

Factors Affecting the Competitiveness of Vietnamese Confectionery Enterprises

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ABSTRACT

The objective of the study is to analyze the level of influence of factors on the competitiveness of Vietnamese confectionery enterprises. The data used in the study were collected from 235 enterprises using the total sampling method. The results of Cronbach's Alpha scale testing, EFA exploratory factor analysis and linear regression analysis showed that there are six groups of factors affecting the competitiveness of Vietnamese confectionery enterprises: management capacity, network capacity, human resource capacity, financial capacity, creative capacity, marketing capacity. The analysis results of the study are the basis for proposing six management implications contributing to improving the competitiveness of Vietnamese confectionery enterprises.

Keywords: competitiveness, confectionery enterprises, influencing factors, management implications

INTRODUCTION

In addition to domestic brands, the confectionery market has changed in recent years as many foreign brands have entered and developed rapidly in Vietnam. Although this penetration will inevitably lead to fierce competition for market share, it is also a catalyst to force domestic enterprises to improve, innovate designs and improve quality to attract more customers.

In recent years, there have been many studies and seminars on the topic of assessing the competitiveness of enterprises, but more specific studies are still needed to provide more authentic scientific evidence. Research on factors affecting the competitiveness of Vietnamese confectionery enterprises was conducted with the aim of identifying factors affecting the competitiveness of confectionery enterprises and finding a suitable scale for these factors. With scientific arguments, the research will provide policy suggestions for managers and local authorities to have a basis for policy planning so that businesses in general and confectionery businesses in particular can develop more and more sustainably.

LITERATURE REVIEW

Concept of Competitiveness

"Competitiveness" is a popular economic term and is interpreted in many different ways. According to the Organization for Economic Cooperation and Development (OECD), competitiveness refers to the ability to increase productivity of enterprises, industries, countries or regions, creating jobs and higher income. According to Porter (1996), a competitive enterprise is an enterprise that can produce products and services with superior quality, at lower prices than domestic and international competitors. Thus, it can be understood that the competitiveness of an enterprise is the ability to maintain and enhance competitive advantages in the production and consumption of products, dominate the market, attract and effectively use production factors (capital, labor, technology, etc.) to achieve the highest economic benefits (maximize profits) and sustainability, ensuring income for workers and enterprises.

Also according to Porter (1996), competitiveness is assessed through indicators such as labor productivity, the ability to maintain and expand the market by consuming similar products or substitute products to achieve higher profits.

Resource-based Theory

Resource-based theory (RBV) was initiated by Penrose in 1959 when she argued that internal resources of enterprises are one of the sources of competitive advantage for enterprises (Penrose, 1959).

The main core of RBV is to find the answer to the question of why some enterprises can gain competitive advantage over other enterprises in the same industry based on the analysis of internal resources of enterprises (Wemerfelt, 1984; Barney, 1986). Enterprise resources are expressed in many different forms. Accordingly, enterprise resources are divided into three main types: physical capital resources, human capital resources and organizational capital resources (Barney, 2001). In which, tangible capital resources include factories, enterprises, locations and raw materials; Human capital resources such as knowledge, intuition, judgment, experience and learning ability of employees and organizational capital resources include organizational structure, coordination system in the organization, informal relationships within the enterprise and with the outside of the enterprise (Barney, 2001).

Proposed Research Model

Based on the RBV fundamental theory, combined with the results of previous studies and based on the actual conditions of confectionery enterprises in Vietnam, the author proposes a model of factors affecting the competitiveness of Vietnamese confectionery enterprises including: management capacity; financial capacity; network capacity; marketing capacity; human resource capacity; creative capacity.

