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**SOLUTIONS TO ENHANCE THE COMPETITIVENESS OF
VIETNAM RETAIL ENTERPRISES IN THE DOMESTIC
MARKET**

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SUMMARY OF DOCTORAL THESIS IN ECONOMICS

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Thesis dissertation can be found at:

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INTRODUCTION

1. The urgency of the subject

Vietnam is a developing country whose economy is in the process of industrialization, modernization and international integration. In the strategic period of socio-economic development of Vietnam, rapid and sustainable development, industries and agriculture are oriented towards modernity. Vietnam has a growing retail market in recent years. Vietnam is increasingly integrating deeply with the world. Vietnam's economy in general is always developing with many positive points and is highly appreciated by the world.

Vietnam is classified as one of the largest retail markets in Asia Pacific and is considered to have a lot of potential in the future. According to AT Kearney (USA), the Vietnamese retail market, is becoming an attractive market for foreign corporations and retail businesses to invest and find. make profit. Currently, Vietnam has a population of about 100 million, of which the young population accounts for more than half. In addition, the average GDP of our country is over 2,700 USD/person and will increase in the future.

By the end of 2020, the whole country had 1163 supermarkets and 250 trade centers and 8581 markets. Most of them are concentrated in big cities and inner-city areas. Supermarkets and trade centers are mostly concentrated in big cities and inner-city areas, while in rural and suburban areas, there is almost no retail system, mainly distributing goods by each batch. This can be said that the retail market share for retail businesses still has a lot of room to According to Vietnam's previously committed schedule to join the WTO, foreign retail businesses are now allowed to set up businesses with 100% capital in Vietnam. With the exception of economic needs test (ENT) regulations, the retail market is completely open to foreign investors. Foreign corporations invest in Vietnam's retail market with increasing business scale. Besides, foreign retail enterprises also penetrate into

Vietnam by way of joint venture with domestic retail enterprises in the country expand.

Currently, foreign retail groups are constantly investing and increasing their market share in the Vietnamese market. For example, large corporations like Aeon (Japan) plan to continue to expand shopping malls. Other corporations such as Lotte (Korea), Central Retail Group (which owns the Big C supermarket chain and has renamed the large-scale Big C supermarket to a new name of Go, and the medium-sized Big C supermarket chain, the new name is Tops market) with a system of many supermarkets across the country is also planning to continue to expand its retail and distribution network. Thailand's leading retail group BJC also plans to expand its network of B's Mart stores in Vietnam. In addition, foreign investors are increasing their investment in Vietnam's retail market through mergers and acquisitions to increase market share. Thus, foreign retailers are increasing competitive pressure on Vietnamese retailers. Compared with foreign competitors, domestic retailers have many difficulties and limitations, such as:

- The financial capacity of domestic retailers is weak compared to foreign enterprises. Foreign corporations and retailers, with strong financial potential, great brands and relationships with many partners around the world, are always expanding and occupying market share in Vietnam. This is increasing competitive pressure for Vietnamese retailers with the risk of losing at home.

- Vietnamese retail enterprises have low competitiveness and are weak in many aspects, in which there are some inherent weaknesses: professionalism, long-term strategy, and logistics for the retail system such as warehouses, cold storage, specialized trucks, business premises ... are not synchronized, have not met regional and international standards, have not built a stable source of goods for consumption, proactive in cooperation and communication. The joint business of purchasing and consuming goods is still fragmentary.

- Domestic retailers are not yet professional, their management level is still limited, and they have not confirmed much of their reputation with domestic consumers. Meanwhile, foreign retailers are all big corporations in the world, with a lot of management experience.

- Many domestic retailers lack favorable locations for business premises. Many locations with favorable locations, many localities favor foreign businesses.

- In addition, mechanisms and policies from state management agencies to support domestic enterprises, especially small and medium-sized enterprises, are still limited and not really effective. Difficulties of domestic retailers today are capital, business premises and human resources. These businesses are in dire need of the State's support in terms of business capital, lease purchase and human resource training.

Therefore, it is necessary to have solutions to improve the competitiveness of domestic retail enterprises in Vietnam. Stemming from the above problems, I have chosen the research topic “Solutions to enhance the competitiveness of Vietnamese retail enterprises in the domestic market” as my doctoral thesis in order to contribute to the development of Vietnamese retailers. Vietnamese retailers improve their competitiveness in the domestic retail market.

