

## **A Study of Organized Retail Plus Opportunities and Challenges for Online Retail in Vietnam**

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### ***Abstract***

*This paper attempts to understand the growth of organized retail and analyze the opportunities and challenges faced by e-commerce in Vietnam. A.T.Kearney, the global consultants, ranked Vietnam as the 32nd most attractive retail market as per Global Retail Development Index (GRDI) for 2012. Moreover, Vietnam is now developing and becoming one of the most dynamic emerging countries in the East Asia region. Higher living standards and rising income have enabled people to spend more for their lives. From unorganized retailing to organized retailing to e-commerce in retailing has been the progression of development in any economy in the world. The same phenomenon can be witnessed in Vietnam. The objective of this paper was to study the growth of organized retailing market in Vietnam and to understand the opportunities and challenges of online retail sector. Growth of organized retail in Vietnam is fueled by developing economy, rising and young population, growing income levels, government policies, economic stability and tourism. The opportunities which have been identified for online retail are – Vietnam’s economic development, fewer barriers for start-ups, growth of Internet, growth of smartphones, interest of foreign investors and undercutting the traditional prices. On the other hand, online retail in Vietnam faces some serious challenges which are – low trust environment, reluctance of customers for online payments, delivery quality and Government tightening the rules and regulations for e-commerce.*

**Key Words:** Vietnam, Organized Retail, E-commerce, Online retail, Opportunities, Challenges

**Acknowledgement:** I wish to express my heartfelt gratitude to my institute, FORE School of Management, New Delhi for providing me the opportunity to visit Vietnam during the FDP in 2015 and see its retail market, understand the rapid growth in e-tailing, interact with Vietnamese faculty members and experience its culture. This gave me the motivation to write this working paper. The infrastructural support provided by FORE School of Management, New Delhi is gratefully appreciated.