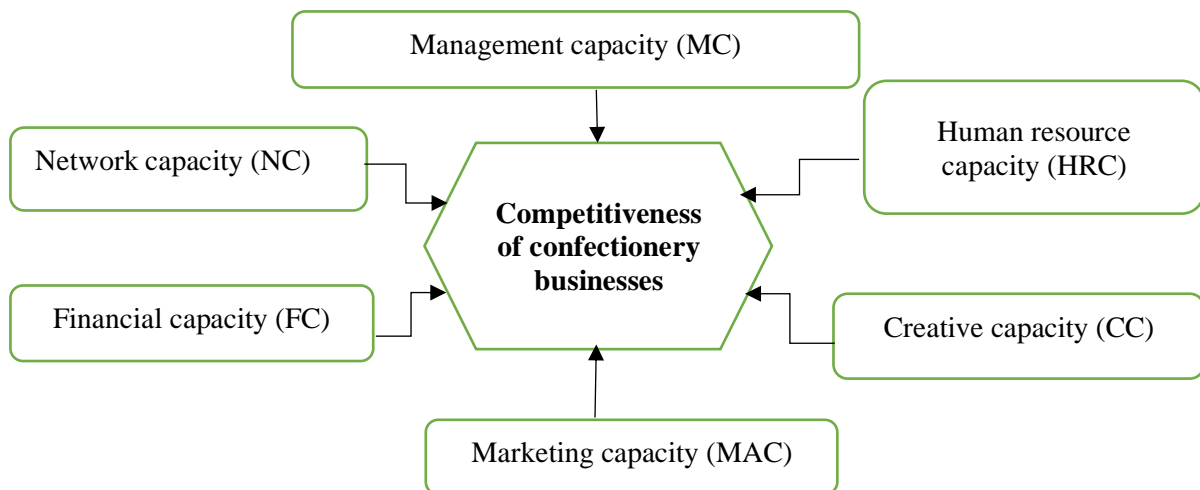


Figure 1: Proposed research model

Developing Research Hypotheses

From the proposed research model, the study forms the following hypotheses:

H1: Management capacity has a positive impact on the competitiveness of Vietnamese confectionery enterprises

H2: Network capacity of enterprises has a positive impact on the competitiveness of Vietnamese confectionery enterprises

H3: Financial capacity has a positive impact on the competitiveness of Vietnamese confectionery enterprises

H4: Human resource capacity has a positive impact on the competitiveness of Vietnamese confectionery enterprises

H5: Creativity capacity has a positive impact on the competitiveness of Vietnamese confectionery enterprises

H6: Marketing capacity has a positive impact on the competitiveness of Vietnamese confectionery enterprises

RESEARCH METHOD

The research was conducted in 2 phases, including: qualitative research and quantitative research.

Qualitative research methods were used to explore, adjust and supplement the components of the scale. Based on the inheritance of previous studies, and at the same time consulting the opinions of food industry experts and lecturers majoring in business administration.

The official quantitative research was conducted through the distribution of questionnaires to 235 leaders of confectionery enterprises in Vietnam from January 2024 to April 2024. Based on the theoretical basis, the research built a scale to measure management capacity; financial capacity; network capacity; marketing capacity; human resource capacity, creative capacity and competitiveness in a strict and scientific order. Research data was processed using SPSS software; Analyzing the results using the method of testing the reliability of the scale (Cronbach's Alpha), exploratory factor analysis (EFA) and testing the regression model. From there, the author proceeds to evaluate the influence of factors on the competitiveness of confectionery enterprises in Vietnam.

ANALYSIS OF RESEARCH RESULTS

Before collecting data for analysis, the author discussed with business managers. As a result, the author completed the research model and questionnaire with 32 observed variables, 6 factors that are believed to affect the competitiveness of confectionery enterprises and 4 observed variables for the dependent variable group.

The study conducted a survey with a total number of samples collected that met the requirements to be able to proceed with the next analysis steps of 235/269 samples, accounting for 87.36% of the total number of survey forms.

Reliability Test and Factor Analysis

The process of assessing the reliability of the scale through the Cronbach's Alpha analysis tool aims to eliminate garbage variables, to ensure that the scale used in the study achieves high reliability.

Cronbach's Alpha coefficient shows the correlation between observed variables in the scale, the results of Cronbach's Alpha test between variables showed that all 36 observed variables met the requirements with values ranging from 0.811 to 0.898 (Table 1).

Table 1: Results of scale reliability analysis

Factors	N	Cronbach Alpha
Management capacity (MC)	6	0.874
Network capacity (NC)	6	0.868
Financial capacity (FC)	6	0.898
Marketing capacity (MAC)	5	0.811
Creative capacity (CC)	4	0.827
Human resource capacity (HRC)	5	0.847
Competitiveness	4	0.834

Thus, before the exploratory factor analysis (EFA), the model to be analyzed includes 6 independent factor groups with 32 observed variables and 1 dependent factor group with 4 observed variables. The result of the exploratory factor analysis with the Kaiser-Meyer-Olkin coefficient = 0.839 satisfies the condition $0.05 \leq KMO \leq 1$ and the statistical significance level of Bartlett's test (Bartlett sig) is less than 0.05, so this data is suitable for factor analysis. Cumulative Eigenvalues = 63.501, so 6 factors are extracted from the data set to be included in the factor rotation matrix.

Regression Analysis Results

The model summary results presented in Table 2 show that the adjusted R2 coefficient is 0.441, which means that the multiple linear regression model has been built. It is consistent with the data set at 44.1%, or in other words, the competitiveness of Vietnamese confectionery enterprises is affected by the 6 factors mentioned above, the remaining 55.9% is affected by other factors.

