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Editorial

Pada penerbitan ini JAB menyajikan enam artikel, dua diantaranya adalah hasil penelitian dan lainnya berupa kajian. Penelitian tentang perilaku, sikap, dan persepsi konsumen terhadap toko modern di pedesaan Vietnam. Penelitian ini dapat menjadi sebuah pembanding yang menarik untuk penelitian serupa di Indonesia. Sedangkan artikel penelitian kedua melakukan investigasi hubungan antara produktifitas tenaga kerja dan faktor demografi. Hasil ini penelitian ini memberikan informasi yang berguna bagi perusahaan dalam mengelola tenaga kerja berkaitan dengan produktifitasnya.

Artikel kajian membahas beberapa topik *social technologies*, teori resources base view, dampak implementasi GATT/WTO bagi Indonesia, dan waralaba. Pada topik pertama, dikupas mengan peran social technologies sebagai media baru dalam menciptakan nilai dan produktifitas bagi organisasi. Topik kedua membahas tentang pembahasan sumber daya dalam pandangan teori resources based. Topik ketiga menyajikan bahasan tentang perdagangan internasional, GATT/WTO, serta dampaknya bagi ekspor-impor Indonesia. Dan topik terakhir adalah membahas tentang bentuk-bentuk hubungan antara pewaralaba dan terwaralaba dalam sebuah sistem waralaba di Indonesia.

Consumer Behavior, Attitude and Perception Toward Modern Trade Stores in Rural Vietnam

Massoud Moslehpour

Department of Business Administration, Asia University, Taichung 41354, Taiwan, `writetodrm@gmail.com`

Van Kien Pham

Department of Business Administration, Asia University, Taichung 41354,Taiwan, `phamtrungkien981987@yahoo.com`

Abstract

Modern trade stores have been very successful in Vietnamese retail industry, especially in some big cities. However, the popularity of such stores is still lagging behind the traditional stores. In regard with this issue, many studies have been done over time, but very few have been focused on rural regions in emerging countries like Vietnam. Thus, this study aims at exploring the reasons why Vietnamese consumers in the remote area prefer to shop at traditional stores instead of modern stores. Furthermore, this study attempts to fill the gap between these two types of formats. The research uses quantitative method with the aid of SPSS software to analyze the data. The results show that consumers in the remote areas are still not willing to quit their traditional shopping habits for a new choice of store based on the current situation. Therefore, it is not the right time for investors to expand their modern business into the country's rural areas.

Keywords: Modern Trade Store, Traditional Store, Rural Vietnam, Retail Industry, Consumer Behavior, Store Attributes.

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1. Introduction

Nowadays, when people mention retail market in Asia, they always think about populous and emerging countries such as China, India, Indonesia, Vietnam, and etc. Among them, Vietnam is considered one of the most potential markets. Vietnam has been called a new lovable Asian tiger with the stable and consistent economic growth year after year. Matthias Duehn, General Manager of European Chamber of Commerce in Vietnam stated that Vietnam is becoming one of the most attractive retail markets in Asia with stable growth rate and strong consumption needs (Mong Binh, 2009). Due to the global economic crisis in 2008 and the current recession of the world economy, Vietnamese retail market is not in an ideal condition as it used to

be before. But according to many experts' point of view, the retail market in Vietnam is still the "fat land" for investors. In the period of 2012 to 2015, the experts forecast that the national sales retail will increase remarkably about 23-25% per year (Thanh Hai, 2011).

There are many sectors in the retail industry, but one of the most important one is the grocery market, it account for 40 % of customer's average monthly spending in the country (Quoc Anh, 2008). Goods and services in Vietnam are mostly selling through two main distribution channels, the traditional channel and modern channel. In current retail market, traditional market is still considered main player, accounting for 83% of total market share (Nielsen report, 2008). Although the modern channel is growing quickly, however it has captured only a small market share in this industry. The traditional channel consists of two main types of distributors:

1. traditional markets (both covered market and open-air market); and

2. private grocery stores with a network covering the entire country.

Therefore, the channel becomes dominant supplier of fresh food, vegetables and other products for daily consumption of local people (Quang Anh, 2009). However the modern trade is still a new distribution channel in Vietnam, it also plays an important role in the retail industry with robust growth of 45% in 2008 (Nielsen report, 2008).

There is a huge difference between the traditional grocery retailers and modern trade stores. While traditional stores have very small sized and family atmosphere, modern retailers have large supermarkets and hypermarkets with modern in-store environment and a wide range of product assortments. In addition, with the powerfully financial abilities, they often offer promotion programs (Huynh et al., 2010). These different features have attracted more and more local consumers come to the modern formats, and gradually have changed the traditional shopping habits of many people.

Vietnam retail grocery market consists of both modern and traditional grocery retailers. Modern trade retailers with large sized supermarkets, convenience location stores, and modern shopping environment are emerging to be an important distribution channel in the country. Whereas, traditional grocery retailers with small sized operating businesses have developed and covered throughout every part of the country, from the big cities to rural areas as well as from mountainous regions to lowland places. This has resulted in a tense competition between these two channels and it has created different shopping trends of the people who are living in different regions in Vietnam.

