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Article

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Factors Affecting the Competitive Advantage of Supermarkets: Evidence from Vietnam

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ABSTRACT

This article focuses on analyzing the factors affecting the competitive advantage of supermarkets. The purpose of the study is to develop a framework for analysis of the factors to likely effect competitive advantage of supermarkets. There are seven factors having a significant effect on the competitive advantage of supermarket. These factors are variety of goods, space of supermarket, price, shop assistants, infrastructure, trust and all the factors combining together. The article uses both qualitative and quantitative methods. Data collected from the in-depth interview of 34 customers in 17 supermarkets in Vietnam were objective and reliability because the researcher interviewed all the 34 customers carefully. 600 questionnaires were delivered. 560 questionnaires were collected. 550 questionnaires were accepted. Questionnaires were analyzed by using SPSS 18.0. The results said that factors affecting the competitive advantage of supermarkets are shop assistant, variety of goods, space of supermarket, and infrastructure.

Keywords: Marketing strategy, Competitive advantage, Competitiveness, Retailing market

I. Introduction

In Vietnam, the market economy started at the end of 1986, much later than the world market economy. Therefore, the application of competitive advantages from the macro level to micro level has been slow. For the sector of retailing, especially supermarket retailing, the market scale of Vietnam is much smaller than that of other markets in the region. However, there are basic factors for a fast development in Vietnam such as: big population with the kind of young population, high rate of economic growth rate and

non-stop improved living standard. That is the fact that the potential for retailing development in Vietnam is not small and supermarket business in the future is big.

Together with the common markets at every corner, Vietnamese people nowadays tend to shop at the supermarkets. Supermarkets have become the popular shopping channel for Vietnamese people. Supermarkets play an important role in forming new shopping habits for people with modern and simple mode of shopping it offers. Increasing number of shoppers start viewing shopping as a recreational leisure activity and not only as a mean of obtaining desired or necessary goods (Park, 2017). In Vietnam, supermarket system has developed with a fast speed. During the last few years, supermarkets have carried out some methods to increase

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their competitive advantages, especially, supermarkets have to improve and look for different solutions to strongly compete with their rivals in the markets because not only local supermarkets but also foreign supermarkets are in Vietnam. In the near future, there will be much more foreign retailing businesses in Vietnam and it will be difficult for local supermarkets to compete with them. Therefore, this is the time for supermarkets to improve their abilities and to make full use of their competitive advantages to be able to exist in this kind of business environment. Improving the competitive advantage is one of the first and foremost concerns of every business. In the process of integration, all economies have to try their best to fully compete with each other to gain the best. Among the economy sectors, the retail enterprises are of those who have to apply marketing strategies to strengthen their competitive advantage. With good and suitable marketing strategies, businesses can increase the number of their customers, have goods and products attractive to consumers and finally gain the expected profits. In the current economic condition, retailing businesses especially supermarkets in Vietnam have to face a lot of difficulties in competing each other to gain their market share. In an attempt to tackle the problem, studying factors affecting the competitive advantage of supermarkets is very necessary.

II. Literature Review

There are a number of definitions of competitive advantage by different economists and researchers in the world. It is said that a company has its own

competitive advantage means that it owns special and unique value allowing the company to catch the business opportunities to gain profits. This means competitive advantage is the advantage of a business or advantage of a nation in comparison with its rivals.

Porter (1990) defines competitive advantage as a basic matter deciding the success or failure of an enterprise. Competition strategy is the competition seeking for the favorable competition conditions in the industry. Competition strategy has been applied to create a favorable and stable competition condition. The basic foundation to ensure the operation of each enterprise in the long-term is the stable competitive advantage. There are two types of competitive advantages that the enterprise should have or own: low cost and the differentiation. The strengths and weaknesses of each enterprise relate to these two things. This can be deeply understood from the model of Table 1 summarizes competitive advantages and competition strategy set by Porter (1985).

