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PHAM THI HONG HANH

**DEVELOPING THE DOMESTIC CONSUMPTION MARKET
FOR FOOTWEAR PRODUCTS OF VIETNAMESE
ENTERPRISES**

**Major: Commercial Business
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**SUMMARY OF DOCTORAL
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Scientific Supervisors:

1. Assoc. Prof. Dr. Phan The Cong
2. Dr. Pham Huu Thin

Reviewer 1:

Reviewer 2:

Reviewer 3:

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INTRODUCTION

1. Necessity of the dissertation research

The leather and footwear industry is one of Vietnam's manufacturing and consumption sectors with high competitiveness. According to 2024 statistics, Vietnam currently has over 3,484 active enterprises related to the leather and footwear industry, with about 1.6 million laborers, of which 81% are in footwear production, and the rest are in supporting industries; the industry contributes approximately 8% to the country's GDP. In recent years, the Vietnamese leather and footwear industry has gradually turned towards the domestic market and has made significant progress. However, the development of the domestic consumption market for footwear products by enterprises has faced many limitations, requiring the search for suitable and effective solutions for the future. Specifically: *First*, the number of Vietnamese leather and footwear enterprises grew at a rate of 6.6% per year during the period 2016-2023. *Second*, the volume of footwear consumption has remained at only 152 million pairs. *Third*, the localization rate of Vietnamese footwear products is still low, reaching only about 50-55%. The issue of developing the domestic consumption market for footwear products has been mentioned in numerous studies by scholars and organizations both domestically and internationally. However, no study has yet conducted an in-depth investigation into the content, role, influencing factors, current situation, and solutions or policies for developing the domestic consumption market for footwear products of Vietnamese enterprises.

To develop the domestic consumption market, besides relying on preferential policies from the state, enterprises also need to clearly understand their own advantages and difficulties to build production and distribution strategies and plans that meet market requirements and achieve their goals. Therefore, the PhD candidate's choice of the dissertation topic "Developing the domestic consumption market for footwear products of Vietnamese enterprises" is truly necessary and significant in both theory and practice.

2. Objectives and tasks of the dissertation research

2.1. Research objective

To study the scientific arguments and propose solutions to develop the domestic consumption market for footwear products of Vietnamese enterprises.

2.2. Research tasks: (i) To study the theoretical basis for developing the domestic consumption market for footwear products of enterprises. (ii) To build a theoretical research framework, define the objectives, subjects, scope, content, and research methods of the dissertation topic. (iii) To study the experience of some countries in developing the domestic consumption market for footwear products and draw applicable lessons for Vietnamese enterprises. (iv) To synthesize, analyze, evaluate, and make assessments on the current state of influencing factors, evaluate the achievements, limitations, and causes of the current situation of Vietnam's footwear consumption market development in the period of 2016 - 2024. (v) To propose a system of viewpoints, orientations, and solutions for developing the domestic consumption market for footwear products of Vietnamese enterprises until 2035.

3. Research subject and scope

3.1. Research subject

The theoretical and practical issues of developing the domestic consumption market for footwear products of enterprises (In this study, footwear products are products of Vietnamese enterprises - these enterprises are 100% domestically-owned).

3.2. Research scope

(i) *Scope of content:* The development of the domestic consumption market can be approached from multiple perspectives. However, in this dissertation, the researcher adopts an approach that identifies the development of the domestic consumption market for footwear products of enterprises within the supply chain framework: supply/consumption. The constitutive components of the market include: (1) Developing market supply, (2) Developing market demand, (3) Market intermediaries, and (4)

Price. Accordingly, the key stakeholders participating in the market are the State, enterprises, and consumers. The study on the development of the domestic consumption market for footwear products of Vietnamese enterprises is situated within the interplay of both macro-level (external) and micro-level (internal to enterprises) determinants, each exerting influence on the specific components of the domestic consumption market. (ii) *Scope of space*: Nationwide and selected countries for experience research. (iii) *Scope of time*: Assessing the current situation from 2016 - 2024 and proposing solutions for developing the domestic consumption market for footwear products of Vietnamese enterprises until 2035.

4. Research methods of the dissertation: (i) Dialectical and historical materialism methodology. (ii) Documentary research method, inheriting results from previous studies. (iii) Some other methods; (iv) Survey method,...

5. New contributions of the dissertation

5.1. Theoretical contributions:

The dissertation contributes to supplementing and perfecting the general theoretical basis for developing the domestic consumption market for goods, on which basis a theoretical framework for the development of the domestic consumption market for footwear products of Vietnamese enterprises is established.

5.2. Practical contributions: (i) The dissertation has studied the experience of some countries and drawn lessons for Vietnamese footwear enterprises in developing the domestic consumption market. (ii) Analyzed, evaluated, and drawn conclusions about the achievements, limitations, and pointed out both objective and subjective causes of the development of the domestic consumption market for footwear products of Vietnamese enterprises in the period of 2016 - 2024. (iii) Built viewpoints, orientations, and proposed solutions for developing the domestic consumption market for footwear products of Vietnamese enterprises until 2030, with a vision to 2035.

