

NARUMON SRIRATANAVIRIYAKUL, MATHEWS NKHOMA, HUNG XUAN VO

MOX DEALS VIETNAM: THE FIGHT OF DAILY DEAL SITES¹

We are going towards a new business model which will take us ahead of everyone else but this could also be a challenge at the same time.

Vann Le-Usami, Chief Executive Office at Mox Deals Vietnam was working sleeplessly preparing for a launch of a new Mox Deals Vietnam website, where daily deals would not be the only thing the company offered. Instead, they planned to combine an online web store and products/services deals into one stop shopping for Vietnamese online consumers.

In the past few years, the number of daily deals/couponing businesses in Vietnam had grown very fast. This type of business only took its first step into the Vietnamese market in the second quarter of 2010 but there were 97 companies competing in the voucher and coupon business by the end of 2011. While some still survived in this fierce competition, today, Mox Deals Vietnam, a couponing business website established in late 2012, had to find a way to be unique and different. On top of the fact that Vietnamese consumers had a negative impression of couponing businesses because of circulation of fake products in the market, there was also the perception that discounted products were not high quality.

Vann decided to offer a shopping mall concept, where a department store was combined with outlets or a super discount store all in one location. This strategy would benefit customers, who would need only to visit one website to make their purchases for things required in their daily lives. However, growing from a daily deal website to a full one-stop shopping website could impose risks on Mox Deals as well.

¹ Copyright © 2014, *Informing Science Institute*. This case was prepared for the purpose of class discussion, and not to illustrate the effective or ineffective handling of an administrative situation. Names and some information have been disguised. Permission is granted to copy and distribute this case for non-commercial purposes, in both printed and electronic formats.

E-Commerce Industry

Electronic commerce (or E-commerce) was by definition an industry which facilitated the transactions (buy and sell) of products and services over electronic based systems where the internet was the most common form. Generally, e-commerce was regarded as the sales dimension of e-business, which involved the inclusion of data exchange to stimulate business transactions in the financing and payment aspects.

Electronic commerce had actually started before the introduction of the internet in the form of credit cards, ATM machines, and telephone banking in the 1980s. However, the utilization of e-commerce, according to Paul Timmers cited by Mirescu (2010), started to bloom only in the 1990s with e-commerce virtual stores, e-procuring, e-auctioning, e-brokerage, third party marketplaces, and supply services (e-payments or e-logistics), etc. In recent years, there had been an emergence of a new trend which was M-commerce through the use of PDAs and smartphones, leading to new and potential opportunities for e-businesses.

E-commerce could be divided into sub-categories based on the main parties taking part in the economic process and the purposes of these processes, which includes:

- Business-to-business (B2B): comprised of two major components, namely e-infrastructure and e-markets (i.e., virtual meeting places for buyers to interact with bidders such as websites). This was considered as the most vital division of e-commerce which consists of the transactions of goods and services between companies (i.e., manufacturers, suppliers, distributors, and retailers, etc.)
- Business-to-consumer (B2C): facilitated the buying and selling between producers and buyers and consists of two main markets, which were e-retail and e-banking platforms.
- Business-to-government (B2G) and government-to-business (G2B): executed the commercial transactions between public sector and private companies. In B2G, companies took on the activities for the public sector's benefit while in G2B, public authorities had a role in helping private companies with regards to legal frameworks and informing the private sector about opportunities for cooperation with them.
- Consumer-to-consumer (C2C): represented the transactions between individual buyers and sellers.

Global E-Commerce Market

There had been a significant expansion in global e-commerce since the mid-1990s thanks to the drastic increase in internet users over the last decade. According to Alhorr, Singh, and Kim (2010), it was estimated that the number of internet users all over the world would be 1.8 million by 2012 and countries like China, India, Brazil, and Russia were forecasted to have the highest internet usage growth. In the second quarter of 2012, Asia was the region having the largest number of internet users, accounting for 44.8% of total users worldwide, followed by Europe with 21.5%. North America and Latin America took the third and fourth positions with 11.4% and 10.4% (see Exhibit 1).

In 2012, for the first time, the sales of B2C e-commerce reached \$1 trillion after an increase of 21.1% and was forecasted to grow by 18.3% to \$1.298 trillion in 2013 (eMarketer, 2013). Regarding the regional scale, despite the sales of \$364.66 billion in 2012 and the predicted increase of 12.2% to \$409.05 billion in 2013, North America's share of global sales fell by 2% from 33.5% in 2012 to 31.5% in 2013 due to the remarkable growth in the Asia-Pacific region. Accounting for more than a third of total B2C e-

commerce sales worldwide, Asia-Pacific's sales rose by over 30% to reach \$433 billion from \$332.46 billion in 2012.

The significant growth in e-commerce sales in the Asia-Pacific region was largely contributed by dramatic development of e-commerce in China, whose growth rate was 65 percent in 2013. In 2013, China was expected to take over the world's second largest B2C e-commerce market position of Japan with 14 percent of global sales. The growth potential in China was brought about by the rising internet penetration, blossoming middle class with high level of exposure to online shopping, consumerism promoting campaigns from the government, and the improved quality in infrastructure, products and services offered by online sellers and retailers (eMarketer, 2013).

Vietnamese E-Commerce Market

Since 2000, in recognizing the importance of e-commerce in facilitating and managing trading activities, Vietnamese businesses in various industries began to develop business networks and electronic data interchange applications for themselves. According to Vu, in recent years, not only private businesses but the Vietnamese government had actively engaged in e-commerce by enacting regulations on e-commerce activities such as setting, promulgating, and promoting e-commerce standards regarding trade data interchange, electronic data interchange for administration, information processing and XML schema definition, etc. Most e-commerce activities were conducted under the regulations from the Law on the Electronic Transactions and the Law on Information Technology, which underwent significant changes and amendments since 2007 (see Exhibit 2).

In order to develop an effective and sufficient e-commerce system, it was initially necessary to build up a comprehensive and advanced infrastructure. However, there were still many hindrances in the framework for e-commerce in Vietnam and also in Vietnamese people's habits. Vietnam E-commerce and Information Technology Agency (Vietnam E-commerce and Information Technology Agency [VECITA], 2013) in its 2012 annual report identified some issues regarding the following:

- **Payment infrastructure:** even though the cash payment as a proportion of total payment methods had decreased from 31.6% in 1991 to 11.8% in 2012, bank card payment was very limited both in terms of the proportion and the value of total payment methods and was only 0.2% of the non-cash payment value. However, it was forecasted that bank cards would become popular thanks to the considerable improvements in network equipment with 13,920 ATMs and 89,957 POSs installed throughout the country by June 2012. The number of issued bank cards by the end of June 2012 was 47.22 million, 94% of which were debit cards.
- **Logistic infrastructure:** the development of e-commerce also depended largely on the distribution channels from sellers to buyers, especially the need for a highly connected postal service networks across the country. Emerging in Vietnam since 2007, postal parcel delivery services had grown consistently and in October 2012, there were 70 enterprises operating in that sector. However, there was also a trend of decreasing numbers of postal offices, which made it less convenient for people to access the services.
- **Information Technology and Communications infrastructure:** according to the Vietnam Internet Network Information Center, there were 225,970 domain names '.vn', making it the most frequent country code domain name used in ASEAN. Among these, 142,828 domain names were registered by organizations including healthcare, education, state agencies and enterprises. In 2011, there were 50 enterprises operating in providing Internet services. However, three top leading enterprises namely VNPT, Viettel and FPT together made up more than 94% of the market.

