

## Competition Profile Matrix of Vietnam Maritime Commercial Joint Stock Bank



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**ABSTRACT:** Applying the competitive profile matrix to analyze the competitiveness of commercial banks plays an important role due to the benefits it brings to bank managers in the process of forming strategies competition of banks. This article was conducted to build a competitive profile matrix of Vietnam Maritime Commercial Joint Stock Bank to clearly indicate the strengths and weaknesses of the bank compared to other banks with similar resources and models. Operations as well as business methods. To construct the competitive profile matrix, the three-step theory is applied. Combined with that, the questionnaire survey method was used twice. The first time is to identify the 10 most important factors affecting the competitiveness of commercial banks in general. The second time is to determine the weight and level of influence of the factors. The research results of the article show the competitive profile matrix of Vietnam Maritime Commercial Joint Stock Bank in comparison with four other banks VIB, TPbank, OCD and BacAbank.

**KEYWORDS:** banking, competitiveness, competitive profile matrix

### INTRODUCTION

Banking is one of the important and sensitive industries that affects development. development of each economy (Ha Nam Khanh Giao, Ho Thi Hong Oanh, 2017). The role of banks is increasingly important in the process of international economic integration. When Vietnam participated deeply in integration, competition became a real force for reform, strong innovation in banking operations. This competition has affected bank internal management and risk management culture, more transparent and more reliable. Improving financial capacity, increasing owner's capital, investing digital system, maintaining minimum capital adequacy rate, invest in technology, developing modern banking services, open branches in foreign countries... to improve the competitiveness of commercial banks are concerned and done using different solutions. Moreover, in the context of increasingly fierce competition, when the banking system opens, has loosened regulations and a roadmap to gradually reduce its protection will create good conditions for foreign banks to participate in Vietnam, their competitiveness will be getting greater and greater. Vietnamese banks are having to face strong competitors from abroad. In addition, the emergence of other financial institutions such as insurance companies, investment funds, financial companies, and other non-bank organizations also increases competitive pressure with commercial banks. Vietnam trade. Improving the competitiveness of the banking system has become an urgent need, attracting the attention of many researchers, policymakers and bank administrators. To have solutions to improve the competitiveness of commercial banks, building a competitive capacity profile matrix is very important. This article was conducted to analyze the competitive profile matrix of Vietnam Maritime Commercial Joint Stock Bank to propose solutions to improve the bank's competitiveness.

### THEORETICAL BASIS

Competitive Profile Matrix (CPM) is an analytical tool that provides necessary information about a business's competitive advantage based on important factors that create competitive advantage (Bhattacharjee, D ., & Dey, M., 2015). It is used as an information tool in the process of building competitive strategies of businesses. CPM represents two important pieces of information that identify competitors as well as competitors' strengths and weaknesses and identify critical or important success factors. Through this, managers identify the strongest competitors and important factors as well as areas they need to improve. Combined with a number of other complex tools such as internal factor evaluation matrix (IFEM), external factor evaluation matrix (EFEM), analytical hierarchy process (AHP) and ELECTRE III Competitive profile matrix can become an important tool to improve

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the competitive profile of a business, providing information for offensive or defensive strategies developing to maintain competitiveness in the market (Sohel et al., 2014). To construct a CPM, business owners evaluate their business against key competitors using key components, specific strengths and weaknesses related to its position competitors' strategic position. Therefore, identifying main competitors is one of the main tasks for managers, usually they are competitors with similar resources or similar markets. Managers need to look beyond their direct competitors and pay attention to their indirect competitors who can serve similar needs in the market.

To build CPM, three important steps need to be followed: (1) identify the factors that have the greatest impact on the competitiveness of businesses and assign weights to each individual factor to reflect its importance. their relative (total weight is 1.00); (2) rank each factor based on the relative strengths and weaknesses of the business and its competitors by assigning 1 to the major weakness and 4 to the major strength; and (3) derive a weighted score by multiplying the weight of each factor by its corresponding rank (Zimmerer et al., 2008). Having a weight column allows analysts to assign higher or lower numbers to capture perceived and/or actual importance.