Table 2: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.664 ^a	.441	.426	.39310	.441	29.971	6	228	.000	1.739

a. Predictors: (Constant), FC, CC, HRC, MC, NC, MAC

b. Dependent Variable: COMPE

Multiple linear regression analysis for the relationship between factors affecting the competitiveness of Vietnamese confectionery enterprises was performed using the Enter method. The results showed that the relationship between management capacity, network capacity, human resource capacity, marketing capacity, creative capacity, financial capacity with Y having a Sig value <0.05 (Table 3).

Table 3: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.176	.271		.647	.519
1 MC	.148	.045	.170	3.270	.001
NC	.128	.037	.187	3.487	.001
HRC	.184	.039	.248	4.767	.000
CC	.115	.045	.133	2.573	.011
MAC	.123	.041	.162	3.008	.003
FC	.231	.043	.285	5.395	.000

a. Dependent Variable: COMPE

To identify the influence of the research factors, a regression model was tested, with the results in Table 3.

The regression equation after estimation is as follows:

$$Y = 0.176 + 0.148*X1 + 0.128*X2 + 0.184*X3 + 0.115*X4 + 0.123*X5 + 0.231*X6$$

$Y = 0.279 + 0.148$ (management capacity) + 0.128 (network capacity) + 0.184 (human resource capacity) + 0.115 (creative capacity) + 0.123 (marketing capacity) + 0.231 (financial capacity)

The regression model results show that all 6 observed variables included in the research model have a positive impact on the competitiveness of Vietnamese confectionery enterprises. Of which, financial capacity has the greatest influence on value ($\beta=0.231$, Sig. <0.05), followed by human resource capacity with value ($\beta=0.184$, Sig. <0.05), management capacity with value ($\beta=0.148$, Sig. <0.05), network capacity with value ($\beta=0.128$, Sig. <0.05), marketing capacity with value ($\beta=0.123$, Sig. <0.05) and finally creative capacity with value ($\beta=0.115$, Sig. <0.05).

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Conclusions

The research data was collected from 235 Vietnamese confectionery enterprises. The study used qualitative methods to complete the factors and survey questionnaires, quantitative analysis using the method of testing the reliability of the scale (Cronbach's Alpha), exploratory factor analysis (EFA) and testing the regression model. The results of the regression model testing showed that there were 6 factors that were significant to the competitiveness of confectionery enterprises. The order of influence of the factors is as follows: financial capacity, human resource capacity, management capacity, network capacity, marketing capacity, and creativity capacity.

Managerial Implications

- *Regarding managerial capacity*

Business management is a process of accumulating practical knowledge of the market, helping managers easily respond to the difficulties that businesses encounter and limit risks during the business's operations. Therefore, management capacity is very important for businesses in general and confectionery businesses in particular. Most confectionery businesses in Vietnam are small in scale and have very limited resources, so the role of managers in these businesses is very important. Business managers need to regularly update information and market needs to make timely decisions that bring high efficiency to the business.

- *For network capacity*

Network capacity allows businesses to build strategic relationships with partners such as suppliers, distributors, and large customers. This cooperation helps businesses share resources, information, and reduce production costs, thereby improving their competitiveness in the market. Therefore, businesses need to build long-term relationships with partners who share the same vision, share values, and can develop together. This helps improve trust and facilitate effective cooperation. Creating close connections with suppliers will help businesses gain advantages in terms of cost, quality of raw materials, and delivery time. Encourage employees to exchange and share knowledge to learn from each other, thereby improving the efficiency of the entire network.

- *For financial capacity*

The financial capacity of a business is the most important factor, the direct factor that creates competitiveness for the business. Currently, most confectionery businesses in Vietnam often face difficulties in raising capital. Therefore, businesses need to find the most optimal approach to capital sources and be able to ensure capital mobilization in necessary situations, at the lowest cost to have a plan as well as decide to use capital effectively for the business.

- *Regarding human resource capacity*

To increase competitiveness, enterprises need to have stable production capacity to meet market demand. Enterprises need to pay attention to the production staff and ensure that the number is always maintained stably in parallel with the accumulation of experience in production; trained to improve skills in the production process, update knowledge related to the production process and apply new technology transfer to improve products, thereby perfecting and meeting job requirements as well as meeting market demand.

- *Regarding creativity*

Vietnamese confectionery enterprises are always limited in terms of capital and human resources. Therefore, business managers should encourage employees to have new ideas to improve work processes, production processes and improve products. At the same time, enterprises need to create a dynamic and positive working environment for employees so that employees are motivated to work. Business leaders also need to pay attention to the efforts and achievements of their employees in order to promptly motivate and provide appropriate rewards.

- *Regarding marketing capacity*

Currently, most confectionery businesses in Vietnam do not have high sustainability in business operations, so in order to survive and develop, businesses should determine the core values of the business to be able to create a brand for the product, build a long-term and most effective marketing strategy, and at the same time need to save on sales costs and find the best way to promote the business's products.

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