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PHÂN TÍCH HOẠT ĐỘNG LOGISTICS TẠI TRUNG NGUYÊN LEGEND

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Tóm tắt

Logistics là một trong những yếu tố chủ chốt trong quản lý chuỗi cung ứng, đóng vai trò quan trọng trong việc định hình thành công của mọi doanh nghiệp. Nghiên cứu này nhằm nhấn mạnh tầm quan trọng của logistics và khám phá về các hoạt động logistics trong Trung Nguyên Legend, một thương hiệu cà phê nổi tiếng tại Việt Nam. Mặc dù Trung Nguyên Legend đã thành công trong việc triển khai các hoạt động logistics nhằm duy trì sự cạnh tranh trên thị trường, nhưng tầm quan trọng của logistics đối với sự thành công của thương hiệu này và tác động của nó đối với môi trường kinh doanh ở Việt Nam vẫn chưa được phân tích rõ. Đánh giá chi tiết về hoạt động logistics cho thấy thương hiệu này có những điểm mạnh về quản lý chuỗi cung ứng và hướng tiếp cận khách hàng. Tuy nhiên, vẫn tồn tại các điểm yếu như sự phụ thuộc vào vận tải hàng không và quản lý đóng gói một số sản phẩm. Dựa trên các kết quả đánh giá, bài viết cung cấp các khuyến nghị cụ thể tập trung vào đa dạng hóa phương thức vận chuyển, đa dạng hóa thị trường cùng các biện pháp tích hợp công nghệ thông tin để cải thiện hiệu suất logistics và giảm thiểu rủi ro. Các bài học từ kinh nghiệm của Trung Nguyên Legend, kết hợp với các khuyến nghị từ nhóm tác giả, có thể được sử dụng như một nguồn tham khảo quý báu cho các doanh nghiệp khác đang tìm cách nâng cao hoạt động logistics của họ trong một môi trường kinh doanh năng động như ở Việt Nam.

Từ khóa: quản lý chuỗi cung ứng, logistics, Trung Nguyên Legend, Việt Nam

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ANALYSIS OF LOGISTICS ACTIVITIES IN TRUNG NGUYEN LEGEND

Abstract

Logistics, one of the core components of supply chain management, plays a pivotal role in shaping the success of any business. This study aims to emphasize the significance of logistics and its implementation within the context of Trung Nguyen Legend, a prominent coffee brand in Vietnam. While Trung Nguyen Legend has effectively employed logistics to maintain its competitive edge, the full extent of logistics' contribution to its success and its broader implications for Vietnam's business environment remain underexplored. An in-depth assessment of Trung Nguyen Legend's logistics operations reveals strengths in activities related to supply chain management and customer-centric approaches. However, there remain weaknesses such as reliance on air transportation and management of certain product packaging. Based on the evaluation findings, this research provides specific recommendations focusing on diversifying transportation methods, diversifying markets, and integrating information technology measures to improve logistics efficiency and minimize risks. Insights gleaned from Trung Nguyen Legend's experiences, alongside the authors' recommendations, can serve as a valuable reference for other Vietnamese enterprises seeking to enhance their logistical operations within Vietnam's dynamic business environment.

Keywords: supply chain management, logistics, Trung Nguyen Legend, Vietnam

Introduction

In today's dynamic world, logistics plays a pivotal role in supply chain management. It encompasses the efficient flow of goods, services, and information from origin to consumption. Amid the COVID-19 pandemic, logistics demonstrated adaptability, resilience, and flexibility. Challenges arose, but logistics providers continued to ensure resources were available when needed. The exponential growth of e-commerce further underscores logistics' significance, as shoppers increasingly turn to online platforms. Its significance lies not only in operational efficiency but also in its profound impact on customer satisfaction and overall business success. In the landscape of Vietnam's economy, the application of robust logistics strategies has become increasingly vital for companies to navigate challenges and capitalize on opportunities.

Considering the conditions, Trung Nguyen emerges as a prominent company in the realm of logistics within Vietnam. Its coffee products have not only become a prominent presence and earned widespread recognition across Vietnam but also been distributed and extended to more than 60 nations worldwide, including the United States, Canada, Russia and others. By committing to the implementation of advanced logistics practices, Trung Nguyen has become a benchmark for others in the industry.

In order to offer recommendations for optimizing logistical operations and enhancing efficiency and customer satisfaction at Trung Nguyen Legend, it's crucial to thoroughly understand the brand's logistical performance and its role in the company's overall success.

That is the reason behind the authors' decision to choose the topic "Analysis of logistics activities in Trung Nguyen Legend" as our subject of study. Through this research, we aim to examine various facets of Trung Nguyen Legend's logistics activities, including transportation

management, warehouse management, packaging management, customer service, and information systems. This comprehensive analysis will provide valuable insights into the strengths, weaknesses, challenges, and opportunities facing the company's logistics operations. Through a qualitative analysis approach, our team aims to provide comprehensive and informative findings that can inform strategic decision-making processes within the company. Our main goal is to provide actionable recommendations that optimize logistical operations, thereby enhancing Trung Nguyen Legend's efficiency and bolstering customer satisfaction. This research can offer valuable insights that not only benefit Trung Nguyen Legend but also serve as a guide for other enterprises navigating Vietnam's dynamic business environment.

Literature review

The analysis of logistics activities within Trung Nguyen Legend is a topic of growing interest, as evidenced by recent publications exploring various aspects of the company's supply chain and logistics management. In this literature review, we examine the relevance of these publications and identify research gaps that highlight areas for further investigation.

