
Customer Experience in Traditional and Modern Retail Formats: A Case Study of Vietnam

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Abstract

Customer experience that is co-created by both sides of the service provider and customer becomes a main element toward competitive advantage. The purpose of this paper is to examine the customer experience toward two major retail types: the Vietnamese traditional retail format (wet market) and modern retail sector (supermarket). The data mentioned throughout this paper were obtained by a survey, and the results indicate that while the strengths of supermarkets are brought by the facility, safety, and hygiene products, the strength of the wet market is sustained by aspects such as freshness, relationship, and context. The results show that interpersonal relationships are the essential component that makes the way in which the wet market can maintain its sustainability. The results pave the way for recommendations of some policies.

Keywords

Modern and traditional retail formats • Customer experience • Consumer behavior • Developing countries • Experiential value

1 Introduction

In recent years, experience value is focused in much research. In today's economic and competitive retail environment, it is difficult to differentiate an object by its price or the functional value because the development in technology, ICT, has made key breakthroughs in mass production and commoditization progress. From that, the key to retailing success is customer experience. Customer experience becomes the main element in bringing a competitive advantage [1–3].

Customer experience is not unilaterally provided to customers from service providers; it is co-created by the interactions of the service provider and customer [4, 5].

The purpose of this paper is to consider and compare the customer experience in traditional and modern retail formats in Vietnam. Our research focuses on two questions: What is the customer experience seen inside the wet markets and supermarkets? How is it different between these two retail formats? This paper will pursue the idea whether customer experience is really the factor that creates the sustainability of wet markets.

2 Traditional and Modern Retail Formats in Vietnam

Nowadays, the development of Vietnam's retail industry is significant. Traditional retail formats such as wet markets continue developing, while modern retail formats such as supermarkets are introduced. In developed countries such as

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the USA and Japan, retail has had a long history and has gone through a similar process of development. But in developing countries like Vietnam, there has been a lack of history and process in this retrospect. To consider this issue, many retail formats have been introduced at almost the same time underlining the fact that this is a great feature of the modernization of Vietnam's retail industry.

The wet market (or often be called by other name "street market") is the traditional market in Vietnam. It has been said that it existed in the Vietnamese people's lives since humans exchanged economic behaviors. With the development and change of lifestyle, wet markets have also changed in structure and methods. Wet markets are categorized into two types: formal (organized) and informal. Formal wet markets can be defined as a market established by the local authorities. Informal wet markets (also called Cho Coc, "frog markets") are established spontaneously with the constant demands made by the consumers. In Cho Coc, products are mainly fresh foods which are laid out along the streets so it is convenient for customers because they can be on their motorbikes to buy items. Cho Coc is not controlled by local authorities, and they have plans to abolish this type of retail format but they haven't been successful yet.

The first supermarket was opened in 1993. There are many foreign chains such as METRO Cash & Carry, Malaysia's Parkson, French Bourbon Group, Groupe Casino, etc. and also many domestic investors. The number of supermarkets and other retail formats such as shopping malls has increased rapidly. The main reasons for the increase in supermarkets are the increase in foreign investment in food retailing and the support from the Vietnamese government, which is one of the most important factors affecting the development of the modern retail format [6]. The Vietnam Ministry of Industry and Trade has plans that encourage investors from all economic sectors to operate and expand distribution networks.

As mentioned above, in Vietnam, there are many retail formats coexisting in a short period of time, so there is a strong competition between these formats. At present, supermarkets have expanded the store network. However, wet markets still continue developing. According to the statistics of Vietnam Ministry of Industry and Trade (MOIT), in 2008, wet markets range over 7,871 locations and supermarkets have only 386 locations all over the country. It means that the wet market has approximately 20 times more locations than supermarkets. After 2008, the wet market also continued to increase. In 2011, it increased about 10 % compared to 2008 and reached 8550 locations (Fig. 1).

The wet market and supermarket have different purchasing processes. In the wet market, the purchase activity is based on the communication and interaction

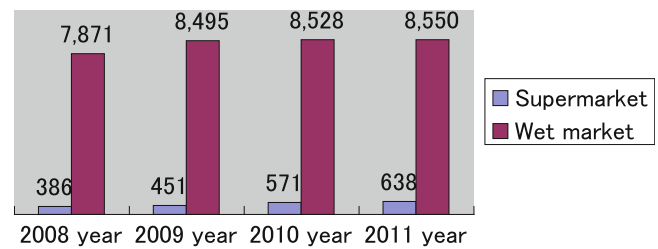


Fig. 1 Transition of store number of wet markets and supermarkets (Source: MOIT)

between the buyer and the seller. Customers start purchasing by communicating with sellers. They observe items that they want to buy and ask the sellers about the products, price, etc. or haggle to make buying decisions. There is no price and product information displayed on a certain product/item. All of the information is provided by the sellers. The price is not fixed. By negotiation or good relationship with the seller, the customer could buy the product with a lower price or receive extra items and service. In supermarkets, product information and fixed price are displayed on all items, and customers could choose and decide to buy without interaction with the sellers. These differences in the purchasing process give customers a different shopping experience.

