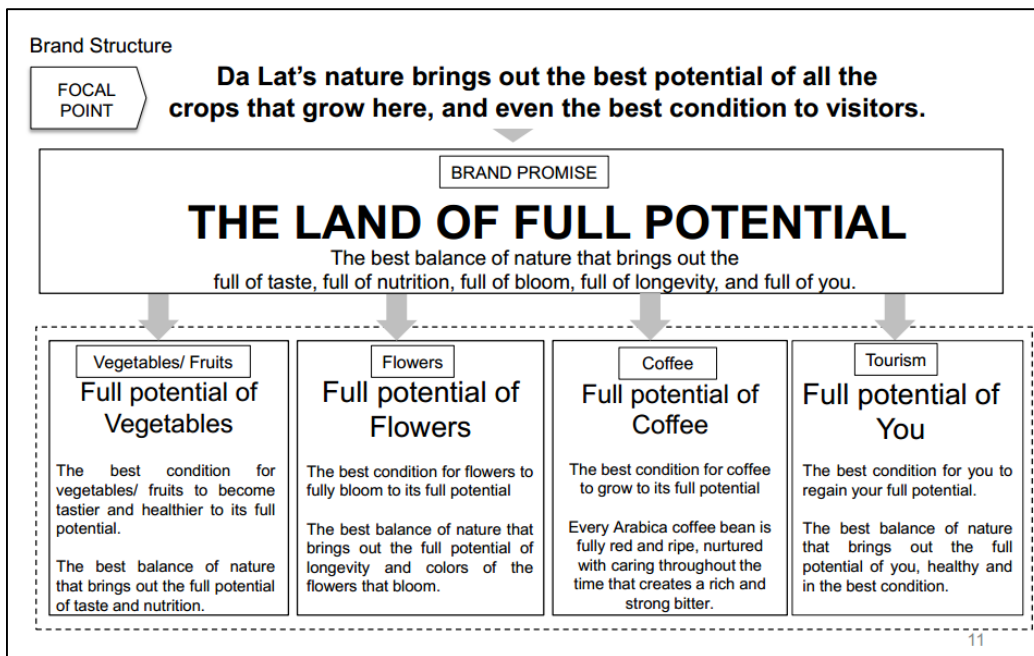


Figure 61: Brand Structure - "The Land of Full Potential"

The concept "The Land of Full Potential" would be developed further into product level as the "promise" toward consumers. Each product's promise has its adapted but consistent message with the master concept.

- "Full potential of vegetables and fruits": Da Lat's nature offers the consumers the best vegetables and fruits packed with the best taste and the most nutrition.

- “Full potential of flowers”: Da Lat’s nature offers the best flowers with the brightest colors and the most pleasing scents all year round.
- “Full potential of coffee”: Da Lat’s nature offers the best coffee. Da Lat is among very few places in Viet Nam suitable for Arabica production. Every red ripen Arabica bean is handpicked and processed into the most aromatic and flavorful cup of coffee.
- “Full potential of you”: Da Lat’s nature offers tourists their full potential of mind and body.

**Activity Ideas**



Figure 62: Activation - "Full Potential" Label

Well-designed POSMs are essential to attract consumers’ attention and effective to build brand awareness. Thus, the consultant team suggested the “Full Potential” trademark for Da Lat’s products to evoke curiosity and offer the best quality for the customers.




Figure 63: Activation - "Full Potential" Breakfast

Similar to the English breakfast or the Italian coffee, a signature “Full Potential Breakfast” menu of Da Lat is an idea to bring tourists and even people from over the world the experience of a fresh, healthy and delightful morning in Da Lat, giving them full energy for an enjoyable day.

## Potential Ideas

# “Full potential” of SMOOTHIE



Develop a new recipe that is unique to Da Lat vegetables.  
Tell the story of Da Lat through a simple tasty drink that  
'brings out' the full potential of you with various nutrients.

13

Figure 64: Activation - "Full Potential" Smoothie

Similarly, “Full Potential Smoothie” made from Da Lat vegetables and fruits with various nutrients can bring out the full potential of you.

## Potential Ideas

# “Full enjoyable” TOURISM



A new tourism trend to regain a healthy body cycle via Da Lat's sustainable lifestyle.

14

Figure 65: Activation - "Full Enjoyable" Tourism

Da Lat as a peaceful land where we can fully enjoy every moment can create a new tour for customers to regain their healthy body cycle.

#### 4-4.2.2. Concept 2: "Wonders of Highland"



Figure 66: Concept - "Wonders of Highlands"

#### **Concept**

The second concept - "Wonders of Highlands" – encompassed all major special aspects of nature and people, based on a story that Da Lat is the land where wonders happen. Wonders exist in the climate with four seasons in one day: spring in the morning, summer in the afternoon, autumn in the early evening, and winter at night. Wonders exist in the produce: every piece of vegetables, every fruit, every bloom are not only green and fresh, but also magnificently beautiful. And wonders exist in the beauty of people: Da Lat people are gentle, caring and romantic; even travelers to Da Lat seem to become relaxed and pleasant, leaving behind their daily life's worries. Essentially, everyone can find wonders in everything they see, smell, touch, taste, breath and even in themselves.

#### **Key Visual Idea**

Figure 28 visualizes the concept: using a bento box collage metaphor to harmoniously represent the existence of wonders everywhere, in every piece of Da Lat's nature, produce and people.



Figure 67: Key Visual - "Wonders of Highlands"

## Brand Structure

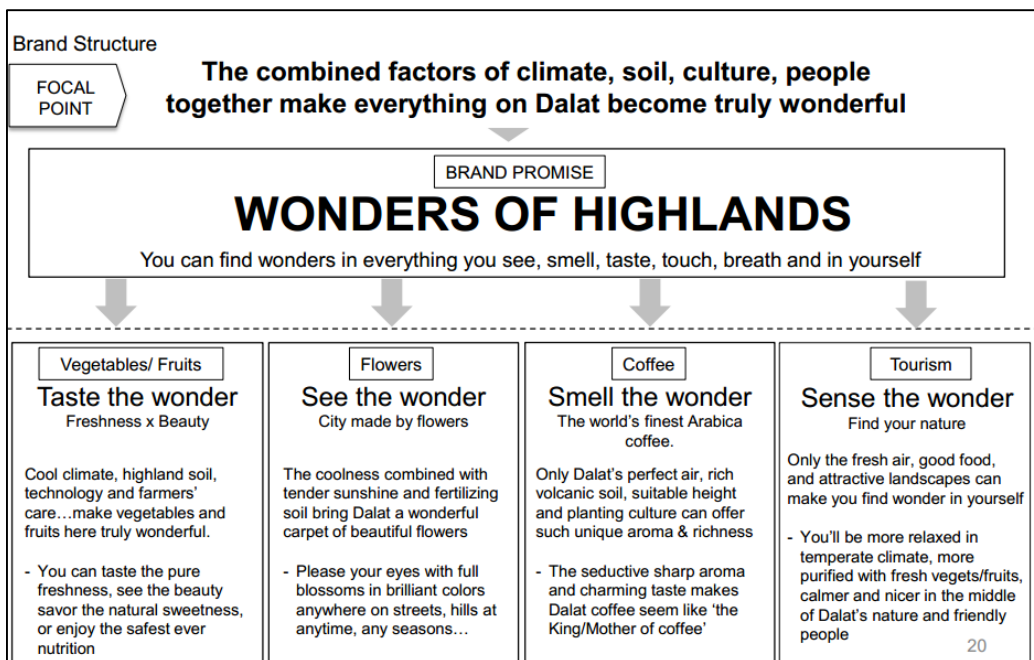


Figure 68: Brand Structure - "Wonders of Highlands"

The second master concept “Wonders of Highlands” depicts Da Lat and its produce as capable of making you find wonders in everything you see, smell, touch, taste, breath and even yourself.

- Da Lat vegetables and fruits – “Taste the wonder”: The cool climate, fertile soil, dedicated care and modern technology make Da Lat’s vegetables and fruits truly wonderful with all the beauty, freshness, sweetness and nutrition.



- Da Lat flowers – “See the wonder”: Known as “the city of thousand flowers”, Da Lat, with its blissful breeze and tender sunshine, transforms each bloom into a wonder of colors and scents.
- Da Lat coffee – “Smell the wonder”: Da Lat’s unique altitude, climate and soil already make it a wonder of Vietnam’s coffee production as one of the very rare Arabica production areas in the whole country. Although not yet well known, Da Lat Arabica’s fine aroma and flavor are said to be among the world’s premium products.
- Da Lat tourism – “Sense the wonder”: Da Lat’s perfect combination of fresh air, picturesque landscape, peaceful life and good food help you slow down, enjoy yourself being closer to nature.

**Activity Ideas**

**Potential Ideas**



**The '99 WONDERS OF DALAT' guide book**

- Content for packaging
- Content for promotion campaign
- Content for exhibition

21

“The '99 Wonders of Da Lat” guide book contains interesting contents to guide consumers and tourists on their adventures to explore Da Lat and its wonders.

Figure 69: Activation - "99 Wonders of Da Lat" Guidebook

**Potential Ideas**

**Packaging with wonder fact/  
story of Da Lat products**



We put story/fact of wonders behind every story and let consumer explore it by smartphone scanning

22

Using technology, we let consumer explore interesting little stories of Da Lat’s wonders behind each product just by scanning smartphone over its label.

Figure 70: Activation - Da Lat Story Packaging

#### 4-4.2.3. Concept 3: "The Land of Thousand Goodness"

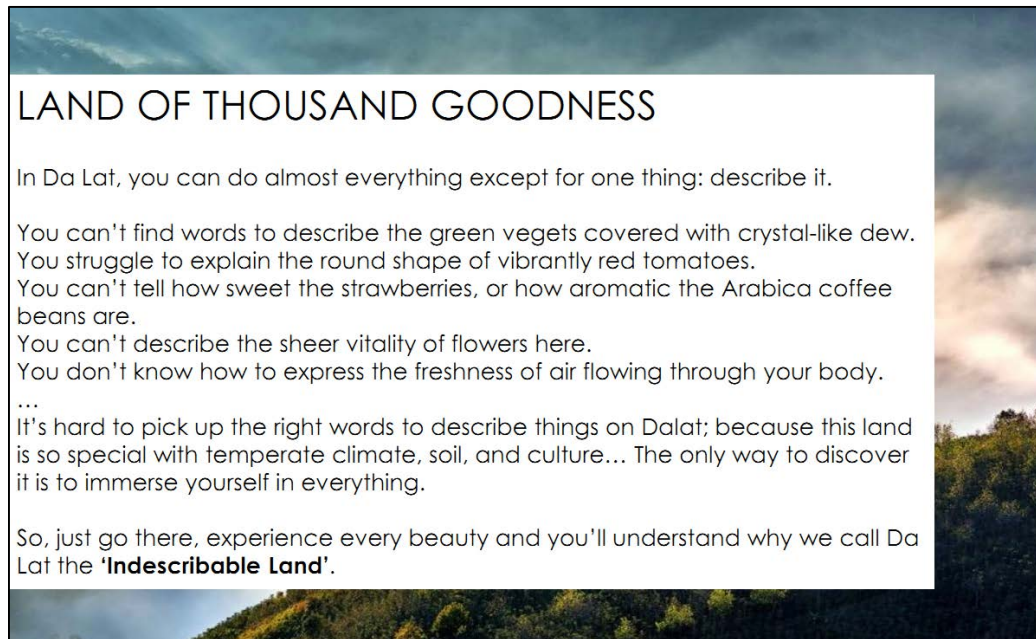


Figure 71: Concept - "Land of Thousand Goodness"

#### Concept

The third concept "Land of Thousand Goodness" expressed the immense diversity of Da Lat's nature, soil, people and culture which you cannot easily and fully describe. Da Lat is not just about the lush green vegetables, the aromatic coffee beans, the bright blooming flowers or the fresh calm air... Da Lat is the combination of so many things that it is not possible to perfectly describe it, but to experience for yourself.



Figure 72: Key Visual - "Land of Thousand Goodness"

## Key Visual Idea

The key visual of many different Da Lat people symbolizes its diversity and combination of its nature, people and culture.

## Brand Structure

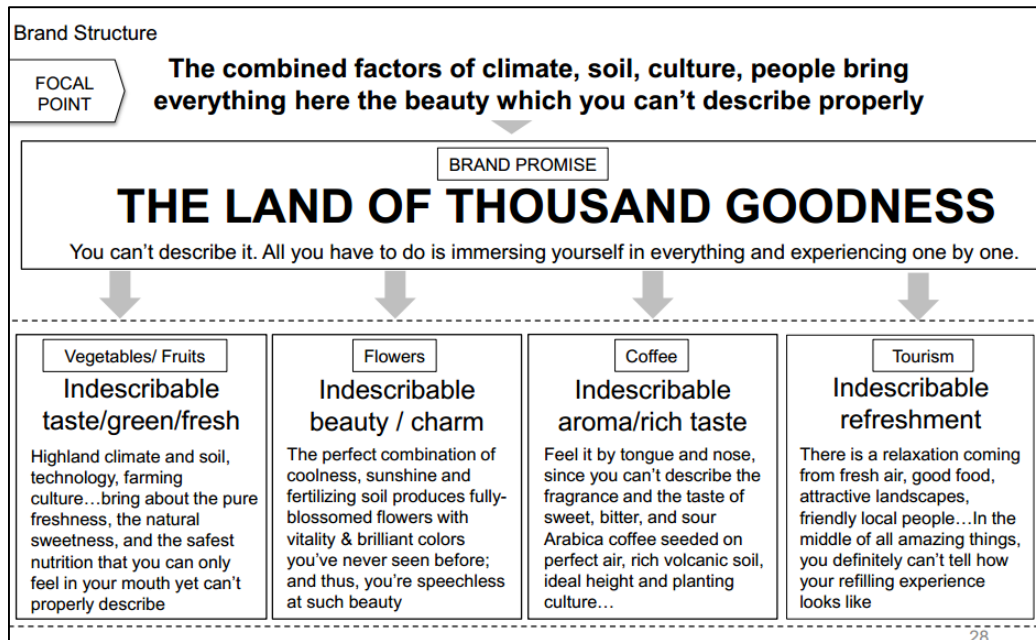


Figure 73: Brand Structure - "Land of Thousand Goodness"

Third concept "The Land of Thousand Goodness" included all aspects from climate, soil, culture, people and technology; their combination creates the beauty of diversity which cannot be fully described. The concept therefore invites you to immerse yourself and experiencing all the goodness of Da Lat.

- Da Lat vegetables and fruits – "Indescribable taste": You have to taste the products to fully savor all their goodness: so pure, fresh, sweet and crunchy...,
- Da Lat flowers – "Indescribable beauty": The beauty that leaves you mesmerized and speechless,
- Da Lat coffee – "Indescribable aroma": You have to inhale the charming aroma and sip the sharp flavor of a Da Lat's coffee cup as our words cannot describe,
- Da Lat tourism – "Indescribable refreshment": The fresh air, beautiful landscapes, friendly locals and good food bring you the indescribable refreshment.

**Activity Ideas**



Figure 74: Activation - Typography Packaging

The “Indescribable” typography package full of positive words to describe Da Lat’s products conveys the message of “Thousand goodness” thus enormous values for the consumers.



Figure 75: Activation - "My Da Lat" Online Activation

My Da Lat online activation asks and collects locals and tourists’ impression and description of Da Lat via an online platform. The diversified answers would become our contents.

**4-4.2.4. Final Concept: “Wonders of Gifted Land”**

**Concept**

The final concept describes Da Lat as the land where wonders happen. Wonders exist in the climate with four seasons in one day; in the magnificently beautiful produces; in the gentle, caring and romantic people. Everyone travelling to Da Lat can leave their daily life’s worries behind and find wonders in everything they see, smell, touch, taste, breath and even in themselves.

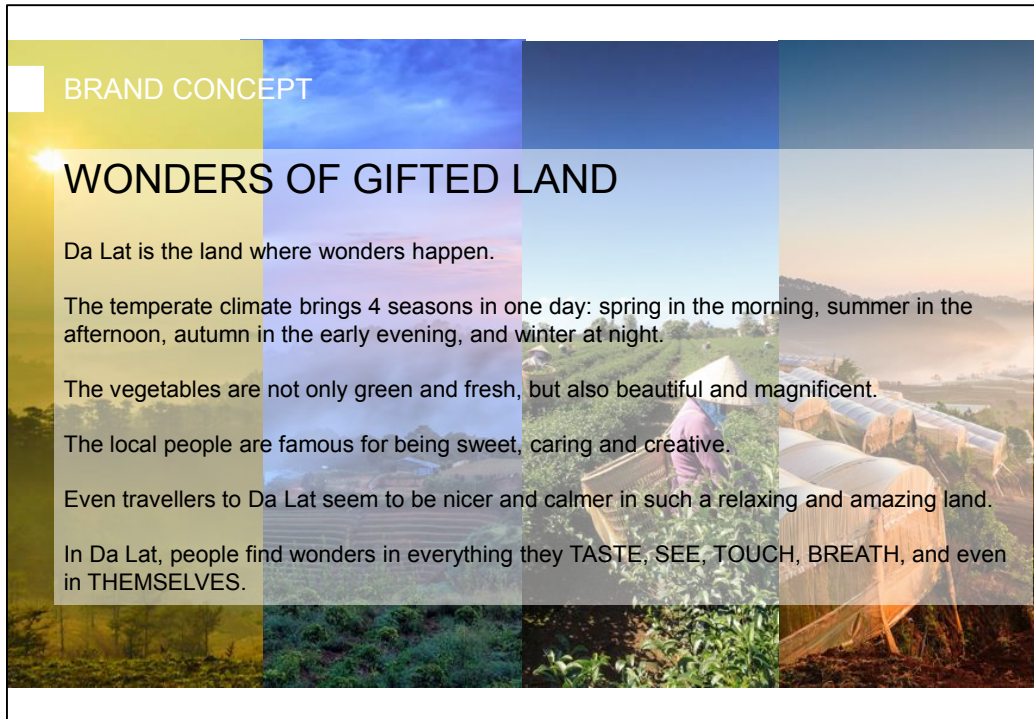


Figure 76: Concept - "Wonders of Gifted Land"

### Brand Structure

Da Lat's products can make you find wonders in everything you see, smell, taste and even yourself.

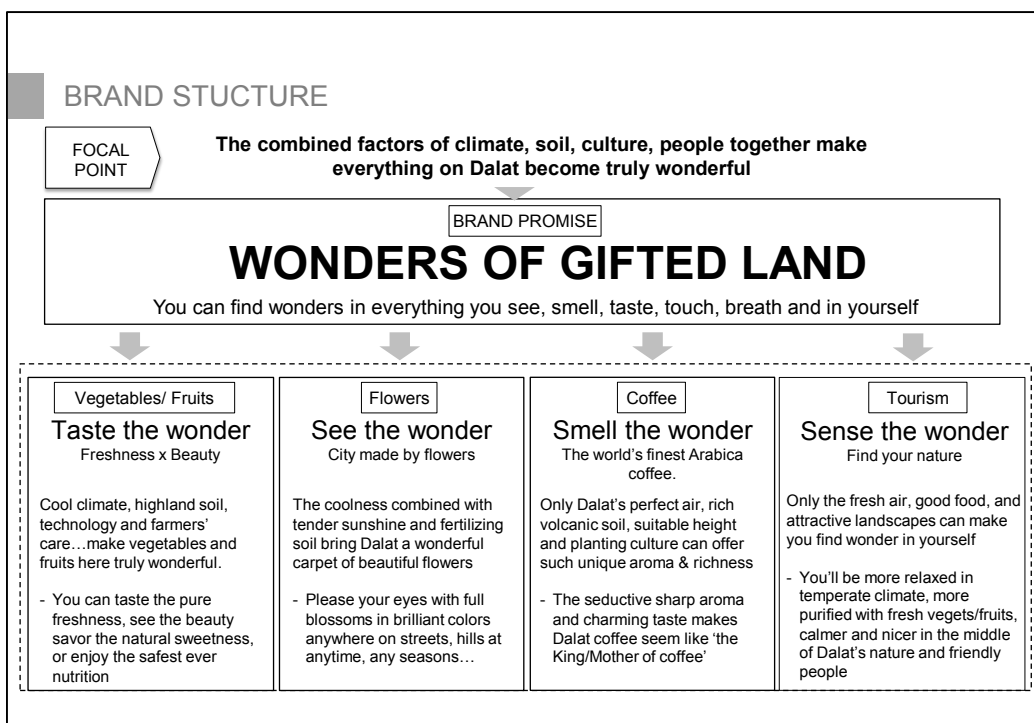


Figure 77: Brand Structure - "Wonders of Gifted Land"



Figure 78. Brand vision

**Brand vision**

Vision illustrates the ultimate purpose of the brand. Da Lat, as a brand, aims to become the Land of Wonders thanks to its picturesque scenery; unique 4-seasons-in-a-day climate; unique culture; friendly local people and wonderful agriculture products, including vegetables, flowers, Arabica coffee and agro-tourism nurtured by the dedicated farmers in its unique climate.

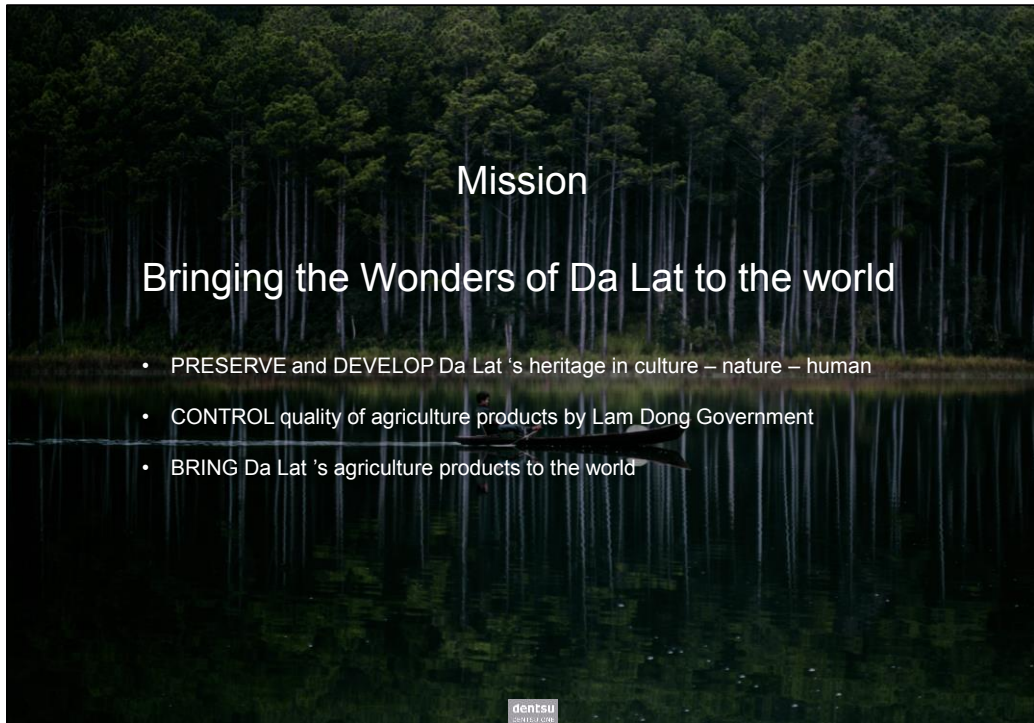


Figure 79. Brand mission

**Brand mission**

Mission represents the actions Lam Dong and its stakeholders would do to realize the brand. Da Lat brand's mission is to preserve and develop Da Lat's culture, nature and human heritage; to control quality of agro products; finally, to bring Da Lat's agro products to the world.

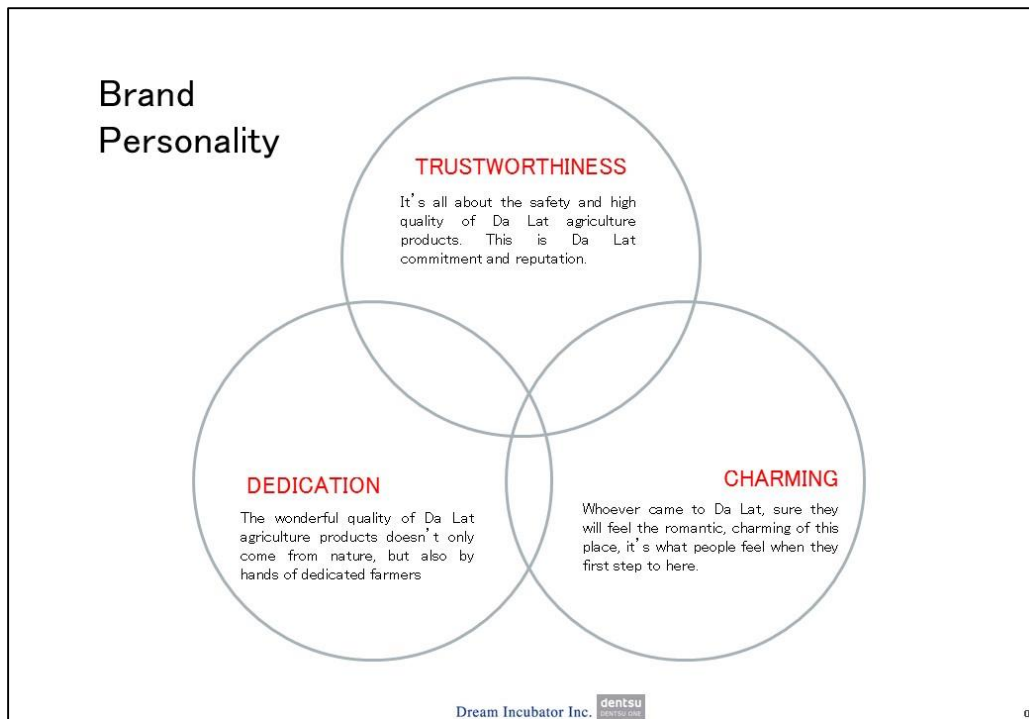


Figure 80. Brand personality

### Brand personality

Personalities are the tone and style of all brand communication. Da Lat brand has 3 key personalities:

- Trustworthiness: Safety and quality of Da Lat agro products are their commitment and reputation.
- Dedication: The wonderful quality of Da Lat agro products doesn't only come from nature, but also by the hands of dedicated farmers.
- Charming: Whoever come to Da Lat will feel the romantic, charming side of this place.



### 4-4.3. Key Visual Contents

#### 4-4.3.1. Video Clip

## DA LAT CLIP

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***What is Da Lat clip?***  
Clip is a short film, which is introducing about Da Lat's wonders campaign to target consumer.

***How should we use Da Lat clip?***

- Da lat clip opening a story about Da Lat, inspring target audience about total new image of Da lat, triggering target consumer finding more information related to the campaign, clip also teasing Da Lat logo – which will appear on all Da Lat 's agriculture products later on as a quality stamp.
- Clip should be aired in all communication channels, or opening in all Da Lat's events.

***How long should we use Da Lat clip?***  
Clip deliver MESSAGE “Đà Lạt – land of wonders”, therefore clip could be use until the Brand still be positioned with same message.


Dream Incubator Inc.  14

Figure 81. Video Clip Definition

Commercial clip is the first key content of Da Lat brand communication.

- What is Da Lat clip? It is a short film introducing “Land of Wonders” to target consumer.
- How should we use Da Lat clip? The clip tells a story about Da Lat to inspire target audience of a brand new image of Da Lat, to introduce Da Lat logo which will appear on all Da Lat’s agro products. Additionally, the clip shall be aired on communication channels or in all Da Lat’s events.
- How long should we use Da Lat clip? The clip delivers the message “Da Lat – Land of Wonders”, thus could be used as long as the brand is still positioned with same message.

**Storyline:** The video clip’s story described an emotional yet inspirational Da Lat, a story of a musician coming to Da Lat to experience various wonderful agro products and tourism to look for inspiration. The story would also depict the technology side of modern agriculture, the friendly local people, the picturesque landscapes and architectures. The output video clips are attached with this report.

**Product:** For each of the key product, main products in terms of volume and value, unique products and seasonally available products were selected for shooting as below:

- **Agro products:**
  - Vegetable: Lettuce, Spinach, Cabbage, Artichoke, Carrot, Potato, Tomato, Bell pepper
  - Flower: Chrysanthemum, Rose, Phalaenopsis, Cymbidium, Oncidium, Eustoma
  - Coffee: Robusta, Arabica
  - Tea: Oolong
  - Fruit: Strawberry, Avocado, Persimmon
- **Tourism (especially agro tourism):**
  - Xuan Huong lake – Lam Vien square – Da Lat flower garden
  - Golden river
  - Lang Biang mountain
  - Tuyen Lam lake
  - Famous farms

**Location:** Best farms with most modern production technology and other destination recommended by Lam Dong PPC were selected for shooting as below:

- Pongour waterfall
- Lang Biang mountain
- Love Valley
- Dankia village, Lat Commune, Lac Duong district
- Thuy Canh company, 40 Van Thanh Street, Ward 5, Da Lat city
- Thai Phien flower village, Da Lat city
- Van Thanh flower village, Da Lat city
- Xuan Huong lake, Da Lat city
- Da Lat golf course, Da Lat city
- St. Nicholas church, Da Lat city
- Domaine de Marie church, Da Lat city
- Da Lat market, Da Lat city
- Hoa Binh street, Da Lat city
- Golden lake, Lac Duong district
- Sunflower company, Duc Trong district
- Cau Dat farm, Da Lat city
- Kim Bang farm
- Other enterprises, individuals and destinations of Da Lat city and Lam Dong province

**Final clip:** Two versions have been created and approved by Lam Dong PPC. Lam Dong can choose the length to broadcast depend on target channel, target customer and purpose of the campaign.

- Long clip (2 minutes 30 seconds): full story about Da Lat
- Short clip (60 seconds): focus on products. English subtitle is also available for international promotion

#### 4-4.3.2. Key Visual

### DA LAT KEY VISUAL

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***What is Key visual?***  
Key visual is used throughout one communication campaign, to support in building up BRAND AWARENESS, & deliver BRAND MESSAGE.

***How should we use Da Lat Key visual?***  
Key visual is main elements to adapt into all communication materials (Print, banner, billboard, points of sale material...), to create consistency among communication channel & enhance Brand awareness.

***How long should we use a Key visual?***  
Key visual stand for a unique MESSAGE that Brand aim to communicate with Target Audience. Once the Message is changed, the key visual should change


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Figure 82: Key Visual Definition

Key visual is the second key content of Da Lat brand communication.

- What is key visual? Key visual is used to build up brand awareness and delivering brand message.
- How should we use Da Lat key visual? Key visual is the main element to be adapted into all communication contents including print, banner, billboard, points of sale material to create consistency among communication channels and enhance brand awareness.
- How long should we use a key visual? Key visual stands for a unique message the brand aim to communicate with the target audience. Once the message is changed, the key visual should change.



Figure 83: Final Key Visual

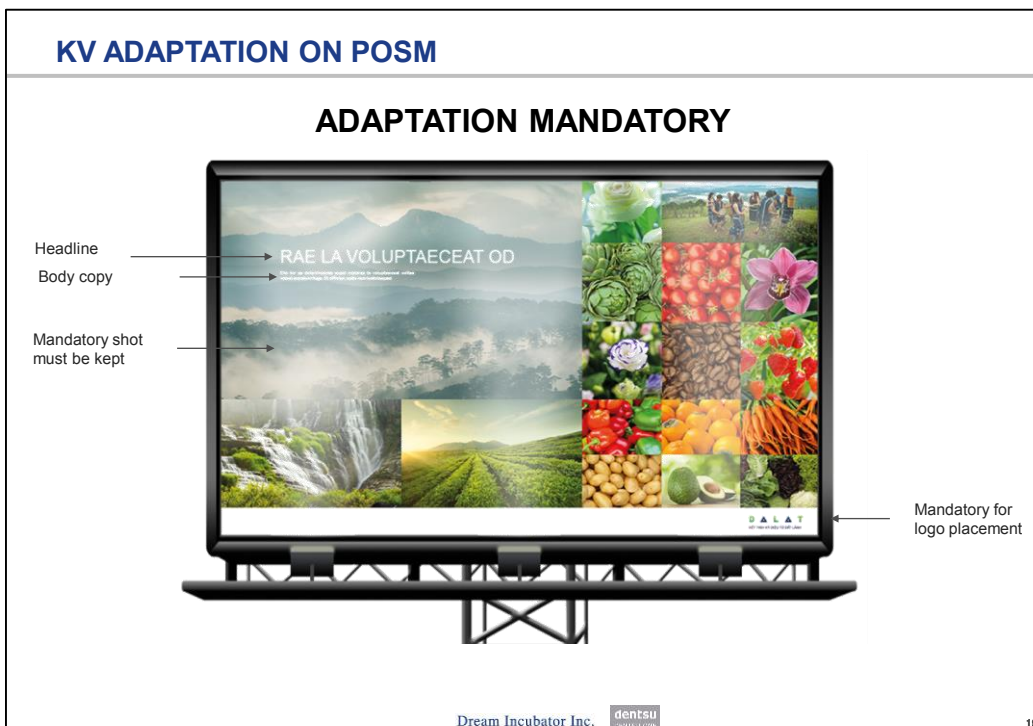


Figure 84: Key Visual Adaptation 1

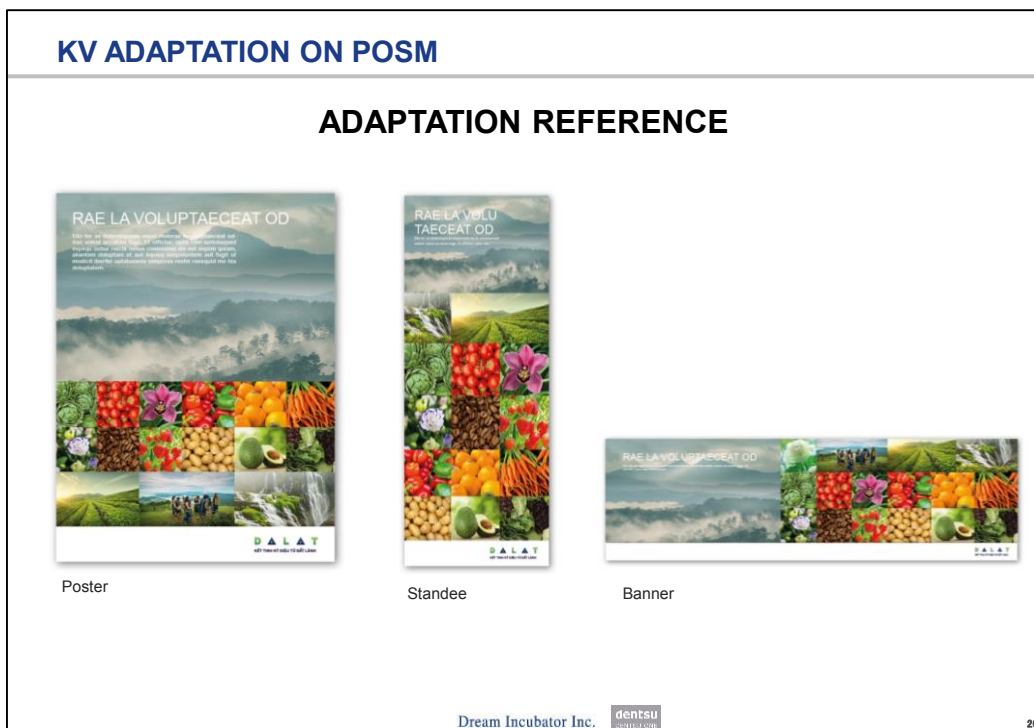


Figure 85: Key Visual Adaptation 2

4-4.3.3. Logo

**DA LAT LOGO**

**What is logo?**  
 Logo (biểu tượng thương hiệu) là sản phẩm trực quan bao gồm hình ảnh hoặc chữ hoặc là sự kết hợp cả hình ảnh và chữ để giúp nhận dạng thương hiệu.

**How should we use logo?**

- Using logo in all communication materials to create Brand awareness.
- Using logo in all Da Lat's agriculture products as a stamp for products' origin & quality.

Dream Incubator Inc. 21

Figure 86: Logo Definition

Logo is the third element of key contents of Da Lat brand communication.

- What is logo? Logo is a visual image/ word/ combination to help consumer recognize the brand.
- How should the logo be used? Use logo across all communication materials to create brand awareness and on all Da Lat's agro products as a stamp of products' origin and quality. Each logo option was based on one or many iconic images of Da Lat but not including the four target products (vegetable, flower, coffee) to avoid biased prioritization among those, details below.

**Round 1:**



Figure 87: Logo Option 1 (Round 1)



Figure 88: Logo Option 2 (Round 1)



Selected symbol: pine cone

Figure 89: Logo Option 3 (Round 1)



Selected symbol: mountain, sun.

Figure 90: Logo Option 4 (Round 1)



Selected symbol: brocade, fire, lake, mountain, temperate agro products.

Figure 91: Logo Option 5 (Round 1)

**Round 2:**

Round 1's options numbered 1 and 4 were further developed into Round 2's directions numbered 1 and 2. A new direction 3 was also developed. The logo options as of 31<sup>st</sup> October 2016 are as below.



Figure 92: Logo Options (Round 2)

**Round 3:**

Round 3's options as of 24<sup>th</sup> November 2016 were adapted into monochrome and color designs as below.