The number of internet users in Vietnam was around 31 million in 2012 and was growing at a tremendous speed. In 2012 alone, the country had 1.59 million new internet users with a local internet penetration of 34 percent, slightly higher than the 33 percent figure of the global average. Overall, Vietnam was ranked 18th in the number of internet users in the world. It is also worth noting that 62 percent of users utilized their mobile devices for access to the internet and 32 percent of them purchased goods and services online by their phones.

According to Vietnam E-Commerce and Information Technology Agency (VECITA, 2014), around 57% of Vietnamese internet users undertook online shopping and the average value of purchases per year of one online shopper was estimated to be US \$120 in 2013. The B2C e-commerce sales in Vietnam were approximately \$2.2 billion in 2013 and would reach about \$4 billion in 2015.

The E-commerce market in Vietnam at present, despite its comparatively small size, is very dynamic and diversified, where a large share of the market is concentrated in some of the biggest companies. Among the 164 e-commerce service websites participating in a survey of VECITA in 2013, 60% of websites characterized themselves as e-shopping mall centers (online stores), 45% were classified as advertising, followed by group-buying (19%), forum (18%) and other (18%). Data collected from these e-commerce websites showed that 79 percent of them reported clothing, footwear and cosmetics to be the most purchased items, followed by computer, mobile and electrical equipment with 73 percent (refer to Exhibit 3 for more detail).

E-commerce markets in Vietnam were categorised into three main types namely online promotion websites, e-marketplaces and online auction websites, each of which was dominated by only a few players and was subject to substantial changes every year.

- Online promotion websites: According to VECITA in its Vietnam E-Commerce Report 2013, 38 online promotion websites taking part in its survey earned a total revenue of 774 billion VND in 2013. Among these, hotdeal.vn led the market with 54% share of the revenue, which was followed by muachung.vn and nhommua.com with 26% and 3% respectively. In terms of number of vouchers sold in 2013, hotdeal.vn also ranked first with 46% of the total 6,378 vouchers sold while muachung.vn and nhommua.com accounted for 24% and 14% each. However, it was noted that the number of vouchers sold by online promotion websites in 2013 decreased by more than 50% the 2012 figure (see Exhibit 4).
- E-marketplaces: This is the segment with the largest number of websites. In 2013, about 323 billion VND of revenue were earned by 116 e-marketplace participating in VECITA's survey. Leading websites in this segment were chodientu.vn with 29% of total revenue, lazada.vn with 22%, vatgia.com with 15% and ivivu with 14%. The composition of revenue of e-marketplace websites were charged by order (22%), Ads charge (20%) and membership fees (18%) (see Exhibit 5).
- Online auction websites: Total transaction value generated by 10 online auction websites surveyed by VECITA in 2013 was 5.38 billion VND. At the present, ebay.vn and 5giay.vn were the dominant players in this segment with 46% and 41% of total transaction value respectively (see Exhibit 6).

Couponing and Deals Businesses

The utilization of coupons as a method for boosting sales of new products started in 1887 when the Coca Cola Company penetrated the beverage market with a totally new type of drink. The coupons, which customers could redeem for a free glass of Coca Cola, were placed in magazines as well as sent directly to

potential customers. In all, it was estimated that 8,500,000 free drinks were served between 1894 and 1913, when one of every nine Americans participated in the campaign (Coupon Company, n.d.). Thanks to this strategy, Coca Cola had become one of the most popular and favored drinks in the US. From this starting point, coupons came to be widely used in other industries and today, in the US alone, more than 2,800 packaged goods companies discounted their products by offering coupons.

In recent years, coupons were not often offered directly to customers by traditional means such as magazines and mail boxes. Otherwise, companies and retailers were more likely to use coupon websites, which possess a wide range of consumer contacts and their preferences thanks to their specialization. These websites were actually online advertising sites that promote group-buying deals using direct marketing.

In the process of creating a coupon, the websites initially launched a new offer, which was typically for a discounted good, service, or event, from a participating business. The offer was made available on the coupon websites and also sent directly to customers who had subscribed to the website or previously made purchases from that website, via emails in the form of daily newsletters. The deals might also be advertised on television or through social media. However, it was necessary for a certain minimum number of customers who bought the coupon to be reached before a deal was activated or otherwise the offer would expire. After a customer purchased a coupon, it would be sent to them by email and they could redeem the coupon at the participating business.

The website kept a portion of the value of each coupon purchased and transferred the leftover to the business. However, depending on the conditions and agreements between the business and coupon website, the business might receive its share on every coupon purchased or on only the coupons that were redeemed. Payment time was also flexible from site to site, which could be within 5 days of a deal having been activated, soon after the deal being over or 60 days after the deal had ended.

Most of today's coupon websites offer customers the option to share a deal on other websites such as Facebook, Twitter and email if they like that deal and some even provide rewards to customers who have successfully invited their friends to the site (Business and Industry Portal, 2013).

Couponing in Global Outlook

According to Nielsen's 2011 Global Online Survey conducted on over 25,000 internet users in 51 countries, coupons were ranked second (48%) among the most popular saving strategies of global online consumers. North America and Asia Pacific were the regions with the greatest utilization of coupons with 65% and 55% of surveyed internet users respectively, while the US (66%), China (67%) and Hong Kong (65%) were the three markets with highest coupon usage as a savings method.

In the US, the coupon usage in 2010 was slightly higher than in 2009, with 80 percent of households using coupons across all retail outlets. Nonetheless, up to 70 percent of 2010 coupon purchases were made by only 13 percent of coupon-using households, which consisted of young, rich and enthusiastic spenders. In China and many Asian countries, simple price cut promotions with the support of leaflets and newspaper advertising was the dominant promotional strategy.

In Europe, even though 38 percent of consumers reported using coupons as a savings strategy, there was significant disparity in usage across the continent. In western and southern European countries such as Greece, Belgium, France, Spain and Portugal, no less than half of consumers purchased coupons while in Northern and Eastern Europe, coupons were less common and many retailers were not fond of that practice.

