

## Developing Vietnamese Brands in the Context of Digital Transformation: Challenges and Opportunities

Nguyen Thi Giang

*Dai Nam University, Vietnam*

**ABSTRACT:** Digital transformation is progressing rapidly, creating an entirely new landscape for Vietnamese businesses in brand development. Alongside significant opportunities, enterprises also face numerous challenges in their quest for success. This article delves deep into analyzing the challenges and opportunities that Vietnamese businesses are currently and will continue to encounter during the digital transformation process. By doing so, it provides a comprehensive overview and suggests suitable strategies for developing Vietnamese brands in this dynamic environment.

**Keywords:** Digital transformation, brand, challenges, opportunities, Vietnam.

### I. INTRODUCTION

In the era of the Fourth Industrial Revolution, digital transformation has become an inevitable trend affecting all industries and businesses globally. Particularly in Vietnam, this process is gaining momentum and garnering considerable attention from the business community and government alike. Digital transformation not only involves applying information technology to business operations but also entails a comprehensive overhaul of operational methods, business models, and customer interactions.

Amidst deepening international economic integration and heightened competitiveness, building, developing, promoting, and safeguarding brands is vital for every individual enterprise and the Vietnamese business community as a whole. Decision No. 40/QĐ-TTg, dated January 7, 2016, issued by the Prime Minister, outlining the Comprehensive Strategy for International Integration through 2020, with a vision to 2030, emphasizes: "Enhancing national competitiveness, enterprise capacity, and striving to build reputable national brands and trademarks internationally."

A brand is a concept in business and marketing that encompasses multiple elements beyond just a name or image. It embodies the values of recognition and credibility held by the brand owner. For businesses, a brand serves as a means of identification and differentiation, influencing customer choices and building trust with customers/partners. Consequently, it enhances the product's competitiveness in domestic and international markets. For customers, a brand helps to clearly identify the origin and attributes of a product.

When formulating competitive strategies and development plans, each enterprise, industry, locality, and country conducts research and assessment to identify potentials and strengths that leverage core values, thereby creating a brand presence in the market. Especially, the brands of enterprises, industries, localities, and countries have an organic relationship, mutually impacting and influencing each other directly. A country with many enterprises producing quality products and developed economic sectors with distinctive specialties will be an essential foundation to elevate the national brand. Conversely, when a country's brand is enhanced in the international market, it reinforces credibility for enterprises, industries, and localities of that nation. This contributes to enhancing competitiveness, attracting investment, and fostering foreign trade.

Developing Vietnamese brands amidst digital transformation brings significant opportunities while simultaneously posing substantial challenges. Vietnamese enterprises must seize the opportunities arising from digital technology development to enhance operational efficiency, expand markets, and improve customer experiences.

### II. THE CURRENT STATUS OF VIETNAMESE BRAND DEVELOPMENT





















In recent years, Vietnam has undergone a significant transformation in building and developing its national brand. Evolving from a nation with rich history and culture, Vietnam has swiftly emerged as a beacon on the global brand map, asserting its position and instilling confidence among partners and consumers

worldwide. The current state of Vietnam's brand development is the result of a long process, from a nearly nonexistent awareness of brand importance before 1986 to Vietnam's brand now encompassing not only products and enterprises but also shaping the national image, culture, and identity.

The National Brand Program of Vietnam, approved by the Prime Minister, has played a crucial role in supporting enterprises to build and strengthen robust brands. Special emphasis has been placed on specific trade promotion activities and supporting enterprises in promoting the country's image, contributing significantly to enhancing the national brand value. Moreover, the shift towards technology-driven production, coupled with policies attracting skilled human resources, has facilitated Vietnam's easier access to global markets. This is evident not only through tangible factors like infrastructure and strategic geographical location but also through soft factors such as quality of life, labor capability, and national culture.

