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The Differences in the Differentiation Competitive Strategy of Beverage Firms

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Abstract

In the current period, the world economic situation has undergone many changes. In addition to the positive effects of joining the world and regional economic organizations, international economic integration poses many challenges for Vietnamese firms in general and beverage firms in particular. Due to a number of internal limitations in terms of capital and technology, management, and more traditional production methods, the competitiveness of domestic beverage enterprises faces many difficulties. This study was conducted with the aim of assessing the differentiation competitive strategy (DCS) of beverage firms through survey results. The survey subjects are employees of beverage firms in Vietnam. We use both qualitative and quantitative research methods. Quantitative research methods were carried out with SPSS software, including independent T tests and ANOVA. Research results show that there is no difference in assessing the differentiation competitive strategy of beverage firms between different subjects in terms of gender, family platforms, marital statuses, areas of activity, or ages. Based on this result, the study proposes some recommendations for beverage firms to improve business performance.

1. Introduction

The emphasis on capabilities over resources has changed the character of competition (Freiling *et al*., 2008) [3]. In the current period, the world economic situation has undergone many changes. In addition to the positive effects of joining the world and regional economic organizations, international economic integration poses many challenges for Vietnamese firms in general and beverage firms in particular. Due to a number of internal limitations in terms of capital and technology, management, and more traditional production methods, the competitiveness of domestic beverage enterprises faces many difficulties.

ASEAN integration has a significant impact on the domestic beverage market, and while Vietnam's beer exports are still modest, foreign products will have to meet certain conditions to enter the Vietnamese market. In addition, the beer-alcohol-beverage industry has a wave of mergers, acquisitions, or acquisitions by foreign enterprises that are tending to develop, such as Carlberg Beer Group (Danish) buying Hue Beer Company Limited (Huda); Tribeco selling to Uni-President; Vietnam Beverage is a Thai enterprise that indirectly owns and has the right to dominate Sabeco's activities, etc. So how can domestic beverage firms, step by step, improve efficiency? increase competitiveness and sustainable development. One of the practical and feasible solutions for the above enterprises is to develop and perfect a competitive strategy in general and a differentiation competitive strategy in particular.

2. Literature Review

Competitiveness theories have shown tremendous growth with numerous publications during the 1990s (Flanagan *et al*., 2007) [2]. The competitiveness studies adhere to one of the five mainstreams: the value chain approach; the market orientation approach; the resource-based theories; the capacity-based theories; the traditional competitiveness theories; the value chain approach; the resource-based theories; the capacity-based theories.

An organization's resources determine how competitive it is (Wernerfelt, 1984) [11]. When an enterprise effectively uses its resources, such as physical capital resources, including technology, facilities and tools, vehicles, and raw materials; human capital resources, including experience, intelligence, relationships, and the internal characteristics of individuals as managers and employees; organizational capital resources, including formal reporting structures, systems of planning, control, and

coordination; and relationships between groups within the enterprise and with the external environment (Barney, 1991) [1], it can achieve the expected results.

An organization's capacity to pool resources to gain an advantage over rivals determines its competitiveness (Sanchez & Heene, 1997) [8]. Or, according to Sanchez and Heene (1997) [8], competitiveness is the capacity to sustain, apply, and coordinate resources and competencies in a way that aids the organization in achieving its objectives.

The competitive advantage of a product exported from different production zones is regularly compared using the revealed comparative advantage (RCA) indices to assess a commodity's competitiveness in international trade (Nin *et al.*, 2007) [7].

Tanielian (2018) [10] concentrated on the rivalry between rubber and financial gain among Thai rubber growers. The study emphasized that even with the rubber market price set by the Thai government to meet those costs, the farmer's inflation cost operation could not match the profit gained from the production of rubber amid sharp price declines. Other studies on the competitiveness of rubber centered on how to better position and add value to natural rubber products using the SWOT analysis, the Systemic, Holistic, Inter-disciplinary, and Participatory (SHIP) approach to ergonomics, and the appropriate technology. According to the research, countries that export natural rubber compete on the world rubber market by utilizing high-tech innovation that motivates markets to adapt, add value, and end poverty by concentrating on small and medium-sized rubber firms (Setiawan, 2012) [9].

3. Methodology
3.1 Data
Interviewees and survey respondents are included in the selective sample process. The selection was based on how many observational variables people in beverage firms engaged in on a daily basis.

As a result, all participants in our sample work for beverage companies. Because of the knowledge and abilities of the workforce, the survey results were more trustworthy (see Table 1).

We conducted a questionnaire survey of 5 observation variables on a 5-ppoint Likert scale. Dependent variables are measured from 1 ("without agreeing") to 5 ("strongly agreeing").