Firstly, the paper “*Report on the Analysis of the Supply Chain of Trung Nguyen Coffee*” by a group of students from University of Economics - University of Da Nang (2022) offers a thorough examination of Trung Nguyen Coffee's supply chain. It begins by outlining Trung Nguyen's background, laying the groundwork for understanding supply chain dynamics. The paper uses a comprehensive illustration to depict the extensive network of businesses participating in the domestic supply chain. The supply chain's strategic objectives are then discussed, along with the present status and strategic efforts. Furthermore, the research investigates the movement of materials, information, and capital along the supply chain, emphasising the importance of these factors in guaranteeing smooth operations. By analysing infrastructure, inventory management, and transportation, the research provides significant insights into Trung Nguyen Coffee's supply chain's operational efficiency and efficacy. Overall, though the report gives a thorough grasp of the complexity and dynamics of Trung Nguyen Coffee's supply chain management strategies, it barely provides any comments or recommendations for the completion of the brand’s supply chain or logistics activities.

Secondly, the analysis on “*The details of the supply chain diagram of Trung Nguyen Coffee in 2024*” by Vo Tuan Hai provides a detailed overview of its supply chain, focusing on its history, sourcing of raw materials, procurement process, strategic goals, supply chain diagram, logistics success, and lessons learned. Trung Nguyen Coffee, established in 1996 by Mr. Dang Le Nguyen Vu, is renowned for its high-quality coffee products and aims to become a global coffee hub through direct sourcing from farmers and expanding business operations domestically and internationally. The supply chain diagram given in the analysis illustrates the company's suppliers, manufacturing plants, and distribution network, showcasing their commitment to quality and efficiency. In this publication, the author offers some valuable insights into the company's logistics operations, which include sourcing high-quality coffee beans, modernizing production facilities, and establishing an efficient distribution network to ensure timely delivery to customers. Trung Nguyen Coffee's success in logistics is attributed to their focus on customer satisfaction, cost optimization, quality enhancement, and strengthening partnerships throughout the supply chain.

Last but not least, ACC Group's article "*Supply Chain Management of Trung Nguyen Coffee*" addresses the supply chain management of Trung Nguyen, Vietnam's largest coffee giant. Key takeaways include an overview of supply chain components such as suppliers, production facilities, distributors, and consumers, as well as the effectiveness of Trung Nguyen's supply chain management approach. This publication's findings indicate Trung Nguyen's efficient production system, which includes active involvement in coffee farming to ensure input material quality and stability, the establishment of a large distribution network spanning various retail outlets and franchise locations both domestically and internationally, and efforts to improve relationships with suppliers through training programmes and technical support. The publication also highlights Trung Nguyen's challenges in managing franchise stores as they expand rapidly without adhering strictly to the concept of a franchised store chain, therefore emphasises the importance of optimising production processes, synchronising franchise outlets, and fostering collaboration with partners to improve supply chain efficiency and customer satisfaction. In general, the publication touches upon logistics-related aspects within the context of Trung Nguyen's supply chain management. Specifically, it discusses the company's distribution network, which involves various logistics activities such as transportation, warehousing, and inventory management to ensure the efficient flow of products from manufacturing plants to end consumers. Additionally, the challenges of managing a complex supply chain, including logistics-related operations, are highlighted as one of the cons, emphasizing the need for effective coordination and oversight to mitigate operational risks and ensure smooth logistics operations. To conclude, while not extensively detailed, it is clearly stated that logistics plays a significant role in the broader discussion of Trung Nguyen's supply chain management practices.

Overall, as witnessed from aforementioned publications, the existing literature on Trung Nguyen Legend primarily focuses on its supply chain dynamics, with limited emphasis on its logistics activities. While these studies provide valuable insights into the broader supply chain management practices of the company, they often overlook the specific aspects and challenges associated with logistics operations. Despite the evident importance of logistics in contributing to the company's success, existing research either briefly touches on logistics or fails to provide detailed analysis, comments, or recommendations regarding this aspect of the supply chain. This oversight leaves a significant gap in the literature, as it fails to address key questions related to the effectiveness, challenges, and potential improvements in Trung Nguyen Legend's logistics activities.

Moreover, considering the dynamic nature of the logistics industry and the evolving challenges faced by companies in managing their supply chains, there is a growing need for up-to-date and comprehensive research that specifically focuses on logistics activities within Trung Nguyen Legend. Addressing this research gap is essential not only for gaining a deeper understanding of the company's operational dynamics but also for providing actionable recommendations to enhance its logistics performance, improve operational efficiency, and ultimately contribute to its overall success in the market. Therefore, conducting a detailed analysis of logistics activities within Trung Nguyen Legend is crucial

to fill this research gap and provide valuable insights for both academics and practitioners in the field of supply chain management.

1. Theoretical framework

1.1. Definition of Logistics

Logistics is one of the core components of supply chain management. It is the process of planning, execution, and regulating the efficient and effective movement and storage of products, services, and related information from point of origin to the final end consumer in order to fulfill client demands. Logistics activities combine information, transportation, warehouse and packaging management, and often, customer service.

As such, the importance of logistics in SCM is amplified, as it directly impacts the efficiency and profitability of these sectors. By optimizing logistics processes, businesses can minimize costs, increase operational efficiencies, and ultimately enhance their competitive advantage in the market.

1.2. Logistics activities

Logistics activities encompass a wide range of operations involved in the planning, implementation, and control of the flow of goods, services, and information within a supply chain network.