2. Research question

The thesis poses the following research questions:

- What factors impact the competitiveness of retail businesses?
- What criteria are there to reflect the competitiveness of retail businesses?

- What is the current state of competitiveness of Vietnamese retailers in the domestic market?

- What to do to improve the competitiveness of Vietnamese retail enterprises?

3. Research objectives

3.1. Objectives of the study

It is to clarify theoretical and practical issues related to the competitiveness of Vietnamese retail enterprises, assess the current

state of competitiveness and propose solutions to improve the competitiveness of enterprises retail in Vietnam market.

3.2. Objectives

- Researching domestic and foreign documents, thereby systematizing and clarifying theoretical and practical issues about the competitiveness of Vietnamese retail enterprises.

- Collect documents and data related to the research content and additional investigation and survey. On that basis, analyze and evaluate the current situation and draw out achievements, limitations and causes to establish a practical basis for proposing solutions to improve the competitiveness of Vietnamese retail enterprises. South in the domestic market.

- Applying theoretical and practical bases to the competitiveness of Vietnamese retail enterprises in recent years to develop development directions and propose solutions to improve the competitiveness of retail enterprises. Vietnamese retail enterprises in the period of 2021-2025.

4. Research object and research scope

4.1. Research subjects

The research object of the thesis is the competitiveness of Vietnamese retail enterprises.

A Vietnamese retail enterprise here (in some cases called a domestic retail enterprise) is an enterprise established or registered for establishment in accordance with the laws of Vietnam, and has its headquarter in Vietnam doing business in the retail sector (or whose business is primarily retail) and was established entirely with domestic capital or domestic capital holds controlling shares.

4.2. Research scope

- The thesis studies the competitiveness of retail enterprises in the territory of Vietnam.

- Thesis researches the competitiveness of retail enterprises from 2010 to 2020, proposes solutions to improve the competitiveness of Vietnamese retail enterprises to 2030.

5. Research Methods

5.1. Research process

The research process of the topic starts from collecting and reviewing documents related to the topic. This process will help strengthen the arguments, arguments, scientific comments related to the topic. This research process will help identify research gaps for the thesis.

The next step is to build a system of theoretical bases related to the thesis topic, identify research questions. From there, build a Questionnaire to collect primary data. Relevant secondary data is also collected to serve the situation analysis. Secondary data analysis combines with primary data analysis to make general judgments about improving the competitiveness of retail businesses. From there, conclusions about the results have been achieved, the limitations still exist and the causes. The end of the research process is the proposal of solutions and recommendations to improve the competitiveness of Vietnamese retail enterprises.

5.2. Research Methods

Research methods at the table: Including synthesis, analysis of documents, scientific research works related to the content of the research topic. On that basis, synthesize and analyze to draw a complete and profound theoretical system on improving competitiveness for Vietnamese retail enterprises.

- Using the method of systematization to selectively inherit the research results of published scientific works on the contents related to the thesis topic, on that basis, using the generalization method to draw out the theoretical issues. Logical theory and practice of the topic, and at the same time use synthetic methods to build independent scientific arguments and draw scientific conclusions of the thesis.

- Using the method of logic - history combined with analysis, proof, statistics – comparison to assess the process of reforming our State's policies towards retail enterprises since international integration until now; detect shortcomings that need to be adjusted,

supplemented, and perfected solutions and policies to improve the competitiveness of Vietnamese retail enterprises in the coming period.

- Statistical methods – comparison and interpretation is mainly used in combination with analytical and proof methods to clarify the impacts of solutions and policies on the development of Vietnamese retail businesses.

- Methods of collecting information through conducting surveys and surveys: survey and interview through 01 form of questionnaire designed with the main information as the questions that need to be surveyed to serve the research;

- Expert method: exchange with experts through face-to-face meetings to strengthen the theoretical and practical basis of improving competitiveness for Vietnamese retail enterprises.

5.3. Methods of data collection, analysis and processing

For secondary data, these can be processed data or unprocessed data (raw data). Secondary data sources are collected from textbooks, reports, projects, domestic and foreign research results published in specialized newspapers and magazines related to the retail sector...

The data and information collected by the PhD student are checked, compared, compared to ensure consistency and reflect the content of the analysis with high reliability and clearly cited sources.

For primary data: The methods used by the author to collect primary data include: methods of observation, interviews with experts with expertise related to the research topic and survey through questionnaires for retail business managers.