Table 1: Respondents by marital statuses and areas of activity

	Frequency	Percent	Cumulative Percent
Marital statuses			
Married	129	66.2	66.2
Single	66	33.8	100.0
Areas of activity			
The respondents who work at city	117	60.0	60.0
The respondents who work at countryside	78	40.0	100.0
Total	195	100.0	

Information on the data collected is shown in Table 1. It shows that among the 195 respondents, 129 of them (or 66.2%) were married, and 33.8% of the participants were single. Among the respondents, 54.9% of the participants who work beverage firms at city, and the respondents who work beverage firms at countryside accounted for 45.1%.

3.2 Qualitative Research Methods
We looked at previous studies and conducted interviews to identify the differences in the differentiation competitive strategy of beverage firms. Then we modified the observational variables to the questions and used them in the setting of Vietnamese beverage firms.

3.3 Quantitative Research Methods
To examine the variations in the differentiation competitive strategy of beverage corporations, we employed SPSS software along with an independent T test and ANOVA analysis.

4. Results
4.1 Independent T-test: Different Genders
A comparison of the results of the evaluation of the differences in the differentiation competitive strategy in beverage firms with participants of different genders (male and female) can be seen in Table 2. According to the results shown in Table 2, sig Levene's test is 0.514, which is more than 0.05. The variance between males and females is not different. Moreover, the sig value t-test is 0.624, which is more than 0.05, which means that there is no statistically significant difference in the differentiation competitive strategy in beverage firms between these different genders (Hoang & Chu, 2008; Hair *et al.*, 2014) [6, 5].

Table 2: Differences in the differentiation competitive strategy in beverage firms with participants of different genders-Independent Test

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
DCS	Equal variances assumed	0.427	0.514	-0.491	193	0.624	-0.04525	0.09226	-0.22721	0.13671
	Equal variances not assumed			-0.500	138.295	0.618	-0.04525	0.09047	-0.22414	0.13363

4.2 Independent T-test: Family Platforms
A comparison of the results of the evaluation of the differences in the differentiation competitive strategy in beverage firms with participants in different family platforms (the respondents have family members who work for beverage firms and the respondents do not have family members who work for beverage firms) can be seen in Table

3. According to the results shown in Table 3, sig Levene's test is 0.841, which is more than 0.05. The variance between the respondents who have family members who work for beverage firms and the respondents who do not have family members who work for beverage firms is not different. Moreover, the sig value t-test is respectively 0.940, which is more than 0.05, which means that there is no statistically

significant difference in the level of the differences in the differentiation competitive strategy in beverage firms for these different family platforms (Hoang & Chu, 2008; Hair *et al.*, 2014) [6, 5].

Table 3: Differences in the differentiation competitive strategy in beverage firms with participants in different family platforms-Independent Test

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
DCS	Equal variances assumed	0.041	0.841	0.075	193	0.940	0.00672	0.08916	-0.16914	0.18258
	Equal variances not assumed			0.076	169.298	0.940	0.00672	0.08851	-0.16800	0.18143

4.3 Independent T-Test: Marital Statuses
A comparison of the results of the evaluation of the differences in differentiation competitive strategy in beverage firms with participants of different marital statuses (not married or single and married) can be seen in Table 4. According to the results shown in Table 4, sig Levene's test is 0.508, which is more than 0.05. The variance between the respondents who were not married or single and those who were married is not different. Moreover, the sig value of the t-test is 0.772, which is more than 0.05, which means that there is a statistically significant difference in differentiation competitive strategy in beverage firms between these different marital statuses (Hoang & Chu, 2008; Hair *et al.*, 2014) [6, 5].

Table 4: Differences in the differentiation competitive strategy in beverage firms with participants from different marital statuses-Independent Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
DCS	Equal variances assumed	0.440	0.508	-0.290	193	0.772	-0.02673	0.09229	-0.20876	0.15531
	Equal variances not assumed			-0.284	124.441	0.777	-0.02673	0.09409	-0.21295	0.15949

4.4 Independent T-Test: Areas of Activity
A comparison of the results of the evaluation of the differences in differentiation competitive strategy in beverage firms with participants from different areas of activity (city and countryside) can be seen in Table 5. According to the results shown in Table 5, sig Levene's test is 0.641, which is more than 0.05. The variance between the respondents in the city and the countryside is not different. Moreover, the sig value of the t-test is 0.510, which is more than 0.05, which means that there is not a statistically significant difference in differentiation competitive strategy in beverage firms in Hanoi between these different areas of activity (Hoang & Chu, 2008; Hair *et al.*, 2014) [6, 5].