Figure 93: Logo Options (Round 3)



**Final Logo:**



Figure 94: Final Logo

**4-5. Communication Plan**

LD SECURED BUDGET TO PROMOTE VIA MULTIPLE APPROACHES		
Summary of Communication Activities		
<p><b>One-way communication</b> <i>(Reach mass audience with effective investment)</i></p> <ol style="list-style-type: none"> <li>1. TV commercial</li> <li>2. Print ad</li> <li>3. LCD/ Frames (at Airport/buildings)</li> <li>4. Billboard</li> </ol>	<p><b>Interactive communication</b> <i>(Engage with potential customers)</i></p> <ol style="list-style-type: none"> <li>1. Event                     <ul style="list-style-type: none"> <li>• Da Lat food day</li> </ul> </li> <li>2. Digital                     <ul style="list-style-type: none"> <li>• Youtube true view for Clip</li> <li>• Campaign page + Facebook</li> <li>• Online photo contest</li> <li>• Banner ads, FB ads</li> <li>• Celebrity/KOL endorsement</li> </ul> </li> <li>3. Public Relation                     <ul style="list-style-type: none"> <li>• Articles/ Pictorial to support main activities</li> </ul> </li> </ol>	<p><b>Co-operation</b> <i>(Leverage the strength of existed Partners)</i></p> <ol style="list-style-type: none"> <li>1. Cooperating with travel agency</li> <li>2. Cooperating with Owners of Coffee shop/ Veggies shop</li> <li>3. Hotel + Airbnb</li> <li>4. Associate with Viet Nam Airline</li> <li>5. VTV – TV series</li> </ol>
<p>Dream Incubator Inc.  dentsu.com</p>		

Figure 95: Communication Activities

Below are summary of three potential communication channels.

- One-way communication aims to reach mass audience with effective investment; including TV commercial, print ad, LCD/ Frames at airport and buildings, billboard. Those sub channels have high coverage over wide range of audiences.
- Interactive communication focuses on engaging with potential customers generated from one-way communication. Typical activities are event such as Da Lat food day; digital activities such as uploading content about Da Lat to YouTube, campaign website and Facebook, online photo contest, banner and Facebook advertisement, endorsement from celebrity and key opinion leader of food and tourism; public relation such as articles or pictorial to support main activities. Those activities enable interaction between potential customers with Da Lat, then encourage them to use its agro-products or agro-tourism.

- Co-operation leverages the strength of existed partners; including cooperating travel agency, cooperating with owners of coffee and veggies shop, hotel and Airbnb, associating with Vietnam Airlines, VTV-TV series. Those partners already have large customer base who might be interested in Da Lat brand; co-branding with them is good opportunity for Lam Dong to attract new customer.

#### 4-5.1. Communication Budget

<b>INITIAL BUDGET REFERENCE</b>			
	<b>Detail</b>	<b>OPTION 1 (Full)</b>	<b>OPTION 2 (Minimum)</b>
<b>Cost (estimate)</b>		<b>\$1 million</b>	<b>\$300k – \$500k</b>
<b>Objective</b>	Build mass awareness	○	○
	Trigger product trial	○	
<b>Activities</b>	Print	○	○
	LCDs / Frames	○	○
	TV Spot	○	
	Real Billboard	○	
	Public Relation	○	
	Digital	○	○
	Event	○	
<b>Impact</b>	Target audience reach	70%	50%
	Reach seasons	Summer Year-end	Summer

Figure 96: Communication Budget

Based on the channels listed above, there are two budget options Lam Dong to consider.

- Option 1 aims at building mass awareness of Da Lat brand and triggering product trial with estimated budget is 1 million USD. Detailed scope of activities is print, LCDs and frames, TV Spot, real billboard, public relation, digital, event. Those activities would be focused on 2 seasons in the year: summer and year-end with ability to reach 70% of target audience.
- Option 2 has smaller scope of activities to build mass brand awareness at half of cost of option 1, ranging from 300.000 to 500.000 USD. Therefore, marketing activities includes only print, LCDs and frames, digital. Activities would be focused on summer to reach 50% of target audience.

#### 4-5.2. Communication Plan

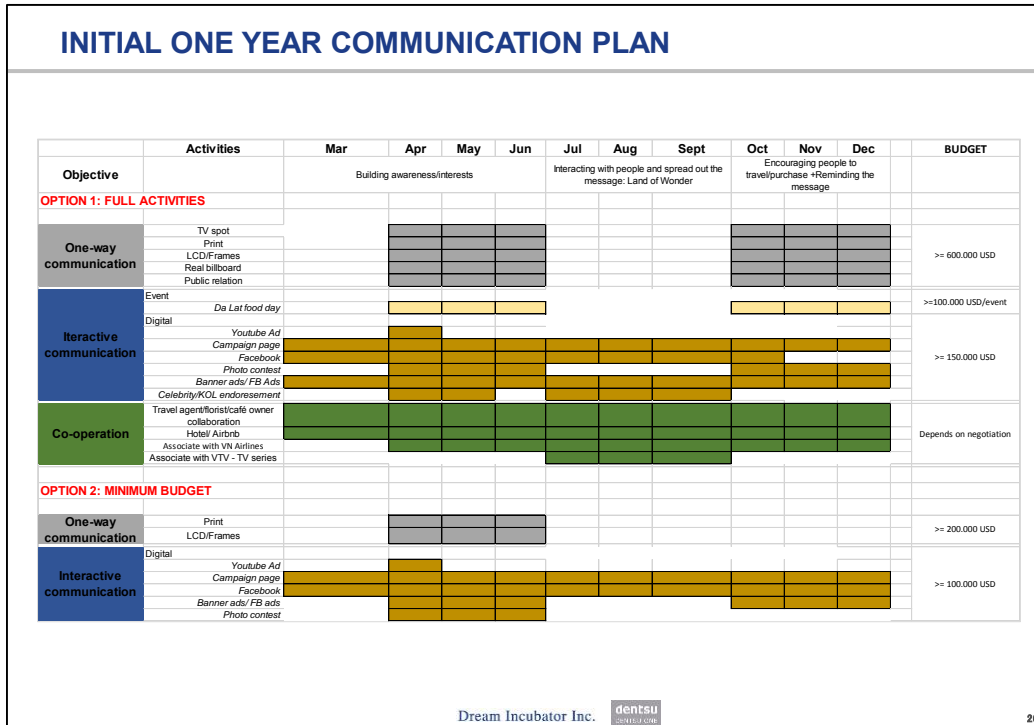


Figure 97: One-Year Communication Plan

Based on the budgets above, there are two communication plans for Lam Dong to consider.

- In option 1, all one-way communication activities would happen in summer and year-end time only. Meanwhile, interactive communication and co-operation would be spread to year-round, except for event, YouTube ad and association with VTV-TV series happening at different time.
- In option 2, one-way communication activities would take place in summer only while interactive communication is available all year-round, except for photo contest with focus in summer.

#### 4-5.3. Cooperation with VTV

Among option for one-way communication, TV commercial is one of effective option to reach wider audience. In initial discussion with VTV, one of national TV channel in Vietnam, show their willingness to collaborate with Lam Dong and JICA. 3 possible options to cooperate have been raised by VTV:

Possible Options for VTV Cooperation (One-way communication)		
Options (proposed by VTV)	Description	Current situation
<b>Option 1:</b> “Gap Program”	<b>Air “Da Lat clip” in empty slots daily</b> <ul style="list-style-type: none"> <li>• Free, quick to launch but low rating</li> <li>• Many times per day</li> <li>• Non-commercial</li> </ul>	<b>Almost secured VTV’s support</b> <ul style="list-style-type: none"> <li>• Require LD PPC &amp; JICA to send letter of request to VTV</li> </ul>
<b>Option 2:</b> “Agricultural Information Section”	<b>Attend talk show to share agriculture situation in LD</b> <ul style="list-style-type: none"> <li>• Free, but low rating</li> <li>• Limited number of audiences</li> <li>• On occasion</li> </ul>	<b>Require detailed discussion between LD’s execution team and VTV</b>
<b>Option 3:</b> “Drama series, Brand Ads, Reality Shows”	<b>Show LD’s products and agro-tourism sites via the shows/ series</b> <ul style="list-style-type: none"> <li>• High budget to create contents</li> <li>• Very high rating &amp; spreading effect</li> </ul>	<ul style="list-style-type: none"> <li>• Which program?</li> <li>• How to implement?</li> <li>• How much is the cost?</li> </ul>

**Potential options to start spreading this PJ outcome in public**

Source: Discussion between JICA, DI, Dentsu with VTV (24/02) Dream Incubator Inc. 27

Figure 98: Possible options for cooperation with VTV

- (1) “Gap Program”: Air “Da Lat clip” in empty slots between VTV’s daily program. The clip can be broadcasted many time per day depend on available empty slot from VTV. This is quickest option to start brand communication at first stage. VTV will consider this service with free of charge but one request is this clip must not contain any individual brand and/or air for commercial purpose.
- (2) “Agricultural Information Section”: Lam Dong’s representatives or JICA attend the talk show to share agriculture situation and development plan of Lam Dong. This is occasional program so it could not be launched immediately. Besides, such program normally has low rating because limited number audiences pay their attention. One advantage of this program is free of charge
- (3) “Drama Series, Brand Ads, Reality Shows”: These series/shows/ads are the quickest, fastest and most efficient way for Lam Dong reach mass audience and advertise Lam Dong target products and agro-tourism because these approaches secure high rating and spreading effect. However, it requires high budget to conduct contents for each program.

Initially, VTV can support Lam Dong to air “Da Lat clip” in Gap program. In order to proceed next step, Lam Dong and JICA together are required to send official letter of request to VTV’s leaders for their consideration. For other options, Lam Dong’s brand execution team should discuss in detailed with VTV on how to implement in relation to program and cost.

#### 4-6. Campaign contents

In each brand communication’s campaign, Lam Dong needs to elaborate key visual contents to create actual content into different formats based on guideline prepared by consulting team. This guideline is attached in Appendix C – Brand and Design Manuals

## Chapter 5: Implementation – Quality Control Guideline

### 5-1. Strategic Approach

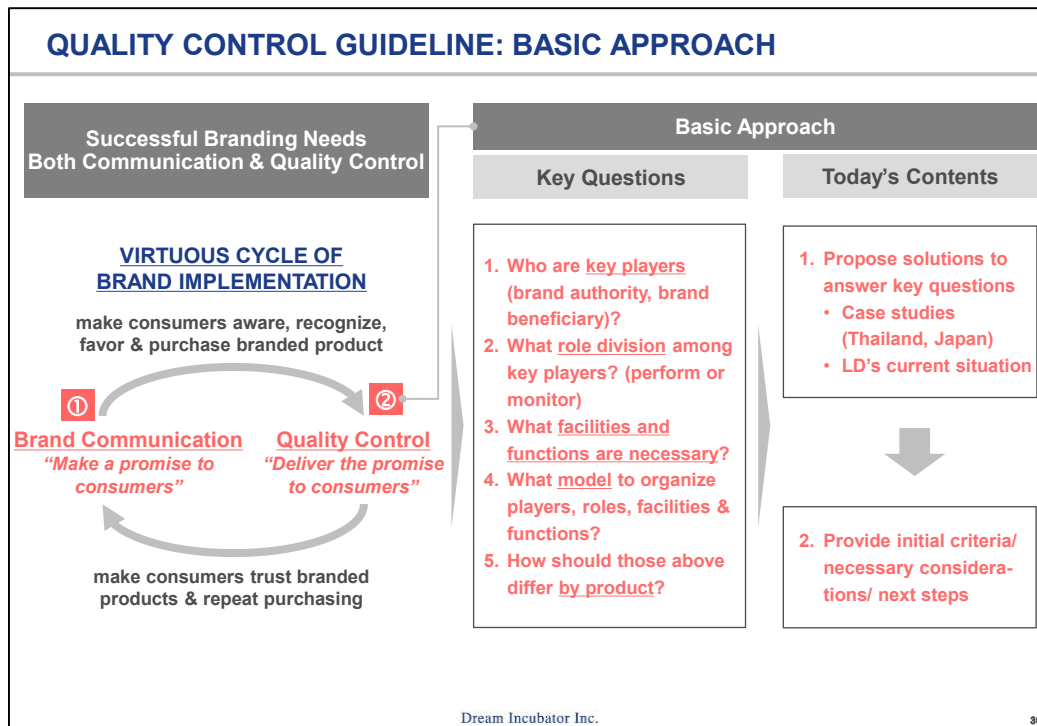


Figure 99: Quality control guideline

### Quality Control Guideline

As mentioned above, successful branding needs both communication and quality control. At quality control part, formulation of quality control guideline would help to define basic approach of the control, regarding 5 key elements:

- Who are key players (brand authority, brand beneficiary)?
- What role division among key players (perform or monitor)?
- What facilities and functions are necessary?
- What model to organize players, roles, facilities and functions?
- How should those above differ by product?

In this survey, we would propose solutions to address those key elements through researching successful model cases such as Thailand and Japan as well as investigating further about LD's current situation. After that, initial criteria and necessary considerations and next steps would be proposed.

## 5-2. Quality Control Model for Vegetable

### Overall concept of Quality control for vegetable

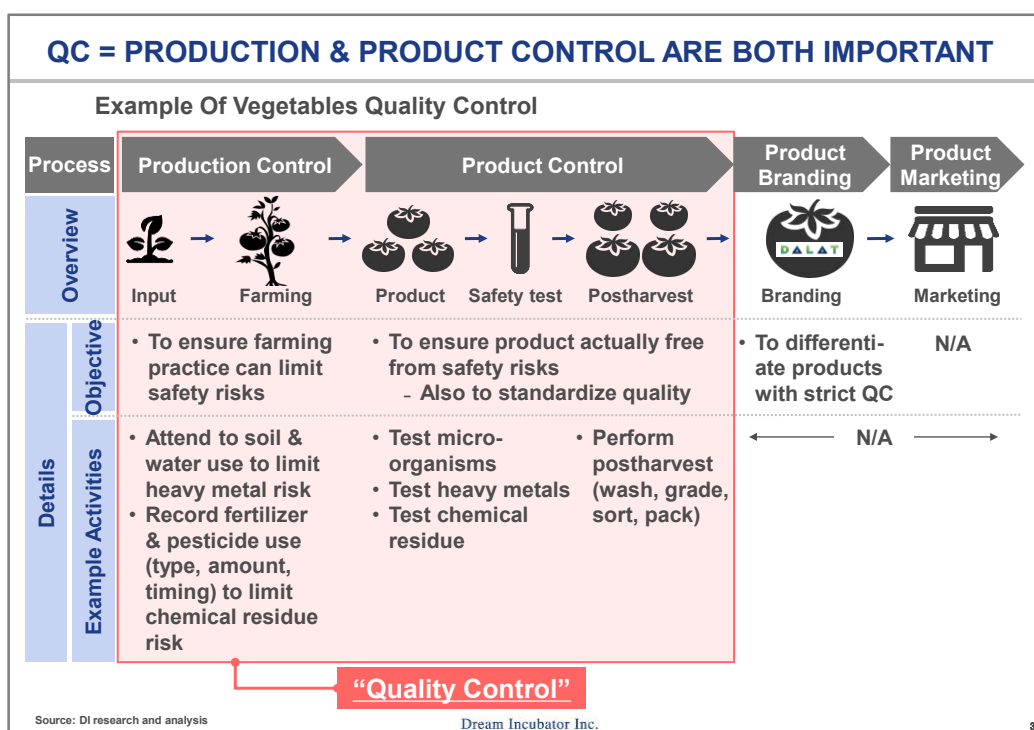


Figure 100: Overall concept of Vegetables’ quality control

Quality control along the value chain is crucial to ensure vegetables’ safety, which includes 4 stages: production control, product control, product branding and product marketing

- At production control, input and farming are controlled strictly in order to ensure farming practice can limit safety risks. Some examples of production control are: to attend to soil and water conditions to limit the risk of heavy metal content, and to record fertilizers and pesticides use like type, amount, timing, pre-harvest interval... to limit the risk of chemical residue.
- At product control, checking on final product is conducted in the form of safety test (to ensure internal quality) then post-harvesting (grading and sorting to ensure external quality), with the main objective to ensure end-products actually free from safety risks and also standardized. Safety test on product is conducted in three main criteria, including: micro-organisms, heavy metals and chemical residues. After safety test, only qualified products would go through postharvest treatment (washing, grading, sorting and packaging) before entering the market.
- At product branding, only qualified products are labeled in order to differentiate between products have strict QC with other normal ones.
- At product marketing, high quality, branded products will be brought to market.

Among our case studies, the two best practices were “Royal Project” in Thailand and “Kyo-Yasai Project” in Japan for Lam Dong province to consider to improve vegetables’ quality control.

## Quality control from case studies (Thailand and Japan)



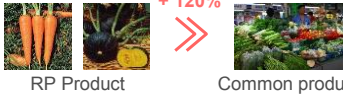
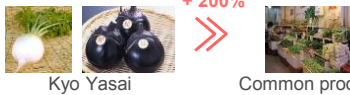
2 SUCCESSFUL QC MODELS FOR LD TO REFLECT		
Case Study Introduction: Thailand (Royal Project) and Japan (Kyo Yasai Project)		
	Thailand - Royal Project	Japan - Kyo Yasai Project
<b>Est.</b>	1969 by Royal Project Foundation 	1989 by Kyoto Prefecture government 
<b>Key member</b>	Royal Project Foundation	JA (JP farmer cooperative)
<b>Objectives</b>	<ul style="list-style-type: none"> <li>● Eliminate opium cultivation</li> <li>● Reduce slash &amp; burn farming</li> <li>● Provide sustainable income</li> </ul>	<ul style="list-style-type: none"> <li>● R&amp;D to enhance product quality</li> <li>– Had difficulty to differentiate product</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>● Support farmer at all stage along value chain (technique, input, postharvest, distribution)</li> <li>● Build Royal Project as a premium brand</li> <li>● Quality Control</li> </ul>	<ul style="list-style-type: none"> <li>● R&amp;D to enhance product quality</li> <li>● Branding Kyo Yasai as top JP vegetable</li> <li>● Quality Control</li> </ul>
<b>Achievements</b>	<ul style="list-style-type: none"> <li>● Widely accepted premium brand</li> <li>– Sales value ('99): \$3.5 mil</li> <li>– Price gap with normal product</li> </ul> 	<ul style="list-style-type: none"> <li>● Became JP's No.1 vegetable brand</li> <li>– Sales value ('12): \$11.8 mil</li> <li>– Price gap with other provinces' product</li> </ul> 
<p><b>Quality control is a must to sustain brand power</b></p> <p><small>Dream Incubator Inc. 33</small></p>		

Figure 101: Successful case study in Thailand and Japan

### 1. Thailand – Royal Project

In order to eliminate opium cultivation, reduce slash & burn farming and provide sustainable income, the Royal Project was established in 1969 by the Royal Project Foundation (RPF). A lot of activities aimed to support farmer at all stages along value chain, such as: input, technical advice, postharvest treatment and distribution, to build up the Royal Project as a premium brand with strictly controlled quality. The project has successfully created a domestic agro-product brand with impressive brand recognition and customer loyalty. The Royal Project brand has been widely accepted among Thailand, recorded US\$ 3.5 mil revenue in 1999 regardless of the significant price gap of 120% between its products and normal products.

### 2. Japan – Kyo Yasai Project

Kyo Yasai is well known as one of the most successful vegetable branding cases in Japan, which was established in 1989 as an effort to differentiate local products by Kyoto Prefecture Government, with the close collaboration with JA (JP farmer cooperative). Its main activities were R&D to enhance product quality, branding Kyo Yasai as top Japanese vegetable brand and strong quality control. Even though Kyo Yasai's products are sold at double price compared to common products in the market, the brand still topped the list of Japanese's vegetable brands, with an impressive revenue at US\$ 11.8 mil in 2012.

The common key successful factor between Royal Project and Kyo Yasai Project was strict quality control. It not only ensures the best and consistent quality in each stage of the value chain, but it also serves the

final goal of sustainable brand power. The mechanisms might vary between Thailand and Japan, but they both emphasize the importance of quality control.

As follows, the quality control's model of Thailand, Japan and Lam Dong are shown respectively

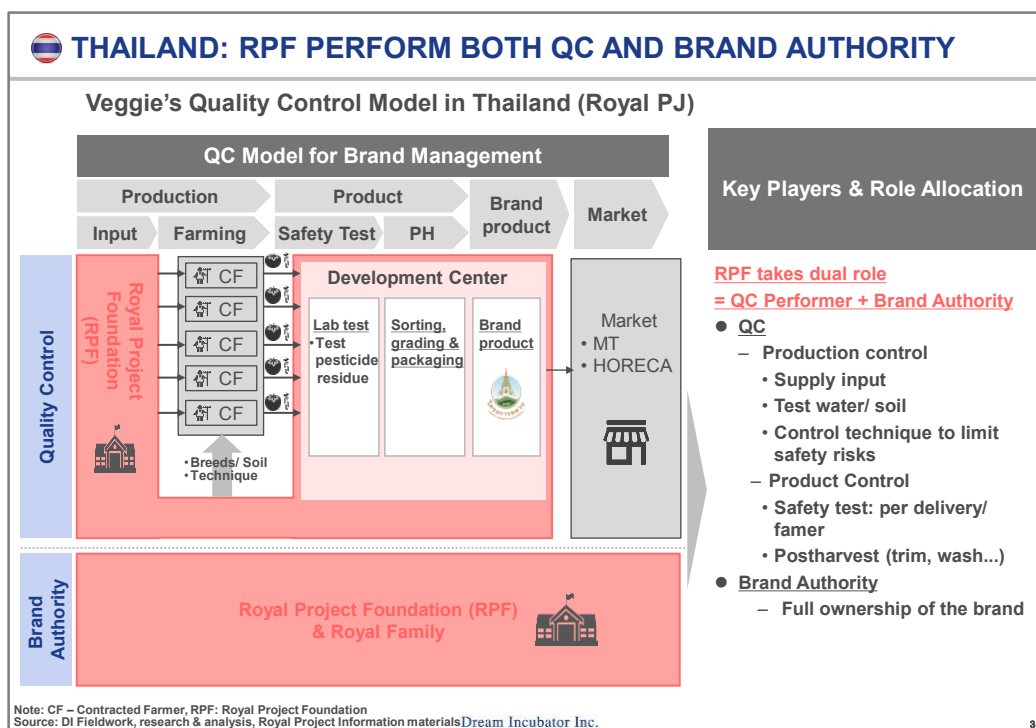


Figure 102: Vegetables' quality control model in Thailand (Royal Project Foundation)

In Royal Project, Royal Project Foundation (RPF) takes both roles of controlling quality and brand authority at the same time. Quality control is conducted throughout 4 stages of the value chain as below.

1. Production control has 2 factors: input and farming. RPF provides high quality seeds, soil check and farming technique to its CF as these play a significant role in output's quality.
2. Product after harvest are controlled via 2 steps at the development centers before marketing
  - Lab test aims to measure chemical residues in products. Due to the residues' potential health risks, this step is indeed essential. If products fail the test, it will be refused to proceed to post harvest
  - Postharvest is to group all items with similar external quality (size, color, etc.) by sorting and grading, then packaging.
3. Products are labeled at the development centers before entering the market
4. Modern trade (MT) and HORECA are two channels that Royal Project targets thanks to the higher price the channels offer to Royal Project branded products compared with normal products and more urgent quality concern of consumers.

All functions are centralized at one party - RPF - in the case of Thailand. RPF takes full ownership of the brand and supervises production as well as quality of product.



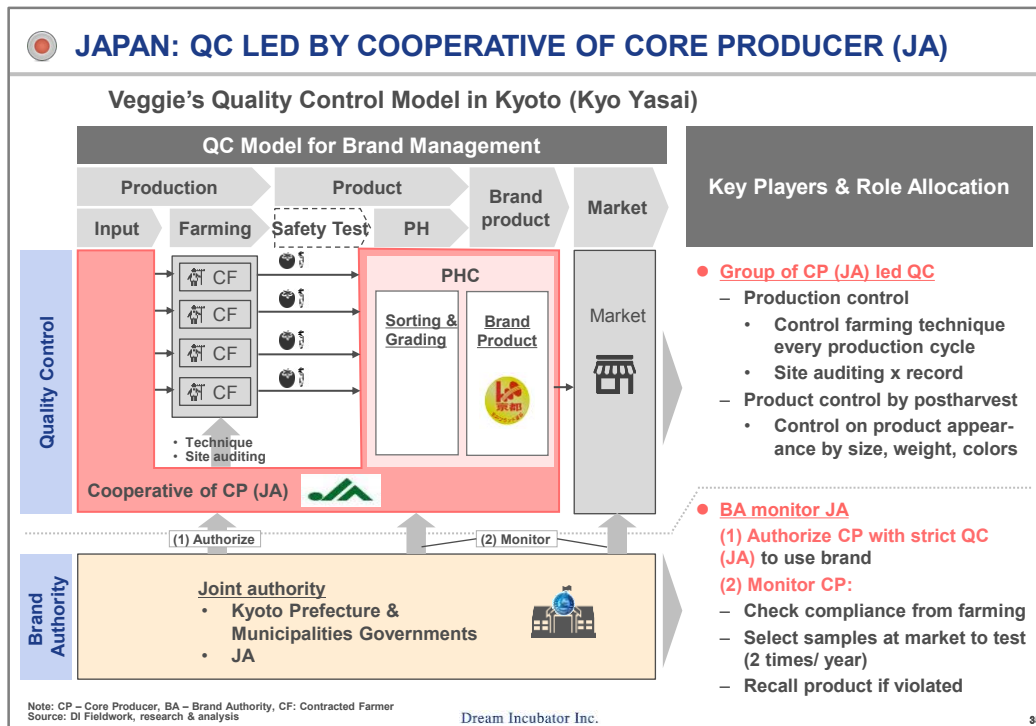


Figure 103: Vegetables' quality control model in Kyoto (Kyo Yasai)

In the Kyo Yasai case, besides the brand owner, another party named JA, as core producer cooperative, takes the lead in quality control. Below is the explanation of how Kyo Yasai is running its quality control model. There are two key players in Kyo Yasai project, namely JA as core producer and Kyoto prefecture & municipalities governments together with JA as the joint brand authority. Core producer receives authorization from the joint authority to perform quality control. Strict quality control is implemented in each and every stage of the value chain as below.

1. At the stage of production control, JA closely supervises every production cycle and production site. It firstly advises member farmers to use qualified seeds as specified in the list of 27 authorized and branded species. Secondly they provide farming technique; and thirdly they audit production sites of CF. It is required for farmers to submit paper record of all activities to Kyoto prefecture government, declaring the usage of fertilizer, pesticide and other activities in order to prove their compliance to JA's standards. The organization, after that, monitors all farms' activities to evaluate if they are consistent with what were previously declared.
2. At the stage of product control, only farmers who have qualified at production control are allowed to send their products to JA for postharvest treatment (based on size, weight, color, etc.). Since then, all items are classified by sorting and grading.
3. Products finally are labeled with Kyo Yasai's brand name before entering market.
4. Kyo Yasai targets its products at restaurant and MT retailer.

Other than being a brand owner, brand authority also takes the responsibility to monitor core producers. It examines compliance in farming, spontaneously selects test samples on the market twice per year due to limited number of staffs (5 people). In case of violation, brand authority assigns core producer to recall products currently on the market.

Choosing not to centralize all rights and responsibilities into one party like RPF does in Thailand, Kyo Yasai authorizes a third party as JA who also represents brand authority to strictly examines all farmers' quality. Even so, JA's quality control performance is still kept track by the brand authority.

## Quality control from Lam Dong

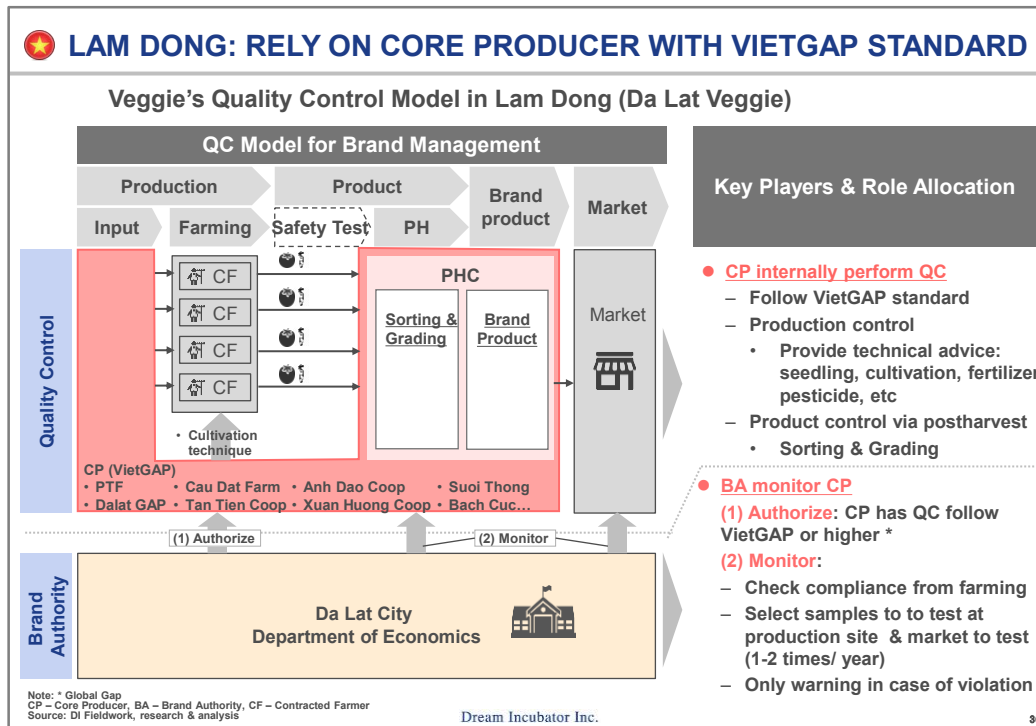


Figure 104: Vegetables' quality control model in Lam Dong (Da Lat Veggie)

Similar to Kyo Yasai, Lam Dong's quality control model for existing brand "Da Lat Veggie" run mainly by two focal parties: core producers and brand authority namely Da Lat City Department of Economics. Core producers include Phong Thuy Farm (PTF), Da Lat Gap, Anh Dao Coop, Tan Tiep Coop, etc. who were certified by Viet Gap. With Viet Gap certification, these core producers are qualified to perform quality control and receive authorization from brand authority. Detailed quality control of core producers is conducted through 4 stages of product's value chain.

1. At the stage of production control, core producers supply high quality seeds and advise cultivation techniques including seedling, cultivation, optimal amount of fertilizer and pesticide, farming records, etc. to their CF. They follow up application of these techniques by visiting the farm regularly. The core producers will visit as more frequent during the period near to harvesting to strictly control level of pesticide usage to ensure product safety.
2. At the stage of product control: product is mainly examined and standardized through post harvesting process which sorts and grades products into different quality. As product safety have been closely monitored at production control's stage, core producers barely perform safety test.
3. After products pass post harvesting stage, qualified items are sealed with CP's own brand and Da Lat Veggie.

- Most core producers' products are mostly sold at MT retailers such as supermarket, minimart and HORECA where only accept high quality and safety products

After authorizing core producers to use the brand, Brand Authority (BA) mainly conduct monitoring core producers' quality control performance. Every year, BA randomly visit farm site core producers and their CF to check compliance of farming techniques and select samples for safety testing at the lab. 4 types of safety testing such as metal, micro-organism, fertilizer and pesticide level will be checked. Frequency of checking by BA is 1-2 times per year. Sometimes, BA visit the market site, pick samples and send to lab for similar safety testing. In the case of violation, they mostly send warning to farmers. Punishment is subject to safety risk's level.

### Key principle of Quality control (extracting from vegetable)

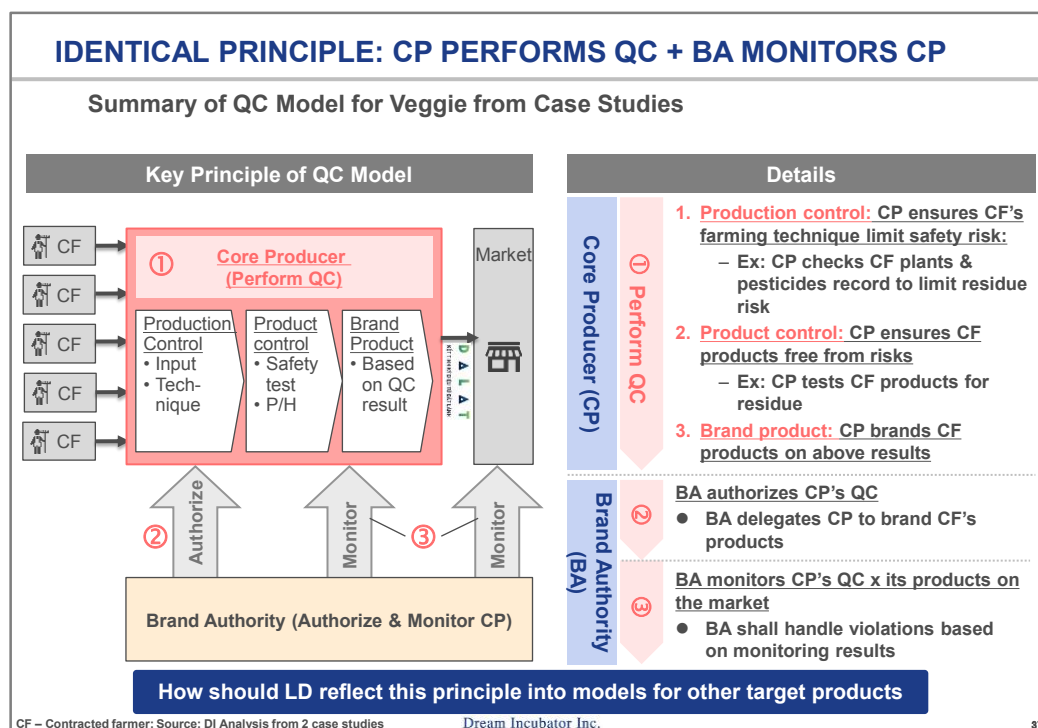


Figure 105: Summary of QC model for Vegetables from case studies

Figure 105 is summary of findings from examining vegetable related case studies namely RPF in Thailand, Kyo Yasai in Japan and Lam Dong's situation. It is surprising that three cases follow similar key principle for Quality control model which require 2 parties: (1) Core Producer takes role of performing quality control, (2) BA authorizes and monitors Core producer. Detailed responsibilities are clarified more as below:

- Core producer performs quality control, comprises 3 main steps: production control, product control and brand product
  - Production control: Core producer ensure farming techniques of contracted farmers (CF) limit safety risk by checking pesticides record to limit residue risk
  - Product control: Core producer confirm that CF's products are free from risks by performing post-harvesting and/or conduction some safety test
  - Brand product: Core producer brands CF's products based upon above results

- BA authorizes core producer to brand qualified CF's products and monitors CP's quality control together with its products on the market. Any violation if occurs is handled based on monitoring results

It is crucial to apply this key principle to construct Quality control model not only to vegetable but also to other targeted products namely flower, coffee in Lam Dong

### Quality control model for vegetable

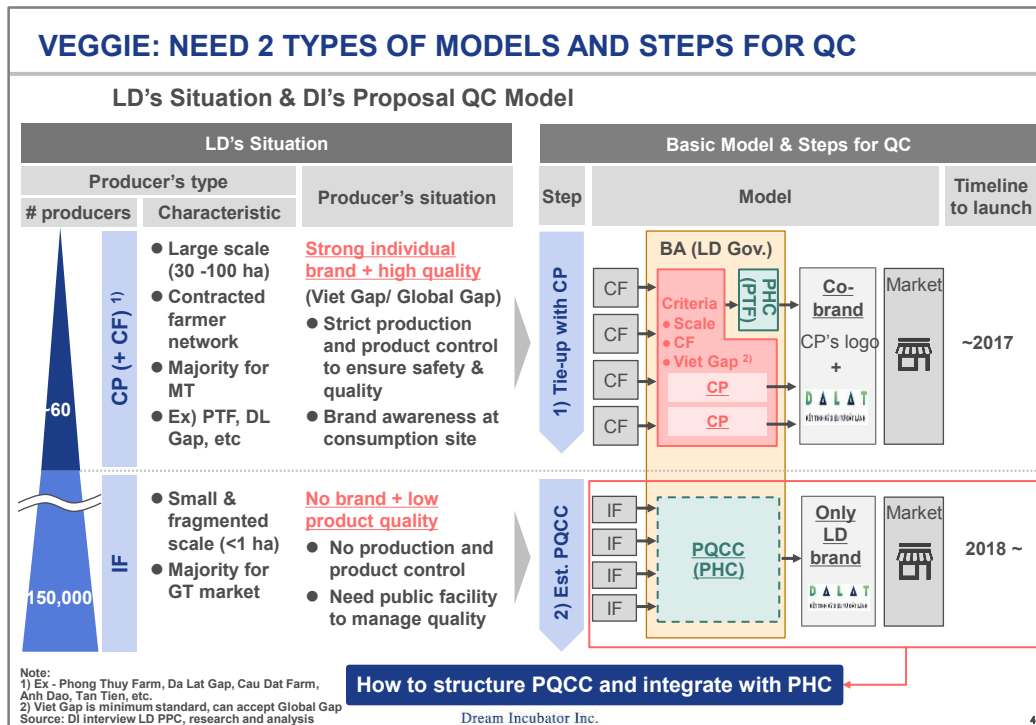


Figure 106: Basic Model and Steps for Quality Control of Vegetable

There are two types of producers in Lam Dong: core producers with CF and individual farmers. Each type of producer require different quality control model depend on current situation of quality control

- Core producers and CF: Core producers include PTF, Dalat Gap, Cau Dat Farm (CDF), Anh Dao, etc. who own a large scale of land (30-100 ha) and have a large network of CF. Their products target modern trade channel majority. With strict quality control, these producers have established strong individual brand produce high quality product. Reason for good quality control because strictly oblige Viet Gap standard to be certified with this certificate. Some producer like Da Lat Gap even has stricter quality control to be eligible for higher value certificate like Global Gap. The core producers conduct close examination in both production and product control to their CF to manage product quality. Their quality control in production basically follow the standard of Viet Gap or Global Gap including closely monitor farming techniques of CF. While their product control performs mostly in post harvesting stage such as sorting and grading to differentiate product quality.

