



Market appeal in an emerging economy: Supermarkets and poor consumers in Vietnam

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ABSTRACT

With the arrival and development of supermarkets, Vietnam is currently experiencing significant changes to its food system and more particularly the distribution system. The objective of this paper is to analyse the risks and benefits of this development to poor urban consumers in Vietnam. The analysis is based on surveys of food purchasing practices conducted in Hanoi from 2004 to 2006. It shows that poor consumers depend on a diversified network of formal and informal outlets to ensure food accessibility, credit opportunities and low prices. Poor consumers purchase very little from supermarkets due to material constraints (price, transport, etc.), although they have a high opinion of supermarkets and in particular the quality of the products sold. In order to be favourable to poor consumers, food distribution policies should aim to maintain the balance of the different forms of outlets and enforce public quality standards to guarantee the right of all to safe food.

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Introduction

This paper investigates the impact of the development of supermarkets on the food purchasing practices of the poor in Hanoi. We will begin by presenting the rise of the consumer as a specific actor in the Vietnamese economy before examining the development of supermarkets in Vietnam and their potential impact on poor consumers.

The rise of the consumer in Vietnam

Vietnam, a communist country, laid the foundations for a market economy in 1986. Since then, the country has experienced a high level of economic growth together with a boom in household food consumption (Figuié and Bricas, 2003). The eating patterns of Vietnamese households have changed considerably in urban areas (Le Danh et al., 2004). Their diet is more diversified (more meat and fruit) and new products have become popular (vegetable oil, ice cream, soft drinks, etc.). Eating practices are also changing, for example with more people eating out and snacking between meals.

Shopping for food supplies has also been affected. Ration coupons, which were used until 1986 for the distribution of basic food items produced locally or provided through Soviet food aid programmes, have disappeared (and with them the black market). In addition to the many open-air markets, private stores and to a les-

ser extent supermarkets have become more common in urban areas, offering a wide variety of goods from many countries.

Until only a few years ago, the Vietnamese consumer was still absent from the social and economic landscape, eclipsed by both the overwhelming need simply to provide for a malnourished population and an ideology that condemned all forms of ostentatious consumption, especially foreign goods which were seen as a symbol of economic imperialism (Vann, 2005). It was not until 1991 that private advertising was permitted and this event marked the birth of the Vietnamese consumer. Many foreign investors, including supermarket chains, began to establish a foothold in what promised to be a profitable market.¹ According to Kearney's (2007) Global Retail Development Index, Vietnam ranks fourth in the list of countries offering the best opportunities for retail sector development. Marketing studies were conducted to see what behaviour patterns these new consumers adopted, influenced as they are by Buddhist, Confucian and Taoist cultures, the periods of Chinese, French and American occupation and communist dogma. Consumers are described as being torn between the desire to act in accordance with collective norms and the wish to assert individual values, between support for national production and the attraction of imported goods (Le Thi and Jolibert, 2001; Shultz et al., 1994; Vann, 2005).

¹ To date, only two foreign corporations are present in Vietnam: Bourbon/Casino/Vendémia (France) and Metro Cash and Carry (Germany). In the last few months, however, growing interest from other international corporations has been observed, including Dairy Farm (Hong Kong), Carrefour (France), Wal-Mart (United States), Tesco (United Kingdom), Giant (Singapore) (Mission Economique de l'Ambassade de France au Vietnam, 2006).

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Investigating the impact of supermarkets on poor consumers

Numerous works (such as Reardon and Berdegué, 2002; Codron et al., 2004; Dries et al., 2004; Hu et al., 2004; Vorley et al., 2007) have investigated the impact of supermarkets or, more broadly speaking, the impact of a modernised distribution sector on agriculture or on the agri-food industry in areas where this development can be observed, including Asia. These works focus primarily on the impact of supermarkets on poor or small-scale producers. Few studies have focused on the issue of their development in relation to consumers (as underlined by D’Haese and Van Huylenbroeck, 2005). Some of these studies examine the impact on retailing prices, providing only partial or diverse conclusions. The impact of supermarkets on retail prices is a much-debated subject. Vorley et al. (2007) argue that within the concentrated chain structure of modern distribution networks, a reduction in the costs of food obtained through economies of scale is transmitted to consumers and shareholders, while the residual value shared by actors further upstream (in particular small-scale producers) is diminishing. Supermarket chains are increasingly targeting both the premium market and the mass market through discount stores (Biénabe et al., 2007). In Ecuador, supermarkets provide higher quality at lower prices representing a “triumph for the consumer”, although not for the small-scale farmer (op. cit.).