The utilization of coupons in Latin America, Middle East and Africa was not very prevalent in terms of offering discounts. The proportion of respondents from Latin America and Middle East/Africa reporting to use coupons was only 25 percent and 18 percent respectively. Meanwhile, volume discounts offered by retailers was the most popular price cutting strategy in the Middle East. Despite this, leaflets and newspaper promotion were getting more attention from consumers and triggering store visits as well (Nielsen, 2011).

Outlook for Couponing in Vietnam

Despite its popularity in the world, coupon businesses took their first step into the Vietnamese market only in the second quarter of 2010. However, it quickly became one of the fastest growing businesses with more than 97 companies competing in the voucher and coupon business by the end of 2011. Nhomhua.com, one of the earliest participants in the market that was financially and technically supported by an experienced global coupon player, Rebate Networks (Germany), achieved an unprecedented 80,000 customers in only two months of operation with thousands of coupons and vouchers sold.

At present, the coupon business model was not only applied in traditional multi-product coupon sites such as food and drinks, entertainment, travelling, and consumer goods, but was also expanded to specialized industries such as books and real estate. For example, customers who bought in groups would be entitled to attractive prices if the volume required by merchants was reached (PC World Vietnam, 2011).

The speedy growth of the coupon market in Vietnam also imposed problems. Firstly, the costs of establishing and maintaining a coupon business were mainly concentrated in the sales team and marketing efforts. However, the problem arose when Vietnamese customers were not accustomed to electronic payment methods, which resulted in the increased costs of building an effective delivery and payment collecting team. For instance, the number of employees in the three largest coupon websites, namely, Hotdeal.vn, Cungmua.com, and Nhomhua.com, was around 300 to 500. In addition, because of the intense competition in the market, marketing expenses of coupon businesses were extremely high, accounting for approximately 50% of their total expenditures. However, the effectiveness of traditional marketing strategies of coupon businesses such as emails and social media had become questionable because of the fact that customers now could make purchases with many coupon websites at a time and their mailboxes were usually flooded with advertising newsletters from these websites.

Another problem with the fierce competition in Vietnamese markets was the quality of the deals offered by coupon websites. Many coupon companies were competing in making heavily discounted deals with less focus on checking the quality as well as the authenticity of the deals, leading to many coupon websites flooded with cheap offerings of obsolete or poor quality inventories from merchants. As a consequence, customers' satisfaction and belief in the coupon business model were being ruined.

In 2012, however, after a series of controversies in this market segment that ended up with the resignation of Tom Tran as managing director of nhomhua.com, which subsequently led to the shut down of a number of coupon websites, there had been a re-map of the Vietnamese coupon market. Hotdeal.vn took this chance to take over the market leading position of nhomhua.com and in order to compete with Hotdeal.vn, cungmua.com and nhomhua.com went into a merger in late 2013. According to Vann from Mox Deals, the problems of nhomhua.com which caused it to lose market share to hotdeal.vn and with other coupon websites was their inability to control their liabilities and their internal conflicts.

Mox Deals Vietnam

Company Background and History

The official launch of Mox Deals Vietnam was on 28th of May 2012 in Ho Chi Minh City as an E-Commerce division of Mox Telecom Vietnam JSC., a member of MOX Telecom AG Group from Ratingen, Germany. Its establishment in Vietnam followed the success of Mox Deals in United Arab Emirate (UAE), Singapore, and USA. The company kicked off with 34 employees who were responsible for sales, delivery and customer service.

Mox Telecom AG Group is a leading Germany-based holding company with coverage in over 40 countries worldwide and a large customer base in Germany and Romania. The company was established in 1998 and is now offering products and services in five business areas including Calling-Cards, Mox Deals (established on December 12, 2011), Mox Mastercard, Call by Call, and Mox Priva. While 80% of Mox's revenue comes from Telecom services, the role of E-Commerce is undeniably becoming more and more important in Mox's strategic planning.

Mox in E-Commerce Industry

Under the E-Commerce segment, although Mox generally provided trade, media, and online shopping in the area of "white label deal platforms and deal portals", its operations in different countries made the company localized to fit their targets in different ways. For instance, Mox Deals Singapore and Vietnam mainly provided deals in products, food, beauty, and holidays by offering heavy discounts of up to 90%. Mox Germany offers an online fashion store and Mox UAE is a premium online web shop selling high-end products under the name "MoxIt".

Mox Deals Vietnam ran on Mox's unique and specifically developed and established couponing-ERP-platform, which was already in use in the UAE and now in Vietnam. Many different features as well as individual possibilities of involvement of customers and dealers delimit Mox Deals from the competition. One essential distinctive feature was the connection of Mox Deals platform with the Vietnam banking system called "Smartlink". This allowed customers to pay Mox Deals with local bank cards.

As of early 2014, Mox Deals offered its E-Commerce service in five countries including UAE (www.moxit.com), Singapore (www.moxdeals.sg), USA (www.moxdeals.us), Germany (www.mox-shop.de), and Vietnam (www.mox.vn). Moreover, it planned to expand to Turkey, Malaysia, Thailand, and Saudi Arabia in 2015.

With a 70 person staff in the Ho Chi Minh City branch, although Mox Deals was not ranked as one of the top 5 coupon and deal websites in Vietnam, it had the highest growth rate and its traffic growth was 250% every month.

Mox Deals' pricing model consisted of two types depending on the products. For example, Mox Deals often added margins to the net price received from vendors for fashion items, while electronic products were usually priced through commissions from goods sold.

In order to avoid the problem faced by nhommua.com, it was Mox Deals' policy to pay suppliers directly by cash. Furthermore, unlike other coupon websites whose revenues were mostly from urban areas, Mox Deals focused on suburban and rural areas from where 65 percent of its revenue was generated. This was achieved thanks to their strategic agreements with delivery partners in order to best satisfy its customers.

Mox Deals Vietnam Products

Since its establishment, Mox Deals Vietnam mainly offered discounted deals which were generated daily. Its main product categories included services, travel, fashion, books, and gifts.

Unlike Mox Deals® in the United Arab Emirates, deal vouchers or product deals were often delivered by motorcycle couriers. At the same time, the majority of the money for sold deals was collected from the customers using the method of “Cash on Delivery”, which is very popular in Vietnam due to the fact that Vietnam is still a “Cash Society”. However, the delivery service and cash collection on delivery were outsourced to distributors such as Viettel Post and VNPT Post.