- Individual farmers: Although individual farmers account a huge number, but they mostly have small and fragmented scale of land (<1 ha). Their main channel is GT such as wet market and wholesales market where most products have low quality. There is no urgent need of safety from GT's consumer, individual farmers, at this moment, don't conduct any control on production and product at all. Therefore, their products are perceived at low quality and had no brand awareness. It is essential to establish public facility to support individual farmers manage quality in order to have access to Lam Dong's brand

Under current circumstances, 2 basic models and steps have been identified to effectively implement quality control

1) Tie-up with core producers (~2017): it is highly recommended that Lam Dong should engage these core producers to adopt and support to promote Lam Dong brand by leveraging power of their individual brand. The model of quality control could be described in this way: Lam Dong's government as BA, who owns the brand, should authorize these core producers to use Lam Dong brand and monitor. Core producers are main party to be responsible for performing quality control on production and products from their farm and CF. Criteria to select Core producers include: scale, networks of contracted farmers and Viet Gap or Global Gap standard. After being qualified with these criteria, Core producers must pass initial checking of BA before receive brand authorization. Products will be packaged with co-brand of Core-producers and Lam Dong brand. In addition, existing Post Harvesting Center (PHC) at PTF are extra channel to use the brand for those Core producers who have no internal post-harvest function.

2) Establish Public Quality Control Center (PQCC) (2018~): facilitate to centralize products from individual farmers and conduct quality control. Centralized control via PQCC is most feasible and cost efficient, while it is indeed impractical to perform quality control to fragmented farmers in scatter locations. It would take abundant resources in terms of finance, labor, etc. to guide and monitor farming of each and every individual producer. Products go through PQCC must pass quality control process before receiving Lam Dong brand. Again, BA will authorize brand to PQCC and monitor brand compliance.

Since Lam Dong have already established public PHC at PTF site, PQCC should be integrated into this PHC to save provincial resources and synchronize quality management for. Crucial next step is how Lam Dong structure PQCC and integrate PHC to achieve efficiency

## Public Quality Control Center for individual farmers

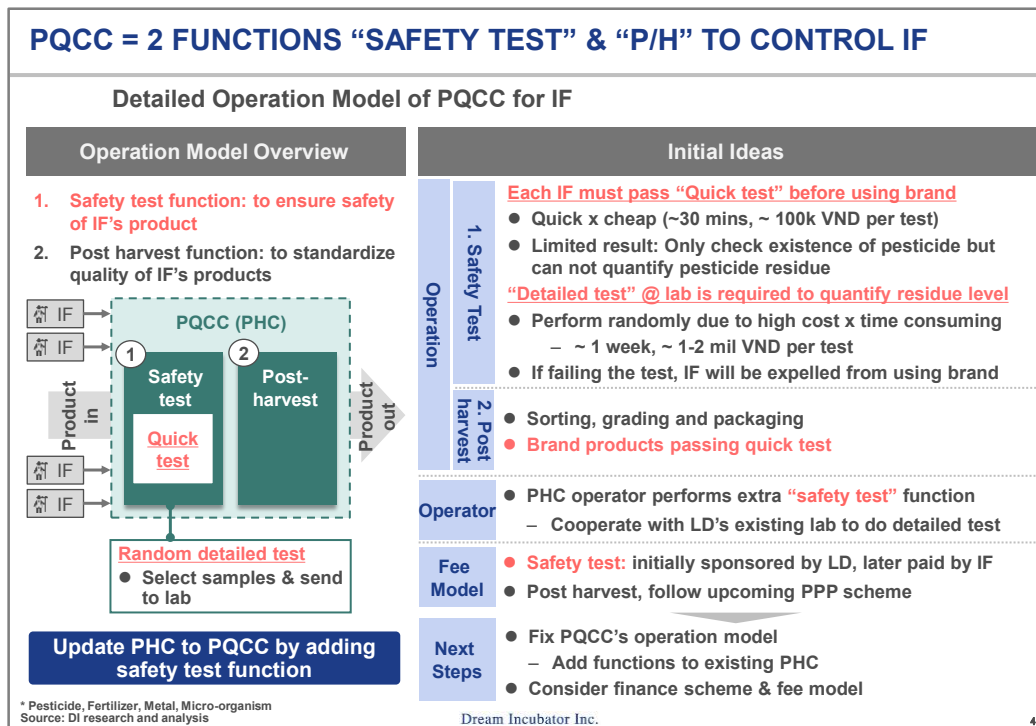


Figure 107: Detailed operation model for PQCC of vegetable

Vegetable’s PQCC should contains 2 key functions, namely safety test and post-harvest to control and standardize quality

1. Safety test aims to ensure products are totally free from chemicals which may cause harm to human.
2. Post-harvest is to standardize all product’s quality

Detailed operation model is as follow

1. Safety test: There are two type of tests: quick test and detailed test. Normally, Lam Dong’s BA conduct detailed test by sending to the lab to obtain equivalent results for safety evaluation. However, this test is costly and take a week to conduct results. Vegetable is perishable product which cannot wait such long time, thus, needs to perform quick test instead before passing through post-harvest. Detailed test should be also performed randomly as post checking activity to judge actual safety level of individual farmers. Following is how to apply these two tests at PQCC
  - Quick test: every individual farmer is required to pass this test before using Lam Dong brand. Each test takes about 30 minutes and costs nearly 100,000 VND. As its better time-saving than other tests, it is able to show basic result, for instance, it alerts existence of pesticide but unable to quantify its residue.
  - Detailed test: this test will supplement quick test to quantify residue level. As aforementioned, this test will be conducted spontaneously due to high cost and time consuming. The test will cost around 1-2 million VND. Later, when result shows exceeded level of residual, individual farmers will be expelled from using brand.
2. At post-harvest, all products are sorted, graded and packaged. In addition to that, only products passed “quick test” will be labeled with the Lam Dong brand before selling to market

As mentioned above, PHC should be upgraded to PQCC by adding safety test as extra function for PHC to fully consolidate the two centers into one. As extended version for PQCC, PHC's operator will be also PQCC's operator which is PTF at the moment. Operator is in charge of both safety test and post-harvesting activities. For safety test, quick test will be easily handled by operator but detailed test must be sent to lab. Currently, one of Lam Dong's existing labs can conduct this detailed test.

Regarding to fee model, initially, it is necessary for Lam Dong's consideration to sponsor safety test fees because individual farmers are not willing to pay the fees when brand value is still low. Later, if brand power improved, individual farmers will volunteer to use the brand and pay the testing fee. Post-harvest's fee will be followed upcoming PPP scheme between Lam Dong and PTF.

At the next step, Lam Dong should carefully consider this PQCC once branding is opened for individual farmers. Before establishing this PQCC, it is essential for Lam Dong to fix operation model by unifying PQCC and existing PHC and contemplate finance scheme and fee model.

### Public Quality Control Center integration with PHC

At mentioned above, PQCC one established will be integrated with existing PHC. Below is detailed explanation PTF's operation if PQCC merged with prevailing PHC.

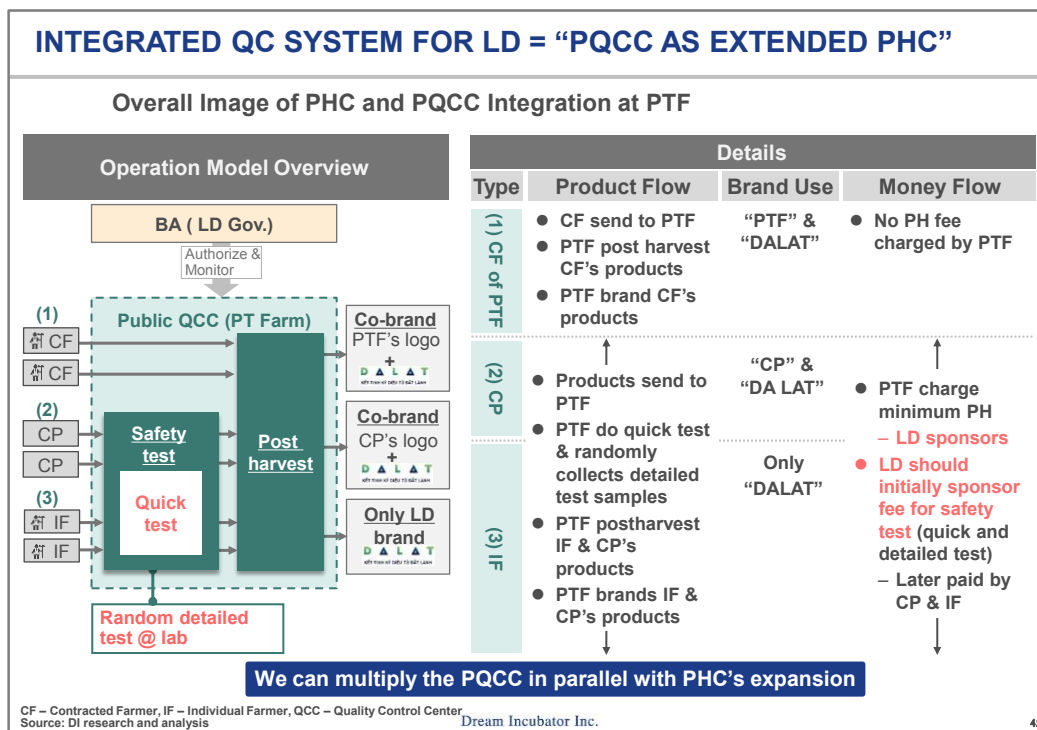


Figure 108: Example of PQCC integration with PHC at PTF

1. Products from PTF and CF:

Products will follow existing process by gathering at PTF and pass through post-harvest. As noted earlier that PTF as core producer is qualified for branding due to their strict quality control, thus,

PTF and CF' products could be labelled with "Da Lat brand beside PTF's own brand. There is no post-harvest fee occurred for CF as products are partially branded as PTF.

2. Products from other Core Producers:

After product centralization at PTF, quick test will be performed by PTF for every delivery of each core producer. PTF will sometimes select samples and send to lab for detailed test. After quick test, qualified products continue to go through post-harvest and branding before entering market. Products can be co-brand between Core producer's brand and Lam Dong brand are used in this case. PTF will only charge minimum fee for post harvesting service because it is partially sponsored by Lam Dong. Fees for safety test (quick and detailed test) should be initially subsidized by Lam Dong and later paid by individual farmers.

3. Products from individual farmers:

Process is applied the same with those for Core producers, except only Lam Dong brand is utilized for individual farmers, not co-brand.

After PTF, Lam Dong PPC can gradually multiplies this PQCC in parallel with PHC's expansion. Lam Dong's government as BA maintains main role to authorize operator for PQCC and monitor its operation.

5-3. Quality Control Model for Flower

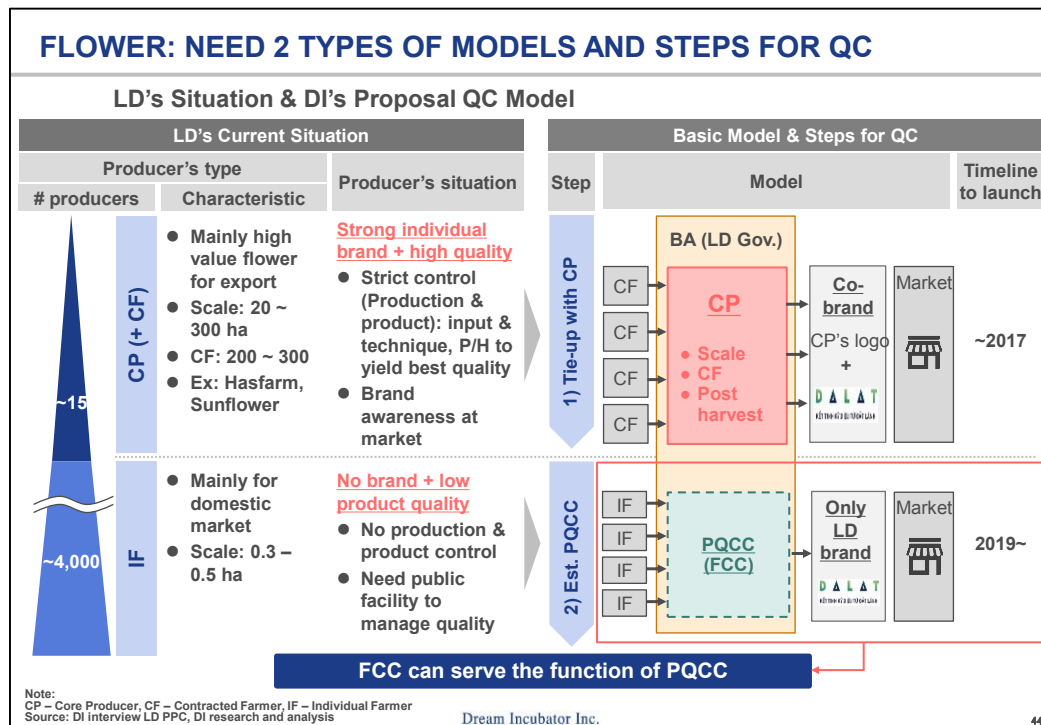


Figure 109: Basic Model and Steps for Quality Control of Flower



Similar to vegetable, flower producers of Lam Dong are categorized into two main types: core producers with CF and individual farmers. Each type of producer is observed with different quality control situation which greatly affect its quality control model for branding.

- Core producers and CF:

Flower's core producers include Hasfarm and Sunflower are those focusing on producing high value flower for export at large scale of 20 to 300 ha supporting by their wide network of CF with total areas of 200 to 300 ha. These producers perform internal quality control from production to product to ensure quality commitment to consumers/clients. Production control includes carefully selected qualified seeds and strictly applied standard farming technique to yield best quality. After production, product will be controlled via sophisticated post-harvesting from grading/ sorting, cold storage to packaging in order to deliver most standardize and high quality product. With existing sophisticated quality control system, these core producers are able to create strong individual brand and distribute most quality product to consumers.

- Individual farmers:

Individual farmers, account majority with more than 4,000 farmers, mainly produce at small scale from 0.3 to 0.5 ha and distribute products to domestic market. In contrast with core producers, products individual farmers are perceived as low quality at consumption site owing to no production and/or product control. Currently, most products from individual farmers are selling without brand at wholesale market. Therefore, it is necessary to engage these individual farmers to the provincial brand and apply quality control through public facility.

With current situation, two basic models and steps are defined to implement quality control for flower

1) Tie-up with core producers (~2017): Initially, Lam Dong should engage these core producers to adopt and promote Lam Dong brand together with their individual brand. In order to select suitable core producers and authorize Lam Dong brand, selection criteria have been pinpointed which include scale, networks of contracted farmers and owned sophisticated post harvesting. In term of quality control, BA could rely on existing quality control of core producers comprising production and product control to verify that deliverables are at acceptable quality. BA must perform regular monitoring and deal with violation to ensure compliance of Core producers and protect the brand

2) Establish Public Quality Control Center (PQCC) (2019~): As it is not practical to perform quality control to each individual farmer due to fragmented locations and limited human resources, establishing PQCC is the only lucrative option to control quality of individual farmers. Flower's quality control is simpler than vegetable because it only requires standardized appearance which mainly conducted in post harvesting process. The PQCC requires almost similar functions as Flower Collection Center (FCC) to conduct quality control, hence, existing FCC planned by Lam Dong could be future PQCC for branding.

Again, Brand Authority of Lam Dong PPC will take monitoring role after authorizing the PQCC/ FCC to be responsible for detailed quality control.

## Flower Collection Center operation model

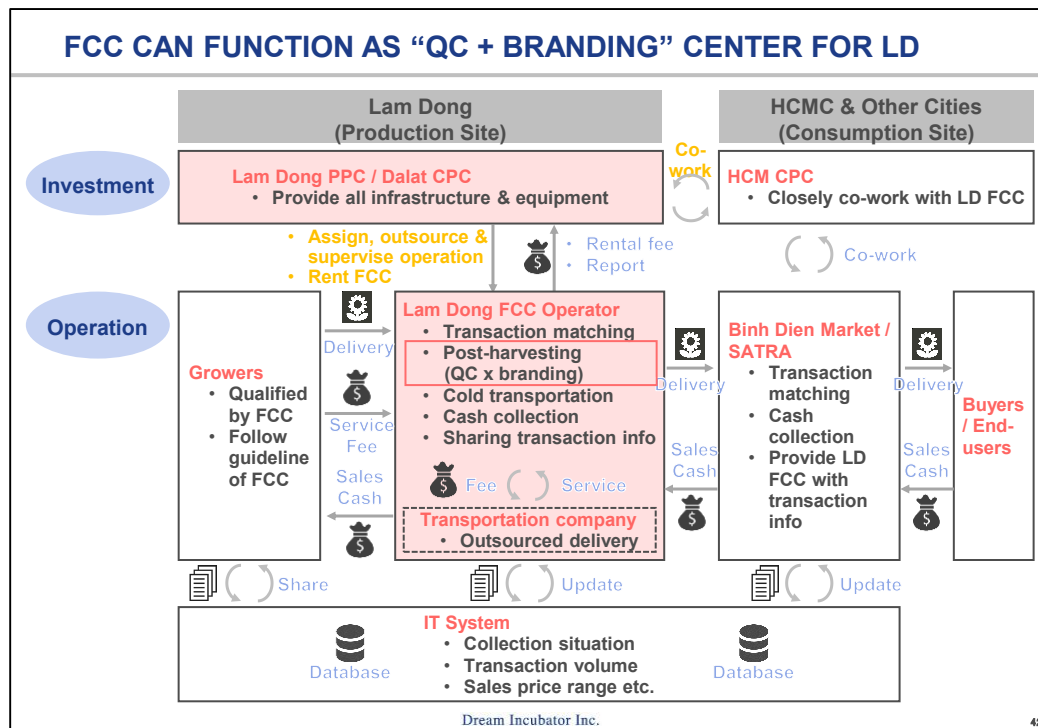


Figure 110: FCC functions as “Quality Control + Branding” center for Lam Dong

FCC will be functioned as quality control and branding center for Lam Dong to certify quality flowers before distributing to market. FCC will be integrator which connect flower individual growers with consumers via Binh Dien market in Ho Chi Minh City. The center will facilitate to create more transparent market and bring added value for individual growers. In order to realize the FCC, Lam Dong PPC plans to cooperate with HCM City People’s Committee for their facilitation at consumption site.

- At production site, Lam Dong PPC with support of Da Lat CPC will be responsible for investment of FCC including all necessary infrastructure and equipment; then the facility will be assigned, rented to private operator. Operator is required to pay rental fee and reported its operation to Lam Dong PPC or Da Lat CPC. FCC will be intermediary to perform transaction matching and cash collection between producers and demand side. At the same time, information will be timely shared between both sides to provide clear and transparent trade. Besides, one of crucial function of FCC is performing quality control of product before distributing to market and create consistent quality deliverables. For that reason, FCC’s operator will carefully sort, grade and package the flowers through post-harvesting process to standardize its quality. All growers are required to pay service fee in accordance with the amount of flower processed by FCC. Besides, FCC will provide support by either train or share the farming guideline to minimize the product defects and enhance quality. As mentioned above, FCC will be also functioned as quality control and branding center to certify “Da Lat” brand. Criteria to select qualified products for branding should be suggested by FCC’s operator based on their experience of market demand.

- At consumption site, wholesaler such as Binh Dien Market or Saigon Trading Group (SATRA) would be intermediary of consumers to collect order and transfer to FCC for order matching. The wholesaler will be cash collector from buyers then transfer to FCC. Meanwhile, wholesaler will also co-work with HCMC CPC to closely collaborate with FCC operator in Lam Dong and Lam Dong PPC or Da Lat CPC to ensure consistency of information about market and production to increase effectiveness of the partnership.
- In addition, one critical component is efficient IT system to ensure smooth information flow between wholesaler at consumption site and FCC at production site. This IT system is central database to store and provide transaction volume, sales price range and status of cash collection and share among all stakeholders.

#### 5-4. Quality Control Model for Coffee

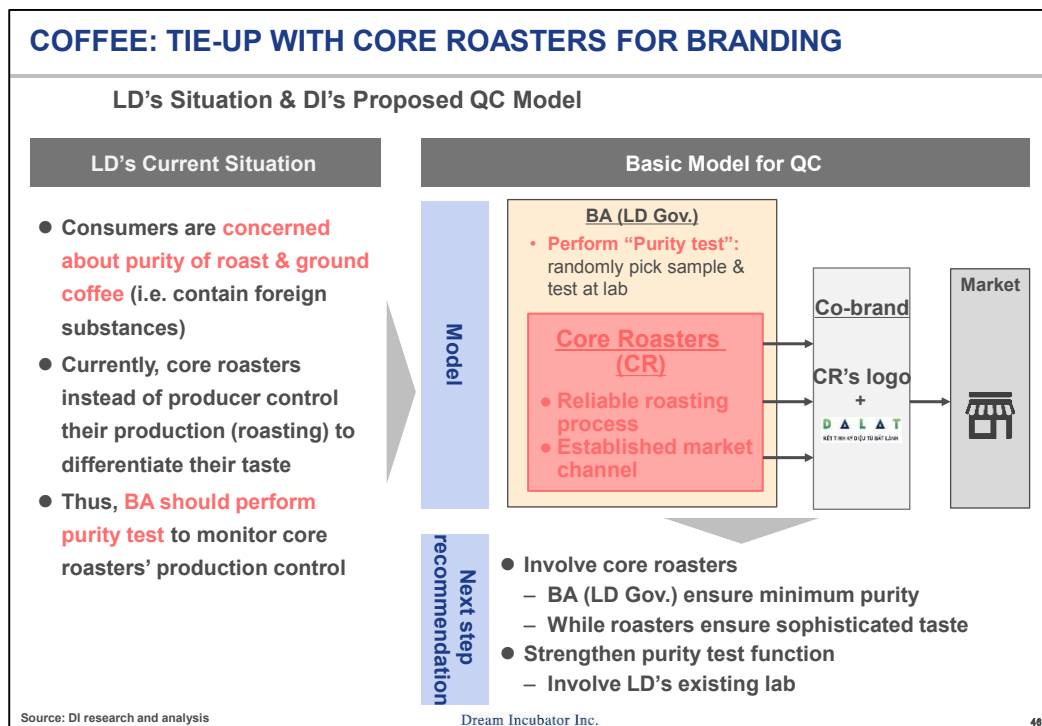


Figure 111: Basic Model for Quality Control of Coffee

Unlike vegetable and flower, roasted beans are final products of coffee consumed in domestic market. Currently, consumers express extreme concern about purity of roast and ground coffee because of increasing usage of foreign substances by roasters which affect consumer's health and decrease coffee quality. Some core roasters instead of producers strictly control of roasting process, hence, roasted coffee beans to distribute pure products to consumers as part of quality commitment from their individual brand. Therefore, BA of Lam Dong PPC should engage those core roasters into branding through careful selection process. Criteria to select trusted core roasters include: owning reliable roasting process and established

market channel. BA control and monitor compliance by performing regular purity test of core roaster's end-products. Samples will be randomly picked at processing factory and/or at market, then transfer to lab test. Similar to vegetable and flower, roasted coffee will be attached with co-brand of Core roasters and Lam Dong

In this model, the test and core producers are two key elements. Therefore, Lam Dong should actively involve core roasters by ensuring minimum purity standard, because they only desires to bear a high quality brand; on the other hand, roaster would ensure sophisticated taste to serve consumer demand; and strengthen purity test function by involving existing lab test such as Nuclear Research Institute, the most modern lab test in Lam Dong.

## 5-5. Quality Control Model for Agro-Tourism

### 5-5.1. Agro-Tourism's Model Selection

#### Overview of Agro-Tourism Model

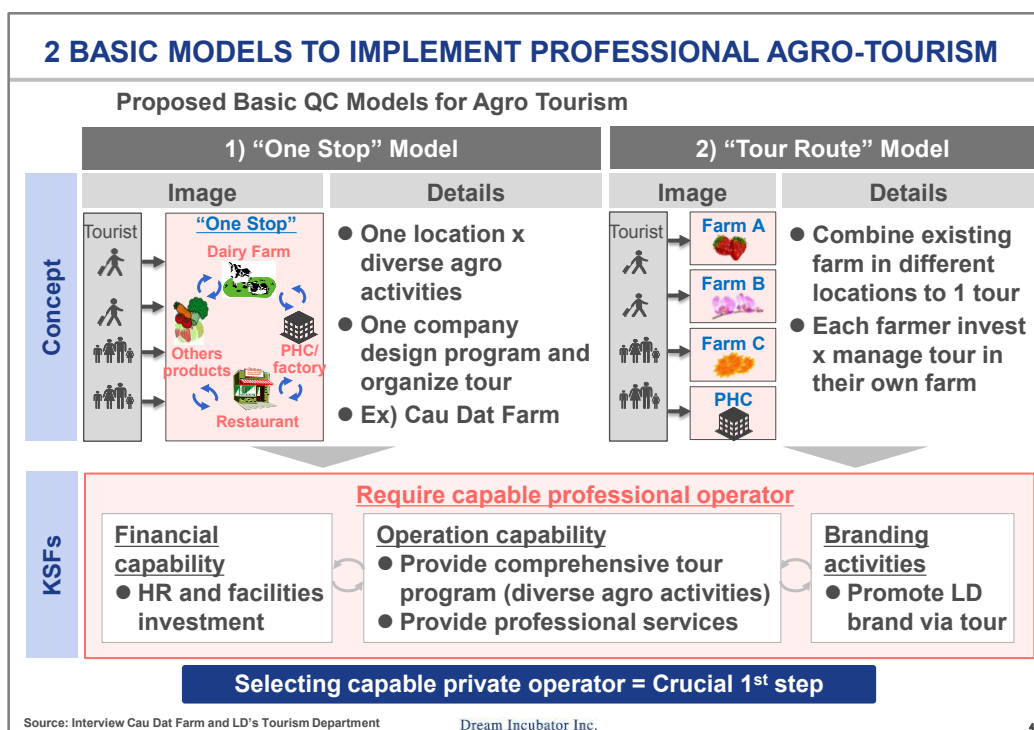


Figure 112: Possible models of Agro-Tourism

There are 2 basic agro-tourism models for Lam Dong to implement professional Agro – Tourism

- “One-stop” model centralizes all activities in one location, providing comprehensive agro-activities and experience such as farming, post-harvesting, tasting fresh product directly at farm or at restaurant, etc. In this model, all activities would be operated by a one company, who invest in all facilities, design tour program and organize all tour activities by allocating tour guide to different tourism spots. Similar model in Japan was observed by Mr. Doan Van Viet, Chairman of Lam Dong

People’s Committee, during trial promotion mission in September. That one stop model namely “Mother Farm” is one of the most famous and successful Agro-Tourism site for Lam Dong PPC to actually experience on how real professional service and comprehensive farm activities are organized. Currently, many companies in Lam Dong are organizing plentiful agro tourism activities such as Cau Dat Farm, La Viet Coffee, etc. Among which, Cau Dat Farm (CDF) aims to provide new experience about agriculture through sophisticated and large scale “One-Stop Agro-tourism park” which is quite similar to “Mother Farm” scale. Plentiful activities are planned including farming, post harvesting, processing, and end-product tasting to agricultural education session via vivid museum.

- **“Tour route” model** aims to combine fragmented farms and tourism activities from many locations into 1 tour route; each farm manage tour in their own farm and invest in necessary facilities. Lam Dong has been implementing this model as trial since early 2016 but facing difficulties to manage tour service.

In order to implement these models successfully, 3 Key Success Factors are identified by consulting team. The KSFs are also key criteria to select capable professional operator, as crucial 1<sup>st</sup> step, which include financial capability, operation capability and branding capability

- Financial capability: invest in human resource and facilities to provide service
- Operation capability: design, manage comprehensive tour and agro tourism activities as well as provide highest level of service quality
- Branding capability: co-work with Lam Dong PPC to promote

Detail situation of Lam Dong in regarding to implementation of each model are presented as below

### 1) “One-stop” Model

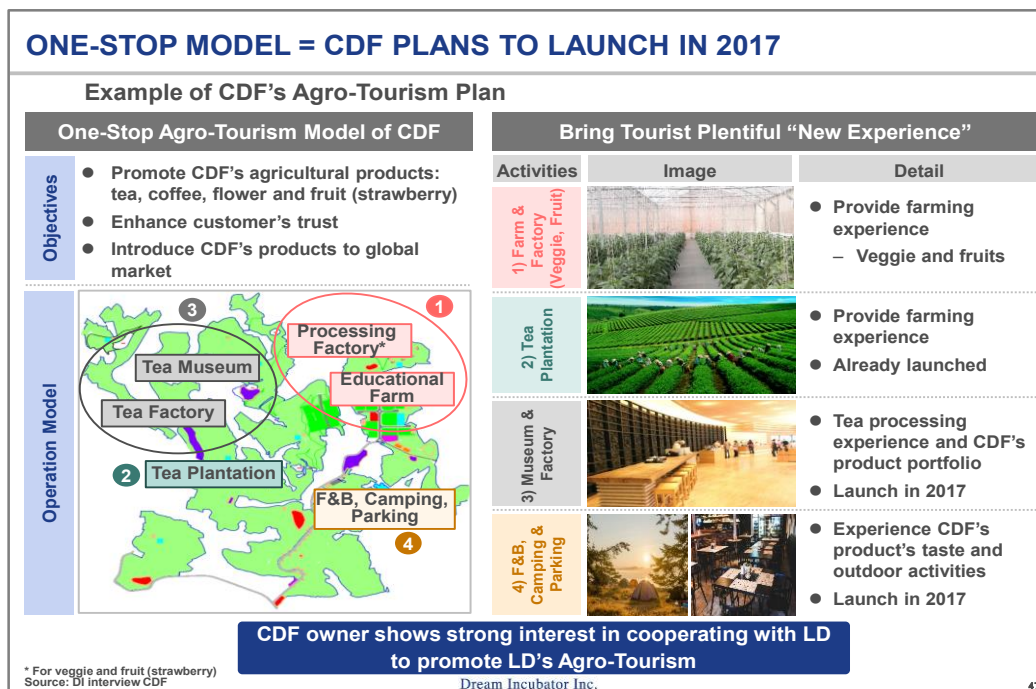


Figure 113: Example of CDF’s Agro-Tourism plan

Choosing a different direction from Lam Dong’s agro-tourism model, Cau Dat Farm (CDF) takes initiative in running one-stop model, which is a complex area providing tourists variety of experience. CDF establishes one-stop model with 3 main objectives:

- Promote CDF’s agricultural products, namely tea, coffee, flower and fruit (strawberry)
- Enhance customer’s trust
- Introduce CDF’s products to global market

CDF aims to provide following 4 key activities:

1. Farm and processing factory (vegetable, fruit): CDF wishes to bring tourists farming experience including seedling, cultivation, watering, etc.
2. Tea plantation was launched, where tourist is able to observe real farmers doing cultivation, harvesting, etc.
3. Tea museum and factory is planned to open in 2017, provide a comprehensive overview of tea processing besides farming and CDF’s product
4. Food & beverage, camping and parking are supplementary facilitates which deliver real tasting of CDF’s products and allow outdoor feeling for tourists with friends and family. It is expected to launch in 2017.

With these activities, CDF’s ambition to deliver “new experience” to tourists which are similar to initial goal of Lam Dong branding message for agro-tourism. Currently, CDF owner shows his excitement to cooperate with Lam Dong to promote provincial agro-tourism.

## 2) “Tour Route” Model

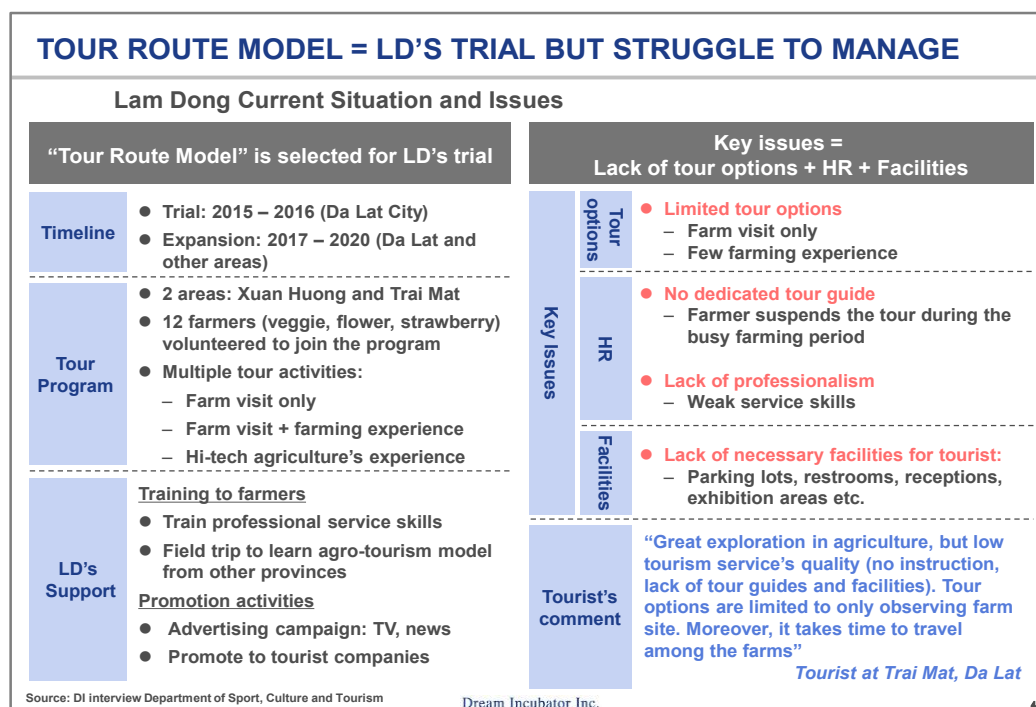


Figure 114: Lam Dong’s current situation and issues

Lam Dong PPC has been trialing “tour route” model since beginning of 2016 in areas within Da Lat City, and planned to expand into neighboring areas from 2017 to 2020. 2 areas were selected including Xuan Huong and Trai Mat, engaging 12 volunteered farmers producing core products such as vegetable, flower and strawberry. Tour program includes multiple tour activities such as farm visit, involvement into farming experience and visiting hi-tech agriculture farms such as hydroponic farms. In other to boost this agro-tourism model, Lam Dong’s Department of Tourism (DOT) actively support farmers with training professional service skills and organizing study tour in other provinces. Besides, DOT also initiate many promotion activities including advertising campaign via TV, news and partnering with tourism agencies to refer their customers to these agro-tourism sites.

After nearly a year in operation, the model struggles to expand due to several difficulties as following

- Tour options: limited with main activity is farm visit. Only few farms offer farming experience but not frequent
- Human resource: no dedicated tour guide to lead at each farm site other than farmers themselves. Thus, farmers suspend the tour and put all focus on farming during busy season. Moreover, most farmers failed to provide tour guidance and service at high level of professionalism.
- Tourism facilities: lack of necessary facilities to serve tourism service. Issues bother tourists and tour operators including narrow space of parking lot, unclean restrooms, no receptions or exhibition areas.

Those issues are well-reflected in one of tourists’ comments: “I visited Trai Mat, Da Lat. It was a great exploration in agriculture, but having low tourism service’s quality because of no instruction, shortage of tour guides and facilities. Tour options are limited to only observing farm site. Moreover, it takes time to travel among the farms”.

