

# DatVietVAC

## Group Holdings (Vietnam)

### Leveraging Entertainment as a Force for Good in Face of COVID-19 Challenges

January 2021



# Extraordinary Endeavors in Turbulent Times: Asian Innovation, Inclusion, and Impact during COVID-19

A Joint Report by the Asia Business Council and the  
Hong Kong University of Science and Technology

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## Letter from the Directors

Dear Reader,

As the directors of this joint project by the Asia Business Council and the Hong Kong University of Science and Technology (HKUST), we are delighted to present the results of our study on the extraordinary endeavors of Asian companies in the turbulent times of COVID-19, as companies embrace innovation, promote inclusion, and drive social and economic impact across the region.

We hope that this series of eight case studies will illustrate the silver linings of the pandemic – in these trying times companies are more than ever realizing the importance of social responsibility, reimagining and reinventing traditional forms of philanthropy, and leveraging technology as a force for good in ways that will likely last well beyond the crisis.

While the articles are written with business leaders and business students in mind, the stories we tell have relevance for a wider audience as they show how Asian corporates took the lead in engaging a broad eco-system, including governments, academic institutions, religious groups, and the public health sector, in addition to start-ups, small and medium enterprises, and even competitor companies within the private sector.

True to the times of COVID-19, the smooth collaboration between our two organizations took place without any face-to-face meetings; all the research and interviews were conducted virtually and across multiple time zones. We are especially grateful to Asia Business Council Chairman Lim Boon Heng and Vice-chairman Daniel Tsai whose companies Temasek and Fubon Group were the first two companies to take part in the study. We would also like to thank the unfailing support of Mark Clifford, Executive Director of the Asia Business Council, and Roger King, Senior Advisor and Founding Director of the Tanoto Center at HKUST, without whom we could not have completed the project.

Amidst the continued risk and uncertainty surrounding the pandemic, we hope that this report will contribute to the ongoing discussions on stakeholder capitalism and the debates on the role of companies in the local and international community, in times of crisis as well as times of relative normalcy. Above all, we hope that you will enjoy reading the articles as much as we enjoyed writing them, and that the report will be a source of positivity and inspiration for audiences around the world.



**Winnie Peng**

*Director of the Tanoto Center for Asian Family  
Business and Entrepreneurship Studies at the  
Hong Kong University of Science and Technology*



**Pauline Yeung**

*Program Director at the Asia Business Council*

# DatVietVAC Group Holdings (Vietnam)

## Leveraging Entertainment as a Force for Good in Face of COVID-19 Challenges

By Winnie Peng, Pauline Yeung, and Chun Hei Hung

### DatVietVAC Group Holdings

**Region**  
Vietnam

**Year of Founding**  
1994

**Headquarters**  
Ho Chi Minh City

**Type of Company**  
Non-listed Company, Family Business

**Number of Employees**  
720

**Total Revenues in 2019**  
VND 4.5 trillion (US\$197 million)

**Major Businesses**  
Entertainment, Media, and Content

**Entertainment Shows**  
Vietnam Idol, Chung Sứ (Family Feud), Ơn Giờ Cậu Đây Rồi (Thank God You Are Here), Người Ấy Là Ai (Who Is Single Vietnam), Siêu Trí Tuệ (The Brain Vietnam), Rap Việt

**Drama Productions**  
Không Thể Rời Mắt (Can't Take My Eyes Off [You]), Gạo Nếp Gạo Tẻ (Plain Rice Sticky Rice)

**COVID-19 Initiatives in a Nutshell**  
Engagement of Vietnamese Celebrities to Promote Official COVID-19 Information App BlueZone; Launch of Online Streaming Service VieON; Entertainment to Comfort and Relieve Stress

The following case study is based on written correspondence with DatVietVAC Group Holdings in October and December 2020, and an interview with Dinh Ba Thanh, Founder, Chairman and CEO of DatVietVAC, and Dinh Thi Nam Phuong, Advisor to the Chairman and CEO, on October 27, 2020.