In March 2013, Mox Deals Vietnam had over 4,500 products and services from approximately 2,000 suppliers. Vann said that he was planning to diversify Mox Deals’ offerings to other categories besides the voucher business. He continued by stating that it was common for an e-commerce business to specialize in one segment and now Vann wanted to combine all three e-commerce segments together and also added one more service, which was event ticket distribution or ticket master. There was currently no official ticket selling website and Vann tried to exploit this new segment. “We try to arrange every month or half month one large event and Mox Deals will be responsible for the whole process from online promotion to ticket selling”, Vann added. Mox Deals was now preparing for 2NE1 Galaxy Stage in Vietnam Event and there would be two more of these events to come in the coming months (see Exhibit 7).

Mox Deals Vietnam Promises

Mox Deals Vietnam differentiated themselves from other players in the market in a variety of ways.

For consumers, Vann stated that quality control was very important. Over 70% of Vietnamese consumers have negative impressions about couponing businesses as there were a large number of fake products in the market and it was difficult to determine whether the products were genuine when they chose to buy from websites. Many coupon and deal websites focused on offering products at the lowest price and may not have checked merchant’s products carefully. At Mox Deals Vietnam, Vann and his team held sales and sourcing meetings every morning to evaluate not only the products but also potential suppliers’ backgrounds. For instance, a spa service provider must be able to verify that the number of beds was sufficient, the level of services must be up to the standard, the location of the establishment must be safe and clean, and all the staff must be professional and qualified. The pictures of products and services shown on the websites are often taken by Mox Deals and not from the merchants or service providers themselves.

Moreover, Mox Deals customer service team operated 24/7 to answer inquiries or to handle customers’ requests through both call centers and online chat with clients directly from its websites. Customers also enjoyed nationwide delivery as well as guaranteed secured transaction processes.

Mox Deals operations were fast and efficient. When a new product or vendor was introduced, it only took a maximum of 4 days to be ready in the deals pool. Once an order was received, sales team would confirm twice by calling the customers after the order was made and before it was delivered.

In addition, Mox Deals paid its vendors daily based on the number of sales made during the day unlike most deal websites.

In June 2014, Mox Deals had started an installment payment plan which allowed customers who made payments by Sacombank credit cards to bear no interest on the purchase or to buy their desired items only

with a small initial deposit and to pay the rest amount by monthly installments through the Consumer Financing Program offered by HD Bank.

In early July 2014, Mox Deals Vietnam launched a new website specializing in branded products. These products were imported from Mox iT Dubai where the products' quality and origins had been carefully checked and tested.

In terms of technical upgrades and maintenance, Mox Deals' servers were controlled by the headquarters, which had expertise in telecommunications, so its systems were always ready to meet the traffic demand from the customers.

Thanks to these unique characteristics, Mox Deals Vietnam experienced a very low rate of goods returned (maximum 6%) in comparison to other companies (around 25%).

Vann Le-Usami

Vann Le-Usami graduated from the University of California at Northridge in Finance, as well as in Real Estate and Insurance. He has contributed to the growth of various financial services firms, including Smith Barney, RNC Capital and Coinstar, Inc. Moreover, Vann's professional knowledge and experience also covered areas in Telecommunication, IT, and Internet services.

Vann joined Mox Deals Vietnam in August, 2013 as Chief Executive Officer. Prior to joining Mox Deals Vietnam, Vann was working as Sales & Marketing Director at Vietnamworks, the largest job search website in Vietnam. Moreover, he had been Online Research Director at Cimigo, and Associate Research Director in Finance, Banking, and Internet Services at Nielsen.

Vann's priority was to shape Mox Deals Vietnam vision statement: "Trust and customer satisfaction is the foundation for our success". His philosophy of surviving in this fierce competition was to emphasize the importance of keeping promises in business as he said, "A promise is a promise in the business world. No matter what happens, if you made an offer, you have to honor that deal."

New Concept: Mox Mall

Due to saturation in the online couponing businesses in Vietnam and fast growth in the online market place as well, Vann decided to provide a better online value proposition to Mox Deals' customers. With the same concept as shopping malls where department stores are combined with outlets or super discount stores, Vann considered creating an online shop that combined coupons and deals on the same website, which would be unique in Vietnam.

In Vann's vision, he planned to divide the Mox Deals Vietnam website into roughly 65% regular shops and 35% deals in this hybrid model. This new platform allowed Mox Deals to provide both more products and more types of products to make it a one-stop shopping experience. The new system used the same platform as Mox Deals Germany, but had 70% customization in order to fit the Vietnam market.

Vann planned to launch the new Mox Deals platform on April 12, 2014 (see Exhibits 8 and 9), when the company would organize BeatFest, a music festival promoted on Yan TV (Vietnam's equivalent to MTV), where there would be over 80 musicians, celebrities and DJs (see Exhibit 10). He expected to have over 50,000 product titles from 4,500 vendors by the end of April, 2014.

The Decision

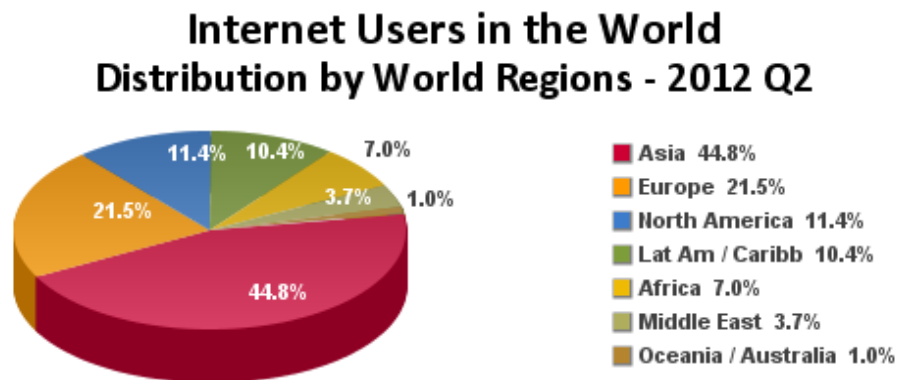
In order to compete with longer established deal websites like Nhomma, Hot Deal, Runhau, and many others, Mox Deals Vietnam needed a clear Online Value Proposition. While the couponing business in Vietnam was stagnant and Vietnamese consumers doubted the quality of products and services bought from deal websites, Vann decided to try launching the new Mox Mall, which combined the web shopping and deals in certain products and services targeting average to high-end markets.

The next considerations for Mox Deals Vietnam would be the risks and rewards involved in developing into this hybrid model and whether or not this would be the answer to compete in the online Vietnam marketplace. Moreover, with the increased number of products offered on the Mox Deals Vietnam website, it would be a challenge to maintain the quality of its products and services.