3 Research Design

3.1 Conceptual Framework

Customer experience is recognized as the key dimension in the value co-creation. "Co-creation is about the joint creation of value by the company and the customer" [4]. According to Vargo and Lusch [7], "there is no value until an offering is used – experience and perception are essential to value determination." Based on this logic, we can focus on the real meaning of the customer experience. Customer experience is the co-creation in a process including actions by both the service provider and the customer. It is created not only by the factors that the retailer can control such as product, price, and store atmosphere but also by the factors that can't be controlled such as the purpose of shopping, customers' emotions, etc. All these factors are always interactive in the shopping environment [1, 8].

Inheriting from the above researches, in this research, we focus on the customer experience as an evolution of the concept of relationship between the service provider (retailer) and the customer and put it in the customer's point of contact in service such as contact with product, store atmosphere, other customers, retailers, and context.

3.1.1 Experience Providers

There is much previous research that analyzes the factors creating customer experience. Schmitt [9] indicated that “Experience is private events that occur in response to some stimulation.” Schmitt said experience is established by the stimulus. These stimuli are called experience providers (ExPro) such as communication, visual and verbal identity, product presence, electronic media, etc. Sathish and Venkatesakumar [10] indicate customer experience is created by four factors, namely, product, product information and display, store atmosphere, and convenience. Among these four factors, store atmosphere and display are the most important factors. Jain and Bagdare [11] used factor analysis in research and indicated that customer experience is created by six elements, namely, store atmosphere, customer service, customer background, customer emotion, product, and convenience. In the abovementioned research, there are many viewpoints about the factors that create customer experience, but it is often considered from a one-sided perspective. For example, Schmitt considered experience from service provider’s side. The service provider may not be able to control the emotions of customers but can control the factors that evoke emotions. Service providers can create the promotion, product catalogs, and campaigns to bring information to stimulate the sense and connect with customers. Or they can make logos and symbols; name the brand, design, and package; and arrange products to suit the lifestyles and interests of customers. In the factor named “relate,” Schmitt also stands on the side of providers when analyzing customer experience based on the control of provider such as salesperson, representatives of companies, and all of the people who may be involved with companies and brands. This is also the main concept in traditional experience marketing that has the tendency to focus on service providers’ side.

In this research, we do not analyze one-sided customer experience. We consider customer experience that is created by many sides of service such as providers and customers. It means that customer experience is analyzed in relationship with many sides as shown below.

Customer Experience in Relationship with the Shopping Environment

Shopping facilities contain products (design, display, package, arrangement, etc.), stores (atmosphere, display, decoration, etc.), brands (logo, symbol mark, etc.), and marketing methods (promotion, sale events, etc.). In a shopping environment, customers can’t be completely controlled by the service providers. In contrast, customers with knowledge about products and stores and with real purchasing experience in the past can observe and evaluate all shopping facilities and make decision in purchase behavior. It means that all shopping environment always contains two

dimensions, and these two dimensions interact with each other. One is the message that service providers send to customer through products and shopping facilities, and the other is the information that customers give providers through the decision of purchasing.

Customer Experience in Relationship with People

All customer experience is generated based on human relationships, that is, the relationship with salespersons in the front stage of retail, with retailers and representatives of company in the background. Salespeople affect customer experience in a way that they can help customers have excellent experience with good manners and sincere attitudes, but they can also create a terrible experience for customers by irresponsibility. One more important thing is the relationship between customers and other customers in the shopping environment. For example, you cannot feel comfortable in a restaurant if the customer beside you makes noise and behaves in a bad manner. On the other hand, other customers can respect you and feel happy if you smile and behave politely.

Customer Experience in Relationship with Context

Customer has the context behind shopping behavior. Context [12, 13] has an important role in the purchase decision process. Context is all factors such as culture and history that have an impact on consumers’ behaviors, preferences, and buying habits. For example, customers in high-context cultures and low-context cultures have different buying behaviors. Customers in high-context cultures consider many factors, with regard to human relationship as an important factor in purchasing and making their buying decisions through their rational thinking. Customers in low-context cultures make purchasing decisions based on personal needs. Vietnam is known to have a high-context culture. In a low-context culture, consumer is expected to present direct and immediate solutions. In contrast, Vietnamese consumers require a friendly approach with good relationship between buyers and sellers.

3.1.2 The Elements of the Customer Experience

From the previous research, customer experience has some elements in the model proposed by Schmitt [9] and Fornerino et al. [14]. Schmitt [9] identified five strategic experiential modules, namely, sensory experiences (sense); affective experiences (feel); creative cognitive experiences (think); physical experiences, behaviors, and lifestyle (act); and social identity experiences that result from relation to a reference group or culture (relate). In strategic experiential modules, the aspects of “sense,” “feel,” and “relate” are understandable, unlike “think” and “act.” Fornerino et al. [14] identified five distinct dimensions,

namely, sensorial-perceptual, affective and physical-behavioral (components), and social and cognitive (facets), based on analyzing the case of an immersive consumption experience. It is suggested that the elements of the components and facets in the research of Fornerino are not differentiated clearly.

