

Technology

Over the years as technology expanded and advanced, increasing internet usage in the current digital populace offered favorable circumstances for e-commerce enterprises to prosper in Vietnam. In 2022, about 57.6 million e-commerce users purchased or used online services making the e-commerce sector to gradually grow over the years in Vietnam (Nguyen, 2023). By 2023, Vietnam will surpass Austria as the 25th largest market for e-commerce, with anticipated sales of US \$11,950 million (eCommerce market in Vietnam, n.d.). The top 2 international e-commerce and shopping websites in Vietnam are shopee.vn and lazada.vn (Top Websites Ranking, 2023). Thế Giới Di Động, a local Vietnamese brand, specializing in electronics and devices emerged with one of the e-commerce sites, becoming the top domestic B2C e-commerce website (Nguyen, 2023). Contactless shopping and artificial intelligence are the two main technologies that give businesses an advantage over their competitors in the fashion industry (Humphires, 2019).

Vietnam produces different textiles in the textiles industry and in the textiles industry changed tremendously by producing textiles and clothes sustainability. Vietnam may be another country along China and India in producing silk and cotton, but the top 3 major fabrics locals and internationals prefer in the market and in the manufactures are Bengaline weave, Ebony satin, and Shantung taffeta (Fabric / textile manufacturers in Vietnam : Sourcing and exports, 2023). Vietnam relies on other countries in producing apparel products and the three import components are China, South Korea, and Taiwan and they import 90 percent cotton, 100 percent synthetic fibers, 50 percent cotton yarn, and 80 percent large size clothes (Textile and Garment, n.d.). Silk weaving was a centuries old custom known to be extremely luxurious and worn by kings, sovereigns, and mandarins with respectability (Mehta, 2020). Brocade fabrics were made by

ethnic minorities who are Hmong from North, Central, and West Vietnam and the fabrics are essentials and used in marriage ceremonies (Vietnam Brocade, 2015). In Vietnam, hand embroidery was a tradition for a long time introduced by Le Cong Hanh, who represented Vietnam in China in the Ming Dynasty. During that time young girls would sew embroidery on clothes, curtains, and pillowcases by hand (Lucy, 2018). Textile companies are trying to adapt to machinery to control weave mass and have consistent quality fabric, while others are trying to test different techniques by using less water to eliminate water waste (Humphries, 2019).

Marilyn Chiu

Culture

Rich in geographical diversity, Vietnam is known to be the most culturally multiethnic country in Southeast Asia. Vietnam is considered a *Multicultural* country due to its broad variety of ethnicities and religions (Sternquist, 2007). Located along the Mekong river, Vietnam consists of fifty four different ethnic groups. The largest group are Kinh (Viet), making up the majority of the population at 85.7%, followed by Tay, Tai, Murong, Khmer, Krom, Homng, Nung, and Hoa (Yen, 2022). Despite Vietnam being a communist state, the country is mainly composed of four religions; Taoism, Buddhism, Catholicism, and Confucianism. Approximately 55% of Vietnam identify as Buddhist while the remainder pay homage to ancient Chinese heritage by practicing Confucianism and Buddhism. Vietnam is a *high context* country, as the people within the region utilize implicit meanings and codes when conversing with an emphasis on nonverbal communication (Loan 2019).

Unlike Americans where many people form friendships immediately, the people of Vietnam believe friendship is built step by step. Even if one acts as an acquaintance does not necessarily mean they are friends in Vietnamese culture. Friendships in Vietnam are developed upon the foundation of loyalty, trust, and understanding (Masse, 2016). Despite the seriousness and devotion in friendship, affection is rarely shown through physical touch in Vietnam. Instead, their love is displayed through the sharing of meals and attendance of family occasions. Vietnamese prefer standing arms length in social spaces, but will allow short distances between close friends when communicating. In Vietnamese culture, marriage is taken very seriously. Traditionally, couples marry within their village and class. Usually, they live with the husband's parents until they are financially stable enough to purchase a home of their own.

In terms of time, Vietnam is considered *polychronic* and is viewed as intangible and continuous (Sternquist, 2007). The people of Vietnam are typically very punctual and tend to arrive early to business meetings and work engagements (McKinney, 2000). Being that Vietnamese start their day extremely early, mid day naps are encouraged in order to be rejuvenated for the rest of the day. Vietnam's cultural values highlight the importance of family. In Vietnam, people embrace the philosophy of Confucianism and reinforce the significance of honor and respect within the community. *Conspicuous consumption* is only shown through younger adults, while the older generation care less about material possessions (Sternquist, 2007). Young people of Vietnam reveal their social status by sporting luxury handbags, as the capital; Hanoi has become a popular destination for designer goods. High-end cars such as Mercedes Benz are also commonly used to symbolize wealth.