### Introduction

With fewer than 1,500 confirmed cases at the time of writing, Vietnam has been a bright spot for control of the COVID-19 pandemic. One factor that contributed to containment efforts was the rollout of BlueZone in mid-April 2020, an official app by the Vietnamese government that registers health information, traces potentially risky close contacts, and provides up-to-date information on the coronavirus.

But in April and May, the government faced the problem of distribution; moreover, it would have to convince a population of nearly 100 million to voluntarily download and use a contact-tracing app. In this case, the answer for the government lay in leveraging Vietnam's rapidly growing entertainment sector – and particularly a partnership with DatVietVAC Group Holdings, the leading media technology company in Vietnam.

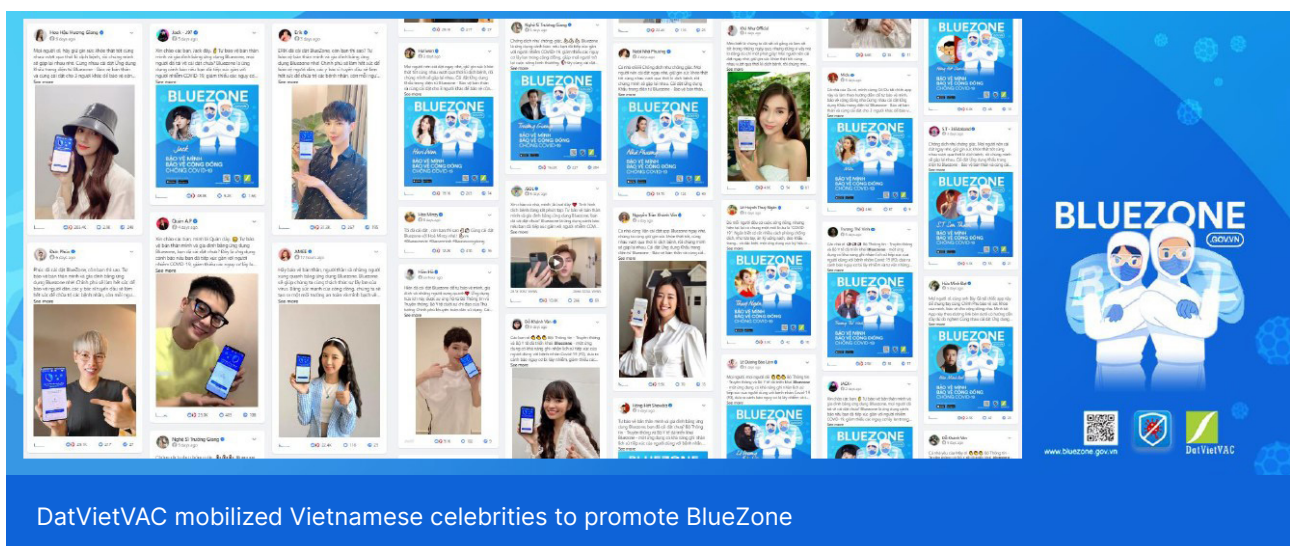
Dinh Ba Thanh, Founder, Chairman and CEO of DatVietVAC, recalls a call from the Minister of Information and Communications, during which the minister described the government's plan to improve the country's contact-tracing and early warning systems using the BlueZone app. Since DatVietVAC has business relationships with more than 600 top Vietnamese celebrities, the minister wanted to see whether Thanh could help promote the campaign. Thanh agreed, and DatVietVAC started by assigning a few prominent influencers to the campaign. Soon, a wave of celebrities followed.

The hashtag #BlueZoneVie was used for the campaign, which resulted in a reach of 349 million and more than



900,000 interactions on posts by Vietnamese celebrities introducing BlueZone, giving download instructions, and encouraging their fans to use the app. DatVietVAC also ran short clips about BlueZone on its proprietary content channels, with an estimated reach of more than 300 million impressions on Facebook and 2 billion on YouTube.

