The Emerging Food Retail Structure of Vietnam: Phases of Expansion in a Post-Socialist Environment

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Structured Abstract:

Purpose: To trace the modernisation of the retail structure of Vietnam from a closed market to one that is increasingly open to retail TNC entry and associated Western retail formats.

Design/methodology/approach: We undertake this study of retail change through the analysis of a wide range of governmental and industry secondary data – much of which has not entered western academic debate given the challenges of access and translation. In doing so, we relate this period of adaptation to well-known studies concerning the diffusion of western forms of retailing discussed across the social sciences.

Findings: As a country encountering the 3rd wave of supermarket proliferation within emerging markets, we find that Vietnam's experience broadly fits the models of retail Foreign Direct Investment (FDI) entry and retail 'modernisation' suggested by Natawidjaja et al. and Dries et al. The retail change process was affected by a slow, progressive creep of market liberalisation where, as late as 2009, a foreign partner could hold only up to 49% of capital in a joint venture. While our analysis of the evidence suggests some retailers flouted these laws or employed creative approaches to mitigating their effects, such regulations clearly underpinned a less intense initial influx of retail FDI than had been experienced elsewhere in Asia and maintained a high domestic ownership level in the retail market. Retail modernisation has intensified in recent years with greater international entry, expansion and retail format proliferation diffusing from cities to more rural locations though the top five grocery operators still account for less than 4% of the grocery market.

Originality/value: Studies within retail management of retail internationalisation have tended to focus on fully liberalised countries that have attracted high rates of retail capital. In contrast, we are focusing on understanding the emergence of one of the countries somewhat later to these trends.

Keywords: retail TNC, international retailing, supermarkets, global retailing

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Running Heads:

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Research Paper

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Introduction

The expansion of retail TNCs and their role as 'market makers' (Hamilton et al., 2011) over the past decade has become an increasingly important topic, not only within business/management studies but also across the wider social sciences including economic geography, development studies, agricultural economics and sociology (Coe and Wrigley, 2009; Dawson et al., 2006). While these literatures have sometimes been accused of talking past rather than deeply engaging each other (cf. Coe and Wrigley, 2006; Palmer et al., 2006), they have contributed to an increasingly rich understanding of the strategic approaches and wider spatial & developmental effects of international retail expansion. Key aspects of these processes have included the manner in which emerging markets have attracted retail Foreign Direct Investment (FDI) through regulatory liberalisation and how the entry of multinational retailers into those previously insulated markets has generated significant host economy impacts (Coe and Wrigley, 2007; Wood and Reynolds, 2012b). The degree

to (and manner by which) these trends have affected countries varies significantly and is governed by the extent and timing of market liberalisation, the pre-existing political and business environment, as well as the presence of domestic retailers with sufficient market scale to respond successfully to the competitive threat of new entrants.

This paper seeks to contribute to these evolving research streams by analysing the emergence of Vietnam as a destination for retail TNC investment and retail modernisation. More specifically, the research aims to compare and contrast the experience of Vietnam to the phases of diffusion of western ‘developed’ forms of retailing outlined and debated across the social sciences (Dries et al., 2004; Humphrey, 2007; Reardon et al., 2003; 2007), and to comparable experiences of other countries emerging from previously state controlled economies into periods of post-socialist governance and regulation. This is particularly worthy of exploration given the well-known firm-level challenges for retail TNCs in achieving acceptance for their western retail formats in new markets while also negotiating wider issues related to the regulations governing FDI (Alexander and Doherty, 2009). The paper achieves its aim by drawing on a wide range of government and industry secondary data – much of which has not entered western academic debate given the challenges of access and translation.

Waves of supermarket emergence in developing countries and post-communist transformation

Conceptualising the retail revolution

The acceleration of retail FDI since the mid-1990s has been principally driven by the leading European and US-based retailers (mostly grocery/general merchandise operators), typically exporting capital, store formats and management, marketing and operational competencies to the emerging economies of East Asia, Latin America and Eastern Europe. Such developments contrast with the more limited (and often less successful) western-to-western developed-market retail FDI typified by Walmart’s entry into Germany and the UK, and Tesco’s entry into the USA (Ferne and Arnold, 2002; Lowe and Wrigley, 2010; Pioch et al., 2009).

In general, the surge of Western retail FDI into developing economies which characterised the late 1990s was stimulated by the longer-term growth opportunities that emerging markets offered in terms of exploiting and upgrading traditional retail systems (Dawson et al., 2006). During the late 1990s and early 2000s such economies increasingly experienced full or partial liberalisation of trade and market access, together with robust economic/income growth and urban infrastructure development. As a result, they offered attractive destinations for investment. As Wrigley (2000, p 306) put it at the time, the largest of these firms had the ability ‘to leverage their increasing core-market scale and free cash flow for expansionary investment ... in order to secure the longer-term higher growth

opportunities offered by the emerging markets'. In turn, this was strengthened by the 'regulatory push' from many home markets that were nearing saturation, something related to competition and land-use planning regulation (Wood et al., 2010). The leading operators quickly developed first mover advantages in key emerging markets, further strengthened with codified and transferable sets of operational, sourcing and marketing competences. That is to say, knowledge that could be applied to new markets to help realise a balance between standardised operational efficiency and local embedded sensitivity (Aoyoma, 2007; Bianchi and Ostale, 2006; Coe and Lee, 2006; 2013; Currah and Wrigley, 2004; Wood and Reynolds, 2012a). Indeed, the retail marketing literature has explored the challenges of winning consumer acceptance for new formats in under-developed retail markets. For example, research has noted the persistent strength of traditional wet markets within Asian countries in the face of western 'modern' retail formats (Goldman and Krider, 1999; Goldman et al., 2002) while other studies have explored consumer resistance to "foreign" operators (Amine and Tanfous, 2012; El-Amir and Burt, 2008) and the need to adjust merchandise and marketing communications accordingly (Burt et al., 2011). Consequently, international expansion is often related to failure and divestment as much as to successful, profitable revenue streams (Alexander et al., 2005; Cairns et al., 2008; Palmer and Quinn, 2007).

The diffusion of retail FDI within the food retail sector over the past twenty years has been conceptualised in the work of Reardon as a series of 'waves' of supermarket emergence. Such diffusion is detailed in **Table 1** and has some distinct characteristics.