References

- Alhorr, H., Singh, N., & Kim, S. (2010). E-commerce on the global platform: Strategic insights on the localization-standardization perspective. *Journal of Electronic Commerce Research*, 11(1). Retrieved from <http://www.csulb.edu/web/journals/jecr/issues/20101/paper1.pdf>
- Business and Industry Portal. (2013). *How coupon website works*. Queensland Government. Retrieved from <http://www.business.qld.gov.au/business/running/marketing/online-marketing/using-coupon-websites-to-market-your-business/how-coupon-websites-work>
- Coupon Company. (n.d.). *Coupon history*. Retrieved from http://www.couponcompany.co.za/About_Coupons_History.html
- eMarketer. (2013, February). *E-commerce sales topped \$1 trillion for the first time in 2012*. Retrieved from <http://www.emarketer.com/Article/Ecommerce-Sales-Topped-1-Trillion-First-Time-2012/1009649#WPGjqpMdrFGLCx1.99>
- Internet World Stats. (2012). *Internet users in the world distribution by world regions - 2012 Q2*. (Graph) Retrieved from <http://www.internetworldstats.com/stats.htm>
- Mirescu, V. (2010). The premises and the evolution of electronic commerce. *Journal of Knowledge Management, Economics and Information Technology*, December, 1(1). Retrieved from <http://www.scientificpapers.org/information-technology/the-premises-and-the-evolution-of-electronic-commerce>
- Nielsen. (2011). *Global consumers go sales searching and coupon clipping*. Retrieved 10 December from <http://www.nielsen.com/us/en/newswire/2011/global-consumers-go-sale-searching-and-coupon-clipping.html>
- PC World Vietnam. (2011). *Mo Hình Coupon: Hua Hen Thi Truong Soi Dong*. Retrieved 4 April from <http://www.pcworld.com.vn/articles/kinh-doanh/giai-phap/2011/04/1224017/mo-hinh-groupon-hua-hen-thi-truong-soi-dong/>
- Vietnam E-commerce and Information Technology Agency. (2013). *Vietnam e-commerce report 2012*. Retrieved 8 April from <http://www.vecita.gov.vn/default.aspx?page=document&do=detail&field=24&id=206>
- Vietnam E-commerce and Information Technology Agency (2014). *Vietnam e-commerce report 2013* Retrieved from <http://vecita.gov.vn/default.aspx?page=document&do=detail&field=24&id=288>
- Vu, V. (n.d.). *E-commerce support technology standard application in Vietnam*. Petra University. Retrieved from https://www.uop.edu.jo/download/research/members/tforum_bs2_vynote.pdf

Exhibit 1: World's Internet Users



Source: Internet World Stats - www.internetworldstats.com/stats.htm
Basis: 2,405,518,376 Internet users on June 30, 2012
Copyright © 2012, Miniwatts Marketing Group

Source: Miniwatts Marketing Group 2012

Exhibit 2: E-Commerce Law in Vietnam

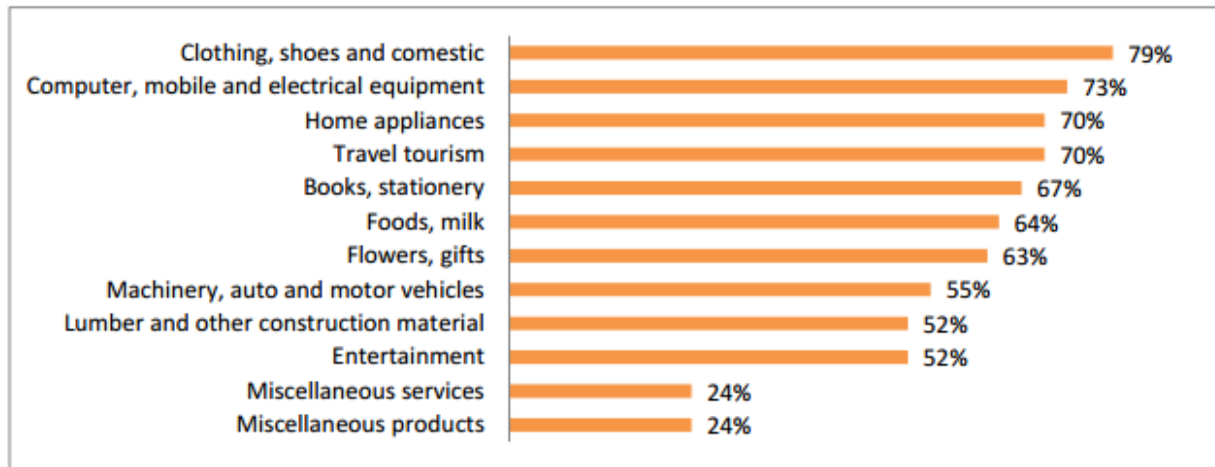
Law		
21/12/1999	Penal Code	
14/6/2005	Civil Code	
14/6/2005	Commercial Law	
29/11/2005	Law on Electronic Transactions	
29/06/2006	Law on Information Technology	
23/11/2009	Law on Telecommunication	
19/6/2009	Law on amending and supplementing several articles of the Penal Code, No. 37/2009/QH12	
21/6/2012	Law on Advertising	
Decree to provide guidance on law		Overriding text
15/02/2007	Decree No. 26/2007/ND-CP guiding the implementation of the E-transaction Law on digital signature and C/A services	E-transaction Law
23/02/2007	Decree No.27/2007/ND-CP on electronic transactions in financial activities	E-transaction Law
08/03/2007	Decree No.35/2007/ND-CP on electronic transactions in banking activities	E-transaction Law
13/08/2008	Decree No.90/2008/ND-CP on anti-spam	E-transaction Law and IT Law
06/04/2011	Decree No. 25/2011/ND-CP detailing and guiding the implementation of some articles of the Law on Telecommunication	Law on Telecommunication
13/06/2011	Decree No. 43/2011/ND-CP detailing regulations on the provision of online information and services on websites or e-portals of State agencies	Law on IT
23/11/2011	Decree No. 106/2011/ND-CP amending and supplementing Decree No. 26/2007/ND-CP on Digital Signature and Certification Authority services	E-transaction Law
5/10/2012	Decree No. 77/2012/ND-CP amending and supplementing Decree No. 90/2008/ND-CP on Anti-spam	E-transaction Law