Reardon and Berdegué (2002) observe a two-stage development pattern in Latin America: first supermarkets conquer the more affluent clientele in large cities before attracting the middle and poor classes, spreading from the large cities to smaller cities, from urbanised areas to rural areas, from rich countries to poor countries. Poorer consumers are not directly affected by the development of supermarkets until their activity reaches the consolidation phase. Reardon et al. (2003) also describe a two-stage process concerning the kind of products sold by supermarkets; initially, consumers can mainly buy dried, processed and pre-packed food; fresh food is only available at a later stage.

Hagen (2002) also presents the development of supermarkets as a two-step process in terms of attracting consumers:

1. The first step in the development of a supermarket in a given country is the start-up. At this point, supermarkets enjoy only

a small market share and prices are higher than on traditional markets; supermarkets attract a more affluent clientele.

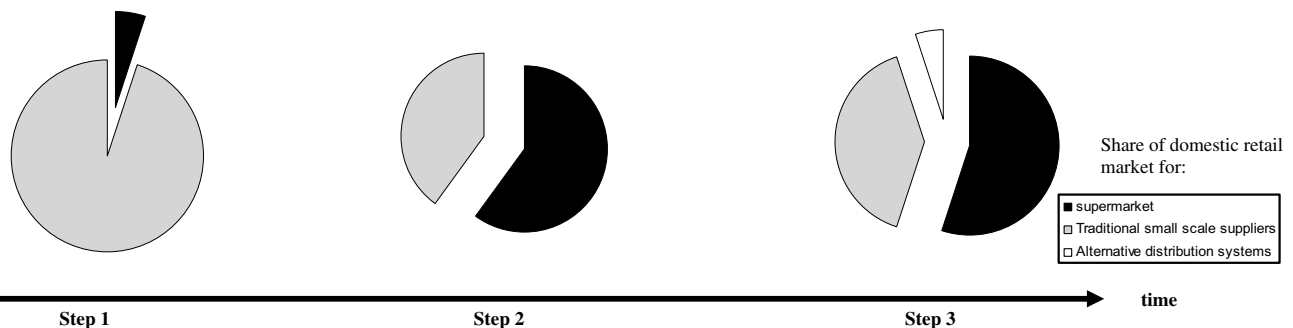
2. The second step is that of expansion: logistics and management improve and economies of scale are achieved, contributing to a reduction in prices. At this stage, supermarkets can begin to attract a low-income clientele.

The spread of supermarkets reduces the cost of food and therefore allows consumers to spend more on non-food items, thereby contributing to economic growth by stimulating consumption. However, this drop in prices occurs only after supermarkets have already become well established in a country (Hagen, 2002).

According to Kinsey (1998), the concentration of distribution inherent to the development of supermarkets creates situations of monopoly and the resulting impact on prices is still unclear due to mixed evidence; moreover, supermarkets tend to offer goods that include new services, which could eventually cause retail prices to rise.

The development of supermarkets, and the concentration of distribution that characterises this development, leads to a reduction in the number sales outlets (Reardon and Berdegué, 2002). Variety in this regard may matter as much to the consumer as does the variety of goods themselves. Nevertheless, Vorley et al. (2007) provide a number of examples, such as Mexico and India, testifying to the considerable resistance of small-scale retailers to competition from hypermarkets which can be explained by convenience, proximity and the possibility of obtaining short-term credit as well as by the fact that wet-markets are often still preferred by consumers when purchasing fresh products.

These authors also considered a third stage in the development of agri-food supply, marked by a partial resurgence of small-scale suppliers (see Fig. 1): in the model put forward by these authors, the first two stages are characterised by a rapid decrease in the number of small-scale suppliers with supermarkets taking their place in the structure and governance of agri-food supply (in the second of these two stages the decrease is even more significant, leading to reactions from producers’ lobbies and an anti-supermarket sentiment); in the third stage (which occurs much later, mostly in industrialised countries), high-income consumers contribute to a resurgence of small-scale producers and suppliers who market specialist foods (traditional, local) through farmers markets, home



Supermarkets characteristics		
Step 1	Step 2	Step 3
high retail prices	low retail prices	low retail prices
high income shoppers	all types of shoppers	all types of shoppers but part of high income consumers
		turns to alternative distribution systems (farmers markets, home delivery schemes, internet...)