To find a more suitable and easier way to understand this topic, we think the factors of the customer experience should be sensorial factor, perceptual factor, emotional factor, and relational factor. Sensorial factor is created through the five senses, namely, sight, hearing, taste, touch, and smell. Perceptual factor is connected with thinking and intellectual process. Emotional factor is obtained through customers' inner feelings and emotions. Relational factor involves the relationship with other people and with context (culture, history, etc.). These four factors are related to each other in one process. Based on Kansei Engineering, followed by information processing model, the sensibility is the process of "sense → perception → cognition → emotion → representation" [15–17]. With the same logic, in our model, customer experience is created in the process of "sense → perception → emotion → relate." Everything obtained from the five senses composes the element of perception. Perception will create emotion. And emotions lead to relationships. This process is consistent with customer experience process in retail formats including both wet markets and supermarkets.

We then created the framework of customer experience in retail as shown in Fig. 2.

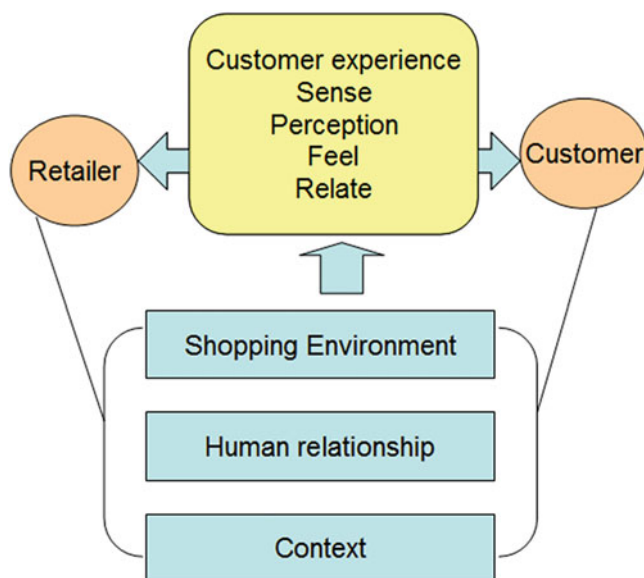


Fig. 2 Framework for customer experience in retail

3.2 Survey

To analyze Vietnamese consumer experience based on sense, perception, feelings, and relations, we created a survey that has four categories:

- The first is a group of questions on consumers' behaviors to find the real answer about situation of consumers using retail format in Vietnam. This paper focuses on the main topic which looks at whether the wet market or supermarket is the main shopping location for most Vietnamese people. It will also focus on the question of whether high-income consumers are also frequent users of wet markets. Those two questions are the main contents of this part.
- The second is the group of questions about shopping environment which contains product category and product factors such as freshness, product quality, price, shopping facilities, shopping atmosphere, etc.
- The third is the group of questions about the relationship between retailers and customers. In this group, we focus on the co-action (interaction) between retailers and consumers, the trust in relationship, and the repetition on consumers' behaviors.
- The final is the group of questions about the context under choosing and using the wet market or supermarket of consumer.

3.3 Sample and Data Collection

The investigation period of the survey is 2 weeks from January 26, 2015. The survey was conducted in Haiphong, the third metropolis of Vietnam where there are many wet markets and supermarkets. We distributed 250 surveys and collected 175 samples. One hundred sixty samples are valid to be analyzed. The attributes of the respondents are described in Table 1.

Table 1 Attributes of respondents

Gender	Female: 131 (82 %), male: 29 (18 %)
Age	20 years old: 26 (16 %), 30:53 (33 %) 40:48 (30 %), more than 50:33 (21 %)
Occupation	Company employees: 38 (23.8 %) Government employees: 68 (42.5 %) Self-employed: 22 (13.8 %) Agriculture: 2 (1 %) Freelance: 30 (18.8 %)
Income	Low income: 50 (31.3 %) Middle income: 61 (38.1 %) High income 49 (30.6 %) (Low-, medium-, and high-income settings follow the income level that Vietnam Ministry of Economic Affairs and Regulations set)

The number of survey results (rate) has been rounded to the nearest two decimal places so sometimes the total is not 100 %

4 Main Findings

4.1 The Wet Market Still Is the Main Retail Channel

The result of the survey showed that 100 % of respondents use the wet market, 47 % go to the wet market “every day,” and 32 % go to the wet market “three to five times/week” (Fig. 3). The total frequency is 79 %. This is a very high rate. This means that the majority of Vietnam consumers have a habit to use the wet market at a high frequency.

The percentage of using the supermarket is NOT 100 % as compared with the wet market. There is 1 % of respondents that do NOT use the supermarket. In regard to the frequency in use, more than half (56 %) go to the supermarket one to two times a month, and 24 % go one to two times a week (Fig. 4). As compared with the wet market, the frequency in use of the supermarket is lower.