## Road map to develop Agro-Tourism

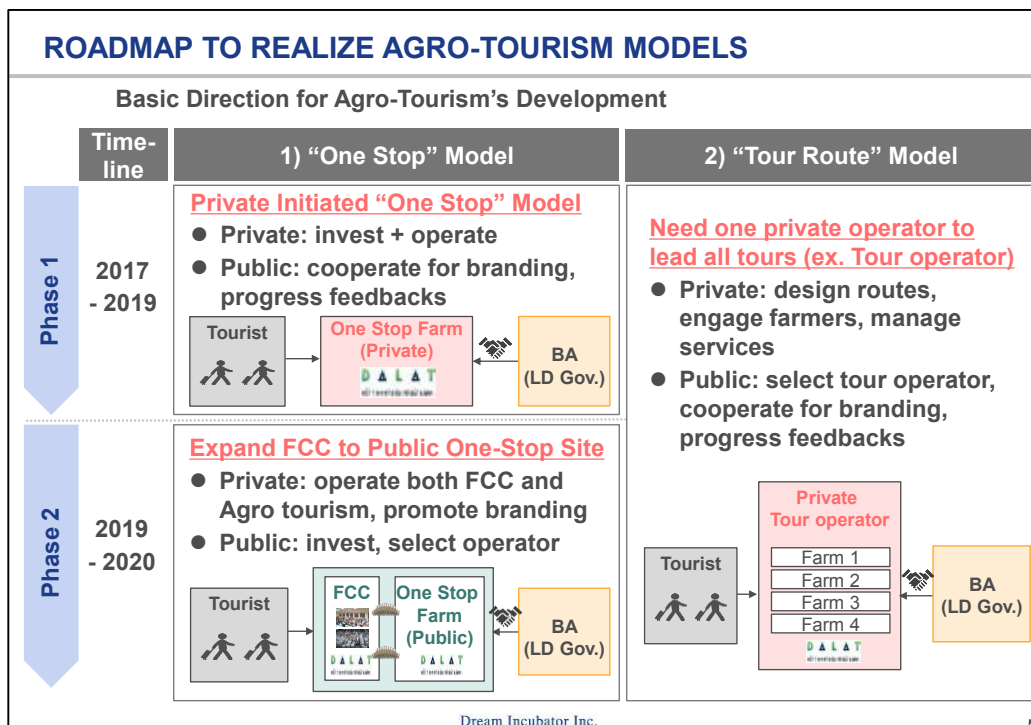


Figure 115: Basic direction for Agro-tourism's development

Below is road map for Lam Dong to develop Agro-tourism models

### 1. "One Stop" Model

- Phase 1 (~2017 - 2019): Cooperate with private companies which initiated "One Stop" model
  - Private companies (Ex. CDF): invest all facilities, operate all agro tourism activities and cooperate with Lam Dong for branding.
  - Public (Lam Dong PPC): promote the site and gives feedbacks for improvement
- Phase 2 (~2019 - 2020): Develop agro tourism site – One stop model integrated with FCC
  - Private (FCC's operator): operates FCC and Agro-tourism as well as promotes branding through the site. Operator will be diligently selected by public sector.
  - Public (Lam Dong PPC): initiate all facilities' investment by public fund and operator selection. For FCC, JICA have agreed to support through ODA fund.

### 2. "Tour Route" Model

- 2017~: Lam Dong PPC struggled to manage service quality from farmers belong to existing Tour Route. As aforementioned, farmers have limited financial, operational capability to conduct the tour professionally. Therefore, it is more feasible to centralize management of all tour route and select one private tour operator to take lead.
  - Private (Tour operator): designs routes and tour programs, engages farmers, provides training on professional skills, strictly control service quality.
  - Public (Lam Dong PPC): select tour operator, cooperates for branding, and provides progress feedbacks



Overall initial image of FCC integrated Agro-tourism model is described below

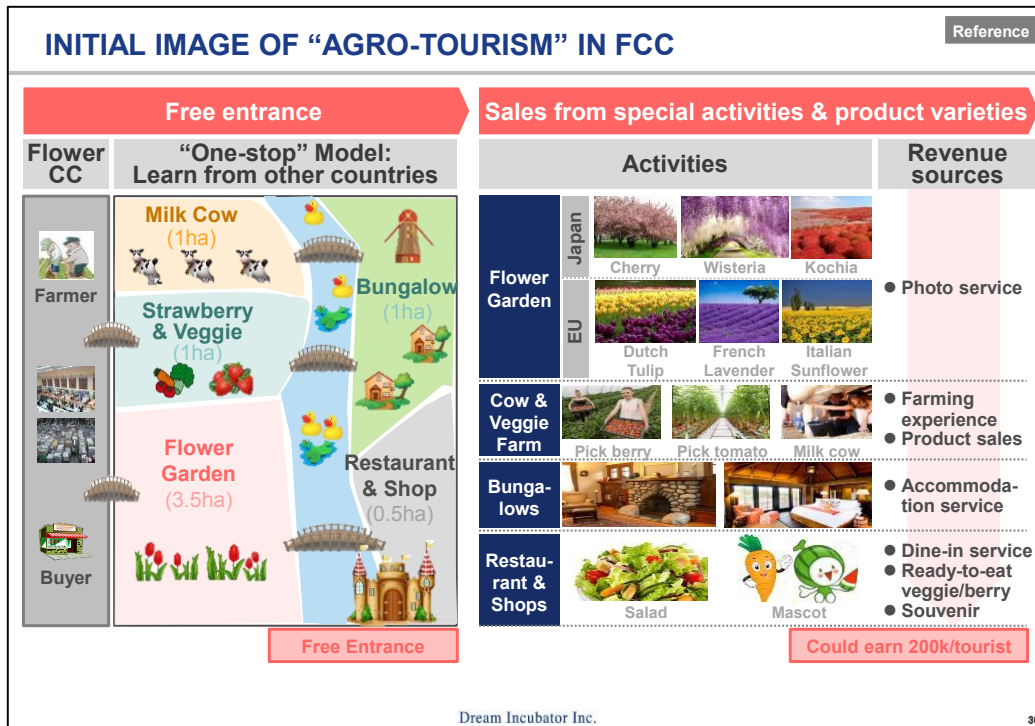


Figure 116: Initial image of "Agro-tourism" in FCC

- Free entrance's activities: Flower collection center and one-stop park, once open, should be free of charge for tourist's entrance for site visit.
  - In FCC: tourists would witness full process such as flowers collection from farmers, post-harvesting (grading, sorting and packaging), cold reservation and transportation to experience real transactions between farmers and buyers.
  - Agro-tourism: locates next to FCC, offer tourists' chance to observe all related agro-activities in one place such as flower, vegetable and strawberry farm and milk cow production. Besides, other services like bungalow to stay overnight and restaurants to taste real product allow tourists to immerge themselves into nature and experience fresh products.
- Extra activities and product varieties with fee: it is estimated that Lam Dong could earn approximately 200,000 VND per tourist by providing add-ons service integrated in the FCC and Agro-tourism site
  - Flower garden: Fee for taking photos at flower garden wide range of flowers' species from Japan and Europe
  - Cow, vegetable and strawberry farms: fee for attending small farming class to be real farmer or product sales from tomatoes, strawberries picking and milk from cow farms.
  - Bungalow: Staying in beautiful and nature-friendly bungalows, tourists can wake up by feeling the nature every morning. Accommodation fees will be main income source for this service
  - Restaurants and/or shops: Revenue from selling products via real meals or at shops

## 5-5.2. Flower Collection Center

### FCC's business planning preparation

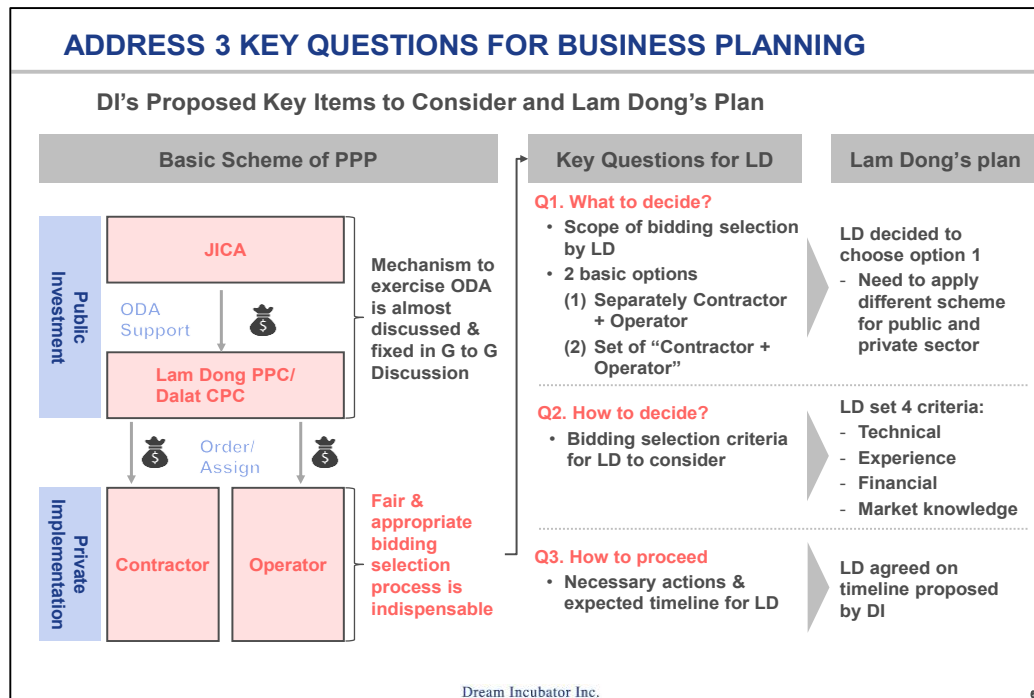


Figure 117: FCC's business planning preparation

Below is detailed investment scheme and key questions that Lam Dong's government should consider

- PPP is chosen as basic scheme for this FCC which includes public and private stakeholder
  - Public sector: namely Lam Dong PPC/ Da Lat City People Committee (CPC) is responsible for investment of all infrastructures. For this investment, JICA have recently approved ODA support to this FCC. Mechanism to exercise is almost discussed in G2G discussion.
  - Private sector: includes 2 parties which are contractor for construction and operator for implementation. Lam Dong PPC/ Da Lat CPC should cautiously select these two entities to ensure sustainability. It requires fair and appropriate bidding selection process.
- To formulate this selection process efficiently, there are 3 main questions for Lam Dong's consideration
  1. What to decide? Lam Dong should define scope of bidding selection and examine 2 basic options for bidding: Option 1: separately contractor and operator; Option 2: set of "Contract and operator".
  2. How to decide? Lam Dong needs to formulate bidding selection criteria to choose the most suitable contractor and operator.
  3. How to proceed? Lam Dong should identify necessary actions and draw expected timeline to realize FCC.
- For each key question, Lam Dong plans to proceed FCC as following:
  1. Lam Dong PPC chose option 1; different scheme applied for public and private sector

2. 4 criteria: technical knowledge to build the system, operation experience of similar model, financial capability, deep understanding both domestic and international market
3. Lam Dong agreed with timeline recommended by DI with JICA consensus

### Overall timeline to realize FCC

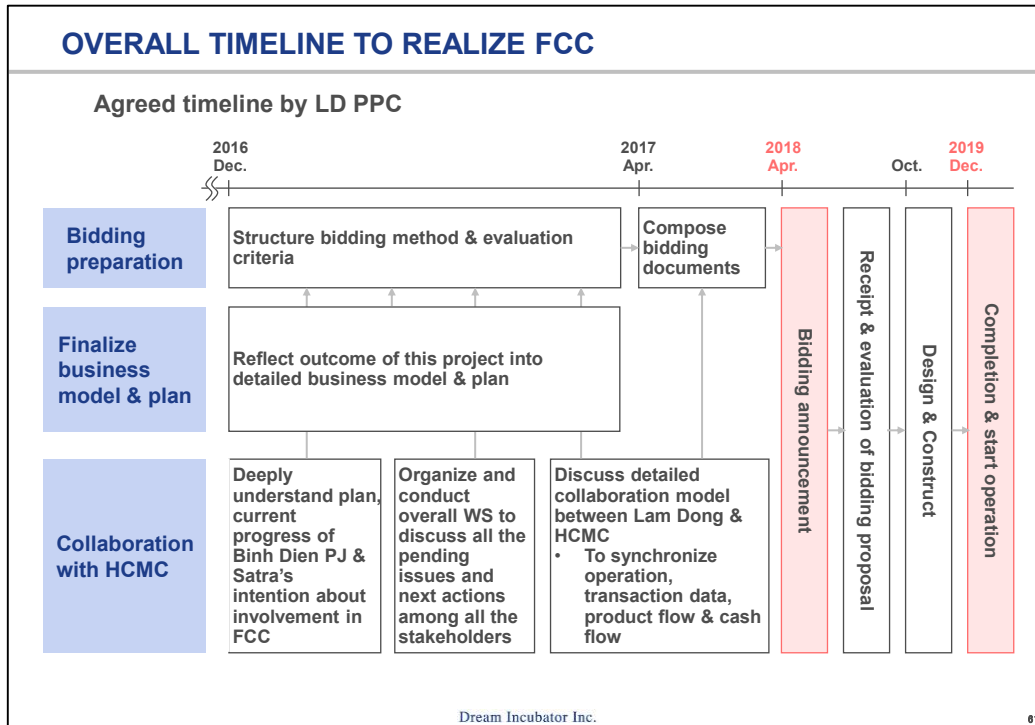


Figure 118: Overall timeline to realize FCC

Figure 118 showed overall timeline to realize the FCC which was agreed by Lam Dong PPC as stated in question 3. Lam Dong PPC needs to prepare by following three steps: bidding preparation, business model and plan finalization and collaboration scheme with HCM city

- Bidding preparation: stage to structure bidding method and evaluation criteria from December 2016 to April 2017; then compose bidding documents before April 2018.
- Business model and plan finalization: reflect outcome of this project into detailed business model and plan before April 2017.
- Collaboration scheme with HCM city: 3 main tasks required to complete before April 2018
  - Deeply understand current progress of Binh Dien project and Satra’s intention about involvement in FCC and continuously update their plan
  - Organize and conduct overall workshops to discuss all the pending issues and next actions among all stakeholders
  - Discuss detailed collaboration model between Lam Dong and HCM City to synchronize operation, transaction data, product and cash flow

Two important milestones were set to achieve this project on time are 1) Official bidding announcement by April 2018 and 2) Completion of construction and operation commencement by December 2019.

## Chapter 6: Action Plan

### Roadmap for LD's brand implementation

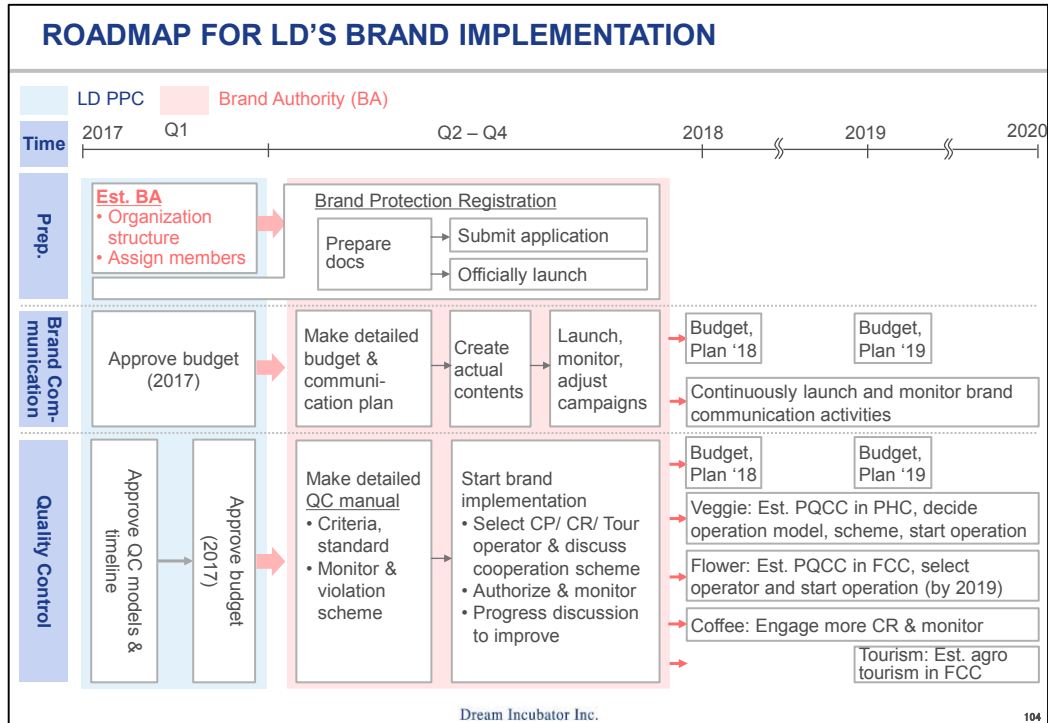


Figure 119: Roadmap for Lam Dong's brand implementation

There are 3 main tasks for Lam Dong to perform from 2017 to 2019, namely: preparation, brand communication and quality control.

- Preparation:
  - Quarter 1/2017: Establishment of Brand Authority (BA) is indispensable first step to execute quality control and brand communication simultaneously. Then, Lam Dong PPC should finalize BA's organization structure and designate role as well as assign dedicated and technically specialized members to BA
  - 2017: Proceed Brand Protection registration from document preparation, application submission. During application process, Lam Dong can start launching the brand only when sufficient guideline, mechanism and plan are well-prepared before the province execute brand communication and quality control.
- Brand Communication:
  - Quarter 1/2017: approve overall budget for year 2017 by Lam Dong PPC
  - Quarter 2 – 4 /2017: prepare detailed budget and communication plan, then create and launch contents for each campaign. Subsequent monitoring and adjustment are also necessary.
  - 2018 - 2020: continuous budget allocation and execution of brand communication for consecutive years are necessary to maintain and spread the brand awareness

- Quality Control:
  - Quarter 1/2017: finalize quality control models and allocate sufficient budget to implement
  - Quarter 2 – 4 /2017: make detailed quality control manual as a guideline to implement control quality including criteria to select core producers, standard to check quality. Monitoring and violation scheme are also crucial to ensure compliance and protect the brand. After that, Lam Dong can start brand implementation by source, select core beneficiaries (core producers, core roasters, tour operators) and start discussion on cooperation scheme. Then, Lam Dong finalize the list of core beneficiaries, authorize brand and conduct monitoring. Progress discussion is essential to provide feedbacks and make improvement
  - 2018~: Proceed next steps for each product
    - Vegetable: Upgrade PHC to PQCC. Before starting operation, it is necessary to finalize PQCC’s operation model, financial scheme and mechanism to integrate PHC to PQCC
    - Flower: Upgrade FCC to PQCC. Selecting operator for FCC is crucial initial step to prepare to actual operation of FCC by 2019. In order to integrate FCC and PQCC, quality control capability should be considered as additional criteria to select FCC’s operator
    - Coffee: Lam Dong needs to engage more core roasters and monitor
    - Agro-tourism: Establish agro tourism next to FCC by public fund

Detailed guideline of next action plan is prepared by consulting team and attached in [Appendix D](#)

### Lam Dong’s Brand Authority organization structure and detailed functions

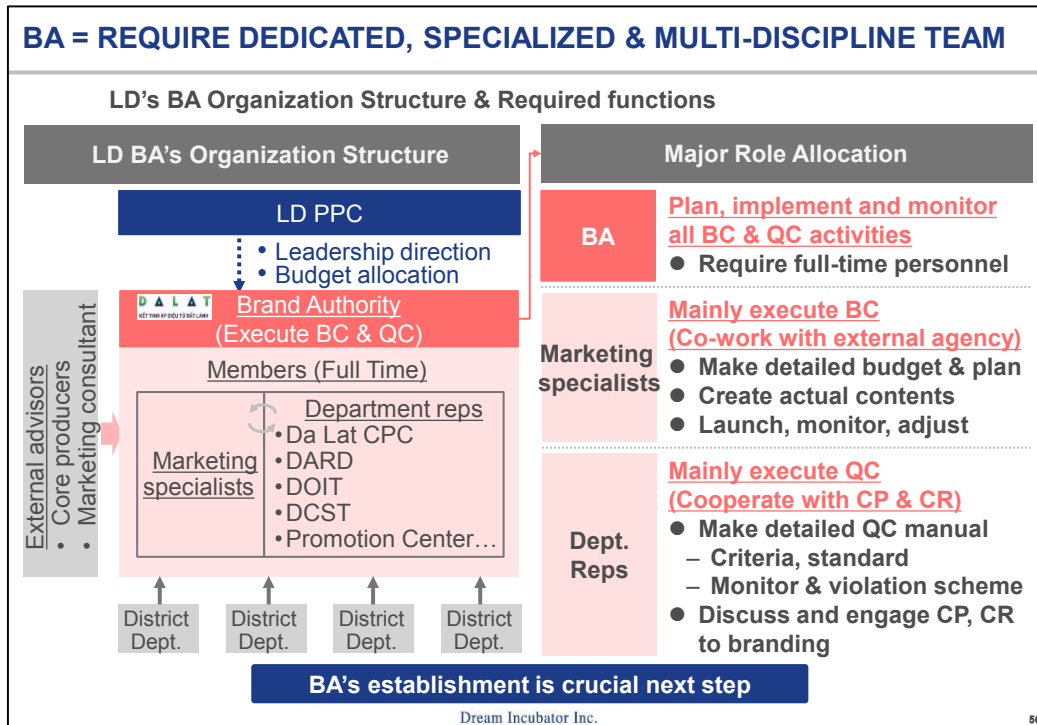


Figure 120: Lam Dong’s BA organization structure & detailed functions

In order to ensure consistent and efficient brand implementation for brand communication and quality control, Lam Dong's leadership as BA is crucial. In addition, Lam Dong PPC's leadership direction and budget allocation to BA are also essential. Basic organizational structure, required functions and major role allocation of BA are presented below:

- Brand Authority: must be assigned to lead all brand implementation from planning, implementation to monitoring of both Brand communication and Quality control simultaneously. Members of BA must be full time, dedicated, technically specialized and multi-discipline personnel
- Marketing specialists: mainly execute brand communication by cooperating with external agency. Major tasks include: draft detailed budget and communication plan, create actual contents for each campaign. They also need to launch, monitor and adjust the campaigns accordingly.
- Department representatives: mainly implement quality control by cooperating with core beneficiaries. Members should be assigned from associated departments of Lam Dong People's Committee, including Da Lat CPC, DARD, DOIT, DCST and the Promotion Center. the representatives must draft the detail quality control manual comprising criteria, standard to authorize and guideline to monitor and handle violations of core producers and the PQCC of agro products; and support, monitor agro tourism's operator. In addition, the representatives should also support the marketing specialists in the respective sector or location for brand communication purpose.

BA should closely cooperate with external advisors, include core producers, marketing consultants and district departments to supplement special skills, technical knowledge and support quality control by areas. Given its pivotal role in implementation, BA's establishment is crucial next step for Lam Dong in order to materialize brand implementation and achieve positive result.

## Chapter 7: Oversea Study Missions & Trial Promotion

### 3 FOREIGN MISSIONS FOR LD TO ATTEND

Current Plan: Study Mission & Promotion Event

Study Mission	Promotion Missions in Tokyo	
1) “Royal Project” in Thailand	2) “GPEC 2016”	3) “SCAJ 2016”
 <p style="color: red; font-weight: bold;">Thailand's royal agro-product brand</p> <ul style="list-style-type: none"> <li>● Impressive recognition &amp; customer loyalty</li> <li>● Diversified brand communication methods                             <ul style="list-style-type: none"> <li>– Antenna shops &amp; Thai Airways</li> </ul> </li> </ul>	 <p style="color: red; font-weight: bold;">JP's largest exhibition of “High-tech horticulture”</p> <ul style="list-style-type: none"> <li>● From Jul. 27-29 in Tokyo</li> <li>● Mainly for Veggie &amp; Flower</li> <li>● Over 230 exhibitors with 40,000 audience</li> </ul>	 <p style="color: red; font-weight: bold;">Asia's largest exhibition of “Specialty Coffee”</p> <ul style="list-style-type: none"> <li>● From Sep. 28-30 in Tokyo with 100 exhibitors worldwide</li> <li>● Many buyers &amp; over 25,000 audience</li> <li>● UCC = Major sponsor</li> </ul>
Dream Incubator Inc. <span style="float: right;">8</span>		

Figure 121: Introduction of Foreign Missions

The project included three study missions abroad for participants from Lam Dong local government and private agro companies to observe good branding practices from other countries and consider suitable application in Lam Dong province. The missions were selected to cover various locations, products and learning objectives, details as below:

- **“Royal Project” in Thailand:** The project successfully established domestic agro-product production, marketing and branding with impressive brand recognition and customer loyalty via diversified brand communication methods. Thailand’s mission would also consolidate and compliment the extracts from Thailand’s case study.
- **Greenhouse Horticulture and Plant Factory Exhibition/ Conference in Tokyo:** This is Japan’s largest exhibition of high-tech horticulture (mainly flower and vegetable) with the participation of over 230 exhibitors and 40,000 visitors. The mission would bring great opportunities for participants to observe and conduct promotion activities in Japan market, also to experience the latest horticultural technology for future application in Lam Dong.
- **SCAJ World Specialty Coffee Conference and Exhibition in Tokyo:** This is Asia’s largest exhibition of specialty coffee with the participation of 100 exhibitors and 25,000 buyers and visitors from around the world. The mission helped Lam Dong to observe how other countries are promoting coffee, conduct its own promotion, learn Japan market’s needs and consider applicability in Lam Dong.

## 7-1. Bangkok Study Mission

### 7-1.1. Background and Objectives

Thai Royal Project (TRP) has been a regional success model of domestic agricultural branding. Meanwhile, there are several similarities in terms of product varieties introduced to the market by Lam Dong province and TRP, including temperate vegetable, flowers, Arabica coffee, agro-tourism... Therefore, the foreign mission to Thailand was a good occasion for Lam Dong participants to learn good branding practice from TRP. Throughout the mission, participants would Observe what are the KSFs of “Royal Project” and Consider of how Lam Dong province could apply these KSFs. Details of two “objectives” mentioned above would be described as below:

- **Issue 1: Actual outcomes of TRP**

TRP is well known as a successful social welfare project to enhance the living standards of hill tribe people in Northern Thailand. Yet, their commercial success, brand awareness and recognition as well as consumer trust in Thai domestic market were remarkable. Moreover, their supply of premium quality and branded agro-products to Thai market was also an outcome worth consideration and closer study.

- **Issue 2: Goal and branding strategy setting**

Viet Nam agricultural branding in general, and Lam Dong agricultural branding in particular are still at very early stage, inexperienced thus having difficulties to formulate branding strategy. For that reason, TRP as mentioned above serves as an important case study. Behind their successful branding, they should have been able to identify the areas of concentration branding, with solid understanding of consumer preferences at the initial stage to result in well-informed branding activities at later stage.

- **Issue 3: Promotion activities at production site and target market**

In TRP, agro-tourism was the major promotion activity at the production site, while boutique shops and other marketing channels served the same purpose at the market side. Such comprehensive approach required the mission to examine closely the detailed activities and these activities’ quality standard for due application in Lam Dong.

- **Issue 4: Needed actions to connect production and consumption**

TRP located in the distant Northern region of Thailand. Nevertheless, the coordination between the production site and the consumption site in both operation and marketing of agricultural products has been seamless. Given the significant distance between Lam Dong and her main market Ho Chi Minh City, also the similarities in product varieties, Lam Dong participants would learn much from TRP’s practice.

- **Issue 5: Public and private co-operation**

As a social welfare project, TRP received significant support from the public sector, especially in R&D and operation. The extent to which such governmental support is applicable in Lam Dong province’s context and conditions would receive great attention from Lam Dong participants.



- **Issue 6: Lam Dong province's role in agro products branding and tourism promotion**

From the above 05 issues, Lam Dong participants would have a chance to take a more comprehensive and vivid look at how Lam Dong province can appropriately apply the learning from TRP

### 7-1.2. Participants

No	Name	Institution/Company (Title)
1	Mr. Pham Van Binh	Lam Dong People Committee (Officer)
2	Mr. Vu Van Tu	Lam Dong Trade, Investment and Tourism Promotion Center (Director)
3	Ms. Huynh Thi Hong Yen	Huynh Trung Quan Farm (Manager)
4	Ms. Tran Thi Quynh Giao	Da Lat Flower Forest Biotech (External Relation Manager)
5	Ms. Nguyen Thi Anh Tuyet	Anh Dao Cooperative (Vice Director)
6	Mr. Nguyen Hong Phong	Phong Thuy Farm (Director)
7	Mr. Phan Thanh Sang	YSA Orchid (Director)
8	Mr. Le Viet Luc	DaTanLa Tourism (Director)
9	Mr. Dang Hong Khoa	Song Bill Company (Vice Director)
10	Mr. Pham Ngoc Anh Tung	Cau Dat Farm (Production Director)

Accompanied members of the mission

1. Mr. Tomita Sho (JICA Vietnam)
2. Ms. Pham Thi Viet Hoa (JICA Vietnam)
3. Mr. Ho Cong Hoai Phuong (Dentsu Vietnam)
4. Ms. Vuong Van Anh (DI Vietnam)

### 7-1.3. Itinerary

Date	Time	Destination	Objectives
21/06/2016	19:20 - 20:05	Flight Da Lat – HCMC	Observe and study the operation, products and services of the Royal Project and Doi Tung Project's antenna shops as the marketing and branding spots
22/06/2016	7:30	Gathering	
	7:30 - 9:00	Move from city center to airport and check-in	
	10:05 - 11:30	Flight HCMC - Bangkok	
	12:00 - 13:00	Move from airport to city center	
	13:00 - 14:00	Lunch	
	14:00 - 16:00	Visit Royal Project shop and café at Chatuchak	
		Visit Doi Tung Project lifestyle shop and café at Siam Paragon and Chamchuree Square	

23/06/2016	9:30	Gathering	Study about Royal Project Foundation's history, organization, objectives, goals, impacts, marketing and branding strategy, activities, leadership and cooperation between public and private sectors
	10:00 - 12:00	Move from city center to airport, lunch and check-in	
	13:10 - 14:20	Flight Bangkok - Chiang Mai	
	14:30 - 15:30	Move from airport to city center	
	15:30 - 17:00	Discussion with project officer at Royal Project Foundation's Head Quarter Factory and shop visit	
24/06/2016	8:00	Gathering	Observe the research facility, post harvesting facility, demonstrative production facility, agro tourism facility; especially how the agro tourism component is combined into the agro functional component, how the station creates branding effect
	8:00 - 9:30	Move from city center to Doi Inthanon National Park	
	10:00 - 15:00	Visit Doi Inthanon Royal Agriculture Station: nursery, greenhouses, post harvesting center, gardens, restaurant and cafe Visit Wachirathan Waterfall (nearby in Doi Inthanon National Park)	
25/06/2016	7:00	Gathering	Observe the agro tourism service operation and quality
	7:00 - 9:30	Move from city center to Queen Sirikit Botanical Garden	
	9:30 - 11:00	Visit Queen Sirikit Botanical Garden, especially the greenhouse complex	
	11:00 - 14:00	Move to airport, lunch and check-in	
	15:10 - 16:20	Flight Chiang Mai - Bangkok	
	18:15 - 19:45	Flight Bangkok - HCMC	
26/06/2016	07:40 - 08:30	Flight HCMC - Da Lat	

#### 7-1.4. Mission Results

Mission result is reflected based on issue 1 to 6. Response from participants is specified as below:

- **Issue 1: Actual outcomes of RPF**

Enhancement of living standard for hill tribe people in Northern Thailand

- Elimination of poppy cultivation
- Created more jobs and income for hill tribe people
- Optimize local advantage of participating provinces

Transformational change of agro-production, consumption and branding

- Supply of high quality and branded agro-products to Thai market
- The project successfully established a trusted agro product brand of “the Royal Project Foundation” among consumers via many promotion activities
- Provided and won consumers’ trust with high quality branded products
- The products were sold at higher price than market average
- Traceability system of production

- **Issue 2: Goal setting and branding strategy**

- Goal setting

- Well-developed value chain, especially production, as a foundation for branding
    - Strategy formulation was well based on the detailed understanding of consumer behaviors and demand
    - The project members specified clear areas of concentration such as market and consumer demand
    - The project started from simple objectives like ensuring product quality, proper post harvesting; then complicated goals like branding and consumer perception

- Branding strategy

- Well established long-term strategy of branding
    - Brand positioning was based on royal patronage, product safety and premium quality
    - Appealing packaging
    - Communication strategy incorporated the voice of key opinion leader (such as a famous chef) to influence consumers.
    - The project positioned itself and educated the consumers about the social impacts of the Royal Project, in order to increase their willingness to purchase
    - Smart branding strategy like using image of a popular chef to show product quality and create product reputation. Then products were rolled out widely on the market
    - POSM (sticker, packaging, label...) were attached to individual product units

- **Issue 3: Promotion activities at production site and target market**

- Production site

- Agro-tourism
    - The local tours gave consumers real experience to understand production and enjoy fresh produce to create trust among them
    - The Royal Project organized a tour to advertise production process

- Target market

- The prevailing theme of activities was consumer orientation
    - Established owned relation shop bearing Royal Project brand name
    - Diversity promotion channel: Website; Television, Social network; Owned retail shop
    - Using many channels, especially via in-store promotion and product trials at the Royal Project boutique stores
    - Build trust among HORECA sector, especially chef, about product quality
    - Including the adjustment of product packaging to be more consumer-friendly
    - Bi-annual food exhibitions with participation of a famous chef
    - Organized exhibitions, in order to raise consumer awareness of the good practice, including process and technology.

- **Issue 4: Needed actions to connect production and consumption**

- The successful connection must be based on good understanding of market and consumer demand.
    - Adjusted and planned production volume based on aggregated market demand
    - A closed supply chain from R&D to production then market entry
    - The project foundation must involve various stakeholders among value chain
    - Post-harvest and logistics facilities to link production site and consumption site

- Marketing should be the linkage of production and consumption
- The project also set up partnership to cobrand with influential stakeholders as national airlines, supermarket, hotels, restaurants...
- Optimize agro-tourism to engage consumer
- Educated consumers about the good purpose of Royal Project Foundation to increase their willingness to purchase the product
- **Issue 5: Public and private co-operation**
  - Public sector
    - Supports in research, legal framework and favorable policy, facilities.
    - Show farmers the benefits of their commitment to product quality and branding
    - Provide access to agro-finance
    - Strictly monitor quality standard to protect the brand's credibility: unqualified product cannot bear "the Royal Project Foundation" brand name
    - Issue policies to provide favorable conditions for producers, including seedling R&D and quality control; product quality control on the market; promotion activities...
  - Private sector
    - Private sector: must proactively and efficiently manage business operation, including and especially branding activities
    - In charge of actual implementation in accordance with public sector's regulations
    - Strictly follow public sector's regulation
    - Create a united organization in order to obtain branding mission and a legal
- **Issue 6: Lam Dong province's role in agro products branding and tourism promotion**
  - Agro products branding
    - Set up clear quality standard framework
    - Eliminate unqualified products and producers bearing Da Lat brand
    - Enhance product quality
      - Provide incentives for producers to apply high-tech agriculture
      - Investment amount of high-tech agriculture would be tax-deductible
      - Technology application into production (hydroponic, substrate) is necessary to ensure product quality and safety
    - Plant seedling control
      - Provide high-quality seedling to producer
      - Standardize quality of seedling sold on the market
      - Eliminate low quality seedling sold on the market
    - Increase monitoring Da Lat product sold on the market
    - Public agency should be in charge of promotion of Da Lat common brand
    - Build and implement Lam Dong common brand project
    - Brand protection regulation
    - Conduct and support promotion activities of local brand
    - Packaging and logo must be clearly stated to signal product quality and safety
    - Establish Lam Dong boutique stores in main cities as: HCMC, Da Nang, Ha Noi...
    - Support producers to participate in trade fairs and exhibitions in other countries

### Tourism promotion

- Enhance tourism service quality
- Initiate new agro-tourism products
- Only issue business license to trustworthy, qualified service providers
- Support service providers to engage tourists into agro-tourism
- Provide tourism training to local service providers

#### 7-1.5. Applicability to Lam Dong

Based on response from participants as above, we highly recommend Lam Dong to apply good practices as following:

##### **Issue 1: Actual outcomes of RPF**

- 1.1. Enhance living standard of farmer should be ultimate goal of any public project.
- 1.2. Supply high quality and branded agro-products to market
- 1.3. Build brand and obtain trust from consumer by the project.
- 1.4. Embrace and enhance public sector's role in society.

##### **Issue 2: Goal setting and branding strategy**

- 2.1. Area of concentration of the project should be specified clearly and early.
- 2.2. Understanding consumer's preferences and focusing on product quality should be solid foundation for branding activities
- 2.3. Invest much on production and value chain development as post-harvesting and distribution.
- 2.4. Brand positioning should be based on product safety and quality.

##### **Issue 3: Promotion activities at production site and target market**

- 3.1. Agro-tourism should be major promotion activity at the production site to engage consumers with production experience and the joy of tasting fresh product on the site.
- 3.2. At the market side, diversifying and modernizing branding activities is necessary, such as: Actively participating into annual fair trade; Establishing owned retail shop bearing Royal Project brand name; getting reference from food industry's key opinion leader; Diversifying promotion channel.

##### **Issue 4: Needed actions to connect production and consumption**

- 4.1. Well-developed sectors among value chain is a must to facilitate connection between production and consumption. Those sectors include: R&D, planning, production, post-harvesting, packaging, logistics, distribution and branding.
- 4.2. Clear understanding of market preference on product to make suitable adjustment of production for type of product and to have appropriate branding actions to stimulate consumption.