Fig. 1. The three steps of supermarket development [based on Hagen (2002), Vorley et al. (2007)].

delivery schemes or the Internet. Some authors identify this trend as an increasing demand for proximity and knowledge of the origin of the goods, a trend which serves the interests of both the alternative and conventional food systems (Morgan et al., 2006).

Reardon and Berdegué (2002) show that supermarkets can market a greater variety of goods due to their sales surface area and their ability to deal with distant suppliers, ensuring a better response to consumer demand. Moreover, given the quality standards they impose on their suppliers, supermarkets help to improve the quality of supply, especially when the authorities are deficient in this area. These tougher standards are good for consumers, but present a challenge for producers, and more particularly for poor producers (Berdegué et al., 2005). Furthermore, according to the “consumer value” concept (Holbrook, 1999), consumers are not necessarily only in search of the best possible value for money on their purchases; they may also want to enjoy themselves while shopping. The value of the product is therefore not limited to its utility; it is also derived from the interaction between the buyer, the product, the seller and the point of sale. All of these aspects are included in the “consumer value” and can provide what Badot and Dupuis (2001) refer to as “retailtainment”.

In light of the different phases of supermarket development as outlined above, it can be noted that supermarkets in Vietnam² are still in the initial phase (and more advanced in Ho Chi Minh City than in Hanoi). Indeed, as described by Moustier et al. (2006):

- there are, as yet, few such businesses in Vietnam (a total of 160 in 2004), although the number is increasing rapidly (the first supermarket was set up in 1993);
- they are only present in large cities: Ho Chi Minh City, Hanoi, Can Tho, Da Nang and Hai Phong;
- considering 10 food products including staples, vegetables, fruit and meat, it was found that prices in Hanoi supermarkets are 10–40% higher than on traditional markets. In Ho Chi Minh City, there is little difference between prices in supermarkets and on traditional markets;
- supermarkets account for only a small share of the retail market: less than 1% of the national food market in 2002 (while Hagen, 2002 forecasts a share of 2% for 2004), 5% of household expenses in Ho Chi Minh City and 1% of vegetable sales in Hanoi in 2004.

As supermarkets are still at a very early stage of their development, we are justified in assessing the effects they have on the poor as consumers and conveying this information to the policy-makers who continue to influence private investments in supermarket development. Reducing rural as well as urban poverty is one of the four pillars – referred to as “social inclusion” – of Vietnam’s 2006–2010 Socio-Economic Development Plan. The available international literature suggests mixed, but on the whole positive impacts for poor consumers, but with little reference to consumer surveys. Poor consumers’ access to and perceptions of supermarkets in Vietnam will be investigated in the present paper based on survey data.

Method

We analysed the current purchasing practices of poor consumers living in Hanoi, the capital of Vietnam: where they purchase, why and how they perceive the different types of food outlets. Data were collected by means of a qualitative and quantitative survey.

The quantitative survey was conducted in Hanoi, in the Quynh Mai area (Hai Ba Trung district), from 27th August 2004 to 3rd

September 2004. In a previous research study on urban poverty (Parenteau, 1997), this area was described as an area with a high rate of manual unskilled workers employed in state-owned factories located in the same area (the official monthly income at the time of the survey was € 30 for at least a 48-h week). In practical terms, this referred to families with a low but regular income. According to the Women’s Union (an official mass organisation in charge of supporting women in poor households), 30% of the households in the area live on less than 300,000 VND/capita/month (€ 15) and should be considered as poor and 60% of the households have an income of between € 15 and € 30/capita/month (see Box 1 for a definition of poverty).

Box 1. Food poverty in Vietnamese households

Vietnam ranks 36th on the list of the 108 developing countries according to the UNDP human poverty index (UNDP development report 2007–2008). This rank is the result of a constant decrease in poverty over the past 15 years: 58% poor in 1993, 37% in 1998 and 29% in 2001–2002 (according to the standards of the Vietnamese General Statistical Office – GSO, 1994; GSO, 2000; GSO, 2004).

The poverty line is defined as the average expenditure needed to cover individual calorie needs (2100 calories/day). The food poverty rate is constantly falling: in 1993 it was 25% while this figure had fallen to 15% in 1998 (GSO, 1994; GSO, 2000). In 2002, 11% of the population was still living under the food poverty line, mostly in rural areas (food poverty affects 14% of rural households and 2% of urban households).

