

# Expanding strategy for global e-commerce firms: a case study from Amazon

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**Abstract:** *Despite the fact that e-commerce is a rapidly developing sector in Vietnam, the number of e-marketplaces in our nation remains low, with just 8 operational platforms at present time (2021). The study analyzed potential and risks that the global e-commerce business may encounter while growing into Vietnam by putting itself in the shoes of Amazon's CEO. Potential entrance approaches were also evaluated in order to determine the optimum answer for international firms looking to operate in Vietnam.*

**Keywords:** *International business, International strategy, Cross-culture management, International Human Resource Management, iHRM, Corporate Social Responsibility, CSR*

## 1. Introduction

### 1.1 Company introduction

Amazon.com, Inc. (/mzn/) is a Seattle, Washington-based electronic commerce and cloud computing company founded by Jeff Bezos on July 5, 1994. The technology behemoth is the world's largest Internet retailer in terms of both total sales and market capitalization. Amazon.com began as an online bookstore before diversifying its offerings to include DVDs, Blu-rays, CDs, video downloads/streaming, MP3 downloads/streaming, audiobook downloads/streaming, software, video games, electronics, apparel, furniture, food, toys, and jewelry. Additionally, the company manufactures consumer electronics, most notably the Kindle e-readers, the Fire tablets, the Fire TV, and the Echo, and is the world's largest provider of cloud infrastructure services (IaaS and PaaS). Amazon also sells some low-end products, such as USB cables, under the AmazonBasics brand.

Amazon operates distinct retail websites in the United States, the United Kingdom and Ireland, France, Canada, Germany, Italy, Spain, and the Netherlands, as well as Australia, Brazil, Japan, China, India, and Mexico. Amazon also offers international shipping on a limited number of its products to certain other countries. In 2016,

Amazon launched Dutch, Polish, and Turkish language versions of its German website.

Amazon overtook Walmart as the most valuable retailer in the United States in 2015, according to market capitalization. Amazon is the world's fourth most valuable public company, the world's largest Internet company in terms of revenue, and the United States' eighth largest employer.

Amazon announced in 2017 that they would acquire Whole Foods Market for \$13.4 billion by the end of the year, significantly expanding Amazon's physical retail presence. According to some, the acquisition was a direct attempt to challenge Walmart as a physical retailer.

### 1.2 Motivation

The global pandemic of COVID-19 has had a dramatic effect on e-commerce (Jílková & Králová, 2021). Europe was the third largest e-commerce market in 2019 with revenues of US \$351.9 billion. Annual growth of 6.0 percent is expected to result in revenues of US \$565.9 billion in Europe by 2025. In 2020, despite of the COVID-19 crisis, e-commerce revenues increased 10% in Europe (Statista, <https://www.statista.com/study/42335/ecommerce-report/2021>, 2021).

In ASEAN, e-commerce is the region's most dynamic sector. According to (Chen et al., 2020), ASEAN's total e-

commerce revenue will nearly double in the next few years. Together with China and India, the region, through free trade and market integration, has the potential to become the global epicenter of e-commerce by 2023, accounting for more than 40% of the global e-commerce market. While Amazon has subsidiaries in several key regions of the world, the market share of the company in Southeast Asia is quite low as compared to that of Shopee or Lazada (Pennington, 2020).

2020 is regarded as a year of difficulties and challenges for the global economy in general, and for Viet Nam in particular. The world economy is forecast to enter the deepest recession in history, and major economies' growth has slowed significantly as a result of the pandemic's negative effects. However, Viet Nam's economy continued to grow, with GDP increasing by an estimated 2.91 percent (World Bank, GDP growth (annual %) - Vietnam | Data, 2020).

Currently, Amazon has only established a business support department on the international Amazon exchange; no subsidiary has been established in Vietnam. With the aforementioned opportunities, it could be said that promoting Amazon's business operations in this potential country could yield positive results.

