

DEVELOPING THE BRAND OF VIETNAMESE HANDICRAFT VILLAGES IN THE CONTEXT OF THE ON-GOING COVID-19 PANDEMIC

● DAO CAO SON

ABSTRACT:

Craft villages in Vietnam with a variety of products have affirmed their importance in the country's socio-economic development. However, as the market has been severely impacted by the COVID-19 pandemic and it has also developed thanks to the rapid scientific and technological changes, alternative products, and ever-changing demands, craft villages have faced many difficulties to survive and grow. By presenting an overview of theoretical issues on brand, collective brand, and brand development, using the semi-structured interview method and observation method, this study examines the current brand development of business establishments in some specific craft villages. Based on the study's findings, some solutions are proposed to help Vietnamese handicraft villages develop their brands, especially in the context of the on-going COVID-19 pandemic.

Key words: brand, collective brand, brand development, craft village.

1. Introduction

Over the past years, the issue of developing collective brand names in general or craft village brands in particular as well as market development solutions for handicraft products have been studied by many domestic and foreign scientists. In particular, as for a developing country with a history associated with craft villages like Vietnam, craft villages have also received a lot of attention from ministries, departments and sectors from central to local levels, with their own support policies and programs, etc. However, the development of craft villages over the past time has been spontaneous and arbitrary, and there was no strategy or methodical plan. Many problems still

exist from brand awareness thinking to investment activities, specific content and activities for brand building and development. Craft villages have low technology levels, untrained workers, and unorganized and unconnected production and business establishments in craft villages have been affected by the complicated developments of the Covid-19 pandemic, causing very few traditional craft villages with their products and advantages and potential hard to create, maintain and develop national and international brands.

2. Theoretical framework

Collective brand and craft village brand

According to Nguyen Quoc Thinh (2018) "Brand is one or a set of signs to identify or

distinguish products, distinguish businesses, it is the image of products and businesses in the minds of target customers and general public". The brand is increasingly expanding in terms of content and application scope. The term "brand" is not only approached in the scope of goods and services in the field of commerce, but also extended to many different objects and fields such as brands for organizations, individuals and industries, brand for tourist destination, local brand, national brand.

Brand success is about differentiating and providing consumers with a unique value (Keller, 2020). Thus, brand is developed not only to promote an individual unit such as a product or organization, but also to highlight the relationships among organizations in marketing. Collective brand can be understood as a brand created by a state or governmental organization for the purpose of certifying the product quality of the affiliates, which can sell their products from a certain geographical area or by a particular mode of production (Fernández-Barcala and González-Díaz, 2006). Collective brand strategy involves manufacturers of the same product agreeing to use a brand on their behalf, which involves a form of production that meets the same quality standards (Vertinsk and Zhou, 2000; Innes et al., 2010). (Fishman et al., 2011) pointed out that a collective brand must follow two criteria: (i) Being considered a brand representing quality products; (ii) Having members of the brand who are self-governing companies, making independent and self-profitable business decisions, sharing only the collective brand name. According to Nguyen Quoc Thinh (2018), "Collective brand is one or a set of signs to identify and distinguish, an image in the minds of customers and the public about one or several product groups of different production and business establishments in the same co-ownership association". Co-ownership association can be economic association in the form of member companies of a group, a corporation; It can also be a simple association of establishments in a craft

village area, a geographical area or association among members in an industry association.

Brand development

According to the view of (D. Aaker, 1996), "Brand development is a set of activities aimed at increasing the power and coverage, the impact of a brand on the mind and behavior of customers and the public". When it comes to brand development, it means to mention and emphasize the power of the brand. Brand development means making the brand stronger both in breadth and depth. Commonly mentioned contents include: Improving product quality; Increasing customer and public awareness; Increasing brand coverage and impact.

From brand development approach, craft village brand development is a set of activities to increase the power, coverage, and impact of the craft village brand on the mind and behavior of customers and the public. Developing a brand means making it stronger. The power of brand is understood as the ability of a brand to maintain competitive advantages and create value at present and in the future, relative to other competing brands in the same industry. The increase in the power of brand is approached based on the customer, that is, placed in the mind and perception of the customer, which is often measured through the identification of the components of brand equity. When increasing the power of the brand, it is necessary to focus on assets, in which, each listed asset is independent of each other, but has a close relationship.