The national poverty standards of 100,000 Vietnamese Dongs³ month in rural areas and 150,000 Vietnamese Dongs in urban areas before 2006 and 200,000 Vietnamese Dongs and 260,000 Vietnamese Dongs respectively since 2006 are defined at a general, nationwide level. In fact, each province has its own standard for poverty. The Vietnam Consultative Group’s 2004 Vietnam Development Report on Poverty acknowledges the fact that the national standard is useful for the comparison of poverty rates over time but, for practical reasons, is inadequate when conducting surveys on poverty or for aid allocation. This is why the standards given by the local administrations have been used in the present study. For the survey of poor consumers of Hanoi, the present study used the standard of the Women’s Union. This organisation is responsible for allocating support funds to poor households and they also guided researchers towards the ideal target survey group.

In Quynh Mai ward in Hanoi, where part of this study took place, the Women’s Union reported that 30% of households of the area should be classified as poor.

Regarding food poverty, only 85% of the households of our survey declared that they never experience a period of shortage (13% reported an occasional shortage and 2% a regular shortage). However, when these same families were asked what the most important thing was that they would like to improve with regard to food, 37% of them cited the quantity of the food they consumed, 56% indicated a more diversified diet and 20% a more regular diet (72% cited “more tasty food” and 37% “safer food”). Moreover, one quarter of the households surveyed indicated that they needed to borrow money to purchase food during the month preceding the survey.

² The Vietnamese Ministry of Commerce defines supermarkets as businesses with a surface area exceeding 250 m² for specialised supermarkets and 500 m² for the others.

³ 1 € = 20,000 Vietnamese Dongs in 2005.

Another reason for choosing this area is the presence of a supermarket in the neighbourhood (2.5 km away), as this criterion was essential in analysing potential constraints to shopping in supermarkets other than distance.

We surveyed 110 poor households of the 3156 households officially living in this area. As there is no list of the poor households in the area, we relied on the support of the local Women's Union in identifying the 100 poorest households in the area in order to build our sample. This may have resulted in a certain bias, but it was a necessary condition to obtain authorisation from the local authorities.

Homeless people were excluded from our survey. The information collected from the households is presented in Table 1. The survey was conducted with the person in charge of purchasing food in the household, i.e. generally the women. We decided to combine data on declared practices with actual observed practices by monitoring food purchases of 107 of the 110 poor families in our sample during the week devoted to this study (parts 4 and 5 in Table 1).⁴

From our survey data, the average income of our sample as declared by the respondents was calculated at 350,000 Vietnamese Dongs per capita per month, i.e. € 17.5 (this average was calculated for all people of all ages permanently sleeping in the household): 35% earn less than 300,000 Vietnamese Dongs (€ 15) and only one household has an income greater than 600,000 Vietnamese Dongs/capita/month (€ 30). This might seem high in relation to the Women's Union standards, but is still very low and is lower than the average income of € 31 for urban areas in Vietnam (see Box 1).

The occupational status of the surveyed households members (313 persons of working age – between 15 and 65 – out of the total of 440 people present in the 110 households) are: manual factory worker (47% of households), followed by company employees (25%), informal sector workers such as home help, traders (9%) and students (7%). Nine percent recorded no paid work.

The verbatim comments included in this paper are excerpts from qualitative surveys on food purchasing behaviour conducted in cooperation with the Vietnamese Consumers' Association (VINASTAS) in January and February 2004 via three discussion groups of 5–6 unskilled female factory workers (focus group discussion). Participants were volunteers and different from those surveyed in the quantitative survey. The discussion (lasting about two hours) concerned the relation perceived by the participants between the quality of the products and the price/place of sale/place of production/type of seller.⁵

In this paper we refer to quality in the broad sense of the set of attributes which provide satisfaction (or bring value) to the final consumer (Kohls and Uhl, 1991; Nicolas and Valceschini, 1995).

Previous studies (see Figuié et al., 2004; Luu Hong Minh et al., 2005; Maruyama and Le Viet, 2007) have shown that the essential aspects of food quality as perceived by consumers in Hanoi, independent of their economic level, relate to freshness and safety. With regard to safety, their main concerns, except during periods of crisis such as the avian influenza crisis, relate to pesticide residues in fruits and vegetables and antibiotic residues in meat.