Through relentless efforts and sound strategies, Vietnam has become one of the fastest-growing countries in terms of national brand value globally. The 2023 report on the implementation of Vietnam's National Brand Program by the Ministry of Industry and Trade revealed substantial growth in the national brand value, from USD 247 billion in 2019 to USD 498.13 billion in 2023, marking continuous growth.

Many Vietnamese export product brands have gained global recognition. In terms of product brands, Viettel is the only Vietnamese enterprise listed in the "Global 500" ranking of the world's most valuable brands in 2023, securing the 234th position. Additionally, Viettel maintains its top position as the telecommunications brand in Southeast Asia and ranks within the top three most valuable brands in the region. Vinamilk continues to hold the sixth position among the world's top 10 most valuable dairy brands and ranks second globally in the dairy sector according to Brand Finance's rankings. Regarding industry-specific brands, Vietnam indisputably boasts numerous agricultural products that have solidified their positions in international markets, present in over 200 countries and territories. Pepper ranks first, rice and coffee second, seafood fifth, and tea seventh, among others. Emerging products such as durian, dragon fruit, oranges, and pomelos also demonstrate promising potential and are currently receiving increased attention for trade promotion and brand development in foreign markets.

2023	2022	Logo	Name	Country	2023
1 =	1		Viettel		\$8,902M
2 ^	3		Vinamilk		\$2,991M
3 v	2		VNPT		\$2,708M
4 ^	7		Vietcombank		\$1,917M
5 v	4		Vinhomes		\$1,743M
6 =	6		Agribank		\$1,436M
7 ^	13		Bank for Investment and Development of Vietnam (BIDV)		\$1,404M
8 ^	10		Techcombank		\$1,386M
9 v	8		Petrovietnam		\$1,382M
10 v	9		VietinBank		\$1,302M

**Figure 1: Top 10 Most Valuable Brands in Vietnam**

(Source: Brand Finance's Vietnam Brand Value and Strength Report, 2023)

According to Brand Finance's rankings, Viettel achieved a value of USD 8.9 billion in 2023 (a 2% increase from 2022) and maintained its position at the top for the eighth consecutive year. The group showcased impressive business performance with a 23.4% revenue increase, reaching VND 23.7 trillion in 2022. Viettel's success stems from its digital transformation initiatives. In 2022, Viettel partnered strategically with Nvidia through a Memorandum of Understanding to leverage artificial intelligence (A.I) in research and technological solutions. This agreement allows Viettel to apply Nvidia's expertise in machine learning and A.I model development, fostering collaboration in the artificial intelligence industry. Consequently, Viettel can utilize new knowledge to enhance Vietnam's workforce skills and provide essential human infrastructure for the nation's A.I development direction. This underscores how digital transformation significantly contributes to Vietnam's brand development.

### III. OPPORTUNITIES FOR VIETNAM BRAND DEVELOPMENT IN THE DIGITAL TRANSFORMATION CONTEXT

Amidst the digital transformation, Vietnamese enterprises are facing a range of significant opportunities to develop their brands. These opportunities stem from the application of advanced technology, efficient data utilization, and leveraging the expansion of the global digital market. Below are the most notable opportunities that Vietnamese businesses can capitalize on:

#### *Enhancing Operational Efficiency and Management*

Digital transformation enables businesses to automate business processes, reduce manual tasks, and optimize operations. Technologies such as Artificial Intelligence (AI), Machine Learning (ML), and Internet of Things (IoT) help businesses monitor, analyze, and manage data more accurately and effectively. This not only helps save costs but also improves labor productivity, thereby enhancing competitiveness in the market.

#### *Expanding Global Market Reach and Customer Access*

With the development of the internet and digital platforms, Vietnamese businesses have easier access to global customers. E-commerce, digital marketing, and social media channels allow businesses to promote their products and services to a larger customer base without geographical constraints. This opens up opportunities for revenue growth and expands business scope.

