

Current Development of E-commerce Enterprises in Vietnam

Nguyen Hoang Tien

Saigon International University, Vietnam

Ho Thien Thong Minh

Saigon International University, Vietnam

Dinh Ba Hung Anh

Ho Chi Minh City University of Technology, Vietnam

Do Thuan Hai

Van Lang University, Vietnam

Nguyen Vo Hung

Hutech University, Vietnam

Abstract: E-commerce is one of the important infrastructures of the contemporary knowledge economy and the information society. It is a way to help businesses promote the development of domestic markets and foreign trade, participate in the global supply chain, help improve competitiveness and enhance integration in international stage, contributing to boosting the national industry. Recently, e-commerce in Vietnam has made a significant progress due to the great benefits that it brings about. However, in general terms, many consumers and businesses have not seen the effectiveness that e-commerce has brought, so they have not paid much attention to and have not promoted the strengths of this type. The article introduces the current situation of competitiveness of e-commerce businesses in Vietnam besides the opportunities and challenges in this business field.

Keywords: e-commerce, B2B, B2C, competitiveness, enterprises, Vietnam

1. Fundamentals of E-commerce

Electronic commerce (e-commerce), also known as e-commerce or EC, is the purchase and sale of products or services on electronic systems such as the Internet and computer networks (Gepner and Wackowski, 2003). E-commerce is based on several technologies such as electronic money transfer, supply chain management, Internet marketing, online transaction process, electronic data exchange (EDI), inventory management systems and automated data collection systems (Leszczynski and Pilarczyk, 2012). Modern e-commerce often uses the World Wide Web as a minimum point in the transaction cycle, although it can cover a broader range of technologies such as email and mobile devices (Konopielko et al, 2016; Tien, 2006).

When talking about the concept of e-commerce, many people confuse with the concept of E-Business. However, e-commerce is sometimes considered a subset of e-business. E-commerce focuses on online trading (external focus), while e-business is the use of Internet and online technologies to create effective business processes to increase benefits of customers (internal focus) (Szpringer, 2010). In summary, e-commerce only occurs in the Internet business environment and electronic media among groups (or individuals) with each other through tools, techniques and electronic technologies (Hoe, 2007; Tien and Vinh, 2019a, 2019b, 2019c).

2. E-commerce Indices in Vietnam

Vietnam Association of E-Commerce Business Enterprises (VECOM) has conducted the construction of the Capacity Index for e-commerce businesses for the first time in 2012 for the business community to assess the environment and compare it with corporate internal competitiveness so that companies can improve their competitiveness when the global trend takes place quickly in the near future [2, 7]. The Vietnam E-commerce Competency Index (abbreviated as EBI from E-Business Index) is built on four major criteria groups. The first group is human resources and information technology infrastructure. The second group is business transactions with consumers (B2C). The third group is transactions between businesses and businesses (B2B). The fourth group is government-to-business (G2B) transactions (Tien, 2012; Tien, 2013; Hong and Thoan, 2013) [2]. EBI will help businesses interested in e-commerce to quickly determine the level of e-commerce deployment in the country as well as in each local market, the progress over years and suggestions for each local market and necessary solutions to improve the capacity of e-commerce application (Do, 2013).

On August 8, 2016, the Prime Minister issued Decision No. 1563 / QD-TTg approving the overall e-commerce development plan for the period of 2016-2020 [1, 2]. In particular, it is focusing on completing