The retail market become more complicated with its typical consumers, whose traditional culture of grocery shopping behavior is much different from consumers in urban areas as well as some others in rural regions. Therefore, understanding why the remote rural consumers patronize one type of channel instead of the other is the majority objective for modern trade retailers if they want to step into this fertilizing segment (Huynh et al., 2010). In this study, the area of interest is to explore the store choice behavior of Vietnamese remote consumer in order to find out opportunities to open modern trade business in rural area in the country. To have a deeper

understanding of the research, the problem is formulated and presented in the next section.

Research Problem

According to the report of General Statistics Office in 2011, Vietnam is the 13th populous country in the world with over 90 million people. It means that the country provides a huge potential market for any kinds of business, including retail industry. Moreover, Vietnam is the fourth most attractive retail market in the world in term of potential growth.

The purchasing power is growing year by year (Tri Duong, 2007). But the problem is that most of retail formats in Vietnam are focused on traditional contribution channel such as wet market, traditional grocery retailer and so on. Supermarket, hypermarket or convenience stores are expanding quickly in Vietnam, but only located in some big cities such as Ho Chi Minh City in the southern, Hanoi in the northern and Da Nang in the central part of Vietnam.

Therefore, people who are living in the rural areas of the country do not have much choice for shopping. When they have needs on goods and services, they have to go to traditional market or retailers nearby their resident place. Additionally, In Taiwan or other developed countries in the world, people can easily access convenient stores and supermarkets with 24/7 service. But in the Vietnamese remote areas, when traditional markets and retailers close down, people have no idea where to go for their shopping.

In recent years, retail market in Vietnam is booming and growing so fast but it is still limited and incomplete. The main players are still based on traditional formats (wet markets and traditional grocery retailers). However, the gap in retail industry between big cities and rural remote provinces is large. Only about 20 % of Vietnamese are living in big cities, the rest of population almost concentrates on less-developed cities and provinces, but the development of modern trade store in these rural areas is still so slow, even there are no convenience stores or mini-super markets (RNCOS Company report, 2008).

Based on the above problems, the purpose of this study is to introduce an overview of Vietnamese retail industry and to find out the gap between big cities and less-developed areas in Vietnam in context of retail market. From that point, the study focuses on determining main factors that have strong influence on consumer's perception toward modern trade stores in both big cities and remote areas. Finally, the study presents opportunities and challenges for investors who have planned to open or expand their business in Vietnamese remote areas. Last but not least, the research is expected to bring useful theory of modern trade store perception to readers.

2. Literature review

2.1. *Vietnam retail industry*

Vietnamese retail market is growing very quickly both in urban and rural areas during recent years. This has made the country a fertilizing land to retailers. According to The World Bank (2007), Vietnam has become the fourth largest retail market in the world after China, Russia and India in terms of Global Retail Development Index as shown in table 1.

Table 1. Top 10 Retail Markets by Global Retail Development Index, 2007 (Source : Euromoney, World Bank, Global Competitiveness Report 2005-2006 & AT Kearney Analysis)

Rank	Country	Region	Country risk (25%)	Market Attractiveness (25%)	Market Saturation (30%)	Time Pressure (20%)	GRDI *
1	India	Asia	67	42	80	74	92
2	Russia	Eastern Europe	62	52	53	90	89
3	China	Asia	75	46	46	84	86
4	Vietnam	Asia	57	34	76	59	74
5	Ukraine	Eastern Europe	41	43	44	88	69
6	Chile	Americas	80	51	42	43	69
7	Latvia	Eastern Europe	77	32	21	86	68
8	Malaysia	Asia	70	44	46	54	68
9	Mexico	Americas	83	58	33	33	64
10	Saudi Arabia	Middle East	65	40	66	35	64

Source: Euromoney, World Bank, Global Competitiveness Report 2005-2006 & AT Kearney Analysis
Note: *Global Retail Development Index

2.2. *Vietnam retail market by region*

According to Vietnam retail analysis report (2008-2102) of RNCOS Company, within four years, nearly all the provinces and cities in Vietnam have had a high retail sales record due to significantly increasing of income level, rising demand for grocery products and growing consumer spending.

Vietnamese retail market is divided into the eight following main regions: Southeast, Red River Delta, Mekong River Delta, South Central Coast, North Central Coast, Central Highlands, and North West (see the map in appendix). Among these areas, southeast was the fastest growing place in term of retail sales with 100.7 % of increasing from 2002 to 2006. The second big retail market was in Red River Delta including Haiduong province, with strong growth of 61.9% within 4 years and the slowest growth is in the North East region with only 3.3% of retail increasing as shown in table 2

Table 2. Good and Service Retail Sales by Region (in Trillion VND), 2002-2006 (Source : General Statistics Office of Vietnam)

Regions	Retail Sale (Trillion VND)				
	2002	2003	2004	2005	2006
Southeast	101.1	121.6	144.5	166.0	201.8
Red River Delta	56.0	66.1	79.3	96.4	117.9
Mekong River Delta	54.0	63.9	76.3	97.5	115.6
South Central Coast	22.0	27.3	31.7	37.8	46.4
North Central Coast	17.9	20.6	24.6	30.0	35.7
North East	17.8	20.7	25.3	30.1	35.9
Central Highlands	9.3	10.5	12.9	17.4	21.3
North West	2.8	3.0	3.9	5.0	6.1

Source: General statistics Office of Vietnam

2.3. *Consumer characteristics*

Previous research found that consumer characteristics such as consumer's age, life-cycle stage, occupation, economic situation, lifestyle, and self-concept have influence on customer perception (Kotler et al., 2001). Furthermore, different customers have different characteristics (Haynes et al., 1994; Pessemier, 1980).