22/11/2012	Decree No 101/2012/ND-CP on non-cash payment (supersedes Decree No.64/2001/ND-CP on payment operations via the payment service providers)	Law on IT
16/5/2013	Decree No. 52/2013/ND-CP on E-commerce	E-transaction Law
15/7/2013	Decree No. 72/2013/ND-CP on management, provision and use of Internet services and online information	Law on IT
14/11/13	Decree No. 181/2013/ND-CP detailing some articles of Law on Advertising	
Decree on handle violations		Overriding text
10/04/2007	Decree No. 63/2007/ND-CP on sanctioning administrative violations in information technology	Law on IT
20/09/2011	Decree No. 83/2011/ND-CP on sanctioning administrative violations in the sector of telecommunication	Law on Telecommunication
12/11/2013	Decree No. 158/2013/ND-CP on sanctioning administrative violations in culture, sport, tourism and advertising.	
13/11/2013	Decree No. 174/2013/ND-CP on sanctioning administrative violations in the fields of posts, telecommunications, information technology and radio frequency.	
15/11/2013	Decree No. 185/2013/ND-CP on sanctioning administrative violations in commercial activities, production, trading counterfeit or	

Source: Vietnam E-Commerce and Information Technology Agency (VECITA, 2013)

Exhibit 3: Most Online Purchased Items

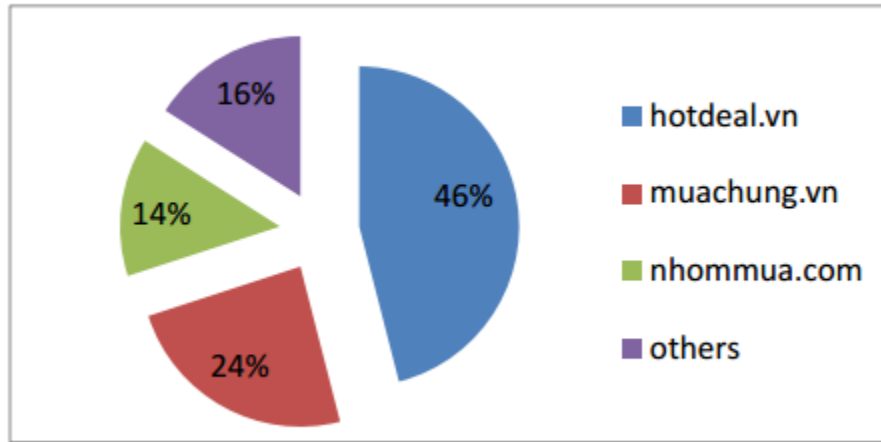
The types of products or services introducing on e-commerce websites



Source: Data gathered by E-commerce and Information Technology Agency 2013

Exhibit 4: Online Promotion Websites

Market share of online promotion website surveyed by the number of coupons

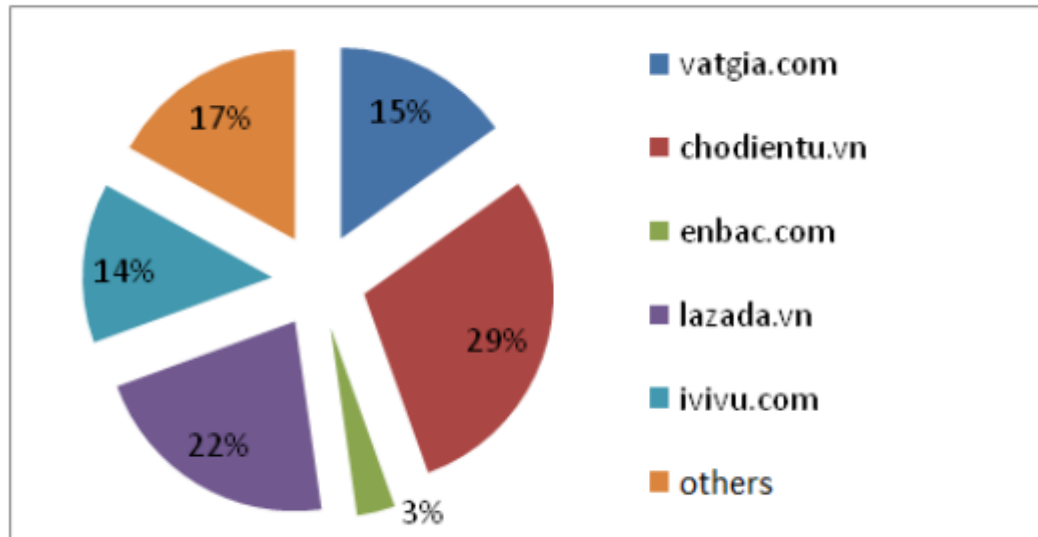


Source: Data provided by enterprises in 2013

Source: Vietnam E-Commerce and Information Technology Agency (VECITA, 2013)

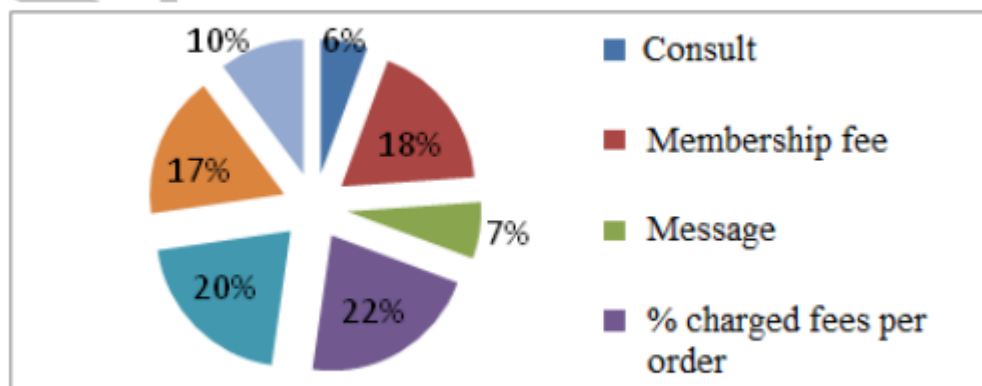
Exhibit 5: E-Marketplaces

Top 5 surveyed e-marketplaces in terms of revenue



Source: Data provided by enterprises in 2013

The structure of revenue components of E-marketplace

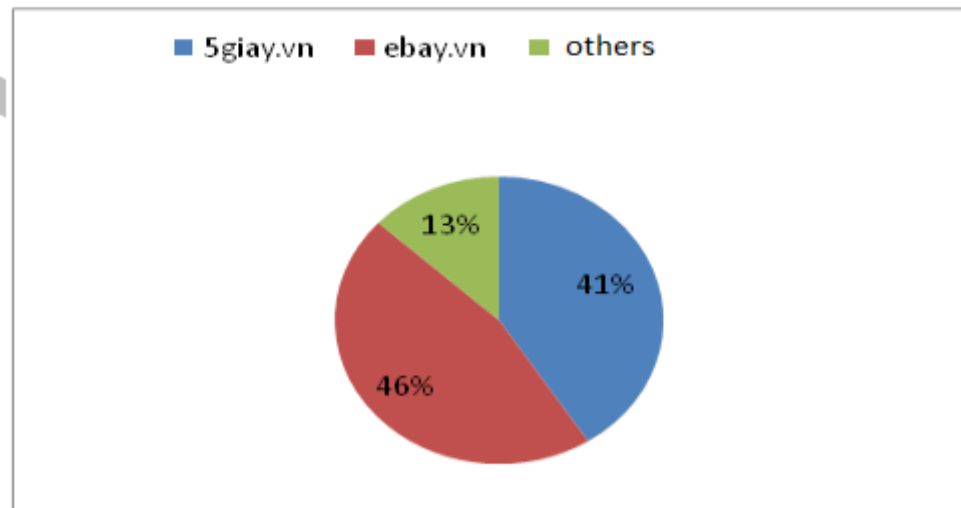


Source: Data provided by enterprises in 2013

Source: Vietnam E-Commerce and Information Technology Agency (VECITA, 2013)