### 1.3 Objective

To establish a sustainable competitive advantage in Vietnam, it is critical to analyze and evaluate the country's opportunities and challenges. As a result, the article's objective is as follows:

- To analyze the Vietnamese business environment for e-commerce businesses
- To reassess our organization's strengths and weaknesses
- To appropriately propose operating strategies and suitable entry modes
- To create adaptive mechanisms for businesses in light of the cultural divide between the United States and Vietnam

## 2. Situation analysis

### 2.1 External analysis

#### 2.1.1 Macro analysis (PESTEL analysis)

##### *Political analysis*

Vietnam is a one-party state governed by the Vietnamese Communist Party (CPV). According to (Overseas Business Risk: Vietnam., 2021), the country is one of Southeast Asia's most economically stable nations. As a result, political threats such as confiscation, expropriation, nationalization, or domestication are effectively managed, resulting in a favorable market climate. In other words, e-commerce companies like Amazon can benefit.

Another encouraging indication is that Vietnam's corporate tax rate of 20% (TRADING ECONOMICS, *Vietnam Corporate Tax Rate*, 2021) is lower than that of other neighboring countries such as Malaysia (24%) and Indonesia (22%), according to (TRADING ECONOMICS, *Vietnam Corporate Tax Rate*, 2021), (TRADING ECONOMICS, *Malaysia Corporate Tax Rate*, 2021), (TRADING ECONOMICS, *Indonesia Corporate Tax Rate*, 2021). This means that if Amazon decides to expand into Vietnam, the cost of doing business could be reduced.

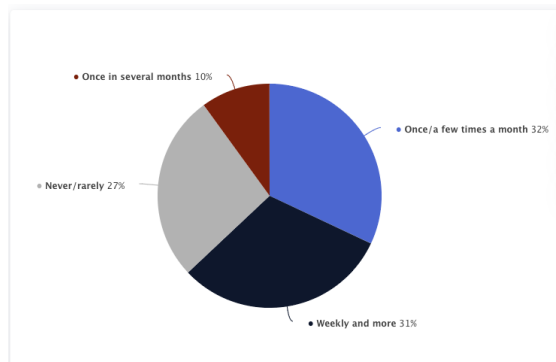
##### *Economic analysis*

Vietnam is classified as a Lower-Middle-Income country, according to data gathered by the World Bank (World Bank, Lower middle income | Data, 2020). That is, characteristics of this category, such as early stages of industrialization or the availability of inexpensive and motivated human force, can be identified in the economy of this nation. As a result, Foreign Direct Investment (FDI) companies considering investing in Vietnam would have a fair chance.

Another strong indicator in favor of Amazon's expansion is Vietnam's thriving market climate. (Vietnam e-business index 2020 report, 2021) shows us that the strong and diverse growth of online businesses in Vietnam has continued in 2019. E-commerce has grown in popularity and has become a daily shopping channel for consumers, owing

to the economy's rapid and stable development, with a GDP growth rate of 7%. Significant consumers, especially the 9X generation in the country's two largest cities, Hanoi and Ho Chi Minh city.

*Figure 1. Online shopping frequency among Vietnamese consumers in 2019*



Source: (Statista | *Online shopping frequency among consumers Vietnam 2019, 2020*)

According to (Statista | *Online shopping frequency among consumers Vietnam 2019, 2020*), only 31% of Vietnamese consumers purchased goods on the internet on a regular basis (Fig. 1). Meanwhile, in the United States, 62 percent of consumers made online transactions (Saleh, 2018). This means that the rules that Amazon employs via the US market would be unlikely to be effective in Vietnam.

When doing business in Vietnam, Amazon should pay special attention to the habit of paying by cash in the country. Cash on delivery was the most common payment method for online shopping in Vietnam, according to survey in 2019 (Statista | *Leading e-commerce payment methods in Vietnam 2019, 2021*). This would have an effect on the distribution industry's complexity. That is, businesses will need more activities to raise money from shippers, while shippers will need more time to count money and pay. In other words, money is only paid when the products are delivered to customers, so the cash flow of the company can be negatively impacted.