There exists a competitive advantage only when the firm is able to deliver the benefits which are the same as its competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Therefore, a competitive advantage will enable the company to create a superior value for its customers and superior profits for itself. According to Porter (1985), there are two kinds of basic competitive advantage which a firm can own. They are low cost advantage and differentiation advantage. Low cost advantage means the firm supplies customers with the same qualified goods as its competitors but the low cost for producing these goods. For this reason, it cannot be denied that the firm can set the selling price at the lower of same price to attract customers

Table 1. Competitive advantages and competition strategies by Porter

| | | Competitive advantage | |
|-------------------|---------------|-----------------------|-----------------------|
| | | Low cost | Differentiation |
| Competitive scope | Board target | Cost leadership | Differentiation |
| | Narrow target | Cost focus | Differentiation focus |

Source: Porter (1985)

to the firms. Differentiation advantage can be understood when a firm introduces a product to the market with more attractive feature than its rivals. With this, customers are still satisfied with the firm's products for its differentiation from the normal competitors in the markets. Thus, as the low cost advantage, the firm still maximizes its profits at the normal or even higher level.

Porter (1985) also argued that both competitive advantage and comparative advantage are comparison based on the productivity and are limited by the scarcity of natural resources; are affected by knowledge, creativeness, technology and economic scale. For this reason, no country across the world has both competitive advantage and comparative advantage for all industries.

Comparative advantage belongs to the economic field whereas competitive advantage belongs to the management field (David and Kerry, 1990). For the international scale, the comparative advantage is the relative difference of productivity among different industries of a nation in comparison with another nation in the world. This is determined by natural factors such as labor forces, natural resources or financial sources. In contrast, competitive advantage is the complete difference of productivity of all enterprises in the same industry or among different industries in the same country. Porter (1985) mentions that competitive advantage explains the root or the origin of wealth in which wealth helps a nation to be create an effective business environment and make full use of it. However, both competitive advantage and comparative advantage are closely related each other. In other words, comparative advantage can be a factor leading to competitive advantage. Moreover, it is difficult for an industry to form or maintain sustainably its international competitive advantage without having comparative advantage.

There are different viewpoints for the factors affecting the competitive advantages of enterprises. Based on the explanation of the origin of competitive advantage by Porter (1985), nearly all enterprises see their competitive advantage arising from low cost and the differentiation in comparison with the rivals or competitors. Among the factors deciding the cost,

Porter (1985) said that cost position of an enterprise is the result from cost behavior of all value activities. These factors include increasing the economic benefit according to its scale; structure of production capability; inner connection of value chain.

Supermarket is considered as a type of modern retailing business (McCarthy, 1960). This kind of business has developed quite fast in everywhere across the world especially in the industrially developed countries. Supermarket adds its value by getting existing products and goods from different suppliers or distributors, taking them to the warehouse, distributing and introducing them to the local stores and selling the products and goods to its local customers (Borden, 1964).

The flow of stock from different suppliers comes to the supermarket, and then the local people come to the supermarket to buy goods. The customers of supermarket are local people or residents or even small businesses that need to replenish their stock of household goods (Neil, 1984). The suppliers of supermarkets are producers of the said household products. That is the reason why supermarket is the place or marketplace that can connect remote suppliers to the final customers. Given this arrangement, the supermarket "products" are its supply chain. This information and brief description is shown in Figure 1, below.

There are a number of different opinions, views and understanding of supermarket. So, the term "supermarket" is understood in different ways depending on different countries in the world. According to the Institute