— Age and life-cycle stage: Customers change their shopping habit over their lifetime. Preferences in fresh food, packed food, household and personal care product are much related to age. Store choice behavior also changes with the stages of family life-cycle (Minh Hang, 2004).

— Occupation: Customer occupation reflect on customer economic situation and customer's economic situation influences store choice. For example, customers with high income job, but busy life style, often tend to buy goods and services from convenience store due to its "convenience" features. Whereas famers, who have lower income but more free time, may prefer to buy food or needed product in the traditional market because they can bargain with retailers (Minh Hang, 2004).

— Lifestyle: each person has his own lifestyle; a group of consumers may have the same social class and occupation but still have quite different lifestyles. Lifestyle represents consumers' interests and opinions. It has some effects on customer's store choice behavior (Minh Hang, 2004).

— Personality and self-concept: succeed in understanding customer personality and self-concept help retailers to grasp customer buying attitude and behavior. Personality is often used in previous studies to analyze customer's perception; concept is relevant to personality, so self-concept is also a good instrument to interpret shopping behavior (Minh Hang, 2004).

2.4. *Store Attributes*

The concept of store attributes is firstly known as "the way in which the store is defined in the shopper's mind, partly by its functional qualities and partly by an aura of the psychological attributes" (Martineau, 1958, p47). This theory was introduced long time ago and it may not be suitable for the emerging markets nowadays. A new definition of store attributes define it as the "summation of all attributes of a store as perceived by the shoppers through their experience of that store" (Omar, 1999, p. 103). Store attributes are considered a major part of store image (Bloemer and De Ruyter, 1998).

Hansen and Deutscher attempted to rank the relationship between store attributes and store choice according to the importance of attributes by conducting survey on 485 customers in American. And the result indicated that the main concerns of shoppers are: reliable products, high-quality products and good value for money. Consumers also cared much about the ease of shopping process, listed as ease to get items, quick check-out, sufficiently stocked, friendly store personnel and ease to move through store. In addition, cleanness was among the highly concerned items (Hansen and Deutscher, 1978).

Although studies on retail format are scant, the past researchers explored important factors affecting customer choice. According to Koo (2003), store attributes includes key factors such as convenience facilities, store atmosphere, location and value. Pan and Zinkhan (2006) argued that several attributes influence consumer's preferences and expectations of retail stores, such assortment, service, product quality, store atmosphere, store location, price level, checkout speed, hours of operation, friendliness of salespeople, and parking facilities. Later research also explored the importance of store attributes salience on store choice behavior in emerging markets such as Huynh et al., (2010) found out six main factors to which consumers pay much attention when they make buying decision.

Previous studies identified a variety of store attributes; it may differ from nation to nation, from culture to culture and from customer to customer. There is no standard concept that can completely reflect on customer choice in terms of store attributes. Latest and closest studies that have been done about this field (Huynh et al., 2010) consider a very useful preference for the research paper. Six main factors of store attributes were selected based on the literature review. The six factors were used in this study are: convenience, product, price, promotion, store atmosphere and service and these six elements were included in the conceptual framework after being explained clearly in the next section.

2.5. *Store Convenience*

Although importance of convenience is widely accepted, there are very few studies that focus on explaining why it should be concerned in the retailing literature. Most of the previous research paid attention to the customer orientation of convenience store (Anderson, 1972, 1971; Brown, 1989; Bucklin, 1963; Gross and Sheth, 1989; Kelley, 1958; Morganosky, 1986; Nickols and Fox, 1983; Reilly, 1982; Yale and Venkatesh,

1986). These studies defined "convenience" concept as a function that helps the consumer to save time and effort during their shopping process. Although these studies were done long time ago, it is still important to review in order to understand fully about convenience concept.

Years later, some other researches mentioned about convenience attribute and this content is defined as "all types of convenience that reduce consumer's time or effort in shopping, such as operating hours, or credit availability, belong to the domain of service convenience" (Berry et al., 2002, p.1). Attributes such as location, operation hours, conditions of payment, personnel service and assistance, parking and store access, all pertain to the service convenience concept. Convenience factor is explored to have a significant effect on Consumers perceptions (Berry et al., 2002).

2.6. *Products Assortment*

Product, one of four elements of marketing mix (product, price, promotion and place), influence customer perception in various ways (Peter et al., 2002).There are several researches dealing with exploring customer's shopping attitude toward retail stores. Some researchers found that unchanged features of store format such as product assortment and accessibility cause multiple-store shopping, the results state that customer's shopping choice for alternative stores are interrelated (Fox et al., 2004). Moreover, perception of diversified product is considered a very important factor for studying retail patronage (Hoch et al., 1999). Frist of fall, customer pays attention to variety of assortment to meet their purchasing needs because the more variety of products, the easier the decision of shopping choice. In addition, the key driving determinant of buying choice is when shopper has uncertain choice and tends to alternate. Thus, a wide range of goods will save their additional cost of searching. Last but not least, customer may find new substitutes and change their shopping behavior in response to difference offering of retailers; therefore, variety of goods will meet such need (Hoch et al., 1999).