6. New contributions of the thesis

- Systematize the theoretical bases on the competitiveness of retail enterprises. In which, clarifying and selecting criteria to evaluate the competitiveness of retail enterprises, as a basis for analyzing the current situation of competitiveness of retail enterprises in Vietnam.

- Assess the current situation of competitiveness of domestic retail enterprises, and factors affecting the competitiveness of Vietnamese retail enterprises.

- Researching experience in improving the competitiveness of a number of domestic and foreign retail enterprises; draw some lessons learned in improving the capacity of domestic retail enterprises.

- Proposing a number of key solutions to improve the competitiveness of domestic retail enterprises and recommendations to state management agencies to improve policies, contributing to improving the competitiveness of domestic retailers. retail business

- The research results of the thesis will be a useful reference for managers and retail businesses across the country in general.

7. Structure of the thesis

In addition to the introduction, conclusion, list of references and appendices, the main content of the thesis is structured into 3 chapters:

Chapter 1: Some theoretical issues about the competitiveness of Vietnamese retail enterprises.

Chapter 2: Actual situation of competitiveness of Vietnamese retail enterprises.

Chapter 3: Solutions to improve the competitiveness of Vietnamese retail enterprises.

CHAPTER 1: SOME THEORETICAL ISSUES ABOUT THE COMPETITIVENESS OF VIETNAMESE RETAIL ENTERPRISES.

1.1. Content about competition, enterprise competitiveness

1.1.1. Content about competition

There are many definitions of competition, however, perspectives on competition can be found to be very rich and diverse. However, there is a consensus here that all identify competition as one of the important driving forces for promoting, developing and renewing the economy and society.

1.1.2. Content about the competitiveness of enterprises

Competitiveness People often distinguish competitiveness according to four (4) levels: national competitiveness, industry

competitiveness, enterprise competitiveness and product competitiveness.

1.2. Retailing concepts and retail enterprise competitiveness

1.2.1. Retail activities

1.2.1.1. Retail goods

It can be seen that retail is interpreted in many different ways, but all show a common implication, retail is the final stage in the circulation process to bring products to consumers. Retailing activities include: direct sales at retail establishments (markets, types of stores, shopping centers...); and non-retail retail (online sales).

1.2.1.2. Retail market

In the retail market, a seller is a retailer who not only sells goods but also provides buyers with additional and support services related to goods; the buyer is the end consumer, they not only buy the goods, but are also interested in the services provided by the seller; Goods are also specifically identified as those that serve the consumption needs of individuals and households.

1.2.1.3. Retail business

Retail business is a type of enterprise legally established in accordance with the law on enterprises operating in the field of retail or principally conducting retail business.

1.2.1.4. Types of retail organizations

Currently, retail businesses often organize retail activities in the form of direct (offline) through various types of retail establishments such as supermarkets, stores, shopping centers... and/or combined online (online) retail. Retailer deliveries for online retail may be picked up from the above types of retailers and/or from the Retailer's warehouse depending on the quantity, types of goods, destination location of goods to be delivered according to customer requirements...

1.2.2. Competitiveness of Vietnamese retail enterprises in the domestic market

From the analysis of the above competitive content, considering the characteristics of Vietnamese retail, it can be

understood: The competitiveness of a retail business is the ability to effectively use the resources of the business to meet the requirements of the shoppers, while at the same time meeting the requirements of the market to achieve the objectives of the business. such as profitability, growth potential and market share.

1.3. Factors affecting the competitiveness of Vietnamese retailers in the domestic market

1.3.1. External factors of the enterprise

Competitiveness depends on many factors of macro environment and micro environment (business industry).

1.3.1.1. Macro-environmental factors

The main factors of the macro environment affecting the competitiveness of enterprises include: Economic environment; International integration; Legal environment and state management; Technical and technological environment; Natural environment; Socio-cultural environment

1.3.1.2. Factors in the industry environment

Factors in the industry environment that have a direct or indirect impact on the competitive activities of a retailer are customers (buyers), suppliers, competitors, potential competitors, substitute products. position.

1.3.2. Some internal factors affecting the competitiveness of Vietnamese retail enterprises

A number of factors such as: increasing the market share of the enterprise; Reduced selling prices of products and services; Improve the quality of products and services; Technological innovation and product and service innovation; Enhance your brand and reputation...