**Issue 5: Public and private co-operation**

- 5.1. Public sector should take leadership in public and private co-operation by playing the role of framework creator to provide favorable policy for value chain development as R&D, production.
- 5.2. Establish brand monitoring process is also necessary to enhance prestige of certification.
- 5.3. Private sector's priority should be proactive and efficient management of business operation, especially production and branding activities to fully optimize public sector's support

**Issue 6: Lam Dong province's role in agro products branding and tourism promotion**

- 6.1. As product quality is foundation of branding, Lam Dong should provide incentives for producers to apply high-tech agriculture.
- 6.2. Establish brand quality standard, protection, supervision in parallel with continuous engagement of producers and traders is compulsory to raise brand value among related stakeholders.
- 6.3. Tourism promotion should be supported by continuous improvement of tourism service, and increase of exposure of those activities to tourist via branding actions.

7-1.6. Gallery: Pictures from the Bangkok – Chiang Mai Destinations

1. The Royal Project shop and café at Chatuchak



The participants studying product: variety, pricing, packaging, branding



Phong Thuy Farm's Phong san studying the temperate product from TRP

<p>2. The Doi Tung Project cafe</p> 	<p>3. The Foundation Headquarter</p> 
<p>The participants studying product: variety, pricing, packaging, branding</p>	<p>The participants after the discussion with Royal Project Foundation representative</p>
<p>4. The Royal Agriculture Station Doi Inthanon</p>	
	
<p>The participants studying the Station's nursery facility</p>	<p>The participants experiencing the Station's agro tourism spot</p>
	
<p>The participants studying the Station's post harvesting and packaging facility</p>	

## 7-2. Japan 1st Study Mission – GPEC

### 7-2.1. Background and Objectives

Kochi prefecture has been a regional success model of domestic agricultural branding, especially with the leading role of government. Therefore, the mission to Japan was a good occasion for Lam Dong participants to learn good branding practice. Key objectives are to Observe what are the KSFs of the prefectures in branding and Consider of how Lam Dong could apply these KSFs.

At the same time, GPEC 2016 exhibition is one of the largest in the world for horticulture technologies. This is a good opportunity for Lam Dong participants to introduce their products to Japanese audience, also to learn about Japan market. Their objectives are Observe what are other exhibitors try to achieve. Learn what are needed to promote export to Japan market and Consider how Lam Dong could apply the learning.

#### **Prefecture/municipal government and related private companies**

- **Observe what are the Key Success Factors of the prefectures in branding**
  - What the actual outcome is
  - How they set a goal and branding strategy behind this
  - What they tried in production site and target market
  - What are needed to connect the both
  - How public and private should co-work
- **Consider how Lam Dong could apply the KSFs**
  - Based on the points in 1. above
  - How Lam Dong should lead agro-products branding

#### **Objectives of GPEC2016 Exhibition**

- **Observe what are other exhibitors try to achieve**
  - Along a whole value-chain
    - Input, production, post-harvesting
    - Sales and marketing
  - Example of high-tech agriculture activities etc.
- **Learn what are needed to promote export to Japan market**
  - Based on discussions with potential "buyers" of Japan
- **Consider how Lam Dong could apply the learning**
  - From both perspectives of "Public" and "Private"

### 7-2.2. Participants

No	Name	Entity	Title
1	Mr. Nguyen Van Yen	Lam Dong People Committee	Vice Chairman
2	Mr. Nguyen Xuan Hung	Lam Dong People Committee	Vice Director of Tourism, Trade and Investment Promotion Center
3	Mr. Do Minh Ngoc	Lam Dong People Committee	Agriculture Officer
4	Mr. Le Hong Cong	Cau Dat Farm	Head of Sale Department
5	Mr. Le Van Cuong	Da Lat Gap Company	Director



6	Mr. Nguyen Dinh Son	Da Lat Flower Forest Biotech	Director
7	Mr. Duong Ngoc Tuan	Tan Tien Coop	Vice Director
8	Mr. Nguyen Xuan Hoang	Ladophar Company	Branch Manager
9	Ms. Doan Thi Hanh	Anh Dao Coop	Vice Director
10	Ms. Nguyen Thi Thu Phuong	Phong Thuy Farm	Sales Executive

Accompanied members of the mission

1. Mr. Naoki Kakioka (JICA Vietnam)
2. Mr. Sho Tomita (JICA Vietnam)
3. Mr. Makoto Miyauchi (DI Vietnam)
4. Mr. Nguyen Le Hung (DI Vietnam)

7-2.3. Itinerary

Date	Destination	Note	Participants
24/07/2016	1. Kochi Prefecture -Tosa Sunday Market	<u>Profile</u> <ul style="list-style-type: none"> <li>• Sunday market founded in 1690's with 300-year history</li> <li>• Open air market that stretches for 1.3 kilometers</li> <li>• 500 stores including local farmers, 15,000 visitors per year</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Inspection, Tasting, and Q&amp;A</li> </ul>	All
	2. Kochi Prefecture - Hirome Market	<u>Profile</u> <ul style="list-style-type: none"> <li>• Opened in 1998</li> <li>• Unique market to spread the knowledge of Kochi's food, friendliness, and artistic culture</li> <li>• One of the most famous tourist destinations in Kochi</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Inspection, Tasting, and Q&amp;A</li> </ul>	All
25/07/2016	1. Kochi Ice	<u>Profile</u> <ul style="list-style-type: none"> <li>• Kochi-grown fruit sorbet maker</li> <li>• Recognized as the No. 1 sorbet in Japan in 2011</li> <li>• Uses fruits from farms that are carefully selected</li> <li>• Operate a café that is popular for tourists</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Inspection including factories, Presentation from executives, Visiting the cafe, and Q&amp;A</li> </ul>	All

	2. Kochi Government Office	<u>Profile</u> <ul style="list-style-type: none"> <li>• “No.1 horticultural agriculture” area in Japan</li> <li>• Operate successful antenna shops by government in the center of Tokyo since 2010</li> <li>• Successful in cooperation with local companies</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Opening speech from JICA, Lam Dong and DI</li> <li>• Welcoming speech from Deputy Governor of Kochi prefecture, Mr. Takaaki Iwaki</li> <li>• Presentation: Kochi’s PR and Marketing Activity</li> <li>• Q&amp;A session</li> </ul>	All
	3. Naninunenojo	<u>Profile</u> <ul style="list-style-type: none"> <li>• Local Chinese chive producer</li> <li>• A total area of 3 hectares</li> <li>• 2 Vietnamese technical trainees</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Visiting farms, Presentation from executives, and Q&amp;A</li> </ul>	All
26/07/2016	1. Kochi Antenna Shop at Ginza (Tokyo)	<u>Profile</u> <ul style="list-style-type: none"> <li>• Wide collection of Kochi’s key agriculture products</li> <li>• Sold plenty of fresh fruits and vegetables</li> <li>• Huge selection of sake plus a good number of fruit liqueurs in the basement</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Presentation from the manager, Inspection, Tasting, Q&amp;A</li> </ul>	All
	2. Asahi Shokuhin (Food) Tokyo Office	<u>Profile</u> <ul style="list-style-type: none"> <li>• No.1 food distribution and processing company in Kochi</li> <li>• Sales: \$3.7Bil in 2014, Worker: 1,590</li> <li>• Closed “Strategic alliance” with Kochi government in 2014</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Opening speech from JICA, Lam Dong and DI</li> <li>• Presentation from the manager of Asahi Food</li> <li>• Discussion and Q&amp;A</li> </ul>	Lam Dong PPC and JICA only
27/07/2016	1. GPEC	<ul style="list-style-type: none"> <li>• Japan’s largest exhibition of “High-tech horticulture”</li> <li>• From Jul. 27-29 in Tokyo</li> <li>• Mainly for Vegetable and Flower</li> <li>• Over 230 exhibitors with 40,000 audiences</li> </ul>	All

	2. Mitsubishi Real Estate	<p><u>Profile</u></p> <ul style="list-style-type: none"> <li>• One of the biggest comprehensive real estate developers in Japan</li> <li>• Established in 1937</li> <li>• Potential primary investor of the agro industrial zone in Lam Dong</li> </ul> <p><u>Agenda</u></p> <ul style="list-style-type: none"> <li>• Corporate presentation from Mitsubishi Estate</li> <li>• Greetings from Lam Dong Province</li> <li>• Discussion and Q&amp;A session</li> <li>• Exploring Marunouchi area</li> <li>• Welcome lunch prepared by Mitsubishi Estate</li> </ul>	Lam Dong PPC and JICA only
28/07/2016	1. Fukaya City	<p><u>Profile</u></p> <ul style="list-style-type: none"> <li>• No.1 production volume in Saitama prefecture and 15th in Japan <ul style="list-style-type: none"> <li>○ 38.5 billion JPY</li> </ul> </li> <li>• Established Brand as “Leek and luxury” <ul style="list-style-type: none"> <li>○ No.1 production volume in Japan</li> </ul> </li> <li>• Impressive mascot as branding <ul style="list-style-type: none"> <li>○ Mascot sales: 12.6B VND</li> </ul> </li> <li>• Sophisticated variable products such as crake and dressing</li> </ul> <p><u>Agenda</u></p> <ul style="list-style-type: none"> <li>• Opening speech from JICA and Lam Dong</li> <li>• Presentation from municipal, JA staff and local farmers</li> <li>• Discussion and Q&amp;A session</li> </ul>	All
	2. Ibaraki Prefecture Office	<p><u>Profile</u></p> <ul style="list-style-type: none"> <li>• No.2 production volume in Japan (Hokkaido as No.1)</li> <li>• No.1 production volume of melon and chestnut</li> <li>• Active supports for new farmers in Ibaraki</li> </ul> <p><u>Agenda</u></p> <ul style="list-style-type: none"> <li>• Agricultural branding lecturer <ul style="list-style-type: none"> <li>○ Lecturer: Mr. Fujiwara from Flair</li> </ul> </li> <li>• Courtesy call to Deputy Governor of Ibaraki prefecture, Ms. Yachie Yamaguchi</li> </ul>	All
29/07/2016	Ministry of Agriculture, Forestry and Fisheries	<p><u>Agenda</u></p> <p>Courtesy call to Tanoi Deputy Director, Discussion about cooperation with Lam Dong such as Japan-Viet Nam Agricultural Cooperation Dialogue and supports for Vietnamese policy</p>	Lam Dong PPC and JICA only

## 7-2.4. Mission Results

### **Prefecture/municipal government and related private companies**

- **Observe what are the Key Success Factors of the prefectures in branding**

Public sector

- “What important for branding are ensuring product qualities, integrating the value chains from production to consumption, designing attractive product brand/logo, and developing wide logistics network effectively” – Mr. Yen (Lam Dong PPC)
- “The government co-operate closely and effectively with a large food distributor to promote their prefecture’s products.” – Mr. Yen (Lam Dong PPC)

Private sector

- “Branding is based on the combination of unique advantages and promotion of products that use local ingredients” – Ms. Phuong (Phong Thuy Farm)
- “Long-term vision is very important in branding” – Ms. Hanh (Anh Dao Cooperative)
- “Government, companies and farmers have close collaboration and support for agriculture development” – Mr. Cuong (Da Lat GAP)
- “The government set strategic direction for agriculture development towards high-quality, best services and best taste” – Mr. Son (Da Lat Flower Forest Biotech)

- **Consider how Lam Dong could apply the KSFs**

Public sector

- “Lam Dong will strongly collaborate with JICA in developing the branding strategies for agriculture products” – Mr. Yen (Lam Dong PPC)

Private sector

- “Lam Dong can learn from Tosa market model. Specifically, Lam Dong farmers can introduce best quality local products such as strawberry, vegetable, coffee in a weekend market. The market should focus on attracting tourists who will experience, remember and purchase when they need.” – Ms. Phuong (Phong Thuy Farm)
- “Lam Dong can establish a model like Hirome market to include all the best local food specialties. This should provide a friendly atmosphere in combination with Da Lat beautiful scenery.” – Mr. Son (Da Lat Flower Forest Biotech)
- “Lam Dong should learn from Kochi in establishing an antenna shop in HCMC to introduce our local agro products to the consumers” – Mr. Cuong (Da LatGAP)
- “Lam Dong should focus on enhancing product quality as the first step in branding” – Ms. Hanh (Anh Dao Cooperative)

### **Objectives of GPEC2016 Exhibition**

- **Observe what are other exhibitors try to achieve**

Public sector

- “Japanese companies introduced seedlings, greenhouse technologies, and synchronized package for high-tech agriculture” – Mr. Yen (Lam Dong PPC)

Private sector

- “Most exhibitors focus on machineries to reduce human involvement in the production process and to enhance productivity” – Ms. Phuong (Phong Thuy Farm)

- “Introduction of advanced Japanese horticulture technologies such as using CO2 in plantation, automatic controller for production, etc.” – Mr. Hoang (Ladophar)
- “Many world famous suppliers such as Panasonic, Watanabe Pipe introduced their latest greenhouse and close-farming technologies” – Ms. Hanh (Anh Dao Cooperative)
- “Exhibitors’ booths were well organized, delivered the right information to the right audience” – Mr. Son (Da Lat Flower Forest Biotech)
- **Learn what are needed to promote export to Japan market**
  - “Lam Dong producers should start with the very first step to introduce ourselves to Japan market. After GPEC2016, Japan business partners can contact us in the future. In the meantime, we should create long-term action plan.” – Ms. Phuong (Phong Thuy Farm)
  - “Lam Dong should focus agriculture development on new technology application and government-farmers-companies’ close collaboration.” – Ms. Hanh (Da Lat GAP)
  - “Approach potential business partners who have interest in our products” – Mr. Son (Da Lat Flower Forest Biotech)
- **Consider how Lam Dong could apply the learning**
  - “There are many post-harvesting machines which are suitable and affordable for Lam Dong producers” – Mr. Cuong (Da Lat GAP)
  - “We should consider automatic control system for agro-production to save time and cost” – Mr. Cuong (Da Lat GAP)
  - “Japanese greenhouse technologies can totally satisfy the requirements of Lam Dong agriculture production” – Ms. Phuong (Phong Thuy Farm)

#### 7-2.5. Summary

- In this mission, Lam Dong public and private stakeholders met government and companies in Japan to learn about how to do branding for agriculture products
- They learned about the importance of product quality, value chain integration as well as close collaboration among the stakeholders in branding
- They had ideas of applying successful business models from Japan to Vietnam
- They had a chance to introduce Lam Dong and its agro products to Japan audience through GPEC
- During this event, Lam Dong companies and the PPC exchanged contacts with many Japanese companies as the first step to promote export to Japan market
- The companies had considered to apply Japanese technologies in production

7-2.6. Gallery: Pictures from the Destinations

<p>1. Kochi prefecture</p>	
	
<p>The participants visiting Tosa Sunday market</p>	<p>Lam Dong's Yen-san gave Lam Dong tea to Kochi Ice executives as gift</p>
	<p>2. GPEC 2016 and Tokyo</p> 
<p>Participants' meeting with Kochi prefecture office to learn from their success in branding activities</p>	<p>Participants were inspecting Kochi's antenna shop at Ginza, Tokyo</p>
	
<p>Participants were finalizing Lam Dong booth at GPEC 2016</p>	<p>Lam Dong PPC's meeting with Mitsubishi Estate at Marunouchi area</p>

## 7-3. Japan 2nd Study Mission – SCAJ

### 7-3.1. Background & Objectives

The trip was part of investor attraction activities of Lam Dong PPC for Lam Dong Agriculture Sector. This was a good occasion for Lam Dong PPC to execute actual discussion between top managements of Lam Dong PPC and potential Japanese conglomerates. Key objectives are to Clearly show Lam Dong PPC's strong commitment and request to attract investment from Japan, Understand deeply perspective of Japanese investors and Specify KSFs and necessary next action of Lam Dong PPC.

At the same time, SCAJ 2016 exhibition is biggest specialty coffee event in Asia which was held in Tokyo in September. This is a good opportunity for both provincial government and private companies' participants to clarify branding and export promotion strategy for Lam Dong coffee industry. Their objectives are Observe what and how other countries are promoting coffee, Learn Japan market's needs and Consider how Lam Dong could apply the learning. Details of two “objectives” mentioned above would be described as below:

#### **Visit potential Japanese investors for Lam Dong Agriculture Sector (Mostly for Provincial Government Participants)**

- **Clearly show Lam Dong PPC's strong commitment and request to attract investment from Japan**
  - Mostly aligning to the 8 priority strategies
  - Plus, collaboration to enhance provincial branding and export of Lam Dong coffee related products
- **Understand deeply the perspective of Japanese investors**
  - Actual needs and future plan
  - Issues or bottlenecks for decision making
- **Specify KSFs and necessary next action of Lam Dong PPC**

#### **Clarify branding and export promotion strategy for Lam Dong coffee industry extracted from SCAJ 2016 exhibition (Both for Provincial Government Participants + Private Companies Participants)**

- **Observe what & how other countries are promoting coffee**
  - Value proposition & differentiation
  - Basic branding & promotion strategy
  - Actual promotion campaign
- **Learn Japan market's needs**
  - Detailed needs about quality, price & stability
  - Based on findings from UCC visit & conversation from guests at SCAJ 2016
  - Issues or bottlenecks to meet the JP's needs
- **Consider how Lam Dong could apply the learning**
  - What should be the goal & branding strategy about coffee
  - What are needed to connect the whole value-chain from Lam Dong production to JP market
  - How public & private should co-work in implementation

### 7-3.2. Participants

#### ➤ Lam Dong Province Government (4 participants)

No	Name	Institution/Company (Title)
1	Mr. Doan Van Viet	Lam Dong Provincial People's Committee (Chairman)
2	Mr. Phung Khac Dong	Cabinet of Lam Dong People's Committee (Chief of The Cabinet)
3	Mr. Dang Tri Dung	Department of Investment and Planning, Lam Dong Provincial People's Committee (Director)
4	Ms. Nguyen Van Hung	Lam Dong Tourism, Trade and Investment Promotion Center (Vice Director)

#### ➤ Private participants selected by JICA (7 participants)

No	Name	Institution/Company (Title)
1	Mr. Tran Nhat Quang	La Viet Co. Ltd (General Director)
2	Mr. Doan Bac Son	Intimex Bao Loc JSC (Director)
3	Mr. Nghiem Ba Khanh Trinh	Nghiem Ba Thi JSC (General Director)
4	Mr. Ho Pham Minh Duy	The Married Beans Co. Ltd (General Director)
5	Mr. Tran Minh	Vinh Ich Coffee Co. Ltd (General Director)
6	Mr. Mai Van Dung	Mai Hoang Sang Co. Ltd (General Director)
7	Mr. Dang The Lan	Cau Dat Farm JSC (Section Manager General Director)

Accompanied members of the mission

1. Mr. Sho Tomita (JICA Vietnam)
2. Mr. Makoto Miyauchi (DI Vietnam)
3. Ms. Luong Kim Thanh (DI Vietnam)
4. Mr. Shunsuke Baba (DI Tokyo)
5. Mr. Koji Hayakawa (Light Publicity)
6. Mr. Shunta Baba (UCC Ueshima Coffee)
7. Mr. Nguyen Duong Chau (UCC Ueshima Coffee)
8. Ms. Nguyen Thi Cam My (UCC Ueshima Coffee)

### 7-3.3. Itinerary

The mission was conducted by grouping into two teams with separate schedule for each team

- Team A: Coffee Industry Team (Private companies, DI Tokyo, Light Publicity and UCC)
- Team B: Lam Dong PPC Team (Lam Dong PPC, JICA and DI Vietnam)



<b>Date</b>	<b>Destination</b>	<b>Note</b>	<b>Participants</b>
Sep 26	1. UCC factory and museum (10:00-15:00)	<u>Basic profile</u> <ul style="list-style-type: none"> <li>• JAPAN’S NO.1 COFFEE CONGLOMERATE <ul style="list-style-type: none"> <li>– Founded in 1933</li> <li>– Consolidated Sales : 3.4 billion USD</li> <li>– Employees : 4,285</li> </ul> </li> <li>• No1 Importer of Viet Nam Coffee to Japan <ul style="list-style-type: none"> <li>– Held Viet Nam Arabica Coffee Bean Contest</li> <li>– UCC has strongly contributed to our SCAJ mission</li> </ul> </li> </ul> <u>Agenda:</u> <ul style="list-style-type: none"> <li>• Inspection, Corporate presentation and Q&amp;A</li> </ul>	All
	2. Himeji Flower Market (16:30-18:00)	<u>Basic profile</u> <ul style="list-style-type: none"> <li>• One of the biggest flower markets and wholesalers in Western Japan <ul style="list-style-type: none"> <li>– Founded in 1954</li> <li>– Employees : 126</li> <li>– Capital : 87,500,000 Yen</li> <li>– Net Sales : 9,700,000,000 Yen (Year ended March 2012)</li> </ul> </li> <li>• Distributes many information about flowers to not only professionals but also end users</li> <li>• Uses Internet transaction called E-choice</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Opening speech from JICA &amp; Lam Dong PPC: 10 minutes</li> <li>• Corporate presentation &amp; facility visit : 50 minutes</li> <li>• Q&amp;A &amp; Discussion : 20 minutes</li> </ul>	Team B
Sep 27	1. Mitsubishi Estate Corporation (10:30-13:00)	<u>Basic profile</u> <ul style="list-style-type: none"> <li>• One of the biggest comprehensive real estate developers in JP</li> <li>• Established in 1937</li> <li>• Capital: 141,373,214,071JPY as of March, 2016</li> <li>• Operating a spectrum of businesses in diverse fields related to real estate, including an office building business centered on the Marunouchi district in central Tokyo</li> <li>• Worldwide operations including the United States and the United Kingdom and extends to such Asian countries as China and Singapore</li> <li>• Primary investor of the agro industrial zone in Lam Dong</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Corporate presentation : 40 minutes</li> <li>• Greetings from JICA &amp; Lam Dong PPC : 5 minutes</li> <li>• Q&amp;A &amp; Discussion : 30 minutes</li> <li>• Site visit in Marunouchi area &amp; Lunch : 75 minutes</li> </ul>	Team B
	2. Coffee shops in Tokyo (08:00-12:00)	<u>Visit coffee shops in Tokyo (arranged by UCC)</u> <ul style="list-style-type: none"> <li>• Maruyama Coffee (Nishi-Azabu)</li> <li>• Blue Bottle Coffee (Kiyosumi Shirakawa)</li> </ul> UCC Tokyo Headquarter (6-1-11 Daiwa Onarimon Building)	Team A

	3. Coffee shops in Tokyo (13:30-14:30)	<u>Visit retail coffee chains and convenient stores in Tokyo to understand coffee distribution in retail channel</u> <ul style="list-style-type: none"> <li>• Blue Bottle Coffee (Kiyosumi Shirakawa)</li> <li>• Aeon minimart</li> </ul>	Team B
	4. SCAJ booth setting	<u>Preparation for setting Lam Dong booth at SCAJ</u> <u>Basic profile of SCAJ</u> <ul style="list-style-type: none"> <li>• The biggest speciality coffee event in Asia <ul style="list-style-type: none"> <li>– Visitors : 27,000 *expected</li> <li>– Organizer : Specialty Coffee Association of Japan</li> <li>– Fee : 1,500 JPY</li> </ul> </li> <li>• Theme : Diversity and Innovation <ul style="list-style-type: none"> <li>– Some 100 coffee-related companies and organizations exhibited at 196 booths at SCAJ2015. SCAJ2016 will promise to be bigger and better. We look forward to your participation in SCAJ2016, a truly magnificent gathering of all the specialty coffee enthusiasts.</li> <li>– 2016 Competitions</li> </ul> </li> </ul>	All
Sep 28	1. Mother farm (agro-tourism site) (09:30 – 11:30)	<u>Basic profile</u> <ul style="list-style-type: none"> <li>• One of the most famous “One-stop” type of agro-tourism destination in Japan <ul style="list-style-type: none"> <li>– Flower park, strawberry/tomato picking, animal entertainment, ham &amp; sausage production facility, café &amp; restaurant, shopping, camping etc.</li> </ul> </li> <li>• Established in 1962</li> <li>• # of Annual visitors : Around 660,000 (as of 2012)</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Take a tour around to understand of agro-tourism model of Mother Farm</li> </ul>	Team B
	2. Delica Foods (13:30 – 16:00)	<u>Basic profile</u> <ul style="list-style-type: none"> <li>• One of the biggest vegetable wholesalers in Japan <ul style="list-style-type: none"> <li>– Founded in 1979</li> <li>– Employees : 1,488</li> <li>– Capital : 1,300,000,000 Yen</li> <li>– Net Sales : 31,500,000,000 Yen (Year ended March 2015)</li> </ul> </li> <li>• Uses the latest logistics systems including refrigerated transportation</li> <li>• Rich network with eating-out and home-meal replacement industries in Japan</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Opening speech from JICA + Lam Dong PPC : 15 minutes</li> <li>• Corporate presentation from Delica Foods : 30 minutes</li> <li>• Processing factory visit : 60 minutes</li> <li>• Q&amp;A &amp; Discussion : 40 minutes</li> </ul>	Team B

	3. SCAJ booth activities (08:00 – 16:30)	<ul style="list-style-type: none"> <li>• Take care Lam Dong booth <ul style="list-style-type: none"> <li>– Introduce Lam Dong coffee to Japanese visitors</li> <li>– Prepare coffee tasting for visitors</li> </ul> </li> <li>• Participate in seminars from other countries (Columbia, Honduras and Guatemala)</li> <li>• Visit booths of other countries to learn their promotion and branding activities</li> </ul>	Team A
Sep 29	1. Ota Flower Market (7:20-9:50)	<u>Basic profile</u> <ul style="list-style-type: none"> <li>• Leading company licensed to operate one of Japanese central wholesale markets for floriculture products <ul style="list-style-type: none"> <li>– Founded in 1989</li> <li>– Capital : 551,000,000 Yen</li> <li>– Net Sales : 25,500,000,000 Yen (Year ended March 2015)</li> </ul> </li> <li>• Sets new standards of distribution efficiency to foster the growth of floriculture <ul style="list-style-type: none"> <li>– Refines a complex distribution network for all aspects of the floriculture market</li> </ul> </li> <li>• The Flower Market is also popular for foreign visitors</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Market inspection : 60 minutes</li> <li>• Greeting from JICA, Lam Dong PPC &amp; CEO of Ota : 30 minutes</li> <li>• Corporate presentation : 40 minutes</li> <li>• Q&amp;A &amp; Discussion : 20 minutes</li> </ul>	Team B
	2. SCAJ booth activities (10:00 – 12:00)	<ul style="list-style-type: none"> <li>• Visit booths of other countries to learn their branding and promotion activities</li> <li>• Coffee tasting of each country</li> </ul>	Team B
	3. JETRO (15:00 – 15:45)	<u>Basic profile</u> <ul style="list-style-type: none"> <li>• One of the biggest comprehensive real estate developers in JP</li> <li>• Established in 1937</li> <li>• Potential primary investor of Lam Dong's agro industrial zone</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Corporate presentation from Mitsubishi Estate</li> <li>• Greetings from Lam Dong Province</li> <li>• Discussion &amp; Q&amp;A session</li> <li>• Exploring Marunouchi area</li> <li>• Welcome lunch prepared by Mitsubishi Estate</li> </ul>	Team B
	4. SCAJ booth activities (08:00 – 16:30)	<ul style="list-style-type: none"> <li>• Take care Lam Dong booth <ul style="list-style-type: none"> <li>– Introduce Lam Dong coffee to Japanese visitors</li> <li>– Prepare coffee tasting for visitors</li> </ul> </li> <li>• Participate in seminars from other countries (Costa Rica, Columbia and Brazil)</li> <li>• Visit booths of other countries to learn their promotion and branding activities</li> </ul>	Team A

Sep 30	1. Mitsui Co. (10:00-11:00)	<u>Basic profile</u> <ul style="list-style-type: none"> <li>• One of the biggest general trading companies in Japan <ul style="list-style-type: none"> <li>– Founded in 1947</li> <li>– # of Employees : 47,118 (Consolidated)</li> <li>– Capital : 341 Bil JPY</li> <li>– Annual Revenue : 5,405 Bil JPY</li> </ul> </li> <li>• Developing food supply source to address critical issues <ul style="list-style-type: none"> <li>– Securing reliable and safe foods and creating a stable, efficient food supply structures for Japan and overseas</li> </ul> </li> <li>• Applying capabilities in product development, food technology, quality control, logistics in Japanese food sector</li> <li>• Having and investing a lot of retailers such as 7-Eleven, the biggest convenience store in Japan</li> <li>• One of leading importers of Vietnamese coffee into Japan</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Opening speech from JICA &amp; Lam Dong PPC: 10 minutes</li> <li>• Corporate presentation: 30 minutes</li> <li>• Q&amp;A &amp; Discussion: 20 minutes</li> </ul>	Team B
	2. Vietnamese media	<ul style="list-style-type: none"> <li>• Brief interview about Lam Dong first coffee promotion activity</li> </ul>	Lam Dong PPC & JICA only
	3. Mitsubishi Corporation (16:30-17:30)	<u>Basic profile</u> <ul style="list-style-type: none"> <li>• One of the biggest general trading companies in Japan <ul style="list-style-type: none"> <li>– Founded in 1950</li> <li>– Employees : 68,247 (Consolidated)</li> <li>– Capital : 204 Bil JPY</li> <li>– Net Sales : 7,669 Bil JPY</li> </ul> </li> <li>• Variable division for trading and investment business <ul style="list-style-type: none"> <li>– Global environmental &amp; infrastructure business</li> <li>– Industrial finance, logistics &amp; development</li> <li>– Energy business</li> <li>– Metals, machinery, chemicals &amp; living essentials</li> </ul> </li> <li>• One of leading importers of Vietnamese coffee into Japan</li> </ul> <u>Agenda</u> <ul style="list-style-type: none"> <li>• Opening speech from JICA &amp; Lam Dong PPC: 10 minutes</li> <li>• Corporate presentation: 30 minutes</li> <li>• Q&amp;A &amp; Discussion: 20 minutes</li> </ul>	Team B
	4. SCAJ booth activities (08:00 – 16:30)	<ul style="list-style-type: none"> <li>• Take care Lam Dong booth <ul style="list-style-type: none"> <li>– Introduce Lam Dong coffee to Japaneses visitors</li> <li>– Prepare coffee tasting for visitors</li> </ul> </li> <li>• Participate in seminars from other countries (Brazil)</li> <li>• Visit booths of other countries to learn their promotion and branding activities</li> </ul>	Team A

#### 7-3.4. Mission Results

Mission result is reflected based on 2 key objectives. Response from participants is specified as below:

##### **Visit potential Japanese investors for Lam Dong Agriculture Sector (Mostly for Provincial Government Participants)**

- **Clearly show Lam Dong PPC's strong commitment and request to attract investment from Japan**
  - Lam Dong PPC show strong efforts to attract Japanese investors to Lam Dong. Lam Dong PPC will try their best to apply the preferential incentives and mechanism in accordance with the law and offer favorable conditions and relax administrative processes for investors.
  - Implementation of 8 priority strategies: Lam Dong PPC started to execute 3/8 priority strategies namely attracting investor for IZ, operator for Flower Collection Center (FCC) and studying successful model of branding in other countries:
    - IZ: Discussed with potential investor for IZ namely Mitsubishi Estate Corporation. In addition, Lam Dong PPC discussed with Delica Foods to learn experience in vegetables processing
    - FCC: Discuss with OTA and Himeji to assess their management capability of flower auction center. Then, Lam Dong PPC will consider the appropriate company to be operator of FCC
    - Branding: Learn branding and promotion strategy of Brazil, Columbia which are leading countries for coffee export through SCAJ exhibition
  - Collaboration to enhance provincial branding and export of Lam Dong coffee related products
    - Cooperate with private companies to promote Lam Dong's Arabica in SCAJ exhibition
    - In addition, Lam Dong PPC has discussed with 2 leading importers in Japan namely Mitsubishi and Mitsui to understand their demand and requirements.
- **Understand deeply the perspective of Japanese investors**
  - Lam Dong PPC has clearer understanding of demand, business plan and other interests of investors. For instance, through the discussion with Mitsubishi Estate Corporation (MEC), Lam Dong PPC understand the interests and demand of Tan Phu Agro IZ and progress of this potential investor with the IZ project. Currently, MEC is conducting feasibility study for this project.
- **Specify KSFs and necessary next action of Lam Dong PPC**
  - Necessary KSFs:
    - IZ: produce high quality and value added agricultural products apply Japanese technology
    - FCC: Enhance value for Lam Dong's flower as well as farmers' income through transparent pricing and payment scheme through FCC. In addition, seeking opportunity to export Lam Dong's flower to Japan
    - Branding (in case of coffee): Focus to increase value of Lam Dong's coffee and enhance promotion activity through exhibitions in big consumption countries
  - Necessary next actions of Lam Dong PPC:
    - IZ:
      - Select capable primary investor which target the same direction with Lam Dong to produce high quality agriculture products with Japanese technology
      - Cooperate with primary investor to promote Lam Dong agricultural products

- Offer favorable conditions and support to solve issues arising during investment process
- FCC: Select appropriate and capable entity to be FCC's operator. The potential operator should have expertise in managing and operating similar model and ability to promote Lam Dong's flower to Japan
- Branding (in case of coffee)
  - Identify clear direction to develop Lam Dong's coffee focusing on high-quality coffee
  - Encourage private companies in value chain to consistently follow provincial direction to promote Lam Dong's coffee
  - Possible incentives to encourage implementation

**Clarify branding and export promotion strategy for Lam Dong coffee industry extracted from SCAJ 2016 exhibition (Both for Provincial Government Participants + Private Companies Participants)**

- **Observe what & how other countries are promoting coffee**
  - Brazilian and Columbia coffee are sold at premium price than Vietnam's without quality gap
  - Consistent quality which follow international quality standard
    - Integrate all value chain to control quality
    - Initiate program to control quality (Brazil with Café do Brazil)
  - Intensive promotion and branding activities in consumption countries
    - Promote types of coffee and production areas through seminars in SCAJ exhibition
    - Representative offices in Tokyo to be contact point with existing and potential clients
    - Promote coffee as nation base not private base
    - Participate in special event like "Cup of Excellence" which appraise high quality coffee and sell at premium price to big traders
  - Top 10 countries with best coffee are backed up by big National Coffee Association which actively promote their coffee in consumption countries
    - Brazil (BSCA)
- **Learn Japan market's needs**
  - Demand high quality coffee but stable demand and price range
  - Rising coffee chain of specialty coffee
  - Strict requirements for whole value chain control
    - Seed consistency
    - Harvesting technique
    - Drying process
    - Labor usage (not hiring children)
  - Quality is key bottleneck which obstructs market expansion of Vietnamese coffee to Japan
- **Consider how Lam Dong could apply the learning**
  - Standardize quality control follow international standard (SCAJ standard for Japan market)
  - Improve coffee value chain (standardization of seedling process, production, harvesting and processing) by private sectors
  - Lam Dong PPC should establish clear development plan for coffee
    - Target specialty Arabica coffee
    - Japan market is the key target

- Promote future direction for all stakeholders in value chain and coordinate the collaborations between stakeholders

### 7-3.5. Applicability to Lam Dong

Based on response from participants as above, we highly recommend Lam Dong to apply good practices as following:

#### **Visit potential Japanese investors for Lam Dong Agriculture Sector (Mostly for Provincial Government Participants)**

- **Clearly show Lam Dong PPC's strong commitment and request to attract investment from Japan**
  - Gradually discuss with potential investors to understand their demands and issues related investment decisions
  - Actively source more potential investors and initiate the discussion
  - Identify criteria and carefully evaluate the capable operator for FCC
  - Cooperate with private companies to promote Lam Dong's high quality coffee in big consumption markets

- **Understand deeply the perspective of Japanese investors**
  - Direct discussion between high-ranking level greatly enhance mutual understanding of Japanese investors and Lam Dong PPC
  - Maintain relationship with potential investors through continuous discussion
  - Identify clear demand and requirements of Japanese investors and justify the implementation of each strategy

- **Specify KSFs and necessary next action of Lam Dong PPC**
  - Identify clear KSF for each strategy
  - Set detail actions for each strategy and strongly commit the implementation
  - Select appropriate and capable candidates/ investors among Japanese companies to achieve KFS of each strategy
  - Assign capable team to execute each strategy and manage the implementation

#### **Clarify branding and export promotion strategy for Lam Dong coffee industry extracted from SCAJ 2016 exhibition (Both for Provincial Government Participants + Private Companies Participants)**

- **Observe what & how other countries are promoting coffee**
  - Improve quality of Vietnamese coffee to increase selling price
  - Establish quality control agency to maintain consistent quality
  - Active promotion in consumption countries (mainly Japan)
  - Establish Viet Nam Specialty Coffee Association to associate promotion activities in consumption countries

- **Learn Japan market's needs**

- Focus to improve quality especially specialty coffee to be qualified with international standard (SCAJ standard for Japan market)
- Strict control for whole value chain from seed, harvesting to processing following requirements of Japanese clients

- **Consider how Lam Dong could apply the learning**

- Government role: support establishment of Viet Nam Specialty Coffee Association and empower management from private companies
- Private role: Collaborate all stakeholders in value chain and strictly control quality in each step; Put high focus to produce high quality coffee
- Cooperation of Government and Private to enhance coffee quality by controlling through value chain and promote coffee to Japan market

7-3.6. Pictures from the Destinations

**5. UCC factory and museum**



All participants were listening to introduction about nationality of coffee which UCC is using including Vietnam



All participants were studying the UCC's packaging over the time



## 6. Himeji Flower Market and OTA Flower Market



Lam Dong PPC discussed with Himeji about expectation for Flower Collection Center's operator



Lam Dong PPC visited operation of Himeji flower auction



Lam Dong PPC discussed with OTA about their plan (pricing scheme and operation mechanism)



Visit the auction and OTA's facilities to assess the OTA's actual operation and management

## 7. Mitsubitshi Estate Corporation (MEC)



MEC introduced about Marunouchi area where MEC developed and managed

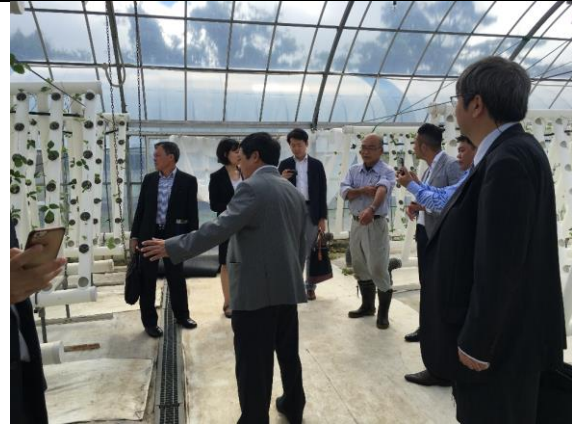


Lam Dong PPC discussed with MEC about their requirements and concerns related to Tan Phu IZ

**8. Mother farm (Agro-tourism site)**



Lam Dong PPC were listening to an introduction of Mother Farm and considered for future application in Lam Dong



Visited strawberry picking farm where applied hydroponic plantation to produce cleaner strawberry

**9. Delica Foods**



Discussed with Delica Foods to understand the processing technology, technique and conducted site visit to their processing factory

**10. JETRO**



Discussed to seek cooperation with JETRO for future investor attraction activities

**11. Mitsui Co, Ltd.**



Discussed with Mitsui and addressed the potential of Lam Dong coffee for export to Japan

**12. Mitsubishi Corporation**



Discussed with Mitsubishi and addressed the potential of Lam Dong coffee for export to Japan

**13. SCAJ (Lam Dong booth and other countries' booths)**



Booth of Lam Dong at SCAJ



Chairman of Lam Dong PPC introduced Lam Dong's coffee with audiences



Vietnamese media company in Japan interviewed Chairman of Lam Dong PPC about their first overseas branding activity in Japan



Lam Dong PPC visited Brazil booth to taste their coffee and learn their branding and promotion strategy



Lam Dong PPC visited Columbia booth to taste their coffee and learn their branding and promotion strategy



Lam Dong PPC visited Guatemalan booth to taste their coffee and learn their branding and promotion strategy

## Appendix A: Branding Concepts

"Survey for Formulating Branding & Promotion  
Strategy of Agricultural Products & Agro-tourism  
in Lam Dong Province"

# BRANDING

**Kotaro Sugiyama**

CEO / Executive Creative Director



## Today's Topics

- ① What is BRAND?
- ② How can we make it?