2.7. *Price*

Price also plays a very important role in consumers' perception. Lichtenstein and his partners discovered that price can positively or negatively impact customer perception (Lichtenstein et al., 1993) Customers are willing to buy a product sold at high price when they think that high price is equal to good product and inversely, if they feel that this product is not worth spending, they may use the same amount of money to get another product instead (Moore and Carpenter, 2008).

2.8. *Promotion*

Previous studies discovered that store promotion programs have made significant but weak effect on store choice and only in the short-term (Volle, 1999). Store choice mainly comes from loyalty. In the category of grocery shopping, it is supposed that store level promotions are 'unexpected events' and most shoppers do not anticipate. Mcgoldrick (2002) argued that marketers should see the in-store promotion

as a mutually accepted and necessary investment with almost no consequence in the short-term, but ought to view it as a managerial tool devised to build a competitive price image without immediate measurable outcome. Moreover, adapting store-level promotion to individual characteristic seems to be irrelevant which in turn wouldn't contribute to patronage. Furthermore, additional cost of promotion and inflate inventories do not influence consumer's patronage decisions (Mcgoldrick, 2002).

2.9. *Store Atmosphere*

Store environment factor may affect customer's perception in different ways (Kotler et al., 2001). Shopping ambience is a major element to assess the value of retail formats (Sinha and Banerjee, 2004). Shoppers' perception about physical fascination of a store causes patronage decision more than do the attractiveness of purchasing price and quality (Ordem and Darden, 1983). Visual, aural, olfactory and tactile are the interior elements of store environment, which are explained for psychological spending on attracting the shoppers Baker et al., 2002). Bitner (1986) explained how store atmosphere influence shopping choice in their research model. This model argued that environmental attribute of a store affect customers' buying decision through atmosphere dimensions including interpersonal service, merchandise value, shopping experience costs, these dimensions in turn influence store patronage tendency.

2.10. *Service*

Shoppers seek for essential products (e.g. food, medicines) in stores where can bring more benefit to them. This explains why customer chooses one store instead of others. Whereas, store choice comes from utilitarian dimension is more trending to concern about the store layout and the in-store service (Sinha and Banerjee, 2004). The interior services of a store include core service, services cape and staff which affect customer's perception and shopping intention (O'Cass and Grace, 2008). Delivery service of the retailers is also very valuable and important for shoppers to make purchasing decision and form their patronage habit. Retailers can improve shopping experience for their customer in all aspects such as efficiency, appearance, attitude, availability and product knowledge and so forth (Mcgoldrick, 2002).

3. Methods

3.1. *Conceptual Framework*

The flowing model (Figure 1) is drawn from literature review and serves as a framework of this study. This model will be used to answer the questions mentioned above. Factors in the framework will be verified through qualitative statistical analyses.
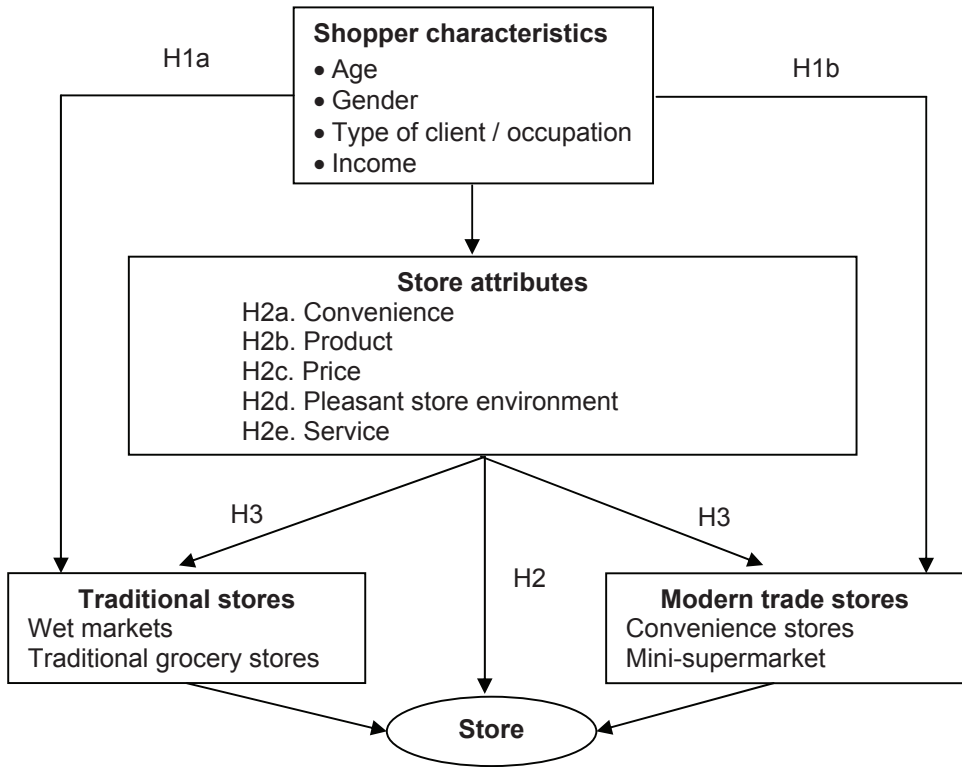
Figure 1. Conceptual Framework

3.2. *Hypothesis development*

Based on the stated purposes and the literature review in the given field, three main hypothesizes were developed as follows:

H1. Shopper characteristics have significant effect on the customer choice of store.