6. Structure of the dissertation:

Besides the introduction and conclusion, the main content of the dissertation is structured into the following 4 chapters:

CHAPTER 1: LITERATURE REVIEW

1.1. Overview of research works' results

Previous works have studied the basic theories of product consumption market development in general. They have provided very clear explanations of the contents of developing the domestic consumption market for footwear products of enterprises. Studying these models helps the PhD candidate identify the basic contents of product consumption market development based on the market's constituent elements, including: developing market supply, developing market demand, the price factor, and the competitive environment in the market. In addition, theories have also approached and clearly indicated the factors affecting the development of the domestic consumption market for goods, including macro and micro factors. The published studies have provided the following practical values for the dissertation: First, they have sketched an overview of the current situation of the domestic consumption market development for footwear products in general and for Vietnamese enterprises in particular, on many aspects such as scale, structure, business forms, policies, and management of the domestic consumption market for footwear products of Vietnamese enterprises. Second, they have provided viewpoints, orientations, solutions, and recommendations to develop the domestic consumption market for footwear products for each period.

1.2. Research gap

Based on the literature review above, the PhD candidate recognizes that to date, no work has deeply and systematically studied the development of the domestic consumption market for footwear products of enterprises from a commercial business research perspective. It is necessary for future research to design and conduct a practical study based on a comprehensive theoretical

framework to clarify the relationships of the research hypothesis. This is the novelty, theoretical, and practical value of the dissertation topic; it is also a high requirement and a major difficulty regarding the author's independent scientific research.

CHAPTER 2: THEORETICAL BASIS FOR DEVELOPING THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF ENTERPRISES

2.1. THEORETICAL BASIS FOR DEVELOPING THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF ENTERPRISES

2.1.1. Concept and classification of footwear products

2.1.1.1. Concept

In practice, there is no clear definition of footwear. However, it can be simply understood that shoes and sandals are items worn on the human foot to protect and comfort the feet during various activities.

2.1.1.2. Classification

According to the Harmonized Commodity Description and Coding System (HS), footwear products belong to Chapter 64, including: Footwear, gaiters and the like; parts of such articles (HS 64). Specifically as follows: HS 6401: Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes. HS 6402: Other footwear with outer soles and uppers of rubber or plastics. HS 6403: Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather. HS 6404: Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials. HS 6405: Other footwear. HS 6406: Parts of footwear,...

2.1.2. Concept of domestic consumption market development

2.1.2.1. Concept of market

* *Some basic concepts of the market:* According to Clause 7,

Article 3 of the Law on Competition 2018, the concept of the relevant market is specified as follows: The relevant market is the market of goods and services that are interchangeable in terms of characteristics, purpose of use, and price within a specific geographical area with similar competitive conditions and significant differences from neighboring geographical areas.

- Economic entities including buyers, sellers, and intermediary agents are all under the supervision and management of the state.

- From an enterprise's perspective, the market is described as: "One or more groups of customers with similar needs and specific sellers that the enterprise, with its potential, can purchase goods and services from to satisfy customer needs."

* *The constituent elements of the market:* (i) Market participants. (ii) Market managers; (iii) Market objects, and (iv) Market price.

2.1.2.2. Market development

Market development in a broad sense is considered based on the relationship between producers and consumers, associated with the emergence of intermediary agents. On the other hand, when goods are brought to the market, they must be supervised by the state, so market development includes: (1) Developing the source of goods (Developing supply for the market),... (2) Developing sellers (Developing commercial intermediaries, distribution systems, agents, retailers,...). (3) Developing buyers (Developing market demand). (4) Price.

2.1.2.3. Developing the domestic consumption market for footwear products of enterprises: (1) Expanding the consumption scope of the enterprise's products in the market. (2) Enhancing the ability to supply high-end products to the existing customer base. (3) Attracting new customers from competitors in the domestic market.

2.2. FACTORS AFFECTING THE DEVELOPMENT OF THE DOMESTIC CONSUMPTION MARKET FOR PRODUCTS OF ENTERPRISES

* *Supply-side factors:* (1) Input factors of the footwear industry, (2) Technological capability of footwear enterprises, (3)

Brand equity of enterprises' footwear products, (4) Supply capacity and institutional support for the development of the footwear industry, (5) Development of supporting industries for the footwear sector.

* ***Demand-side factors:*** (1) Population size, (2) Rate of urbanization, (3) Household income, (4) Consumption demand for footwear products.

* ***Institutional and business environment factors:*** (1) Competitive environment within the footwear industry, (2) Institutional framework and policy orientation for the development of the footwear industry, (3) International economic integration, implementation of free trade agreements and the advancement of e-commerce.

2.3. CONTENT AND EVALUATION CRITERIA FOR THE DEVELOPMENT OF THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF ENTERPRISES

2.3.1. Content of developing the domestic consumption market for footwear products of enterprises: (1) Developing the supply of footwear products for the domestic market. (2) Developing the demand for footwear consumption in the domestic market. (3) Developing intermediaries in the domestic footwear market. (4) Price of footwear products.