CPM uses components of competitiveness that allow a business to compare itself with other competitors in a particular industry. These factors are those that are considered valuable by customers or provide a significant advantage to the company in terms of cost as well as competitive advantage. These factors vary across industries or even in some cases within the same industry (e.g. in the banking industry, state-owned commercial banks and joint stock commercial banks). According to the group of authors Nguyen Thanh Nam and Ha Tuan Kiet (2022), there are 6 factors that constitute competitive advantage, including: Human quality, financial resources, R&D capacity, management capacity, equipment and technological capacity, marketing capacity. Author Nguyen Thanh Long (2017) proposed a group of factors including improving product and service quality; organizational and management capacity; marketing activities, and corporate branding. Similarly, author Nguyen Trong Ha (2016) provides factors that constitute the competitiveness of enterprises including: Management capacity, human resource quality; product and service differences; reputation, brand and corporate market share. In the banking sector, factors affecting competitiveness are also viewed differently depending on the views of different authors. Dang Minh Luan (2021) synthesizes the factors that constitute banking competitiveness including: management capacity, physical capacity, financial capacity, market response capacity, creative capacity, marketing capacity. force. Authors Ha Nam Khanh Giao and Ho Thi Hong Oanh (2017), give groups of factors such as financial capacity, diversity of products and services; marketing capacity, human resources, banking management capacity, reputation and brand building capacity, technological competitiveness.

## RESEARCH METHOD

### ***+ Identify important factors that create competitive advantage***

Based on the important factors constituting competitiveness that previous authors mentioned, the author outlines 15 factors considered important that affect competitiveness, including: Financial capacity ; Human Resources; technology; administration apparatus; risk management system; products and services; distribution system (branch system, transaction office); marketing capacity; banking information system; productivity; reputation and brand; market share; type of bank; administrative capacity; information security. A short questionnaire on the important quadratic arrangement of the factors was conducted on the sidelines of the workshop "Sustainable development of Vietnam's financial and banking system in the context of digital transformation" organized at Trade Union University, in June of 2023 to select the 10 factors considered most important out of the 15 outlined factors. The workshop had the participation of many experts, researchers, banking officers, lecturers, graduate students, practitioners, and students, but the author only selected 30 members who are experts in banking and finance, lecturers specializing in banking and finance at universities, academies and senior managers of some banks for the survey. Summarizing the survey results, the author selected 10 factors considered most important including: financial capacity, human resource quality, technological capacity, risk management capacity, management capacity, brand reputation, distribution system, marketing capacity, market share, products and services. This is the main factor for the author to build the competitive profile matrix of Vietnam Maritime Commercial Joint Stock Bank.

### ***+ Determine the weight of each factor and the level of influence of each factor in banks***

To build the competitive profile matrix of Vietnam Maritime Commercial Joint Stock Bank, the author selected 4 banks to compare: VIB, TPbank, OCB and Bac A Bank. These are banks with similarities in organizational models, resources, markets and business methods. Determining the weight of the factors as well as the level of influence of each factor on the competitiveness of banks was determined by a semi-structured questionnaire survey with 30 people who are finance and banking professionals, bank administrators. In addition to asking general information about the respondents, the questionnaire had three important questions built. The first question asked about the respondent's personal opinion on the weight of each factor that constitutes competitiveness; The second question asked about the level of influence of each factor on the competitiveness of the 5 banks

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studied by the authors, and the third question asked about their proposed solutions to improve the Vietnam Maritime Commercial Joint Stock Company' competitive. Respondents will rate the weight of each factor from 0.0 - lowest weight to 1.0 - highest weight. The total weighted score is 1. The assessment score for the level of influence of each factor ranges from 1 to 4 with 1 being the lowest level of influence and 4 being the strongest level of influence. The questionnaires were completed in the form of direct interviews, allowing the authors to ask more in-depth questions about unclear content as well as find out their assessments of the banks' competitiveness. This provides important information for the author during the process of completing the article.

### + Calculate points to form a competitive profile matrix

The semi-structured questionnaire on the weight and level of influence of the factors that constitute the competitiveness of banks was cleaned and the results were synthesized using Excel application. The weight of each factor is calculated by taking the average of the weights according to the respondents' assessments. Similarly, the level of influence of each factor on the competitiveness of banks is also calculated by taking the average of the importance scores given by the respondents. Based on the weighted score and the score reflecting the level of influence, the author calculates the indicators and creates a competitive profile matrix of the banks.