Unethical seller is also thing Amazon should be worried about. Bad quality goods compared to ads, poor customer service, expensive price, and low quality of website or

mobile application are the remaining issues in Vietnam's commercial electronics industry, according to (Vietnam e-business index 2020 report, 2021). These audiences can have an effect on Amazon's brand image if there isn't a strict corporate governance structure in place.

#### *Technology*

One of the most significant technological criteria for an online company is Internet speed. According to (Trading Economics | *Internet Speed*, 2021), the current Internet speed in Vietnam is 9504 Kbps, while the current speed in the United States is 18748 Kbps. This means that Amazon's business activities, such as updating the status of each order in real time over a high-speed Internet connection, could be changed and updated in Vietnam.

Traffic jams are another annoyance in Vietnam's technological infrastructure, especially in major cities such as Hanoi and Ho Chi Minh City (Traffic Jams - Vietnam Tourism Information, 2021). As we all know, the logistic system's contribution to an electronic marketplace is critical. If Amazon invests in Vietnam via FDI, the number of related operations such as goods delivery would skyrocket, placing a strain on the current traffic infrastructure.

#### *Environment*

Vietnam is one of the countries in the world that controls the Covid 19 well, according to data from (WHO Coronavirus (COVID-19) Dashboard, 2021). There were only 2617 cases in this country as of April 2, 2021. All industries and fields in Vietnam are currently operational. There is no such thing as social isolation in any regions. Businesses in general, and e-commerce businesses in particular, will have stable conditions for growth under such circumstances. To put it another way, more sellers and buyers will join the Vietnamese e-commerce market.

#### *Legal*

Vietnam's legal system is primarily concerned with civil matters, whereas in the United States, the legal system is concerned with criminal matters. If the situation where Amazon expand into Vietnam in the FDP

entry mode happens, there may be inconsistencies in the firm's operations in the country.

#### Summary

The table below summarizes the opportunities and threats that Amazon may face when expanding in Vietnam.

Table 1. Macro analysis summarization

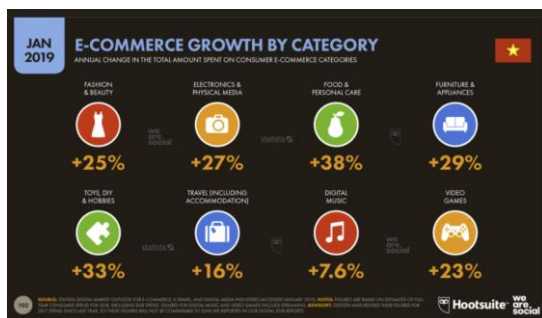
PESTEL factors	Opportunity	Threat
Politic	O1. Positive Political stability index: $\geq 0.13$ from 2016	
	O2. Competitive Corporate Tax - Vietnam (20%), Malaysia (24%), Indonesia (22%)	
Economic	O3. Belongs to Lower-Middle-Income Countries	
	O4. Positive environment - GDP growth rate: $\geq 6.79\%$ from 2016 - GDP contribution of service: $\geq 40.92\%$ from 2016	
Social		T1. Poor online-purchasing habit - Weekly buying: 31% (Vietnam) vs 62% (USA)
		T2. Ratio of COD payment method: 86%
Technology		T3. Received product is different from what consumers saw in website
		T4. Low internet speed
Environment		T5. Traffic jam
	O5. Covid 19 is being controlled well	
Legal		T6. Civil (Vietnam) vs Common Law (USA)

#### 2.1.2 Industry analysis

##### The stage of evolution

According to data from (Moey, 2019), e-commerce growth in certain areas of Vietnam reached a very positive rate in 2018. Digital music, which has the slowest growth rate, also increased by 7.6 percent during the same period. This demonstrates that the e-commerce industry in Vietnam is thriving.

Figure 2. Vietnam e-commerce growth by category in 2018



Source: (Moey, 2019)

##### Competitive environment

##### Rivalry among competitive firms

Based on the information conducted from (iPrice Group, 2021), at the moment (2021), Shopee dominates the Vietnamese e-commerce market, followed by Tiki, Lazada, and Sendo. These four companies averagely attract about 120 thousand accesses per month, accounting for approximately 97.69 percent of total industry traffic. With Amazon's global position, if the company enters the Vietnamese market, it will undoubtedly aim for the top three positions to compete. This is not straightforward in the current environment.