2.3.2. Evaluation criteria for the development of the domestic consumption market for footwear products of enterprises: (1) The extent of increase in the supply capacity of footwear products of enterprises. (2) The extent of increase in the consumption capacity of footwear products of enterprises. (3) The extent of increase in intermediaries participating in the market. (4) Competitiveness of the price of footwear products.

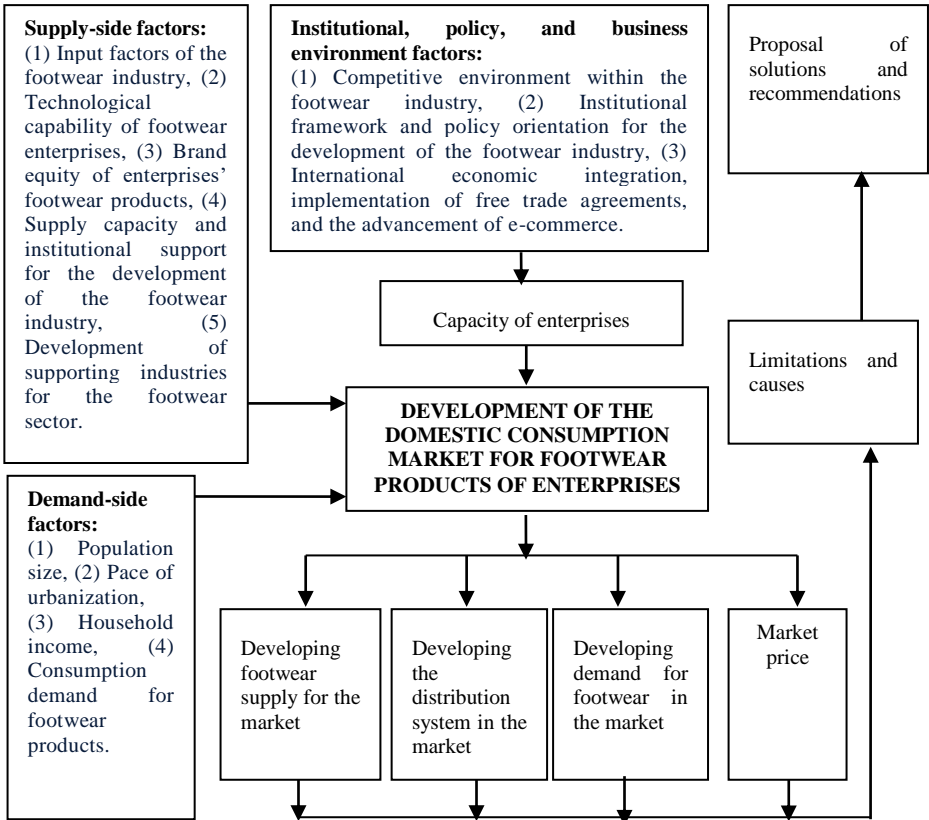


Figure 1. Theoretical frame of Development the domestic consumption market for footwear products of enterprises

2.4. ROLE OF DEVELOPING THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF VIETNAMESE ENTERPRISES

2.4.1. The development of the domestic consumption market for footwear products by Vietnamese enterprises plays a significant role in fostering economic growth:

First, contributing to the shift in economic structure and agricultural and rural labor. *Second*, contributing to job creation and leveraging labor advantages. *Third*, contributing to ensuring essential goods for the people. *Fourth*, contributing to promoting new consumer lifestyles and culture as the middle class grows rapidly, associated with fashion and aesthetic trends. *Fifth*, contributing to the global value chain, increasing soft power associated with each product brand.

2.4.2. The development of the domestic consumption market for footwear products by enterprises contributes to the advancement of the leather and footwear industry: *First*, effectively exploiting the potential and comparative advantages of Vietnamese footwear and enhancing the added value of leather and footwear products. *Second*, building and developing brands for Vietnamese footwear products. *Third*, promoting the development of domestic manufacturing industries. *Fourth*, contributing to increasing consumption capacity for enterprises. *Fifth*, contributing to increasing revenue for the national budget and for enterprises. *Sixth*, effectively exploiting the potential and advantages of the domestic market with a population of over 100 million people. *Seventh*, providing a basis for manufacturing and distribution enterprises to perform social responsibility.

2.5. EXPERIENCE OF SOME COUNTRIES IN DEVELOPING THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS AND APPLICABLE LESSONS FOR VIETNAM

2.5.1. Experience of some countries

2.5.1.1. Experience of China

Regarding technology for the leather and footwear manufacturing industry, thanks to the Chinese government's policy of supporting the development of the mechanical engineering industry for many decades; the government encourages enterprises to develop and have their own famous brands,...

2.5.1.2. Experience of Indonesia

The Indonesian footwear market is shifting towards sustainable and locally produced products, driven by growing consumer awareness and support for small businesses ; the Indonesian government provides access to land,...

2.5.1.3. Experience of Brazil

Maintaining a favorable and stable macroeconomic environment for industries, including the leather and footwear industry, to develop; forming clusters for leather production and footwear manufacturing.

