

**Hungarian University of Agriculture and Life
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**Strategic plan for a new scented
candle shop located in the centre of
Ho Chi Minh city in Vietnam**

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Abstract

This Bachelor thesis adopts the format of a strategic plan, focusing on establishing a Scented Candle Store in Ho Chi Minh City, Vietnam. Ho Chi Minh City, being the largest city with a substantial population and high-income levels, presents an opportune market for this venture.

The approach to constructing this plan encompasses an extensive literature review drawing from diverse sources and concepts. This includes in-depth internal and external analyses to comprehensively understand the business landscape. Additionally, the project delves into the intricacies of initiating and managing a new business, employing methodologies such as the 4Ps analysis.

To ensure a well-rounded strategic plan, the Balanced Scorecard methodology will be employed, providing a comprehensive framework for strategy control. This strategic plan aims to encapsulate a holistic view of the venture, laying the groundwork for a successful and sustainable scented candle business in Ho Chi Minh City, Vietnam.

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1. Introduction

The market for scented candles has recently been gradually growing year after year. The main reason for this phenomenon could be home décor is becoming more popular in the world. This has caused the majority of people to purchase scented candles to enhance the aesthetics of their homes as well as to enjoy in aromatic candles. Due to the requirement to draw in more customers, the hospitality industry contributes most to the market for scented candles. Therefore, scented candles are being used in the majority of hospitality-related enterprises, from hotels to restaurants. It has been demonstrated that the development of end user businesses such as spas, the hospitality industry, and the healthcare sector helps the market for scented candles flourish.

However, in Vietnam the scented candle market is not outstanding while the growth rate is low. There are some limitations about the service to approach the customers here, especially in small town or region. Due to that, I decided to enterprise a scented candle brand which is provide scented décor candles and service that related to it.

2. Literature review

In the recent dynamic business landscape, the determinants of a venture's success or failure have grown increasingly intricate and influential. Achieving business prosperity is far from straightforward; in fact, it is considerably challenging. Merely possessing operational competencies is no longer an adequate predictor of future triumphs. Without a cogent strategy and the capability to adapt to the prevailing environment, a business risks succumbing to the immense pressures exerted by market challenges and competitive forces.

Hence, in the context of a literature review, it becomes imperative to address themes like strategy and strategic oversight.

2.1 Strategy Definition

When starting a new business, all firms want to be successful in the long term or even in the short term, and developing a strategy is one of the most important steps they can take to get there. If success is an organization's ultimate goal, the concept of strategy is the path to get there.

Strategy, at its core, is the articulation of a company's direction and the pathway it intends to pursue to achieve its long-term objectives. As Chandler (1962) describes it, strategy is the determination of a company's long-term goals and the allocation of resources in line with those objectives. This entails not merely the blueprint of action but also how resources, both tangible and intangible, are marshalled and deployed. Porter (1996) echoes a similar sentiment but emphasizes the importance of differentiation, asserting that strategy involves making deliberate choices and trade-offs to distinguish oneself from competitors. For Porter, strategy is about carving out a unique and valuable position, necessitating a distinct set of activities.

This notion of differentiation is key. In a world brimming with competition and constant change, it's essential for businesses to have a clear strategy that differentiates them from others in the marketplace. But a strategy isn't just about differentiation; it's also about coherence and consistency in decision-making. Mintzberg (1978) captures this by

characterizing strategy as a "pattern in a stream of decisions," highlighting the continuous, evolving nature of strategy in response to changing business landscapes.

However, strategy is not just about planning; it's equally about addressing challenges. As Rumelt (2011) puts it, strategy is an approach to navigate difficulties or counter challenges, underscoring the problem-solving aspect of strategy.

To sum up, strategy is a multifaceted construct that encapsulates an organization's direction, differentiation, decision-making patterns, and response to challenges. It requires clarity of purpose, deliberate choices, and the efficient allocation of resources, always rooted in the organization's overarching objectives and the competitive landscape in which it operates.

2.2 How is strategy developed?

In the field of business management, the strategy development process is a multifaceted endeavour consisting of several key stages. It begins with a comprehensive analysis of the organization's current position, followed by establishing specific goals and objectives, assessing the company's internal and external environment, and developing methods solutions and campaigns that fit the company's future. Strategy development is characterized by a systematic approach, including multiple steps, economic functions and expert advice.

An important period in strategy development involves the essential task of analysing the current state of the organization. The fundamental step includes the internal factors such as strengths and weakness, as well as the external factors such as opportunities and threats. The SWOT is the important function that will be occurred in analysis process.

Simultaneously, the key factor should clear and measurable. According to Kaplan and Norton (2019), these objectives should be in line with the mission and vision of the company. They frequently take into account viewpoints from the financial, customer, internal process, and learning and growth areas. Setting goals must be followed by a thorough assessment of the organization's resources, competencies, and competitive environment. Barney (1991) asserts that determining the firm's competitive advantage is a critical component of this review. Developing a winning strategy requires knowing what makes the company unique from its rivals.

The external and internal business environments often undergo rapid changes. As a result, it is advisable to regularly update the organization's strategy to stay aligned with these dynamic conditions. Frequent strategy updates help ensure continued relevance and adaptability in an ever-evolving business landscape.

2.3 What are the steps for the strategy management?

Strategic management is a complex approach to achieving an organization's goals and objectives. It consists of a number of related processes that guide the formulation, implementation, and evaluation of strategies (Mintzberg, Ahlstrand, & Lampe, 1998). This thesis explores the core steps that compose the strategic management process, contributing to a comprehensive understanding of this critical aspect of organizational decision-making.

2.3.1 Environmental Analysis:

An extensive examination of the organization's internal and external environments serves as the first step in the strategic management process. In this step, the organization's operations are evaluated in terms of both macro and micro factors (David, 2011). The basis for identifying opportunities and threats is laid by this analysis.

2.3.2 Strategy Formulation:

Following the completion of the environmental analysis, the organisation moves on to developing its plan. In this phase, specific goals are established, relevant tactics are chosen, and an extensive strategic plan is created (G. Johnson, K. Scholes and R. Whittington , 2008). Aligning the organization's resources with its long-term objectives is the aim of strategy formulation.

2.3.3 Strategy Implementations

Following the formulation of the strategy, the subsequent step is its execution. Effective strategy implementation necessitates the allocation of resources, the delineation of tasks, and the establishment of organizational structures and processes (Arthur Thompson, A. J. Strickland III, John Gamble, 2015). Ensuring the chosen strategy is efficiently translated into action is of paramount importance.

2.3.4 Strategy Evaluation:

One of the most important aspects of strategic management is the continuous evaluation of the strategy's impact on the organisation and effectiveness. To track results and make required adjustments to the plan, a variety of performance measures are employed. (Wheelen, Thomas L.; Hunger, J. David; Hoffman, Alan N.; Bamford, Charles E., 2018)

Organisations use strategic management as a crucial process to help them navigate the complexity of the business environment. By examining the fundamental processes of strategic management, this thesis has shed light on the methodical approach that businesses take to accomplish their goals. Comprehending these stages is essential for making wise decisions and achieving long-term success.

2.4 The components of the strategy

An effective strategy serves as a guiding force, providing clarity of purpose and direction for a company, ultimately driving it toward its desired goals. The specific components of a strategy may vary based on the organization's unique objectives. However, this report outlines seven fundamental components that are universally essential for any company.

Vision and mission statements: The first step in strategic planning is to develop a vision and mission statement (Kaplan, R. and Norton, D., 1992). These declarations establish the organization's core values and overarching purpose, acting as guiding principles.