- − H1a: Shopper characteristics have significant effect on choice of traditional stores
- − H1b: Shopper characteristics have significant effect on choice of modern trade stores

H2. Store attributes have significant effect on the choice of store.

- − H2a: the store's convenience has significant effect on choice of store
- − H2b: the store's products have significant effect on choice of store
- − H2c: the store's price has significant effect on choice of store
- − H2d: the store's environment has significant effect on choice of store
- − H2e: the store's service has significant effect on choice of store

    — H2f: the store's promotion has significant effect on choice of store

H3. There are statistically no significant differences between traditional and modern trade store in terms of store attributes.

4. Research Design

As discussed in the previous section, some papers pointed out that Vietnamese customer behavior toward traditional channel as well as modern trade channel in the previous research. But none of them did research on remote areas of the country. Therefore, secondary data on this sector was not available; the method to be used in this study was based on primary research and quantitative approaches.

    This study started with problem definition, and then, the research question and research objectives were formed and explained clearly. To answer questions in the previous part convincingly, a clear research plan was be built in the second step. And this step mainly focuses on creating processes of how to meet the objectives and how data was obtained. Due to the limitation of time and financial condition, this paper only use quantitative method to explore information, in turn, explored information was used to construct the questionnaire for descriptive purpose.

    There are many tools as well as technics to deal with quantitative research sector, but in the study's scope, multiple-item scales will be used to understand the remote Vietnamese consumer behavior, attitudes and perceptions toward modem trade store. To apply multiple-item scale to access different information sources, the questionnaire was systematically constructed. Consumer indicated their perception, attitude and behavior by choosing the best answer in the seven multiple-item scales as expressed in table 3.

Table 3. Multiple-item Scale

		Level of importance				
Less importance		→			Most importance	
1	2	3	4	5	6	7

    Table 4 shows what information was collected from the shoppers and the sources of questions. The questionnaire was originally designed in English, and then translated into Vietnamese. Thereafter, the pilot test on Vietnamese students studying in Asia University (Taiwan) was carried out to correct terminologies in Vietnamese. Respondents were randomly selected in this step. After the data was collected and tested, next step is data analysis to explore the final results of the study. Finally, some managerial applications were raised to explain the research significance.

Table 4. Collection of Information

Variables Influence factors	Questions	Variables
A. Convenience	A1. The store has good parking possibilities A2. The store has convenience location A3. No need to spend long time for paying money	Whether the store convenience determines consumers' preferences
B. Product	B1. The products are of high quality B2. The products are trendy B3. There are enough products to choose from B4. The products are fresh	Consumers' perception about product quality and how it affects their choices
C. Price	C1. The prices are advantageous C2. The price is cheaper than the others in term of the same product C3. You afford to buy product from the store	Influence of price on consumer's choice
D. Environment	D1. The store is environmental conscious D2. The atmosphere in the store is appealing D3. The interior in the store is clean	Whether the store environment and atmosphere meet customer's expectation
E. Service	E1. The personnel is friendly E2. The store offers extra service (e.g. interior advices, home delivery, customer evenings, 24h/7) E3. Possibilities to sit down and drink for example, a cup of coffee E4. The store has service of purchasing in credit	How services effect on consumer buying decision
F. Promotion	F1. The store often offers promotion F2. Frequent discount on product F3. The store frequents advertising on TV	Impacts of Promotion on consumers' decision process
G. Fresh food	G. Where do you usually buy fresh food	Customers choose either traditional stores or modern stores
H. Packaged-food	H. Where do you usually buy packaged-food	Customer schoose either traditional stores or modern stores
I. Household product	I. Where do you usually buy household and personal care products	Customers choose either traditional stores or modern

Source: Adapted from Emma Aspfors (2010) and Huynh et al., (2010)

4.1. *Measurement Instrument*

The purpose of the quantitative study is to statistically confirm the relationship between the store attributes and customer choices toward two kinds of channel (traditional and modern store). This method also provides valid evidences to prove whether there is a significant difference between the two types of store. Details about sampling, data collection, and data analysis methods are described in the next sections.

4.2. *Sample size*

A sample of 400 consumers was drawn from residents living and working in rural area of Haiduong province. The sample was taken conveniently provided that the following requirements are fulfilled: sample should include both men and women, belonging to all five groups of age (from under 18 to 60 years old), and be as diverse in occupation as possible.

4.3. *Selection criteria*

The selection criteria for those participating in the study are age (between 15 and 60 years old), literacy (respondents must be able to read and write Vietnamese), and residence (participants should live in Haiduong province). In addition, respondents should not be people of the same family as they may share the same behavior or attitude.

4.4. *Data analysis*

Information obtained from the respondent was carefully checked for completion and usefulness. Acceptable questionnaires or raw data were coded and input in the SPSS software. The reliability of measurement scales will be tested by using Cronbach's alpha value. Cronbach's alpha reliability coefficient was conducted to measure reliability of the data. According to Sekaran (2000) if the value of coefficient alpha is greater than .70 the instrument is considered reliable and higher than .80 is considered highly reliable.