Take in Table 1

Reardon's 'first wave' is seen as having impacted countries in South America, northern-Central Europe, and East Asia outside of Japan and China, during the early 1990s and typically involved initial small-scale forays into 'modern' retailing by local firms which used domestic capital to emulate retail formats and practices they had observed in North America and Western Europe. Some of these markets also experienced entry, involving relatively modest levels of retail FDI, by 'first mover' international retailers such as Carrefour and Makro that were rewarded by 'super-normal' returns on their investments. His 'second' and 'third waves' then saw the beginnings of the transformation of 'traditional' retail structures in Mexico, parts of Central America, much of South-East Asia and south-Central Europe during the late 1990s, followed by China, Eastern Europe, other parts of Central America and South-East Asia (e.g. Vietnam) in the early 2000s. These waves were powered by the acceleration in retail FDI and, particularly during the late 1990s, involved many of the fledgling retail TNCs in a 'gold rush' period of entry into emerging markets. Occasionally this consisted of little more than 'flag planting' but more often was followed by substantial ongoing capital investment. However, some markets (e.g. South Africa) were either neglected by the retail

TNCs (Okeahalam and Wood, 2009), or effectively closed to retail FDI by regulatory policy (e.g. India) and, as a result, began to be transformed during these waves largely by indigenous firms and domestic capital (Mutebi, 2007). Finally, Reardon has recognized a ‘fourth wave’ which is viewed as having begun in the late 2000s and involves the transformation of retail structures in poorer countries in South Asia (outside India), South East Asia, and sub-Saharan Africa

Within the individual countries impacted by these waves, diffusion trends of both ‘modern’ retail in general, and the store networks of the retail TNCs in particular, have been discussed in the research literature. In summary, within individual emerging markets (as **Figure 1** attempts to convey in the context of South East Asia), retail FDI in the late 1990s – often facilitated by liberalisation of market access – typically rapidly accelerated any existing retail ‘modernisation’ trends which existed. It also changed the existing ‘rules of the game’ as a result of the import of practices and organizational innovations (new formats, supply chain/distribution-logistic system reorganization, enhanced customer service and quality assurance standards, etc). In consequence, via both the direct operations of the retail TNCs and the imitative competitive responses of indigenous retail chains, this led to expansion, consolidation and multi-nationalisation of the ‘modern’ retail sector in those countries, together with a progressive squeezing of traditional/informal retail channels.

Take in Figure 1

Conceptual frameworks for retail TNC expansion within former state controlled emerging markets

In terms of the consequences of retail FDI entry and proliferation, it is important not to regard all emerging economies as homogenous. A critical difference that affects the structural conditions within a country and the subsequent emergence of the retail market is the system of economic organisation *prior* to market liberalisation (Smith et al., 2008). Reardon and Swinnen (2004) differentiate between *former state-controlled economies* (FSCEs) and non-FSCEs. As can be seen from **Figure 2**, most East/Southeast Asia countries that liberalised retail FDI in the late 1990s tended to be non FSCEs, while FSCEs liberalised regulation relatively later and therefore formed part of the later waves of retail FDI expansion.

Take in Figure 2

In any particular FSCE, Dries et al (2004) suggest that the retail revolution tended to involve three different phases: ‘pre-transition/communist’, ‘transition’ and ‘globalization’ (see **Table 2**), with the speed and starting dates differing from one FSCE to another. In all cases however, the ‘pre-transition’ stage involved the state playing an important role in the retail sector, combined, in some countries, with a significant parallel retail sector that was private, informal, and small-scale. The second

(‘transition’) stage which followed, then usually involved ownership change via privatisation but without fundamental change in the distribution (concentration of ownership or location pattern) and format (small versus large) of retail outlets. Finally, the third stage – the ‘globalisation period’ – was fuelled by major investment by retail TNCs. In this stage, supermarkets emerged rapidly relative to their earlier development, with a proliferation of formats (large format stores, including hypermarkets, discount stores, and cash & carry, as well as small-format convenience chain stores), in addition to deep changes in their procurement systems. Some countries entered the globalisation stage as early as the mid-1990s, while others did not do so until the early 2000s – a characteristic in particular of Reardon’s third-wave countries.

Take in Table 2

FSCEs shared overall pre-reform institutional similarities, such as state ownership of property, planning and the one-party rule. However, state-socialism was more complete, in terms of institutional scope and depth, in some countries than in others (Pei, 1996). As a result, in order to explore the retail revolution in the context of Vietnam, it is necessary to look first at frameworks suggested for other FSCEs.

Most of these frameworks begin by noting the important differences between FSCE and non-FSCE countries (see **Table 3**). First, FSCEs have tended to be slower in liberalising regulations relating to FDI but have exhibited greater tendency to regulate wetmarkets than non-FSCEs. For example, within China there is the ‘farmer’s markets into supermarkets’ programme that is an explicit policy within main cities of integrating (through auction) wetmarkets into supermarket chains.

Second, rates of supermarket growth in FSCE countries have been significantly higher than rates in non-FSCE countries – due to the fact that they had already moved partially along the route of a shift from traditional, informal retail system to state-managed retail chains (Reardon and Swinnen, 2004).

Third, quite unlike most of the non-FSCE countries, the residual state presence in the markets in FSCE countries manifested itself as direct state investment (also indirect measures such as cheap credit) in supermarket chains. The residual state presence might explain why there tends to be greater presence of several strong domestic chains in the supermarket sector in FSCEs, despite the increasing trend of retail multi-nationalisation and consolidation.

Finally, most of the transition countries are on the way to close relationships with a developed country group or association, such as accession bilateral relationships with the European Union (EU)

or World Trade Organisation (WTO) that have facilitated rapid competitive investments by retailers in these countries to occupy strategic positions in the under-developed market.

Take in Table 3

Previous research on retail change in Vietnam

Research focusing on retail transformation within Vietnam has slowly emerged since the pioneering work of Venard (1996) who described the ‘pre-transition’ structures of the country’s wholesaling and retailing systems. Since then, both Hagen (2002) and Figuié and Moustier (2009) have made important contributions by assessing the consequences of supermarket development in Vietnam – with the former focusing to a large extent on food retailing innovation, and the latter analysing the risks and benefits that accompanied the supermarket revolution from the perspective of poor urban consumers. Similarly, Jensen and Peppard (2003; 2007) in a study of food buying habits in Hanoi have focused specifically on the fate of the street vendor, whilst Yang et al. (2011) have assessed the competitiveness of foreign and domestic supermarket chains and argued that smaller Vietnamese retailers remained surprisingly competitive, partly due to the preference of many consumers for convenience and purchasing food close to their home. More comprehensively, Maruyama and Trung (2007, 2008; 2011) have discussed the operation and evolution of domestic modern retailers, the structure and background of multinational competitors, and the transformation of Vietnamese consumers’ shopping habits.

In the following sections, we employ the frameworks described in this review of retail change in developing markets to conceptualise the market adaptation and retail modernisation process within Vietnam. We achieve this through the use of close interrogation of secondary data (legal dictates, analyst reports, the retail press) as well as through store visits.