Strategic objectives: The organization's specific, quantifiable goals are known as strategic objectives, and they are frequently derived from the mission (Hrebiniak, 2006). These goals serve as the strategy's road map.

Environment analysis: Environmental analysis is a critical process in strategic management that entails a comprehensive examination of both the external and internal factors impacting an organization's operations. This evaluation aids in understanding the organization's current position in its business environment and guides strategic decision-making (Grant, 2019).

Strategy Formulation: Against the backdrop of environmental analysis, organisations move forward with developing the strategy. This stage comprises creating a thorough strategic plan and deciding which strategies are best to accomplish the goals (Arthur Thompson, A. J. Strickland III, John Gamble, 2015).

Resource Allocation: Resource allocation is the strategic process of distributing an organization's assets, including financial resources, human capital, and other essential factors, to various initiatives and projects aligned with the organization's strategy. This step is pivotal in optimizing the use of available resources to achieve strategic objectives (Hitt, M. A., Ireland, R. D., & Hoskisson, R. E., 2020)

Implementation and Execution: The effective execution of a strategy entails the translation of the formulated plan into tangible action, involving critical elements such as task assignment, process design, and the ongoing monitoring of progress (Kaplan, R. S., & Norton, D. P., 2008).

Feedback and Learning: Organisations must constantly seek feedback and take lessons from both successes and failures in order to promote improvement (Christensen, C. M., Bower, J. L., & Hamermesh, R. G., 1995). The strategy must be refined and adjusted through this iterative process.

A thorough examination of the crucial elements required to develop and implement a successful organisational strategy. Through referencing reputable sources within the strategic management domain, this work provides a more profound comprehension of the essential components that support an effective strategy.

2.5 The tools are used for strategic planning

Tools are the methods and instruments that organizations employ to analyse their business operations. Numerous tools are available for strategic planning analysis, including SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, the Balanced Scorecard, PESTLE analysis, the VRIO analysis tool, Porter's Five Forces analysis, the BCG Matrix, and many others. These analytical tools play a vital role in helping organizations assess and enhance their strategic planning processes.

2.5.1 SWOT analysis

SWOT analysis is often a favoured tool for evaluating a company's internal strengths and weaknesses, enabling a comprehensive understanding of its position in the market. This analysis helps in identifying external opportunities and threats within the business

environment. By strategically leveraging strengths to seize opportunities and addressing weaknesses to mitigate threats, organizations can develop more effective strategies. (Christine Namugenyi, Shastri L Nimmagadda, Torsten Reiners, 2019).

However, the effectiveness of SWOT analysis can vary based on the industry and supply chain dynamics. Different business situations may require unique components and considerations. For instance, in industries reliant on complex supply chains or those subject to rapid technological advancements, SWOT analysis may need to adapt and incorporate additional factors for a more accurate assessment.

It's important to note that external factors beyond an organization's control can pose challenges. Fluctuations in the price of raw materials, shifts in governmental policies and laws, and a shortage of skilled labor are examples of external variables that can impact a company's strategic decision-making. Managing these uncertainties and adapting strategies accordingly is crucial to achieving success in a dynamic business environment.

In summary, SWOT analysis is a valuable tool, but its application may require tailoring to specific industry needs, and businesses must remain adaptable to external factors that can influence their strategies.

2.5.2 The Balanced Scorecard

On the other hand, the Balanced Scorecard, developed by (Robert S. Kaplan and David P. Norton, 1992), places its primary focus on four key perspectives: customer, innovation and learning (organizational capacity), internal business, and financial. Each of these perspectives serves as a framework to answer specific questions that are closely related to an organization's strategic performance.

For instance, within the financial perspective, the critical question to address is, "How do we look to shareholders?" This question guides the organization in understanding how it is perceived by its investors and how it can best allocate its resources and investments to meet their expectations.

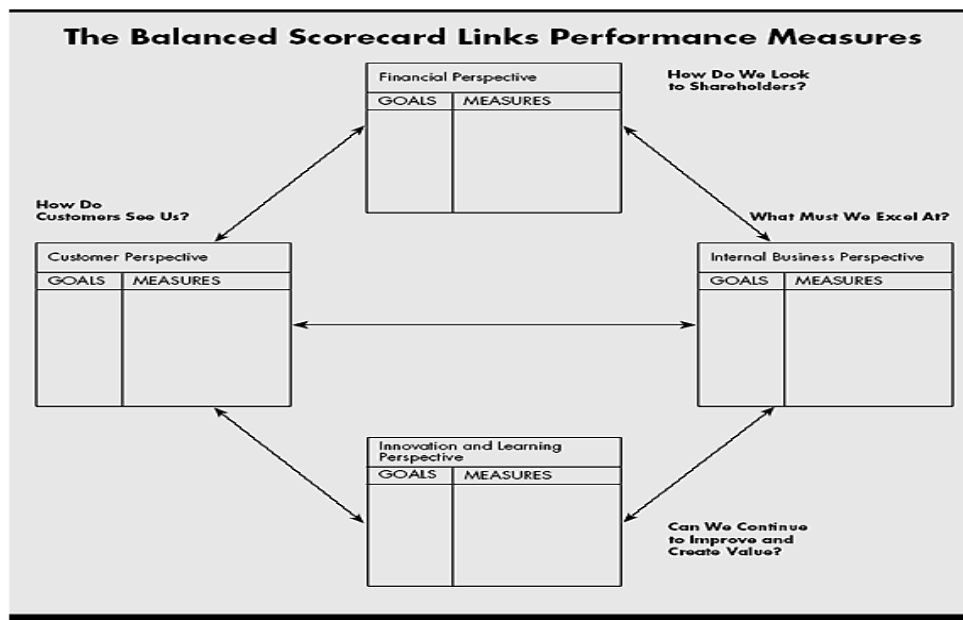
In the customer perspective, the central inquiry revolves around "How do customers see us?" This perspective compels a company to gain insights into customer preferences and expectations, ensuring that the organization aligns its strategies with customer needs.

In the organizational capacity perspective, the pertinent question is, "Can we sustain improvement and create value?" This perspective assesses the organization's ability to continuously enhance its performance and generate value over time.

Lastly, within the internal business perspective, the strategic query is, "What core competencies must we excel in?" This perspective focuses on identifying the critical processes and capabilities that an organization must excel at to deliver value to its customers and shareholders.

The Balanced Scorecard provides a structured approach for organizations to address these key questions, helping them develop and execute strategies that encompass a holistic view of their performance and objectives.

Figure 1: Balanced Scorecard Links Performance Measures



(Source: *The Magazine*, Harvard Business Review (1992))

2.5.3 The BCG matrix

The BCG matrix, developed by the Boston Consulting Group, is a valuable tool for long-term analysis of a company's business portfolio. It categorizes products or business units into four segments: Dogs, Question Marks, Stars, and Cash Cows. This classification helps leaders make decisions regarding investment, discontinuation, or development strategies for the organization's various offerings (Ansoff, 1990).

