

MINISTRY OF EDUCATION AND TRAINING
THUONGMAI UNIVERSITY

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**ENHANCING MARKETING COMPETITIVENESS OF DEPARTMENT
STORES AND ELECTRONICS CHAIN STORES IN HANOI MARKET**

Specialized: Trade Business

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SUMMARY OF ECONOMIC DOCTORAL THESIS

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INTRODUCTION

1. Rationale

In the present, by many reform efforts and economic integration, Vietnamese economy has experienced a dramatic development on quality and quantity. The construction of occupation has changed towards the reduction of employees in agricultural sector and the growth of labors in various fields of industry, service and high- technology science. Simultaneously, the openness of market appealed to the investment of some international businesses. The legal framework is also reformed regarding overseas trade regulation. The Vietnamese political environment is considered as a substantial and peace workplace in the world. The economic environment and the shape of market of 95 million citizens could attract significantly for many international and domestic companies.

On January 11th 2006, Vietnam officially became the official 150th the World Trade Organization (WTO) member marking comprehensive milestone in its nonstop global integration efforts as well as the economic development in whole nation. WTO provides many opportunities and challenges on the Vietnamese economy increasing the ruthless competition of domestic businesses.

Its great renovation efforts and achievements in economic development, the citizen's income and living standards would increase, especially the urban areas. The Vietnamese retail market of 100 million residents leads to the increase of consumptions and the tremendous growth of market. Thus, the retail market is the most attractive environment in the present. The organization of promotion to end users suits for the shopping demand of citizens appropriately. It is such necessary problem. The traditional distribution by manufacturing to intermediate stages, the retail store and consumers shows many negative problems as: high price, the slow circulation of goods, spontaneity, the slightly professional service, no demand of shopping trend in the modernization period... Thus, the tendency of organizing distribution with the new style of modern and convenient sale systems is a necessary demand for the Vietnamese retail market, especially urban area. The international companies are the pioneers when the retail market in the developed nation would promote in the past. Some organizations established the method of distribution proficiency and modern as the department stores named Big C, Metro.... It is the place for manufacturer and customer to exchange goods through no variety of intermediate systems. In reality, some system made a success of business and became a strong competitor of any companies in the domestic market. The Vietnamese retail market, especially urban area is developing rapidly toward that tendency, so It has created not only opportunities but also challenges of competition for Vietnamese companies to

dominate, penetrate, organize the distribution systems effectively. Thus, It could make a strong competitiveness with the international companies that have a strong financial resource and experience in managing and organizing at the global WTO environment.

Department store- type of modern store; general or specialized business; the types of diversified goods, high quality; demand on business acreage, technical equipment and qualifications in management and business; some convenient service modes to meet the customers' standards – one of the most progressive tendency of retail commerce in the period. Especially the modern tendency of technology, the electronic department stores become an attractive retail niche in some urban areas. It combines the specialized retail methods and technology self- service retail to make advantages of competitiveness in this sector. However, over that time, this method showed many limitations of improving the competitiveness and marketing such as specifying the value of customer's supply in the market, adjusting the mixed retail promotion, using marketing tools, lack of justifying and focusing key marketing performance, the identity of department store service had many disadvantages of quality and value based on customers.

This limitation is in the context of the impacts of Industry 4.0, greater trade liberalization, globalization and on going protectionism from big countries; the requirements of commitments to new-generation free trade agreements and the entry of of giant regional and international retailers in Vietnam"s market. This is a good time for retail business having a strong finance, extensive experience and the performance of marketing management with the global brand to enter the Vietnamese retail market and create the threat and ruthless competitiveness for the domestic companies.

Thus, the author would decide the research topic: “Enhancing marketing competitiveness of department stores and electronics chain stores in Hanoi market”.

2. History of previous studies

2.1. The domestic research.

Recently, there are many previous domestic researchs related to competitiveness, marketing managements, tools and methods of satisfying marketing, retail stores and managing the retail department store. There are some below researchs:

Some retail companies, department store and electronics chain stores

Nguyen Thi Nhieu (2006), *Department store- the modern retail trade method in Viet Nam*, Labour Pulishing House.

Nguyen Thi Nhieu (2007), *A study on wholesale and retail services of some nations and its application in Vietnam*.

Nguyen Thanh Hai (2011), *Improving the business efficiency of modern retail trade businesses in Hanoi*, Thesis in Economics.

Pham Huy Giang (2011), *Development of modern distribution system by retail chains stores in Hanoi*, Thesis in Economics.

Le Quan (2007), *Completing the utility retail system in urban areas in Hanoi*, Ministry-level scientific research.

Phan Thi Thu Hoai (2012), *Developing target market positions for supermarket chains in Hanoi*, University-level scientific research.

Competitiveness

Nguyen Bach Khoa (2004), *Methodology for determining the enterprise's competitiveness and intergrating international economy*, Journal of Trade Science No 4+5.

Nguyen Hoang Viet and Chu Dinh Dong (2013), *Research on the core performance of Vietnamese businesses in the present*, Journal of Trade Science No 62+63.