1.4. Some basic theories to study the competitiveness of retail enterprises

1.4.1. Model 5 pressure

Michael Porter has modeled business industries and argues that every business is affected by five competitive forces: Pressure from

substitute products; Pressure from suppliers; Pressure from customers; Competitive pressure from existing competitors; Competitive pressure from potential competitors.

1.4.2. Diamond model

The diamond model has provided tools and factors to analyze the factors affecting competitiveness at the national, industry and enterprise level. The diamond model has been applied in many studies to assess the competitiveness of enterprises in an industry in the domestic market.

1.4.3. Expanded diamond model

Author Dunning has added a foreign investment element to Michael Porter's diamond model. This additional factor makes the diamond model more and more complete, responding to the situation of deep integration into the international economy of each country, strong waves of FDI inflows into other countries.

1.4.4. Value chain model

Value chain, also known as analytical value chain, is a business management concept described and popularized by Michael Porter in 1985 in his book “Competitive Advantage: Creating and Sustaining Superior Performance”. The value chain is a useful tool in identifying the core competencies of an enterprise and its key activities. A niche and highly integrated value chain will create a competitive advantage for businesses. As cost reduction and savings lead to increased value added; differentiate by being highly relevant and integrated to differentiate itself from competitors...

1.5. Criteria and methods for assessing the competitiveness of Vietnamese retail enterprises

1.5.1. Criteria for assessing competitiveness

Competitiveness is an abstract and complex concept that needs to be evaluated through specific criteria. From the research documents in general and the above research overview, analysis, selection, consultation with experts and surveys, the author identifies a set of criteria constituting the competitiveness of retail businesses. Vietnam

includes the following criteria: Network development capacity; Regarding the financial capacity of the retail business; Human resource capacity; Management and operating capacity; Service delivery capacity.

1.5.2. Competitive assessment method

In the research condition of the thesis, Phd student has conducted a survey of opinions from retail businesses (through managers), combined with secondary data to supplement and support the assessment of retail businesses. Assessing the competitiveness of a retail business can be based on a number of criteria and then aggregated.

In this thesis, Phd student evaluates the competitiveness of retail enterprises based on a set of criteria. Next, primary data is collected from the sociological survey of the subjects who are managers of the enterprise. In addition, additional secondary data is used for general analysis and evaluation. Before the sociological investigation, the questionnaire was asked in advance for expert opinions to assess the contents of the criteria. The sociological survey questionnaire with the criteria is assessed by scoring according to the respondents' expectations with the Likert scale from 1 to 5.

CHAPTER 2. SITUATION OF COMPETITIVENESS OF RETAIL ENTERPRISES

2.1. General introduction about retail business

2.1.1. Overview of the development of the market and retail businesses

In the early period after Doi Moi 1986, retail models in Vietnam were still mainly traditional forms (markets, traditional retail stores). In 1993, supermarkets (current retail model) first appeared in Vietnam. In the following years, the number of supermarkets and trade centers increased gradually but with a modest increase.

Since Vietnam joined the WTO and joined the Free Trade Agreements, the opening of the market for foreign goods and foreign investors, along with the development of the economy, the retail

market has had a rapid rise in both the number, number and scale of retail market participants, as well as the explosion of modern retail models.

2.1.2. Overview of Vietnamese retail businesses

Vietnam is classified as one of the major retail markets in Asia Pacific and is considered to have a lot of potential for development. According to AT Kearney (USA), the Vietnamese retail market with fast growth, with the global retail development index (GRDI) ranked 9th in 2021, is becoming an attractive market. for foreign corporations and retail businesses to invest and seek profits.

According to the General Statistics Office, the size of Vietnam's retail market has been increasing rapidly in recent years. Total retail sales of goods next year are higher than the previous year in the period 2010-2020

In the retail market, a number of large brands have emerged, including both foreign-invested enterprises and domestic enterprises, occupying a large market share in the retail market, competing with each other and leading retail trends. new. Major foreign retail groups such as Lotte, Central Group, Aeon, Circle K, K Mart... have continuously promoted their M&A strategy in the retail market in Vietnam. This shows that the potential of Vietnam's retail market is huge, and competition for market share in this field is also increasingly fierce.

Participating in free trade agreements, in which the commitment to open the service, investment and distribution markets is also the reason why large foreign enterprises step up investment in Vietnam's retail industry. Meanwhile, the majority of Vietnamese enterprises are small and medium-sized enterprises with limited resources, only a few large retailers in Vietnam such as Saigon Co.op, Masan, Satra, BRG Group, etc. capable of competing and affirming its position in the retail market of Vietnam.