2.5.2. Applicable lessons for Vietnam

- *First, lessons for the state in building and implementing support policies for enterprises in the leather and footwear industry.* Building and perfecting support policies, including for the leather and footwear mechanical industry; strengthening policies to support enterprises in promoting the development of the domestic target market; supporting the provision of land access, especially outside industrial zones;...

- *Second, lessons for enterprises in developing the domestic consumption market for footwear products.* Guiding enterprises to accurately identify segments for target markets; focusing resources on developing retail distribution systems for young people, women, the middle class, immigrants, poor families... establishing distribution channel systems in rural markets;...

- *Third, to be able to apply the lessons from other countries, some conditions must be ensured:* (1) Vietnamese footwear enterprises need to "dare to think, dare to do," be self-reliant in growing strong, to master technology, consumption markets, and participate more deeply in the value chain and supply chain of the leather and footwear industry; (2) The industry association must play the role of an active bridge between the state and enterprises to support footwear businesses in promoting consumption in the domestic market, and (3) The state needs to create a legal framework, business environment, and effective policies to facilitate footwear manufacturing enterprises, especially small and medium-sized enterprises, in developing the domestic consumption market.

CHAPTER 3: CURRENT SITUATION OF DEVELOPING THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF VIETNAMESE ENTERPRISES PERIOD 2016 - 2024

3.1. GENERAL OVERVIEW OF THE VIETNAMESE LEATHER AND FOOTWEAR INDUSTRY

3.1.1. Production situation

3.1.1.1. Development of the number of enterprises

According to 2024 statistics, the leather and footwear industry currently has over 3,484 active enterprises related to the industry, with about 1.6 million laborers working in the sector, of which 81% are in footwear production, and the rest are in supporting industries.

3.1.1.2. Labor in the leather and footwear industry

According to statistics, the growth of the total number of laborers in the leather and footwear industry fluctuated during the 2016 - 2024 period, with 2019 having the highest growth rate of 17.54% and the lowest growth year being 2020 at -14.43%. The total number of laborers in the industry increased from 1.65 million people in 2016 to 1.72 million in 2020 and decreased to 1.61 million in 2024.

3.1.1.3. Technology and equipment of enterprises

Compared to the region, the technological level of Vietnamese footwear manufacturing enterprises is currently at an upper-medium level. The production process is only mechanized, not yet automated, and the proportion of manual work is still high, thus labor productivity remains low.

3.1.1.4. Production output of enterprises

Vietnam's footwear production increased from 761.6 million pairs in 2014 to 1,209.3 million pairs in 2020 and reached 1,409.7 million pairs in 2024. Among them, the sports shoe group had the strongest increase, reaching 987.3 million pairs in 2024, with a growth rate of over 9.0%/year during the 2014 - 2024 period; followed by the leather shoes and sandals group, reaching 340.3 million pairs in 2024, with an average growth rate of nearly

5.0%/year, and the canvas shoe group reaching 82.1 million pairs in 2024, with an average growth rate of about 7.0%/year.

3.1.2. Participation in the global footwear value and supply chain by Vietnamese enterprises

The footwear supply chain in these provinces is quite complete, especially strong in producing raw materials such as soles, insoles, and accessories, with the majority of FDI enterprises being very proactive in creating linkage networks in the supply system from raw materials, and production to distribution. However, the participation of Vietnamese enterprises in the global footwear supply chain is mainly in the manufacturing and processing stage.

3.1.3. Import and export of footwear products

- **Exports:** Vietnam's footwear is exported to over 150 countries worldwide, showing that Vietnamese footwear products meet good standards in quality, design, models, and price, suiting the needs and tastes of many consumers in countries around the world.

- **Imports:** In 2024, the total import turnover of tanned leather and machinery for the leather-footwear industry reached 2.2 billion USD, of which machinery and equipment imports reached 158.1 million USD. The main import market for machinery and equipment was China, reaching 103.0 million USD, an increase of 213% compared to 2023. The main import market for tanned leather was China, reaching 731.0 million USD, an increase of 23% compared to 2023; followed by Thailand, reaching 236.7 million USD, an increase of 18% compared to 2023.

3.2. CURRENT SITUATION OF DEVELOPING THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF VIETNAMESE ENTERPRISES, PERIOD 2016 - 2024

3.2.1. Development of footwear products for the market

Although Vietnam currently has a relatively large number of enterprises engaged in footwear production, the majority are joint ventures or wholly foreign-owned enterprises. Their products are primarily oriented toward export activities. To date, the number of domestic manufacturing enterprises producing Vietnamese-branded

footwear to serve domestic demand remains limited, with some notable examples such as Viet Shoes Joint Stock Company, Thuong Dinh Shoes Company, Biti's Consumer Goods Manufacturing Co., Ltd., and Bita's Consumer Goods Manufacturing Co., Ltd. According to LEFASO, approximately 90% of footwear output produced in Vietnam is destined for export.