1.2.1. Transportation management

Transportation covers all activities that involve the movement of goods from the point of origin to the point of consumption. It's required at every step and functions determine the success of supply chain management. Without transport, nothing can be done, as ensuring its proper functioning ensures the production, distribution and marketing of products.

1.2.2. Warehouse and inventory management

Warehouse management involves optimizing space, improving inventory accuracy, and enhancing order fulfillment efficiency. It includes organizing, tracking, and managing inventory to ensure efficient storage and handling.

1.2.3. Packaging management

Packaging includes all the activities and operations implemented to prepare goods such as design, labeling and is responsible for the conservation of transported products. Therefore, it ensures the delivery of these goods to their destination without any kind of damage, which always causes losses and headaches and increases products' marketability.

1.2.4. Customer service

Customer service is the act of creating and offering additional value along the supply chain in order to optimize total value to customers. Within a business, customer service refers to a set of specialized actions targeted at addressing client purchasing demands, which generally begin with order placing and end with product delivery to the customer.

1.2.5. Information system

Logistics information systems play a crucial role in improving supply chain visibility, efficiency, and responsiveness. By leveraging technology and timely information management, businesses can make informed decisions, meet customer demands, and enhance competitiveness. These systems turn logistics into a potent competitive asset for enterprises.

1.3. Overview of logistics activities in Vietnam

Currently, according to the latest report of Vietnam credit in 2023, Vietnam has over 5000 businesses registered in the logistics sector, of which 89% are domestic enterprises, 10% are joint ventures, and 1% are foreign enterprises. Domestic enterprises mostly operate at small and medium scales and only account for about 20% of the total market revenue.

Vietnam's logistics market ranked 10th out of 50 global emerging logistics markets. Although it has increased its ranking in the group of emerging logistics markets, Vietnam logistics has decreased its ranking in the Logistics Performance Index Ranking according to VIRAC research.

Regarding challenges and opportunities, Vietnam's logistics industry faces some challenges such as poor infrastructure, high logistics costs, shortage of qualified labor force, complicated administrative procedures, and unfavourable institutions and policies (Nick Bartlett, 2021). However, it also has some opportunities such as increasing domestic and international demand, integration into regional and global supply chains, and adoption of new technologies and innovations.

a) Challenges

- **Labor and Skill Shortages:** The logistics industry faces a shortage of skilled labor. Finding qualified personnel for tasks such as warehousing, transportation, and last-mile delivery remains a challenge

- **Infrastructure limitation:** Logistics firms face challenges due to limited infrastructure. Inadequate road networks, outmoded ports, and a scarcity of warehousing facilities all impede growth. Addressing these restrictions needs deliberate investments and concerted efforts from the public and private sectors.

- **High Operational Costs:** The logistics sector in Vietnam grapples with elevated operational expenses. These costs impact overall efficiency and profitability. Specifically, the total logistics costs in Vietnam correspond to 20.9% of the country's GDP (3A Logistics, 2023). Managing these costs while maintaining service quality remains a significant challenge.

- **Regulatory Compliance and Trade Barriers:** Logistics providers face challenges in navigating regulations and trade barriers, managing customs, documentation, and cross-border compliance. Staying updated on evolving trade policies is crucial for smooth cross-border movement of goods.

b) Opportunities

- **Digital Transformation and Distribution Expansion:** Top logistics firms are embracing digital transformation, digitizing work processes to revolutionize supply chain

management and enhance delivery speed and accuracy, as per the Vietnam logistics official website.

- **Global Supply Chain Shift:** As businesses pivot away from China, Vietnam becomes a vital link in the supply chain. The “China plus one” strategy aims to diversify and optimize global supply chains, positioning Vietnam favorably (Orla Ryan, 2023)

- **Market Growth:** Despite challenges, Vietnam’s logistics market continues to grow, reflecting positive momentum. Logistics has been among the fastest-expanding sectors in the country, accounting for around 4.5 percent of the total GDP1 (according to the latest data of Statista). The growth rate is forecast to outpace the growth of Vietnam’s GDP. The Vietnam Freight and Logistics Market size is estimated at USD 48.38 billion in 2024, and is expected to reach USD 65.34 billion by 2029, growing at a CAGR of 6.19% during the forecast period (2024-2029).

- **Collaboration and Policy Support:** Clear policies, favorable regulations, and collaboration among stakeholders are essential for sustainable logistics development, according to the Ministry of Planning and Investment. To be specific, in 2020, Vietnam ratified the EU-Vietnam Free Trade Agreement (EVFTA), a historic deal marking the most comprehensive opening of trade between the regions in history.

Vietnam’s logistics industry, by embracing technology and collaboration, can overcome challenges and contribute to economic growth.

2. Analysis of logistics activities of Trung Nguyen Legend

2.1. Overview of Trung Nguyen Legend

2.1.1. Brief history and business profile

Business profile

Trung Nguyen Group is a Vietnamese enterprise founded by Mr. Dang Le Nguyen Vu. The firm engaged in a diverse range of fields including coffee production, processing, and trading, as well as franchise operations, distribution services, modern retail and tourism. With a strong foothold in the market, Trung Nguyen Coffee stands as one of Vietnam's foremost and renowned brands. Its reputation extends far beyond national borders, as it has expanded its presence to over 60 countries worldwide. The enterprise currently has 6 subsidiary companies: Trung Nguyen Corporation JSC, Trung Nguyen Instant Coffee Company JSC, Trung Nguyen Coffee LLC, G7 Commercial Services Company, Dang Le Tourism Company JSC and Trung Nguyen Franchising Company JSC.