Figure 2: BCG Matrix



(Source: Cascade, (2023))

- The “Star” position represents products or business units that hold a high market share and are situated in markets with high growth potential (Arthur A. Thompson & A. J. Strickland, 1995). These entities typically lead their respective markets and demand substantial investment to sustain and enhance their competitive position and capitalize on the opportunities presented by market growth.
- The “Cash cow” pertains to products or business units that boast a high relative market share but operate in markets with low growth rates (Arthur A. Thompson & A. J. Strickland, 1995). This position implies that the company enjoys a consistent and substantial cash flow from these products or units and typically requires minimal investment to maintain their stability and profitability.
- The "Question Mark" category in the BCG Matrix represents products or business units with a low market share but operating in high-growth markets. In this situation, each

strategic action should be evaluated carefully. If these products or units can successfully increase their market share, they have the potential to become strong performers for the company. However, if their market share remains limited, they can pose a higher level of risk and may need revaluation or adjustment in the company's portfolio. (Mohajan, 2015)

- The “Dog” position performs both low market share and low market growth. Companies that find themselves in this position face the challenge of maintaining the operation of these products or units (Mohajan, 2018). To minimise the challenge of company, some strategy should be done such as cost-cutting, restructuring, or, in some cases, consider divestment or discontinuation, depending on the strategic goals and overall portfolio management (Mohajan, 2015).

To sum up, the BCG Matrix is a valuable tool that enables a company to assess its position within the market and make informed decisions about its business operations. This matrix categorizes products or business units into different quadrants, helping companies allocate resources, prioritize investments, and determine the strategic direction of their portfolio. It serves as a strategic guide for managing a company's product or business unit mix effectively.

2.5.4 PEST analysis

Macro-environmental analysis is typically conducted using the PEST analysis framework and is an important component of corporate strategic planning (Buye, 2021). It involves the assessment of various external factors that may affect the organization. Here's an expanded explanation of the components of a PEST (Political, Economic, Social, and Technology) analysis:

- Social Factors:

Social factors encompass elements related to society, demographics, and culture. This includes the characteristics of the target customer base, population trends, lifestyles, age distribution, values, and attitudes. Understanding these factors is

important for tailoring products and services to meet the needs and preferences of the target market. (Fairlie, 2023)

- Economic Factors:

Economic factors pertain to the economic conditions and financial environment in which a company operates. This involves aspects like interest rates, inflation, overall economic growth or recession, cost of goods, exchange rates, and other economic indicators. An analysis of economic factors helps businesses anticipate changes in consumer purchasing power and market conditions. (Buye, 2021)

- Technological Factors:

Technological factors involve assessing the impact of innovation and technology on the industry. This includes developments in automation, digitalization, research and development, technological trends, innovation, and R&D activity (Heubel, 2023). Businesses need to adapt to technological changes to stay competitive and efficient.

- Political Factors:

Political factors encompass the influence of government policies, regulations, and laws on business operations. This includes accounting regulations, labor laws, environmental regulations, trade policies, taxation, and other related government actions (Heubel, 2023). Understanding political factors is vital for complying with regulations and navigating the legal landscape.

By analysing these four categories of external factors, organizations can gain insights into the opportunities and threats that exist in the broader business environment. This information is essential for making informed strategic decisions and adapting to changes in the marketplace (Kenton, 2023).

In conclusion, the choice of the appropriate strategic analysis tool depends on the company's specific objectives and the timeframe under consideration. By selecting the right tool, leaders can effectively assess their company's position and circumstances, enabling them to formulate a well-informed strategic plan for the future.

3. Business idea

This project's foundation admits that each person's lifestyle has become increasingly essential in recent years. People today work more than they ever have before, spending the majority of their time in offices, therefore they desire quality time at home to unwind and recharge after long workdays. This is especially true of the younger generation. As a result, people are working harder to make their living spaces and home atmosphere better. In order to rejuvenate their minds and souls, individuals are currently decorating their houses with fragrant candles. Moreover, in hospitality area such as hotels, spa and so on, using scented candle as decorations is more popular nowadays.

In response to the pressing environmental issues of recent years, there is a rising inclination to substitute traditional products with those that are both renewable and reusable. In terms of organic constituents, the materials for the candle will be entirely sourced from natural elements and local agricultural produce. The primary composition of the candle will be based on sustainable waxes such as soy, beeswax, or palm. The fragrance will be crafted from floral extracts including lavender, jasmine, tea tree, and rose. Furthermore, as an innovative sustainable approach, coconut shells will be employed as containers for the candles.

In an effort to broaden the brand's reach and foster deeper community engagement, a series of workshops will be organized. These sessions aim to equip attendees with the requisite skills to craft candles independently. Attendees will be provided with fundamental knowledge of scented candles. After that, they have the autonomy to select fragrances, accompanied by a comprehensive briefing on the therapeutic benefits of each aroma. Furthermore, the workshop will offer basic understanding of fragrance notes, categorized as top, middle, and base notes. Such insights will empower participants to formulate candles tailored for specific outcomes, such as relaxation, energy boosting, sleeping, among other specific purposes.

Located in the heart of Hanoi, the capital city with the highest population density, the brand is expected to reach a large number of consumers or workshop attendees.

3.1 Company description

With the goal of infusing delightful fragrances into homes, spas, and hotels, we are launching a business named 'The Lily Scented Candle' in Ho Chi Minh City , the largest urban centre in Vietnam. Our choice of raw materials will primarily be sourced from neighbouring cities; for instance, flowers will be procured from Da Lat city, and candle boxes will be sourced from Binh Duong city. Additionally, we are excited to offer a unique service allowing individuals to craft their own signature scents and personalize their candles, adding an extra touch of creativity to our offerings

3.1.1 Mission statement

Our mission at 'The Lily Scented Candle' is to illuminate lives with enchanting aromas and captivating designs. We strive to provide a sensorial journey, infusing every space with tranquillity and warmth through our carefully crafted scented candles. Committed to sustainability and quality, we meticulously select raw materials, ensuring an eco-conscious and delightful experience for our valued customers. We invite you to embrace the soothing ambiance we create and make each moment more memorable with our scented candles.

3.1.2 Vision statement

Vision is a representation of the company's future state. it provides the method, the way that company organise to achieve their goal. To be opposite with the mission, the vision can be adjusted over time to be suitable with the goal of the company. A well-crafted vision statement provides a sense of direction and motivates stakeholders, employees, and partners, inspiring collective efforts to turn the vision into reality. The vision statement should be short to remember and focus on the main point. Our company vision statement this time will be

“To bring delightful scent to every individual”

3.1.3 Product and service

We firmly believe that a lifestyle lacking mindfulness and intention can have profound long-term effects on our mental and physical well-being. As such, we are committed to providing customer-oriented services, allowing individuals to craft their own candles and scented products, affording them the opportunity to uniquely create their own candle products.

In addition, we also bring some sub-products such as:

- Aromatherapy candles
- Candle lighters
- Occasional/ Seasonal gift boxes

Our packaging is designed to encompass various themes based on seasonal events. Moreover, we offer special packaging options tailored for significant occasions such as birthdays, anniversaries, and more

In addition to marketing the product, we also host workshops where individuals interested in this field can learn how to personalize their own candles. During these sessions, participants receive instruction on candle-making techniques, selecting scents, choosing candle colors, and decorating their candles independently.

3.1.4 Company Location

The location of a company is a critical factor in its path to success. When determining a suitable location, various factors come into play, including transportation, surrounding, access to raw materials, the availability of a skilled workforce, cultural dynamics, and more. Selecting suitable all these factors will maximize performance, optimize the cost. Among all regions in Vietnam, Ho Chi Minh City (HCMC), the nation's largest city known for its high-income levels, stands out with significant purchasing power, presenting an attractive prospect for establishing and growing a business.

Ho Chi Minh is one of the five cities directly under the Central Government, located in Southern of Vietnam which is belong to the Southern Key Economic Region.

According to the figures, compared to the other administrative units, Ho Chi Minh is at the top of the economic region as well as the country. In addition, this is the most populous city in Vietnam with around 9.3 million people in 2023 and the area is approximately 2,095 km². This is the major centre of education, finance, media, technology and transportation of Southern region in Vietnam.