Domestic enterprises currently meet only about 40% of domestic consumption demand. Footwear products consumed in the Vietnamese domestic market are relatively diverse in terms of design and are divided into several segments: (i) High-value products, including men's leather shoes, women's leather shoes, and internationally branded sports footwear. These products require high-quality input materials, superior production processes, and professional design. Their primary customers are major brand manufacturers or premium retailers. (ii) Mid-range products, including men's shoes, women's shoes, children's shoes, sports footwear, and specialty shoes made of fabric, plastic, or rubber. Buyers are typically wholesalers and large retail chains. (iii) Low-value products, consisting mainly of simple sandals and slippers made from synthetic materials. These products require fewer expensive materials, are often less durable, and are mainly purchased by wholesalers for redistribution to lower-tier retailers.

3.2.2. Development of domestic demand for footwear products of enterprises: The leather and footwear industry is among the sectors with the greatest potential in Vietnam's domestic market, owing to the advantage of a relatively large population of over 100 million people. At the same time, the continuous improvement of living standards and the steady rise in per capita income are expected to drive increasing demand for domestically produced footwear products.

At present, Vietnam's footwear industry ranks among the world's four largest producers in terms of output; however, domestic consumption in this sector remains relatively modest. Specifically:

- (i) The total domestic consumption of footwear produced by

Vietnamese enterprises in 2024 is estimated at approximately 152.0 million pairs, with an average per capita consumption of around 1.5 pairs per person per year. Within this, leather-soled footwear with leather uppers accounts for the largest share, followed by rubber and plastic-soled sports shoes with fabric uppers, and leather-upper, leather-soled shoes in the total footwear consumption nationwide. (ii) The average annual growth rate of footwear consumption volume is about 5.5-7.0% per year, equivalent to 12.5 million pairs sold per month, or on average 0.41 million pairs consumed per day in the Vietnamese market. (iii) The value of the domestic footwear market reached approximately USD 2.7 billion in 2023 and is estimated to reach USD 3.1 billion in 2024. The compound annual growth rate (CAGR) was 5.5% during 2015-2020 and about 6.7% during 2021-2024. Average per capita expenditure on footwear in Vietnam in 2024 is estimated at USD 28-30 per person per year.

The market share of Vietnamese footwear enterprises (mainly brands such as Biti's, Bita's, Thuong Dinh, and Vina Giay) accounts for only about 40%. Imported footwear represents approximately 43.7%, primarily from China, Taiwan, and Hong Kong; while around 16.3% of the mid- and high-end market segment is supplied by foreign enterprises from countries such as Italy, the United States, South Korea, and France. Per capita consumption: Compared to global levels, footwear consumption demand in Vietnam remains relatively low, with current per capita consumption at about 1.5 pairs per person per year, significantly lower than the average consumption in other countries within the region and worldwide.

3.2.3. Development of the distribution systems for footwear products of selected Vietnamese enterprises: Footwear products of Vietnamese enterprises are distributed in the domestic market through both traditional and modern channels. Specifically: (1) Traditional distribution channels: products are sold through networks of markets, agency stores, retail outlets, and showrooms. (2) Modern distribution channels: products are sold through supermarket chains (e.g., BigC, Coopmart, Vinatex), shopping centers, as well as online

sales channels including e-commerce platforms, social media platforms, and company websites. (3) Distribution systems of selected enterprises: The dissertation selects eight representative enterprises for case studies on the development of the domestic footwear consumption market for the following reasons: these are the largest footwear producers in the country, their products enjoy brand recognition, quality assurance, and broad market presence. Furthermore, they maintain extensive production and business scale, along with nationwide distribution systems. Specifically: Biti's (Binh Tien Consumer Goods Manufacturing Co., Ltd.): has established a wide and diversified nationwide distribution network comprising 07 branches, 68 showrooms, and more than 3,500 agents. Bita's (Binh Tan Consumer Goods Manufacturing Co., Ltd.): currently operates a diverse distribution network with more than 3,000 agents nationwide. Vascara: has expanded to 137 stores across provinces and cities nationwide. Juno: has developed 80 stores concentrated in Hanoi and Ho Chi Minh City. Thuong Dinh Shoes: distributes through traditional retail outlets, distribution agencies, and increasingly through e-commerce channels. Vina Giay: currently operates more than 40 branches and dozens of agents nationwide, serving customers ranging from mass to premium segments. Dong Hai Shoes: operates a total of 11 stores in both Hanoi and Ho Chi Minh City. Ananas: has opened a total of 14 stores, with 7 currently in operation.

3.3. CURRENT STATE OF FACTORS AFFECTING THE DEVELOPMENT OF THE VIETNAMESE FOOTWEAR CONSUMPTION MARKET

3.3.1. Supply-side factors

(1) Input factors of the footwear industry: Human resources: With a population of over 100 million, Vietnam's labor force offers competitive advantages in both quantity and quality, with labor costs lower than those in China, the world's leading footwear producer. Infrastructure: Vietnam ranks 67th out of 140 countries in global competitiveness. Infrastructure advantages are reflected in the expansion of industrial parks and economic zones. Geographical

location: With over 3,200 km of coastline and 4,500 km of land borders, as well as a territory bordered on two sides by the sea, Vietnam's geographical position is highly favorable for enterprises engaged in footwear production and trade.