According to (VietnamCredit, 2021), the majority of Vietnam's e-commerce platforms are losing money (Fig. 3). Lazada has accumulated losses totaling 7111 billions VND since its entry into Vietnam in 2012.

Although Shopee entered the Vietnamese e-commerce market in 2016, its financial statements indicated a loss of 2708 billions VND. Besides, businesses must set aside at least 1,000 billion VND for three years of business activities in order to enter the e-commerce industry. This figure has surpassed 1700 billions VND in some units, such as Sendo (Fig. 4).

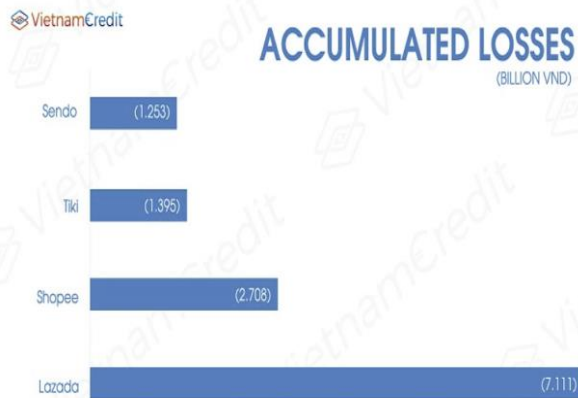
Figure 3. The operating performance of major Vietnamese e-marketplaces

Merchant	Monthly Web Visits	AppStore Rank	PlayStore Rank	Youtube	Instagram	Facebook
1 Shopee VN	68,590,300	#1	#1	355,000	205,230	19,908,430
2 Tiki	22,265,500	#3	#4	888,000	146,080	2,975,920
3 Lazada VN	20,850,800	#2	#2	248,000	133,940	30,481,780
4 Sendo	11,194,500	#4	#3	133,000	20,040	2,920,240
5 Fadoom	1,475,100	#19	#13	1,550	270	44,590
6 Viet Gial	1,232,000	#20	#22	1,580	110	298,630
7 V5 S5	208,400	#15	#14	480	240	1,930

Source: (iPrice Group, 2021)

Potential entry of new competitors

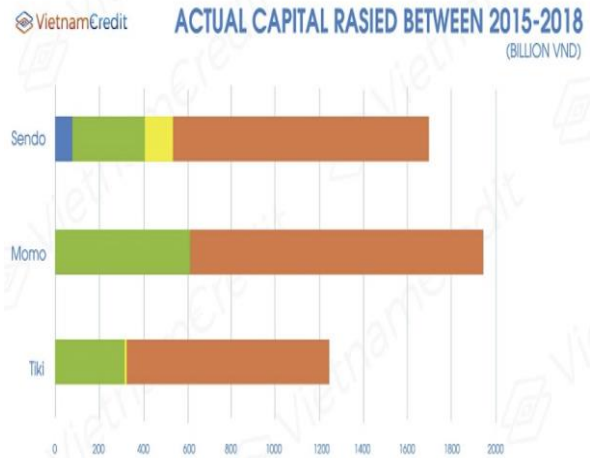
Figure 4. Accumulated losses of leading e-commerce firms in Vietnam



Source: (VietnamCredit, 2021)

In a nutshell, the level of loss and investment in e-commerce in Vietnam is extremely high at the moment. This demonstrates that the entry barrier to the industry group is quite high. In other words, this market is only accessible to multinational corporations. This is encouraging news for Amazon.

Figure 5. Actual capital raised by e-commerce firms between 2015-2018



Source: (VietnamCredit, 2021)

Potential development of substitute products

Rather than consuming via the Internet, buyers could visit physical stores. According to (Duc, 2020) statistics, visiting offline stores is quite popular in Vietnam, accounting for 97 percent of total buyers in 2019, (Fig. 5). As a result, this could be a negative signal for a company like Amazon that is primarily focused on the online environment.