Modern food retail development in Vietnam

Vietnam is a ‘third- wave’ and ‘transition’ country and ‘often compared by experts to China of the Nineties’ (Global Retail Newsletter, 2009: 1a). It remains a mixture of socialist and free-market regimes since a resolution adopted by Sixth Party Congress in 1986 that committed the country to pursue a socialist-oriented market economy. As CNN put it ‘With a curious combination of communism and capitalism, business in this Southeast Asian nation switches between the two all the time’ (CNN World Business, 2005). As a result, Vietnam has characteristics of both transition economies and free-market economies elsewhere in South-East Asia and its retail system transformation bears some similarities to the cases within Central and Eastern European (CEE) countries and China.

Based on the path of change in the retail sector of the CEE region formulated by Dries et al. (2004) and the model of a developing country with a free-market regime in the framework of Natawidjaja et al. (2007), **Figure 3** suggests that the development of the modern food retail market in Vietnam can be divided into four phases: Stage 1 (pre-1986) ‘pre-transition’; Stage 2 (1986-2001) ‘early transition and privatisation’, when the earlier system was partially liberalised; Stage 3 (2002-2006) ‘initial globalisation’; Stage 4 (2007-present) ‘full globalisation following WTO accession’.

Take in Figure 3

Stage 1: Pre-transformation conditions (pre 1986)

In analysing the emergence of retail systems from a CEE country perspective, Dries et al. (2004) distinguish between the ‘centralised/state’ model and the ‘decentralised/state-private mixed’ approach. The former is characteristic of Vietnam at this time which saw retail and wholesale entities (mainly state-owned or co-operatives) organised as spatial monopolies, with little or no competition between them, as privately owned companies played only a minor role. Most food sales took place in state enterprises where shops were either broad-line food shops or fresh fruit/vegetable stores. In addition to the state enterprises, an important share of food distribution was channelled through consumer co-operative and state-owned department stores. In contrast, the latter ‘decentralised/state-private mixed’ approach saw state-owned chains of small format stores based in the various regions selling mainly dry/processed products with only very small sections of FFV [Fresh Fruit and Vegetables]. Private small shops therefore operated in a parallel retail market (Dries et al, 2004).

Pre-1954, the commercial system in the North of Vietnam included thousands of small shops and small- and- medium-sized capitalist enterprises. In 1954, after the liberation of the North, the government established new state-owned enterprises and transformed the private shops and enterprises into either state and private collective-named companies or trading co-operatives. By 1960, most of commercial enterprises had changed their ownership and over 150,000 private-owned shops had become elements of either trading co-operatives or production co-operatives. A similar process occurred in the South of Vietnam after unification in 1975 (Le, 2012).

For over 30 years (1954-1986), the commercial activities within Vietnam were in theory monopolised by the state with the private sector effectively illegal, though, as Venard (1996, p 30) notes, ‘existence of a private sector has nonetheless always been tolerated to balance deficiencies of the centralized system’ (see also Fforde, 1993). The government ordered that all trade and business activities of ‘bourgeois’ tradesmen be abolished; only small merchants retailing goods uncontrolled by the State could exist (Charles and Hoa, 1996).

In the South the private sector retail had flourished, with supermarkets emerging in the late 1960s mainly in Saigon (now Ho Chi Minh City – henceforth referred to as HCMC) and operating until the conclusion of the Vietnam War in 1975, when US forces withdrew from Southern Vietnam. Subsequently, these self-service supermarkets were transformed into counter-service state-run operations (Truong and Nguyen, 2007).

Stage 2: Early transition stage: privatization and domestic restructuring (1986-2001)

In a major structural shift in 1986, Vietnam began an ‘open door policy’, sometimes referred as Economic Renovation (Doi Moi) to foreign investors, implying a gradual transformation from a planned – to a market-oriented economy, leading to a partial opening of the market for foreigners. The Law on Foreign Direct Investment was promulgated in 1987,¹ which introduced the basic legal framework for foreign investment activities in Vietnam.

Subsequent Decrees Number 100 (1981) and 10 (1988) in agriculture provided farmers with the right to control the yield and income from their lands. This created strong incentives for farmers to work and invest in the land. As a result, a year later, Vietnam had become the third largest rice exporting country after Thailand and the US. According to Maruyama and Trung (2008), the increasing growth in agricultural output promoted the development of markets in rural regions as well as within towns and cities. The gradual shift from state/collective to private trade over this period is depicted in

Figure 4.

Take in Figure 4

Overall, this early stage of transition saw the gradual effects of structural adjustment on the retail market – a phase characterised by a privatisation process mainly initiated by domestic capital. In the CEE context, Dries et al (2004) have argued that such a period was marked by a breakdown of the highly concentrated state system into separate units that soon start to merge and form small, private retail chains.

The rate of expansion of supermarkets within Vietnam was modest over this period, reaching just under 20 at its close. With the exception of state-owned Intimex, private or joint venture companies (95%) owned most of the supermarkets and convenience stores opened during this time (see **Table 4**). Initial experiments with modern retail formats met with mixed success. In October 1993, Minimart, the first supermarket in Vietnam since 1975, was opened by a state-owned enterprise (Vung Tau Agricultural Products and Handicrafts Import-Export Company). It offered a modest sales

¹ The 1987 Law was amended and supplemented several times in 1990, 1992, 1996, and 2000 in order to create a more open and attractive environment for investment. Vietnam had pursued a policy of encouraging FDI and widening ‘the door’ to foreign investors gradually (Nguyen and Nguyen, 2007).

area and was located in HCMC (Nguyen, 2007). However, it closed 4 days after opening because of insufficient stock levels to meet the enormous demand, despite prices being 20-30% more than those of traditional retailers (Venard, 1996). Other more successful attempts were subsequently undertaken by the private sector – notably Citimart opened in HCMC in 1994 by HCMC-based Dong Hung Company, owned by a Vietnamese expatriate who was experienced in the operation of supermarkets in the Philippines. Gradually supermarkets began to spread through the suburban areas of HCMC. In the north, supermarkets were slower to emerge – with the first supermarkets in Hanoi not opening until 1995. The slow rate of the proliferation of new retail formats was partly rooted in the emerging regulatory structure of the country. Under the first law on *Domestic Investment 1994* as well as the *Decree 29/CP 12/05/1995*, investment in trade centres and supermarkets was not regarded as a governmental priority.