Company history

1996: Trung Nguyen was founded in Buon Ma Thuot.

1998: The first Trung Nguyen coffee shop was opened in Ho Chi Minh City, marking the beginning of the Trung Nguyen coffee shop chain across different provinces and cities.

2001: Successful franchise operations were launched in Japan and Singapore. The slogan "Ignite Creativity" was announced.

2003: G7 instant coffee was first introduced at the event "G7 Instant Coffee Festival".

2010: Trung Nguyen coffee products were exported to over 60 countries and territories worldwide.

2012: Trung Nguyen became the most popular coffee brand among Vietnamese consumers.

2013: G7 celebrated its 10-year anniversary, marking its three consecutive years as the leading and most preferred brand in the market.

2016: Trung Nguyen celebrated its 20th anniversary and became the largest coffee shop chain in Southeast Asia.

2017: Trung Nguyen Legend officially opened a representative office in Shanghai, China. The E-Coffee franchising model was launched.

2018: The World Coffee Museum was established in Buon Ma Thuot.

2021: Celebrated the 25th anniversary of Trung Nguyen Group. Trung Nguyen Legend became the No. 1 Vietnamese coffee brand loved in the Chinese market

2022: Introduced the Trung Nguyen Legend Coffee World in Vietnam and China. Forbes magazine honored Trung Nguyen Legend as a "Conscious Brand".

2023: Opened a representative office in South Korea. Launched the "La Forêt en ville" hotel complex and "The World Coffee Center" conference center. Celebrated the 20-year global conquest of the G7 brand.

2.1.2. Vision and core value

Trung Nguyen Legend Group, a global coffee leader, embodies truthfulness, compassion, and beauty. Their purpose-driven approach is guided by core values, including unwavering trust (“Đức tin tuyệt đối”), community service (“Phụng sự cộng đồng”), responsiveness to humanity (“Nhân loại hướng ứng”), and financial stability (“Kinh tài vững chắc”). Through these principles, they deliver reliable logistics solutions, fostering well-being and making a positive impact on society.

2.1.3. Major achievements

A successful Vietnamese brand

Trung Nguyen, a Vietnamese coffee brand, has achieved national pride and global recognition over its 26-year journey. With over 1,000 stores across Vietnam under three brands—Trung Nguyen Legend Coffee World, Trung Nguyen Legend, and Trung Nguyen E-Coffee—it has secured the top position among coffee chains, surpassing well-known brands like Highlands and KFC. This success reflects the trust customers place in Trung Nguyen to represent Vietnamese coffee worldwide.

A global enterprise

Trung Nguyen coffee products have been exported and expanded to over 60 countries around the globe namely U.S, Canada, Russia, etc. In China, the G7 coffee brand leads the Top 13 most popular instant coffee brands (Chnbrand, 2023). According to Ly Thanh Hai, Chinese Market's Business Development Manager of Trung Nguyen, there are over 15 million regular consumers of G7 coffee in China and on average, for every 18 cups of coffee sold across the country, one cup is from the Trung Nguyen Legend brand. Meanwhile, in the United States, G7, Trung Nguyen, and Trung Nguyen Legend coffee products have made their presence known in the retail giant Costco, covering almost 100% of the Asian supermarket chains in the country (Bao Thanh Nien, 2023) They are also available through various online sales channels, including Amazon, Walmart, eBay, and Say Weee, further solidifying its position as a global coffee brand.

2.2. Analysis of Logistics activities of Trung Nguyen Legend

2.2.1. Transportation management

Trung Nguyen Legend employs SAS software, contributing significantly to the control of cargo transportation to essential locations and reducing costs in the distribution of goods. Trung Nguyen consistently exercises prudent considerations throughout the transportation process, encompassing the entire supply chain from production to distribution to end consumers. This involves the transportation of raw materials to manufacturing facilities and the subsequent movement from factories to retail stores, supermarkets, and agents (Báo Thái Nguyên, 2012).

In addition, the export of goods abroad is a noteworthy aspect, wherein vehicles are hired to transport products to the nearest warehouse facilities before being delivered to distributors. In terms of infrastructure, Trung Nguyen boasts three production plants covering a total area of more than 80,000m², inclusive of storage facilities, facilitating the seamless transfer of materials from storage to production sites. Post-production, the products are concentrated at the distribution center located in Ward 5, Go Vap District, Ho Chi Minh City, before being rapidly disseminated nationwide through a comprehensive distribution network to agents, retail points, and Trung Nguyen stores (Trung Nguyen Legend, 2024).

Trung Nguyen ensures cost-effective transportation by carefully evaluating air transport. They prioritize reliable service providers, monitor the process rigorously, and prepare meticulous documentation.

2.2.2. Warehousing and inventory management

a) Warehouse management:

The warehouse is constructed with sturdy walls and a flat floor suitable for storage purposes. The room temperature is maintained at an appropriate level, and the spacious area ensures proper ventilation and cleanliness. Storage racks are positioned 10cm away from the warehouse walls. Clean sacks are utilized for storing coffee, avoiding the use of plastic bags for coffee storage. Coffee is stored in sacks without overfilling. For sun-dried (or air-dried) coffee, it is kept in clean sacks, wooden crates, or in well-ventilated storage to prevent moisture buildup.

b) Inventory management:

In inventory management, all companies in general and Trung Nguyen in particular focus on two primary objectives: service level and cost reduction. Regarding the service level objective, Trung Nguyen, with extensive coverage and a large customer base, has implemented stringent inventory management processes to ensure accurate and timely distribution of products to meet the demand of various stores, ensuring a sufficient and timely supply of products to end consumers. Each retail outlet for products or beverage-serving establishments has accurately estimated customer demand, facilitating seamless and effective inventory management (Doanh nghiệp hội nhập, 2023)

In terms of procurement and raw material inventory for coffee production, Trung Nguyen secures raw materials for coffee production by directly managing local coffee farms. This approach ensures a steady supply while fostering farmer relationships.