According to VNExpress – Vietnamese newspaper, the economy of Ho Chi Minh City (HCMC) experienced a modest growth of 0.7% in the first quarter in 2023 (Thong, 2023). While this growth rate may not be considered high in comparison to other major cities in Vietnam, HCMC maintains a substantial purchasing power within the country's economy.

Additionally, the city has attracted significant foreign investments, establishing a foundation for its development by creating more job opportunities and fostering growth prospects, particularly for the younger demographic.

Among all the districts in Ho Chi Minh City (HCMC), the 7th district stands out as the prime location for establishing our physical store. Notably, it hosts a sizable Korean community and is equipped with modern shopping malls, international schools, and residential areas. Moreover, a majority of the residents boast a high-income level, leading them to prioritize their lifestyle and readily invest in enhancing and relaxing their living spaces. Furthermore, the 7th district is renowned for its safety and offers reasonably priced rental housing, a significant cost-saving advantage for our stores. In order to be easily accessible to our target customers, who are in the age range of 15 to 40, our physical stores will be strategically situated near high-traffic shopping areas with a dense population.

To sum up, scented candles have become a popular choice among individuals seeking to enhance the ambiance of both homes and public spaces like hotels, restaurants, cafes, and more. They offer a variety of fragrances and essential oils, including rosemary, lemongrass, cinnamon, vanilla, lavender, and numerous others.

Our product line features scented candles crafted with innovative fragrances, diverse colours, and textures to entice potential buyers. Additionally, we are actively responding to the increasing demand for eco-friendly scented candles made from natural materials like lavender, grapefruit, lemon, among others, aiming to promote market growth. The surge in home decoration trends has also boosted the demand for aesthetically pleasing and scented candle boxes. Notably, we offer specialized packaging services, allowing customers to select designs themed for specific holidays or occasions. Our dedicated team ensures the timely delivery of these carefully designed products to the intended recipients.

The widespread use of scented candles in hotels and restaurants for table decoration to create a pleasant candlelit dining experience is another significant market driver. The growth of infrastructure in the hospitality sector, especially hotels and restaurants, is expected to further propel market expansion. Additionally, the increasing trend of celebrating various festivals provides long-term growth opportunities for businesses involved in candle making.

However, market growth may face challenges due to the ready availability of low-cost alternatives like scented sticks and the emerging popularity of electric aroma diffusers. These alternatives present cost-effective and convenient options for consumers, potentially limiting the growth of the scented candle market.

Lastly, considering the current trend of utilizing social platforms, we plan to engage with Key Opinion Leaders (KOLs) on platforms like TikTok to promote and sell our products through the TikTok shop, targeting a younger audience. This strategic approach aims to leverage the influence and reach of popular social media platforms for effective product marketing and sales.

4. Strategy analysis

4.1 Market Analysis

When establishing firm activities, the management should examine the surrounding environment of the market in which they are participating, and how to manage this connection is the foundation of the strategy concept. Market analysis is the process to understand the threats and opportunities and how customers react to product service (Burn, P., & Dewhurst, J., 1996). Many elements are included in the analysis, including politics, culture, market trends, customers, competitors, suppliers, and others. These elements are divided into two slopes: contextual and transactional environment.

4.2 Contextual environment

Contextual environment is referred as the macro-environment, includes external elements that can influence the organisation but typically beyond the direct control of that organization. The contextual environment can be socio-economic, technological, political and economic.

4.2.1 Economic Context

The World Bank's most recent economic report states that Vietnam's economy is growing slowly as a result of both internal and external challenges. According to the Taking Stock report, the economy shrank in the first half of 2023, from 8% in 2022 to 3.7%. But starting in the second half of 2023, the economy will progressively grow; the projected rate is 4.7% in 2023 and will reach 5.5% in 2024. (Madani, Dorsati H.; Do,Dung Viet; Vu, Quyen Hoang; Thu-Ha Thi Nguyen, 2023).

4.2.2 Social- culture Context

After covid-19 period, the mind set of Vietnamese changed a lot. In recent years, Vietnamese lifestyle is changing, people are spending more time at home to relax with their family, friends or even alone. As a result, living environment is considered as the most important factor in their life. As a developing country, Vietnamese young generation plays the main role of consumer group, they are tending to buy more candle to beautify their home or create the relax atmosphere by the candles' scent. Furthermore, aroma candles are used as decoration not only in homes but also in spas and beauty salons. Behind the famous scented

candle brand such as Jo Malone, Souletto, Riviera Maison and more, Vietnamese consumer are increasingly turning more to local handmade brands.

4.2.3 Political – Legal Context

Vietnam is a socialist country with a legal system rooted in communist legal theory and influenced by French civil law. Establishing a scented candle brand in Vietnam demands meticulous attention to a comprehensive set of regulations and legislation, both during the company's establishment and throughout its ongoing operation. For business operations in the nation to be successful and compliant, strict adherence to legal requirements is essential. There are some organization responsible for this such as the Vietnam Certification Centre (QUACERT) is a company that provides testing and certification services to guarantee the safety and quality of a range of goods, including candles. In order for products to be certified to meet the necessary standards and regulations in Vietnam, QUACERT is essential. This contributes to giving customers trust in the security and calibre of the goods—like candles—that they buy. Vietnam Chamber of Commerce and Industry (VCCI): VCCI ensures product standards and quality as part of its role in promoting and facilitating trade.

Starting a new business is a complex process that necessitates paying close attention to obtaining the required licences and permits. In addition to being necessary for legal compliance, these authorizations—which are granted by local authorities in the particular area in which the business operates—are also crucial for guaranteeing that the business can function within the bounds of local laws. Thus, a crucial first step in determining a company's legal standing and operational legitimacy is comprehending and abiding by the licencing requirements.

4.2.4 Technology context

Technology is an influential factor that significantly shapes the operational landscape of a brand. It presents pivotal opportunities for companies, enhancing productivity and optimizing profits.

In 2022, conducting business via social networks such as Facebook, Zalo, Instagram, and others remained highly popular. Reports indicated that as much as 65% of businesses embraced these models. The widespread shift towards online shopping is undeniably essential, particularly in light of the profound impact of the pandemic. Among various online platforms, social networks have proven to be the most readily adopted choice for enterprises, providing a user-friendly and effective channel for business activities compared to alternative platforms. (VECOM, (2023))

4.3 Transactional environment

The transactional environment is known as the micro-environment or the operating environment that directly affect the organization. The transactional environment has four main elements: stakeholders, clients, suppliers, and competitors.

4.3.1 Stakeholders

Stakeholders are individuals or groups who have the capacity to influence a company's operations and, in turn, are susceptible to the company's impact. These stakeholders encompass a wide spectrum, including investors, employees, customers, suppliers, local communities, governmental bodies, and trade associations. It is crucial for a company's success to prioritize and maintain positive relationships with its surrounding communities.

4.3.2 Clients

Clients or company's consumer is a major part of any business, without clients, the business cannot earn the revenue.

In this business, our primary target audience comprises students and office workers aged between 16-40 years. This demographic is typically characterized by individuals seeking creative scent ideas, aiming to adorn and enhance their living spaces while also prioritizing relaxation. Additionally, we emphasize reaching out to those who purchase

candles for their own homes, as well as for gifting to family, friends, and relatives. Lastly, we are keen on engaging with customers who opt for bulk purchases from franchised retail outlets supplying scented candles to spas, salons, hotels, or restaurants.