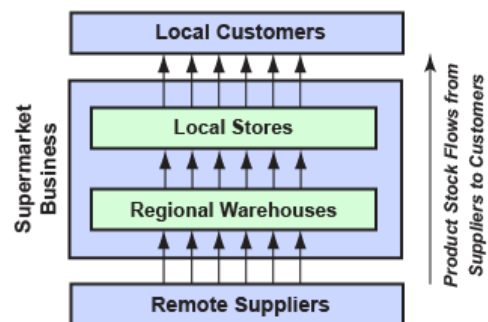


Figure 1. Supermarket business

of Commercial Research (1999), supermarket, in the US, is defined as “a rather big convenience store with low cost, not very high profit and big output which meets the demand of customers for food, detergent, soaps and goods of household using” whereas in France, the term “supermarket” is considered to be “self-service store with a total area of from 400 to 2,500 m² with all kinds of goods but not many (from 5,000 to 10,000 items of goods). In Vietnam, as the Regulations for Supermarket and trade center defined by the Ministry of Trade (2004), “supermarket is a modern shop which sells all kinds of goods, specialties with abundant kinds of goods. These goods meet the quality requirements set by the Government. These supermarkets meet all demand of total area, technical equipment, polite and modern service for customers”. Kotler and Gary (2011) argued that “supermarket is a relatively large, low-cost, low-margin, high-volume, self-service operation designed to serve the consumer’s total needs for grocery and household products. According to Frank and Dave (2012), “supermarket is a business enterprise that provides a service. It does not produce a physical product of its own on its usual sense”.

In short, the supermarket can be understood as a kind of retailing store, which sells all kinds of popular goods for daily use with a clear price tag for goods and a self-service formula (Vargo and Lusch, 2004). Supermarket is a famous distribution channel in the developed economy. Supermarket has its own characteristics in comparison with local market such as self-service method, variety of goods, cheap price, suitable and reasonable display of goods and products, modern infrastructure, modern payment method.

In conclusion, with the above characteristics, self-service and the art of goods display in the supermarket has opened a new era for retailing business in the modern civilization.

Supermarket business is the business of retailing service. Thus, the service quality is the core factor of supermarket business. According to Parasuraman et al. (1988), there are five main key dimensions of service quality such as reliability, responsiveness, assurance, empathy, tangible. However, besides the factor of service quality, there are also other factors

such as factor creating the value or quality of products, service, emotion value, fame value and these are price, variety of products, comfortable factors. Moreover, when mentioning the visible factors, there are not only facilities serving customers but also the infrastructure and the total area of the supermarket. Thiem (2007) argued that competitive advantage of an enterprise is made from the value added for its customers in comparison with its rivals, including product, time, space, service, brand name and price.

Dirk et al. (2008) in his research on customer’s loyalty also defines that the comfortability plays an important role in creating the competitive advantage (together with two other factors such as: quality and price) for the enterprise. Quality must be examined comprehensively including: quality, types, delivery process, service and marketing. Price includes the general price for all goods and particular one for specific items and service. Comfortability includes the scale and scope of shopping activities bringing customers the most comfortable feeling.

In combination with the research done by Thiem (2007), and Dirk (2008), the researcher chooses the model of the factors affecting the competitive advantage of supermarkets by Hiep and Thanh (2012). According to Hiep and Thanh (2012), there are the following factors, which have strong impact on the competitive advantage of supermarkets, including: variety of goods, space of supermarket, price, shop assistants, infrastructure, trust and the correlation among prices, space, goods, shop assistants, infrastructure and trust. Goods, space, price, shop assistant and infrastructure are the key factors creating the customer’s trust. Once the customers believe in the quality of the supermarket, they will become loyal to the supermarket. As a result, customers will highly appreciate the combination of goods, space, price, shop assistant and infrastructure of the supermarket. Hiep and Thanh (2012) constructed the following model for all the above factors deciding the competitive advantage of supermarket:

All related studies described the general factors affecting the competitive advantage of an enterprise in general. The purpose of the study is to develop a framework for analysis of the factors to likely effect

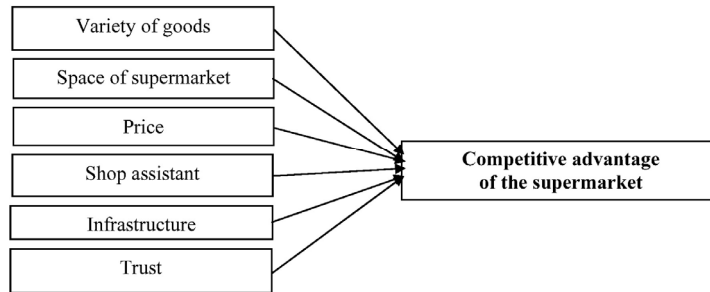


Figure 2. The research framework

competitive advantage of supermarkets. There are six factors having a significant effect on the competitive advantage of supermarket. These factors are variety of goods, space of supermarket, price, shop assistants, infrastructure, and trust. The research framework is shown in Figure 2, above.