3. Research Methodology

To meet the research objectives, qualitative and quantitative research methods are used. Document research methods and semi-structured interviews are used to collect data from brand experts on theoretical issues as well as current situations and solutions for brand development of traditional handicraft villages through media tools. Subjects for in-depth interviews include 15 brand research experts at universities, managers of associations and cooperatives of traditional handicraft villages,

Heads or Deputy Heads of businesses producing and trading traditional handicraft products in selected craft villages for research. Each interview usually lasts from 30 to 45 minutes, conducted by phone or at the expert's place of work. Besides the interview method, the author uses the sociological investigation method through survey forms to collect, analyze and process data from customers. The survey contents in the questionnaires focused on customers' perceptions of traditional handicraft village brands. Customer's evaluation of the activities of developing the traditional handicraft village brand in the past time (Consumer's perception of the product, the current media reality of the traditional craft village brand, consumer's looking back on traditional handicraft villages brand, etc.). The method of using questionnaires to survey customers and businesses is conducted by allocating questionnaires directly and by the Google form tool. In addition, the direct observation method was performed by the author's personal visit during the period from October 2021 to January 2022.

4. Research results and discussions

Reality of improving product quality and brand perceived value

Improving product quality and increasing perceived value are the most important contents that force traditional handicraft villages to focus on developing their brands. Perceived value is an overall assessment based on the customer's perception of what constitutes the quality of a product and how reputable the brand is. In order to improve product quality, many establishments in craft villages such as Van Phuc and Bat Trang have improved production technology and continuously upgraded technology and machinery. Typically, in Bat Trang, a number of establishments have invested in Double Action Presses, Multifunctional Single Head CNC Metal Laser Cutting and Engraving Machine, and Semi-Flexible Presses with a capacity of about 700,000 products/year. The product has high accuracy, the rate of defective

products is greatly reduced, and the aesthetics are improved. However, these are only cases accounting for small proportions, focusing on leading businesses in craft villages, while most production and business establishments of craft villages still use outdated and backward technology. In addition to the technology factor, in fact, in craft villages with different production establishments, the skill level of the workers is different and uneven. The process of product quality control is mainly performed by manual methods, with the naked eye, so there are many limitations. In addition, the process of handling raw materials, handling products as well as the process of transportation and preservation is not synchronized, lacks management and supervision, so the situation of products with poor quality and unevenness when coming to consumers is still quite common.

Reality of design and implementation of the brand identity system

Brand awareness is an important stage in the purchasing process and an integral component of measuring the power of brand. A brand with a high level of awareness among the general public has a higher chance of being chosen over other competitors. However, in reality, the activities implemented to raise brand awareness among customers of traditional handicraft village brands are incoherent, unconnected, short of synchronization and consistency.

For many craft villages, in addition to being known through their historical factors and long-standing reputation, they are also known more widely through the presence of reputable businesses and establishments in the village. In many craft villages, many potential households have established companies, businesses or family complexes for development. For example, Bat Trang ceramics village, according to a survey as of January 1, 2020, currently has more than 200 businesses and more than 1,000 households producing and trading ceramic products.

Businesses initially invested in the design of the brand identity system: brand name, logo, slogan, signboard, Website, etc. However, the elements of the brand identity system of the establishments of the craft village are deployed sporadically, short of synchronization, leading to customers not being able to recognize, even doubt about the origin and quality of products. Observed on ceramic products that are sold at many business establishments in Bat Trang, on the products of many production and business establishments, a different Bat Trang logo is shown. In addition, 76% of businesses have shown the name of origin and craft village brand on the packaging and products. Thus, there is still a large percentage of establishments that barely show the brand name, origin on the product or product packaging.