(2) *Technological capacity of footwear enterprises:* The majority of Vietnamese footwear enterprises operate with medium-to-low technological capacity. Most machinery and equipment used in the industry are imported, primarily from South Korea, Taiwan, and China (with Taiwan accounting for nearly 50%, South Korea 20%, and China more than 10%). Only a small proportion of equipment in certain stages originates from Italy and Germany.

(3) *Brand equity of enterprises' footwear products:* At present, most footwear products manufactured for both domestic consumption and export in Vietnam are produced under foreign brand names (e.g., Nike, Adidas, Puma, Ecco, Clarks, Prada, etc.).

(4) *Supply capacity and support for the development of the footwear industry:* The production value of enterprises in the footwear sector has increased steadily during 2016–2023. Specifically, it rose from VND 288.2 trillion in 2016 to VND 340.9 trillion in 2020, and further to VND 445.8 trillion in 2023.

(5) *Development of supporting industries for footwear:* Vietnam's supporting industries for footwear remain heavily dependent on imported raw materials and components, with the majority not sourced from CPTPP or EVFTA member countries. International supplies mainly originate from China (64%), Taiwan (24%), South Korea (4.2%), and Hong Kong.

3.3.2. Demand-side factors

(1) *Population size:* As of April 1, 2024, Vietnam's population reached 101,112,656 people. The average annual population growth rate for the 2019–2024 period was 0.99%, a decrease of 0.23 percentage points compared to the 2014–2019 period (1.22% per year). Of the total population, males accounted for 50.35 million (49.8%) and females for 50.8 million (50.2%). The urban population was 38.6 million (38.2%), while the rural population was 62.5 million (61.8%).

(2) **Urbanization rate in Vietnam:** Urbanization has been steadily increasing. The annual urbanization rate was 3.24% during 2010–2015, 2.98% during 2015–2020, and 2.7% during 2020–2024. In 2023, the urban population accounted for 42.0% of the national population, while the annual population growth rate in rural areas was only 0.4%.

(3) **Household income:** According to the General Statistics Office, the average monthly income of male workers in 2024 was VND 8.7 million, while that of female workers was VND 6.5 million. The average income of workers in urban areas was VND 9.3 million per month, compared to VND 6.7 million in rural areas.

(4) **Consumer demand for footwear products:** The domestic consumption of footwear products produced by Vietnamese enterprises was approximately 152 million pairs, accounting for only about 40–45% of the domestic market share. The remaining share was supplied by imports, primarily from China and other countries.

3.3.3. Institutional and business environment factors

(1) **Competitive environment in the footwear industry:**
Industry rivals: Competition within the industry arises among enterprises operating in the same sector and targeting the same market segments. *Domestic competitors:* The domestic footwear market is characterized by intense competition among Vietnamese enterprises. *Foreign competitors:* The domestic footwear market also faces significant competition from foreign suppliers, particularly from China and Taiwan. *Substitute products:* As footwear is considered a basic consumer good, there are virtually no substitute products. *Customer bargaining power:* In the domestic footwear market, the bargaining power of consumers is relatively high.

(2) **Institutional environment and policy framework for footwear industry development:**

* Supply-side development policies: The Vietnamese Government has issued a series of strategies, decisions, and decrees to foster the development of the textile–footwear sector and supporting industries: Decision No. 1643/QĐ-TTg dated December

29, 2022, by the Prime Minister approving the “Strategy for the Development of the Textile and Footwear Industry to 2030, with a Vision to 2035”. Resolution No. 41/NQ-TW dated October 10, 2023, of the Politburo on building and promoting the role of the Vietnamese business community in the new era. Decision No. 68/QĐ-TTg dated January 18, 2017, approving the “Supporting Industry Development Program for the period 2016–2025”. Decision No. 10/2017/QĐ-TTg dated April 3, 2017, promulgating the “Regulation on the Management and Implementation of the Supporting Industry Development Program”. Decree No. 111/2015/NĐ-CP dated November 3, 2015, stipulating preferential policies to promote the development of supporting industries. Decision No. 1322/QĐ-TTg dated August 31, 2020, approving the “National Program to Support Enterprises in Improving Productivity and Product Quality for the period 2021–2030”. Decision No. 879/QĐ-TTg dated June 9, 2014, approving the “Strategy for the Development of Vietnam’s Industry to 2025, with a Vision to 2035”. Resolution No. 57-NQ/TW dated December 22, 2024, of the Politburo on breakthroughs in science, technology, innovation, and national digital transformation. Resolution No. 66-NQ/TW dated April 30, 2025, of the Politburo on reforming law-making and enforcement to meet development requirements in the new era. Resolution No. 68-NQ/TW dated May 4, 2025, of the Politburo on private sector development.

** Demand-side stimulation policies for footwear consumption:*

Consumer demand stimulation policies: Decision No. 634/QĐ-TTg dated April 29, 2014, by the Prime Minister approving the “Domestic Market Development Scheme associated with the campaign ‘Vietnamese People Prioritize Using Vietnamese Goods’”. Consumer protection policies: Law No. 19/2023/QH15 dated June 20, 2023 - the Law on Consumer Rights Protection (which replaced Law No. 59/2010/QH12 on Consumer Rights Protection).