With the actual situation of population distribution in Vietnam, the retail network is still sparse, especially in rural, remote and isolated areas. This is a gap for Vietnamese retailers to continue to expand their market share. Besides, there are many other advantages in terms of source of goods, understanding of Vietnamese consumer culture...helping Vietnamese retail businesses have many opportunities to develop. Along with many other advantages in terms of sources of goods, understanding of consumer culture... Vietnamese retail businesses have many opportunities for development.

2.2. Analysis of external factors affecting the competitiveness of Vietnamese retail enterprises in the domestic market

2.2.1. Macro-environmental factors

Economic environment: Vietnam is classified as one of the largest retail markets in Asia Pacific and is considered to have a lot of potential in the future. According to consulting organization AT Kearney (USA), Vietnam's retail market, with rapid growth, is becoming an attractive market for foreign corporations and retail businesses to invest and find. make profit.

Legal environment: The conclusion of negotiations and the signing of agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Free Trade Agreement with the EU (EVFTA), the formation of the ASEAN Economic Community (AEC), commitment to open service, investment and distribution markets is also the reason why large foreign enterprises step up investment in Vietnam's retail industry.

Political environment: Vietnam is internationally recognized as a country with political stability. This is an important factor that helps Vietnam to persevere in its economic development policy. Having a stable political background has and will help domestic and foreign enterprises to do business and invest effectively in Vietnam.

Population environment: Vietnam has the 3rd largest population in Southeast Asia and 15th in the world. Vietnam is a country with a relatively high population growth rate compared to

other countries in the region and the world. The golden population factors, along with the rapid growth of the middle class, will contribute to increasing demand for more basic and luxury goods. The population structure will not only increase the consumption of basic goods, but the demand for high-end products will also be consumed more.

Socio-cultural environment: Vietnam tends to decrease the number of multi-generational families living in the same roof. Young households living on their own, actively living their lives increase, active in spending, personal shopping, etc., tend to increase. These are also factors that have an impact on the ability to increase consumer purchases. Technology 4.0 is increasingly developing, contributing to changing many people's shopping and consumption behaviors, especially the young population is a force quickly accessing new technology.

Technological-technical environment: Information technology is increasingly developing, now entering 4.0 technology, creating many platforms that change many shopping behaviors. Nowadays, online shopping is growing day by day with the appearance of many e-commerce platforms. Technological development also improves labor productivity of retail companies

Integration factor: Vietnam's retail sector is and will continue to attract FDI from important partner countries that Vietnam has signed. Thus, it can be seen that the integration creates stronger competition that will be more fierce between Vietnamese enterprises and foreign-invested enterprises. Vietnamese retail businesses also have the opportunity to learn new skills and knowledge in this integration process.

2.2.2. Microenvironmental factors

Competitive pressure in the industry: Competition among companies in the industry is quite intense as there are many retailers participating in the market. Retailers not only compete for customers, but also compete for locations to sell.

Competitive pressure of substitute products: During the recent Covid-19 pandemic, which led to social distancing, many consumers

changed their buying habits, from traditional commerce to Buying and selling online, the online sales channel is more convenient and suitable for young people. Selling online is going to be the biggest risk for modern traditional retailers at the moment.

Competitive pressure of suppliers: In general, the supply of goods for retail businesses is still mostly domestic goods. There will not be a big spike in the increase in imports from these countries when Vietnam's economy participates in many FTAs, so the supply of goods is not a big pressure on Vietnamese retailers. ; Regarding the supply of freight and logistics for retail businesses, experts and businesses in the industry all believe that in order to reduce logistics costs, it is necessary to synchronize traffic infrastructure and connect between modes of transport. , and at the same time develop a transport exchange to best connect shippers and logistics service providers, creating a basis for Vietnamese logistics businesses to participate more in the supply chain, avoiding the situation of transportation. one-way.

Risk of new entrants in the industry: retail businesses that participate first will have an advantage because they can get all the good locations for business. Besides, the retailer's net profit margin is low, so they need to understand the retail market and consumers to operate their business or they will easily lose money.

2.3. Survey on competitiveness of Vietnamese retail enterprises

The Phd student developed a draft questionnaire to survey managers' opinions. This questionnaire is built on the basis of studies on the criteria of competitiveness of Vietnamese retail enterprises. Then, the author consulted experts in the retail sector. The author used the method of interviewing experts to comment on the completion of the questionnaire before conducting a survey of Vietnamese retail business managers.