## The origin of BRAND

**Burned**



**Brand**



**The origin of the word “Brand”.**

**If you think of a brand, you would perhaps think of a car, or some fashion brand.**

























**Originally, to differentiate his animal from others’, the owner would burn a stamp on the body of his animal.**

**This in English, is where the word brand comes from, is to “brand an animal”.**

# The origin of BRAND

“Marking to distinguish  
from others”

## The Best Global Brands 2015

01  +43% 170,276 \$m	02  +12% 120,314 \$m	03  -4% 78,423 \$m	04  +11% 67,670 \$m	05  -10% 65,095 \$m	06  +16% 49,048 \$m	07  9% 45,297 \$m	08  -7% 42,267 \$m
09  -6% 39,809 \$m	10  +29% 37,948 \$m	11  +9% 37,212 \$m	12  +7% 36,711 \$m	13  +13% 36,514 \$m	14  +4% 35,415 \$m	15  -3% 29,854 \$m	16  +5% 27,283 \$m
17  +16% 23,070 \$m	18  -3% 23,056 \$m	19  +6% 22,975 \$m	20  -1% 22,250 \$m	21  +5% 22,222 \$m	22  -3% 22,218 \$m	23  +54% 22,029 \$m	24  +3% 19,622 \$m


Speaking of a Car

**BRAND** is an image that is conceived from a company or a product and has made an imprint on people's mind, or a word and design that **symbolizes** it.

**Why is BRAND so important?**

# Speaking of



<b>Cool</b>	<b>Music Movie</b>	<b>Design</b>
<b>Steve Jobs</b>		<b>Expensive</b>
<b>Cutting edge</b>	<b>iPhone</b>	<b>vs Microsoft</b>



a Minor Brand  
for enthusiastic creators



a Major, Popular and  
Cool Brand



1976



1976-1998



1998-2009



(current logo)

**People still talk about the ad many  
have called the greatest Super bowl  
commercial of all time,  
Apple's "1984" commercial, the one  
that launched Macintosh.  
It all started with this Commercial.**

**Apple created computers for personal use.  
Up until then, computers were huge,  
almost all of them were for big company use  
like the IBM.**

**Apple made the Personal Computer Age.  
The PC Age.**

**By creating Mac, Apple “changed the  
world”.**

**“Change the world” is Apple’s smart  
company philosophy.**

**This made Apple’s brand as great as it is  
today.**

**These are the reasons  
why BRAND is important.**

**BRAND should be :**

- Memorable**
- Credible**
- Customer loyalty**

**▪ ▪ ▪ etc**

**BRAND is a commitment and  
a representation of a character  
to society.**

**Who is Lam Dong?**

**What is your characteristics  
or personality?**

**Personalize “Lam Dong”  
and define WHO you are.**

## **Why do we need to build a strong brand?**

**Because it is necessary to differentiate products in a mature market.**

**After having competed with firms in the same industry, many products come to have similar functions and qualities. They all look the same.**

**This phenomenon is called:**

**“Commoditization”**

**We need to differentiate to make  
a strong brand.**

**“empathy” = “Sharing emotions with  
people”**

## **Make empathy**

**Make people believe:**

**“I like this product.”**

**“This product was made just for me.”**

**In planning marketing strategy,  
It is extremely important to  
make empathy.**

**Make a “story” to make empathy**

## **STORY**

**Product-oriented goods become market-oriented icons through having an attractive, lovely, and original story.**

**Story-making is the keystone of branding.**

### **Summary:**

- 1. “Commodization”**
- 2. Difficult to differentiate**
- 3. Make an attractive story to gain empathy**
- 4. To make a brand that would entice the whole world**

**What positively fascinate people is  
“A strong BRAND”.**

## Appendix B: Consumer Surveys on Target Products

### B-1. Detailed Demographic Profile of Respondents

	Average		Vegetable		Flower		Coffee		Agro-tourism	
	N	%	N	%	N	%	N	%	N	%
<b>Gender</b>										
Male	181	40	188	42	176	39	171	38	189	42
Female	269	60	262	58	274	61	279	62	261	58
<b>Age</b>										
Under 18	13	3	20	4	10	2	12	3	10	2
18 - 24	175	39	185	41	172	38	178	40	164	36
25 - 34	186	41	186	41	184	41	178	40	196	44
35 - 44	50	11	37	8	55	12	53	12	53	12
45 - 60	22	5	17	4	22	5	24	5	23	5
Over 60	5	1	5	1	7	2	5	1	4	1
<b>Marriage status</b>										
Single	261	58	266	59	258	57	260	58	260	58
Married without kids	36	8	32	7	36	8	34	8	40	9
Married with kids	150	33	145	32	153	34	153	34	147	33
Others	4	1	7	2	3	1	3	1	3	1
<b>Occupation</b>										
Office worker	175	39	172	38	183	41	178	40	167	37
Student	105	23	122	27	94	21	102	23	102	23
Engineering/ Doctor/ Teacher	56	12	55	12	52	12	56	12	60	13
Self-employed	47	10	44	10	47	10	47	10	49	11
Finding job/ Retired	19	4	23	5	19	4	17	4	18	4
Worker	31	7	21	5	34	8	30	7	37	8
Housewife	18	4	13	3	21	5	20	4	17	4
<b>Lifestyle</b>										
Health conscious	124	28	132	29	122	27	140	31	101	22
Love travelling	108	24	109	24	96	21	95	21	132	29
Comfortable with technology	86	19	79	18	92	20	87	19	85	19
Beauty conscious	59	13	50	11	65	14	66	15	54	12
Willing to accept new trends	34	8	41	9	30	7	27	6	37	8
Prefer convenient consumption	25	6	17	4	33	7	25	6	26	6
None of above	15	3	22	5	12	3	10	2	15	3
<b>Income</b>										
Under VND 5 million	168	37	193	43	159	35	158	35	161	36
VND 5 million to 10 million	193	43	181	40	193	43	195	43	204	45
VND 10 million to 20 million	73	16	60	13	81	18	82	18	67	15
More than VND 20 million	17	4	16	4	17	4	15	3	18	4

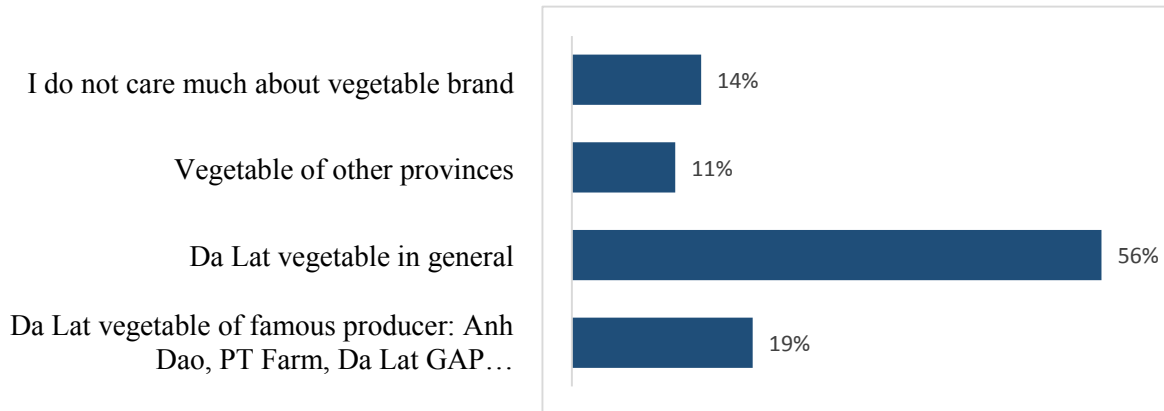
**Note:** Average number of four surveys (Vegetable, Flower, Coffee and Agro-Tourism): Data was collected, organised and analysed using descriptive statistics to quantitatively measure the variables. Frequency tables and bar graphs were used to visualize consumer insights.



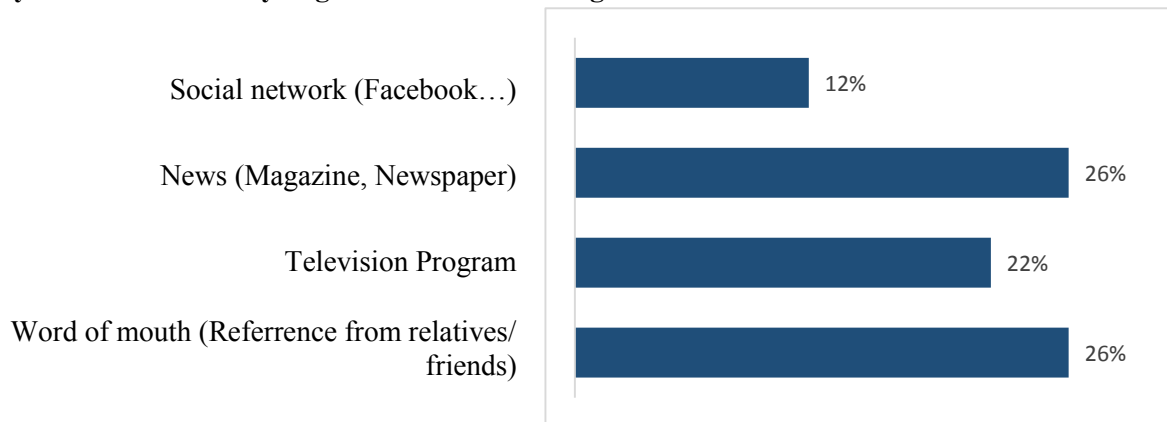
## B-2. Target Consumer Analysis – Vegetables

Target consumer: Female who buys vegetable at MT (N = 73)

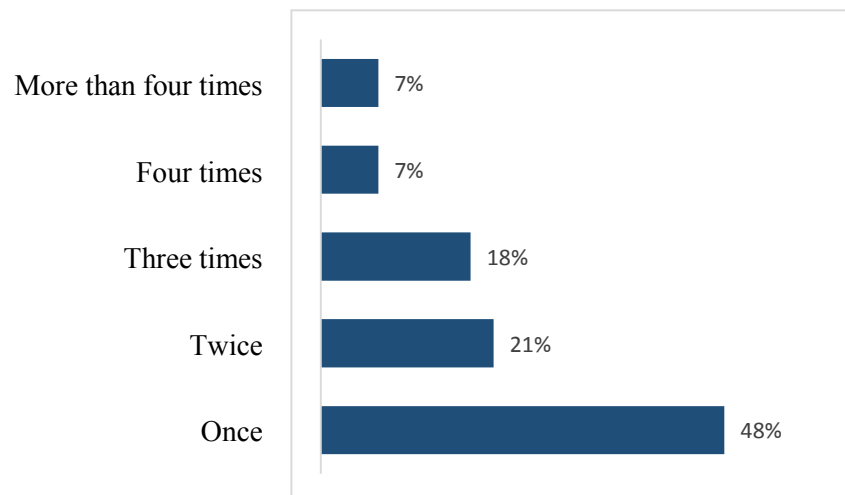
### Q1: Which vegetable brand below are you familiar with?



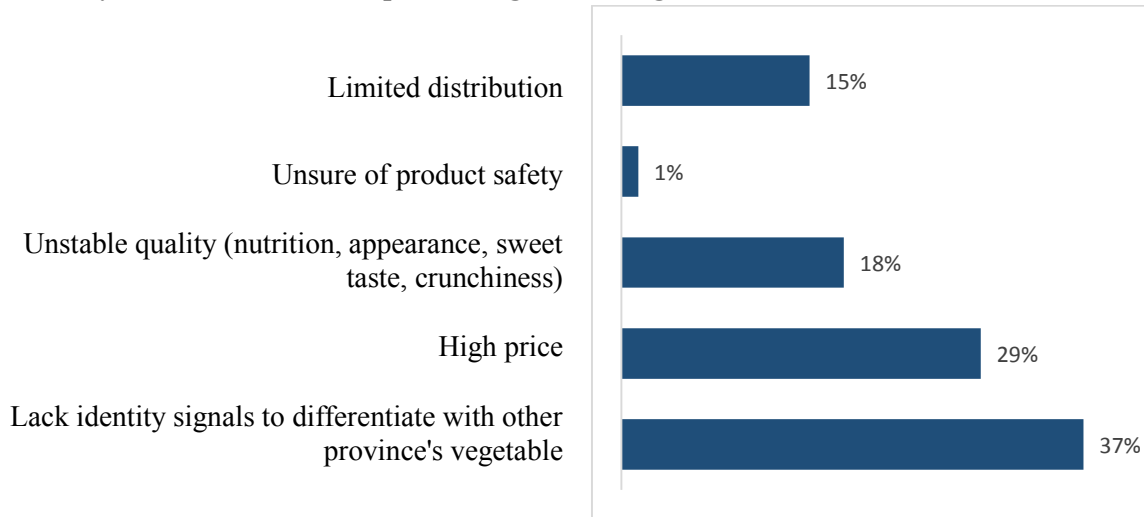
### Q2: By which channel do you get to know Da Lat vegetable?



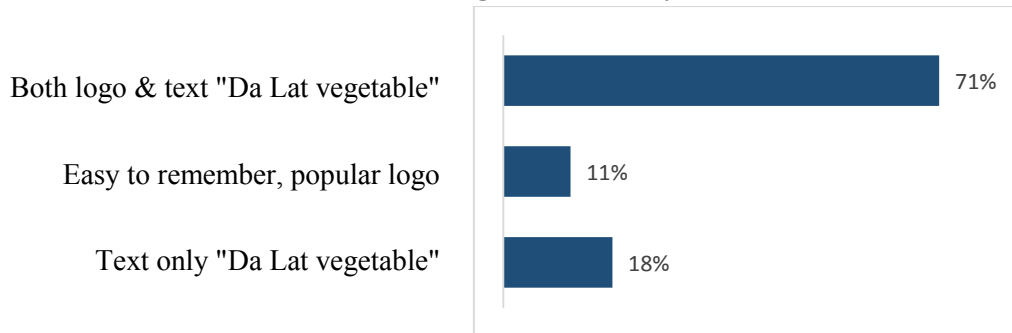
### Q3: How often do you buy Da Lat vegetable per week?



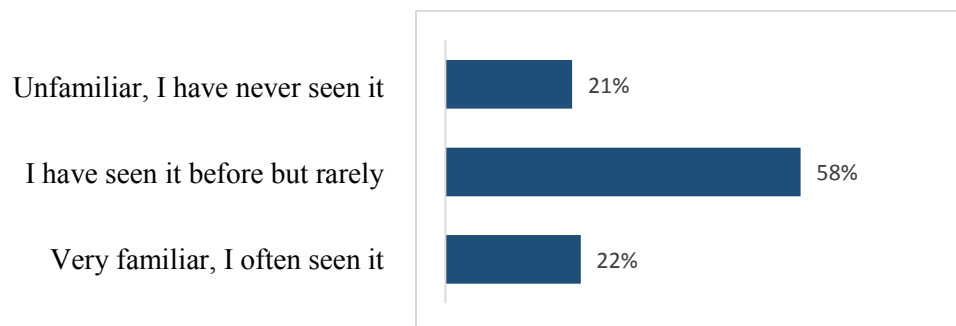
**Q4: What you dislike most when purchasing Da Lat vegetable?**



**Q5: Which of the below would be most convincing brand identity?**

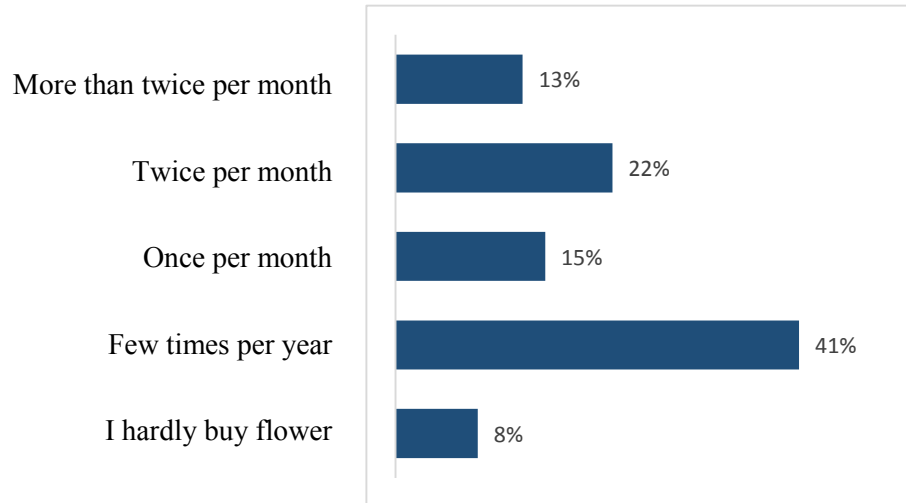


**Q6: How are you familiar with this brand?**

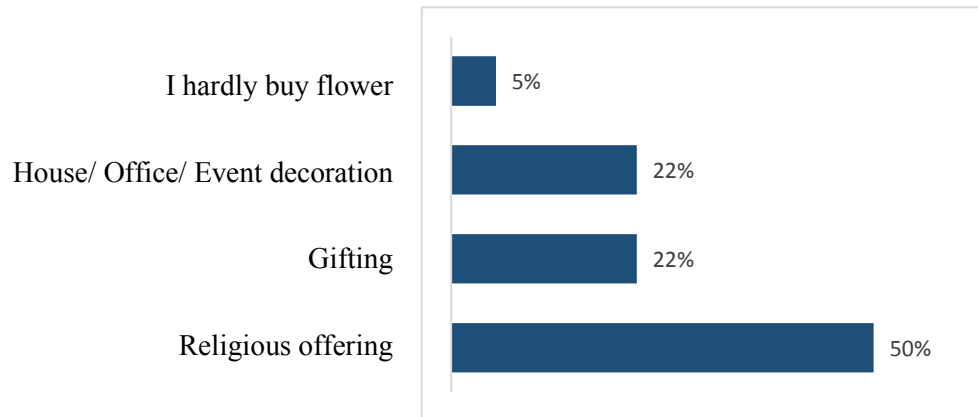


**B-3. Target Consumer Analysis – Flowers**  
Target consumer: Female officer worker (N = 131)

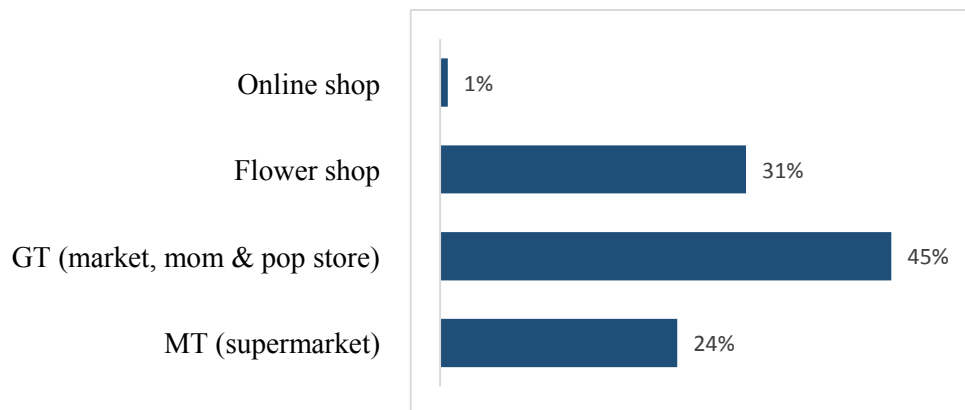
**Q1: How often do you buy flower?**



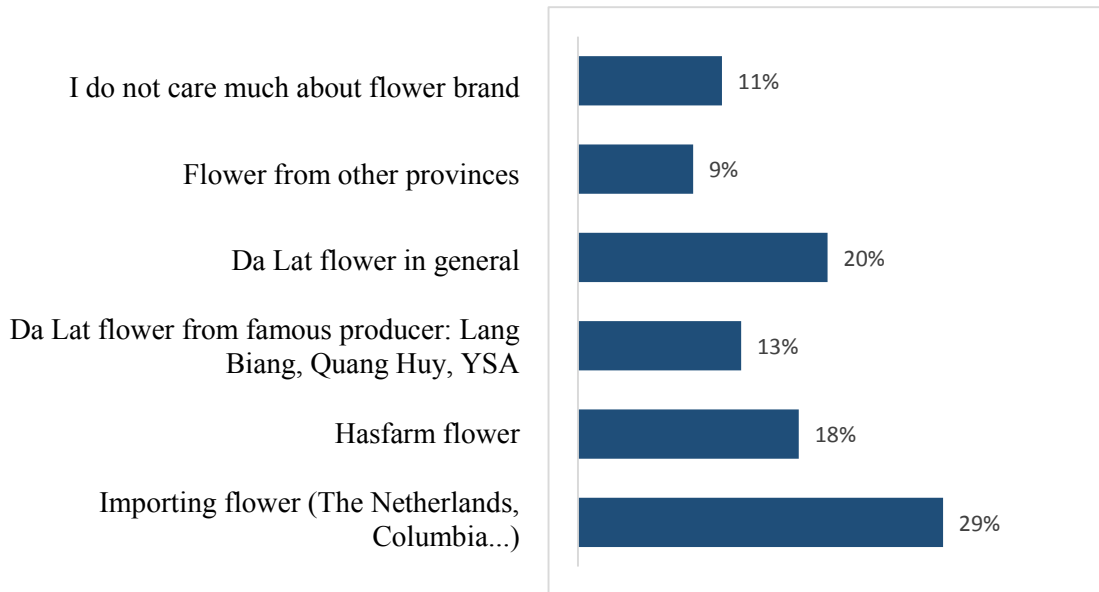
**Q2: For which purpose do you often buy flower?**



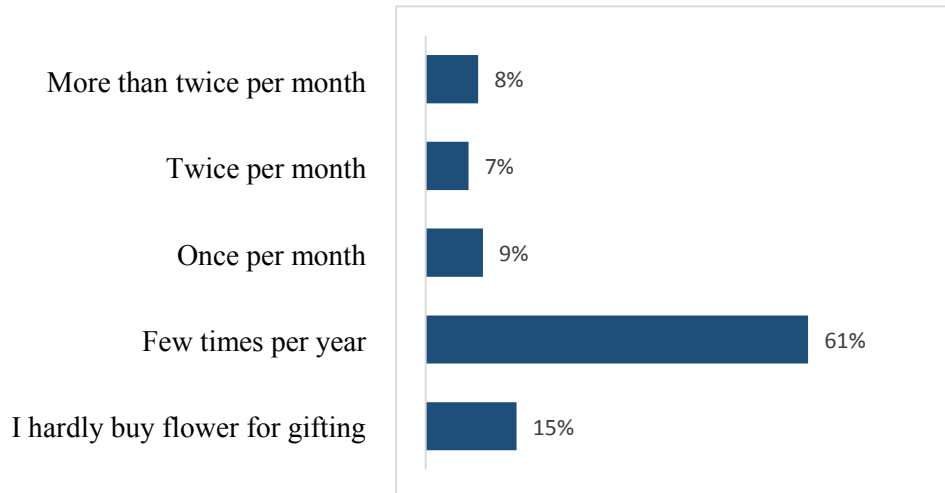
**Q3: Through which channel do you often buy flower?**



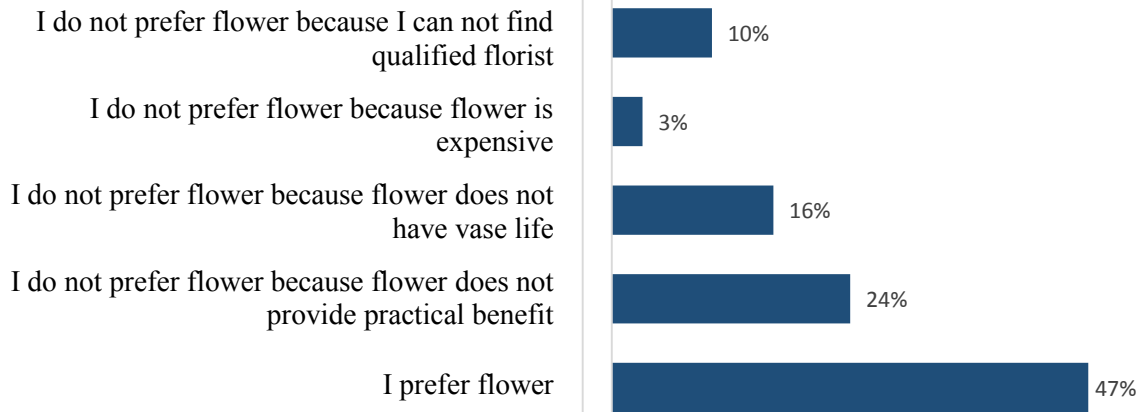
**Q4: Which flower brand below are you familiar with?**



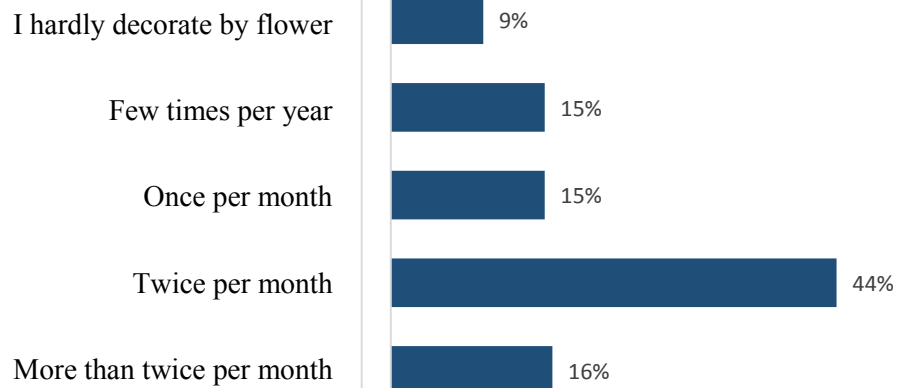
**Q5: How often do you buy flower for gifting?**



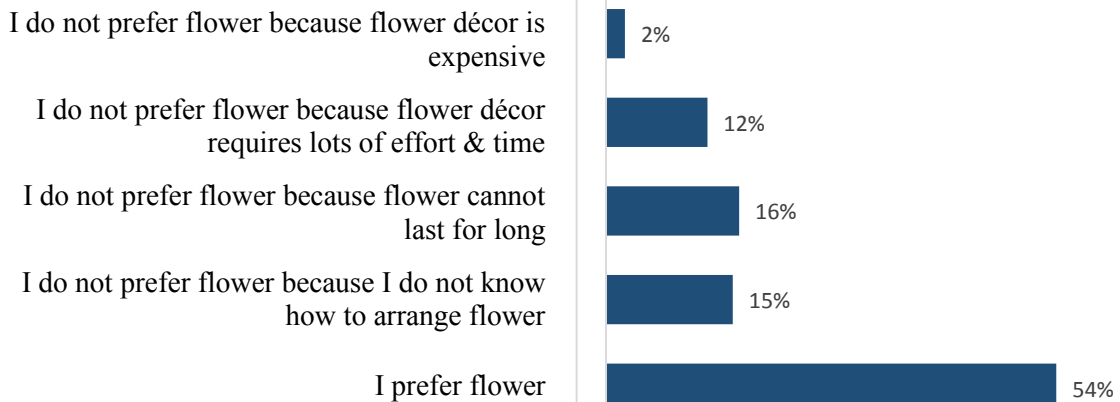
**Q6: How do you prefer flower to other decoration?**



**Q7: How often do you buy flower for decorating?**



**Q8: How do you prefer flower to other decoration?**



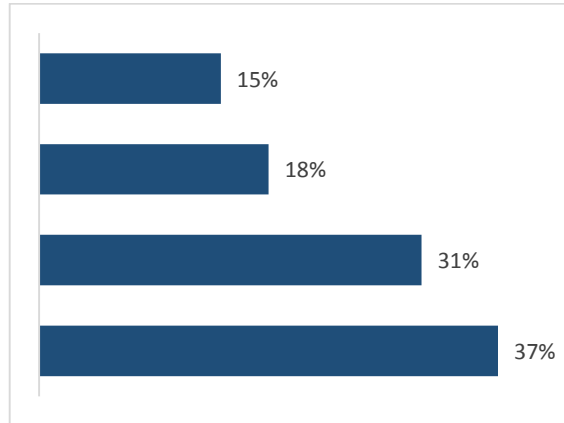
**Q9: Which of the below would encourage you to use flower more frequently for gifting/ decoration?**

If my partner/ customer feels more comfortable thanks to the decoration by flower in my office

If the receiver appreciates the flower

If I can have further understanding about positive effect of home decoration by flower

If I have detailed instruction on usage of flower for gifting/ decoration



**Q10: How did you know about Da Lat flower?**

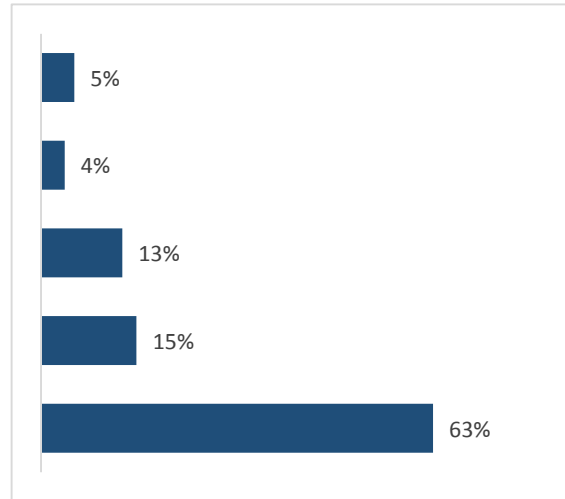
Social network (Facebook, Instagram...)