We made the table to analysis the customers for our company categorized by gender, age, and income.

Table 1: Customer analysis

Gender	Male	Most of male choose scented candle as a gift
	Female	These customers primarily purchase candles for relaxation after exhausting workdays or for special occasions.
Age	16-25 years old	In this age group, they are students with easy access and preference for trending product. Requires independence, self-control, every action wants to express ego. In consumption, they prefer products that show personality and uniqueness.
	Over 25 years old	Most people at this age are married and have stable job, so they not only buy for themselves but also for their families. Their priority is health and well-being. Pay attention to practical, cheap, and beautiful products: at this time, they always calculate reasonable spending, in accordance with the family's economic conditions.
Consuming class	Less than \$11 per day	This is below consuming class, they mostly can only pay for basic living cost, practical needs. (Bruce Delteil, Mathieu Francois, Duy Mai, Jeongmin Seong, 2021)
	\$11-30 per day Or \$30-70 per day	These two classes are the middle class, they get the average income, people get this salary can buy the affordable price product, sometimes they can purchase for high segment product. Moreover, they accounted for around the half percent of population in recent years. (Bruce Delteil, Mathieu Francois, Duy Mai, Jeongmin Seong, 2021)
	Over \$70 per day	This market segment is financially better off, they are higher consumer class, available to use the product regularly

		without constraints. (Bruce Delteil, Mathieu Francois, Duy Mai, Jeongmin Seong, 2021)
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(Source: Own construction)

4.3.3 Competitors

To achieve success, it is crucial for all companies to thoroughly understand their competitors. Having insights into where they stand, what strategies they employ, and who they are targeting is a highly effective way to establish and grow a business. This understanding is vital not only in the domestic market but also in the foreign market. These aspects can significantly impact our business operations and overall success.

Domestic market

In recent, in Vietnam, there are not many options for customer to create their own scent. Additionally, there are local scented candle brands such as Candle Delirium, The mood in Sai Gon, Cochine, and so one. However, these brands do not have service to allow their customer to make their unique candle.

Foreign market

Internationally, an extensive array of scented candle brands exists, offering a diverse range of scents, shapes, and colours. Brands such as Bath and Body Works, Yankee Candle, and Jo Malone enjoy widespread popularity among consumers. Nevertheless, for the Vietnamese populace, the affordability of these candles poses a challenge, particularly in relation to their income levels.

Analysing competitors is a crucial step in understanding the company's position. This analysis aids in enhancing the company's strengths, mitigating weaknesses, identifying opportunities, and averting potential threats. In a more detailed exploration, this report will examine some domestic and international brands.

○ Yankee Candle

The story of company was published on their website. Yankee Candle company was started on Christmas 1969 by a poor child named Mike Kittredge in America. He was sixteen years old and tried to melt a crayon to make a candle as a present for his mother. His action was seen by a neighbour, who convinced him to sell another candle for her. From that small step, the birth of Yankee candle was given.

- **Strength:** Yankee is well-known brand with over five decades on this market (since 1969). Yankee Candle operates not only through its physical stores and website but also distributes its products through various retail outlets. Additionally, their large jar candles boast impressive burn times, ranging from 90 to 150 hours, which is notably longer than many other brands. In addition, their small candle can be burnt up to 15 hours.

- **Weaknesses:** Yankee offers high-quality candles for a premium price. Considering that candles are consumable goods, some customers may think their product is excessively pricey.

- **Opportunities:** By using their knowledge about the candles, they can develop their new products line such as health and beauty. The majority of health and beauty products target the adult female demographic, which is where the brand already has a significant presence.

- **Threaten:** Several other brands offer candle products at lower prices, potentially impacting the company's revenue.

- **Bath and Body works**

Bath & Body Works has been a recognisable brand on the American retail landscape for more than 30 years, offering inviting environments where customers are invited to explore, test, try, and finally purchase its famous products (Schiff, 2022). Bath & Body Works was founded in 1990 by the former retail behemoth L Brands. It started out as a line of cosmetics sold in Express clothes stores before launching standalone stores with a down-home, Midwestern theme. (Another L Brands Story, 2015)

- **Strengths:** With a strong brand recognition, Bath and Body Works has made investments to enhance the consumer experience. Because of this, there are a lot of repeat customers. Additionally, the business offers an integrated supply chain and distributes the product to a large global consumer base.

- **Weakness:** There is a small selection of products; the company primarily sells body care and home fragrance items. Although the business has the ability, they choose not to invest in the cosmetics and wellness items. While they can collaborate with other factories to increase their business, they primarily rely on internal product development.

- **Opportunities:** Businesses are able to increase their market share and sell their goods online thanks to the growth of e-commerce and integrated supply chains. Additionally,

a company can reach a wider audience by running more social media marketing campaigns.

- Threats: One of the issues that businesses should be aware of when exporting goods to foreign nations is ingredient regulation or packing, as each nation has its own standards on the amount of ingredients allowed in goods.

4.3.4 Suppliers

Suppliers are individuals or companies that provide goods and services, and the selection of suitable suppliers is pivotal to a company's success. The quality of the final products is significantly influenced by the raw materials, particularly in the case of scented candles, where the fragrance is contingent upon the quality of flowers and herbs used in its production.

In the production of candle boxes, the essential ingredient, wax, is sourced from Binh Duong province, situated approximately 30 kilometers from Ho Chi Minh City. This province is home to numerous factories and accommodates a sizable workforce of a million employees. Binh Duong not only provides employment opportunities for this substantial workforce but also offers the advantage of cost-effective raw materials, contributing to the affordability of the production process. It is a common practice among businesses located in the southern regions of Vietnam to frequently import products from Binh Duong province. This province serves as a significant source of various goods and materials, making it a key supplier for businesses in the southern part of the country.

In the process of candle production, the essential oil, which infuses candles with their captivating scents, finds its origin in Da Lat, a city renowned as the "Biggest Flower City." Da Lat's vibrant floral industry consistently exports an impressive volume of flowers, amounting to thousands of tons daily, to neighbouring cities. This bustling trade not only propels the local economy but also perfumes the region's air with the fragrant essence of its blooms. For candle makers, Da Lat's abundance of floral resources is a valuable source of scented oil that enhances the olfactory appeal of their products. The city's unique role as a floral haven enriches the sensory experiences of those who enjoy scented candles and various other goods, making Da Lat a vital contributor to the aromatic landscape of the country.

4.4 Competitive Analysis

4.4.1 Porter's 5 Forces

The powerful method that identifies the main source of competition was organised and developed by Michael Porter, professor in Harvard Business School and published by 1979. According to Michael Porter's perspective, there are five main sectors should be considered which are competitive rivalry, supplier power, buyer power, threat of substitution and threat of new entry. (Porter, 1979)

4.4.2 Competitive Rivalry

The degree of competitiveness among competitors is profoundly influenced by various factors within the scented candle industry. These factors include market growth, pricing strategies, operational costs, extent of product distinctiveness, impediments to market exit, and the imperative for business expansion. The interplay of these elements shapes the intensity of rivalry, dictating the strategies and vigour with which companies compete to secure their positions and thrive in the market. The nuanced dynamics of competition underscore the pivotal role of strategic decision-making in navigating and succeeding within this industry.

In Ho Chi Minh City, within the scented candle industry, there is a strong presence of both local and renowned foreign brands that offer competitive pricing. The company is feeling the pressure of pricing due to this competitive landscape. Additionally, various local brands offer a wide range of price options, providing customers with a plethora of choices. Despite the challenges posed by product pricing and the prevalence of workshops across multiple fields, not limited to scented candles, the company remains optimistic. The company believe that their commitment to excellent customer service, diverse wax offerings, and a focus on product uniqueness will distinguish them and resonate with customers.