Exhibit 6: Online Auction Websites

**Market share of online auction websites surveyed
in terms of successful transactions value**



Source: Data provided by enterprises in 2013

Source: Vietnam E-Commerce and Information Technology Agency (VECITA, 2013)

Exhibit 7: 2NE1 Galaxy Stage In Vietnam

The screenshot shows the Mox Deals Vietnam website interface. At the top, there is a navigation bar with links for Products, Services, Travel, Fashions, Books, and Deals, along with a Mox Deals logo. A search bar is located on the right side of the header.

The main content area features a large image of the four members of the K-pop group 2NE1. To the right of the image is a promotional banner for the "2NE1 IN VIETNAM GALAXY STAGE" event. The banner includes the following information:

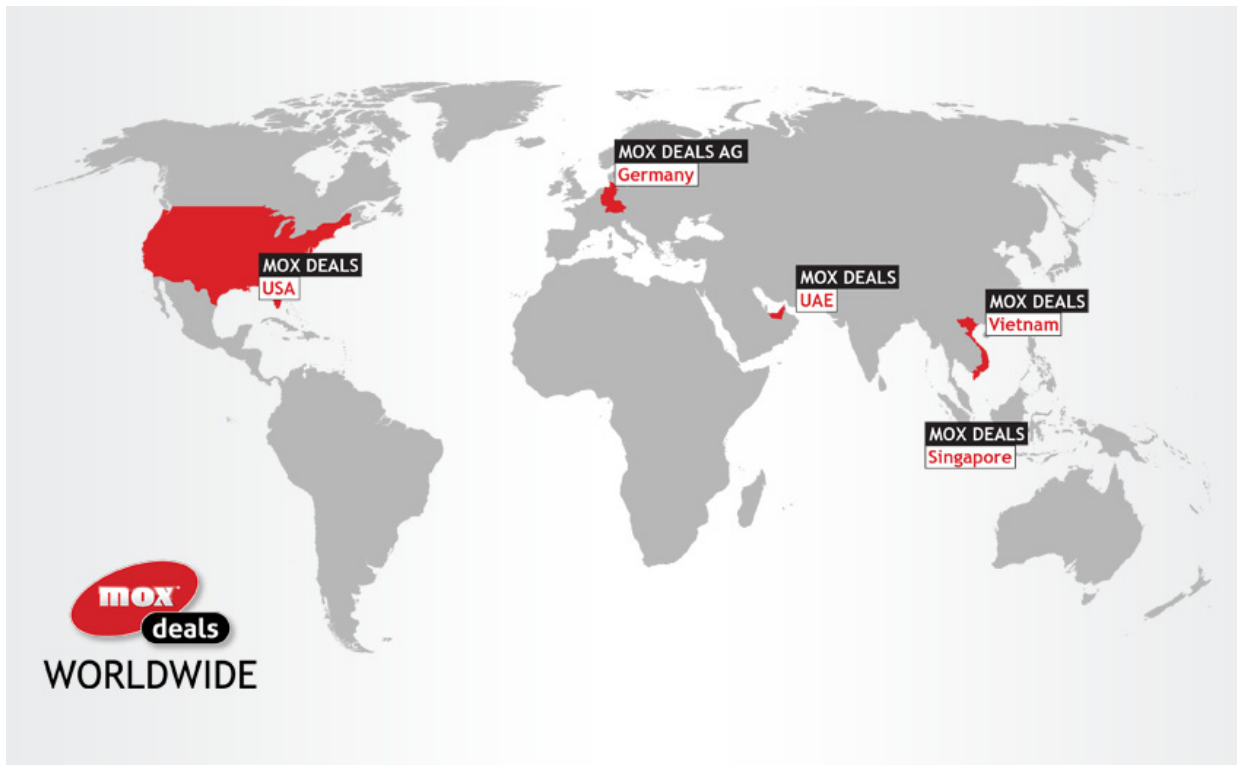
- Event Title:** 2NE1 IN VIETNAM GALAXY STAGE
- Time:** 18:00 - 10 / 08 / 2014
- Location:** Sân vận động Phú Thọ (Phu Tho Stadium), Lý Thường Kiệt, Thành phố Hồ Chí Minh
- Ticket Price:** www.mox.vn
- Contact:** 08 6288 2939

Below the event details, there are logos for sponsors and partners, including MW Partners Ltd, Taobao, VO CUC, and VVD EMS. At the bottom of the banner, there is a section for Samsung GALAXY smartphones, featuring the ASIANA AIRLINES and pullman logos, and images of Samsung GALAXY S5 and S6 phones.

At the bottom of the main image, there is a text overlay: "Bắt đầu bán vé từ ngày 07.07.2014. Bắt đầu giao vé ngày 13.07.2014".