2.4. Evaluation of the criteria constituting the competitiveness of Vietnamese retail enterprises

Based on the synthesis of survey results and document research, interviews and discussions with experts, the current

competitive situation of Vietnamese retail enterprises in the domestic market can be assessed as follows:

2.4.1. Network development capacity

Expanding the network of Vietnamese retail enterprises is always challenging to compete with the world's leading retail groups. Foreign retail businesses that always tend to expand in Vietnam are becoming a real competitive challenge for domestic retailers. A number of domestic retail enterprises choose to open convenient retail locations, close to residential areas, convenient for customers to buy and sell, and have good competitiveness.

2.4.2. About financial capacity

With limited financial resources and scale, businesses will find it difficult to invest and innovate technology and equipment to improve service quality and meet the increasing requirements of consumers in terms of quality. Quality, food safety and other delivery requirements... Therefore, in order to improve the competitiveness of Vietnamese retail enterprises, it is first necessary to expand the capital scale as well as enhance the ability to mobilize capital source of Vietnamese retail enterprises.

2.4.3. Human resource capacity

The capacity of Vietnamese retail enterprises to accept employment is still limited. Possible causes: Firstly, retail enterprises are not aware of the importance of the role of workers in need of timely training to respond to expertise. The professionalism of human resources in retail enterprises is not high, and weakness will affect the competitiveness of Vietnamese retail enterprises today. Secondly, the low income of employees in retail enterprises is not high compared to many other businesses, especially foreign-invested enterprises, which is also a barrier to retaining employees for a long time, with higher remuneration and income policies than retail businesses. Third, the high employee turnover rate is also the biggest challenge for retail employers.

2.4.4. Management capacity

The level of management capacity of Vietnamese retail enterprises is also a challenge. Compared with retail enterprises with foreign capital, with experienced management capacity, the level of management capacity of domestic enterprises needs to be further improved. Besides, improving the management capacity of domestic retail enterprises will help to better manage labor in Vietnamese retail enterprises.

2.4.5. Service delivery capacity

In today's fiercely competitive retail business environment, the products and service prices of many businesses are not much different. Therefore, enterprises that are able to provide good services will have many competitive advantages. The above analysis shows that the location factors of reasonable shopping, convenience for consumers, the quality of goods, and the attitude of sales staff when serving customer requirements are key factors. make businesses competitive in the market. Therefore, businesses need to promote solutions for professional training and professional skills for employees, improve the quality of goods to improve the influence of service delivery capacity, and at the same time focus on developing business activities. stores at convenient shopping locations for consumers (such as convenience stores, mini supermarkets).

2.5. General assessment on improving the competitiveness of Vietnamese retail enterprises

2.5.1. Acquired strengths

Firstly, Vietnamese retail enterprises are proactive with a diversified domestic supply of goods, relatively cheap prices, and have the advantage of understanding the consumption habits of domestic people. Second, the labor force is relatively abundant with cheap and competitive labor costs. Vietnam is considered a place where labor costs are much lower than many countries in Asia. Third, the retail industry in Vietnam has a market with great demand and potential. Fourth, domestic retailers will still dominate the retail market in the

near future, because foreign retailers are currently only competing for market share with domestic retailers in modern retail models. Fifth, the role of the Government in guiding the development and facilitating policies for the retail industry to continue to grow. Sixth, Vietnam's retail market is increasingly attractive when participating in many bilateral and multilateral free trade agreements. Many imported retail items are tax reduced, the goods are increasingly diversified.

2.5.2. Limitations and causes

Firstly, the reason is that retail chains are continuously expanding, developing new selling points, the market has more new businesses entering the market, e-commerce companies develop strongly..., has pushed demand. recruitment increased as well as creating competition to attract talented people with salary, bonus and benefits. Secondly, the network planning of satellite cities is not clear, so retail businesses face many difficulties when the speed of space expansion is slow due to high rental costs. Third, the reasons for high logistics costs affect the competitiveness of retail businesses for many reasons such as the regulations on fees and charges of the State are still high. Besides, Vietnam lacks deep-water ports, so goods have to be transshipped, which also increases logistics costs. Fourth, the new generation FTAs have also led to many foreign retail corporations participating in the Vietnamese retail market such as the establishment, acquisition, expansion, administration, deployment, operation, and sales, or other forms of transfer of projects in the territory. Fifth, state agencies promulgate inconsistent policies to encourage investment in commercial infrastructure development, with many limitations, especially regulations related to credit and state investment. In addition, there are inconsistencies between different documents in the preferential credit policies for investment, the list of types and business lines.