Take in Table 4 here

By 1996, some larger-sized supermarkets (3,000-4,000m²) offering 5,000-6,000 SKUs began to appear in HCMC (Nguyen, 2007). These included: **Maximark** owned by the co-owner of Citimart and therefore benefitting from experience of operating stores elsewhere within the country; and **Co-op Mart** operated by Hochiminh City Union of Trading Co-operatives (Saigon Co-op) which drew on expertise from the international Co-operative Movement – notably the operators of the KF Supermarket Chain (Sweden), NTUC Fair Price (Singapore), and Co-op (Japan), to create a chain specifically adapted to the Vietnamese market.

In Hanoi, larger supermarkets began to appear in 1997/98. For example, Fivi Joint-Stock Company opened its first outlet – **Fivimart** Tran Quang Khai – with retailing space of 2,000m² with about 5,000 SKUs whilst **Maximark** opened in Nha Trang City with total area of 2,000m² including a self-service supermarket.

Retail regulation gradually emerged that had the effect of channelling retail investment to key urban areas. According to the *Decree 51/1999/ND-CP*, investment in trade centres, supermarkets and housing to meet requirements of people in cities and rural areas became regarded as a priority industry. By 2000, the country's largest supermarket to date, a Maximark with a total area of 17,000m², had opened in HCMC.

Alongside supermarkets, convenience stores, in the conventional, Western, sense of the term, began to emerge. However, again success was patchy at best. The first *Co-op* convenience store – a franchise operation of Saigon Coop – was launched at HCMC in December 2000, whilst in 2001, two further convenience store chains namely *24-hour* and *MasanMart*, were launched by An Nam

Company and Masan Group. The latter spent more than \$1.2m on 25 convenience stores in HCMC, imitating the 7-Eleven convenience store format which had proved successful throughout south east Asia. However, 12 months later, the group closed 20 stores with the remaining outlets experiencing the same fate by April 2003 (Tintonghop.info, 2003).

In this period, three foreign retailers entered the Vietnamese retail market and opened five stores: namely, SUTL Company (Singapore); Seiyu (Japan) and Vindémia (France) (see next subsection for further details). The limited scale of this entry echoes Dries et al.'s (2004, p 530) assessment of the domestic capital dominated 'transition stage' of retail development in FSCEs:

the development of modern retail sector in the early 1990s was mainly fostered by domestic capital because FDI inflows were limited during that period. Foreign investors encountered obstacles to entering the market due to unclear ownership structures, a ban on participation in privatisation auctions, unclear privatisation of state enterprises, unstable macroeconomic situations, and in some cases civil strife and political instability.

In Vietnam, change accelerated in 1994 with the lifting of the 30-year-American embargo and establishment of diplomatic links with the United States, which were indicative of the newly 'opened' economy during that period. As Venard (1996) notes, in just one year from the lifting of the embargo, the Vietnamese Government agreed \$1.5billion foreign investment. Furthermore, in 1996, Vietnam loosened FDI restriction allowing foreign operators access to the retail sector for the first time with local partners via joint ventures in which they could hold up to 49% of capital (Hagen, 2003; Coyle, 2006). Such a staged approach to lifting FDI restrictions has numerous parallels in the developing world. Most recently, India has progressed from allowing up to 51% FDI for single-brand retailers (2006) through to permitting 100% FDI ownership for multi-brand retailers in 2012.

Although the vast majority of retail outlets established in this period were domestic, there were some high profile developments by foreign retailers. For example:

(a) The Singapore Company SUTL was a partner in the development of the first modern shopping centre in Vietnam – Saigon Superbowl – which was anchored by a small supermarket (Hagen, 2003).

(b) Vindemia (owned by the Bourbon Group) which entered the Vietnamese retail market in 1998 led the way in establishing functional joint ventures with local partners allowing it to access HCMC and surrounding markets (see **Figure 6**). The French retail TNC, Casino, acquired a 33% share of this operation in 2001, gradually increasing its share of ownership in 2005 to 70%, and finally taking full control in 2007.

(c) Seiyu, the Japanese retailer (subsequently taken over by Walmart) via its Hanoi Seiyu supermarket – a joint venture between local partner Hanoi Food Company, Seiyu and Mitsubishi –

became the first retailer to offer a website for home shopping with c.2,000 SKUs in 2001, a process involving considerable knowledge transfer between the overseas parent and the local joint venture.

Stages 3 & 4: Initial globalisation (2002 – 2006); Full globalisation following WTO accession (2007 – present)

The penultimate stage of liberalisation and the initial embracing of global retail capital occurred within Vietnam between 2002 and 2006, prior to Vietnam's accession to the WTO in 2007 that has since marked a more robust and distinct stage of global retail integration. Experience across the CEE countries and China suggests there are some key characteristics to such a period of development (cf. Dries et al, 2004; Hu et al. 2004):

- (i) Rapid rise of the modern retail sector
- (ii) Multi-nationalisation
- (iii) Intra-country supermarket diffusion and specific concentration in the supermarket sector
- (iv) Further diversification in store formats

We discuss each of these characteristics in relation to Vietnam:

(i) The rise of the modern retail sector

Research within CEE countries underlines the rapid rate of modernisation of the retail sector with the onset of this third phase of development (Dries et al., 2004). In the context of Vietnam, a number of indicators illustrate these trends, notably the growth of (and share of sales through) modern stores in the food market. However, it is essential to note that the retail food sector in Vietnam has remained dominated by traditional/wet markets and 'mom and pop' stores (see **Figure 5**).

Take in Figure 5

The number of modern outlets continuously increased from a low base during the period 2002-07, and then 'took off' after WTO accession – albeit remaining under-developed compared to other countries in East Asia. Nevertheless, growth was accompanied by an increasing diversification into modern formats – not only supermarkets and convenience stores, but also mini-marts, hypermarkets, large wholesale stores and department stores. In particular, the expansion in Stage 4, immediately following Vietnam's accession to the WTO, is notable for the increase in the proliferation of modern formats (see **Table 5**).

Take in Table 5

Official statistics concerning supermarket expansion are beset by definitional confusion. In Vietnam, the official definition of supermarket was not finalised until 2004. Prior to the issuance of Decision 1371 (Trade Minister's ruling promulgating the Regulation on Supermarkets and Trade Centres) (2004 – see **Table 6**), most modern outlets could record themselves as 'supermarkets' because at that time operators were only required to register with the Department of Planning and Investment (DPI) in their local area by only providing basic information relating to capital, legal status and identification as a supermarket or trade centre. After the 2004 ruling, regulations became stricter for retailers but enforcement was difficult for the Department of Commerce (DC) due to the vast number of unqualified supermarkets that were established prior to 2004 which became reluctant to upgrade or change their names given the likelihood of retrospective regulatory action. Furthermore, in practice there was an inability of the State to impose fines to retailers disobeying regulations given the classification of 1371 as a "decision" – instead, a higher-level decree would be necessary to attain the authority to issue fine sanctions. Recently, the Department has issued regulations for smaller types of retail formats such as convenience stores, but not any new regulations relating to supermarkets and trade centres. Interestingly, the term 'convenience store' is not adopted in Vietnam with such units labelled 'Minimarts', though they carry less stock compared to a western style convenience store (see McDonald et al., 2000).