From the frequency in use of the wet market and supermarket of high-income group, it is shown that 100 % of high-income group use the wet market, but NOT 100% use the supermarket (Figs. 5 and 6). This means even if a consumer has a high income, they still may not use the supermarket but use the wet market as the main shopping location. About the frequency of the high-income group,

34 % go to the wet market every day and 53 % go three to five times a week, having a total frequency of 87 %. In contrast, 0 % go to the supermarket every day, so the frequency of using the supermarket is only about 4 %. In comparison with all of the respondents, the frequency of going to the supermarket of the high-income group is higher but still lower compared with those who go to the wet market.

Results of the survey indicated that the wet market is not only for low-income group but is also often used by the high-income group. Therefore, it does NOT support the hypothesis that the continuity of the wet market is due to income (low-income group and high-income group choose the shopping locations differently). In Vietnam, the main shopping channel is the wet market.

About product category, in the wet market, the product category that is mainly consumed is food. Next is grocery. Although clothing and electronic products are also sold in the market, the purchasing rate is small. In contrast, in the supermarket, the main categories of products are food and grocery, but the rate of purchasing food is smaller than grocery.

About the volume of shopping at wet markets and supermarkets, we asked ten random households (among those surveyed) additional questions about the details of expenditures in household account books. Based on the

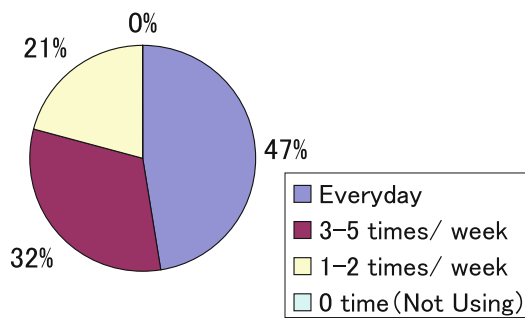


Fig. 3 Frequency of using the wet market

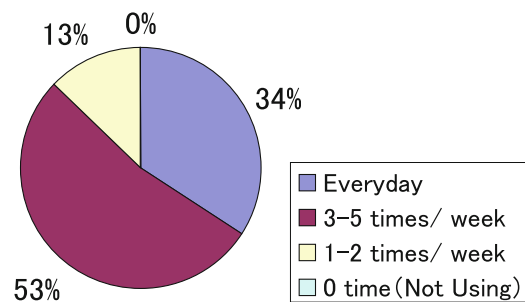


Fig. 5 Frequency of using the wet market of high-income group

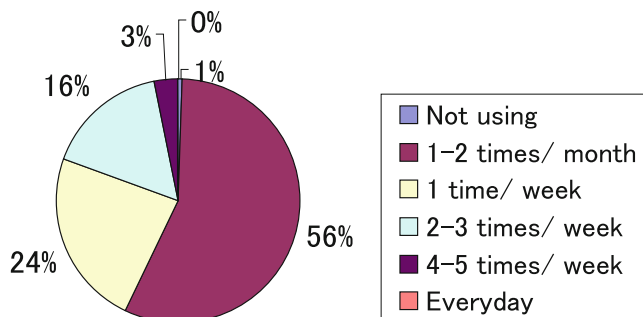


Fig. 4 Frequency of using the supermarket

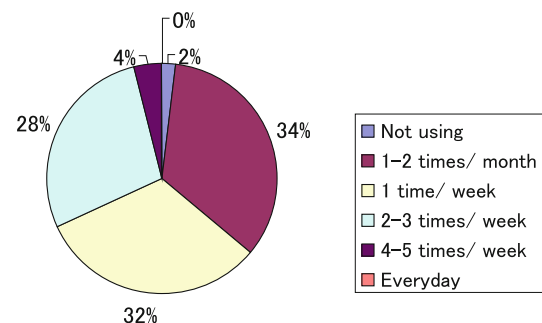


Fig. 6 Frequency of using the supermarket of high-income group

data of the frequency of using money at wet markets and supermarkets and the amount of money used each time recorded in household account books, we calculated the amount of money spent at wet markets and supermarkets within a month. The results showed that the average amount of money spent in one-time shopping at supermarkets is higher than that in one-time shopping at wet markets. However, the total amount of money used for shopping at wet markets is higher than that at supermarkets as people go to wet markets more often. (Specifically, the results showed that consumers spent from 100,000 VND to 300,000 VND for one-time shopping at wet markets and from 300,000 VND to 500,000 VND for one-time shopping at supermarkets. However, the total amount of money spent in 1 month at supermarkets is only 38 % than that at wet markets.)

4.2 The Main Reasons for Choosing the Wet Market and Supermarket

The main reasons for choosing the wet market and supermarket are shown in Figs. 7 and 8.

It can be concluded that there are four main groups of factors in the customer's choice of the wet market. The first and most attractive factor is freshness. The second includes "accustomed store," "product preliminary treatment," and "explanation and advice about products." This expresses the trust between the seller and buyer. The third includes "feel familiar and easy-to-use" shopping atmosphere. And the fourth is the negotiation of price.