Offline newspaper, magazine

Online newspaper, magazine

Television Program

Word of mouth (Reference from relatives/ friends)

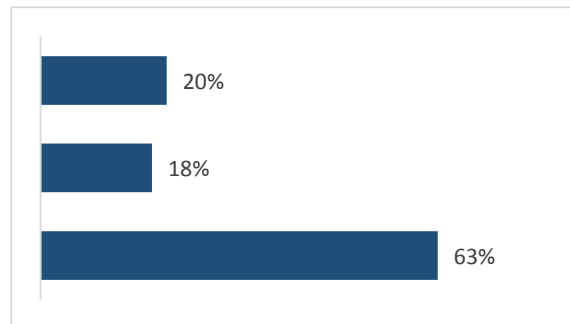


**Q11: What you like most when purchasing Da Lat flower?**

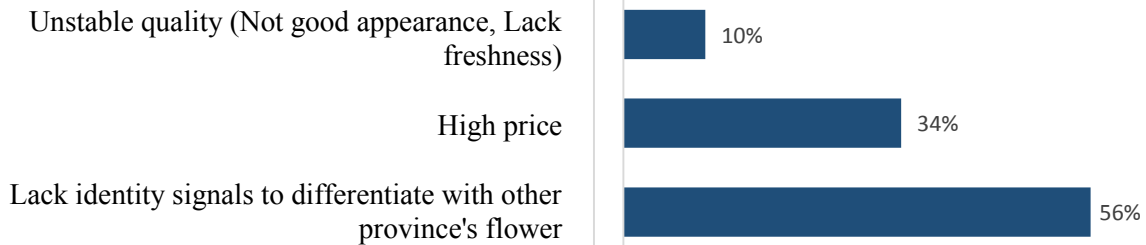
Easy to find a place to buy Da Lat flower

Reasonable price

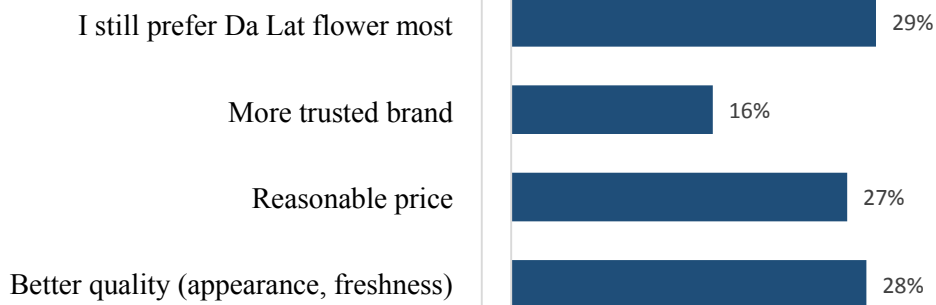
Vase life



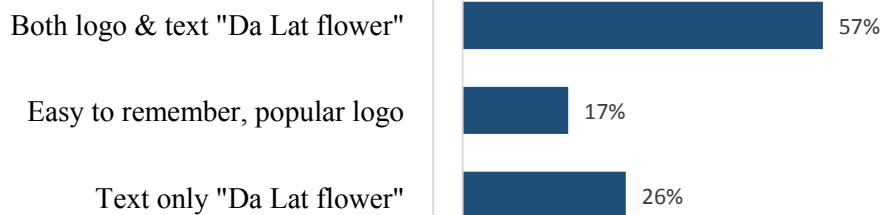
**Q12: What you like most when purchasing Da Lat flower?**



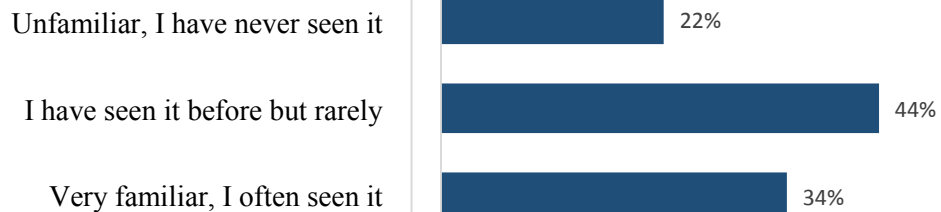
**Q13: Why do you choose other brands over Da Lat flower?**



**Q14: Which of the below would be most convincing brand identity?**

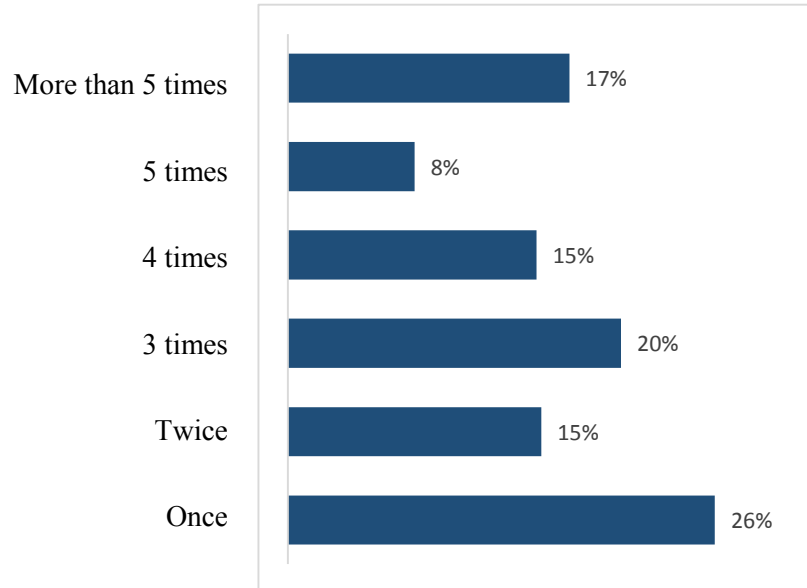


**Q15: How are you familiar with this brand?**

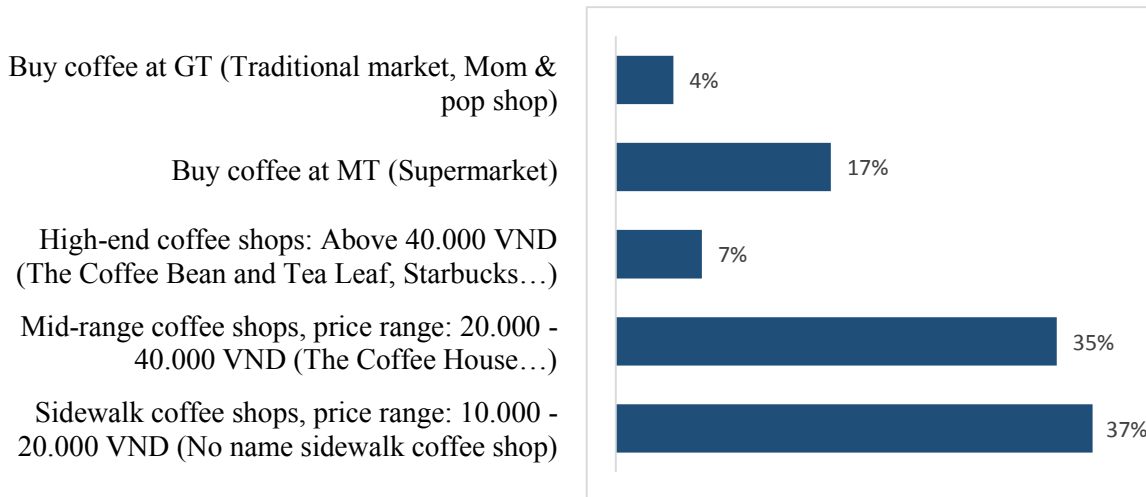


**B-4. Target Consumer Analysis – Coffee**  
Target consumer: Age 18 – 34 (N = 356)

**Q1: How often do you drink coffee per week?**

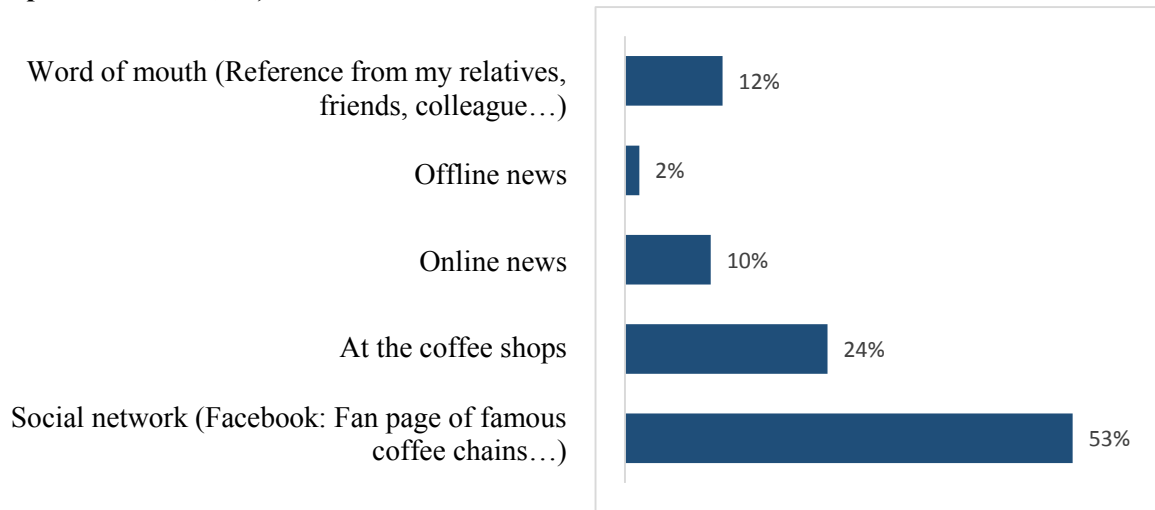


**Q2: Through which channel do you often consume coffee?**

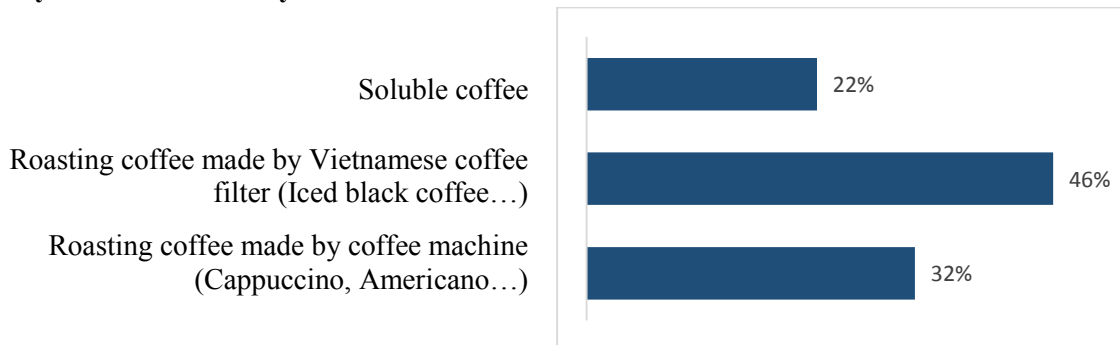




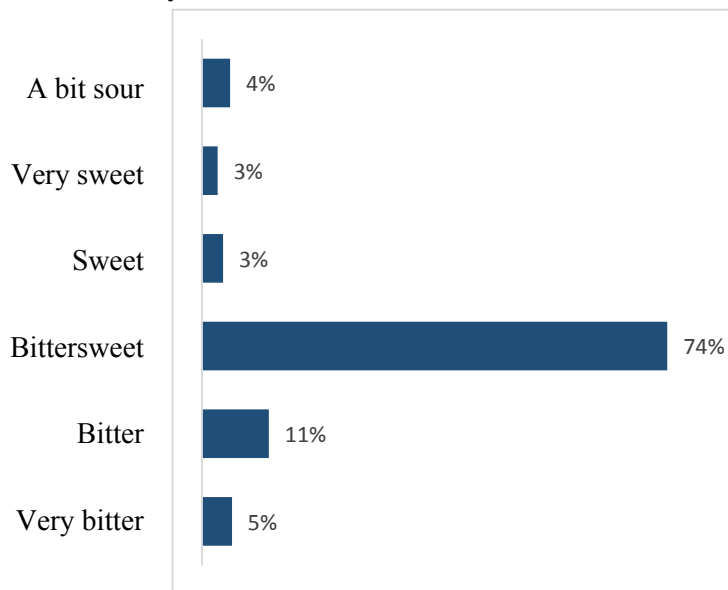
**Q3: How do you update news on coffee (how to drink apporriately, types of coffee, hottest coffee shops brand name,...)?**



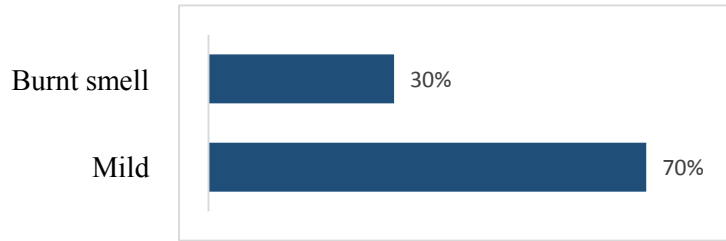
**Q4: By which method do you often drink coffee?**



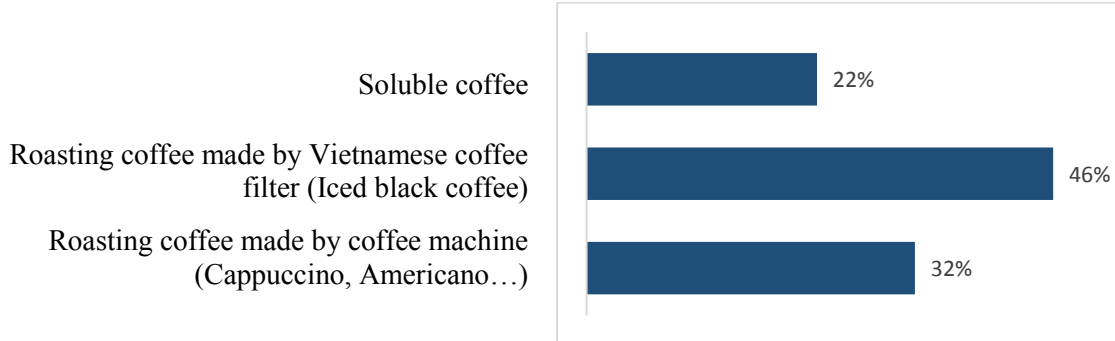
**Q5: Which of characteristics below of coffee do you like most? In terms of taste**



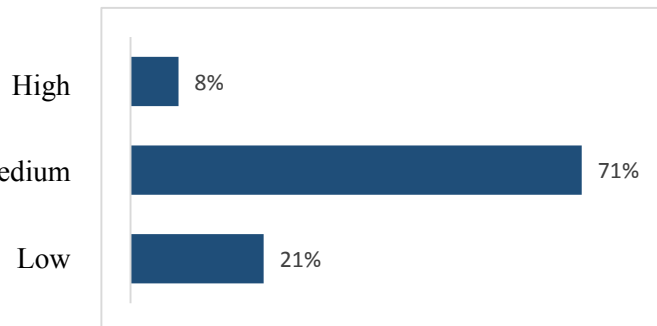
**Q6: Which of characteristics below of coffee do you like most? In terms of aroma**



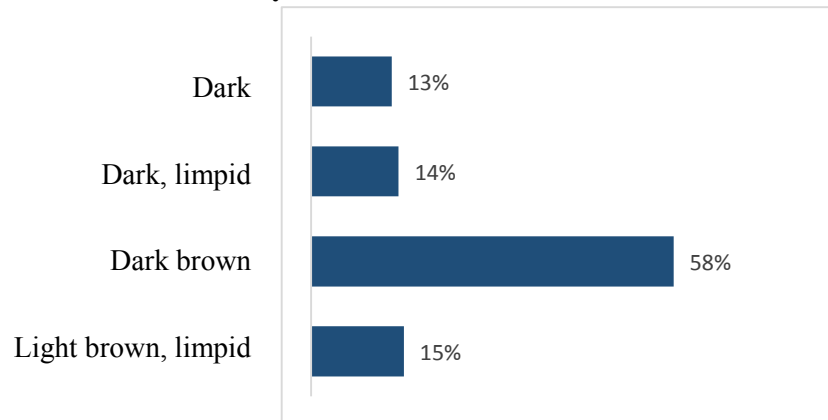
**Q7: Which of characteristics below of coffee do you like most? In terms of caffeine content**



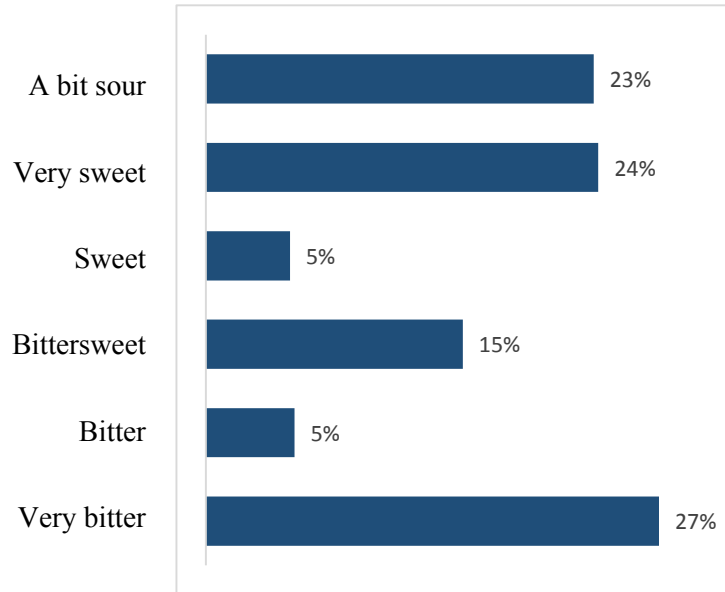
**Q8: Which of characteristics below of coffee do you like most? In terms of caffeine content**



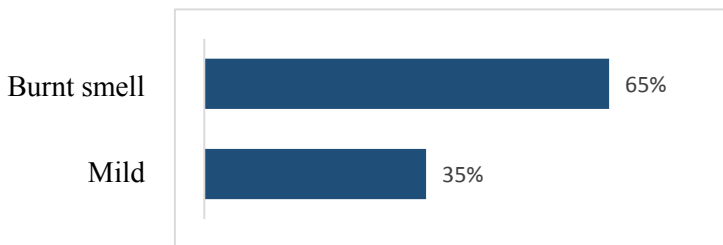
**Q9: Which of characteristics below of coffee do you like most? In terms of color**



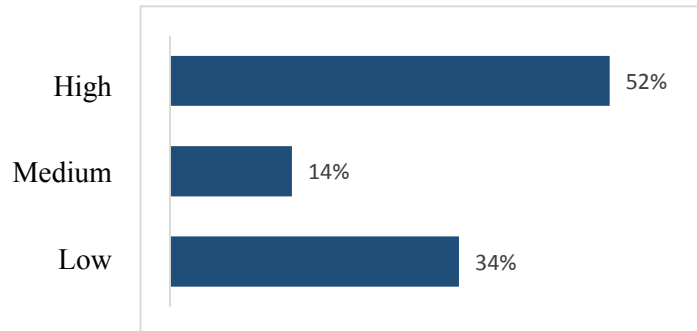
**Q10: Which of characteristics below of coffee do you DISLIKE most? In terms of taste**



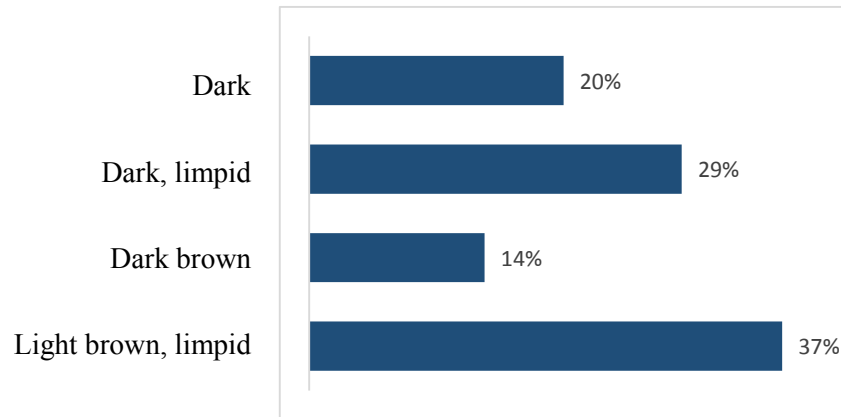
**Q11: Which of characteristics below of coffee do you DISLIKE most? In terms of aroma**



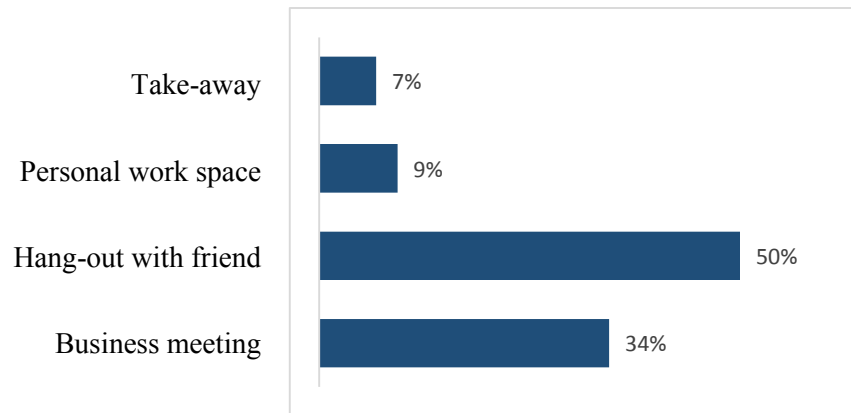
**Q12: Which of characteristics below of coffee do you DISLIKE most? In terms of cafein content**



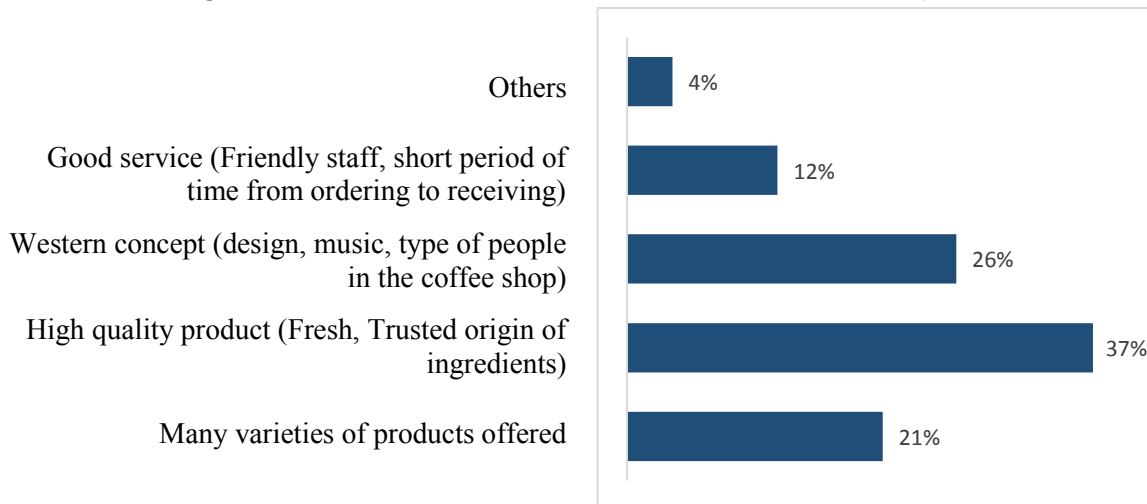
**Q13: Which of characteristics below of coffee do you DISLIKE most? In terms of color**



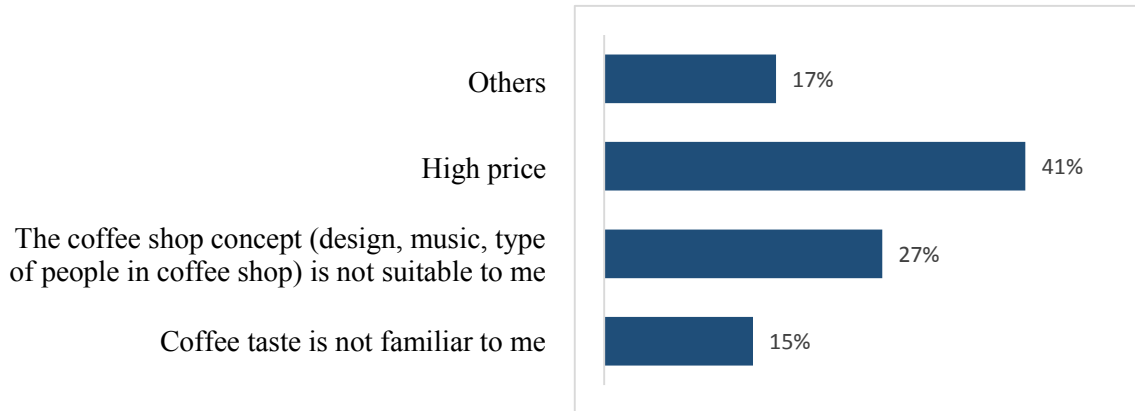
**Q14: In what context do you often drink coffee?**



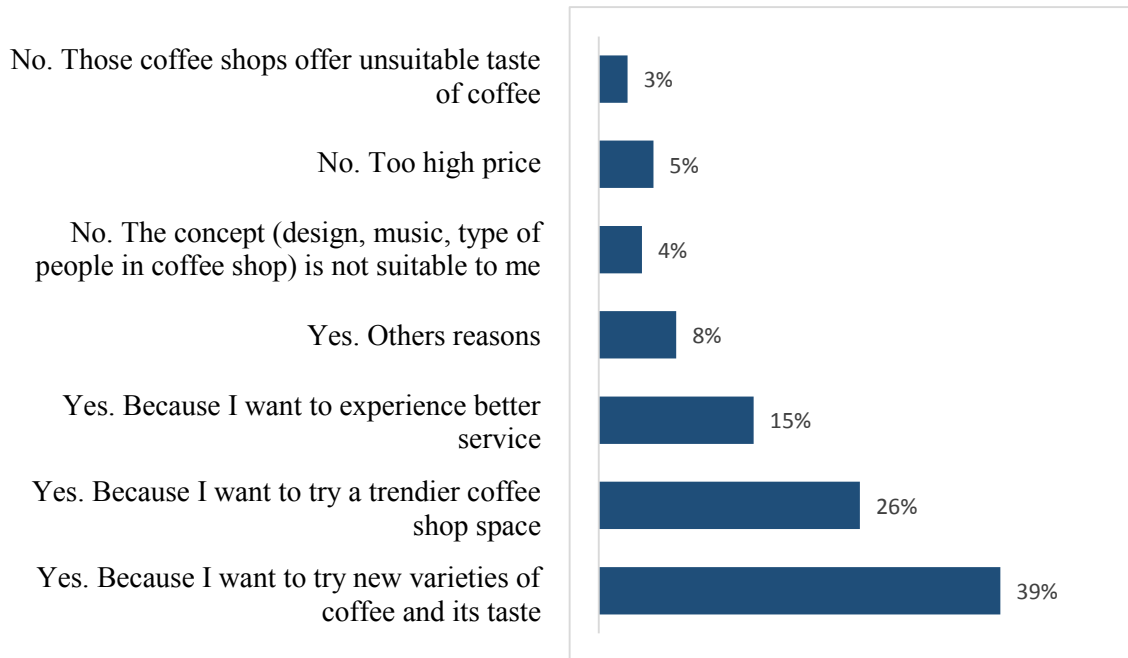
**Q15: What do you like most about mid & high-end coffee shops, price range: Above 20.000 VND (Coffee House, Highlands Coffee, The Coffee Bean and Tea Leaf, Starbucks)?**



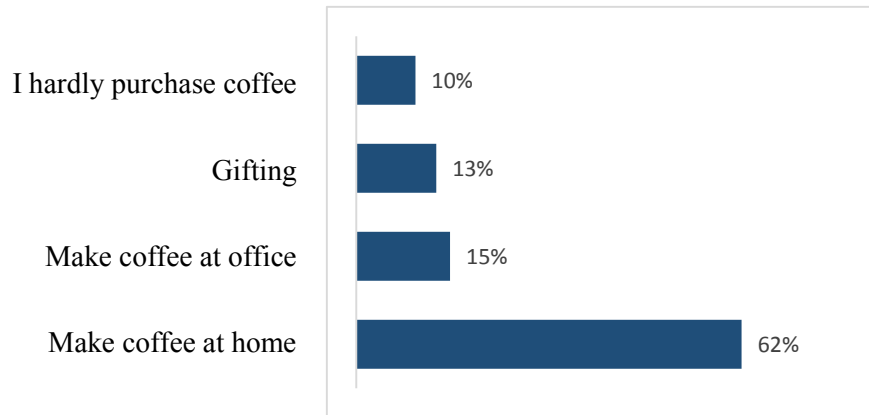
**Q16: What do you DISLIKE most about mid & high-end coffee shops, price range: Above 20.000 VND (Coffee House, Highlands Coffee, The Coffee Bean and Tea Leaf, Starbucks)?**



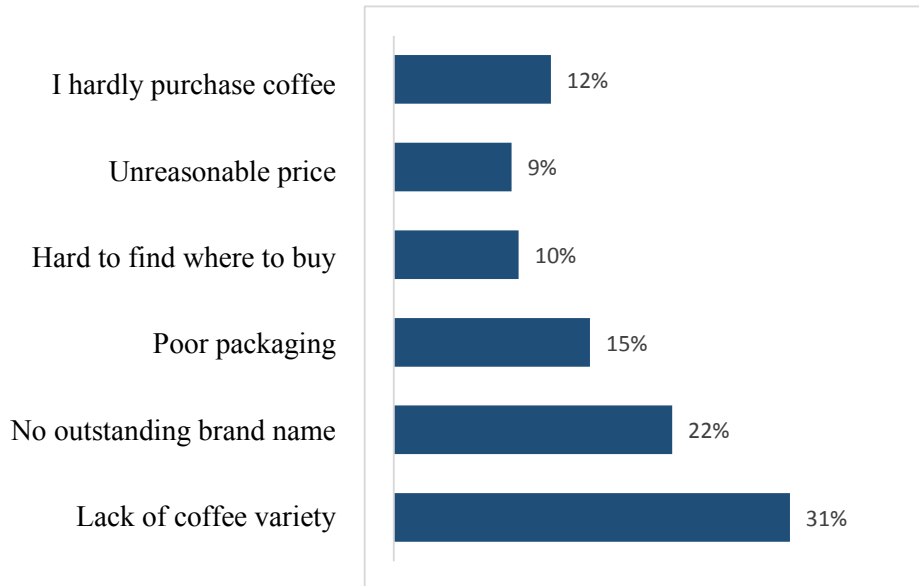
**Q17: Are you willing to switch to mid & high-end coffee shops, price range: Above 20.000 VND (Coffee House, Highlands Coffee, The Coffee Bean and Tea Leaf, Starbucks)?**



**Q18: What is your purpose of purchasing coffee?**



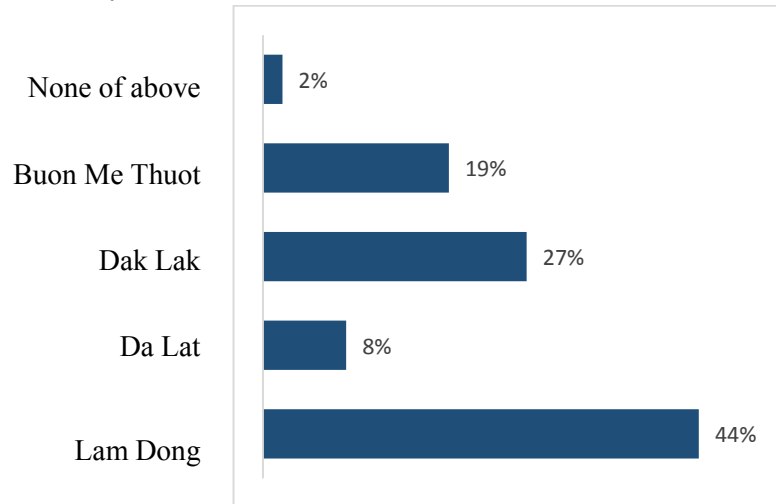
**Q19: What do you DISLIKE most when purchasing coffee?**



**Q20: Which type of coffee are you familiar with?**



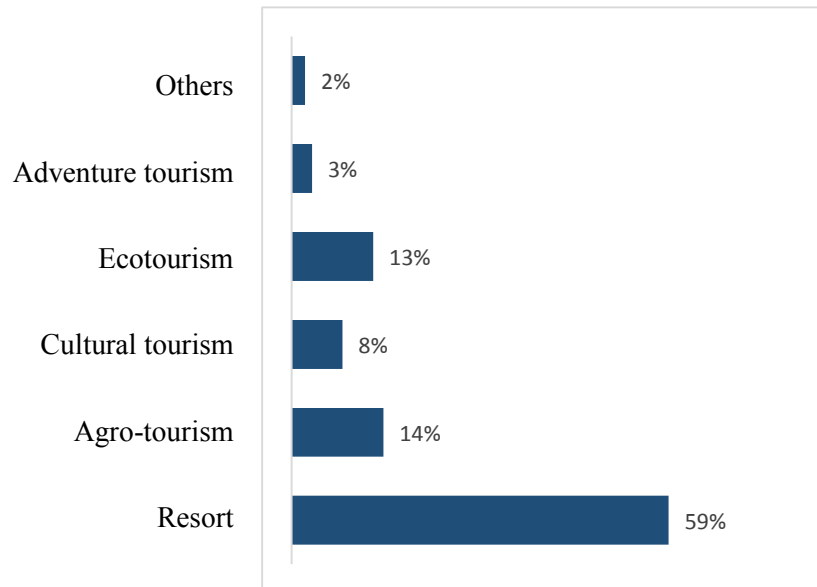
**Q21: Which coffee production area are you familiar with?**



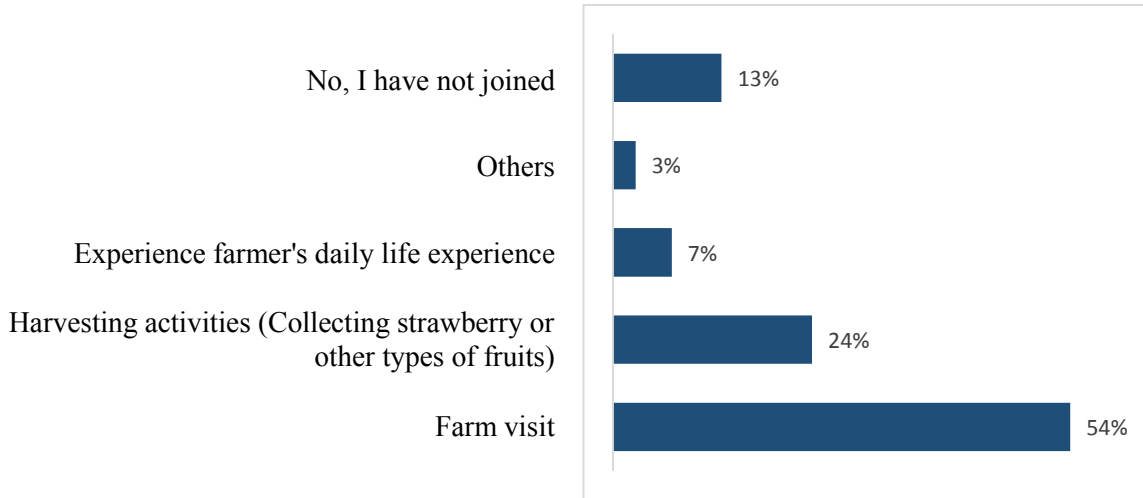
**B-5. Target Consumer Analysis - Agro-tourism**

Target consumer: Married couple with or without kid (N = 187)

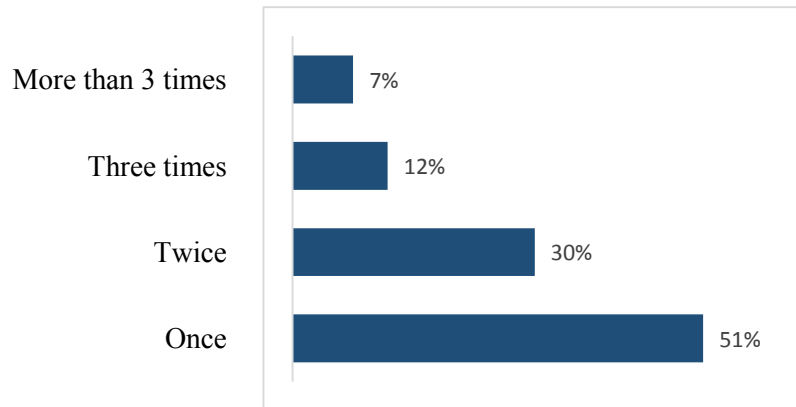
**Q1: Which type of tourism do you often relate to when mentioning about Da Lat?**



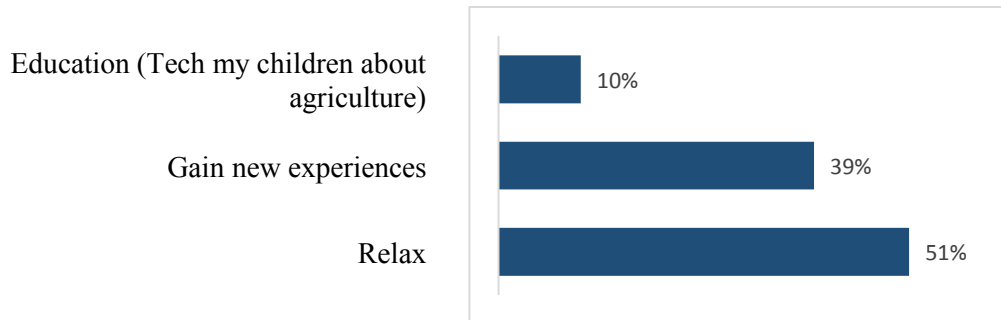
**Q2: Which type of agro-tourism activities below have you ever participated in?**



**Q3: How often do you participate in agro-tourism per year?**

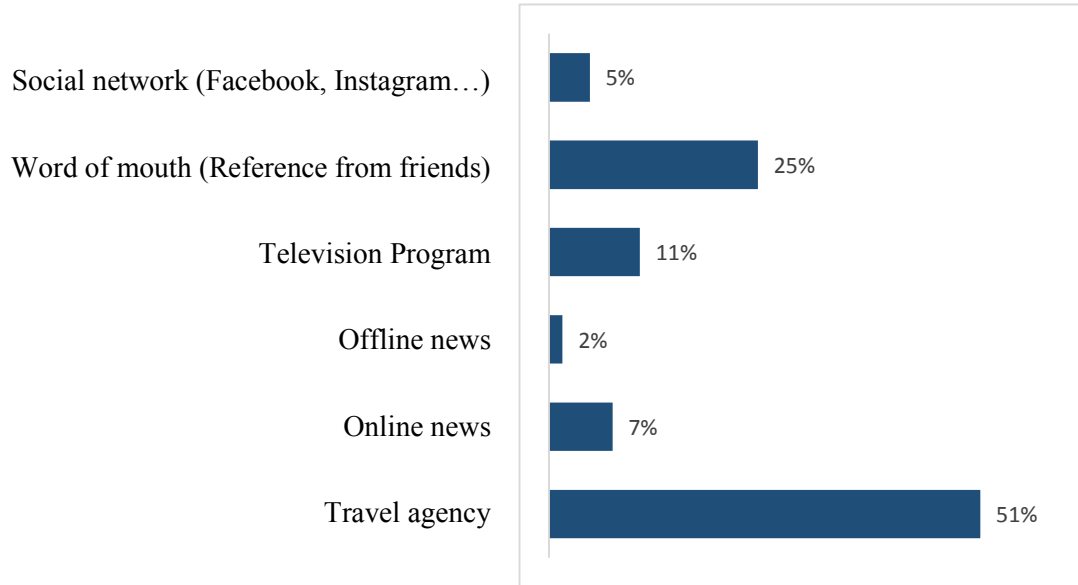


**Q4: What are you looking for when participating in agro-tourism?**





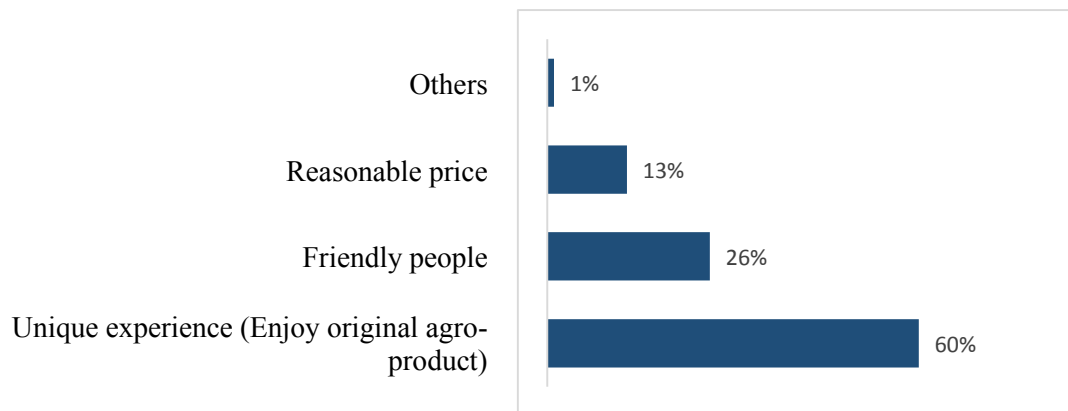
**Q5: By which channel do you know about the agro-tourism activities?**