In fact, the survey in craft villages shows that many production and business establishments have designed logos, signboards and websites and some other brand identity elements to introduce their products; however, there is almost no connection with other members, everyone do by itself and cannot promote the advantages of the craft village brand. In addition, when exporting craft village products, they still have to go through many intermediaries. The name of the manufacturer cannot be registered but borrow the brand name and packaging of another unit. Products sold in foreign markets are considered products of foreign units, not traditional craft village brands or craft village establishments. There are quite a few brand identity elements that have been designed and applied by the establishments of the craft village, but the number is not uniform, usually only concentrated in businesses. The main elements are the brand name of the business (88/100), the business's own logo (65/100), boards, signs designed and deployed are 78/100 surveyed businesses. For households, only about 12% of the surveyed establishments attached their own logos or signs, but they were also very faint, failing to make an impression on consumers.

Reality of brand media of craft village

In fact, many craft villages have not been yet known to many consumers, including traditional craft villages that have existed for a long time, due to the fact that brand media in general and promotion in particular have not been carried methodically, unprofessionally and connectedly. In many craft villages, promotional activities are only interested by a few export businesses and establishments with financial potential, mostly joint stock companies and a few companies limited. According to the author's investigation results, there are quite a few brand media tools used by production and business establishments. From media tools such as television, radio, newspapers, salespeople to modern means via the internet such as Website, social networks. However, compared to traditional means, nowadays, establishments have exploited a lot of means on the Internet, especially social networks, with the advantage of being fast, almost not spending much. This shows that the production and business establishments of craft villages have approached quite quickly and bravely used information technology in business and promotion, although the efficiency is not high.

Some businesses in the village have set up websites, fanpages, etc. to introduce their products and brands to consumers. The information on these sites is usually addresses, phone numbers, business areas, some items and their prices. However, the general situation is that the interface is not beautiful, it is difficult to access, the way to set the domain name and page name makes it difficult to find, the content is too simple. All of these make websites and social networking sites not really attractive to viewers, leading to a state of being abandoned or inactive with a small number of visitors.

An important content contributing to the development of brand awareness is the quality of information related to the craft village brand. For craft villages, the information conveyed is also quite diverse from origin, specific materials to

information related to famous artisans of the craft village. The above diverse information helps domestic and foreign consumers know and understand more about the brand. Regarding handicraft products of the craft village, by the method of asking customers how they know through the comments related to this product and brand, the information which is enough for customer to understand the product's attributes includes product's characteristic function, characteristic design, characteristic color, and characteristic material, on average, 50% of the opinions agree. The customer lacks information about the stories about this ceramics village, the legends involved, the techniques and processes, the know-how that characterizes the craft, and information about how did the artisans make products.

Reality of increasing the coverage of craft village brand

Trade promotion activities for traditional craft villages are not only advertising mentioned above, but also promotional activities; display and introduction of goods; fairs and exhibitions. In fact, production and business establishments of craft villages often use promotional activities such as: discounting, giving gifts, holding customer meetings, etc. Some potential establishments also carry out costly activities such as inviting customers to try, give coupons, organize product introduction programs, cultural and art programs, contests associated with sales. However, these activities usually not much due to financial constraints.

Fairs and exhibitions are trade promotion activities with a variety of activities carried out in a concentrated manner in a certain time and at a certain place. Over the past time, the Ministries of Industry and Trade, Agriculture and Rural Development, a number of socio-professional organizations and some provinces and cities have organized many fairs and exhibitions on handicrafts products and craft village. Handicrafts of our country have also appeared in fairs and exhibitions

in a number of countries. However, there are still fairs and exhibitions that have not achieved high efficiency, often only focusing on displaying and introducing goods, have not clearly shown the cultural characteristics in each craft village product, have not taken advantage of this opportunity to exchange experiences, promote cooperation. Not to mention, the way to participate in fairs and exhibitions of production and business establishments of many handicraft villages is still limited, lacks methodical investment, and the stalls are poorly designed and not eye-catching, not attractive to visitors.

5. Recommended solutions

Raise awareness and increase investment in brand development

Production and business establishments, association managers need to actively update information, improve their brand knowledge, organize training classes on brands, intellectual property, search market, etc., with the participation of experts in brand and intellectual property to help production and business establishments increase brand awareness as well as management issues, not to infringe on regulations on industrial property, helping craft villages protect themselves against the encroachment of other establishments.