#### *Improving Customer Experience*

Digital technology enables businesses to gather and analyze detailed customer data, thereby gaining better insights into their needs and preferences. Using data for personalized customer experiences not only increases satisfaction but also builds brand loyalty. Technologies such as chatbots, Customer Relationship Management (CRM) systems, and mobile applications help businesses interact with and support customers quickly and efficiently.

#### *Developing New Products and Services*

Digital transformation presents opportunities for businesses to experiment with and develop new products and services. With data and technology, businesses can research markets, analyze trends, and predict customer demands more swiftly. This enables them to respond promptly to market needs, creating new value and attracting customers.

#### *Strengthening Collaboration and Networking*

Digital technology creates favorable conditions for businesses to collaborate with partners both domestically and internationally. Digital platforms and online project management tools facilitate efficient and fast connections with partners. Expanding collaboration networks not only helps businesses access new resources but also creates opportunities for learning and development.

#### *Building a Strong Digital Brand*

Digital transformation allows businesses to build and manage their brands on digital platforms. Digital marketing campaigns, online advertising, and social media enable businesses to create a strong brand image and attract customer attention. Maintaining a consistent and professional brand image across digital channels not only enhances brand recognition but also builds trust and credibility with customers.

#### *Accessing Funding and Financing More Easily*

Digital transformation also provides opportunities to access funding and financing from investment funds and financial organizations. Community crowdfunding platforms and venture capital funds are increasingly interested in businesses with potential for development in the digital technology field. This opens up opportunities for Vietnamese businesses to raise capital for expansion and business development.

#### *Enhancing Security and Risk Management*

Applying digital technology not only helps businesses improve operational efficiency but also strengthens security and risk management capabilities. Advanced security solutions such as data encryption, network security monitoring systems, and risk management tools help businesses protect important information and data while minimizing the risk of cyber attacks.

#### IV. CHALLENGES FOR VIETNAMESE BRAND DEVELOPMENT IN THE CONTEXT OF DIGITAL TRANSFORMATION

Alongside numerous opportunities, the digital transformation landscape also presents significant challenges for the sustainable and effective development of Vietnamese brands. Below are the main challenges that Vietnamese enterprises need to confront:

##### *Infrastructure and Technological Constraints*

Despite the benefits brought by digital transformation, it reflects existing limitations in technology infrastructure in Vietnam. This poses a major challenge for businesses, especially small and medium-sized enterprises, as they struggle to access new technologies, invest in modern IT systems, and efficiently maintain these systems.

##### *Shortage of Quality Human Resources*

Digital transformation requires deep understanding of technology and practical application skills from the workforce. However, in Vietnam, there is still a shortage of skilled personnel knowledgeable in digital technology. This shortage complicates the implementation and management of digital transformation projects. Training and attracting high-quality talent pose a significant challenge that businesses need to address.

##### *High Initial Investment Costs*

Investing in digital transformation sometimes demands substantial financial resources from businesses, particularly small and medium-sized enterprises. Costs for purchasing, deploying, and maintaining information technology systems can impose significant financial pressure, especially when businesses face fierce competition in the market.

##### *Cybersecurity Issues*

With increased reliance on digital technology, businesses also face higher cybersecurity risks. Protecting important data and customer information becomes a top priority, requiring businesses to invest in advanced security solutions and employee training in cybersecurity.

##### *Intense Competition from International Enterprises*

Vietnamese businesses not only compete among themselves but also face competition from international corporations that already possess technological and financial advantages. Gaining market share under these circumstances becomes more challenging, especially for new entrants or smaller businesses.

##### *Shift in Customer Interaction and Engagement*

The shift from traditional marketing to digital marketing and managing customer relationships on digital platforms demands flexibility and rapid adaptation from businesses. This requires them to have modern marketing strategies and effectively utilize digital tools to maintain and develop customer relationships.

##### *Organizational Culture and Management Change Challenges*

Digital transformation also necessitates organizational culture change and new management approaches to adapt to the new business environment. This may encounter resistance from employees and business leaders, particularly those accustomed to traditional work practices and unfamiliar with new technologies.