Descriptive analysis is used to describe the variables in term of frequency. Due to the need for comparison, the analysis of variance (ANOVA) was used in this paper. In addition, to reduce the number of variables and to identify the underlying common dimensions, factor analysis was applied. Factored scores were then analyzed using multiple regressions, through which linear relationships between a dependent variable and various independent variables (predictors) were determined. The results of multiple regression analysis indicate the determinants and their significance to the consumer's buying decision in relation to choice of store. The quantitative analyses and results are presented in the next section.

5. Analysis and results

This part focuses on various analyses of data, such as: reliability analysis, descriptive statistics, factor analysis, and one-way ANOVA test. Furthermore, Multi-scale measurement was used in the questionnaire in order to obtain respondents' evaluation about the given factors in term of the level of importance. Results from these analyses were showed and explained in detail as follows:

5.1. *Sample distribution*

This research uses a structured questionnaire to collect primary data. In doing so, the population of 400 survey questionnaires was conducted during one week in the remote areas of Hai Duong province. Among 400 distributed questionnaires given to shoppers, 322 of them were answered, accounting for 80.05%. After checking the validity of 322 returned samples, 22 respondents failed to response the prerequisite questions. The rest of 300 samples (75%) were entered to the SPSS software to serve in the data analysis section.

5.2. *Demographic characteristics*

The respondents' characteristics were studied based on six main dimensions, namely gender, age, educational level, employee status, family income, and shopping frequency as indicated in table 5.

Gender: table 5 shows that there is a very big gap between male and female shoppers. Among 300 respondents, there is 98 % of the shoppers are female, only 2% are male. Therefore, women in rural area of Vietnam constitute majority of shoppers.

Age: most of the shoppers are middle-age. The largest group is in a range of 26-35 (accounted for 44%). The second largest group is between from 36 and 45 (28%). The following group is 44-60 (26%). Finally, only 2% of 18-25 year olds group take part in shopping.

Educational level: in the Vietnamese remote area, people do not have good education standard. The highest level is bachelor accounted for 49% and it also becomes the largest group participated in this study. The second is the group of high school or less (48%), followed by graduated group (only 3%)

Employment status: most of shoppers in Vietnamese remote area have a lot of free time because they do not have a fixed job. 52% of respondents are taking a part-time job, and then up to 46% are jobless. Finally, three respondents have a full-time job, but only accounted for 3% of the sample.

Family income: shoppers in the Vietnamese countryside have a relatively low income level. Their total income of family almost falls into the group of 4-8 million VND (59%). The income of 8-12 million is the second largest group, followed by 5 % of 2-4 million VND. (1 USA = 22.000 VND)

Shopping frequency: people in the remote area go shopping every day. Most of them purchase once a day (32%). There are also many people shop every two days and they become the second largest group in the study (24%). The third is "every two weeks" category (23%). The last is once a week (12%)

Table 5. Consumer Characteristics

Category		Percent	Category	Percent (%)
Gender			**Employment status**	
	Male	2%	Full-time	2%
	Female	98%	Part-time	52%
			Unemployed	46%
Age			**Income (VND) 1 VND = 1/2.200 USD**	
	18-25	2%	2-4 million	5%
	26-35	43%	4-8 million	59%
	36-45	29%	8-12 million	36%
	45-60	26%		
Education			**Shopping frequency**	
	High school or less	48%	More than 1 time/day	9%
	College degree	49%	Once a day	32%
	Graduate	3%	Every two days	24%
			Once a week	23%
			Every two weeks	12%

5.3. *Reliability analysis*

A study is only reliable when the measures used in the research are consistency. In this study, the reliability is related two main issues, namely stability and internal reliably. According to Bryman and Bell, the stability of the study is known as stable measure overtime, so the research's results are not fluctuated. The study used the questionnaire to measure consumer's perception (Bryman and Bell, 2007). Most of the data were gathered in one week. Therefore, the authors are confident that results from the questionnaire do not have fluctuation effects. Relating to the internal reliability, Bryman and Bell (2007) also argued that it is associated with the consistency of the indicators. To test the internal reliability, one of the most common methods is Cronbach's alpha (DeVellis, 1991).

Table 6 indicates that Conbach's alpha coefficients of seven of the nine major factors are higher than .70 which is considered to indicate acceptable internal reliability. The category of store attributes was divided into six main factors namely convenience, product, price, environment, service, and promotion. Among these factors, convenience and promotion have reliability test scores of .68 and .65 respectively which is considered acceptable. The remainder's reliability scores are very high (0.7-0.9) considered good. Therefore, it can be concluded that the study has a high level of reliability.

Regarding Fresh food and packed-food category, the reliability test scores are higher than .92 which is considered good. The category of household and personal care products with the Cronbach's alpha coefficient is 0.94 which is the highest among all factors. Therefore, the reliability of primary data is very high and it can be used for the further analyses.