Reflecting Vietnamese consumers' answers to what they perceive as quality ("chat luong"), we include food safety (defined by the FAO as the absence of hazards that may make food injurious to the health of the consumer) in the definition of food quality, while the European Commission on Agriculture (ECA) handles these two concepts separately.

⁴ We only present part of the data collected (the analysis of all the data is available upon request from the corresponding author).

⁵ Survey questionnaires and focus group discussion guidelines are available upon request from the corresponding author.

Results

Places where people shop for food – the place of the supermarket

Consumers in Hanoi patronize many different sales outlets:

- street vendors, often specialising in fruit, vegetables or meat;
- small stores on the ground floor of homes specialising in the sale of tinned foods, rice, fish sauce, vegetables and other similar goods;
- open-air markets, both official and informal, offering a wide variety of fresh produce;
- more recently, supermarkets.

Rice is often ordered over the phone or from one of the numerous rice wholesalers living in the area.

Members of poor households seldom go to a supermarket (see Table 2): less than 3% of low-income households regularly shop at supermarkets and their spending in supermarkets represents only 0.3% of their total food expenditure.

Limits to supermarket shopping for low-income households

Supermarket prices are too high

When the persons surveyed were asked to list the advantages and disadvantages of the different sales outlets, the issue of supermarket prices was cited as a major negative point (see Table 3).

This is compounded by the cost of parking your bicycle or motorcycle (1000 Vietnamese Dongs, € 0.05, which is a significant amount when compared to the amount of money spent each time the person goes shopping – approximately 17,000 Vietnamese Dongs or € 0.85, see below).

Indeed, supermarkets are not perceived as being intended for poor customers (see Box 2), with some poor individuals saying that they feel out of place in these stores. Others feel they are not sufficiently well dressed to go in while some are afraid that their children might break something and they couldn't afford to pay for the damage.

The advantage of traditional systems compared to the supermarket also resides in the fact that, when dealing with sellers in the market, customers can purchase on credit, a practice which is impossible in supermarkets.

Box 2. Supermarket shopping for the poor

"The supermarket? No! We never go. We're too poor!"
 "With my salary, I can't afford to shop at the supermarket. I know that vegetables are safe and guaranteed, but they cost twice as much as outside (on the markets). Even though I've never bought vegetables in a supermarket, I've heard about them from people I work with. If supermarket prices go down, then everyone can buy there."

A reduced "supply area"

We use the term "supply area" to define the geographic area explored by buyers to purchase food. In the households in our survey, this "supply area" is extremely limited. So if the closest supermarket is just 2.5 km away, the people interviewed feel that it is too far away (the furthest 'acceptable' distance to the nearest official market being 2 km). None of these households has a car, although 53% have at least one motorcycle and 70% a bicycle.

Table 1
Information collected or recorded from surveyed households in Hanoi, 2004.

1. Socio-economic data on households: Household composition (sex, age, education, activity, income, working hours), financial aid, housing (area, rent, assets: fridge, car, motorbike, bicycle, etc.)
2. Household food vulnerability: Self-assessment of household diet, food shortage, credit contracted for buying food
3. Points of purchase: For each place: frequency, main product bought, opinion (advantages and disadvantages)
4. Daily purchasing practices: Who buys, when, what, where, expenditure?
5. Outside consumption: Who, when, where, what, expenditure?

Table 2
Food purchasing practices of poor households in Hanoi.

	Hanoi, 2005 (n = 110)
Average income in the sample (Vietnamese Dongs/capita/month)	350,000 (€ 17.5) (14% under 200,000; 63% from 201,000 to 400,000; 32% from 401,000 to 600,000; 1% upwards of 601,000)
% Of households which borrowed money to buy food during the month before the survey	25.5%
Place of shopping (% of food expenditure)	Informal market (82%), shops (9%), supermarkets (0.3%), others (8.7%)
Average expenditure per shopping trip	17,000 Vietnamese Dongs per shopping trip (€ 0.85).
% Of households	
Who never go to a supermarket	61%
Who regularly visit a supermarket	3%
Main food items purchased at supermarkets	Dairy products, instant noodles, processed meats, tinned goods, sweets

Lack of time

Many of the persons interviewed work in state-owned factories located in their own neighbourhood. Over half of them work more than 10 h a day (some as many as 15 h, 7 days a week at peak order times).