Take in Table 6 & Table 7

Correspondingly, the share of the modern retail sector soared from around 1% in the early 2000s to around 16% in 2009, with an average growth rate of 25% per year (see **Table 7**). However, the share of trade in under-developed retail channels remains dominant, with considerable opportunity for international and domestic operators to expand superstore/supermarket formats and to adapt customer preferences accordingly. Of course, such a step change in customer behaviours is a process fraught with risk and requires a close understanding of the consumer (Goldman and Krider, 1999; Goldman et al., 2002; Humphrey, 2007).

(ii) Multi-nationalisation and modes of market entry

The pace of multi-nationalisation in Vietnam was not as rapid as evident across the CEE region. The number of foreign retailers increased from 2 in 1998 to 8 by 2010, though the store count remained modest (See for example **Table 8** for details of the leading grocery retailers).

Take in Table 8

During the period – one where Vietnam entered the WTO in 2007 – several new investors entered the market, namely Metro, PCSC, Dairy Farm, Lotte, Couche-Tard, SPAR and FamilyMart. Two groups

of multinational retailers undertook FDI in the Vietnamese retail market: first tier, rapidly globalising leading retail TNCs such as Casino, Metro Group, Couche-Tard as well as second tier regional retailers including Dairy Farm, Lotte, PCSC, Seiyu, and FamilyMart. The rapid diffusion of retail TNCs was mainly through hyper/supermarket formats and, more recently, convenience store formats.

Notably Metro Group has developed its Cash & Carry business since its entry in 2002, growing store numbers to 13 by 2010 with total sales of US\$552m (IGD, 2011). It has also made a concerted effort to embed itself within the Vietnamese market through its 'Made in Vietnam' programme that promotes Vietnamese sourced products and involves co-operation with local authorities to support agriculture (IGD, 2011; cf. Coe and Hess, 2005). Meanwhile, Casino's Big C portfolio has expanded through the acquisition of a controlling stake in the Vindemia/ Groupe Bourbon joint venture in 2005 to control a portfolio of 11 hypermarkets by the end of 2010, which generate sales of US\$236m (IGD, 2011).

The joint venture approach to market entry is well-known to provide essential knowledge concerning customers, regulations and contacts (Owens et al., 2013), especially within 'particularistic' business environments and may also be a pre-requisite for FDI to occur within some countries that restrict foreign ownership shares of assets (Wrigley et al., 2005). We identify three kinds of joint venture within Vietnam: official joint venture, unofficial joint venture, and renting joint venture.

First, the official joint venture was established by overseas retailers formally contributing capital to set up a third company with a local partner. This approach has worked well, not only the cases of Big C (Cora) and Seiyu supermarkets in the 'transitional' stage, but also in the 'globalisation' stage, when the JV approach became less of a pre-requisite for market entry, with the likes of Lottemart, Circle K, Big C, SPAR and Familymart employing the strategy. However, such arrangements often led to relations with numerous local partners and at times led to rather convoluted forms of ownership that are clear from one example in the emergence of Vindemia's partners (see **Figure 6**).

Take in Figure 6

Second, operators within Vietnam may have pursued unofficial joint ventures. Given the unregulated nature of such developments, precise details are difficult to obtain – however, our research has suggested that some retailers strategically rented areas in trade centres owned by domestic companies and opened outlets without receiving the official permission of the relevant authority. In the case of the Big C store in the Go Vap District of HCMC, the authorities confirmed that they would not provide a licence for a 100%-owned foreign company. Consequently, a Big C unit was developed in all but name as the store was covered by the name of the trade centre owned by a local enterprise

(Tuoitreonline, 2008). The Big C website did not list this unit until at the end of 2009 when regulations were relaxed.

Third, operators have pursued joint ventures within Vietnam through the initial rental of stores with the short-term use of a partner's store fascia before later changing their name to a preferred retail brand – an approach undertaken by Hong Kong based retailer, Dairy Farm. In July 2006, Dairy Farm received licences to operate stores in Vietnam as a wholly foreign-owned company. Singapore's Giant South Asia Investment Pte. Ltd., a member of Dairy Farm International Holding Limited, set up a company named Giant South Asia (Vietnam) Ltd. with investment capital of US\$5 million to establish a chain of stores on the existing premises of Citimart supermarkets. The company was allowed to upgrade and manage three Citimart supermarkets in HCMC, one in Can Tho City and another in Kien Giang province. However, the company was not permitted to expand to other brands beyond the Citimart fascia. The first outlet was opened in Ho Chi Minh City in August with 10,000 SKUs, of which 90% were domestic (Dairy Farm, 2011; Tin247.com, 2007). Such a strategy provided an essential foothold within the market prior to regulatory relaxation that will enable the retailer to develop its own Wellcome brand and leverage its competencies in the market (see **Table 9** for the staged approach to expansion). However, by the end of 2010, the retailer still only operated three supermarkets under the Wellcome banner. The case of Metro Group is also notable given its approach to entering the market via a 100% owned 'cash & carry' operation that nominally required customers to be wholesale purchasers. However, this investment did not have the right to import directly into Vietnam (GAIN, 2005).

Take in Table 9

In order to protect domestically owned supermarkets, the government of Vietnam did not historically encourage 100% foreign-owned investment in the retail industry. However, the regulations of foreign and domestic enterprises were significantly modified after July 1st 2006, when the *Foreign Investment Law and Domestic Enterprise Law* was replaced by the *Unified Investment Law*. Since then, foreign investors can invest in any area not prohibited, instead of merely areas allowed by state agencies. This principle has been applied to the domestic private sector since 2000 and to foreign investment from 2006. Moreover, in accordance with the country's commitments to regional and international integration namely: ASEAN Free Trade Area (AFTA), WTO, Vietnam-US Bilateral Trade Agreement and the Japan-Vietnam Investment Agreement, the retail market gradually opened to foreign investors. The permitted foreign capital share was raised to 50% in 2008, while, from 2009, Vietnam allowed 100% foreign owned retailers to operate within its borders (under the pre-2009 regulations, the foreign partner could only hold up to 49% of capital). However, our research

suggests that in numerous instances such regulations were flouted with shares well in excess of the permitted levels (see **Table 10**).