CHAPTER 3. SOLUTIONS TO IMPROVE COMPETITIVENESS FOR RETAIL BUSINESSES

3.1. International and domestic context affects the competitiveness of Vietnamese retail enterprises

3.1.1. International context

The global economy is slowing down. Overall, the global economy is moving towards slower growth. This phenomenon continues in the context of increasing protectionist trends and trade wars. In addition, the Covid epidemic made the economy decelerate even faster. This natural phenomenon is seen according to the world economic cycle, sometimes increasing and decreasing. In addition, there are other issues that are likely to affect the global economic outlook: The Covid-19 epidemic, the US-China trade war, and the risk of geopolitical conflicts in the regions. area in the world.

3.1.2. Domestic context

In 2020 and 2021, the epidemic creates systemic risks, affecting all actors in the economy, especially retail businesses - which are located downstream in the value chain. After the second Covid-19 outbreak, Vietnamese retail businesses had to suffer more negative impacts on production and business, and many retail businesses did not survive. In the current and upcoming period, a successful retailer will be the business that not only responds to customer needs the best, but also has to be the fastest. The retail mindset of large foreign corporations is the whole-chain mindset. In order to solve the problem of uncertainty throughout the chain, it is necessary to link the production stage with the distribution of goods, gradually improving this process to help increase the competitive advantage of enterprises, towards the sustainability of the entire chain.

3.2. Viewpoints and orientations Improving the competitiveness of Vietnamese retail enterprises

Enhancing the competitiveness of domestic retail enterprises must be placed in the relationship of the overall competitiveness of domestic enterprises; Enhancing the competitiveness of domestic

retail enterprises must be associated with bringing into full play the advantages of domestic geo-commercial factors; associated with the process of brand building and brand management; on the basis of widely applying scientific and technological advances; step by step modernize business methods in line with new trends of world trade; Enhancing the competitiveness of retail businesses must be identified as a key means to promote development, implement economic restructuring, innovate growth models, and improve the competitiveness of the economy. Vietnam.

3.3. Some key solutions to improve the competitiveness of Vietnamese retail businesses

3.3.1. Group of solutions for retail businesses in Vietnam

Improve service delivery capacity: Retail businesses need to improve the quality of goods supply for retailers. The supply of goods is one of the important factors determining the business of a retail business. Prices and quality of goods will affect buyers; DNBL needs to enhance the image of the business by strengthening the implementation of social responsibilities such as environmental protection, safety protection, community health, improving quality of life... to serve the needs of daily life. the increasingly high life of society, and the customers.

Capacity building on human resources: Most Vietnamese retail businesses are small and medium-sized, determining investment strategies in human resources for retail businesses need to closely coordinate with retail establishments. Training to ensure compliance with the actual operational requirements of the business

Improve network development capacity: To develop and expand retail network, businesses need to focus on grasping consumer tastes and shopping culture in regions where retail businesses operate. In addition, businesses need solutions to develop distribution channels. The expansion of the domestic distribution network to enhance competitiveness and cooperation in order to strengthen the domestic market is assessed as the right and necessary direction for retailers.

Improve management capacity: Enterprises need to constantly improve and apply modern technology in management. Foreign enterprises have the advantage of management experience and modern technology. Therefore, in this competitive race, domestic enterprises must apply modern 4.0 technologies to their management.

Improving financial capacity: retail businesses need to develop an effective financial strategy to be able to mobilize many credit channels such as: internal capital from the company's shareholders, investment funds, banks, etc. When raising capital, retail businesses need to invest effectively in their business to improve their reputation with credit institutions. Besides mobilizing capital, enterprises need to use thrift effectively in management, production and business.

3.3.2. Group of solutions on the side of the state

Formation of commodity trading centers: The formation of commodity trading centers is a solution that state agencies need to build (like commodity trading floors in developed countries). These hubs will make buying and selling easy and accessible between retailers and manufacturers.