Shelby Simon

The Economy

Vietnam lies uniquely on the precipice of great economic growth. The positive trend in Vietnam's economic growth has been consistent since 2005. (Anh, 2012) This consistent growth stands as a testament to the health of Vietnam's approach to the retail economy. With the recency of Vietnam's economical struggles, one may ask "How did Vietnam turn things around?" The answer is quite simply the youth. Vietnam's former economical structure had heavily relied on small, family owned businesses and vendors. (Anh, 2012) Without a strong dollar and very limited international trade options Vietnam began to struggle at a high degree. What Vietnam did have however, was a strong labor capital. A total of 65% of Vietnam's population were young, working class adults. (Anh, 2012) The trick was to change the economy in a way that could galvanize their youth and turn their potential growth into trade relationships and economic wealth. The answer was a change from the focus on small business and the advent of corporations and shopping centers to promote economic growth. (Nguyen, 2023) According to Vietnam Briefing, Vietnam's economy had experienced a growth rate of 19.8% in 2022 (a total of VND 5,679 trillion or USD \$242 Billion) (Nguyen, 2023) This consistent increase is even more impressive when you consider that 2019, the height of the pandemic, had seen Vietnam experience a growth rate of 4.8% and 2.9% increase in GDP, making Vietnam one of the 26 countries that maintained a positive change in GDP during the COVID-19 global pandemic. (Martin, 2021).

It is important for one to remember that Vietnam is still a relatively new economic power. It is important to consider the recency in Vietnam changing its economic strategy when rationalizing the rate in which the economy is growing. While Vietnam has proved itself to be a worthwhile investment in foreign markets through booming e-commerce and commercialized

retail spaces, (Anh, 2012) the playing field still has to entice foreign investment. The best way to stabilize Vietnam's government is to offer an appealing exchange rate through native currency. The Vietnam Dong was rated the 2nd weakest currency in the world, surpassing only the Iranian Rial at a USD exchange rate of \$1 USD = VND 23,485 (Egan, 2023). With Vietnam reeling back from being one of the poorest countries in the world, the possibility of growth has proven to be exponential, especially when considering that Vietnam goes against the trend of negative growth seen in most other asian countries.(Dabla-Norris, Diez, and Magistretti, 2022) With such low risk entry to investment, Vietnam seems to be a safe bet as a strong up and coming economy (Egan, 2023)

Karlique Caesar

Labor & Employment Practices

Vietnam's work culture focuses on the hierarchical structure within firms, and stresses the importance of respect to senior executives and leaders (Nguyen, 2022). A casual working week in Vietnam consists of a maximum limit of forty eight hours. Employees are more than welcome to work overtime as long as it doesn't exceed twelve hours per day, forty hours a month, and two hundred hours per year (O'Loughlin, 2022). Although children are allowed to enter the workforce at thirteen, employees ages thirteen to eighteen years are limited to jobs in the creative arts, sports, social affairs, and the training field. Performing simple job duties ensures that their physical and mental development is not harmed during the process. Employees thirteen years of age can not work over twenty hours per week while workers fifteen to eighteen years cannot exceed forty hours weekly. Vietnam's minimum wage equates to about two hundred U.S. dollars each month but is dependent upon the region in which one resides (Nguyen, n.d.). Normal hours of operation in Vietnam retail stores start at sunrise around 5:30 am and open until 6:00 pm in the evening. As of today, many retailers are prone to extend closing hours to 9:00 pm.

In regard to Vietnam's currency rate, an agreement was made with the United States assuring Vietnam cannot intentionally evaluate the Vietnamese dong for export advantage (Luong, 2021). During 2021, Vietnam eliminated non-tariff barriers according to the U.S. Vietnam Bilateral Trade Agreement. This contract includes restrictions on various imports, bans, quotas, and permits. Nevertheless, several other non-tariff barriers are still in place. Vietnam reduced its tariffs significantly in 2007, about less than 15% on products sought out by the United States. Vietnam's foreign counterparts have been tremendously affected by this reduction, as tariffs for them have increased dramatically. The tariffs placed on goods in Vietnam are considered a *combination*, combining a specific tariff and ad valorem (Sternquist, 2007).

Vietnam has established the right to import many goods such as crude oil, newspapers, cigars, and media. Restrictions in trade include ammunition, weaponry, explosives, military equipment and some fireworks. Furthermore, technology has impacted *barriers to trade* greatly as Vietnam acts as an effective manufacturing hub due to its rapid technological growth (Sternquist, 2007). Vietnam's legal system is based upon a communist government concept and practice Marxist law. Political risks are very moderate in Vietnam. The government maintains a secure environment by putting an end to corruption and creating policies that promote healthy investments for the country.

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