Figure 6. Breakdown of retail sales into store-based and non-store-based sales



Source: (Duc, 2020)

Bargaining power of suppliers

Among the numerous components required to build an e-marketplace, such as inventory, an internet connection, and so on, the seller is the most critical. Without this group, e-commerce websites would be unable to function properly. Numerous buyers in Vietnam are importing their selling products from China, utilizing the excellent support provided by online suppliers such as Taobao or Alibaba (Bryant & Bryant, 2020). Thus,

Vietnamese sellers' reliance on Chinese partners is low, which contributes to Amazon's ease of doing business with this group.

#### Bargaining power of buyers

Due to the nature of online consumption, online customers have a very low switching cost. The ease of navigating between e-commerce sites may assist buyers in obtaining necessary information about their desired product or in comparing listing prices. With regards to product return policies, the majority of major e-commerce platforms in Vietnam, such as Shopee or Lazada, allow

consumers to return defective goods within 7 days and receive a full refund of the purchase price. In other words, buyers' bargaining power is strong in this industry, posing a challenge for Amazon if they decide to enter Vietnam.

#### Summary

Opportunities and threats in this sections is reorganized as follows.

*Table 2. Opportunities and threats in Vietnamese e-commerce industry*

Parameter	OPPORTUNITY	THREAT
The stage of evolution	O6. Growth stage	
Rivalry among competitive firms		T7. The market share is being held by large companies
Potential entry of new competitors	O7. Require huge capital to enter High barrier entry	
Potential development of substitute products		T8. Offline buying proportion is being high
Bargaining power of suppliers	O8. Sellers could get products easily	
Bargaining power of buyers		T9. Consumers could easily identify and compare online products

## 2.2 Internal analysis

### 2.2.1 Strength

Based on the information conducted from (Jurevicius, 2020), (SWOT Analysis of

Amazon, 2020), (Gupta, 2021), (White, 2019), strengths of Amazon are scanned and presented in the table below.

*Table 3. Strengths of Amazon in 2021*

Strength ID	Strength Name	Description
S1	Strong brand name	Amazon, as a global e-commerce behemoth, enjoys a dominant market position and a successful brand image.
S2	Brand valuation	Amazon is ranked #2 in Interbrand's Global Brand Ranking 2020 (Apple is #1 and Google is #3), with a brand value of \$200 billion.
S3	Customer oriented	Amazon serves a large number of customers by offering everyday necessities at low prices. As a result, it has developed into a customer-focused brand.
S4	Differentiation and Innovation	Amazon is constantly innovating and adding new products and services to its product and service offerings, such as its ambitious drone delivery service and Withings Aura smart sleep system. This distinguishes us from other businesses.
S5	Cost Leadership	By selling everything online, Amazon avoids the costs associated with maintaining physical retail locations. Amazon efficiently manages its costs and inventory replenishment time through

		economies of scale. Numerous strategic alliances have been formed with companies such as Evi Technologies, Thalmic Labs, Shoefitr, and The Orange Chef. It has a robust value chain system, which contributes to its low-cost structure.
S6	Largest Merchandise Selection	Amazon's diverse product offering entices online shoppers to make the majority of their purchases through Amazon rather than other online retailers. Amazon had sold 562.3 million products on its Amazon.com Marketplace as of 2018.
S7	Large number of third-party sellers	Due to Amazon's high volume of traffic, a large number of third-party sellers have joined the platform to sell their own products. The data from Fulfillment by Amazon (FBA) reveals that there are more than 2 billion items available from third-party sellers.
S8	Go Global and Act Local strategy	Amazon has benefited the most from this strategy. Amazon establishes relationships with local supply chain companies to aid in its competition with domestic e-commerce competitors. It is sensitive to local needs and tailors its offerings to the country's culture. For example, in India, it has launched a market campaign called "Aur Dikhaao" to entice users to search for more of its products.
S9	Large number of acquisitions	Amazon's acquisitions of Whole Foods Market, Zappos.com, woot.com, Jungle.com, and IMBD.com, among others, have resulted in significant revenue and profit growth.
S10	Involved into 3 key business	Amazon Marketplace, Amazon Web Services (AWS), and Amazon Prime are three of Amazon's core businesses that complement and support one another. They collectively generate enormous profits and benefits for the business.
S11	Market Leader	With a market capitalization of over \$1 trillion and annual revenue exceeding \$386 billion, Amazon is unquestionably the market leader in the online retail industry.
S12	Superior logistics and distribution systems	Amazon's logistics and distribution systems are extremely efficient. Additionally, it has fixed rates for various delivery time periods. As a result, it provides customers with reliable, secure, and timely delivery of goods and products.
S13	Minimum pay raise to \$15 per hour	Amazon was one of the first retailers to raise its minimum hourly wage to \$15. Target pays \$12 an hour, Walmart pays \$11, and Costco pays \$14 an hour.