## RESEARCH RESULTS AND DISCUSSION

Summarizing the survey and calculation results, the author has built competitive profile matrix of Vietnam Maritime Commercial Joint Stock Bank as follows:

**Bảng: Vietnam Maritime Commercial Joint Stock Bank's competitive profile matrix**

ST T	Key Success Factor	Weight	MSB		VIB		TPbank		OCB		BacAbank	
			Score	Weighted score	Score	Weighted score	Score	Weighted score	Score	Weighted score	Score	Weighted score
1	Financial capacity	0.125	<b>3.18</b>	0.4	<b>3.42</b>	0.43	<b>3.19</b>	0.4	<b>3.52</b>	0.44	<b>3.22</b>	0.4
2	Human resource quality	0.131	<b>3.08</b>	0.4	<b>3.87</b>	0.51	<b>3.85</b>	0.5	<b>3.15</b>	0.41	<b>3.41</b>	0.45
3	Technological capacity	0.11	2.97	0.33	2.68	0.29	2.98	0.33	2.94	0.32	2.96	0.33
4	Risk management capacity	0.09	<b>2.87</b>	0.26	<b>2.75</b>	0.25	<b>2.45</b>	0.22	<b>2.55</b>	0.23	<b>2.91</b>	0.26
5	Management capacity	0.078	2.14	0.17	2.98	0.23	2.71	0.21	2.19	0.17	2.88	0.22
6	Reputation, brand	0.065	2.43	0.16	2.18	0.14	2.35	0.15	3.14	0.2	2.14	0.14
7	Distribution system	0.057	1.98	0.11	1.98	0.11	1.98	0.11	2.82	0.16	1.75	0.1
8	Marketing capacity	0.098	<b>3.81</b>	0.37	<b>3.54</b>	0.35	<b>3.09</b>	0.3	<b>3.85</b>	0.38	<b>3.14</b>	0.31
9	Market share	0.034	2.14	0.07	1.97	0.07	1.98	0.07	2.12	0.07	2.18	0.07
10	Products and services	0.212	2.76	0.59	2.57	0.54	2.15	0.46	2.14	0.45	1.93	0.41
<b>11</b>	<b>Total</b>	<b>1</b>		<b>2.86</b>		<b>2.92</b>		<b>2.75</b>		<b>2.83</b>		<b>2.69</b>

*(Source: Survey results and analysis by the author group)*

The competitive profile matrix shows that the competitiveness of Vietnam Maritime Commercial Joint Stock Bank ranks second in the group of banks analyzed and compared. The score reflecting the competitiveness of Vietnam Maritime Commercial Joint Stock Bank reached 2.86, behind VIB bank. The competitive profile matrix also shows that financial capacity, human resource quality, technology capacity and marketing capacity are the factors that have the greatest influence on the competitiveness of commercial banks, expressed in influence weight and influence level. Comparison between banks shows that the financial capacity of Vietnam Maritime Commercial Joint Stock Bank is weaker than other banks, reaching an impact score of 3.18 while VIB bank reaches 3.42; TPbank reached 3.19; OCB bank reached 3.52 and BacAbank reached 3.22. Thus, in the future, to improve the competitive image of Vietnam Maritime Commercial Joint Stock Bank, it is necessary to focus more on financial factors.

Similarly, the score reflecting the influence of human resource quality on the competitiveness of Vietnam Maritime Commercial Joint Stock Bank only reached 3.08 while the scores of VIB, TPbank, OCB, BacAbank respectively reached 3.87; 3.85; 3.15; 3.41. This shows that among the group of 5 comparison banks, Vietnam Maritime Commercial Joint Stock Bank has the weakest quality of human resources, affecting the bank's competitive image. In terms of training level, more than 80% of Vietnam Maritime Commercial Joint Stock Bank's human resources have achieved undergraduate and postgraduate training levels.