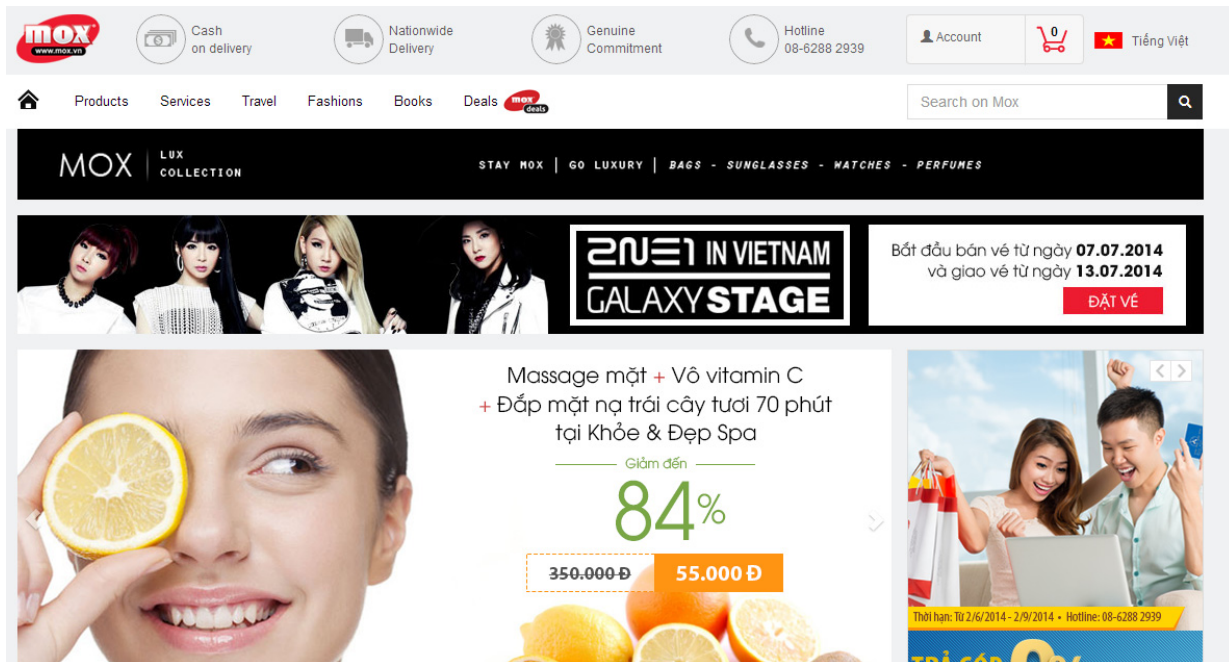
Source: Mox Deals Vietnam

Exhibit 8: Mox Deals around the World



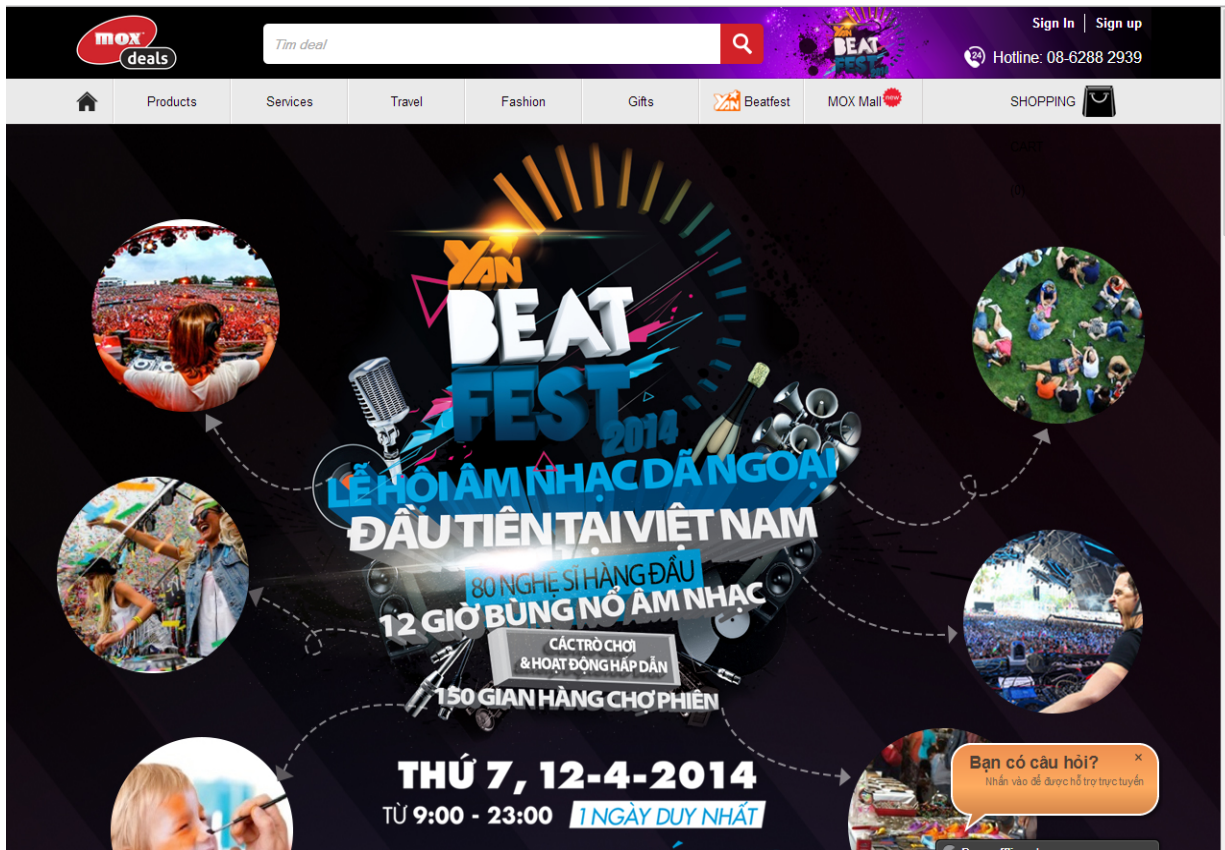
Source: Mox Deals AG.

Exhibit 9: Mox Deals Vietnam Website



Source: Mox Deals Vietnam

Exhibit 10: Mox Deals Vietnam BeatFest Advertisement



The advertisement banner for Mox Deals Vietnam BeatFest 2014 features a central graphic with the event title "BEAT FEST 2014" in large, stylized letters. Below the title, it reads "LỄ HỘI ÂM NHẠC DÃNG OẠI ĐẦU TIÊN TẠI VIỆT NAM" (The first wild music festival in Vietnam). Further down, it lists "80 NGHỆ SĨ HÀNG ĐẦU" (80 top artists), "12 GIỜ BÙNG NỔ ÂM NHẠC" (12 hours of explosive music), "CÁC TRÒ CHƠI & HOẠT ĐỘNG HẤP DẪN" (Exciting games and activities), and "150 GIAN HÀNG CHỢ PHÂN" (150 stalls). The event date is "THỨ 7, 12-4-2014" (Sunday, April 12, 2014) and the time is "TỪ 9:00 - 23:00" (From 9:00 to 23:00), with a note "1 NGÀY DUY NHẤT" (Only one day). The banner is surrounded by circular images showing various festival activities: a DJ performing, a crowd dancing, a person playing a guitar, a person painting, and a person playing a game. The top of the banner includes the Mox Deals logo, a search bar, and navigation links for Products, Services, Travel, Fashion, Gifts, Beatfest, MOX Mall, and SHOPPING. A sign-in/sign-up button and a hotline number (08-6288 2939) are also present.

Source: Mox Deals Vietnam