Supermarkets are perceived as places where shopping requires a great deal of time (travel, parking your motorcycle or bicycle, leaving your handbag at the reception and picking it up afterwards, queuing at the cash register, etc.), whereas other sales outlets are seen as places where shopping can be done very quickly. Street vendors travel the neighbourhood in time with the activities performed there (factory shift changes, school breaks, etc.). People can buy things on the markets without even getting off their motorcycle or bike (see Box 3).

Box 3. Going shopping when time is at a premium

"I work in a shoe factory. The workday is long, sometimes 14 or 15 h. So I don't have much time. I buy vegetables from street vendors on my way home."

"I usually get home late. I often buy produce on the street, even from vendors who I don't know. If it's convenient, I just buy from any vendor."

"I rarely go to the market; I don't have much time. So I buy vegetables on the street, along the roadside when coming home from work. And I can't afford to go to the supermarket; I don't make very much money."

"I once went into a supermarket to see what it was like. I bought a few things that weren't too expensive. But I usually buy vegetables on my way home from work, at the market near the factory. I don't have much time. I go to work from 7:30 in the morning to 4:30 in the afternoon."

Very little stored at home

Consumers usually make small purchases every day: households make about 13 shopping trips a week and spend an average of 17,000 Vietnamese Dongs each trip (€ 0.85). The problem is not so much that of having the funds available as of the freshness of the goods (essential in Asia) combined with the risk and cost of keeping things at home. Although over half of the households surveyed in Hanoi have a refrigerator, many only plug it in during the hottest part of the year to save on electricity. Moreover, not keeping much food at home is a means for the person in charge of meals to control what everyone eats, especially between meals. Only a few items are stored at home – rice, tea, spices, cooking oil, sugar and other such products.

The appeal of supermarkets: quality, leisure and showboating

Access to quality food items

The persons surveyed were, by and large, satisfied with the shopping outlets that they usually frequent (see Table 2 above). They feel there is enough variety, they are close to home and shopping can be done quickly. Street vendors in particular offer food that is perceived as being cheap.

The perceived advantage of supermarkets resides in the diversity and the quality of goods that they stock (for 70% and 77% of the survey respondents, respectively) and for that reason, everyone feels that higher prices are justified. With regard to the quality of the products sold in supermarkets, some of the focus group participants are not satisfied with the freshness and the taste of fruits, vegetables and meat sold in supermarkets compared to wet markets, but most emphasize the safety of the products sold in supermarkets: people believe that supermarkets undertake regular and extensive safety controls of their supply and that this is a way of eliminating sub-standard produce.

Box 4. Getting quality food at a low price

"Supermarket products cost more. So we have more faith in them. But there are not enough supermarkets and they don't offer a very good service. There isn't a supermarket close to where I live so I buy vegetables "outside" (*on the street or at the local market*). I buy vegetables depending on how they look. Then I scrub them and soak them just to be sure."

"When we shop for vegetables at the supermarket we have more faith in them and we don't have to wash them thoroughly."

"The price matters to us. If it's expensive, we don't buy. We buy the cheapest vegetables possible, but the quality shouldn't be too bad. Generally we buy vegetables based on what they look like. If they don't look too bad and the price is low, then I buy them."

"I trust the quality of the vegetables I get because my seller is a member of the Party."

Another advantage mentioned by many focus group participants is that supermarkets are pleasant places to visit. While shopping in supermarkets requires a certain amount of time, some people often go there, usually at weekends, just to 'hang out' in a place which is air conditioned and to enjoy the luxury and modernity (try out the escalator, look at new imported goods, etc.). Some supermarkets have a free play area for children. Shopping per se is not the main purpose.

This illustrates what was referred to above as the "consumer value concept" (Holbrook, 1999).

In light of the fact that supermarkets are still in their initial stage of development in Vietnam, the desire expressed to be able to shop in supermarkets is part of a strategy of distinction (Bourdieu, 1979), identifying with the affluent social classes and being open to the outside world and the modernity that supermarkets stand for. Today, the supermarket is replacing yesterday's "Honda Dream": in the mid-1990s the symbol of social success in Vietnam was to exchange a bicycle for a motorcycle (Shultz et al., 1994).

Box 5. Reasons for the appeal of supermarkets

"Supermarket products are more reliable because an image has to be maintained."

"I often go to the supermarket so I don't look as though I'm behind the times. I paid 25,000 Vietnamese Dongs a kilo for grapefruit! And my family doesn't even eat them. . . . I go to the supermarket just to look around."