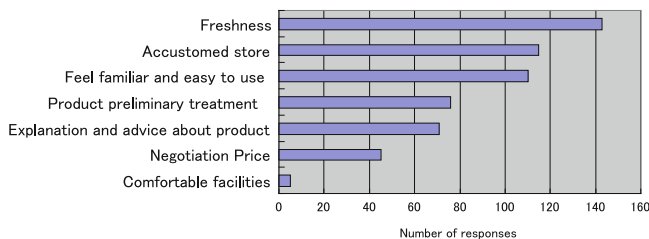


Fig. 7 Reasons for choosing the wet market

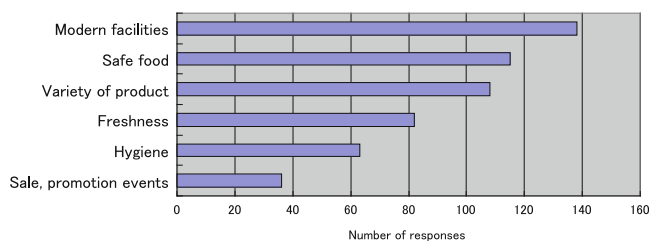


Fig. 8 Reasons for choosing the supermarket

The reasons for choosing the supermarket can be categorized into three: facilities, product (safe, hygiene, variety of products), and marketing promotion.

The main factors are analyzed and explained in detail below.

4.2.1 Freshness

As the result in Fig. 7 shows, freshness is the most important reason for choosing the wet market. To understand this result, we must know about Vietnamese consumers in the relationship with context. To Vietnamese, family is the most important aspect of life, and meals where all members in the family connect and share feelings are always carefully prepared. The main factor that makes a meal delicious is freshness. Vietnamese consumers do not have the habit of using frozen food because from the Vietnamese perspective, frozen food is not fresh. The fresh food means live fish, shrimp, and chicken and fresh vegetables. As the result of this research, in order to buy food in the fresh mode, they have to go to the market every day, even two or three times per day. They usually go to the wet market very early in the morning, about 5 am, because during this time, vegetables, pork, beef, poultry, and seafood still maintain their freshness. Nowadays, consumers' lifestyle goes through many changes because of the diffusion of refrigerators and the increased number of working women, but the habit of using fresh food doesn't seem to change much.

Freshness brings consumers exciting shopping experience. In wet markets, all items are displayed nakedly without proper packaging. Customers can see, smell, touch, hear, and feel the food in its natural form. This makes "sense" experience diverse. In supermarkets, all of the items are packed in boxes and plastic bags. Meat, seafood, and vegetables are divided into equal quantity and weight and they are packed in boxes. Customers can only identify the nature of products by seeing information on the packaging. The exciting experience that customers receive in wet markets cannot be provided in supermarkets. This could make consumers feel unsatisfied with the type of freshness in supermarkets.

About consumers' satisfaction of freshness in wet markets and supermarkets, the result of the survey showed that the satisfaction of freshness in wet markets is much higher than in supermarkets (Table 2).

Table 2 Satisfaction of customers on freshness

Factor	Wet markets <i>n</i> = 160		Supermarkets <i>n</i> = 160	
	Mean	Std. dev.	Mean	Std. dev.
Freshness	3.61	1.07	2.88	1.31

1–5 scale, 1 = very low satisfaction, 5 = very high satisfaction; the comparison of two means is conducted by the *t*-test, differences in mean of approximately 0.34 are significant at $p < 0.1$, and approximately 0.5 are significant at $p < 0.05$

This result is also the same result in research [6] which showed that the supermarket cannot respond to the demand of consumers for fresh food. Eight years had passed but it seems that this problem of supermarkets has not been solved.

4.2.2 Product Hygiene and Safety

Product hygiene and safety are the important reasons for consumers to go to supermarkets. The supermarket beats the wet market in this factor. In recent years, there have been many reports on problems with food safety and hygiene of the wet market. The food there has unknown origin and does not go through food safety inspection. This makes customers anxious when they use wet markets. On the other hand, it is not clear at all that supermarkets always provide safer food. In Vietnam, it has been found many times that merchandises in the supermarket have unknown origins. It also has rumors that goods in supermarkets are purchased from wet markets and sold with higher prices. This aspect confuses Vietnamese consumers.

4.2.3 Customer Experience on Price

The way to set up price in the wet market differs from the supermarket, so it brings customers another experience. To analyze customer experience about price in Vietnam, customer is seen in relationship with context. In the wet market, price is not fixed as in the supermarket. The customer can negotiate with the seller for the price that they think is reasonable. The final price is determined by the agreement between sellers and buyers.

To check the experience that customer received from price negotiation, we asked questions about the customer's opinion on price negotiation. The number of respondents that say "price negotiation is a meaningful action" and "Feel very happy when negotiation is successful" is ranked no. 1 and no. 2, respectively (Fig. 9).