Take in Table 10

(iii) Intra-country supermarket diffusion and concentration in the supermarket sector

A wide array of the research literature concerning supermarket diffusion has suggested an initial focus of retail TNCs in establishing stores within key cities and major urban strategic locations on market entry and then a gradual diffusion out to secondary cities and small towns, along with an increasing focus on lower income consumers and markets (Dries et al., 2004; Reardon and Hopkins, 2006; Reardon et al., 2003). The experience of Vietnam appears to broadly mirror these trends. Most supermarkets and convenience stores set up in the transitional stage were located within the big cities (Hanoi, HCMC), except for the case of Cora Hypermarket (Vindemia) which entered a secondary city (Bien Hoa city). Indeed, 90% supermarkets were located in these two cities, of which 65% were in HCMC. At this stage, the diffusion of modern retail formats gradually penetrated some secondary cities (Hai Phong, Da Nang, Can Tho, Dong Nai) in the period of 2003-2006, then into smaller towns in the period of 2007-present. **Table 11** captures the balance between city and secondary/small towns by the major international and domestic retailers in 2012.

Take in Table 11

As part of this diffusion to lower order cities and towns, the focus of the leading retailers' marketing messages and service strategies has correspondingly shifted. While the 'transition stage' saw both Minimart and Seiyu specifically target affluent expatriate consumers in main cities, the 'globalisation stage' has seen a broadening of their business strategies towards lower-income customers. Such a shift is partly expressed through the value-focused nature of business slogans (see **Table 12**). It is also notable that the marketing messages particularly underline the importance of families. We speculate that this may, in part, be indicative of the collectivist nature of Vietnamese society.

Take in Table 12

(iv) Diversification in store format

The research concerning the globalisation phase of retail expansion is characterised by an increasing diversification of store formats across competitive space. As Hu et al. (2004, p 566) suggests from a Chinese context:

the predominant initial format was the small supermarket, followed by the introduction of large supermarkets, convenience stores, discount stores and hypermarkets, the latter introduced in the late 1990s first by foreign and then by domestic chains.

Throughout the ‘transition’ and into the ‘globalisation’ periods, Vietnamese domestic retailers attempted to firm-up their competitive position prior to TNC entry when de-regulation loosened the restrictions on expansion. These domestic retailers not only focused on developing the supermarket format, but also cultivated new formats such as:

The *supermarket plus trade centre*. Domestic retailers such as Maximart; Co-op Mart developed this format that was subsequently developed by retail TNCs through some Lotte stores in 2008, 2011 and a selection of Big C stores in 2009, 2010, 2011.

The *convenience store* format has been developed in the Vietnamese retail market both by domestic small store operators and by multi-format retailers, typically those that specialise in supermarket retailing. Domestic supermarket specialists that have developed c-stores include Hapro, Citimart and Saigon Co-op. Meanwhile convenience store specialists include both domestic and foreign retailers. At times, these small stores have been located at petrol filling stations (such as *Day & Night* convenience stores, owned by Phu An Thinh Company). Frequently the development of the convenience store within Vietnam stemmed from upgrading the small domestic independent operators and consolidating them into a larger and centralised retail operation. For example, Hoang Corporation introduced two approaches to convenience store development: First, upgrading the existing traditional family-owned store into standard *24Seven* store with all-in support from design, layout to sales training. Second, via a BOT (Build-Operate-Transfer) contract; an all-in franchise whereby the owner could operate without the concerns of store establishment and goods supply.

By far the largest convenience store operator was G7Mart, founded by the owners of Trung Nguyen Coffee Company, which set about ‘upgrading’ existing grocery stores. G7 trained the owners/sellers, in the process applying information technology to coordinate the store systems and standardised the store signage (Saigon Times, no date). The units were then re-branded either G7Mart or as a G7 member store. Clearly, G7 Mart capitalised on the existing customer bases of ‘mom and pop’ stores but gained from better in-store standards, product ranges and service levels. By August 2006, G7 had opened 500 G7marts, 9,500 G7 member stores and 70 wholesale distribution centres. However, consumer acceptance of the retail format and recognition of the retail brand was mixed – an issue exacerbated by the separation of G7mart from its parent company, Coffee Trung Nguyen Company. Consequently, many of the independent operators suspended their contracts with G7 Company and returned to independent status in 2008.

Therefore, while the market is not concentrated in ownership terms, the store format growth vehicles are increasingly large, western formats – as evident from **Figure 7**, which notes the core formats of the top five grocery retailers within Vietnam.

Conclusions

While studies of retail internationalisation have tended to focus on fully liberalised countries that have attracted high rates of retail capital, we have focused on tracing retail change in a country that embraced and exhibited these trends somewhat later. By analysing the modernisation of the retail structure of Vietnam from a closed, socialist model to one that is increasingly open to retail TNC entry and associated Western retail formats, we have identified a number of issues and themes that have relevance across retail management and marketing, economic geography and development studies more widely.

As a country recently entering the third phase of retail transformation in a FSCE, we find that Vietnam's experience broadly fits the models of retail FDI and expansion of 'modern' retail suggested by Natawidjaja et al. and Dries et al.. However, the process of retail modernisation was itself moderated by the staged nature of FDI liberalisation. Evidently, such conditions underpinned a less intense *initial* influx of retail FDI compared to other Asian countries and maintained a high domestic ownership level within the retail market. Domestic operators experimented with modern retail formats with mixed success as problems of market acceptance and maintaining stock levels impaired their potential – underlining that the successful introduction of superstores and hypermarkets to under-developed retail markets remains a high risk undertaking (cf. Etgar and Rachman-Moore, 2007; Goldman and Krider, 1999; Goldman et al., 2002).

Regulatory conditions failed to fully restrict retail TNCs with numerous examples of operators clearly flouting the laws or employing strategies for development at the margin of legality – such as Big C's apparent use of an "unofficial joint venture". Indeed, such retailer innovative responses to regulation to achieve growth are well-known (cf. Wood et al., 2010). As Reardon et al. (2012, p 12334) notes, 'Even where there have been regulations to slow growth...they have been vacillating, partially implemented, and side-stepped by local interactions and co-opting of traditional retail, or format diversification, or both'. Since full regulatory liberalisation and notably Vietnam's WTO accession in 2007, the rate of change has increased markedly and the country is set for continued and rapid evolution of retail provision and supply networks with the current low market concentration levels likely to be short-lived. This growth is likely to emanate from retail TNCs that currently operate within Vietnam ramping up their store development plans, but equally the underdeveloped retail structure and availability of modestly sized domestic players could offer attractive acquisition targets for international retailers looking to enter the market. Furthermore, the proximity of Vietnam to China, Singapore and Thailand – where numerous retail TNCs are present – offers the potential for

immediate sourcing economies in the event of market entry. Of course, the continued expansion of retail TNCs within Vietnam will likely place further pressure on domestic operators that, while possessing knowledge of the local market, institutional environment and consumer cultures, lack the operational capabilities and scale of transnational retailers. Such an uneven playing field is unlikely to escape the interest of regulators given the experience of “re-regulation” in other countries where TNCs have commonly supplanted indigenous retail businesses.