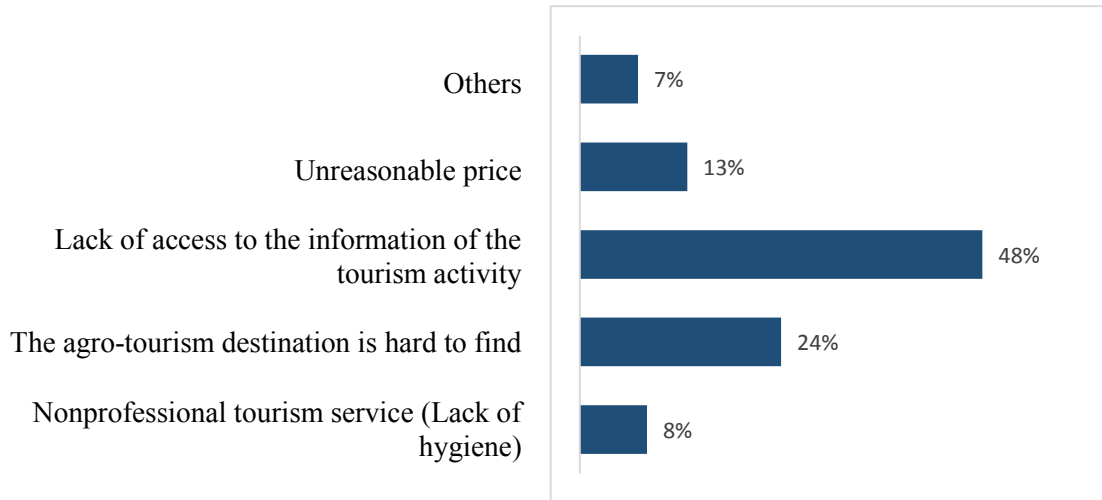
**Q6: How do you participate in the agro-tourism activities?**



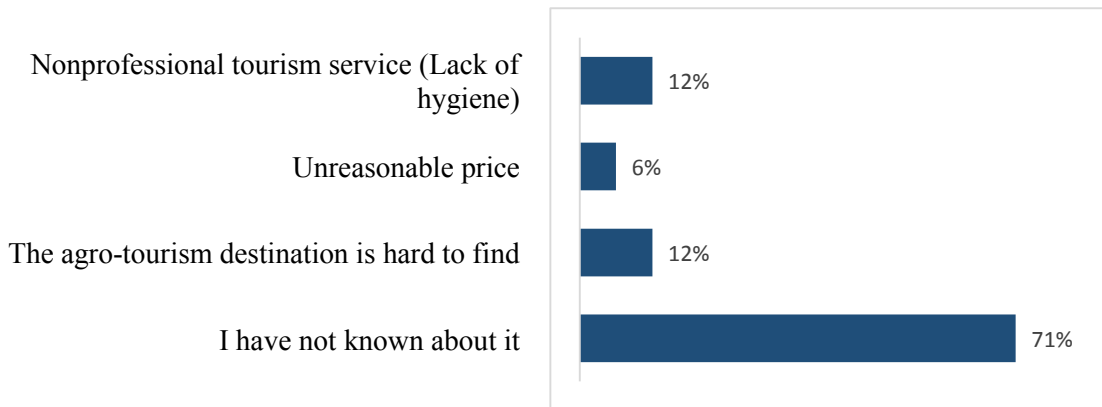
**Q7: What you like most about Da Lat agro-tourism?**



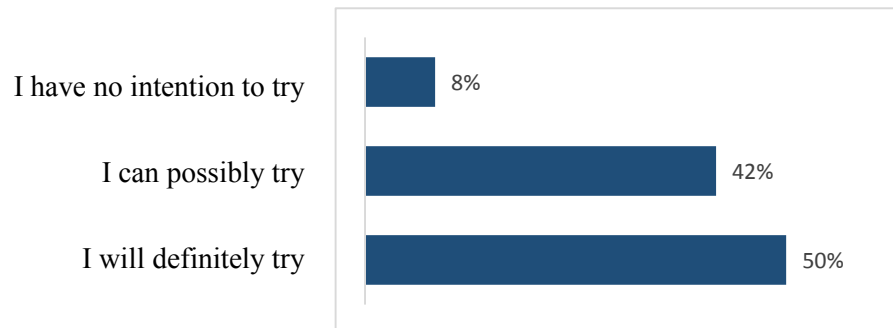
**Q8: What do not you like most about Da Lat agro-tourism activities?**



**Q9: Why have not you participated in any agro-tourism activity?**



**Q10: How likely would you try agro-tourism activities?**



## Appendix C: Brand and Design Manuals

# DESIGN AND BRAND GUIDELINES

 DALAT BRAND

## CONTENT

### **A** BRAND INTRODUCTION

- 01 VISION
- 02 TARGET CUSTOMER
- 03 CONFIGURATIONS
- 04 BRAND PERSONALITY

### **B** LOGO MASTER GUIDELINE

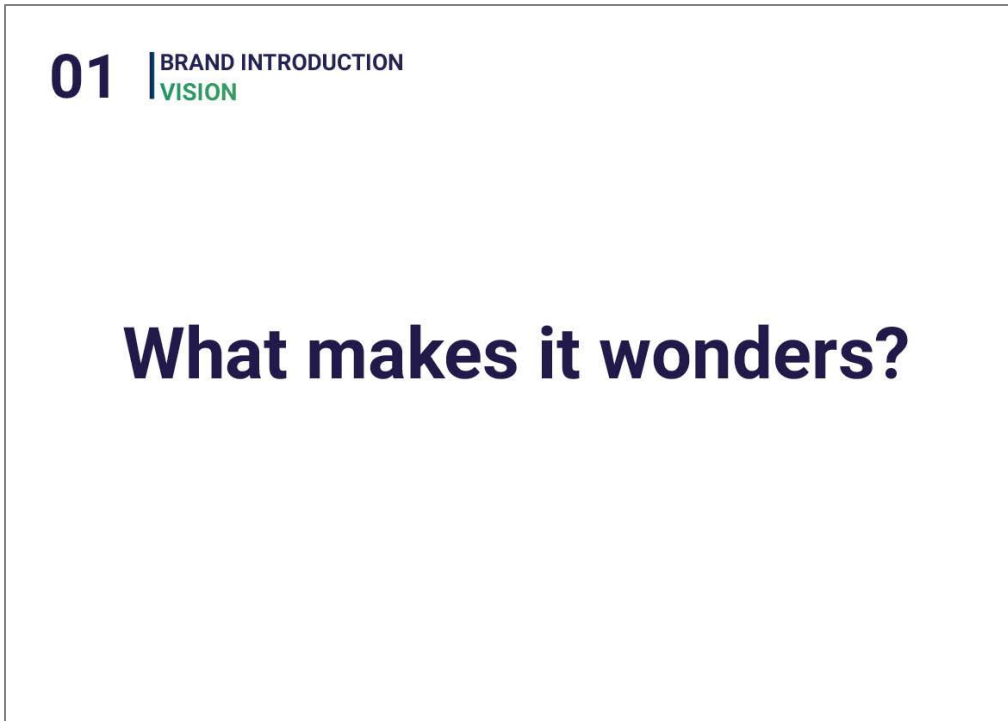
- 05 LOGO IDEA
- 06 LOGO
- 07 CONFIGURATIONS
- 08 COLOR PALETTE
- 09 CLEAR SPACE
- 10 MINIMUM SIZE
- 11 BACKGROUND
- 12 GRAPHIC
- 13 FONT SLOGAN - TEXT
- 14 INCORRECT USAGE

### **C** APPLICATION SYSTEM

- 15 NAME CARD
- 16 LETTERHEAD
- 17 ENVELOPE
- 18 NOTEBOOK
- 19 OFFICE MATERIAL MOCKUP
- 20 PRINT AD, POSTER
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**01** | BRAND INTRODUCTION  
VISION


Da Lat is a Wonder, thanks to:

- . 4-season-in-a-day climate and picturesque scenery
- . Unique culture & friendly local people
- . Wonderful agriculture products (veggies - flower - coffee - agritourism) nurtured by dedicated farmers, in unique climate

NGUYEN KRANH HOAN

**01** | BRAND INTRODUCTION  
VISION


**Our mission is how our vision is promised,  
transferred, presented to the consumer.**



**02** | BRAND INTRODUCTION  
MISSION

## Bringing the Wonders of Da Lat to the world

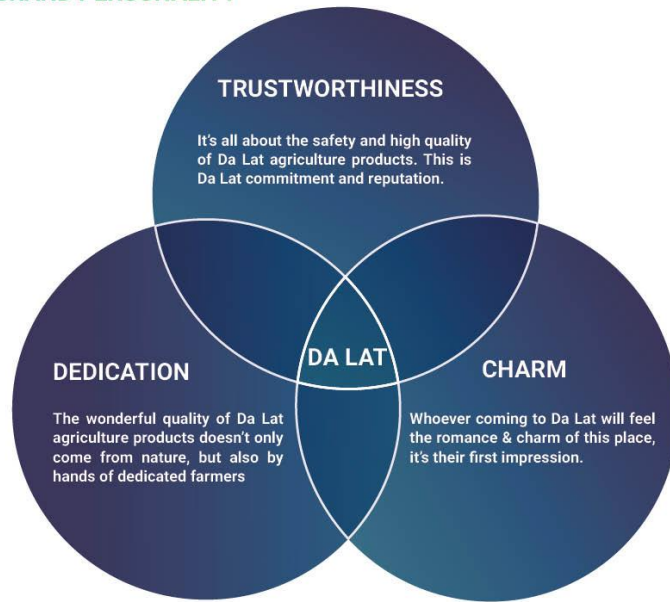
- PRESERVE and DEVELOP Da Lat's heritage in culture – nature – human
- CONTROL quality of agriculture products by Lam Dong Government
- BRING Da Lat's agriculture products to the world



**03** | BRAND INTRODUCTION  
TARGET CUSTOMER

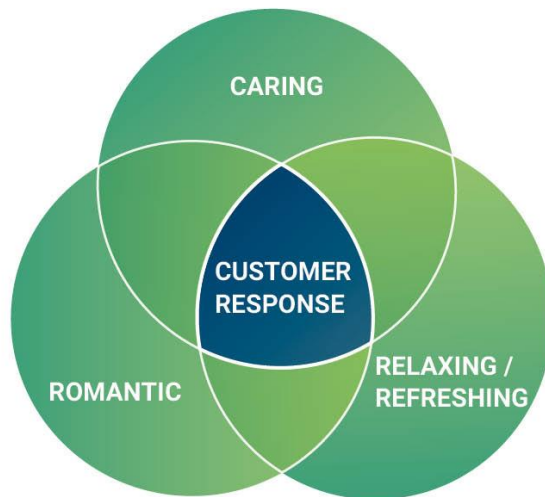
- Made up of 18+ Vietnamese males / females who live in HCM / Hanoi
- High / Middle income
- Well-knowledged / Well educated
- Already have basic knowledge about the quality of Da Lat vegies, flowers and of its unique climate, but still mind share is small.

**04** | BRAND INTRODUCTION  
BRAND PERSONALITY



**04** | BRAND INTRODUCTION  
BRAND PERSONALITY

Also, people who experience Wonders of Da Lat will have these feelings and thinking.

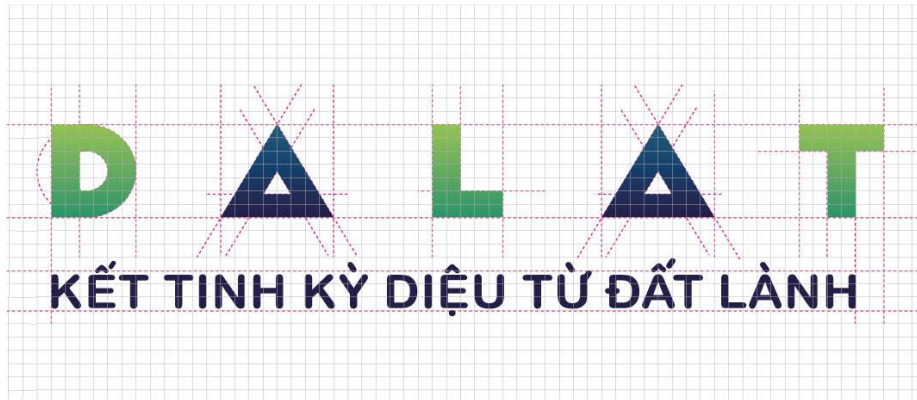


## 05 | LOGO MASTER GUIDELINE LOGO IDEA



The logo of Da Lat's agricultural products and agri-tourism brand is developed on the name of Da Lat in order to create the conciseness and modernity. The logo stands out with the image of twin mountains Lang Biang – the legendary symbol of Da Lat. The color of green represents the generous nature and advanced green agriculture; meanwhile the color of deep blue expresses the strength of rivers and mountains and the immensity of the highland.

## 06 | LOGO MASTER GUIDELINE PRIMARY LOGO - VIET Ver.



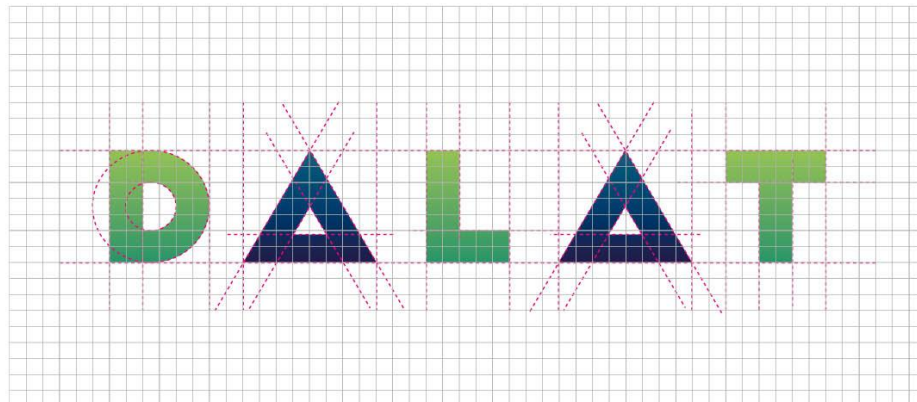


**06** | LOGO MASTER GUIDELINE  
PRIMARY LOGO - ENG Ver.



**06** | LOGO MASTER GUIDELINE  
SECONDARY LOGO

\*\* Always use the primary logo. In case the logo size is too small that the slogan cannot be seen, use the secondary logo.



## 07 | LOGO MASTER GUIDELINE CONFIGURATIONS

PRIMARY LOGO

**D A L A T**  
KẾT TINH KỲ DIỆU TỪ ĐẤT LÀNH

**D A L A T**  
KẾT TINH KỲ DIỆU TỪ ĐẤT LÀNH

**D A L A T**  
KẾT TINH KỲ DIỆU TỪ ĐẤT LÀNH

SECONDARY LOGO

**D A L A T**

**D A L A T**


**D A L A T**

## 08 | LOGO MASTER GUIDELINE COLOR PALETTE

**D A L A T**  
KẾT TINH KỲ DIỆU TỪ ĐẤT LÀNH


CMYK

Location : 0.60,100  
Angle : 90°



C : 75    C : 60    C : 50  
M : 00    M : 00    M : 00  
Y : 66    Y : 75    Y : 80  
K : 20    K : 08    K : 00

Location : 0.50,100  
Angle : 90°




C : 100    C : 100    C : 70  
M : 100    M : 55    M : 15  
Y : 25    Y : 00    Y : 00  
K : 45    K : 50    K : 60



C : 100  
M : 100  
Y : 25  
K : 45


RGB

Location : 0.60,100  
Angle : 90°



#239468    #70B05E    #92C253

Location : 0.50,100  
Angle : 90°



#221A4A    #003D6E    #205D78



#221A4A

## 09 | LOGO MASTER GUIDELINE CLEAR SPACE

PRIMARY LOGO



SECONDARY LOGO



## 10 | LOGO MASTER GUIDELINE MINIMUM SIZE

PRIMARY LOGO



SECONDARY LOGO



# 11 | LOGO MASTER GUIDELINE BACKGROUND

BACKGROUND COLOR \_ DARK



BACKGROUND COLOR \_ LIGHT



# 11 | LOGO MASTER GUIDELINE BACKGROUND

BACKGROUND COLOR \_ BLACK



BACKGROUND COLOR \_ WHITE



# 11 | LOGO MASTER GUIDELINE BACKGROUND

BACKGROUND IMAGE - OPTION 1



BACKGROUND IMAGE - OPTION 2



# 12 | LOGO MASTER GUIDELINE GRAPHIC



BACKGROUND COLOR - DARK



BACKGROUND COLOR - LIGHT



## KẾT TINH KỶ DIỆU TỪ ĐẤT LÀNH

FONT

### ARIAL ROUNDED MT BOLD | REGULAR

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z  
a b c d e f g h i j k l m n o p q r s t u v w x y z  
0 1 2 3 4 5 6 7 8 9 ! " # \$ % & ' ( ) \* + , - . / : ; < = > ? @

FONT

### ARIAL | REGULAR

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z  
a b c d e f g h i j k l m n o p q r s t u v w x y z  
0 1 2 3 4 5 6 7 8 9 ! " # \$ % & ' ( ) \* + , - . / : ; < = > ? @

TEXT

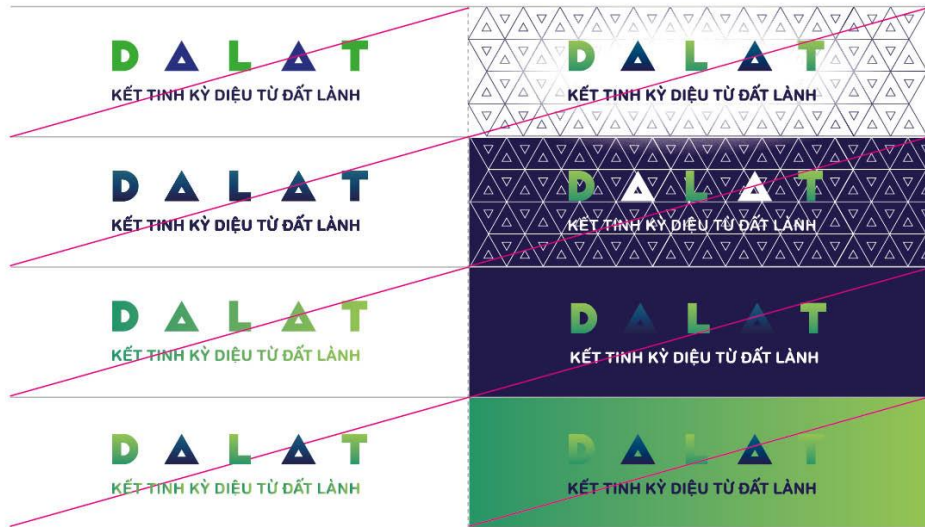
#### Dummy Text | 12 pt

Elo tor as dolempores expel molorae la voluptaeceat oditae volest accatum fuga. Et officur, optis rem iuntotasped expliqu ostiur reicia nimus comnisime nis est explab ipsam, aliantem doluptam et aut liquisq uaspiduntem aut fugit ut modicit iberfer uptatusania simpores restis resequid mo bla doluptatem. Imi, con est, consentinto eius dolorum num quia cus moloresequi optae eossini sunt officit ionserciam natum enient.

#### Minimum Text | 6 pt

Elo tor as dolempores expel molorae la voluptaeceat oditae volest accatum fuga. Et officur, optis rem iuntotasped expliqu ostiur reicia nimus comnisime nis est explab ipsam, aliantem doluptam et aut liquisq uaspiduntem aut fugit ut modicit iberfer uptatusania simpores restis resequid mo bla doluptatem. Imi, con est, consentinto eius dolorum num quia cus moloresequi optae eossini sunt officit, commou plaquatam sumquid.

# 14 | LOGO MASTER GUIDELINE INCORRECT USAGE



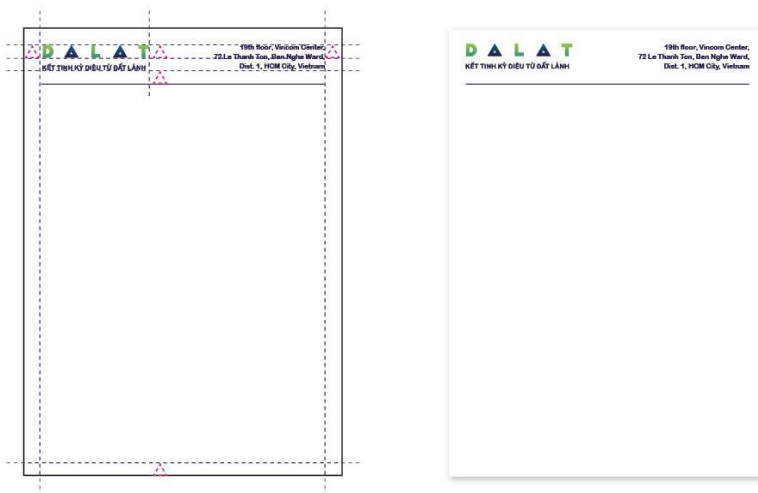
# 15 | APPLICATION SYSTEM NAMECARD



# 15 APPLICATION SYSTEM NAMECARD

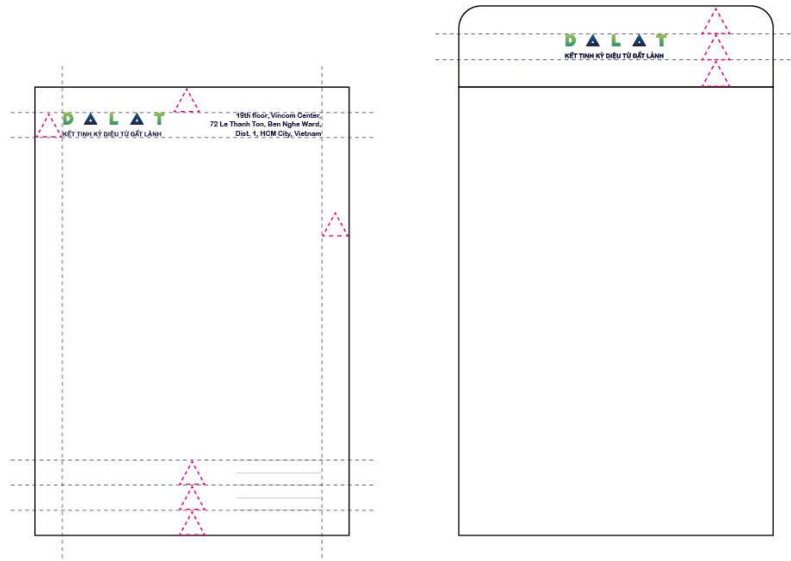


# 16 APPLICATION SYSTEM LETTER HEAD





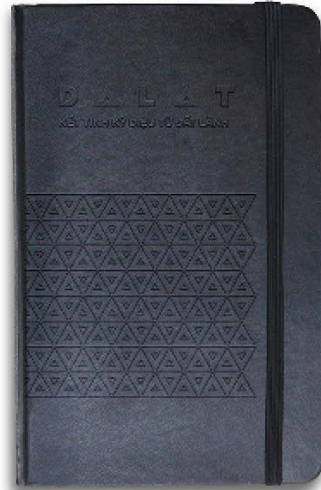
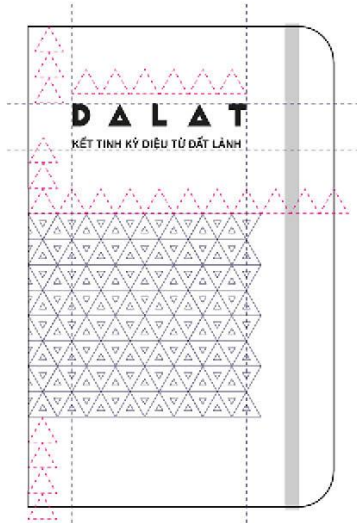
# 17 APPLICATION SYSTEM ENVELOPE



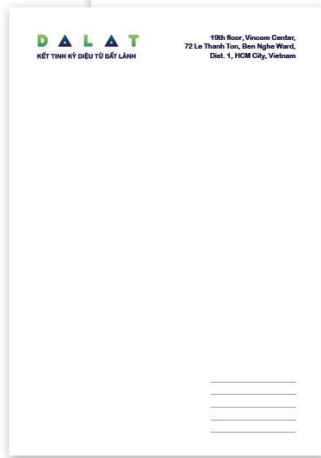
# 17 APPLICATION SYSTEM ENVELOPE



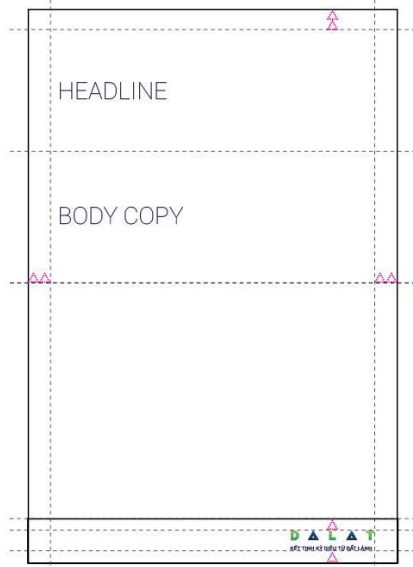
## 18 | APPLICATION SYSTEM NOTEBOOK



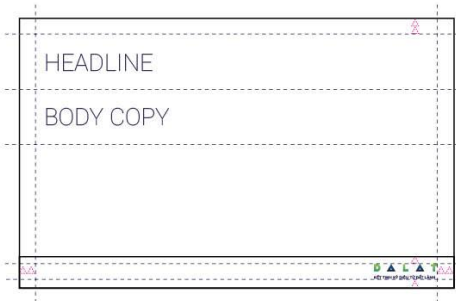
## 19 | APPLICATION SYSTEM OFFICE MATERIAL MOCKUP



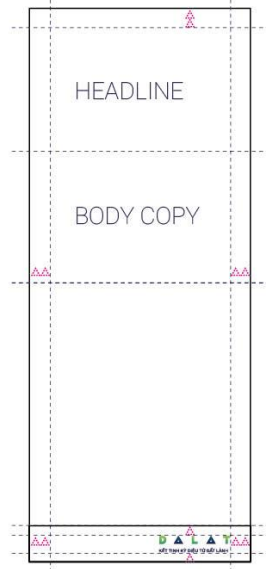
## 20 APPLICATION SYSTEM PRINT AD, POSTER



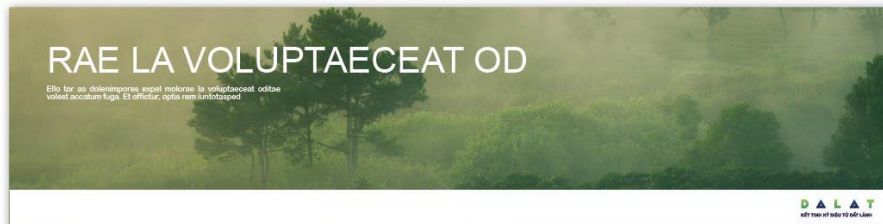
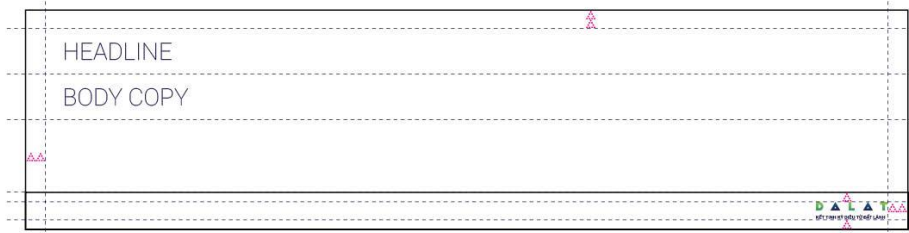
## 20 APPLICATION SYSTEM PRINT AD, POSTER



## 21 | APPLICATION SYSTEM BANNER - VERTICAL



## 21 | APPLICATION SYSTEM BANNER - HORIZONTAL



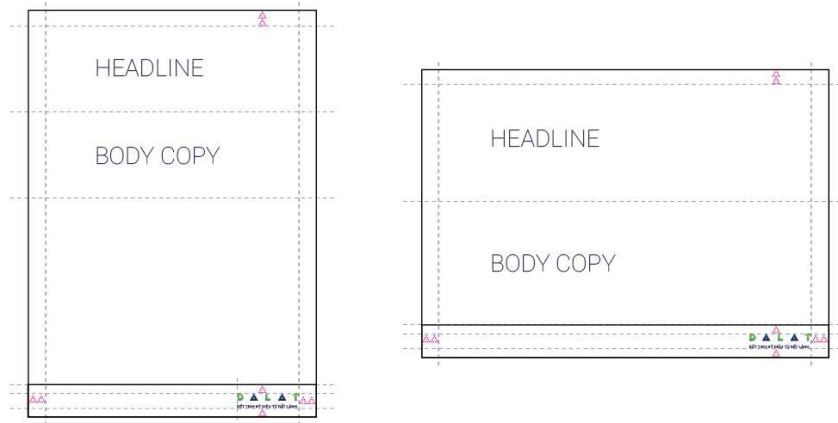
## 22 | APPLICATION SYSTEM BILLBOARD



## 22 | APPLICATION SYSTEM BILLBOARD



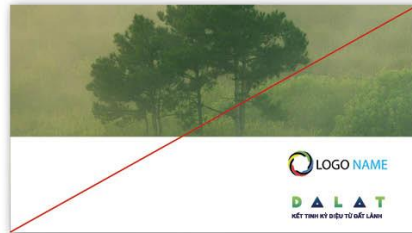
## 23 | APPLICATION SYSTEM LEAFLET, BROCHURE



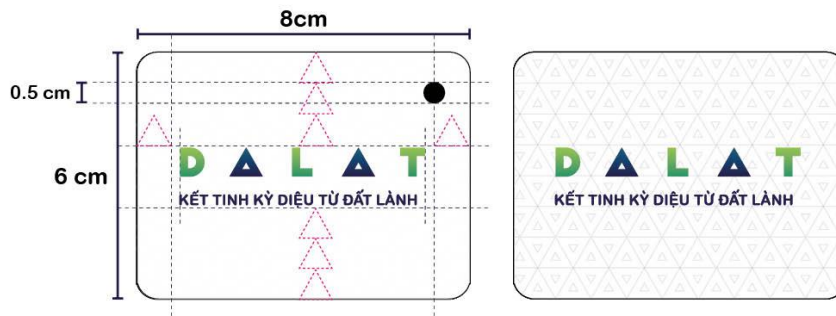
## 23 | APPLICATION SYSTEM LEAFLET, BROCHURE



## 24 | LOGO ADAPTATION WITH PARTNER



## 25 | LOGO ADAPTATION PACKAGING



\*\* Place this label of the packaging of the products.



25 | LOGO ADAPTATION  
PACKAGING



25 | LOGO ADAPTATION  
PACKAGING





## Appendix D: Detailed Guideline for Brand Implementation

### **DETAILED GUIDELINE TO IMPLEMENT THE PROPOSAL OF CONSULTING TEAM ON “FORMULATING BRANDING & PROMOTION STRATEGY OF AGRICULTURAL PRODUCTS & AGRO-TOURISM IN LAM DONG PROVINCE”**

#### **1. Preparation**

- February – April 2017: Establish Brand Authority (“BA”) with full authorization to plan, implement and monitor both brand communication and quality control mission
  - Finalize organization structure
    - Role and responsibilities for BA (manage both brand communication and quality control)
    - Reflecting to legal framework if necessary
  - Assign dedicated, technically capable and full time members to BA (Economic Department of Da Lat City People Committee)
    - Hire new marketing specialists to lead brand communication
    - Reallocate members from specialized departments to lead quality control and support brand communication activities if necessary
- February – December 2017: Proceed Brand Trademark Registration for “Da Lat” brand
  - Registered items: name, logo design, symbols and tagline
  - Prepare necessary documents for application
  - Submit application to National Office of Intellectual Property of Vietnam
  - Follow up the application process, supplement documents if necessary
  - Officially launch and authorize the brand to producers

#### **2. Brand Communication**

- February - April 2017: Approve budget for Brand Communication for Year 2017

- April - December 2017:
  - Prepare detailed budget and communication plan (cooperating with external agency)
    - Allocate budget to each communication activities
    - Prepare detailed plan to launch each activity
    - Internal sharing for related departments on finalized plan
  - List potential Media Partners to implement communication activities
  - Discuss and negotiate with Media Partners
    - Cooperation scheme, media cost based on allocated budget for each channel
    - Design and produce communication actual contents for each launch (ie leaflet, banner, billboard, etc.) based on requirement format by Media Partners (reference to Brand and Design Manual)
      - Logo color palette, background, graphic, font, etc.
      - Name card, letter head, envelope, etc.
      - Billboard, print ad, poster, banner, etc.
      - Packaging and logo adaptation with partner
  - Set KPI to assess the performance of each campaign
  - Launch, monitor and adjust campaigns based on market and consumer responses
- 2018 – 2020: Maintain brand image by continuously conduct brand communication activities in consecutive years
  - Budget allocation in each year
  - Plan, implement and monitor each branding campaign

### 3. Quality control

- February - April 2017:
  - Discuss internally between leaders and related departments of Lam Dong PPC to finalize Quality Control Models and timeline to execute the Models
  - Estimate budget for implementation
  - Approve the budget for the Year 2017
- April - December 2017:
  - Make detailed Quality Control manual (cooperating with producers is necessary)
    - Set detailed criteria to select core producers for vegetable and flower; core roasters for coffee, operator for agro-tourism
      - Vegetable: scale, network of contracted farmers, standard (Viet Gap or higher standard)
      - Flower: scale, network of contracted farmers, post harvesting
      - Coffee: reliable roasting process, established market channel
      - Agro-tourism (Private company for One stop model; Tour operator for Tour route model)
        - ✓ Financial capability: Allocate and train HR and invest in facilities
        - ✓ Operation capability: Provide comprehensive tour program (diverse agro activities) and professional services
        - ✓ Capability to execute branding activities: promote LD brand via tour
    - Define checking process for authorization
      - What to check:
        - ✓ Viet Gap Certificate or other certificates of higher standard
        - ✓ Production control: Compliance of core producers in following farming process set by Viet Gap or higher standard
        - ✓ Product control: Check product safety (Veggie) and product purity (Coffee)
      - How to check:
        - ✓ Production control: Visit farm to check environment conditions, recording

documents, select soil and water sample and test at lab, etc. (reference to Viet Gap)

✓ Product control: Take product samples from farm and test at lab

○ Define monitoring scheme

▪ What to check:

✓ Production control: Compliance of core producers in following farming process set by Viet Gap or higher standard

✓ Product control: Check product safety (Veggie) and product purity (Coffee)

✓ Brand utilization: Compliance of core producers in using brand (follow brand and logo manual, not transfer to other user, etc.)

▪ How to check:

✓ Production control: Visit farm to check environment conditions, recording documents, retest soil and water

✓ Product control: Take product sample (from farm, market and PHC) and send to lab for testing

✓ Brand utilization: Visit market and pick product randomly to check

▪ How many times: as high frequency as possible to ensure brand promise with consumers

○ Finalize violation scheme

▪ Violate 1time: pay penalty and require action to fix

▪ Violate 2<sup>nd</sup> time: stop authorization

○ Cooperation scheme with core producers, core roasters, core tour operator

○ Financial scheme to support safety test task at Post Harvesting Center (“PHC”)

• July 2017 – 2020:

➤ Official launching “Da Lat” brand for agriculture products

- Step 1 (July – December 2017): Cooperation with core producers, core roasters

○ List the name of qualified core producers and core roasters

○ Start screening based on the criteria set in the Quality Control manual

- Finalize the list and discuss cooperation scheme with core producers and core roasters
- Start authorization and monitoring the core producers and core roasters
- Discuss with Phong Thuy Farm for conducting quality control task at PHC for producers who use both post-harvest and brand
- Step 2 (2018 – 2020): Public Quality Control Center (PQCC) for individual farmers
  - Finalize the operation model, functions, process and financial support to conduct Quality Control at PQCC
  - Finalize scheme to integrate PQCC with PHC
    - Add safety test function in existing and future PHC
    - Assign PHC’s operator to perform quick test for products from individual farmers
    - BA will regularly visit PHC to pick sample to conduct detailed test at lab
  - Finalize scheme to integrate PQCC with FCC
    - Add quality control function to FCC
    - Add “quality control capability” as additional criteria to select FCC’s operator (besides technical, experience, finance and market knowledge)
      - ✓ Require operator to design quality control standard as a basis to conduct quality control
    - Prepare to establish FCC
      - ✓ Bidding preparation: structure bidding method and evaluation criteria and compose bidding documents before April 2018.
      - ✓ Business model and plan finalization: reflect outcome of this project into detailed business model and plan before April 2017.
      - ✓ Collaboration scheme with HCM city:
        - Deeply understand plan, current progress of Binh Dien PJ & Satra’s intention about involvement in FCC
        - Organize and conduct overall workshops to discuss all the pending issues and next actions among all stakeholders,

- Discuss detailed collaboration model with HCMC to synchronize operation, transaction data, product and cash flow
- ✓ Announce bidding in public by April 2018
- ✓ Receive and evaluate bidding proposal
- ✓ Design and construct
- ✓ Complete and start operation by December 2019
- Execute branding and promotion for Agro Tourism
  - One Stop model:
    - List potential private companies which operate existing One Stop farms and screen based on criteria in the manual
    - Select capable companies and engage into branding
    - Develop Public Agro Tourism site (One Stop model) integrate with FCC
  - Tour Route model:
    - List potential and screen qualified tour operator
    - Select one operator to manage all tour routes
    - Discuss and engage this operator into branding
    - Fully authorize tour operator to design tour, engage farmers, conduct training and manage services
  - Support to promote One Stop farms and Tour Routes
  - Cooperate with private companies and tour operators to obtain tourist's feedbacks and support for improvement