"My children like to go to the supermarket; they don't care if they don't get good value for their money."

"I've never been to a supermarket. People have told me what they're like. I hope I can visit one someday."

"People go shopping at the supermarket when they have guests over in order to give the impression they are well off. But for everyday meals they always buy on the local markets."⁶

"I feel that regardless of whether these people have a good income or not, they go to the supermarket because it makes them look good."⁶

Discussion: the place of supermarkets in the purchasing practices and culture of poor consumers

The arrival and development of supermarkets in Vietnam over the past 10 years symbolise the modernisation process currently taking place in the food distribution sector. This development aims to capitalise on the rapid increase in consumer purchasing power. Twenty years ago, the consumer could only choose between government stores and the black market.

Meanwhile, open-air markets and street selling activities have also expanded. They are better suited to the practice of making numerous purchases involving small amounts of money. They offer a wide variety of food products at low prices, or even on credit, which purchasers generally find satisfactory notwithstanding their concerns for the health quality of the food they purchase. All of these factors explain why low-income consumers purchase very little from supermarkets: these are often further away and apply higher prices.

These results confirm the findings of others studies conducted in Hanoi (Maruyama and Le Viet, 2007) and in Ho Chi Minh City (Phan Thi, 2006). These studies show that rich consumers are more likely to shop at supermarkets than other individuals. As in our study, the survey conducted in Ho Chi Minh City includes very poor consumers (which is not the case for the Maruyama and Le Viet Trung study) and shows a higher supermarket shopping frequency in poor households than in Hanoi: in Ho Chi Minh City, 43% of the non-poor go to the supermarkets at some point during the week compared to 10% of the poor. This may be explained not only by a smaller price disparity between supermarkets and open air markets in Ho Chi Minh City as

mentioned above, but also by the greater proximity of supermarkets in the district of Ho Chi Minh City concerned. Another explanation may lie in the oft-mentioned cultural differences between Hanoi and Ho Chi Minh City. The latter is more modern, more affluent with a more individualistic population and a life style which more closely resembles models imported from the West (Le Thi and Jolibert, 2001). Moreover, as far back as 1994, Shultz et al. (1994) emphasised the greater inertia of consumers in Hanoi (compared to those in Ho Chi Minh City) and their loyalty to state-operated stores.

While poor households shop very little in supermarkets, they nevertheless hold them in high esteem. Interpersonal relationships may be important in order to reassure the buyer regarding the quality of the produce, but where an anonymous exchange is involved, supermarkets appear to be the only reliable, truly trustworthy institutional operator. This is not, however, the only appeal of supermarkets in the eyes of low-income consumers. Supermarkets are also perceived as places of luxury and abundance in a society which is approaching the status of a consumer society after years of deprivation.

These changes show how "the elevated collectivism of Vietnamese culture, (...) strongly correlated to conformity and group behaviour" (Le Thi and Jolibert, 2001, p. 48) is giving way to individual pleasure and the desire to make a statement of social success. More broadly speaking, they show how the "producer citizen", given pride of place in previous official policies, is giving way to the "consumer citizen" (Vann, 2005). Similarly, the propaganda image of the worker, peasant and soldier walking side by side towards a radiant future seen on billboards in the street has given way to the picture of a satisfied consumer.

The government factory workers – low-income consumers – whom we met do not have access to supermarkets. Do they feel deprived of access to quality food and, more broadly speaking, do they see themselves as being outcasts of the Vietnamese consumer society? There was no hint of any feeling of injustice or frustration in the comments we recorded. However, according to Le Thi and Jolibert (2001), Vietnamese consumers are little inclined to express their dissatisfaction. The important thing (a legacy of Confucianism) is to maintain harmony and save face. The political context is also one in which there is little incentive to express social demands. Finally, in a survey conducted in over 44 countries (PEW, 2003), the Vietnamese rank as one of the most optimistic peoples. Thus, the individuals we interviewed feel confident that one day supermarkets will be accessible to them. With Vietnam's recent membership of the WTO and increased foreign direct investment, the commercial buoyancy of international mass distribution companies will surely take both the Vietnamese market and the general population by storm. If supermarkets become major food distributors in Vietnam, we can expect a decrease in the appeal and social distinction associated with these sales outlets.