With the cost reduction objective, Trung Nguyen strategically manages inventory costs by planning, conducting market surveys to determine batch sizes accurately, and regularly monitoring inventory. This approach minimizes expenses and controls risks associated with stored coffee.

Moreover, the implementation of the SAS management system enables Trung Nguyen to manage inventory levels efficiently, predict demand through available forecasting indices, and carry out continuous assessments to optimize costs and risk control.

2.2.3. Packaging management



Figure 1. Trung Nguyen Legend's packaging

With the transformation from Trung Nguyen into Trung Nguyen Legend, a series of new coffee packaging designs emphasize the brand's number one position in the coffee industry and its role as a leader in Special - Different - Unique products. All packaging for the Trung Nguyen Legend coffee brand abandons the familiar red-black color scheme and the image of a typical coffee cup, transitioning entirely to a black-white palette incorporating images of world-renowned figures along with inspiring messages about the desire for success.

Modern printing techniques are also applied to create luxurious product boxes that stand out significantly compared to previous products and brands, as well as competitors, when displayed on shelves.

a) Trung Nguyen Legend Capsule Packaging:



Figure 2. Trung Nguyen Legend Capsule Packaging

Trung Nguyen Legend prioritizes quality and eco-friendly packaging. Unlike major manufacturers, they embrace organic materials for food safety.

b) Trung Nguyen's New Energy Coffee Packaging:



Figure 3. Trung Nguyen's New Energy Coffee Packaging

The Trung Nguyen Legend energy coffee product line unmistakably embodies the company's strategy of "Distinctive – Special – Unique" across its visuals, design, messaging, printing techniques, packaging, and product quality.

c) Trung Nguyen Instant Coffee Packaging:



Figure 4. Trung Nguyen Instant Coffee Packaging

G7 (Instant Coffee) - The Genuine Energy Coffee is an immensely popular product line from Trung Nguyen, featuring diverse and eye-catching packaging designs made from composite materials to ensure food safety and hygiene. The packaging of this product line presents a fresh appearance while retaining the traditional red-black color scheme that has been associated with it from the beginning.

d) Trung Nguyen Phin Coffee Packaging:



Figure 5. Trung Nguyen Phin Coffee Packaging

The various Trung Nguyen Phin coffee product designs are crafted using composite packaging materials, ensuring food safety and hygiene standards are met.

Indeed, Trung Nguyen company collaborates with packaging suppliers such as Phuong Nam Packaging Trading Manufacturing Company Limited and Vinapackink Packaging and Ink Company in Vietnam

2.2.4. Customer service

Customers of Trung Nguyen mainly consist of individual consumers who purchase products or enjoy coffee at Trung Nguyen coffee shop chains.

a) Before the sales process:

- **For customers purchasing the company's products:**

Trung Nguyen prioritizes PR over heavy advertising. Their logo and slogan reflect national pride, leaving a strong impression on both Vietnamese and international customers.



Figure 6. Trung Nguyen Legend store

The packaging of Trung Nguyen's coffee products predominantly features black and white or red and black color schemes, with clear information and ingredients displayed on the packaging. All Trung Nguyen Legend coffee packaging abandons the traditional red-black color scheme and the familiar image of a coffee cup, transitioning entirely to black and white, incorporating images of world-renowned figures along with inspiring messages about the aspiration for success.

On the other hand, G7 packaging maintains its distinctive red-black characteristics, with a reddish-brown earthy tone – a hallmark of the Central Highlands region with dense coffee plantations. Modern printing techniques are also applied to create luxurious product boxes that stand out significantly compared to previous products and brands, as well as competitors, when displayed on shelves, especially attracting customers.

- **For customers having coffee at Trung Nguyen coffee shop chains:**

In Trung Nguyen coffee shops, you won't find standees or tent cards on tables to avoid disturbing customers. The only form of advertising in the shops is Wi-Fi Marketing on the

AWING platform. It can be said that Trung Nguyen Legend is the perfect place for brands looking to reach a premium customer base for their products and services (MISA AMIS, 2022)



Figure 7. Trung Nguyen Legend store

With its minimalist and elegant design, Trung Nguyen is almost an ideal place for meeting partners and discussing business matters. This is evident in customer profiles at the shop. According to AWING (2021), over 50% of customers at Trung Nguyen are individuals aged 25-45, positioning them as professionals, office workers, business people, high-level managers, entrepreneurs, and business owners. This is clearly the "golden" age group, capable of spending, and a significant consumer group in society, especially for premium products.

b) During the sales process:

Trung Nguyen always aims to provide the most convenient shopping experience for customers. Customers can directly purchase Trung Nguyen coffee products at Trung Nguyen E-Coffee retail stores, G7 Mart, through authorized dealers, supermarkets, or via hotlines and online websites.

Trung Nguyen advises customers on coffee selection and hosts inspiring talk shows with renowned authors.

Additionally, for organized customers or those making large purchases, they will benefit from the company's discount rates and other long-term customer incentives.