Tables and Figures

Table 1: The waves of supermarket spread in emerging markets

Wave	1st	2nd	3rd	4th
Take-off Date	Early 1990s	Mid-late 1990s	Early 2000s	Late 2000s
Countries	<ul style="list-style-type: none"> - South America - East Asia outside China (and Japan), South Korea. - Parts of Southeast Asia (e.g. Philippines Thailand). - Northern- Central Europe (e.g. Poland); & the Baltic countries - South Africa 	<ul style="list-style-type: none"> - Mexico & Central America - Much of Southeast Asia (e.g. Indonesia) - Southern - Central Europe 	<ul style="list-style-type: none"> - "Transition" East Asia: China, Vietnam - India - Eastern Europe 	<ul style="list-style-type: none"> - South Asia outside India - Sub-Saharan Africa outside the countries in the 2nd and 3rd waves (principally South Africa, Kenya and Zambia). - Poorer countries in South East Asia (e.g. Cambodia) & South America (e.g. Bolivia).
Share of supermarkets in food retail	10-20% in 1990 50-60% in 2008	5-10% in 1990 30-50% in 2008	Near zero in 1990 1-20% in 2008	

Source: Adapted from Reardon et al., 2003; Reardon et al. (2007); Reardon (2008); Reardon and Gulati (2008).

Figure 1: The experience of retail FDI and expansion of 'modern' retail in South East Asia

Source: Adapted from Natawidjaja et al, 2007, p 126

Figure 2: Extending the emerging markets classification suggested by Reardon and Swinnen (2004) and Reardon et al. (2007).

Table 2: Key characteristics of the three phases of the retail transformation in FSCEs

Characteristics	Phases		
	Communism	Transition	Globalization
<i>Concentration in retail sector</i>	High	Low	High
<i>Dominant source of capital</i>	Domestic	Domestic	Foreign
<i>Foreign investment</i>	-	Brownfield	Greenfield
<i>Share of modern retail</i>	Low	Low	High
<i>Share of large multinationals</i>	Low	Low	High
<i>Location of modern retail outlets</i>	-	Cities	Everywhere
<i>Characteristics of supermarket developments</i>	-	High retail prices, high income shoppers	Low retail prices, all types of shoppers

Source: Adapted from Dries et al (2004) Figuié and Moustier (2009); Hagen (2002), Vorley et al. (2007)

Table 3: The comparison of supermarkets revolution in FSCEs vs. other developing countries

Similarities	<ul style="list-style-type: none"> - The general patterns of diffusion in time and space - A set of socio-economic determinants of supermarket diffusion.
Differences	<ul style="list-style-type: none"> - Retail FDI relaxation and reform policy - Rates of supermarket growth - Steps on regulating wetmarkets - The residual state presence in the markets - Relationships with a developed country group or market

Source: Reardon and Swinnen (2004)

Figure 3: The retail revolution stages in Vietnam

Source: adapted from Dries et al. (2004); Natawidjaja et al. (2007)

Figure 4: Division of Vietnamese trade between the state/collective and private in Vietnamese dong.

Source: Adapted from Venard (1996), p.30.

Table 4: Early modern retail outlets established in Vietnam, 1993-2001

No.	Name	Year	Province	Selling space (m ²) (if known)	Ownership		Type of Outlet	
					Domestic	Joint Venture	(a)	(b)
1	Minimart	1993	HCMC	Small size, located within the Intershop	v		v	
2	Citimart	1994	HCMC	n.d	v		v	
3	Supermarket in Dinh Tien Hoang Trade Centre	1995	Hanoi	n.d	v		v	
4	Minimart Hanoi	1995	Hanoi	n.d	v		v	
5	Maximark 3C	1996	HCMC	5,000	v		v	
6	Co.opmart Cong Quynh	1996	HCMC	3,300	v		v	
7	Saigon Starbowl Supermarket	1996 - 1998	HCMC	n.d				
8	Co.opmart Tran Hung Dao	1997	HCMC	600	v		v	
9	Fivimart Tran Quang Khai	1997	Hanoi	2000	v		v	
10	Maximark Nha Trang	1998	Nha Trang city, Khanh Hoa province	2000	v		v	
11	Cora Dong Nai	1998	Dong Nai	6000		v	v	
12	Co.opmart Hau Giang	1998	HCMC	2000	v		v	
13	Co.opmart Dam Sen	1999	HCMC	3,600	v		v	
14	Co.opmart Nguyen Dinh Chieu	1999	HCMC	2,600	v		v	
15	Maximark 3-2 (extended from Maximark 3C)	2000	HCMC	n.d	v		v	
16	Seiyu supertmarket	2000	Hanoi	800		v	v	
17	Cora An Lac	2000	HCMC	n.d		v	v	
18	Cora Mien Dong	2001	HCMC	2,500		v	v	
19	Intimex Supermarket	2001	Hanoi	n.d	v		v	
20	Co.op Convenience Store	2000	HCMC	n.d	v			v
21	24-hour	2001	HCMC	n.d	v			v
22	MassanMart	2001	HCMC	n.d	v			v

Note: (a) Supermarket; (b) Convenience Store

Sources: Company web sites, the retail press and annual reports

Figure 5: Vietnam food retail trade structure

Source: amended from GAIN, 2008, chart 1, p.5

Table 5: Number of modern retail outlets, 1986-2011

	1986	1995	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
		a	b	b	b	b	b	b	a	c	c	d
Supermarkets & Hypermarkets	0	10	68	75	92	105	115	140	400	445	571	615
Department Stores	0	2	14	16	18	21	25	27	n.d	78	83	102
Total	0	12	82	91	110	126	140	167	400	523	654	717

Sources: **a**- Data from Vietbaovn (2009); **b**- Data from GAIN (2005, 2007, 2008); **c**- Data from Reports on the Number of Supermarkets and Trade Centres, Vietnamese Ministry of Industry and Trade: website of Ministry of Planning and Investment, Agency for small and medium enterprise development, December 2011.