### 2.2.2 Weakness

According to the same sources as in the preceding section, Amazon has the following critical flaws.

Table 4. Weaknesses of Amazon in 2021

Weakness ID	Weakness Name	Description
W1	Easily imitable business model	In today's digital world, online retail businesses have become quite prevalent. Thus, copying Amazon's business model is not difficult for rival firms. A few businesses are even posing a threat to Amazon. Barnes & Noble, eBay, Netflix, Hulu, and Oyster are just a few examples.
W2	Losing Margins in Few Areas	Amazon has suffered losses in a few markets, including India. Its free shipping to customers may be one of the factors contributing to the risk of margin erosion in certain markets.
W3	Product Flops and Failures	Its Fire Phone launch in the United States was a resounding failure, while its Kindle Fire device struggled to gain traction.
W4	Tax Avoidance Controversy	Amazon has faced negative publicity in Japan, the United Kingdom, and the United States due to tax evasion. President Trump chastised Amazon over social media taxes.
W5	Limited brick-and-mortar presence	Amazon owns a small number of physical stores. This occasionally makes it more difficult to attract customers to purchase items that are not sold on online stores.
W6	Employees' treatment and workplace conditions	In July 2018, Vox published critical reports about Amazon's treatment of employees and working conditions. Inadequate air conditioning, scheduled bathroom breaks, and constant video surveillance are just a few of the complaints made by employees. These factors have an effect on Amazon's market reputation.
W7	Declining consumer safety	Amazon's growing offering makes it more difficult to vet each product and ensure the highest level of safety. The United States Environmental Protection Agency (EPA) recently ordered Amazon to remove a wide variety of pesticides and potentially hazardous products from its platform.
W8	Unfair use of third party data	Unfair trade practices erode trust and amplify legal risks. Amazon is being investigated for antitrust violations in the European Union for collecting and using data from third parties in order to compete with them. If Amazon is found to be in violation, it faces a fine of up to 10% (\$28 Billion) of its 2019 annual revenue (\$280 Billion).
W9	Overdependence on distributors	Amazon's reliance on distributors exposes it to a variety of risks. One of its main distributors (German Logistic Group – Deutsche Post DHL) can leverage its position to renegotiate terms.
W10	Employees Strike	Strikes have the potential to bring Amazon's operations to a halt. Amazon employees in Germany went on strike over unsafe working conditions, effectively shutting down operations at six distribution centers.



### 3. Strategy analysis

#### 3.1 Choosing a suitable strategy

Based on the information in the table 1, 2, 3, suitable strategies could be set up as follows.