Table 5: Differences in differentiation competitive strategy in beverage firms with participants from different areas of activity- Independent Test

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
DCS	Equal variances assumed	0.218	0.641	-0.660	193	0.510	-0.05787	0.08768	-0.23080	0.11507
	Equal variances not assumed			-0.666	190.805	0.506	-0.05787	0.08692	-0.22931	0.11358

4.5 ANOVA
An ANOVA test was needed to make a comparison of the results of the evaluation of the differences in differentiation competitive strategy in beverage firms between the four subjects, including participants who are from 22 to 30 years old, participants who are from 31 to 35 years old, participants who are from 36 to 40 years old, and participants who are 41 years or older. Table 6 shows that the sig. is 0.019, which is less than 0.05, which indicates that there is a statistically significant difference in the differentiation competitive strategy in beverage firms in Hanoi between the mentioned four age groups. Therefore, we use the Welch test results in Table 7. Sig test Welch is equal to 0.482, which is more than 0.05, that is, there is no difference in mean DCS between different age groups. Thus, there is no difference in differentiation competitive strategy in beverage firms among employees of different ages (Hoang & Chu, 2008; Hair *et al.*, 2014]) [6, 5].

Table 6: Test of Homogeneity of Variances

Descriptions	Levene Statistic	df1	df2	Sig.
DCS				
Based on Mean	3.407	3	191	0.019
Based on Median	2.011	3	191	0.114
Based on Median and with adjusted df	2.011	3	168.613	0.114
Based on trimmed mean	3.089	3	191	0.028

Table 7: Robust Tests of Equality of Means

DCS	Statistic[a]	df1	df2	Sig.
Welch	0.827	3	102.309	0.482

a. Asymptotically F distributed

4.6 The Relationship between the Differentiation Competitive Strategy in Beverage Firms

Next, the line graph shows the relationship between the differentiation competitive strategy in beverage firms and each respondent's age (Figure 1). Figure 1 shows that this line tends to go down when the respondents' age increases to 31 to 35 years old and 41 years old or older. But this line tends to slope up when the respondents' age is between 36 and 40 years. Showing that the differentiation competitive strategy in beverage firms is highly valued in 22- to 30-year-olds and 36- to 40-year-olds.
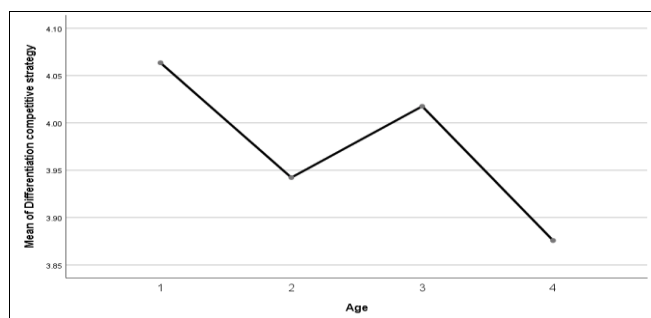
Fig 1: The line graph shows the relationship between the differentiation competitive strategy in beverage firms and each respondent's age

5. Discussion and Implications

According to a report by Vietnam Industry Research and Consultancy (VIRAC), beer production in the first quarter of 2023 is low, partly because this is usually the time of the year with the lowest output due to the long Tet holiday and activities production stops.

Regarding the consumption of the beer industry in the first months of 2023, as noted, the purchasing power of this item is still slow. Business units had to compete in promotions and advertising campaigns to sell goods. Some beer dealers also assess that this year the beer market is particularly slow, in both the wholesale and retail segments. Purchasing power at retail distribution systems is very weak compared to the same period in 2022.

The reason for the decline in business results of beverage businesses is that leaders of beverage businesses said that lower business results in Q1/2023 came from the weakening of the market after the Lunar New Year period. Consumer demand slowed down due to the pressure to reduce spending by low-income users this year, which had a strong impact on production and business as well as consumption of these two beer brands. In particular, the context of Decree 100/CP (Government, 2019) [4] stipulating penalties for motorbike drivers who use alcohol is tightened in key cities, which has significantly reduced beer consumption in the first months of 2023.

The spending habits of Vietnamese people are on a downward trend; besides, they will increase spending on healthy products after COVID 19. At the same time, Vietnamese people's preference for foreign goods will also be a big challenge for local breweries.

According to VIRAC's report, aluminum is an important raw material in beer production, accounting for about 20–30% of production costs. Currently, when aluminum supply is added from China after the country opens, a positive sign shows that aluminum prices are on a downward trend in the first 3 months of the year and will continue to be stable.

6. References

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