

Kew Organics: Leveraging The Demand For Organic Beauty Products In Vietnam

How Kew Organics seized the growing demand for organic beauty products with GlobalConnect@SBF's expertise in the Vietnamese beauty market



Company: **Kew Organics**
Industry: **Organic Skincare**
Expansion market: **Vietnam**

Challenges

- Unfamiliarity with target market culture
- Low brand awareness among local consumers
- Intense competition in Vietnam, hindering market penetration

Outcomes

- Tap into a local group consisting of more than 1000 influential Vietnamese women
- Successfully listed the company's products in five retail spa centres
- Signed an agreement with a local distributor to sell Kew Organics' products



Kew Organics embarks on the expansion journey

Kew Organics was founded by Lily Kew in 2014. She embarked on the business with a clear vision in mind – to bring forth a pure skincare brand in every sense – organic, non-GMO, and vegan-friendly, while being free of preservatives, chemicals and parabens. The brand has ensured that its product is an affordable luxury. Today, Kew Organics is the proud owner of five bespoke facial salons in Singapore, which doubles up as retail stores.



The three values that I hold in GlobalConnect@SBF is to provide trust, commitment and support to the Singapore SMEs.

Amy Wee, Country Head – Vietnam,
GlobalConnect@SBF



The idea of overseas expansion is a straightforward concept but can be complicated by the first move; it should be critical and strategic. Lily Kew identified three frontier markets with a niche international customer base from its online store sales records – Indonesia, the Middle East and Vietnam. Expansion plans came into further action when one of her Vietnamese customers asked about a franchise opportunity.

In the initial engagement between Kew Organics and GlobalConnect@SBF, Lily got to know Amy, the latter's country head for Vietnam. Both women spoke in-depth to understand the goals Kew Organics had with market expansion, issues at play and in-depth insights on the three options tabled.

The team at GlobalConnect@SBF went through multiple market drivers with Lily, such as the consumers' patterns, disposable income, growth outlook of the country and so forth. A joint conclusion was made - Vietnam is the ideal market for expansion. The new venture might be a small step for big brands, but for Kew Cosmetics, it was a giant leap of faith that would introduce the homegrown brand to the rest of the world.

The insider story of Vietnamese market

Despite having the resources and a market assessment done, SBF has seen many Singapore SMEs encounter challenges in their overseas entries due to unfamiliarity with the target market's culture. These challenges motivated GlobalConnect@SBF to set the right fundamentals before its departure for the internationalisation journey.

Quantitative market data alone was inadequate for the business to kickstart its international foray, as the company had to learn about its new market. The vital component for a smooth landing is that SMEs thoroughly understand the Vietnamese way of communication and the actual preferences of local consumers.

Having more than 12 years of experience in Vietnamese companies, Amy shared with Lily about the Vietnamese culture, where business is often positively correlated with the social circle. Delving into beauty and skincare products, especially for a new, independent brand, word-of-mouth between friends is usually much more effective for presence and awareness than advertisements.

Leveraging on an established local network

To ensure Singapore SMEs' success overseas, market specialists from GlobalConnect@SBF do not only play a consulting role. The change agents also place their hands on the forefront to support the businesses. Without hesitation, Amy Wee introduced Lily Kew to a local group of more than 1,000 influential women. Most of them are business owners in Vietnam, and women who love beauty and skincare products.

Among the influencers, Lily Kew connected with a local skincare product distributor interested in helping Kew Organics tap into the Vietnamese market. Amy Wee also moderated the conversation between both parties to ensure that the local distributor shared the same vision and commitment as Kew Organics in this collaborative effort on developing the market.

Lily and the local distributor had decided to host a series of social gatherings, seminars and occasional hobby classes that could welcome 100 to 300 participants per event. These events would set an avenue for Lily to deepen her relationship with the local community, create relevancy and eventually elevate Kew Organics' brand awareness. Moreover, a batch of sample pack was delivered to Vietnam for the group's distribution.

Although COVID-19 lockdown derailed the events, the local distributor took a resilient step by breaking down the initial meeting to smaller coffee-session groups. Conversations on Kew Organics carried on over aromatic cups of Vietnamese coffee.

Speaking of local regulations, GlobalConnect@SBF shared a local connection with Kew Organics of an authorised organisation agency. The agency was necessary to perform a wide range of consumer product tests and certifications to fulfil relevant safety and quality requirements.



I have been quite blessed to have related to Amy and SBF to journey along with our company entering the Vietnam market. Even though the language was a barrier, Amy quickly got me a local distributor well-versed in English. The distributor understood the lingo I was speaking and helped expedite a lot of things for us.

Lily Kew, Founder and CEO,
Kew Organics

An agile and cost-effective form of market entry

A lucrative market like Vietnam also spells intense competition, most notably South Korean brands driven by K-POP culture. While Kew Organics' products hold their unique value proposition, GlobalConnect@SBF wanted to protect this SME at its nascent stage by minimising errors that could be destructive to their overall potential growth overseas.

Hence, as soon as Amy Wee introduced the distributor to Lily Kew, both parties began to discuss potential marketing strategies. They also tried to access Kew Organics' existing product line pricing to select the range of products that would fit into the Vietnam market.

Other than brand awareness, the initial product launch's main goal was also to conduct market validation. As an experienced marketer, Amy Wee advised Lily to shortlist the top 10 Stock Keeping Unit ("SKU") out of 100 products and sell these at their original retail price. This pivotal move would help Kew Organics to find the right product-market fit and collect valuable customer feedback.

Instead of opening a brick-and-mortar store, through Amy Wee and the local distributor's effort, Kew Organics listed its products in 5 retail spa centres in Hanoi's central business district. The outlets were carefully selected to ensure that their range of organic and natural beauty products could reach its mainstream target market.

Within a mere five months of inception, an agreement was signed between the local distributor and Kew Organics for a 6-month trial period. The project milestone aims to hit a decent amount of sales within its trial run.

GlobalConnect@SBF believes that helping Singapore SMEs break down the entire expansion plan into stages will make the execution more manageable in all prospects and help the SMEs to have more justifiable indicators for their next steps in the foreign market.

GlobalConnect@SBF to handhold Kew Organics in the journey ahead

Like any other significant undertakings, a realistic goal must be set. Moving forward, Kew Organics aspires to see a positive growth in terms of brand awareness, sales revenue and market share in the Vietnamese market. These will be important catalysts and boost their confidence to explore new opportunities in the region, especially the ASEAN countries. Kew Organics also foresee the team from GlobalConnect@SBF continues to be the guiding light on their internationalisation journey.



The door of opportunities has opened; GlobalConnect@SBF will continue its stride down the lane with Singapore SMEs.