This demonstrates that Vietnamese consumers have a positive attitude toward price negotiation. In this survey, "meaningful action" means that the fluctuated price enables people with lower income to choose and buy items at lower prices and those with higher income to buy items at a higher price. This means price negotiation creates an economic benefit, which is equality in the distribution of income. Specifically, rich people may pay more and poor people may pay

less. Another important aspect is that negotiation is the behavior that brings customers not only the economic benefit but also the fun and happiness in their shopping experience. In many cases, the economic benefit may be small because the price buyers' pay is only slightly less than the price sellers' proposed. But with only a little haggling, buyers may feel extremely happy when receiving products with a lower price and confident in their shopping ability. That is to say, bargain is a hobby, a pastime, and an interesting experience for Vietnamese consumers when shopping in wet markets.

It is worth mentioning that the price may be affected by the relationship between sellers and buyers. Sellers may propose the correct price of the product or sell at a lower price for regular customers. The sales in the wet market also contained many other procedures related to the price as sellers do not reduce prices for customers but add to the regular customers an extra product or they can serve semi-processed products for free. For example, when you buy vegetables, sellers can give you some free onions, or when you buy eggs, they can give some herbs for free. Or when you buy meat, they can cut the part and give the quality that you required. They can also wash, cut, and mince the meat if it is necessary. This gives customers the psychological experience that makes them feel satisfied, and this experience gains consumer loyalty.

The relationship between the seller and the buyer affects not only commodity prices but also payment methods. In wet markets, regular customers may not need to pay at the time of purchase. They can pay the next time they will buy or at the time of appointment with sellers. This may help some low-income customers to buy food and store it in days when they do not have enough money especially before salary is given. The method of payment that is based on trust can only be found in wet markets.

Supermarkets give customers a variety of experiences as the way of setting price and payment method differs from wet markets. At the supermarket, the product prices have been fixed so there is no price negotiation, and customers must pay at the buying time. This can make customers feel comfortable when shopping in supermarkets because they won't waste their time for price negotiation. On the other hand, pricing in supermarkets may destroy shopping interest of consumers who consider price negotiation a pleasure like Vietnamese customers.

Consumers shop in different retail formats (such as in this survey, the majority of customers have shopping experience both in wet markets and supermarkets) for similar categories of products so that they can realize pricing strategies within a format or across formats. The comparison of customers' satisfaction on price level (expensive or cheap) in wet markets and supermarkets in this survey is shown in Table 3.

It can be seen from the result that the level of satisfaction with price in wet markets is higher than in supermarkets.

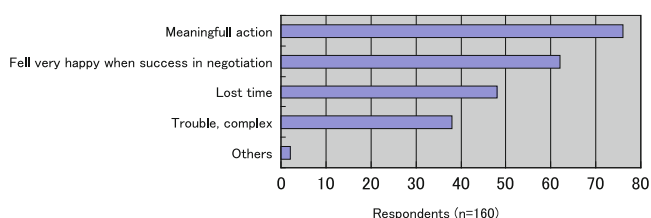


Fig. 9 Attitudes of consumers toward price negotiation

Table 3 Satisfaction of customers with price

Factor	Wet markets		Supermarkets	
	<i>n</i> = 160		<i>n</i> = 160	
	Mean	Std. dev.	Mean	Std. dev.
Price	3.65	0.93	3.08	1.05

1–5 scale, 1 = very low satisfaction, 5 = very high satisfaction; the comparison of two means is conducted by the *t*-test, differences in mean of approximately 0.34 are significant at $p < 0.1$, and approximately 0.5 are significant at $p < 0.05$

But this difference is not significant enough to make price become the factor that creates the competitiveness of wet markets. In other words, the price in wet markets may be lower than the supermarkets, but being expensive or cheap will not become the determining factor in customers' choice of shopping location. But the ability to negotiate price is one of the factors that make customers choose wet markets (Fig. 9). It proves that higher or lower price may not be the strongest attraction of wet markets, but the experience value that customers receive from the bargaining process is an element attracting customers to use wet markets.

4.2.4 Shopping Environment

Shopping environment consists of two elements: facilities and shopping atmosphere.

The survey result indicated that Vietnamese consumers feel more satisfied with the facilities in supermarkets. In contrast, they think shopping atmosphere in the wet market is more friendly, comfortable, and enjoyable (Table 4).

Wet markets in Vietnam are constructed many years ago and facilities are old, outdated, and deteriorated. In recent years, wet markets have not received any funding for renovation. Supermarkets that are invested by major funding from local and foreign investors have modern facilities such as counters and air conditioners. This makes the customers' satisfaction level with the facilities in supermarkets higher than wet markets.