In order to improve the quantity and quality of human resources in craft villages, it is necessary to apply training and vocational training programs to improve the skills of workers; raise awareness of traditional values of craft villages, brands, intellectual property, etc. through training courses with the presence of experts in accordance with training requirements. Subjects, depending on their conditions, can establish a human resources department specialized in branding: To make a brand, it is necessary to have people who are knowledgeable about the brand. Craft villages should establish specialized departments, divisions or agencies on construction management and brand development. The people in charge of this job must be taught, trained, have knowledge, capacity,

enthusiasm and have certain experience in branding.

Improve product quality and increase perceived value

Brand building is also the process of increasing competitiveness and product consumption by all solutions that affect the appearance and quality of the product. The brand firmly stands only when it is guaranteed by the quality of each product and the stability of the product's quality. To do so, the production process needs to be perfected, both in workmanship and in production technology. Handicraft products are cultural products with high artistic value, considered a symbol of traditional craft. However, in order to build brands, those products need to be improved in terms of model and design; improved and ensured the stability of quality with suitable packaging, etc. Technology needs to be continued improving.

Solutions to develop brand awareness of traditional handicraft villages

Perfect the brand identity system. Craft village brand is different from business brand, it includes more and broader elements. It is necessary to research the market, products and customers to have the necessary information related to the brand such as consumer perception of the product, the product's target market, market penetration strategy, from there, design and build appropriate brand elements. For collective brands of craft villages, the design and standardization of logos, and the development of general regulations on brand use and setting of quality management standards are essential. In addition, the issue of registration of collective trademark protection of craft villages also needs to be quickly carried out in order to ensure the rights and increase value for the craft village in the process of brand development, contributing to avoid the craft villages trademark from being copied and infringed which is becoming more and more common today.

Solutions to enhance brand media activities. Providing information about goods on a regular and

continuous basis to consumers through different channels will gradually build them a trust, an interest, respect, from which they will love the brand more, love the traditional products more, want to use the product more. Promotion can be done on audio-visual media such as television, radio and especially over the internet; on print media such as newspapers, magazines, catalogs, leaflets. Craft villages need to actively participate in craft village fairs and exhibitions with financial support for booth rental, transportation, etc.

Associating the craft village brand with tourism development. Developing the brand of traditional handicraft villages in association with tourism development activities is a model that has been successfully applied in many countries around the world. However, it is necessary to have a close combination between the development of craft villages and tourism, ensuring socio-economic and environmental benefits; tourism development emphasizing cultural, historical, ecological and conservational aspects. It is necessary to develop a master plan for craft village development with policies to support and propagate for craft village tourism to develop exactly and effectively. It is necessary to invest in and upgrade infrastructure: roads, electricity systems, water supply and drainage, etc.; build works to attract and display handicraft products for people; increase the quality and quantity of tourism products and services: accommodation, tour guides, etc.

Minimizing harm to the environment. Environmental protection in craft villages is a decisive condition for sustainable development. It is necessary to build an environmental management apparatus with the nucleus as the local government to closely monitor the activities of each production and business establishment. Craft villages can form small and medium industrial zones, separating production and business establishments from residential areas should be considered; or renovating factories, using local materials, applying advanced techniques to

treat waste and dust; strengthening inspection and supervision; sanctioning for production establishments that do not ensure environmental sanitation, etc. These solutions definitely need the coordination of capital contribution from the state and business establishments in craft villages. The economic development in craft villages will also facilitate reinvestment to implement some solutions to thoroughly solve environmental problems.