Retail commerce marketing

Tu Thanh Thuy (2009), *Complement of business environment to develop wholesale and retail services in Vietnam*, Ministry-level scientific research.

Phan Thi Thu Hoai (2008), *The tendency of choosing the retail stores of customers according to marketing approach of some commercial companies in Hanoi*, Ministry-level scientific research.

Nguyen Thu Ha (2015), *The quality of retail service of department stores and convenient stores in Ha Noi*, Thesis in Economics.

Policies of governmental management in competitiveness

Tran Hung (2006), *Solution of developing modern distribution in Hanoi in the period of 2006 - 2010*, Ministry-level scientific research.

Le Van Hoa (2008), *Research on solutions to develop commerce through penetrating into multinational distribution system*, Ministry-level scientific research.

Marketing competitiveness

Le Trinh Minh Chau and partners (2002), *Development of distribution systems in Vietnam in the global economic intergration*. Ministry-level scientific research.

Phung Thi Thuy (2013), *Marketing competitiveness of various commercial banks in Vietnam*, Thesis in Economics, Thuong Mai University

Nguyen Hoang Viet and Nguyen Thi Thanh Nhan (2016), *Research on developing marketing strategy of retail chains stores in urban area in Vietnam*, Journal of Trade Science No 89+90.

2.2. The international research.

Apart from many above domestic researchs, there are many studies about management of department store supply chains, the connection of members to improve

the competitiveness of department stores, criteria of assessing the competitiveness, application of logical strategies to develop the competitiveness; experience of management and competitiveness in global chain stores. There are some international studies as below:

The theory of management, marketing management:

- Ph. Kotler, K.Keller (2014), Marketing Management, Mac Millan, Newyork.
- P.Reed (1997), Marketing: Planning and Strategy, Harcourt Brace, Sydney.
- A. Thompson, A. Strickland (2001), Strategic Management: Concepts and Cases- McGraw Hill, Newyork.
- A.Rowe et Al (1993), Strategic Management: Methodological Approach, P. Addison Wesley.
- Ph. Kotler (2000), Marketing Management, Pr. Hall.
- Kotler and Armstrong (2004), Principles of Marketing, United States of America: Pearson Education.

The retail and the retail management.

- S. Hollander (1990), The Wheel of Retailing, Journal of Marketing.
- Allan Fels (2009), The regulation of retailing - lessons for developing countries, Asia Pacific Business Review.
- AT Kearney (2009), Windows of Hope for Global Retailers, A.T.Kearney Global Retail Development Index.
- Dr Gerd Wolfram (2004), Metro group: Future store initiative, RFID Journal.
- R. Davies, D. Rogers (1984), Store Location and Store Assessment Research, John Wiley, New York.

The distribution channel management and the competitiveness.

- Andrew Cox, Paul Ireland, Chris Lonsdale, Joe Sanderson and Glyn Watson (2002), Supply Chain, Markets and Power: Mapping buyer and Supplier power regimes, Routledge, London.
- M. Porter (1980), Competitive Strategy, Free Press, New York.
- David Simchi-Levi, Philip Kaminsky and Edith Simchi-Levi (2004), Managing the Supply Chain, McGraw Hill Professional.
- L. Stern, A. El Ansary (1996), Marketing Channels, Pr. Hall, New York.

These are specialized documents of marketing and retail competitiveness, especially retail competitiveness in some department stores; however, there is no study to investigate the specialized marketing competitiveness in department store and electronic chains stores.

2.6. Space Research

The domestic and international researches also relate to the topic researches, the author also address some the results of previous studies to provide the research topic. However, the perspectives of marketing competitiveness in the electronic chains stores and department stores in Hanoi, there are no researchs to analyze comprehensively the reality and theory, especially there are many changes of economy in Vietnam in the present. Thus, It is the space research in the previous studies, the author decide to investigate about improving marketing competitiveness in electronic chains stores in Hanoi market.

3. Research purpose and mission

3.1. Research purpose

Looking for and determining some solutions based on theory and reality with the aim to enhancing the marketing competitiveness in electronic chains stores and department stores in Hanoi until 2025.

3.2. Research mission

- Establishing the theory of marketing competitiveness in retail companies and electronic department stores
- Conducting the models and actual scale of enhancing the general marketing competitiveness and the elements for Hanoi maket.
- Analyzing and statistically describing the current situation, the marketing competitiveness of electronics department stores in Hanoi market;
- Proposing remedies to improve the marketing competitiveness for electronic department stores in Hanoi market with a vision to 2025.

4. Research subject and scope

4.1. Research subject

The research subject of the dissertation is marketing competitiveness of electronic department store in Hanoi market from theoretical and practical approaches.

4.2. Research scope

The scope of subject: Focusing on consumer electronics department store (independent and member) of Vietnam retail companies.

The space of research: Addressing on Hanoi market, especially in the market in urban area, which would show the marketing competitiveness of an electronic department store.

Timerage of research: Study on marketing competitiveness of electronic department store in Hanoi market from 2013 to now and proposing solution with the vision to 2025.