DatVietVAC stands proud to have contributed to efforts to make Vietnam safer during the COVID-19 pandemic, and its support of the nation-wide rollout of BlueZone reflected the ambition to change how Vietnamese people consumed digital content. Not only did the company believe it could use digital media for good, via social platforms like YouTube and Facebook, it was also taking a giant step toward becoming that type of platform itself.



## Launching Online Streaming Service VieON

Over the past four years, DatVietVAC had begun an operation to transform itself from a leading media company to a leading media technology company. Having seen the rise of over-the-top (OTT) players in other markets, such as Netflix or Amazon Prime, DatVietVAC saw a gap in Vietnam. To meet the demand, it began developing a streaming platform called VieON that integrates over 100 TV channels and provides 100,000 hours of copyrighted content. What the company did not realize at the beginning was how COVID-19 would speed up that timeline.

Indeed, COVID-19 and the uncertainty surrounding it was a unique opportunity for DatVietVAC to advance its plans. In June 2020, amidst the global public health crisis, Thanh made the decision quickly to launch VieON, even before a formal arrangement had been reached with its partner BCG Digital Ventures. The VieON team started working to meet the new release timeline immediately; it adapted plans, moved the launch event online, and organized a promotional concert in under three weeks.

On the first day of launch, VieON became the most downloaded app both on Android and iOS platforms in Vietnam. Part of the appeal was the one-stop-shop

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for Vietnamese and international content. Thanh explained that, for the first time in Vietnam, audiences were able to watch copyrighted content, local and global, through a single app.

Just like DatVietVAC's work with BlueZone, the company used its vast network of celebrities to promote its platform. In total, VieON was endorsed by more than 500 celebrities in Vietnam and enjoyed cross-promotion within the DatVietVAC Group's network of 170+ social pages and channels, which average a combined total of 1.8 billion views per month. VieON's launch was also covered by more than 400 online sites and all major newspapers in Vietnam.

## A Strong Belief in the Role of Entertainment in Times of Crisis

Behind the accelerated launch of VieON is DatVietVAC's strong belief in the crucial role of entertainment amidst the pandemic. As everywhere in the world, at the time of the June 2020 launch, COVID-19 had brought uncertainty and anxiety to the Vietnamese people, from concerns about a brittle health system only able to deal with a modest number of cases, to concerns regarding job security and the economy.

DatVietVAC was able to initiate another groundbreaking cultural phenomenon that transformed the standing and influence of rap music in the country. First released on 1 August 2020, Rap Việt was the most-viewed program in Vietnam in 2020, reaching 2 billion views on VieON, YouTube and Facebook.

DatVietVAC uses a particularly broad definition of "entertainment" that includes everything to do with the senses, such as sight, hearing, smell, and touch. It aims to bring a welcome relief to consumers and allow for a positive distraction, even if just temporarily.

"Adults can have light-hearted laughter, and children, who suddenly must stay home away from school and friends, could be entertained. Families could also bond over a TV series," Thanh explained. During the trying times of the pandemic, entertainment can help maintain a sense of familiarity and inspire hope that the future might not be so bleak.

## An Emphasis on Local Content

Having said that, in contrast to global streaming platforms like Netflix, DatVietVAC emphasizes the importance of local content, which it has many years of experience in producing; VieON has the largest curated content library in Vietnam. DatVietVAC pledges to continue to secure top scripts for TV shows and series; engage successful actors, actresses, directors, and producers; and conduct research and development (R&D) on content that will thrive in Vietnam.



While VieON does offer non-Vietnamese content and acquires blockbuster titles from other markets such as China, South Korea, Japan, the United States, and the United Kingdom, Thanh believes that “emotional engagement comes from seeing people who look like you on TV.” As an example, the mini-drama *Không Thể Rời Mắt* (*Can’t Take My Eyes Off [You]*), which was part of the content lineup for the launch of VieON in the summer of 2020, has amassed over 5.5 million views for a single episode to date. The drama featured VieON’s brand ambassadors: Jack J97, one of the most talked-about singers in Vietnam, and co-star Thuy Ngan, one of Vietnam’s top actresses.