(3) International economic integration, implementation of free trade agreements (FTAs), and the development of e-

commerce: Along with the process of market liberalization and deeper international economic integration, Vietnam has actively participated in numerous bilateral and multilateral FTAs, particularly high-standard, new-generation agreements that require profound commitments. These FTAs not only open up broader market access but also create a more competitive environment for domestic footwear enterprises. In parallel, the rapid boom of e-commerce in recent years has profoundly transformed footwear consumption behaviors in Vietnam, shifting from traditional purchasing channels to digital platforms, thereby reshaping the distribution and marketing strategies of enterprises.

3.4. GENERAL ASSESSMENT OF THE CURRENT SITUATION OF DEVELOPING THE CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF VIETNAMESE ENTERPRISES, PERIOD 2016 - 2024

3.4.1. Achievements

3.4.1.1. Regarding scale, product structure, and consumption market: (i) The domestic consumption of footwear products by enterprises has also been continuously expanded and diversified over time. (ii) The structure of consumed footwear items is quite diverse in type and model, with product quality constantly improving. (iii) There has been a rapidly increasing participation of Vietnamese footwear brands and enterprises. (iv) Domestic consumers are gradually changing their choices and trust in footwear products from Vietnamese enterprises.

3.4.1.2. Regarding the competitiveness of footwear products: (i) Cheap labor costs create a relatively stable supply of footwear products for the market. (ii) Footwear products are continuously improved in terms of model, design, and quality. (iii) Building and developing footwear product brands as well as trade promotion activities are given importance by enterprises.

3.4.1.3. Production and supply capacity of footwear products of Vietnamese enterprises: (i) The production and supply capacity of footwear by enterprises has been increasingly enhanced. (ii) The

ability to supply materials has seen positive development. (iii) Consumption channels in the domestic market are increasingly diverse and continuously expanding. (iv) The organization of the distribution system in the market has been prioritized by enterprises, with a diverse and widespread distribution system, creating convenience for the shopping activities of all classes of the population,...

3.4.2. Some limitations: (i) The "domestic" footwear market is being left open. (ii) Limitations in quality, competitiveness, and the failure to build footwear product brands. (iii) Over-concentration in a few major markets, especially large cities. (iv) The support of domestic consumers seems insufficient to help "Made in Vietnam" footwear products dominate the market, which mainly belongs to the low and mid-range segments. (v) Unfair competition in the market due to a long period of lax management.

3.4.3. Causes of limitations

3.4.3.1. Subjective causes: (i) Lack of industry development planning. (ii) Design work has not adapted to domestic consumers, and product prices are high. (iii) Enterprises still lack market research skills. (iv) The production capacity of the supporting industry for the leather and footwear sector is still weak. (v) The level of technology, machinery, equipment, and the expertise and skills of workers are still low,...

3.4.3.2. Objective causes: (i) Incentive mechanisms and policies for the development of the domestic consumption market, in particular, are still inadequate, not ensuring feasibility and effectiveness in practical implementation. (ii) Vietnam's investment and business production environment still has limitations. (iii) "Domestic" footwear products still face fierce competition from imported goods of the same type. (iv) Changes and adjustments in management and consumer protection policies. (v) The "preference for foreign goods" consumer psychology of Vietnamese people. (viii) The distribution channel system is quite complex,...

CHAPTER 4: VIEWPOINTS, ORIENTATIONS, AND SOLUTIONS FOR DEVELOPING THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF VIETNAMESE ENTERPRISES

4.1 CONTEXT AND EMERGING REQUIREMENTS FOR THE DEVELOPMENT OF THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF VIETNAMESE ENTERPRISES BY 2035

4.1.1. External context: (i) Trend of increasing consumption demand and mandatory requirements for quality, safety, labeling, and environment. (ii) Trend of production shifting. (iii) Trend of e-commerce development and digital transformation.

4.1.2. Domestic context: (1) The process of population increase and high-paced economic growth. (2) The domestic supply capacity of goods and services continues to improve, along with new shopping trends in the era of the e-commerce boom. (3) Domestic consumption demand and level continue to evolve. (4) Policies to ensure macroeconomic stability and improve investment efficiency are increasingly valued. (5) State management of trade will continue to be emphasized, and the trade environment will be increasingly improved,...

4.1.3. Requirements for the development of the domestic consumption market for footwear products of Vietnamese enterprises: (a) Policy and regulatory requirements for the State, (b) Strategic and operational requirements for footwear enterprises.

4.2. VIEWPOINTS AND ORIENTATIONS FOR DEVELOPING THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF VIETNAMESE ENTERPRISES TO 2035

4.2.1. Viewpoints on developing the domestic consumption market for footwear products of Vietnamese enterprises: *First*, ensuring economic, social, and environmental benefits. *Second*, implementing synchronous solutions. *Third*, developing product brands, building separate distribution systems in each market area.

Fourth, applying advanced production processes to improve product quality. *Fifth*, exploiting suitable market segments.