Considering the above aspects, it is clear that rivalry is high. According to the exist problem, products and employees can be address well. However, the most difficult part will be the loyalty of customers.

4.4.3 Threat of new entrants

The threat of new entrants is influenced by the barriers that stem from the existing customer base. The presence of numerous new players diminishes the attractiveness of the market.

To initiate a new business, significant initial investment is required for various aspects including raw materials, rent, storage, and employee salaries, especially considering the possibility of initial losses. Consequently, new companies need substantial capital to sustain operations for a minimum of six months.

Furthermore, establishing brand awareness is crucial for a new company. Implementing effective marketing campaigns is essential to enhance brand visibility and resonate with customers.

Last but not least, some legal barriers can impact the working of new entrants, that will limit the access to the market and industry.

4.4.4 The Threat of Substitution Products or Services

In the company, potential substitution services for our scented candles include customers making their own candles (self-making scented candles) and sub-products like candle lighters and gift boxes. Although these services may differ in how they satisfy customers, their primary objective is customer satisfaction, aligning with our core business goal.

Utilizing social media effectively for our sub-services, particularly workshops, can attract a substantial number of new customers to experience what we offer. However, if our workshops are not attractive or engaging, their impact on our core activities might be minimal. Similarly, sub-products like candle lighters or gift boxes, while adding value, do not significantly affect our main activities.

Considering the above factors, the threat of substitution products or services remains low for our company.

4.4.5 The Bargaining Power Suppliers

In scented candle industry, the quality of waxes and oil is the critical factor for the success of a company, choosing the right supplier is the essential process to ensure the quality of the final products.

We have considered multiple suppliers near HCMC. In addition to the main supplier, it is important to have several sub-suppliers to reduce dependency on a single source. This strategy mitigates risks such as late delivery or unstable quality of raw materials that could potentially impact our operations.

Considering the factors mentioned above, the bargaining power of suppliers is relatively low. We have the ability to effectively manage and control the input of materials, giving us an advantageous position in supplier negotiations.

4.4.6 The Bargaining Power of Customers

When evaluating the influence of customers, their bargaining power is contingent upon factors such as their number, choice capacity, and negotiation abilities.

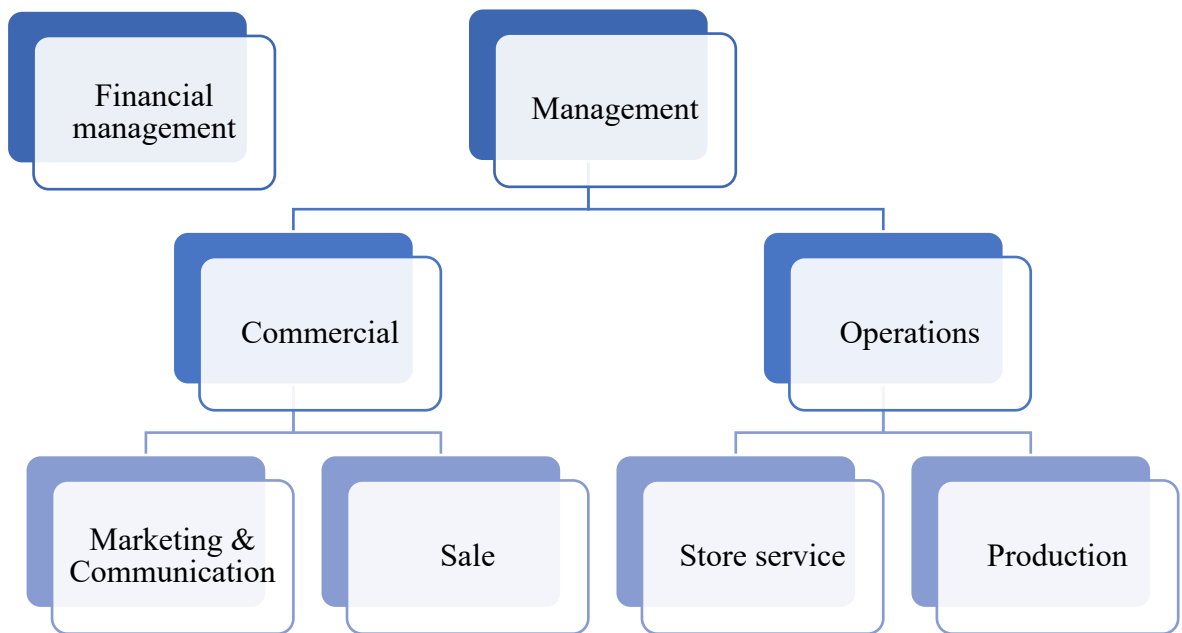
At the individual customer level, their bargaining power is relatively low, and losing one customer does not significantly impact the business. The volume of their purchases is not substantial enough to significantly affect the company's revenue. However, in the case of customer groups such as hotels, spas, and restaurants who typically purchase in bulk, the volume of their purchases can indeed have a significant impact on the company's revenue.

4.5 Resource

4.5.1 Company Organisational Chart

Creating a clear organizational chart that divides the company into smaller functional units is crucial for ensuring a streamlined operation within the company. Each department or division can focus on its core responsibilities, leading to enhanced efficiency and effectiveness in completing tasks. This structured approach facilitates smoother workflow, allowing employees to concentrate on their primary roles and contribute to the overall success of the organization.

Figure 3: The Company Organization



(Source: own construction)

By outlining the primary tasks of each position, an organisational chart can help streamline the organization's structure. Making decisions is less complicated and more straightforward using this methodical approach. Under this arrangement, the manager is in charge of supervising and organising every activity carried out by the business. Roles and authority should be clearly defined in order to streamline processes, promote efficient decision-making, and guarantee that the management can effectively lead and manage the company.

The operations are the largest department the will responsible for two major parts: store service and productions. In terms of the production, people will take care the storage, input and output of products, packaging, among others. In addition, the store service will be responsible for the sell service, customer service and more.

In the commercial domain, two primary focuses are marketing and sales. The marketing aspect involves promoting products or services, strategizing campaigns, understanding customer needs, and positioning the brand effectively. On the other hand, sales involve the actual selling of products or services, relationship building with customers, negotiating deals, and achieving revenue targets. Both these functions are pivotal for business growth,

and successful communication strategies play a vital role in aligning marketing efforts with sales objectives, ensuring a cohesive approach toward driving business success.

4.5.2 Human resource

Human resources are a critical component of any company. They are responsible for carrying out all activities within the organization. Fostering strong relationships among colleagues is instrumental in enhancing the company's productivity and overall workplace energy. When employees work cohesively and enjoy positive working relationships, it creates a conducive environment for collaboration, innovation, and increased motivation. This, in turn, contributes to the company's overall success and growth. Cultivating a positive workplace culture and promoting teamwork among employees can lead to improved job satisfaction and a more productive and harmonious work environment.

Recruiting the right employees is indeed a crucial step for a company. Beginning with a core team of four employees provides a foundation for growth and success. The company can start with four employees:

- Salesperson: handle all sales activities, powerful, work on achieving sale targets.
- Project manager: responsible for all the marketing activities.
- Operations manager: in charge all of the storage activities, input and output of products.
- Manager: responsible for all the operations works, decision-making, strategic planning and leading the team.