These challenges highlight that developing a brand in the context of digital transformation is far from easy. However, only when Vietnamese businesses recognize these challenges and optimize solutions can they leverage the opportunities that digital transformation brings for sustainable development and strengthening their market position.

#### V. STRATEGIES TO ENHANCE VIETNAMESE BRAND DEVELOPMENT IN THE CONTEXT OF DIGITAL TRANSFORMATION

To overcome challenges and capitalize on opportunities in the era of digital transformation, Vietnamese businesses should implement the following strategic solutions to enhance their brand development:

##### *Firstly, Investment in Technology Infrastructure and Expertise*

To leverage the benefits of digital transformation, businesses should invest in modern technology infrastructure and expertise. This includes updating and upgrading information systems, investing in advanced technologies such as cloud computing, IoT, artificial intelligence (AI), and big data analytics. Such investments not only optimize operations but also improve labor productivity and enhance customer experiences.

##### *Secondly, Development of Quality Human Resources*

Success in digital transformation requires ensuring an adequate supply of skilled personnel knowledgeable in digital technology. This can be achieved through investing in training and skill development for current employees, as well as attracting and retaining high-quality talent. Collaborative programs with universities and advanced vocational training courses can be implemented to meet these needs.

##### *Thirdly, Modern Digital Marketing Strategies*

To strengthen online presence and customer interaction, businesses need to adopt modern digital marketing strategies. This includes developing and maintaining a professional website, engaging in social media

marketing activities, creating digital advertising campaigns, and driving customer engagement through online channels. This helps businesses reach a larger customer base and build a strong brand image in the market.

*Fourthly, Optimization of Customer Experience*

Optimizing customer experience is crucial for retaining and developing customer bases. Technologies such as chatbots, CRM systems (Customer Relationship Management), and mobile applications enhance interaction and support for customers. Businesses need to establish a continuous process for collecting, analyzing, and responding to customer feedback to improve products/services and enhance user experiences.

*Fifthly, Information Security and Risk Management*

With increasing cybersecurity threats, businesses need to prioritize information security and risk management. Implementing advanced security solutions and training employees in cybersecurity are essential to protect business-critical data and customer information.

*Sixthly, Collaboration and Development with Partners*

Digital transformation also brings opportunities for collaboration and development with partners. Businesses can collaborate with digital partners to share resources, knowledge, and experiences, thereby promoting mutual development and minimizing risks. These collaborative relationships may include joint development of new products, services, and market penetration into new territories.

*Seventhly, Consistent Brand Building and Management*

Building and managing a consistent brand across digital platforms is crucial for enhancing customer recognition and trust. Businesses need to maintain a unified and professional brand image across digital media channels to build customer loyalty and trust.

Implementing these strategic solutions will empower Vietnamese businesses to navigate through the challenges of digital transformation effectively, allowing them to leverage digital opportunities for sustainable brand development and market positioning.

## VI. CONCLUSION

The current context of digital transformation is not only presenting challenges but also numerous opportunities for the development of Vietnamese businesses' brands. Changes in technology infrastructure, customer engagement methods, and business models are gradually driving enterprises to seek new and more effective approaches. To succeed in this transformation, businesses need to view challenges such as infrastructure limitations, initial investment costs, cybersecurity, and the shortage of specialized workforce as opportunities to enhance competitiveness and achieve sustainable growth. Implementing solutions such as investing in modern technology, developing high-quality human resources, and optimizing customer experiences will help businesses build and maintain a strong brand in today's digital market. Under the guidance of smart strategies and innovative technology adoption, Vietnamese brands can rise, assert their positions, and compete not only locally but also internationally. The confidence and determination of businesses will be crucial in fully harnessing the opportunities of this Fourth Industrial Revolution and reshaping the position of Vietnamese brands on the global economic map.

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*Nguyen Thi Giang*  
*Dai Nam University, Vietnam; Email: giangnt.gtgd@dainam.edu.vn.*