4.2.2. Orientations for developing the domestic consumption market for footwear products of Vietnamese enterprises: *First*, perfecting institutions and policies for domestic market development. *Second*, developing the supply for the domestic consumption market. *Third*, developing consumption demand. *Fourth*, developing the distribution system for footwear products of Vietnamese enterprises in the domestic market.

4.3. SOLUTIONS FOR DEVELOPING THE DOMESTIC CONSUMPTION MARKET FOR FOOTWEAR PRODUCTS OF VIETNAMESE ENTERPRISES TO 2035

4.3.1. Solutions for perfecting institutions and policies: (1) Perfecting institutions and policies; (2). Developing commercial infrastructure systems; (3). Developing e-commerce; (4). Strengthening state management, improving the effectiveness of law enforcement on state management of trade in the domestic market,...

4.3.2. Solutions for enhancing the production and supply capacity of enterprise footwear products: (1) Strengthening investment attraction and developing the domestic footwear product value chain; (2) Developing the domestic leather and footwear industry value chain; (3) Solutions for developing raw and auxiliary materials for the production of the leather and footwear industry; (4). Solutions for improving the quality of human resources for the leather and footwear industry: Researching and building a human resource development strategy for the industry to 2035 and a vision to 2045; (5). Solutions for increasing investment, innovating science and technology, and promoting sustainable development and greening of the leather and footwear industry; (6). Financial, tax, and capital support solutions and mechanisms for enterprises in the leather and footwear industry; (7). Strengthening competitive capacity by improving the quality and optimizing the pricing of footwear products offered by enterprises. (8). Supporting footwear enterprises in digital transformation,...

4.3.3. Solutions for developing consumer demand for enterprise footwear products in the domestic market: (1) Increasing consumer demand, linking circulation with production, promoting linkages in footwear product supply chains; (2). Strengthening trade promotion, developing the domestic consumption market for enterprise footwear products; (3) Building and developing product brands; (4). Enhancing the capacity to forecast market demand;...

4.3.4. Solutions for developing commercial intermediaries and establishing a distribution system for enterprise footwear products in the domestic market: (1). Developing commercial intermediaries; (2). Developing the distribution system of enterprises in the footwear industry,...

4.4. SOME RECOMMENDATIONS

4.4.1. To the Government: Strengthen support policies for small and medium-sized footwear manufacturing and trading enterprises in organizing a market system to connect production and consumption more conveniently.

4.4.2. To the Ministry of Industry and Trade: Strengthen and promote the effective role of the National Competition Commission and the Domestic Market Management and Development Department.

4.4.3. To the Vietnam Leather, Footwear and Handbag Association (LEFASO): Actively support enterprises in boosting the production and consumption of footwear products; strengthen the provision of market information.

4.4.4. To footwear enterprises: Research and build a specialized department for researching and forecasting the domestic consumption market to have appropriate and timely solutions to promote consumption and respond to market fluctuations.

CONCLUSION

The domestic consumption market for footwear products of Vietnamese enterprises has great development potential for both domestic and foreign manufacturing and distribution enterprises. However, in recent times, the development of the domestic consumption market for footwear products of Vietnamese enterprises has not been commensurate with the potential and market share of the enterprises²⁸⁴. In addition, there is a lack of state support policies for Vietnamese enterprises in building, expanding, and developing the domestic consumption market, especially in rural, mountainous, remote, and island areas. To develop the domestic consumption market, besides relying on preferential policies from the state, enterprises also need to clearly understand their own advantages and difficulties to build production and distribution strategies and plans that meet market requirements and achieve their goals. Therefore, to continue to consolidate and maintain the development of traditional consumption markets in large cities as well as seize opportunities and establish distribution systems in rural, mountainous, remote, and island areas, the dissertation topic "Developing the domestic consumption market for footwear products of Vietnamese enterprises" has focused on resolving the following issues:

First, the dissertation has outlined some theoretical bases for developing the domestic consumption market for enterprise footwear products.

Second, it has analyzed, evaluated, and drawn general conclusions about the achievements, limitations, and causes of the current situation of developing the domestic consumption market for footwear products of Vietnamese enterprises in the period from 2016 - 2024.

Third, it has built a system of viewpoints, orientations, and proposed solutions to develop the domestic consumption market for footwear products of Vietnamese enterprises until 2035.

PhD Candidate

LIST OF THE AUTHOR'S RESEARCH
RELATED TO THE DISSERTATION TOPIC

1. Pham Thi Hong Hanh, Phan The Cong (2025), “Developing the domestic consumption market for footwear products in Vietnam”, *Journal of Economics and Forecasting*, No. 05, March 2025, pp. 77-81.
2. Pham Thi Hong H nh (2025), “Development prospects of Vietnam's leather and footwear industry to 2030”, *Journal of Economics and Forecasting*, No. 06, March 2025, pp. 169-173.
3. Pham Thi Hong H nh (2025), “Factors affecting the development of the domestic consumption market for footwear in Vietnam”, *Journal of State Management*, e-2815-5831, April 15, 2025.