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However, the number of workers trained in the wrong major and the rate of job turnover at Hang Hai Commercial Joint Stock Bank of Vietnam is quite high, causing the quality of human resources to be underestimated. Furthermore, the results of interviews with bank leaders also show that the reason the quality of human resources of Hang Hai Commercial Joint Stock Bank Vietnam is underestimated is partly due to the bank's labor use policies. Not competitive compared to other banks. Bonuses, labor division and training opportunities are weaknesses that the human resources team at Hang Hai Commercial Joint Stock Bank Vietnam is not satisfied with the company's policies and practices.

The risk management capacity of Vietnam Maritime Commercial Joint Stock Bank is also highly appreciated and greatly contributes to building the bank's competitive image in the market with an average influence score of 2.87; only weaker than BacAbank (2.91 points). This shows the efforts of Vietnam Maritime Commercial Joint Stock Bank in risk management such as operating digitalization projects, systematizing credit processes for small and medium customers and individual customers; Establishing and implementing a project to systemize the credit process on a single platform (BPM risk), automatic credit approval flow (Straight Through Process - STP); Apply AI technology, liveliness, logical rules... to manage fraud risks when granting credit. Apply standard capital calculation method (SA), internal model method (IMA) according to Basel III to perform stress test and assess internal capital adequacy (ICAAP) for risks business book market risk; Use short-term liquidity ratios (LCR) and net stable capital ratio (NSFR) according to Basel III standards on liquidity risk to manage market and liquidity risks. At the same time, Vietnam Maritime Commercial Joint Stock Bank is also a pioneer in the market in implementing measurement and calculation of operating risk capital requirements according to Basel III/IV, updating fraud prevention policies, and improving scoring models. Fraud score model, improved fraud detection rules and enhanced information authentication with third parties via API to prevent fraud in the digital environment and enhance safety. information for digital transformation, including information security for the use of cloud computing, big data...

Marketing capacity is a factor that is believed to have a great influence on the competitiveness of commercial banks. With a specific business industry, strictly controlled by the state bank, with little difference in products and services, marketing capacity is an important factor to attract customers and improve capacity. competition of commercial banks. Currently, the marketing capacity of Vietnam Maritime Commercial Joint Stock Bank is considered stronger than that of VIB, TBank and BacAbank. The marketing strategy that Vietnam Maritime Commercial Joint Stock Bank pursues is to focus on two main spearheads: customers and staff. For customers, research and study the market; Identify the needs and habits of customer groups; Build featured products along with appropriate introduction channels; Having a special incentive program to increase customer loyalty are solutions that Vietnam Maritime Commercial Joint Stock Bank especially prioritizes. For employees, not only are they knowledgeable, professional, enthusiastic, and dedicated, but they are also attached, love, and trust the product. bank. In addition, Vietnam Maritime Commercial Joint Stock Bank focuses on social activities through supporting COVID-19 epidemic prevention, Vietnam Maritime Commercial Joint Stock Bank and the journey to green Vietnam. In the journey towards a stable and sustainable development community, Vietnam Maritime Commercial Joint Stock Bank has supported, invested funds and implemented social security programs in many localities nationwide, in many fields such as health, education and rural development... Vietnam Maritime Commercial Joint Stock Bank is committed to accompanying society, contributing to further improving the quality of life of Vietnamese people. Through these activities, Vietnam Maritime Commercial Joint Stock Bank contributes to improving people's quality of life, while enhancing the bank's brand image and competitiveness in the market.

## CONCLUDE

Competition in banking business is a large, complex and sensitive field influenced by many different factors. Building a competitive profile matrix of commercial banks is extremely necessary because it provides scientific information for bank managers to make decisions and form the bank's competitive strategy. Through analyzing the competitive profile matrix of Vietnam Maritime Commercial Joint Stock Bank, the article has clarified the bank's competitiveness compared to banks with similarities in operating model, resource scale and business method. The article also clearly points out the strengths and weaknesses of Vietnam Maritime Commercial Joint Stock Bank compared to competitors in the market. Based on this, the managers of Vietnam Maritime Commercial Joint Stock Bank have important information to adjust the bank's business strategy. The article also provides general information about the competitive image of the remaining four banks. Through that, the article contributes a practical perspective on the competitive situation of banks. Because it was conducted within the framework of a master's thesis, the limitations of the article are the small survey scale and the survey subjects focusing on bank administrators and banking experts in the Hanoi area. Expanding the survey object to large areas of Vietnam will increase the scientific value of the article.

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