Table 6. Cronbach's Alpha Reliability Test Score

Domain	Cronbach's Alpha
1. Convenience	.68
2. Product	.93
3. Price	.90
4. Environment	.86
5. Service	.76
6. Promotion	.65
7. Fresh food category	.91
8. Packed-food category	.92
9. Household and personal care products	.94
Total	.95

5.4. *Factor analysis*

As there are too many variables that cannot analyze or include all of the individual variables in the study, we can find combinations of the variables that provide us with basically the same information by using factor analysis for data reduction. Factor loadings are the correlation between the item and each factor.

Therefore, twenty items which passed the reliability test were used for factor analysis, where KMO coefficient is higher than 0.6 and Bartlett's is smaller than 0.05 as summarized in table 7. As a result, these factors were suitable for factor analysis. The extraction method used was Principal Axis Factoring accepting all Eigen values higher than 1. The rotation method was Oblimin with Kaiser Normalization; rotation was converged in 7 iterations. The factor analysis resulted in 6 factors numbered from 1 to 6. These factors are convenience, product, price, environment, service, and promotion. Then, they were used for hypothesis testing in the next stage.

5.5. *Hypothesis testing*

As set up earlier, three main hypotheses have been drawn from literature in the given field. The purpose of this part is to test those hypotheses in turn.

1. Hypothesis one (H1): Shopper characteristics have significant effect on the customer choice of store

   To test the hypothesis one, the study used multiple regression analysis. The results show that shopper characteristics do not have any significant effect on the choice of store at the significant level P ¡ 0.5 as shown in table 8 and table 9 . Hypothesis one is therefore rejected.

2. Hypothesis two (H2): Store attributes play a significant effect on consumer choice of store.

Table 7. Factor Analysis

Item	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
A. Convenience						
A1	.84					
A2	.80					
A3	.71					
B. Product						
B1		.93				
B2		.93				
B3		.92				
B4		.87				
C. Price						
C1			.93			
C2			.92			
C3			.90			
D. Environment						
D1				.91		
D2				.88		
D3				.87		
E. Service						
E1					.84	
E2					.77	
E3					.74	
E4					.72	
F. Promotion						
F1						.88
F2						.86
F3						.53
KMO	.64	.81	.75	.73	.64	.56
Chi-square	50.65	374.66	188.88	141.65	114.83	60.69
P-Value	.00	.00	.00	.00	.00	.00
% of Variance	61.32	83.44	83.88	78.70	58.58	59.90

Table 8. Results of ANOVA for shopper characteristics and customer choice of store

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.52	6	.09	.80	.57
	Residual	9.98	93	.11		
	Total	10.49	99			

Dependent Variable: Shopping place
Predictors: go shopping for your family, Gender, household income, level of education, age group, employment status

Table 9. Regression analysis for shopper characteristics and customer choice of store

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.04	.52		1.947	.05
Gender	.03	.24	.02	.14	.89
Age group	.02	.04	.06	.54	.59
Level of education	.02	.06	.04	.35	.73
Employment status	.02	.03	.07	.65	.52
Household income	.05	.06	.09	.84	.40
Go shopping for your Family	.04	.03	.16	1.50	.14

Store attributes include six major factors namely: promotion, convenience, service, environment, price, and product. To identify whether these factors have significant effects on the consumer choice of store or not, the study once again used multiple regression analysis. The findings led us reject the hypothesis two because there are no factors that has an effect on the choice of store at the significant level of P ¡ 0.05 as indicated in table 10 and 11.

Table 10. ANOVA table for Store attributes and the consumer choice of store

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.18	6	.03	.28	.95
	Residual	10.00	92	.11		

Dependent Variable: Shopping place
Predictors: (Constant), promotion, convenience, service, environment, Price, Product

Table 11. Regression analysis for store attributes and the consumer choice of store

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.70	.145		11.801	.00
Promotion	-.020	.039	-.087	-.52	.60
Convenience	.001	.034	.010	.04	.97
Service	.030	.044	.173	.68	.49
Environment	.002	.043	.009	.05	.96
Price	-.012	.030	-.066	-.41	.68
Product	-.033	.046	-.122	-.72	.48

3. Hypothesis (H3): There are statistically no significant differences between traditional and modern trade store in term of store attributes.

   As discussed before, in order to make the comparison between traditional and modern trade stores simple, this study suggested three main categories such as fresh foods, packaged foods, and house hold products. Differences between the two were tested by one-way ANOVA technic based on each category.

Fresh food category

Test of the null hypothesis that the observed co-variables matrices of the dependent variables are equal across groups is show as follows:

Table 12. Regression analysis for store attributes and the consumer choice of store

	Levene Statistic	df1	df2	Sig.
Near my house, convenient	12.814	1	98	.123
My habit	.350	1	98	.459
Freshness of food	2.974	1	98	.714
Good price	.359	1	98	.602
Hygiene	2.092	1	98	.263
Quality assurance,	.484	1	98	.424
Kind store owner/staff, good Service	1.472	1	98	.943
Frequent promotion/discount	1.874	1	98	.597
Wide product assortment	.746	1	98	.308
Pleasant environment	.138	1	97	.862

As shown in table 12, there is no factor that shows the significant difference at the confident interval level P ¡ .05 (F=12.81). In the other words, the difference between traditional and modern trade store in term of fresh food category does not exist.