Another good example is the *Sóng Show*, which has been a top-rated show in Vietnam for the past few years and has become part of the Lunar New Year Tradition. *Sóng* means “Waves,” and the annual *Sóng Show* is meant to be a celebration of everything culture-related that has made waves in Vietnam in the past year. During the pandemic, DatVietVAC produced a summer variation of the *Sóng Show* – the first time the show was produced for an occasion other than Lunar New Year, resulting in quite a bit of anticipation for the program.

In fact, DatVietVAC has a track record of pioneering entertainment shows, including *Chung Sức* (*Family Feud*) and Vietnam Idol decades ago, and *Ơn Giờ Cântây Rồi* (*Thank God You Are Here*), *Người Ấy Là Ai* (*Who Is Single Vietnam*) and *Siêu Trí Tuệ* (*The Brain Vietnam*), which not only set new records for trending content and concurrent users (CCU) on YouTube, but also became the source and origin of expressions that went viral and became catchphrases for a whole generation of Vietnamese.

## A Truly Groundbreaking Show on Rap Music

Perhaps it should come as no surprise then that DatVietVAC was able to initiate another cultural phenomenon in 2020 that transformed the standing and influence of rap music in the country. First released on August 1, *Rap Việt* was the most-viewed program of the year in Vietnam, reaching 2 billion views on VieON,



YouTube and Facebook in four months, breaking YouTube's premier record in Vietnam (previously set by Siêu Trí Tuệ) with more than 1.1 million CCU, and creating a media frenzy with more than 1,000 articles.

While rap music had lived “underground” for over 10 years prior to the Rap Việt show, DatVietVAC is seen to have “activated a revolution in the history of Vietnamese music culture, bringing rap to the top, shoulder to shoulder with music genres in the mainstream.”

In the words of Thanh's daughter Nam Phuong, an Oxford graduate who now works in the family business, “It is difficult to find a Vietnamese person who does not know about the show, from young children to 80-year-old retirees. Coffee shops have the episodes on, bars and clubs play Rap Việt songs, and multiple school re-openings have students doing performances related to the show... It has been the talking point of the whole country since the first episode was aired.”

The content offering attracts a wide demographic for the VieON user base, which currently has a 50-50 split between male and female audiences and a broad distribution of viewers across age groups. Thanh hopes that VieON will be able to reach all parts of the Vietnamese population with popular shows and series, spreading hope and cheer and helping audiences go through these uncertain times.

Notably, DatVietVAC also has plans to go beyond Vietnam's borders. There are at least 5 million Vietnamese living around the world.<sup>1</sup> The company's first step internationally will be to launch VieON in markets like the United States, Cambodia, France, and Australia, where it can provide Vietnamese content to overseas Vietnamese communities. In Thanh's view, this audience living far from home craves home content and culture, while also being used to high standards of offerings from their new home economies, so VieON's premium content and world-class product would potentially be a very good fit.



Rap Việt has brought rap shoulder to shoulder with music genres in the mainstream



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## Vietnam's Over-the-Top (OTT) Market

From a commercial perspective, VieON seems well placed to capture the opportunity in Vietnam's rapidly growing OTT market, where total revenue was projected to reach approximately \$105 million in 2020 and rise at a compound annual growth rate of 9.4 percent through 2024.<sup>2</sup>

Vietnam's current GDP per capita is approximately \$2,700, and Thanh believes that once GDP per capita reaches around \$3,500, consumer spending will significantly increase, as was the case elsewhere in Asia. In other words, Vietnam appears to be at an inflection point in terms of OTT adoption, and a market-leading service could potentially see growth curves comparable to other markets such as India and China.