*Table 5. Possible strategies that Amazon could apply in Vietnam market*

Strategy ID	Strategy Name	Rationale of the strategy
Str1	Develop subsidiaries in key Vietnamese cities	- Amazon could leverage the (S1, S2, S8, O1, O2) combination by establishing several subsidiaries in key Vietnamese cities. - In addition to the subsidiaries, Amazon could leverage the (S1, S2, S8, O1, O2) combination by establishing a supply chain covering all Vietnamese provinces with the assistance of the (S1, S2, S12, O5, O8) combination.
Str2	Sell POD products	- Given the low popularity of POD products in Vietnam (Ferreira, 2021), the fact that Amazon sells this type of product by establishing printing factories in Ho Chi Minh, Hanoi, and Da Nang - with the support of the (S1, S2, S5, O2, O4) combination - may work.
Str3	Buy uncompetitive shipping firms	- At first glance, Amazon could acquire uncompetitive Vietnamese shipping units with the assistance of the (S1, S10, S11, S12, S13, T5, T6) combination. Following that, they could modify the acquired firms' workflow and delivery-optimization algorithm to promote their current services.
Str4	Acquire and merge low performance companies	- As previously stated, there are currently poor competitive Vietnamese e-commerce marketplaces such as Sendo, FADO, Vatgia, or Voso. Acquiring them and merging with Tiki could be supported by the (S1, S2, S9, S11, S13, T8) combination.
Str5	Improve affiliate marketing programs in Vietnam	- Amazon affiliate marketing (Prater, 2021) is a service offered by the organization that allows vendors to sell goods from another website that are listed on the Amazon e-commerce platform. This implies that the company will raise profits without expanding into Vietnam. This strategy may be supported by the (W6, W9, W10, O4, O5, O6).
Str6	Keep current strategy in Vietnam	- As previously mentioned, there is only a support department for Vietnamese buyers and sellers who wish to buy or sell goods on Amazon's website. This defensive strategy can work because of the (W4, W6, W10, T7, T8).

mode to determine the most effective expanding approach at this time (2021).

#### 3.2 Identifying a sustainable entry mode

In this section, the proposed strategies are analysed based on the design of each entry

*Table 6. Entry mode analysis of Amazon*

Strategy	Exporting	Licensing	Franchising	FDI	Management Contract
Str1. Develop subsidiaries in key cities				x	
Str2. Sell POD products				x	
Str3. Buy uncompetitive shipping firms				x	
Str4. Merge & acquisition e-commerce companies				x	
Str5. Improve affiliate MKT programs in Vietnam	x				
Str6. Keep current strategy	x				

- Clearly, the first four tactics necessitate Amazon's direct involvement in Vietnam. To put it another way, FDI is the best option in this situation.
- Purchased products are shipped to Vietnamese consumers via the Str5, Str6 strategy from various locations around the world. As a result, for the two strategies, exporting is the best choice.

FDI should be included, according to the data in table 6. First and foremost, it is a long-term entry mode with four aligned strategies. Second, only rare or competitive products are suitable for export. This can't take advantage of the most critical feature of an e-marketplace: the ability for people to buy everything.

Each FDI strategy should be implemented in the order listed below, based on the amount of capital needed and the complexity of the strategy.

- Phase 1: Str3, Str4
- Phase 2: Str1
- Phase 3: Str2

#### 4. Impact of culture on management and doing business in Vietnam

##### 4.1 Cross-culture management

According to the details in Figure 7, Vietnamese culture differs significantly from that of the United States. Since FDI would be Amazon's entry mode, the company must carefully handle its management tasks.

Tasks	Time (USA vs Vietnam)	Power (USA vs Vietnam)	Communication (USA vs Vietnam)
Planning	Task vs Relationship	Non vs participative planning	Implicit vs Explicit instructions
Organising	Task vs People	Decentralised vs Centralised	Explicit task-responsibility guidelines
Staffing	Short term vs Long term	More train, develop, promote	Detailed contracts of employment
Directing	Following plan vs Flexible	Need a directive supervisor	Depersonalised instructions
Controlling	Strict deadlines vs Flexible	Impersonal vs Personal control	Task-driven control