Contrary to the satisfaction of facility, Vietnamese consumers are more excited with the atmosphere of wet markets. They feel shopping atmosphere in wet markets is more friendly, comfortable, and enjoyable. In wet markets, the shopping atmosphere is exalted by the sounds of the communication between and among buyers and sellers and many other sounds. These sounds seem to heighten purchasing emotions. In addition, the shopping process of wet markets contains many surprises and fun. Unlike supermarkets that have a simple purchasing process, customers just choose products and pay at one time, and wet markets have a repetitive process in many stores. To purchase different kinds of items, customers repeat the process of greeting, looking, chatting, touching, selecting, weighting, and paying. This may sound monotonous, but this is not a boring repetition. There are many changes in

Table 4 Customers' satisfaction with facilities and atmosphere in wet markets and supermarkets

Factors	Wet markets		Supermarkets	
	<i>n</i> = 160		<i>n</i> = 160	
	Mean	Std. dev.	Mean	Std. dev.
Facilities	2.34	1.03	4.88	1.15
Atmosphere	4.05	1.15	2.30	1.03

communication and behaviors based on emotions, ideas, and human factors. These changes enrich the customer shopping experience and create enjoyment and increase intellectual experience. In many cases, consumers go to wet markets to enjoy the atmosphere more than shopping. In the survey, with the question "Do you go to wet markets to enjoy the atmosphere more than shopping?", the number of "yes" is 76 %, and 21 % answered "usually" on the frequency of this behavior. Shopping atmosphere in wet markets gives customers sensorial, emotional, and intellectual experience, and that makes them loyal to wet markets.

4.2.5 Trust Between Customers and Retailers

In Vietnamese wet markets, the purchase is based on trust. Customers have the habit of shopping at familiar stores. In the survey, we investigated the number of familiar stores with the question: "How many familiar stores do you have in wet markets?" The result is shown below.

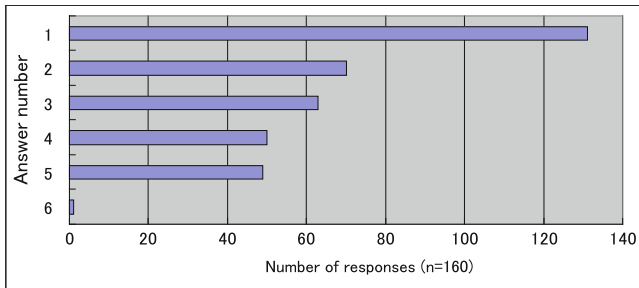
The survey result indicated that 94 % of consumers have two or more familiar stores. The percentage of consumers who have four or more familiar stores is over 50 % (Table 5). The reasons for choosing the familiar stores are good quality merchandise, friendly sales attitude with explanations in detail about goods, good advice to customers, lower price, and free pre-processing (Fig. 10).

In wet markets, salesmen or saleswomen are the shop owners. They know exactly about the products they sell. They can explain and share information about items such as the nature and origin of goods. They may give the customer advice about using items they sell in cooking. In many cases, customers go shopping but do not know exactly what they want for meals on that day. This may be common with many housewives because they depend on the goods that can be bought at the market to create the menu. Sellers may give instructions about the good items they have for the day and suggest quantity and menu for meal. What experience customers receive from these transactions? By interacting and communicating with sellers, customers get knowledge about merchandise and food. They may get psychological advantage for getting to know what to cook for the family today. Moreover, customers feel good when communicating. All of these experiences create loyalty to certain shops and raise trust in relationship with the sellers and the stores.

In supermarkets, sellers are machines. Information about merchandise is recorded on goods. There is not any

Table 5 Number of accustomed store in the wet market (n = 160)

More than 5 stores	43	Sum: 82 (51.9 %)	Sum: 149 (94.3 %)
4-5 stores	39		
2-3 stores	67		
1 store	7		Sum: 9 (5.7 %)
0 store	2		



1. Good quality merchandise
2. Friendly sales attitude
3. There are explanations in detail about goods, and good advice given to customers
4. Cheaper price
5. Free pre-processing (for example: cleaning vegetables, cutting fish, meat, chicken etc.)
6. Others

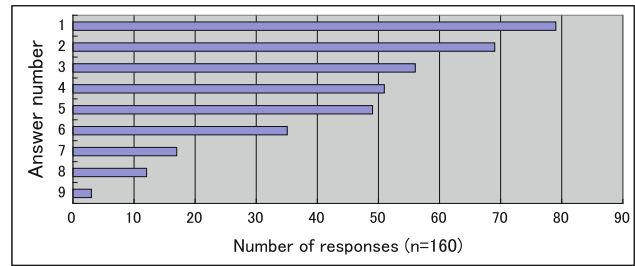
Fig. 10 Reasons for choosing familiar stores

communication and interaction between sellers and buyers. Merchandises sell themselves. Employees of supermarkets may know the location and price of particular products, but they may not know about the characteristics and differences of the products. If customers ask them about products, they will read the information and answer customers. Therefore, supermarkets are self-service form that can give customers freedom and hassle-free shopping. Supermarkets also promote independent decision-making of customers.

Vietnam has a high-context culture that not only businesses but also many other fields are based on human relationship. Wet markets, the retail format that exists based on trust between sellers and buyers, are highly consistent with the context of Vietnamese consumers.