The hypothesis of the research:

- H1: There is a close correlation between variety of goods and the competitive advantage of the supermarket.
- H2: There is a close correlation between Space of supermarket and the competitive advantage of the supermarket.
- H3: There is a close correlation between Price and the competitive advantage of the supermarket.
- H4: There is a close correlation between Shop assistant and the competitive advantage of the supermarket.
- H5: There is a close correlation between infrastructure of supermarket and the competitive advantage of the supermarket.
- H6: There is a close correlation between Trust of supermarket and the competitive advantage of the supermarket.

III. Reserach Designs

This paper uses both qualitative and quantitative research methods to study the factors affecting the competitive advantage of the supermarket.

Qualitative research: The data in qualitative method do not focus on drawing statistical inferences but focus on describing meaning. Therefore, qualitative method normally tells what and how people feel and think. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them (Denzin and Lincoln, 2005). According to Merriam (2009) “qualitative researchers are interested in understanding the meaning people have constructed, that is how people make sense of their world and the experience they have in the world”. Parkinson and Drislane (2011) argue that “qualitative research is research using methods such as participant observation or case studies which result in a narrative, descriptive account of a setting or practice”.

Focus groups and in-depth interviews are two main characteristics or tools of qualitative method (Nunan, 1992; Leathem, 2018). This method is regarded as a method, which is not reported as percentages, not related to statistical analysis or generalized to a broader population. The reason for this is that the participants taking part in the in-depth interview are not chosen randomly, they do not represent a certain sample or the sample is rather small.

Quantitative research: When we talk about quantitative research methods, we normally think of the matters such as statistics, number. Cohen and Manion (1980) defined quantitative method as “social research that employs empirical methods and empirical statement.” Empirical statements are shown and expressed in numerical terms and these matters are solved in

mathematically based methods. According to Creswell (1994), quantitative method is “a type of research that is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics)”.

The qualitative data collected from the in-depth interviews of 34 customers in 17 supermarkets in Vietnam were objective and reliability because the researcher interviewed all the 34 customers carefully. Moreover, among 560 collected survey questionnaires, 550 survey questionnaires were accepted and these survey questionnaires were analyzed by using SPSS 18.0.

IV. Research Results

A. Descriptive statistics

600 questionnaires were delivered. 550 questionnaires

were satisfactorily collected. 10 questionnaires were unsatisfactory collected. For more detailed information regarding the level of education refer to Table 2.

The structure of the sample by gender is with 245 male 44.5% and 305 female 55.5% as shown in Table 3. The difference between male and female in the study sample was not large. The difference between the percentage of male and female is affected by the culture of East Asian people.

Most of the consumers surveyed in the study were young. The kinds of consumers who have great demand for buying are divided into two groups from 19 to 35 and from 36 to 55 as shown in Table 4.

Most interviewees in the study are divided into three groups. The first group is staff, state officer and teachers. The second group is business people and employees and the last group is workers. The features of these groups are: they are those who create the income for themselves and their family so their buying force is high with great demand. Because of the industrial life, these groups often go to the

Table 2. Qualification

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------------------|-----------|---------|---------------|--------------------|
| Valid | High School | 121 | 22.0 | 22.0 | 22.0 |
| | College, University | 385 | 70.0 | 70.0 | 92.0 |
| | Higher educational | 44 | 8.0 | 8.0 | 100.0 |
| | Total | 550 | 100.0 | 100.0 | |

Table 3. Gender

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male | 245 | 44.5 | 44.5 | 44.5 |
| | Female | 305 | 55.5 | 55.5 | 100.0 |
| | Total | 550 | 100.0 | 100.0 | |

Table 4. Age

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------|-----------|---------|---------------|--------------------|
| Valid | <18 | 44 | 8.0 | 8.0 | 8.0 |
| | 19-35 | 385 | 70.0 | 70.0 | 78.0 |
| | 36-55 | 61 | 11.1 | 11.1 | 89.1 |
| | Over 55 | 60 | 10.9 | 10.9 | 100.0 |
| | Total | 550 | 100.0 | 100.0 | |

supermarkets in the evening, or Saturday or Sunday or even on public holiday. They pay much attention to the high quality goods with reasonable prices. For those who get high income, they prefer supermarket which has comfortable location with good, convenient parking lot and suitable opening and closing hours. Students or pupils take a small account of percentage shopping in the supermarket with 10.9 %. This kind of group does not have monthly income so their buying force is low and mainly for their personal use or schooling stationary. Table 5 shows information detailed information regarding the employment and job of survey participants.