At Trung Nguyen's premium coffee shops, customers can partake in diverse coffee offerings, including fresh, instant, machine-brewed, and capsule variants. The establishments are equipped with coffee-related apparatus and offer manual grinders for a bespoke experience. Additionally, they house a selection of curated books, blending coffee and literature in an elegant setting.



Furthermore, Trung Nguyen has established a coffee village in Dak Lak, providing tourists with an opportunity to explore and savor coffee in a natural and inviting environment (Trung Nguyen Legend, 2015). This unique model showcases Trung Nguyen's commitment to creating a fresh image in the hearts of its customers. The company consistently strives to meet the needs of its customers in innovative ways.



Trung Nguyen provides flexible payment methods, allowing customers to pay in cash directly, through electronic wallets, or banking apps. Additionally, Trung Nguyen has partnered with delivery apps such as Grab, ShopeeFood, Gojek, Loship, optimizing the customer experience anytime, anywhere.

c) Post-sale:

Trung Nguyen provides stringent and efficient exchange and refund policies, offering a dedicated hotline to address customer and partner inquiries promptly. Each product comes with instructions on storage and shelf life to ensure the best product quality.

2.2.5. Information system

In today's landscape, Trung Nguyen Legend, amidst fierce competition, state policies, and global trends, remains a pioneering force. By innovating across brand identity, products, and services, they meet the demands of modern society.

The emergence of the Trung Nguyen Legend's Coffee Energy Series, including Trung Nguyen Legend Special Edition, Trung Nguyen Legend Classic, and notably Trung Nguyen Legend Iced Coffee, represents the first concrete step in this transformation. The uniqueness, distinctiveness, and exclusivity of these three products serve as the key elements that Trung Nguyen Legend utilizes to enter a new era.

The special aspect is demonstrated in technological advancement, where Trung Nguyen Legend employs state-of-the-art NANO technology (Trung Nguyen Legend, 2020), combined with Eastern secrets to ensure a perfectly rounded flavor of the finest coffee beans selected from Arabica Cau Dat and Robusta Buon Ma Thuot. Additionally, Trung Nguyen has boldly redesigned traditional packaging and applied the latest printing techniques.

Trung Nguyen utilizes a cutting-edge integrated 4.0 management solution based on POS technology to oversee all activities from supply and purchasing to inventory management and customer care. The company shares this 4.0 management solution with partners, allowing them to manage store activities seamlessly, covering Accounting, Sales, Export, Import, Inventory, Marketing, CRM (Customer Relationship Management), and Fintech (e-wallets, online banking, etc.).

Trung Nguyen accelerates the adoption of Industry 4.0 by swiftly integrating with reputable online payment services and doorstep delivery apps such as Grab, Now, Gojek, Loship, Momo, optimizing the customer experience anytime, anywhere.

Moreover, Trung Nguyen has invested 50 billion VND in the SAS management system, which provides a range of Enterprise Resource Planning (ERP) applications, including Customer Relationship Management (CRM), financial management, human resource management, product line management, and supply chain management (Magenest, 2020). This system allows for the management of inventory, stock levels, warehouse transactions, pricing policies, and demand forecasting through available forecast indices, tightly integrated with ordering and sales processes.

3. Evaluation and recommendations

3.1. Evaluation of Trung Nguyen Legend's logistics activities

3.1.1. Strength and weakness

Strengths

Trung Nguyen Legend exhibits significant strengths in their logistics activities, enabling them to excel in the coffee industry. These strengths encompass efficient transportation management, robust warehousing and inventory practices, effective packaging strategies, and a customer-centric approach.

- Trung Nguyen Legend employs SAS software for transportation optimization, ensuring cost-effectiveness and reliability in the supply chain. Dependable, economical transport providers are selected and the process is stringently overseen.

- Robust warehousing and inventory management: Trung Nguyen Legend's warehouse facilities are well-constructed with sturdy walls, appropriate room temperature, and proper ventilation to ensure optimal storage conditions. Storage racks are positioned 10cm away from the warehouse walls, and clean sacks are utilized for storing coffee to avoid the use of plastic bags. Trung Nguyen integrates local coffee farms into its business, securing raw materials and strengthening relationships. The SAS management system optimizes inventory, predicts demand, and manages costs effectively.

- Effective packaging management:

- They implemented new and visually appealing packaging designs to emphasize the brand's position in the coffee industry.

- They have transitioned from the traditional red-black color scheme to a black-white palette incorporating images of world-renowned figures along with inspiring messages about the desire for success.

- They also use modern printing techniques to create luxurious product boxes that stand out significantly compared to previous products and brands. Trung Nguyen Legend innovatively uses organic, eco-friendly materials for coffee capsule packaging, ensuring food safety and demonstrating their commitment to environmental sustainability. They work with suppliers to fulfill packaging requirements while upholding high standards.

- Customer-centric approach: Trung Nguyen Legend aims to provide excellent customer service throughout their logistics activities. They focus on individual consumers who purchase products or enjoy coffee at Trung Nguyen coffee shop chains. The company's core values are deeply infused in their branding, creating a strong impression and garnering favorable sentiments from customers. They offer various coffee options, organize promotional programs, and provide personalized advice to meet customer preferences and expectations. Trung Nguyen Legend has premium coffee shops, a coffee village, and flexible payment methods to enhance the overall customer experience.