5.6. *Packaged food category*

Test of the null hypothesis that the observed co-variables matrices of the dependent variables are equal across groups is shown as follows:
        The results in table 13 indicated that with respect to packaged food category, among 10 elements of store attribute factors, "convenience" showed the significant difference at significant level P ¡ 0.05 (F= 10.65), whereas the remainder of nine elements did not indicate significant difference at P ¡ .01.

House hold products

Similarly, store attribute factor of house hold product category shows no sign differences between the two types of store except for convenient attribute (F= 11.6, P = 0.01) as shown in table 14. In a word, after carefully testing the hypothesis 3 via three main categories of product of traditional and modern trade's store, the results show

Table 13. Regression analysis for store attributes and the consumer choice of store

Element	Levene Statistic	df1	df2	Sig.
Near my house, convenient	10.654	1	98	**.002***
My habit	.108	1	98	.743
Freshness of food	.002	1	98	.962
Good price	.093	1	98	.761
Hygiene	.260	1	98	.611
Quality assurance,	3.331	1	98	.071
Kind store owner/staff, good service	3.017	1	98	.086
Frequent promotion/discount	1.273	1	98	.262
Wide product assortment	1.122	1	98	.292
Pleasant environment	2.116	1	98	.149

P** ≤ .01

Table 14. Regression analysis for store attributes and the consumer choice of store

	Levene Statistic	df1	df2	Sig.
Near my house, convenient	11.606	1	98	**.001****
My habit	2.205	1	98	.141
Freshness of food	2.995	1	98	.087
Good price	.831	1	98	.364
Hygiene	.016	1	98	.900
Quality assurance,	3.136	1	98	.080
Kind store owner/staff, good service	3.845	1	98	.053
Frequent promotion/discount	.027	1	98	.870
Wide product assortment	.102	1	98	.750
Pleasant environment	3.136	1	98	.080

P*** ≤ .001

that there is no significant difference between the two formats or the null hypothesis 3 was supported.

6. Conclusion

The study was based on three main hypothesizes to solve the research problem. The findings of this study indicate that two of these hypotheses were rejected. Shopper characteristics and store attributes have no significant effect on the customer choice of store and there is not statistically significant difference between traditional and modern trade store in term of store attributes. The results suggest that perhaps it is not the right time to expand the modern trade store (mini supermarket and convenience store) in the Vietnamese remote areas because of the following reasons:

Firstly, Traditional channel including wet-market and traditional grocery store still dominate the retail market in the country due to Vietnamese shopping habit. Almost all people living in the rural area are farmers and they have long since got used

to shopping in the traditional market or traditional retail stores. They have formed a shopping habit over time and it is not easy to be changed in a short time. Thus, time is needed to educate consumers in the countryside about modern stores and let them feel willing to quit their habit for a new better choice.

Secondly, modern trade stores have been very successful in some big cities such as Hanoi or Ho Chi Minh City recently where the citizens basically are richer and busier than farmers, so they tend to go to supermarkets or convenience stores for shopping with the aim of saving time as well as choosing high quality products. Whereas, Vietnamese famers in general have very low income, their livelihood almost rely on agriculture. They, therefore, prefer to go shopping at some traditional markets or store where shopper can freely bargain with store owners over products or even can purchase in credit in case they have a good relationship with the store owner. Shopping in the traditional market may take time because it may not be located in a convenient place, but it is not a big problem for famers due to their much available time. This explains why modern formats can quickly penetrate into the urban area, but still have not expanded to the remote region in the country.

Finally, three quarter of Vietnam's territory is made up of mountainous and hilly regions, so it results in a big distance between residential areas and furthermore different shopping preferences between urban areas and remote regions. In addition, the initial costs that investor has to spend to form and maintain distribution systems are quite big. These challenges caused entrepreneurs much hesitance to shift goods to the rural areas via modern trade stores system, especially in recent economic situation when costs incessantly increase due to the rising of fuel, electricity and other costs.

7. Limitations and recommendation for future research

Although this study tested in various ways to avoid biases as well as drawbacks, it could not be perfect due to limitation of time and financial situation. In the process of completing the study, there are some weaknesses and suggestion.

With respect to the literature review, this paper could not review the comprehensive papers that have been done on the retail industry field, so it resulted in the conceptual framework's shortcomings. On the other hand, the research model should include some more factors that may have influence on customer choice of store. Future research therefore will look deeply into the related works in order to come up with a better framework for customer's choice of store in the remote area.

In the methodology, this study only applied quantitative approach to determine customer's perception, behavior and attitude based on 300 respondents. These respondents could not represent Vietnamese's rural consumers as a whole, hence it is critical to have a bigger sample in the next study. It also needs to combine qualitative and quantitative research at the same time to gain better understandings of consumers.

Finally, Future study will adopt both qualitative and quantitative method in some different rural areas in Vietnam including Haiduong province to explore which type of stores (wet-market, traditional retail store, supermarket, mini-supermarket, convenience store) that Vietnamese's remote consumer like most and tdetermine how

the fanatic purchasing behavior in traditional markets can be shifted to modern trade stores. In quantitative part, it would be suggested to use APH-questionnaire and common questionnaire (used in this study) with the same factors to compare the results for the best conclusions. Furthermore, personal interview may work better with the rural population as it is more personal, however more time consuming and costly.

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