Commercial infrastructure development: Policies to develop retail infrastructure system need to take into account the connectivity between retail establishments and service facilities such as entertainment, connectivity, connection of retail via phone, over the internet and at the same time capture trends in changing consumer shopping habits. Besides, it is necessary to have a policy to develop a well-developed specialized infrastructure system (internet network, electricity and water systems...) to meet the needs of the retail system.

Solutions to support retail businesses in finance: The State can consider financial sources such as trade promotion to support the organization of forums of retail-banking associations to exchange between the retail industry and the retail industry. Retailers and financial institutions to learn about the business and capital needs of businesses, thereby offering solutions to design suitable loan packages,

improve loan conditions and procedures. appropriate to the characteristics and size of retail businesses. In addition, the state can put retail business in the group of investment incentive sectors, through which retailers can enjoy tax incentives for retail activities in general, making up for expenses. in terms of space rental, which accounts for a large proportion of the retail business's business expenses. The state can reduce the number of different tax rates such as VAT rates. Continuing administrative reform, applying information technology in online tax declaration and payment to reduce duplicate declaration documents and information to facilitate the tax declaration and payment process for businesses.

Establish retail training majors in universities/academies: The State can also support the Retail Association to open academies or specialized retail training schools for businesses and individuals to operate. in this field. Or state agencies support schools in compiling training curricula for specialized training in the retail industry.

Controlling investment activities of foreign retail enterprises: State management agencies need to complete legal regulations on and related to retail activities in order to protect the interests of domestic retailers according to international commitments. Restricting the consideration of licensing for retail establishments of FDI enterprises to retail products for which Vietnam does not have commitments

3.4. Some recommendations for the state:

There are policies to protect domestic markets, products and retailers in the country, as well as protect consumers to be consistent with international commitments; There are incentive policies to create national retail groups to be competitive in the domestic market and reach out to the international market. Improve the inspection and control of legal compliance with retail business activities to combat smuggling, commercial fraud, counterfeit goods, counterfeit goods, and poor quality goods, to help consumers improve confidence in products for domestic consumption; Complete research on policies to facilitate the development and type of commercial centers,

supermarkets, convenience stores, vending machines and necessary infrastructure for modern retail in the country to compete with foreign retailers; Consider building technical barriers to control the supply of imported goods to protect the production of goods in the domestic market.

GENERAL CONCLUSION

Through the research on the topic “Solutions to enhance the competitiveness of Vietnamese retail enterprises in the domestic market”, the research objectives have been achieved through analysis, evaluation and answers to the following questions. Research questions have been raised, contributing to solving the problems of improving the competitiveness of retail enterprises, promoting the process of industrialization and modernization in the context of Vietnam's increasingly international integration. extensive.

Firstly, the thesis has presented an overview of theories on competition, competitiveness, international economic integration, to analyze the competitiveness of Vietnamese retail enterprises. The thesis has set out the criteria to evaluate the competitiveness of Vietnamese enterprises. Besides, the thesis points out the factors affecting the competitiveness of Vietnamese retail enterprises. The experiences in improving the competitiveness of domestic and foreign retailers have contributed to building valuable lessons.

Second, the process of analyzing the current situation of competitiveness of Vietnamese retail enterprises according to the criteria and factors identified. Since then, the thesis has pointed out the successes, limitations as well as the causes that need to be overcome.

Third, the thesis has presented systematically and scientifically solutions for improving the competitiveness of Vietnamese retail enterprises in the context of international economic integration deepening and deepening. The above solutions to improve competitiveness have new scientific significance and high practical significance in perfecting the development of Vietnam's retail market in general.

In order for the solution to improve the competitiveness of Vietnamese retail enterprises to be quickly and effectively applied, the Party and Government need to build an appropriate motivational mechanism, and have real reforms to improve the business environment (including administrative processes and procedures) and access to resources (skilled labor, capital and business premises) and promote legal corridors, mechanisms and conditions for businesses to Modern retail industry participates in economic integration most favorable. The Vietnam Retail Association in general, as well as Vietnam's retail enterprises in particular, and domestic and foreign partner organizations, need to perform well as a bridge between retail businesses, the state and other retailers. Retail businesses need to improve their competitiveness on the basis of suitability with the conditions and context of the Vietnamese economy.

Although the PhD student has tried to research, collect data and information about the retail industry, there are still certain limitations. This may be a research direction for further scientific works in the retail sector. The author looks forward to receiving comments from experts, teachers and readers to further improve this analysis. The author sincerely thanks for those valuable comments.

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