Our peoples' mindset became that of a member of a digital start-up rather than a 26-year-old media company, and as a result, our innovation is stronger than ever. Our leaders are now highly encouraged to aim for speed over elegance, take decisive actions with courage based on imperfect information, and embrace the long view...

But growth in OTT still requires a few other factors. In addition to increases in GDP per capita, also important are growth in access to digital payments and stricter controls over piracy.

Pirated content remains a big issue in Vietnam.<sup>3</sup> But the Vietnamese government had already taken some significant steps to shut down illegal websites prior to VieON's launch.<sup>4</sup> For example, Vietnam's Cybersecurity Law was passed in 2018, followed by new regulations in 2020 on penalties for Intellectual Property (IP)-specific online violations, and a new practice of blocking access to pirate websites.<sup>5</sup>

Just like in other markets, where consumers have moved from pirated low-quality content to a paid, high-quality user experience, Thanh believes that Vietnam will also make this transition. The higher video quality and superior user experience provided by platforms like VieON are factors that would encourage viewers to use legal channels. Thanh also remarked that the VieON subscription fee is only 66,000 dong (\$2.85) per month, which is the same price as a bubble tea or a cup of coffee in beverage chains in Vietnam, and a fair price to pay for the convenience of a content service.

## Transformation of Internal Operations

Internally, the COVID-19 crisis has forced DatVietVAC to take a closer look at different aspects of the company's operations, organization, and processes to track progress. The company could no longer operate like before when meetings took place in face-to-face settings. To respond to the need to work digitally, DatVietVAC's IT department worked to adopt new tools for use, while each department began to set up daily meetings and shared folders so people could work from home.

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As Thanh said, “Almost overnight, we had to change our workflow and adapt completely new ways to work. Our ‘firefighters,’ aside from responding to challenges in their own departments, also had to be coordinated to make well-informed joint decisions, both for business and for regulations and compliance. It was the diversity of the task force and the inclusion of very young members that helped realize the company’s vision and allowed us to keep producing content throughout the lockdown despite studio closures and crowd restrictions.”

In addition, Thanh pushed each department to design offerings more relevant to clients and the audience in a COVID-19-affected world; this led to a discernible

expansion in DatVietVAC’s digital businesses. The push worked – the company launched three new businesses in 2020, with a solid pipeline for the first half of 2021, while maintaining its existing client base.

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Thanh believes one of the most significant outcomes of COVID-19 was the impact on company culture. While an organization-wide cultural shift takes years, if not decades, to achieve, the crisis pushed the DatVietVAC leadership to change its mindset and attitude within weeks.

In Thanh’s words, “Our processes and organization became leaner. Our employees became more empowered. Our people’s mindset became that of a member of a digital startup rather than a 26-year-old media company, and

as a result, our innovation is stronger than ever. Our leaders are now highly encouraged to aim for speed over elegance, take decisive actions with courage based on imperfect information, and embrace the long view, that is, staying focused on the horizon, predicting the new business models that are likely to emerge, and sparking the innovations that shape the future.”

## Future Outlook

While COVID-19 has no doubt been a crisis, Thanh believes that 2020 helped to further cement DatVietVAC’s position as a market leader. The severity of the pandemic caused many smaller players to fold or significantly scale down their operations and investments. DatVietVAC was presented with numerous interesting business opportunities, many of which would not have been available in a more “normal” market.

Looking forward, Thanh envisions DatVietVAC as a leading technology company in the media and entertainment space, with a core strategy of growing through the commercialization of content and the interaction of such content with data and platforms. The company plans to invest heavily in Big Data and Predictive Analysis; it is in the process of setting up a dedicated Artificial Intelligence and Tech Lab at the Group level and is looking to enter more businesses borne out of data, such as digital advertising, e-commerce partnerships, and fintech.

Looking forward, Thanh envisions DatVietVAC as a leading technology company in the media and entertainment space... The company plans to invest heavily in Big Data and Predictive Analysis; it is in the process of setting up a dedicated Artificial Intelligence and Tech Lab at the Group level and is looking to enter more businesses borne out of data...