The last group of consumers shopping in Supermarket is those who retired or are housewife or are working in other kinds of jobs. 41,8% of consumers belongs to this kind of group. The features of this kind of customers are to shop in supermarket to meet both their personal demand and family demand. They mainly focus on buying food, household appliances, rice... They can come to supermarket at any time of the day. They pay much attention to the matter of convenient location of the supermarket. Goods in the supermarket have to be competitive with those

in the normal traditional markets.

Consumers with average income are workers, officer, housewife, students and pupils. Consumers with high income are business people. The buying psychology of these two kinds are different. With low income people, they pay much attention to household goods with average quality and prices to meet their daily demand. Whereas the high income people pay much attention to high quality goods and services. The average income of interviewees is from five to eight million dong per month. Nearly half of interviewee has income of over ten million dong per month. Table 6 below shows the levels of income.

In addition, to the frequency table to classify the sample, the author also offers statistical tables describing the level of the interviewees agreed to the changes observed. The results showed that the average level of agreement of consumers to make observations on the third most points average of five point Likert scale. Here, the factors are analyzed to explore, test reliability and Cronbach's Alpha to test regression models studied.

Table 5. Job

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------------------|-----------|---------|---------------|--------------------|
| Valid | Staff, State officer, Teacher | 230 | 21.8 | 21.8 | 21.8 |
| | Business, employees | 52 | 9.5 | 9.5 | 31.3 |
| | Worker | 88 | 16.0 | 16.0 | 47.3 |
| | Students, Pupil | 60 | 10.9 | 10.9 | 58.2 |
| | Others | 120 | 41.8 | 41.8 | 100.0 |
| | Total | 550 | 100.0 | 100.0 | |

Table 6. Income

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | <3 | 120 | 21.8 | 21.8 | 21.8 |
| | 3-5 | 52 | 9.5 | 9.5 | 31.3 |
| | 5-8 | 230 | 41.8 | 16.0 | 47.3 |
| | 8-10 | 60 | 10.9 | 10.9 | 58.2 |
| | >10 | 88 | 16.0 | 41.8 | 100.0 |
| | Total | 550 | 100.0 | 100.0 | |

B. Exploratory Factor Analysis (EFA)

The variables after being tested by Cronbach's Alpha and correlation will continue to check our correlation processing group. EFA is used when Kaiser-Meyer-Olkin (KMO) is greater than 0.5. The factor loading less than 0.5 will continue to be excluded from the group variables to ensure the convergence between the variables in a factor; stops when Initial Eigenvalue is greater than 1, and the total variance is larger than 0.5. In this study, Principal Component method with Varimax rotation will be used for EFA.

When analyzing the factors explored, the researchers are interested in some of the following criteria: coefficient KMO >0.5, factor loading ≥ 0.5 , (if any observed changes the load factor < 0.5 will be eliminated), scale is acceptable when the total variance extracted $\geq 50\%$. When factor analysis to discover, methods of deduction “principal component analysis” with “rotation varimax” for the purpose of data is reduced, reducing the collinearity among the factors in the multiple regression analysis followed.