- Wide coverage of distribution channels: Trung Nguyen Legend's distribution network and point of sale may have a wide coverage, including various channels such as retail stores, online platforms, and partnerships with other businesses. This extensive reach enables the company to effectively distribute its products to a diverse customer base and capture market share. It also provides convenience for customers, allowing them to access Trung Nguyen Legend's products through multiple channels, enhancing the overall customer experience.

Weaknesses:

Trung Nguyen Legend, despite strong performance, must address weaknesses to optimize logistics and overcome challenges.

- **Reliance on air transportation for exports:** Trung Nguyen Legend relies on air transportation for exporting goods, which can be costly compared to other transportation modes. They need to carefully evaluate the transportation mode based on criteria such as weight, storage and handling conditions, and cost-effectiveness. Exploring alternative transportation options or optimizing their air transportation strategy could help mitigate the high costs associated with exports.

- **Limited information on packaging management:** The document provides detailed information about packaging management primarily for coffee products. However, there is limited information available about packaging practices for other products offered by Trung Nguyen Legend. It would be beneficial to have more insight into their packaging management practices for a comprehensive evaluation.

3.1.2. Challenge and opportunity

Opportunities:

Trung Nguyen Legend operates in a dynamic market where several opportunities exist for them to further enhance their logistics activities and capitalize on emerging trends. By leveraging these opportunities, Trung Nguyen Legend can expand their market reach, differentiate themselves from competitors, and align with consumer demands for sustainable and visually appealing products

- **Growing demand for premium coffee:** Trung Nguyen Legend can capitalize on the increasing demand for premium coffee by further enhancing their logistics activities. They can expand their distribution network to reach a wider customer base and ensure timely delivery of their premium coffee products. This can be achieved by establishing partnerships with additional agents, retail points, and Trung Nguyen stores to expand their market reach.

- **Innovation in packaging designs:** Trung Nguyen Legend has an opportunity to continue innovating their packaging designs to create a unique and visually appealing brand identity. By incorporating creative and attractive packaging designs, they can differentiate themselves from competitors and attract more customers. Investing in sustainable and eco-friendly packaging solutions can also align with consumer demands for environmentally conscious products.

Challenges:

- **Intense competition in the coffee industry:** The coffee industry is highly competitive, with numerous players vying for market share. Trung Nguyen Legend may face challenges from existing competitors as well as emerging brands. To withstand the competition, they need to continuously innovate their logistics activities, maintain their brand reputation, and consistently deliver high-quality products and services.

- **Fluctuating transportation costs:** The costs associated with transportation, especially for air transportation, can be subject to fluctuations. Changes in transportation costs can impact the overall logistics expenses of Trung Nguyen Legend. They should closely monitor market trends and adapt their transportation strategies accordingly to maintain cost-effectiveness and mitigate potential financial risks.

- **Rapid technological advancements:** While technology can present opportunities, it can also pose threats if Trung Nguyen Legend fails to keep pace with the industry's technological advancements. Failure to adopt new technologies may result in outdated processes, reduced competitiveness, and difficulties in meeting customer expectations.

- **Global trade disruptions:** Changes in global trade policies, tariffs, or political instability can disrupt international logistics activities. Trung Nguyen Legend may face challenges related to customs clearance, transportation routes, and trade barriers, impacting its ability to serve international markets.

3.2. Recommendations

3.2.1. Orientation of Trung Nguyen Legend's logistics

Transportation Management:

Trung Nguyen's strategic implementation of SAS software for cargo transportation management signifies a significant step towards cost reduction and enhanced control over the distribution of products across the supply chain. The transportation process encompasses every facet of the supply chain, from the movement of raw materials to manufacturing facilities to the efficient delivery of finished products to end consumers. The company's transportation infrastructure, boasting three expansive production plants spread over an area of more than 80,000m², incorporates storage facilities that facilitate seamless material transfer and nationwide product distribution. The emphasis on air transport for export goods underscores the need for meticulous evaluation based on various essential criteria.

Inventory Management:

With a focus on maintaining high service levels and reducing costs, Trung Nguyen diligently manages its inventory to ensure the accurate and timely distribution of products, catering to customer demand. The company strategically minimizes reliance on external suppliers by engaging in the direct management of coffee farms, securing strategic raw material sources, and fostering strong relationships with local coffee farmers. Inventory cost considerations encompass various elements, encompassing capital investment, warehouse services, equipment, and the effective control of risks, demonstrating Trung Nguyen's holistic approach to inventory management.

Packaging Management:

Following the transition to Trung Nguyen Legend, the company has embraced new coffee packaging designs, highlighting the brand's leadership and differentiation within the industry. Trung Nguyen Legend also focuses on environmental responsibility by adopting eco-friendly organic materials for capsule packaging, a testament to its dedication to food safety and sustainability. Modern printing techniques are leveraged to create luxurious and distinctive product boxes, setting Trung Nguyen Legend's products apart from those of its competitors.

Information System Integration:

Embracing a comprehensive program of innovation and rebranding, including the introduction of the Trung Nguyen Legend's Coffee Energy Series, represents a transformational

step for Trung Nguyen Legend. Through the utilization of state-of-the-art NANOTECHNOLOGY and Eastern secrets, the company ensures the highest quality coffee beans and unique flavor profiles in its products. The implementation of a cutting-edge integrated 4.0 management solution based on POS technology caters to various aspects, ranging from supply and purchasing to customer care and financial management. Trung Nguyen's substantial investment in the SAS management system for Enterprise Resource Planning (ERP) applications has greatly facilitated inventory management, pricing policies, and demand forecasting, tightly integrated with sales processes.