4.5.3 Material resource

Table 2: Material resources for the Organization

Physical Place	The establishment is situated in the 7th district, encompassing an area of approximately 30 square meters, effectively meeting all the spatial requirements of the store. The monthly rental fee for this space amounts to roughly 15 million VND.
Store	In terms of store equipment, several essential items are indispensable, including melting pots, wicks, candle holders, oils, pouring pitchers, and storage containers. These elements

	collectively contribute to the smooth operation and product display in a candle shop.
Office supplies	In the realm of office equipment, the procurement plan includes acquiring a laptop with an estimated cost of approximately 20 million VND, a printer at around 5 million VND, a company phone with a budget of 7 million VND, and other miscellaneous items to facilitate the administrative tasks of the business.
Vehicles	For delivery, the used motorcycle will be purchased with 24 million VND.

(Source: own construction)

4.6 Supply chain

The primary goal of any business is to maximise profits while creating a competitive advantage and adding value for its clients. It is essential to understand how the company creates value and always look for ways to improve it while creating a competitive strategy, especially in a highly competitive business climate.

From this viewpoint, (Porter, 1985) introduced the value chain model, which was crafted to dissect the precise activities within a company responsible for generating value and fostering competitive advantage. Essentially, it provides a structured framework for evaluating the primary and support activities that a company engages in to boost profitability and provide value to its customer base. Furthermore, it elucidates the manner in which this sequence of activities influences costs and, ultimately, the organization's financial gains.

Primary activities revolve around the physical creation, sale, and support of a product or service. On the other hand, support activities, as the term implies, are functions that aid the primary ones and can be interlinked with various primary activities.

Applying this analytical approach to the ongoing project, the following breakdown outlines the primary and support activities involved:

Table 3: Value chain analysis

Primary activities	
Inbound logistics	Indeed, these activities are integral to managing the supply chain process, specifically regarding the introduction of new products. They encompass responsibilities such as receiving materials from suppliers, as well as the organization and storage of physical raw materials and products. This cluster of tasks collectively constitutes a fundamental aspect of an organization's inbound logistics and is paramount in ensuring the seamless and efficient flow of materials and products throughout the supply chain.
Operation	Operation is all activities of producing process from raw material to the final product (such as preparing the material, measuring, melting the wax, place and stable the wick, and decorate), receiving orders, serving the customers, managing the storage, equipment and more.
Outbound logistics	Pertaining to delivering the completed goods to partners, end users, and other channels (such as e-commerce). In order to exceed consumer expectations and ensure that products arrive at their intended destinations on time, outbound logistics is essential.
Marketing and Sale	Everything from social media marketing to advertising and promotion that aims to increase brand recognition and attract more customers to the brand.
Services	This is all actives to maintain the successful performance including installation services, training, software.
Support activities	
Procurement	Procurement involves acquiring various inputs such as real estate, office equipment, machinery, furniture, raw materials, and supplies essential for business operations.

Human resources management	Any organisation that wants to succeed must manage its human resources well and keep employees highly motivated. This is especially true in service-oriented sectors like restaurants where waitstaff members deal directly with customers. Recruitment, training, skill evaluation, pay, salary, and vacation management are just a few of the procedures involved in this.
Technological development	Technology significantly impacts businesses by enhancing processes, products, and services. This includes improved cooking technologies for production and various tech applications for inventory management, reporting, design, communications, billing, and more.
Infrastructure	Administrative and management activities encompass finance, legal services, accounting, planning, and quality management.

(Source: own construction)

Applying value chain analysis adds significant value to both the business and customers. From product preparation and service to pre-service and post-service activities, this approach enhances overall success for the company.

4.7 SWOT analysis

The SWOT analysis is a strategic tool used to assess both internal and external factors influencing a company. It helps in recognizing and utilizing internal strengths, dealing with weaknesses, seizing external opportunities, and safeguarding against potential threats in the market environment. This enables organizations to develop well-informed strategies aligned with their objectives, thus enhancing their competitive position and overall performance in the market.

Table 4: SWOT analysis

Internal Environment	
Strengths	Weakness
<ul style="list-style-type: none"> - Various service beside the candle such as workshop for customers, event on holidays, and more. - Eye-catching packaging, changing follow the seasonal event. - The raw material is from natures, friendly to the environment. - Convenient: shopping website, shipping all the country. - Physical store is located on the main road, near the resident area. 	<ul style="list-style-type: none"> - Weak brand recognition - The raw material from the other cities. - The market has strong competitors
External Environment	
Opportunities	Threats
<ul style="list-style-type: none"> - The high number of customers get from the Internet, social flatform such as TikTok - Unique scent and gift packaging for the special occasions. - The concept follows and responds to market trends - High level of customer satisfaction. 	<ul style="list-style-type: none"> - High competition - Possibility of replication, copying - Increase cost of raw materials

(Source: own construction)

In addition to the primary product line, organizations can enhance their profitability by offering complementary items such as candle lighters, holiday packaging, and candle wax. These supplementary products can not only boost revenue but also enhance the overall customer experience. Moreover, investing in eye-catching packaging can serve as a compelling visual enticement, encouraging customers to make additional purchases of our products.

With the advancement of the internet, we have leveraged this technology to develop and expand our online presence. This strategic move involves the development of a user-friendly website, enabling us to reach a broader customer base and extending our reach to new audiences. The online platform allows us to engage with a diverse range of customers and foster growth in our customer base.

Nonetheless, as this is a newly established brand, its recognition within the market remains relatively low. Consequently, the company must undertake strategic marketing campaigns to broaden its brand awareness. Additionally, while the proximity of the store to certain raw material sources is advantageous, it is essential to acknowledge that immediate importation is not always feasible. Hence, meticulous inventory management becomes an integral aspect of the operation.

5. Strategic Implementation

Marketing mix

The ultimate objective of a company is to maximize profits by effectively launching products to a wider client base. To achieve this mission, the company needs a robust commercial strategy. A commonly utilized tool for this purpose is the 4Ps methodology: product, price, place, and promotion (McCarthy, 1960).

5.1 Product

In our store, we not only offer the core products like candles but also provide complementary items including candle lighters, gift boxes, and a diverse range of wax melts. Our intention is to enhance the overall customer experience by offering these additional products, ensuring that every aspect of their engagement with our brand is thoughtful and carefully service.

In recent times, the unique custom for products is the trend that has been loved by all age, especially for the youngster. People want to explore and experience self-design or create the new things. Due to that, beside custom the products depend on their requirement, our company also organise some workshop to let customers do their own candle. In that workshop, they can select their own scent and design.

The workshops are scheduled on weekends, twice a month, to infuse enthusiasm and provide customers with a relaxing and novel experience, aligning with their desire for hands-on involvement and creativity.

The primary goal of the workshop is to engage and attract customers, especially those with a passion for handmade products. In order to maintain the quality of the workshop and ensure an enriching experience, each session is designed for a limited number of participants, typically up to 10 people.

Participants are provided with all the necessary materials for crafting their candles, including wax, candle wicks, a variety of essential oils (which they can personally mix and choose), and decorating tools. The workshop commences with a foundational

introduction to candle making, allowing everyone to familiarize themselves with the process and the delightful aromas of the essential oils.

Throughout the workshop, skilled instructors are on hand to provide guidance and support to all participants. Towards the end, each participant is able to take home their uniquely crafted candle as a special gift from our store, further enhancing their workshop experience.