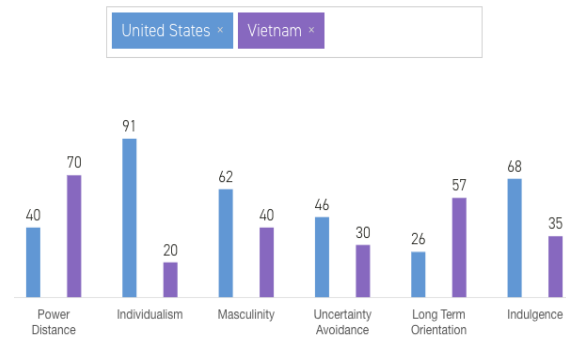
As seen in the table, strategic goals must be enforced and handled rigorously

##### 4.2 iHRM

Since Amazon does not have a subsidiary in Vietnam, the company's organizational structure in Vietnam will be similar to that of Shopee (Fig. 8), a company that has expanded into Vietnam via FDI.

Figure 8. Organizational structure of Shopee in Vietnam

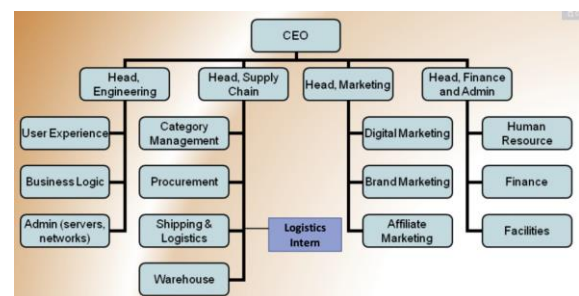
Figure 7. The difference between Vietnam and USA culture



Source: (Compare Countries, 2020)

Next, we will examine the time, strength, and communication dimensions relating to management tasks in order to better understand the impact of the incompatible culture problem.

Table 7. The difference in implementing management tasks between Vietnam and United State



Source: (Hasan, 2019)

The next step is to examine each role in the system to determine the best strategy for selecting personnel.

*Table 8. Amazon's choice of important staff in Vietnam*

HR	Ethnocentric	Polycentric	Geocentric	Regiocentric
CEO	(1)			
Head staff (in Vietnam)			(2)	
Front Line manager	Supply chain branch (3)	Marketing, Engineering branch (4)		Finance and Admin branch (5)
Department employees		(6)		
(1): Can't change current CEO (2): Top positions should be chosen by the best individuals (3): Time, power dimensions are critical factors. Therefore, USA practice would be the best choice (4): They are positions require large amount of communications and the good understanding at Vietnamese culture. (5): This is used for expanding into other Asian countries in the future (6): To save cost				

#### 4.3 Ethics, CSR, and sustainability

According to data gathered from (Ha My / Tuoi Tre News Contributor, 2018) and (Air Pollution in Vietnam, 2019), unethical issues in Vietnam and potential CSR solutions that

Amazon could implement are developed and summarized in the table below.

*Table 9. Unethical problem and some CSR solution*

Factor	Current situation	CSR solution
Employment practice	Poor working condition	Use US standard
	Low hourly wage -> Overload issue	Reduce working hours with higher pay (1)
Human right	No special facts	
Environmental Pollution	Higher level of pollution is being accepted in developing countries like Vietnam	Utilize in-used factories and store, instead of building new ones (2)
(1) AMZ would establish a kind of rivalry in attracting human capital in the e-commerce industry by applying US standards in the effort of improving the working conditions. This is in line with the industry's rapid growth trends. (2) - By repurposing and upgrading old factories and warehouses, AMZ would be able to save money right away. In addition, since the old facilities will be upgraded, the company will be able to better monitor its pollution in Vietnam. As a result, companies will play a role in preserving Vietnam's climate, thus enhancing everyone's health. (3) Strict adherence to anti-corruption regulations and guidelines can pose challenges in the early stages of AMZ's company in Vietnam. However, this is important in order to protect AMZ's brand value while also contributing to Vietnam's growth.		

## 5. Conclusion

In conclusion, the article has determined the most effective AMZ growth strategy in Vietnam. Simultaneously, the entry mode has been evaluated and analyzed in order to choose the most appropriate step, which is FDI. A variety of negative concerns are often assessed and debated in order to find appropriate solutions to problems that might occur during business operations in Vietnam.

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