After analyzing the first factor with 42 observed variables, we obtain the following results: KMO = 0.853 (>0.6 total variance extracted = 62.548% (>50%) as shown in Table 7. Factor analysis should be consistent.¹⁾

Results of factor analysis for 42 variables grouped into six observed factors (with 6 columns). The system load factor (factor loading) the largest observations

for each variable of 0.5 is retained, of the observed variable coefficient of the largest load factor <0.5. After analyzing the factors we observed that the variables are factor loading > 0.5, we get the results the last factor analysis with 6 factors (corresponding to 6 columns). With KMO = 0.835 (> 0.6), Sig. Bartlett's test = 0.000 (<0.05), that the observed changes are correlated in general and variance extracted = 63,812% (> 50%) => Analysis of factors are consistent with the results of five factors derived: The first factor is explained by observing the following nine variables: HH1, HH2, HH3, HH4, HH5, HH6, KG1, KG3, KG5. So, should we name the first factor is “Variety of goods and Space of supermarket”. The second factor is explained by 8 variables following observations: GC1, GC4, GC3, GC2, GC5, KG3, KG4, KG6. So, we named the factor F2 is “Space of supermarket”. The third factor is explained by observing the following 6 variables: NV1, NV3, NV4, NV5, NV6, NV7. So, we named the factor F3 is “Shop assistant”. The fourth factor is explained by 7 observations: TA1, TA2, TA3, TA4, TC1, TC2, HA1, So, we named the factor fourth is “Infrastructure”. The fifth factor is explained by 6 observations: HA1, HA2, HA3, HA4, TC3, TC4. So, we named the factor five is “Trust”. The sixth factor is explained by 5 observations: HA4, TC5, TC6, TC7, TC8. So, we named the factor F6 is “Price”. Refer to Table 8 for more details.

After conducting factor analysis to explore the four observed variables, the load factors are greater than 0.5. The variance extracted by 74,767% (> 50%) and KMO = 0.793 (> 0.6) and Sig. Bartlett's test = 0.000 as it is shown in Table 9. Factor analysis should be appropriate.

1) KMO (Kaiser-Meyer-Olkin) is an index used to consider the appropriateness of factor analysis. KMO values of large (between 0.5 and 1) means that factor analysis is appropriate, even if this value is less than 0.5, the factor analysis cannot be appropriate. Bartlett review and verification of the assumed correlation between variables not observed by the master.

The percentage of variance extracted (percentage of variance): the percentage of variance explained by all the individual factors. That is considered 100%, the variable values that factor analysis is how much% concentrate and how much% loss (Weight and Jade, 2005).

Factor loading is the norm to ensure the practical meaning of Section I of the EFA. Factor loading > 0.3 were considered to meet the standards, Factor loading > 0.4 are considered significant and > 0.5 are considered to have practical significance (Hair et al., 1998).

Table 7. KMO and Bartlett's Test

| | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .853 |
| Bartlett's Test of Spheroid | Approx. Chi-Square | 2712.069 |
| | Df | 435 |
| | Sig. | .000 |

Table 7. Continue

| | Rotated Component Matrix ^a | | | | | |
|------|---------------------------------------|------|------|------|------|------|
| | Component | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| HH3 | .921 | | | | | |
| HH1 | .910 | | | | | |
| HH4 | .907 | | | | | |
| HH2 | .894 | | | | | |
| HH6 | .887 | | | | | |
| HH5 | .875 | | | | | |
| KG1 | .875 | | | | | |
| KG3 | .852 | | | | | |
| KG5 | .840 | | | | | |
| GC1 | | .834 | | | | |
| GC4 | | .833 | | | | |
| GC2 | | .820 | | | | |
| GC3 | | .813 | | | | |
| GC5 | | .795 | | | | |
| KG3 | | .794 | | | | |
| KG4 | | .789 | | | | |
| KG6 | | .788 | | | | |
| NV1 | | | .813 | | | |
| NV4 | | | .795 | | | |
| NV5 | | | .794 | | | |
| NV6 | | | .789 | | | |
| NV7 | | | .788 | | | |
| NV2 | | | .533 | | | |
| TA 1 | | | | .561 | | |
| TA 2 | | | | .640 | | |
| TA 4 | | | | .533 | | |
| TA 3 | | | | .651 | | |
| TC1 | | | | .636 | | |
| TC2 | | | | .614 | | |
| HA 1 | | | | | .651 | |
| HA 2 | | | | | .637 | |
| HA 4 | | | | | .673 | |
| HA 3 | | | | | .600 | |
| TC3 | | | | | .659 | |
| TC4 | | | | | .778 | |
| HA 4 | | | | | | .737 |
| TC5 | | | | | | .721 |
| TC6 | | | | | | .693 |
| TC8 | | | | | | .686 |
| TC7 | | | | | | .643 |