5.2Price

The primary target audience for our brand is individuals aged between 15 and 40, with a moderate-income level. Understanding the importance of affordable in market, our pricing strategy is measured to ensure that customers can enhance their ambiance and well-being without imposing a financial burden. In an effort to express our gratitude to our customers, we plan to provide a thank-you note with every candle purchase, establishing a personal connection and leaving a lasting impression. Additionally, recognising the diverse preferences and needs of our customers, we offer attractively priced candle packages to provide our customers with cost-effective options and a better value for their money.

5.3Place

Ho Chi Minh City stands as the ideal choice for our inaugural physical store, and our primary attention is directed towards the thriving 7th district. This decision is underpinned by a multitude of strategic factors that position this district in a favourable light. Notably, its geographical proximity to major shopping centres and densely populated residential areas creates an opportune environment for our business.

The 7th district is a bustling hub with a vibrant community characterized by a significant proportion of individuals boasting a commendable level of disposable income. This demographic profile places them in the bracket of prospective customers with a heightened likelihood of being interested in and purchasing our products. The appeal of our scented candles extends to individuals seeking both luxury and relaxation, a demographic well-represented in this district.

Ho Chi Minh City (HCMC) has been meticulously chosen as the flagship location for our store due to multiple strategic factors. One significant aspect is the strategic sourcing of

materials from cities like Da Lat and Binh Duong, known for providing high-quality materials at economical prices. Positioned strategically between these material-rich cities, HCMC offers logistical advantages, streamlining our supply chain and ensuring efficient production processes. Moreover, the city's substantial population and considerable purchasing power create a thriving market, aligning seamlessly with our business goals.

Furthermore, HCMC's centrality to these material hubs not only optimizes our material procurement but also enhances our operational efficiency. This strategic advantage translates into cost-effective production and allows us to offer our customers high-quality products at competitive prices. Ultimately, HCMC emerges as the ideal nexus that harmonizes material accessibility, efficient production, and a lucrative market, paving the way for a successful establishment of our brand in this dynamic metropolis.

5.4Promotion

In line with our dedication to sustainability, we've adopted eco-friendly packaging to attract environmentally conscious customers for our scented candles. Our marketing strategy encompasses sharing our sustainability story and meticulous candle-making process on popular social platforms like TikTok, Instagram, and Facebook. We emphasize the use of 100% renewable materials, aiming to educate and resonate with our audience, fostering a strong connection and encouraging sustainable choices.

6. Recommendation

In providing recommendations for the project, this report will employ the Dynamic SWOT approach. Building upon the insights garnered from the SWOT analysis, which evaluates the strengths, weaknesses, opportunities, and threats facing the company, a Dynamic SWOT analysis will be utilized to formulate future strategies for the organization.

Table 5: Dynamic SWOT analysis

		Internal Environment	
		Strengths	Weakness
External Environment	Opportunities	<ul style="list-style-type: none"> • Accessible to more customers by the social media, physical store. • The candle will be nature and friendly environment which is the trending recent time. • Will be the perfect gift for the girls sue to the packaging. 	<ul style="list-style-type: none"> • The limitation of the lack of brand awareness is minimised by the convention of the store's location. • Develop the partnership and the quality of products to increase the loyalty of customers.
	Threats	<ul style="list-style-type: none"> • The concept follows and responds to market trends • Focus more on the final products to make it out standing from the other shops to avoid the copy. 	<ul style="list-style-type: none"> • Focus on differentiating from the competitors. • Maintaining the raw materials, input from many sources to avoid the unstable raw material price.

(Source: own construction)

Based on the company's strengths and the prevailing opportunities in the market, there is potential to broaden the scope and reach of the customer base through various social platforms, including well-established ones like Facebook and Instagram, as well as the increasingly popular TikTok. Furthermore, in response to the growing concern about

environmental pollution, there is a discernible shift towards environmentally friendly products, which aligns perfectly with our target products. As a result, we anticipate a surge in revenue from this customer segment. Additionally, the contemporary market trends underscore the significance of packaging, especially among the younger demographic. Many individuals, particularly the youth, prioritize visually captivating designs when making purchasing decisions. By focusing on eye-catching packaging, the brand can cater to this trend and attract a more youthful and trend-conscious audience.

Utilising available opportunities serves as a tactical defence against potential company weaknesses while also improving the brand's prospects. For example, obtaining a premium and handy rental space can greatly increase brand awareness among consumers. Additionally, we believe that placing a high priority on product quality will boost customer loyalty and encourage repeat business, both of which will strengthen the company's defences against external threats.

To provide strategic direction and precise targets, we set both a "Big Goal" and "SMART Goals" based on the SWOT analysis of a company's strengths, weaknesses, opportunities, and threats.

Table 6: Company goal

<p>Big goals</p> <ul style="list-style-type: none"> • Increase the brand’s recognition with an innovative and out-standing concept and marketing in the area where it is settled. • Developing the customer service in order to increase the customer satisfaction of the products and service at store and website. • Higher profit in every month, expanding the number of physical stores.
<p>SMART goals</p> <ul style="list-style-type: none"> • Specific: Develop a new line of eco-friendly scented candles with unique, biodegradable packaging. • Measurable: Increase monthly sales of the new eco-friendly scented candle line by 10% compared to the current best-selling line.

- **Attainable:** Allocate necessary resources, including sourcing eco-friendly materials and collaborating with local suppliers, to ensure the production of the new line within the set timeline.
- **Realistic:** Capitalize on the growing demand for sustainable and organic products by promoting the new line through targeted marketing strategies.
- **Time-bound:** Launch the new eco-friendly scented candle line and achieve the sales target within the next 12 months, closely monitoring progress quarterly.

(Source: own construction)

The project will be carried out in accordance with the established implementation plan. The first two months will be devoted to the development and evaluation of the strategic plan. This stage will entail developing the goals and business concept.

Over the subsequent 2-3 months, the focus will shift towards addressing legal requirements and permits. This will encompass tasks like registering the business with the relevant authorities and obtaining the necessary licenses and permits.

During the following 4 to 5 months, critical activities will be centred around securing a location for the store, establishing relationships with suppliers, building up the inventory, and setting up the store's physical layout and fixtures. These steps are pivotal for the shop's successful launch and operation.

In the concluding phase, which is equally vital, the recruitment and selection of staff will take precedence. Assembling a competent team is pivotal to driving the company's growth and success.

7. Conclusion

The objective of this project is to conduct a thorough analysis and develop a strategic plan to evaluate the viability of establishing a new scented candle store in Ho Chi Minh City, Vietnam. The store will specifically cater to evolving trends related well-being and relaxing habit. The project involves in-depth analyses, strategic actions, and the formulation of a sustainable growth strategy within this highly competitive market. The aim is to align the business with consumer preferences and trends in order to achieve success and establish a strong position in the scented candle market in HCMC, Vietnam.

Project involves the analysis improvement and prediction of economy, technological environment and trends in consumer habits, political problem and socio- culture of country, focusing on the control to ensure the correct and implementation of the plan. In addition, some financial metrics are also applied such as SWOTi analysis, the balance scored card, marketing-mix to confirm the stable growth in the future of business.

In conclusion, the combined factors of favourable analysis, personal passion, and academic satisfaction indicate a promising path forward for the proposed scented candle business in Ho Chi Minh City, Vietnam

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Program and specialization: Business Administration and Management
Name of Thesis Supervisor: Noémi Fiser

First personal consultation

Date and time: 2023.10.27

Topic discussed: Literature review and research overview

Signature of Supervisor: 

Second personal consultation

Date and time: 2023.10.31


Topic discussed: The strategic plan

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Third personal consultation

Date and time: 2023.11.03

Topic discussed: Correct the small parts

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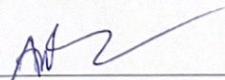
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