Table 6: Regulation of classifying supermarkets and trade centre issued in 2004

Grade	Type of Outlet	Size (m ²)	SKUs	Presence of Toilet
I	General supermarket	5,000	20,000	v
	Specialised supermarket	1,000	2,000	v
	Trade Centre	50,000	-	
II	General supermarket	2,000	10,000	v
	Specialised supermarket	500	1,000	v
	Trade Centre	30,000	-	
III	General supermarket	500	4,000	v
	Specialised supermarket	250	500	v
	Trade Centre	10,000	-	

Source: Decision 1371 dated June 2004.

Table 7: The share and growth rate of sales of the Vietnamese modern retail food sector

Year	2000	2002	2004	2005	2006	2007	2009
Share of modern sector (%)	0.5%	<1%	2%	10%	12%	14%	16%
Growth Rate of modern sector (%)	N/A	15.22	20.97	33.33	23.00	33.33	N/A

Source: Hagen, 2002; Figuié and Moustier, 2009; GAIN report, 2005, 2007, and 2008

Table 8: Top Grocery Retailers in Vietnam, 2011

Retailer	Grocery sales 2010 (USDm)	Change in grocery sales 09-10 (%)		IGD grocery retail market share 2010	Number of grocery stores 2010
		USD	VND		
Saigon Co.op (Domestic)	356	11.7%	19.6%	1.4%	82
Casino Group (French)	236	14.5%	23.2%	1.0%	11
FiviMart (Domestic)	120	26.9%	35.9%	0.5%	44
G7 Mart (Domestic)	76	18.0%	26.4%	0.3%	66
Lotte Shopping (South Korea)	42	15.0%	23.8%	0.2%	1
Dairy Farm (Hong Kong)	13	19.2%	28.5%	0.1%	3

Note: excludes Cash & Carry and Members Club operations

Source: IGD, 2011

Figure 6: Vindemia's partners in Vietnam

(Notes: (a) - Hanoi; (b) - Northern region (outside Hanoi); (c) - Central region; (d) – HCMC; (e) - Southern region (outside HCMC))

Sources: Various company web sites, articles, Vietnamese Ministry of Commerce and Industry documents

Table 9: Dairy Farm market entry and re-branding timeline

1994	Dong Hung Co. opened the first Citimart supermarket.
1995/1996	The co-owner separated and set up another new company - An Phong Co. - and launched Maximart supermarket
8/2006	Dairy Farm acquired six Citimart sites from Dong Hung Co., including four in HCM City, one in Can Tho City and one in Kien Giang Province.
10/2007	Dairy Farm renamed its first Citimart supermarket in HCMC into brand name Wellcome. The store was one of six outlets that Dairy Farm acquired from the Dong Hung Co in 2006. Dong Hung Co. still operated other 18 outlets nationwide.
2008	Two further stores were converted to the Wellcome banner.
2012	Initiated joint venture with ACB Hanoi Investment Joint Stock Company to open the first supermarket under brand-named Giant in HCMC

Sources: Company web sites, the retail press and annual reports

Table 10: Foreign retail companies licensed prior to 2009

Name of retailer	Name of company in Vietnam	Partners	Date of Granting Licence	Foreign Share (%)	Vietnam Share (%)	Conditions
Seiyu	Hanoi Seiyu Co. Ltd	Hanoi Food Company, Seiyu Company and Mitsubishi Company	1998	65	35	
Videmia (Casino)	An Lac Trade& Supermarket Service Co. Ltd	Vindemia and Binh Chanh Construction Investment Shareholding Co.	1997	80	20	
Metro Group	Metro Cash & Carry Vietnam Ltd, Co.		2002	100		Wholesale only
Dairy Farm	Dong Hung Co.		2006	100		Not permitted to expand brand beyond Citimart

Source: Hanoi Authority for Planning and Investment and regoverningmarketswebsites

Table 11: Store locations of main retailers in Vietnam in Jan 2012

Name of retailers	Date of		No. of Stores	Store Locations					
	Entry	Open ing		North		Centre		South	
				(a)	(b)	(a)	(b)	(a)	(b)
RETAIL TNCs									
Casino	1998		9	Hanoi (4), Hai Phong, Nam Dinh	Thanh Hoa Hai Duong, Vinh Yen				
			3			Da Nang, Vinh, Hue			
			6					HCMC (5)	Bien Hoa
Metro Group	2002		5	Hanoi (2) + (1e), Hai Phong	Ha Long				
			3			Da Nang, Quy Nhon, Vinh			
			10					HCMC (3), Can Tho, Nha Trang, Buon Ma Thuot	Bien Hoa, Binh Duong, An Giang, Vung Tau
Dairy Farm	2006		4					HCMC	
PCSC	2005		1	Hanoi					
Lotte	2008		2					HCMC	
			2e			Da Nang			Bien Hoa
DOMESTIC RETAILERS									
Saigon Co.op		1996	2	Hanoi	Vinh Phuc				
			4			Da Nang, Hue	Quang Tri, Ha Tinh		
			50					HCMC (23), Quy Nhon, Can Tho, Buon Ma Thuot	Other provinces (24)
Citimart		1995	3	Hanoi					
			15					HCMC (11), Can Tho, Nha Trang	Kien Giang, Binh Duong
Fivimart		1997	13	Hanoi					
			3					HCMC (2)	Binh Duong
Intimex		2001	11	Hanoi (6), Hai Phong (2)			Hai Duong, Hung Yen, Hoa Binh,		
			4		Da Nang (2) Vinh, Quy Nhon				
			1					Buon Ma Thuot	
Hapro		2006	11	Hanoi (5); Thai Nguyen	Ninh Binh, Thai Binh, Bac Kan, Thanh Hoa, Hai Duong				
Maximark		1996	1	Hanoi					
			6					HCMC (2); Nha Trang (2) , Can Tho	Khanh Hoa

Source: Retailer web sites, annual reports and the retail press.

Note : Data includes the number of supermarkets only

(a) City level 1 ; (b) City level 2+; e- Expected/"coming soon"

Table 12: Retailers' business slogans

Store	In Vietnamese	Translated into English
Metro Cash & Carry	Gia tot moi ngay	Reasonable prices everyday
Big C	Gia re cho moi nha	Cheap price for every family/ Helping you to spend less
Lotte	Den gia re, ve vui ve	Arrive to get cheap prices, leave with pleasure
Co.opmart	Noi mua sam dang tin cay, Ban cua moi nha	A reliable shopping place Friend of all the family
Hapro	Tien ich cho moi nha	Convenience for every family
Citimart	Noi mua sam cua moi gia dinh	A shopping place for every family
Unimart	Hang hoa tuoi ngon, chat luong dam bao, dich vu than thien	Fresh products, quality assurance, friendly service
Fivimart	Ban cua moi nha	A friend of every family

Sources: Various company web sites, annual reports, store visits

Figure 7: Market structure by format for top five grocery retailers

Source: data from IGD, 2011

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