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Table 8. The factors selected

| Order | Factors | The number of observed variables | Cronbach's Alpha |
|-------|----------------------|----------------------------------|------------------|
| X1 | Variety of goods | 9 | 0.892 |
| X2 | Space of supermarket | 8 | 0.814 |
| X3 | Shop Assistant | 7 | 0.748 |
| X4 | Infrastructure | 7 | 0.728 |
| X5 | Price | 6 | 0.720 |
| X6 | Trust | 5 | 0.652 |

Table 9. The concept "Competitive advantage of supermarkets"

| KMO and Bartlett's Test | | |
|---|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | .793 |
| Bartlett's Test of Spheroid | Approx. Chi-Square | 460.096 |
| | Df | 6 |
| | Sig. | .000 |

Total Variance Explained

| Component | Initial Eigenvalues | | | Total Sums of Squared Loadings | | |
|-----------|---------------------|-------------|------------|--------------------------------|-------------|------------|
| | Total | of Variance | Cumulative | Total | of Variance | Cumulative |
| 1 | 2.991 | 74.767 | 74.767 | 2.991 | 74.767 | 74.767 |
| 2 | .487 | 12.165 | 86.932 | | | |
| 3 | .306 | 7.638 | 94.570 | | | |
| 4 | .217 | 5.430 | 100.000 | | | |

Extraction Method: Principal Component Analysis.

Component Matrix(a)

| | Component | |
|-----|-----------|------|
| | 1 | |
| CA4 | | .890 |
| CA1 | | .878 |
| CA2 | | .875 |
| CA3 | | .815 |

C. Testing the reliability of the scale

After factor analysis, named factors, the reliability scale for each element is drawn above:

The researcher found that six factors had Cronbach's Alpha coefficient which is greater than 0.6 and the

observed variables have a correlation coefficient of the variable (Corrected Item-Total correlation) > 0.3. Thus, the scale is used.

Looking at the coefficients, the researcher found that the six factors are statistically significant at 95% reliability. This means that they are real factors affecting the competitive advantages of supermarket.

Looking at ANOVA analysis (Table 10), it has sig. the statistical F < 0.05 the model fit, it has the regression model with standardized variables is as follows:

$$Y = -0.401 + 0.240 * X1 + 0.221 * X2 + 0.491 * X3 + 0.138 * X4 - 0.102 * X5 + 0.43 * X6$$

As Table 11 shows there are six factors affecting the competitive advantage of supermarkets, including: variety of goods, space of supermarket, price, shop assistants, infrastructure, and trust. These six factors

creating the great value for customer. Therefore, affecting the competitive advantage of supermarket is described as follow: shop assistant (the ability of shop assistant in supermarket meets the demands of customers. They serve customers in a quick and on-time manner. They are also very friendly and helpful, thus the customers always believe in them), variety of goods (includes the goods which are improved for the quality and new packages and the supermarkets always have new and good range of products/goods), space of supermarket (the supermarkets have comfortable locations, goods are displayed in a comfortable manner, the lane between the aisles in the supermarket is suitably arranged with attractive facilities), infrastructure (the facilities in the supermarket are modern enough to attract customers to come and shop), price (the price sold in supermarket are of reasonable prices and the prices are stabilized for a period of time), trust

Table 10. ANOVA

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 193.887 | 6 | 32.314 | 29.981 | .000 ^b |
| | Residual | 208.020 | 193 | 1.078 | | |
| | Total | 401.906 | 199 | | | |

a. Dependent Variable: Y

b. Predictors: (Constant), F6, F5, F3, F4, F1, F2

Table 11. Regression

| | | Coefficients ^a | | | | |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.401 | .418 | | -.959 | .339 |
| | X1 | .240 | .091 | .189 | 2.622 | .009 |
| | X2 | .221 | .089 | .190 | 2.494 | .013 |
| | X3 | .491 | .078 | .404 | 6.274 | .000 |
| | X4 | .138 | .079 | .112 | 1.757 | .080 |
| | X5 | -.102 | .055 | -.109 | -1.869 | .063 |
| | X6 | .043 | .090 | .036 | .480 | .632 |

a. Dependent Variable: Y

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .695 ^a | .482 | .466 | 1.03818 |

a. Predictors: (Constant), F6, F5, F3, F4, F1, F2

(supermarket has always done and committed with things they told customers and pay much attention to the comments from customers).