4.3 The Meaning of the Presence of Wet Markets

For Vietnamese, wet markets exist sustainably. The wet market is the place where people can buy fresh food with



1. Places where you can enjoy a unique shopping atmosphere
2. Places that keep the culture of the region
3. Places to make a connection with the locals, and create a community
4. Good quality with good prices
5. Places where people communicate and share emotions
6. Just places to shop.
7. Old places and not appropriate with today's life
8. Noisy and inconvenient, so they do not fit the modern lifestyle
9. Others

Fig. 11 Meaning of the existence of wet markets

reasonable prices for everyday life. According to the results of the survey, in answering the question “What is the meaning of wet market for you?”, respondents said that wet markets are the places where “people communicate, exchange emotion,” “keep the culture of the region,” and “make a connection with the locals and create community” (Fig. 11). This result indicated that wet markets are more than markets because they function as a center for people to gather in a community, share emotion, and maintain the culture of the region. Therefore, shopping in wet markets also brings customers a social and cultural experience. To understand any area in Vietnam, the first thing to do is to go to its wet market because it contains all factors of life including history and culture.

4.4 Continuity of Wet Markets

In the question “Should we maintain wet markets even if there’s an increase in modern retail facilities in the future?”, 77 % answered “yes” (Fig. 12). One of the main reasons to keep wet markets is that they are “suitable and convenient for all people.” It means all people of low and high income could use wet markets and “create a community and regional culture,” and “shopping is based on good relationships” (Table 6).

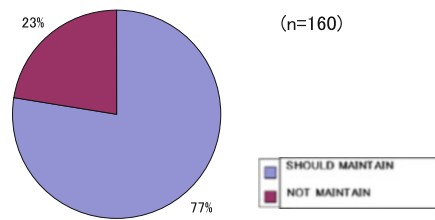


Fig. 12 Maintain wet markets in the future

Table 6 The reasons for keeping wet markets

Consumers' reasons to keep the wet markets ($n = 160$)		
Reasons	Total consumers	(%)
Shopping is based on and make a good relationships	152	95
Create a community and a regional culture	149	93
Suitable and convenient for all people	138	86
Other reasons: job opportunity, tourism/sightseeing, negotiable price, communication, etc.		

5 Conclusion/Discussion

The findings of this study have indicated that wet markets are strong at keeping food freshness, promoting relationships, and conforming with the cultural context. In contrast, supermarkets are stronger in facility, safety, and hygienic products. In wet markets, the important aspect is the relationship experience. Customers receive relationship experience through almost all behaviors in wet markets. Sellers are in direct contact with customers and usually know customers personally. Sellers may know many customers by name and may remember their food preferences and needs. Therefore, marketing in the wet market is done on a personal level. The huge size and no direct connection with customers make it more difficult for supermarkets to establish actual person-to-person relationships than wet markets. The person-to-person relationship is the strength of wet markets that make them exist. When retailers can understand and act correspondently with each customer, the retailers and customers can co-create the experience value that cannot be copied in other retail formats. The high speed of economic development and big investments help a number of supermarkets increase rapidly in a short time period. The person-to-person relationship is the factor belonging to context that is difficult to change in a short time. That is why, wet markets remain and develop even in the rise of a number of supermarkets.

Vietnam government has some policies to replace traditional wet markets with modern shopping centers and super- and hypermarkets in the process of economic modernization and social development. In detail, in 2009, Hanoi

Department of Commerce established a plan to build 489 markets, 162 shopping centers, and 178 super- and hypermarkets until 2020. In the city, 402 current wet markets will be upgraded, which means that the large-scale wet markets will become shopping centers and small wet markets will be upgraded into supermarkets and convenience stores. To implement this plan, Hanoi has replaced many big, main, wet markets such as Hang Da Market, Cua Nam Market, and Cho Hom Market. But these renovation projects failed as no consumers go to shop at these big, new, modern supermarkets and trade centers. Instead, a new network containing many frog markets (frog markets are wet markets in a small scale that formed spontaneously without the permission of the local management) is established in the area near the old wet markets to serve the needs of consumers.

Based on the result of this research, the strengths of the wet market are freshness, relationship, and context, and the strengths of supermarkets are facilities, safety, and hygienic products. The strengths of supermarkets can be replicated. For example, if there is more investment, wet markets can be upgraded and have new equipments, improved hygiene, and safe food. But the factors that create the strengths of wet markets are difficult to replicate. It will take a long time to change the relationship and context of Vietnamese consumers. Another point is that it is not sure that these changes are good for the people and the society in the long term, with attention toward the country's cultural standing. In Europe and Asia, there are many countries that establish policies to protect traditional markets from the invasion of supermarkets. They are France, Spain, the Netherlands [18, 19], Hong Kong [20], and Thailand [21, 22]. Based on the results of this research, we suggest that instead of replacing wet markets with supermarkets, Vietnamese government should invest and upgrade wet markets in order to stay competitive in a rapidly developed economic environment. This is more feasible and consistent with the aspiration and the consumption habits of Vietnamese. This not only creates many economic values such as jobs for local workers and the support in life of both high- and low-income people but also builds up a strong community and continues to maintain and enrich social and cultural values.

6 Limitations and Directions for Future Research

This research is just based on customers' survey. To give the policy recommendations, the topic should be analyzed from the standpoint of suppliers, retailers, distributors, and investors and should consider the general economic and social policies. These will be the topic for further research.

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