Conclusions on policies for pro-poor food distribution

Even though the role of public investment and intervention in Vietnam is diminishing in favour of the private sector, there is still a case for public intervention in support of poverty-alleviation objectives in close collaboration with private operators. The authorities have so far shown a positive attitude towards the development of supermarkets. The planned rapid expansion of supermarkets and the elimination of temporary markets and street vendors are specified in the strategy of the Domestic Trade Department of the Ministry of Trade for a timeframe of the year 2020 on the grounds of "modernisation" and "civilisation" (Vietnam Ministry of Trade, 2006). Even the area of some formal retail markets in Hanoi (including Buoi and Cua Nam markets) has been reduced to accommodate trading centres.

⁶ These two verbatim are extracted from interviews conducted by Mayer (2006) with consumers in Hanoi (households of all levels of income). They are answers to the specific question "who, in your opinion, shops in supermarkets?".

Table 3

The main advantages and disadvantages of the various market outlets according to poor consumers in Hanoi (2005, $n = 110$).

Sales outlets	Informal markets	Official markets	Street vendors	Supermarkets
Advantages	Proximity (94%) Rapidity (92%)	Diversity (77%) Quality (34%)	Rapidity (68%) Low prices (60%)	Good quality (78%) Diversity (70%)
Disadvantages		Distance (64%) High prices (40%)	Poor quality (64%) Limited variety (31%)	High prices (78%) Distance (76%)

Advantages and disadvantages most quoted for each sales outlet (and by more than 30% of the respondents). In bold, the outlets the most frequently cited for this advantage or disadvantage.

Our study shows the importance of the traditional food retailing sector for poor consumers in terms of accessibility, credit opportunities and low prices. The present diversity of retail outlets in Vietnam should be maintained as it fits the diversity of consumer purchasing power levels and allows small-scale traders to maintain their livelihoods. We concur with the recommendation of Vorley et al. (2007) that public and private investments should be geared towards upgrading traditional markets. The different retail outlets demonstrate comparative advantages for consumers. These should be strengthened and the disadvantages reduced. Street vendors and market traders should emphasise their advantages in terms of food freshness and low prices while improving hygiene and developing relations with farmers to ensure food safety. These recommendations intended for private operators need public backing, especially for operators with less capital, namely street vendors and small-scale farmers. The experiences of other countries, such as Korea, India and Singapore, provide examples of the successful integration of street vending activities in urban planning thanks to the organisation of street vendors and dialogue with the authorities. Instead of simply prohibiting street vending activities and informal markets, the authorities could support the “formalisation” of this sector, allowing street vendors to operate in designated areas (off main streets). Decisions concerning the relocation of markets should be taken after consultation with the traders that may be affected.

Credit support should be provided to vendors who make an effort to upgrade their businesses, including street vendors and quality food shops managed by farmer groups. The organisation of special farmers' markets as alternative distribution channels enabling consumers and farmers to benefit from both proximity and the development of relationships of trust should also be encouraged (Kirwan, 2004; Braber, 2006).

In terms of access to food quality, the claim of consumers that supermarkets offer better-quality products is still to be confirmed. With regard to food safety, preliminary studies indicate that finding harmful pesticide residues in vegetables is less frequent (although not unheard of) in supermarkets than in ordinary market outlets. However, small shops and “safe vegetable” market stalls supplied by small-scale farmer groups committed to “safe vegetable” programmes (vegetables production based on Integrated Pest Management) hold their own in comparison to supermarkets (Nguyen and Moustier, 2006). Nevertheless, by means of private standards, supermarkets would seem to be the only actors in Vietnam currently capable of improving the safety of the goods on offer in light of weak state action in imposing public standards. This underlines the failure of public institutions and the withdrawal of the State in its economic reform process. In a context of urbanisation, where the anonymity of trade will probably increase, and assuming that this confidence in supermarkets is well founded, a very large segment of the population, too poor to shop

in modern outlets, could then find themselves excluded from the benefits of improved food safety. Access to safe food is a right for all consumers and as health is a public good, it should not be left solely in the hands of private firms. It has been suggested that the existing Vietnamese consumer association should intervene more frequently in the development and enforcement of public food safety standards. Supermarkets can also be allies in this process.

In short, the development of supermarkets should be accompanied by policies which take account of consumers' interests, including those of poor consumers, i.e. policies which aim to avoid excessive concentration, maintain a balance with regard to the different forms of outlets and enforce quality standards to guarantee the right of all persons to low-cost, fresh and safe food.

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