Given its dominance in traditional media, DatVietVAC also aspires to build robust digital platforms: these will be anchored by proprietary intellectual property from within the group, and enhanced by curated external material, including user-generated content (UGC). This content will form the basis of two types of product offerings: *entertainment services*, which will encourage consumers to “Watch, Listen, Read, Talk, and Play” in the Vie ecosystem; and *influencer services*, which are plans for e-commerce and a celebrity services marketplace.

On the entertainment side, DatVietVAC’s flagship product VieON addresses the “Watch” component, and VieZone, a recently launched online news platform, will address the “Read” component. The plan is to continually add other components such as comics, books, podcasts, as well as interactive chat platforms.

While its Influencer segment is younger, DatVietVAC has made solid preparations to expand into online retail after a successful merchandising pilot under VieSHOP, with a launch underway for a platform offering personalized content from celebrities who are scheduled to appear in shows in the next quarter.

Overall, the group’s approach to business expansion is twofold: DatVietVAC will continue to create or acquire companies that complement its existing platform, while remaining committed to investments in content as the foundation and strength of its commercial offerings.

DatVietVAC is also under no illusions that it is going alone: Its communities include those acquired through partnerships with social platforms such as YouTube and Facebook, as well as strategic collaborations with leading local news sites. Thanh’s vision is a convergence of a community of “influencers to influence,” the audience of which then amalgamates into a large VieCommunity.

## Conclusion

Thanh is keenly aware that the current way of life “makes all of us a part of the world of media, entertainment, and technology.” But he also believes that tech is not everything, and that there needs to be a human element. At a time when he believes social media is simply used for self-expression, he wants his group to “lead the responsible media movement, to help inspire and encourage good thoughts and healthy habits, and to be part of efforts against the seven social sins.”<sup>6</sup> As Nam Phuong explained, “The idea is to shape a community with positive, reliable content, rather than simply cheap laughs and sensationalist thrills, while making sure that it is neither pretentious nor overly contrived.”

Indeed, DatVietVAC positions itself as a company that uses technology as a vehicle to inspire human aspiration. At the end of the interview, a reflective

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Thanh concluded by saying, “Let your heart speak truth. People talk a lot, but is it with genuine feelings? Are you talking with reason and cause, or is it just cosmetics? Is there an inner spirit that is devoted to other people? Our ultimate goal is to inspire people and make each and every moment in their lives a happy one.” In DatVietVAC, we see an example of a company that leverages entertainment as a force for good, especially during the highly stressful times of the COVID-19 pandemic.

## Endnotes

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|---|---|---|---|
| 1 | “Vietnam courts overseas diaspora to boost digitization, exports.” VN Explorer. Nov. 22, 2020. <a href="https://vnexplorer.net/vietnam-courts-overseas-diaspora-to-boost-digitization-exports-a2020126796.html">https://vnexplorer.net/vietnam-courts-overseas-diaspora-to-boost-digitization-exports-a2020126796.html</a>                            | 4 | Ibid.   |
| 2 | “Local OTT looks to win on home turf.” Vietnam Investment Review. June 22, 2020. <a href="https://www.vir.com.vn/local-ott-looks-to-win-on-home-turf-77208.html">https://www.vir.com.vn/local-ott-looks-to-win-on-home-turf-77208.html</a>  | 5 | Ibid.   |
| 3 | Yen Vu. “Vietnam Tackles Online Piracy with More Assertive Regulation and Practice.” Rouse. June 1, 2020. <a href="https://rouse.com/insights/news/2020/vietnam-tackles-online-piracy-with-more-assertive-regulation-and-practice">https://rouse.com/insights/news/2020/vietnam-tackles-online-piracy-with-more-assertive-regulation-and-practice</a> | 6 | The seven social sins are: science without humanity, wealth without work, knowledge without character, pleasure without conscience, commerce without morality, belief without sacrifice, governing without principle. |