3.2.2. Recommendations

In today's dynamic and competitive landscape, efficient and sustainable logistics practices are no longer simply beneficial, but essential for businesses to thrive. This calls for a holistic approach that optimizes every link in the supply chain, from transportation and warehousing to packaging and information systems. For Trung Nguyen Group, strategically enhancing these areas opens doors to significant cost savings, operational efficiency, and environmental sustainability, ultimately solidifying their competitive edge.

Strategic Transportation Management Enhancement:

Trung Nguyen benefits from intermodal transportation, integrating various modes. This streamlines routes, reduces transit times, and optimizes costs. Strategic air freight optimizations, like bulk discounts and alternative airports, enhance transportation efficiency.

Investing in telematics and route optimization solutions can further enhance the company's ability to effectively track and manage its fleet, resulting in heightened operational efficiency, minimized fuel consumption, and significant cost reductions while reducing the environmental footprint.

Warehousing and Inventory Management:

The incorporation of automated storage and retrieval systems (ASRS) and automated guided vehicles (AGVs) augments efficiency and precision in warehousing operations, resulting in diminished labor costs, reduced errors, and accelerated response times to customer demands. An in-depth analysis of data related to warehouse space utilization facilitates the optimization of storage layout, leading to superior picking efficiency, expedited order fulfillment, and diminished operational costs.

Leveraging AI-powered demand forecasting tools integrated into the existing SAS system empowers Trung Nguyen to elevate inventory management to a new echelon, facilitating enhanced inventory planning precision, minimized stockouts and overstocking, and the optimization of working capital.

Innovative Packaging Strategies:

Trung Nguyen Legend should conduct a comprehensive and meticulous packaging audit to identify areas for improvement in cost, sustainability, and customer experience. This approach will enable the company to standardize packaging practices and incorporate

sustainable options such as compostable or recycled materials, aligning with evolving consumer preferences and industry-wide sustainability goals.

Closed-loop recycling programs for packaging materials contribute to sustainability. By partnering with waste management companies, businesses can collect, process, and reintroduce used materials into production cycles, reducing waste and environmental impact. This aligns with consumer expectations and can lead to cost savings by minimizing reliance on virgin materials.

While closed-loop recycling caters to certain materials, collaborating with waste management companies specializing in responsible disposal of non-recyclable packaging materials remains crucial. This ensures compliance with environmental regulations and minimizes the overall environmental footprint of the business. Responsible disposal practices not only demonstrate Trung Nguyen's commitment to sustainability but also mitigate potential risks associated with improper waste management.

Trung Nguyen aims to enhance sustainability by exploring compostable and biodegradable packaging materials. These materials naturally decompose after use, reducing landfill waste and promoting a circular economy. Despite slightly higher initial costs, the long-term environmental benefits and positive brand image make this investment worthwhile. By adopting these materials, Trung Nguyen establishes itself as a responsible leader in sustainable practices, appealing to environmentally conscious consumers.

Leveraging Integrated Information Systems:

Expanding the use of AI-driven data analysis across various aspects of the logistics operation unlocks valuable insights for better decision-making. Analyzing data on transportation routes, warehouse operations, inventory levels, and customer behavior can identify areas for improvement, optimize resource allocation, and predict potential challenges. This data-driven approach empowers informed decision-making, enabling Trung Nguyen to proactively

Furthermore, considering the adoption of blockchain technology for chain transparency can enhance traceability and accountability within the supply chain, contributing to improved quality control and authenticity of products.

Building International Resilience through Global Trade Strategies:

The company should maintain its commitment to continuously monitor global trade developments and actively diversify its export markets. This proactive approach will demonstrate unwavering commitment to international resilience and help the company navigate complex global trade scenarios effectively.

Conclusion

Trung Nguyen Legend faces critical gaps in its logistics operations. These gaps—unoptimized warehousing, inefficient transportation management, and a shortage of skilled logistics personnel—have led to higher costs, lower profits, and customer dissatisfaction.

Addressing these issues is crucial for improving efficiency and competitiveness in Vietnam's logistics landscape.

Addressing these gaps is essential for not only Trung Nguyen Legend but also for analogous businesses in Vietnam. Optimization of warehousing and transportation systems, along with the minimization of operational inefficiencies, holds the potential to curtail logistics costs and augment profits. Moreover, it can elevate operational efficiency and competitiveness, leading to improved delivery speed and reliability, enhanced customer satisfaction, a strengthened market position, and meeting the burgeoning customer demand for high-quality logistics services. Resolving these logistics operation gaps is crucial for businesses to not only thrive in the competitive market landscape but also to achieve sustainable growth.

The insights gained from addressing these gaps can benefit other Vietnamese enterprises refining their logistics operations in Vietnam's dynamic business environment. This has the potential to enhance the entire logistics industry, contributing significantly to the business landscape. By embracing strategic recommendations—such as transportation management enhancement, AI-optimized warehousing, sustainable packaging adoption, integrated information systems utilization, and diversification of export markets and partners - Trung Nguyen Legend not only advances its own logistics but also impacts the broader sector in Vietnam.

The profound insights derived from this study are anticipated to stimulate strategic thinking and practical applications to fortify Vietnam's standing within the global transport network. It is pivotal to recognize the potential limitations of this analysis, ensuring that future applications of these recommendations are meticulously assessed under specific circumstances affected by unmentioned external factors. Acknowledging these limitations, this study aims to offer invaluable insights and practical recommendations, establishing a groundwork for further research and strategic improvements in Vietnam's logistics landscape.

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