Solutions to increase the coverage of the craft village brand

In craft villages, the rational formation of a common production structure, the organization of cooperative relations between units with different operating functions, and at the same time expansion of linkages are considered as important measures to promote production activities, to help ensure the maintenance of stable quality of the product system; expanding the application of science and technology in production, creating diversity in product designs, helping to implement brand development strategies, building a system of brand identity, brand protection, etc., building the brand name of the craft village uniformly with the reduction of incoherent and unconnected

competition between production establishments and each consuming business, excluding the making of imitation and counterfeit goods between establishments producing the same product type in the craft village, losing the prestige of the craft village. Instead, craft villages have orientations, establish common intellectual property rights and reassign production, support each other to improve skills, technology, product quality, and jointly preserve the craft village brand, avoiding price squeezing, prices lowering, helping products reach further domestically and internationally.

Developing the craft village brand has been being an extremely important issue. Although there have been certain results in the process of development, a certain reputation in both domestic and foreign markets have been built, people's living standards have been gradually improved, craft villages in general and traditional handicrafts in particular still face many difficulties, especially in the context of world economic fluctuations caused by the Covid-19 pandemic. Therefore, continuing to research to find effective solutions for brand development is always a very meaningful issue that needs to receive research attention from many sides in the coming time ■

REFERENCES:

1. David A. Aaker. (1996). *Building strong Brands*. New York, New York, United States: The Free Press.
2. de Chernatony, L., Drury, S. and Segal-Horn, S. (2003). Building a services brand: Stages, people and orientations. *Service Industries Journal*, 23(3).
3. Fernández-Barcala, M. and González-Díaz, M. (2006). Brand equity in the European fruit and vegetable sector: A transaction cost approach. *International Journal of Research in Marketing*, 23(1), pp. 31-44.
4. Fishman, A. et al. (2011). The Economics of Collective Brands. *SSRN Electronic Journal*, (August 2021).
5. Keller, K. L. (2020). Consumer Research Insights on Brands and Branding: A JCR Curation. *Journal of Consumer Research*, 46(5), pp. 995-1001.
6. Nguyễn Hữu Khải (2006) *Xây dựng thương hiệu cho một số mặt hàng thủ công mỹ nghệ truyền thống của Việt Nam*. Đề tài nghiên cứu khoa học cấp Bộ, Bộ Giáo dục và Đào tạo.
7. Nguyễn Quốc Thịnh, Nguyễn Thành Trung (2009). *Thương hiệu với nhà quản lý*. NXB Lao động xã hội.
8. Nguyễn Quốc Thịnh (2018) *Giáo trình Quản trị thương hiệu*. Edited by Nhà xuất bản Thống kê.

Received date: March 22, 2022

Reviewed date: April 10, 2022

Accepted date: April 28, 2022

Author's information:

MA. DAO CAO SON

Thuongmai Univeristy

PHÁT TRIỂN THƯƠNG HIỆU LÀNG NGHỀ THỦ CÔNG MỸ NGHỆ TRUYỀN THỐNG VIỆT NAM TRONG BỐI CẢNH ĐẠI DỊCH COVID-19

● ThS. **ĐÀO CAO SƠN**

Trường Đại học Thương mại

TÓM TẮT:

Làng nghề ở Việt Nam với đa dạng các chủng loại sản phẩm tiếp tục khẳng định được tầm quan trọng của mình trong quá trình phát triển kinh tế - xã hội. Tuy nhiên, trước bối cảnh thị trường bị ảnh hưởng nặng nề bởi dịch bệnh Covid-19, cùng với sự phát triển mạnh mẽ và liên tục của khoa học công nghệ, của các sản phẩm thay thế, của nhu cầu tiêu dùng, các làng nghề đã phải đối mặt với rất nhiều khó khăn để duy trì và phát triển thương hiệu của mình. Trên cơ sở tổng quan những vấn đề lý luận cơ bản về thương hiệu, thương hiệu tập thể, phát triển thương hiệu, cùng với sử dụng kết hợp các phương pháp nghiên cứu như phỏng vấn và quan sát tại các làng nghề được lựa chọn điển hình, tác giả tiến hành nghiên cứu phản ánh thực trạng và đưa ra một số giải pháp phát triển thương hiệu cho các làng nghề thủ công mỹ nghệ truyền thống Việt Nam đặc biệt trong bối cảnh Covid-19.

Từ khóa: thương hiệu, thương hiệu tập thể, phát triển thương hiệu, làng nghề.