V. Conclusions

Competitive advantage has become one of the most important matters deciding the success of an enterprise in the market economy. Competitive advantage also helps the enterprise create the greater value for its customers, thus improve the image of the enterprise itself. The main purpose of this thesis is to analyze the factors affecting the competitive advantage. Through the data analysis mentioned, the researcher came to the detail conclusions. Firstly, the important factors affecting competitive advantages are different including: variety of goods, space of supermarket, price, shop assistant, infrastructure and trust. Consumers of supermarkets are those who are living in Vietnam with average income. Therefore, their first concern is buying goods for personal purposes and daily uses. Secondly, based on the results of analyzing factors affecting competitive advantages of supermarkets, all the six factors have the mutual interactions and they not only affect the competitive advantage themselves but also have indirect effect on each other.

VI. Implications

Firstly, supermarkets improve the factors affecting the competitive advantages to ensure the position value by renovating the planning policies and adjusting the investment strategies for the development of supermarket. Supermarkets are necessary to pay much attention to improve the value of price factor in the following directions: ensuring reasonable prices with the quality of goods in the supermarket, ensuring the stable price for periods of time, collaborating

with distributors and manufacturers to offer sale prices especially for household products, developing the after sale service to increase the benefits for customers. Supermarkets also pay special attention to the strategies of development and investment with the following directions: diversification of goods sold and displayed in the supermarket, making sure that goods are always of good and safe quality with nice packages

Secondly, supermarkets improve the value of goods and supermarket's image. Supermarkets should connect with its distributors, manufacturers, suppliers and even customers under different channels in order to make supermarket become the "shortest, fastest and lowest cost "bridge between supplier and customers. For suppliers who are processing/manufacturing enterprises, cooperatives in the surrounding areas or provinces, Supermarket should consider the collaboration between Supermarket and the suppliers to have strict control the input of goods to the supermarkets and put supermarket itself connected with the logistic chain. Therefore, Supermarket can ensure the stability of goods in the supermarket to consumers. For suppliers who are other supermarket systems and different distributing channels in the country, the purpose of the collaboration between Supermarket and the suppliers is to save or economize the cost of building warehouse to preserve goods, the cost of transactions, the cost of delivery. Besides, this kind of collaboration can be seen as a kind of strong partners among manufacturers and suppliers to share the experience in the supermarket business. For customers, especially potential and big customers who usually buy in bulks, the purpose of this collaboration is to strengthen the source of customers as well as to maintain the image of supermarket in their eyes.

Thirdly, supermarkets improve the value of customers on the basis of supermarket space and selling methods. Supermarkets improve and upgrade the infrastructure of Supermarkets which are located in the city center in the direction of multi-floor supermarket to save the total areas as well as creating a comfortable parking lot for customers. Supermarkets developed to build convenient stores in high residential areas and industrial zones which have a high density of workers

living and working. Supermarkets re-plan and design the inner space of supermarket scientifically to improve the productivity of using area and creating the comfort for customers. Supermarkets should use e-commerce in doing business such as using the software of managing the goods, consumers caring, connecting suppliers and other systems of supermarkets.

Lastly, supermarkets should improve the value of trust and behavior of shop assistant as well as improving the image. Supermarkets provide customers with good, exact and quick information for promotion, sale campaign especially those which relate to customer's benefits. Supermarkets take good care of customers with modern software to catch up with full information from customers and pay special attention to the input goods so that the supermarket can provide customers with high and guaranteed goods for the sake of customer's benefits. Supermarkets improve the ability of shop assistants. Supermarket should have suitable training schemes for staff in order to increase the experience and behavior with customers and employ more qualified staff to best perform in the supermarket so that the customers will feel safe and comfortable when shopping in supermarket.

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