5. Research methods

Primary data are collected from two surveys with details as follows:

+ Survey participants: for the survey on effectiveness of marketing management, the participants include middle-class marketing managers, CMOs of the chains and experts, administrators of different levels; for the survey on customer perceived value, the participants are customers of stores, member stores located in Hanoi.

+ The sample size is determined according to sampling method of Hair et al (2006) – the minimum sample size is 5 recipients /statement-question.

+ Survey tool: completing the questionnaires directly or via email, telephone.

+ Sampling method: convenience sampling.

The usage of combination of research methodology: Systematization and generalization, logic, analysis, synthesis, proof, interpretation, inductive, statistics - comparison. Simultaneously, the author also combine research method, the results of some research projects associated with department stores which Trade Research Institute, and some organizations of Ministry of Industry implemented:

- Using the systematization of method to select the research result of the published scientific thesis about the research topic. Thesis using the generalization method aims to take the measures on logical theory and reality problem of the research and the usage of integrated approaches to establish the scientific arguments and give some remedies for the issues.

- Using logic method combined with the analyzation, demonstration, statistics - comparison and inductive, interpretation to assess the business of electronic chain stores in Hanoi; at the same time the forecast of conditions and plan for making solutions to improve competitiveness for these department stores with a vision to 2025.

- The qualitative research was conducted by discussion and in-depth interviews, with the participation of a group of lecturers specializing in marketing in Thuong Mai University, some experts specializing on retail business and management in electronic department store in Hanoi market and some loyal consumers to adjust, address and supplement factors of marketing competitiveness for electronic department stores, the observe variable measures these factors and discuss the results of construction - test the model of factors to create competitive marketing capability for electronics department stores.

- Quantitative research method also implemented to show some elements such as: value, reliability and relevance of factors in enhancing marketing competitiveness for electronic department stores; verifying the method and assumption of research; justifying the difference the value of position and reality for elements on making marketing

competitiveness and the personal characteristics of consumers, setting up the foundation for satisfying the value of position and assess the reality of these elements.

6. New contribution of the thesis

Based on the target and practice of science research method, the thesis would provide some research results and some new contribution of science and practice as below:

First, based on the systemization, updating some theories and researchs on marketing competitiveness by the value for the legal framework about the marketing competitiveness at retail department stores in Hanoi, according to the perspectives of international and domestic scientists would define the concept, the characters on marketing competitiveness of retail department stores with various problems: enhancing marketing competitiveness: marketing strategy competitiveness, marketing tactics competitiveness, dynamic marketing competitiveness and comprehensive marketing competitiveness. At the same time, establishing the criterias to assess the marketing competitiveness for retail department stores. Thus, the thesis would decide and determine the research method about marketing competitiveness for retail department stores (consists of above marketing competitiveness).

Second, determining and addressing some impacts and conditions to enhance marketing competitiveness for retail department stores in general and Hanoi market in particular.

Third, based on the overview of social- economic and electronic retail market in Hanoi during the periods as well as the impacts of objective factors on developing quantity, performance, efficiency and status in electronic retail market in Hanoi.

Fourth, through examining the theory methods with primary data, which collected to determine the practical research on comprehensive marketing competitiveness of retail department stores in Hanoi.

Fifth, the application of practical method on analyzing statistics of marketing competitiveness in the retail department stores in Hanoi give some limitations and advantages; weakness/ strengthness and the reasons of these negative problems in Hanoi market during the time. The results of research and statistic analyzing could provide some the practical theory and issues for enhancing marketing competitiveness in the retail department stores in Hanoi with a vision from 2025 to 2030.

Six, the application of theory method to addressing the marketing competitiveness of four typical retail department stores in Hanoi such as Tran Anh, Picco, HC, The gioi di dong. The results of research would show some general conclusions on marketing competitiveness for these department stores.

Seven, by assessing the challenges, opportunities and perspectives to develop the retail department stores in Hanoi market, the thesis would propose five solutions: the solution of enhancing the marketing strategy competitiveness, the solution of enhancing the marketing tactics competitiveness, the solution of enhancing the dynamic marketing competitiveness, the solution of improving the leadership skills, the governance of marketing organization such as the solidarity, the proposals of completing governmental management policies as well as development of the Vietnamese retail department stores. These remedies are also drawn from the results, the previous research, the assessment and experience through some typical researches. These types of solutions not only promote the marketing competitiveness but also solve some negative impacts and reasons, limitations of the marketing competitiveness in the consumer electronics department stores in Hanoi.

7. The structure of thesis

Except from introduction, conclusion, references, appendix, list of figures, list of abbreviation, the thesis is divided into 3 chapters:

Chapter 1: Theoretical foundation and practical experience of the marketing competitiveness for the retail department stores in the general and the consumer electronics department stores in the particular.

Chapter 2: The reality of marketing competitiveness for the consumer electronics department stores in Hanoi market.

Chapter 3: Some ideas and solutions to improve the marketing competitiveness of Electronics department stores in Hanoi for the over the period to 2025