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# Linking Competitive Strategy and Retail Performance: A Study of Strategic Choices among Myanmar Supermarkets

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**ABSTRACT**
The respective research paper focuses on exploring the significant relationship between the retail performance and competitive strategies with the specific context of the supermarket sector in Myanmar. As the nation continues to transform its business into an economic approach with a market-driven format, the retail business has increased pressure towards differentiating and performing sustainable competitive environment. This research paper targets to identify different strategies and the effectiveness of adopting strategic competitiveness within the retail sector to improve business performance among Myanmar supermarkets. Further, it includes in the introduction section the study include research aim and objective to fulfil the recruitment of the study. Literature review has also been incorporated within the study to support linking competitive strategy and retail performance. This covers initiatives to increase digital literacy and technology access for merchants, particularly small ones without the means to digitise independently, in addition to policy support. The methodology section includes the secondary data collection process and a thematic data analysis process with thematic coding.

**Keywords-** Competitive strategy, retail performance, customer satisfaction, supermarket, business performance, Strategic Choices,Myanmar Supermarkets

## I. INTRODUCTION

**Study background**

Supermarkets are where different major people purchase their required groceries and food items. People choose to buy a wide range of products from supermarkets, including fresh and dried seafood, meat, fruit, vegetables, and kitchenware. People in Myanmar have grown accustomed to shopping at upscale department stores that are sophisticated and fit with their evolving lifestyles as a result of the country's improving economic conditions and rising social standing. Additionally, contemporary shops are starting to appear in various locations around the biggest cities and towns. In recent years, the trade environment has undergone a significant transformation. The capacity, perception, and behaviour of customers about shopping and retailing have changed due to a major economic and social shift that has occurred in towns, cities, and rural areas (Stanca et al. 2025). Additionally, although operating in a prosperous industry, many supermarket chains face the challenge of intense competition, which necessitates the implementation of suitable competitive tactics.

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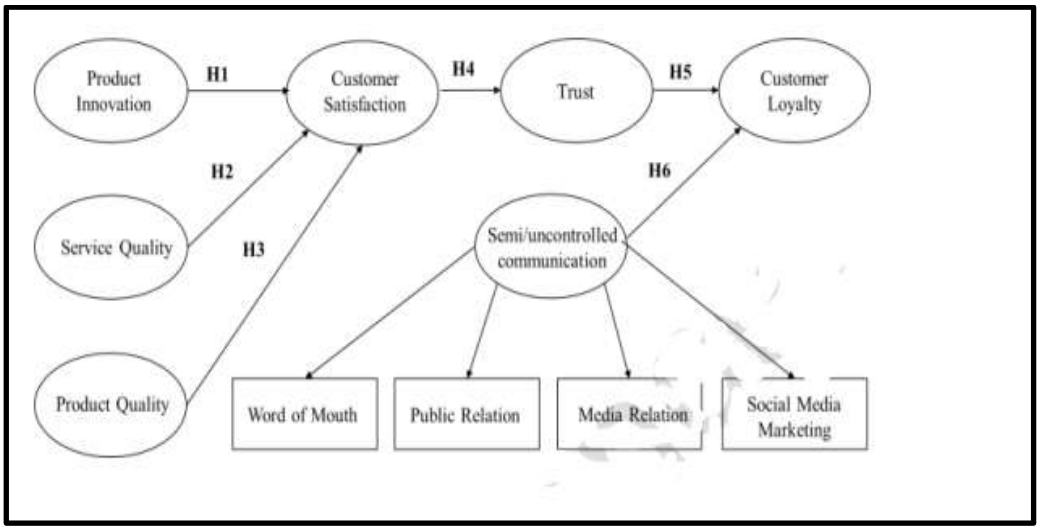


**Figure 1: Product innovation for customer satisfaction**

(Source: Min and Tangjitprom, 2023)

Different types of phenomena determine customer purchasing behaviours, and they are product innovation, service quality and product quality. These are the strategies that help the supermarkets to boost their sales number and improve retail performance (Min and Tangjitprom, 2023). For supermarkets to thrive in a constantly shifting environment, managers must comprehend the many impacts of competitive strategies, according to the Department of Business and Economics. The lifestyles of individuals in Myanmar have changed significantly in recent years. Due to the ease and variety that supermarkets provide, as well as their growing income, people are now more inclined to buy from them than from neighbourhood traditional markets.

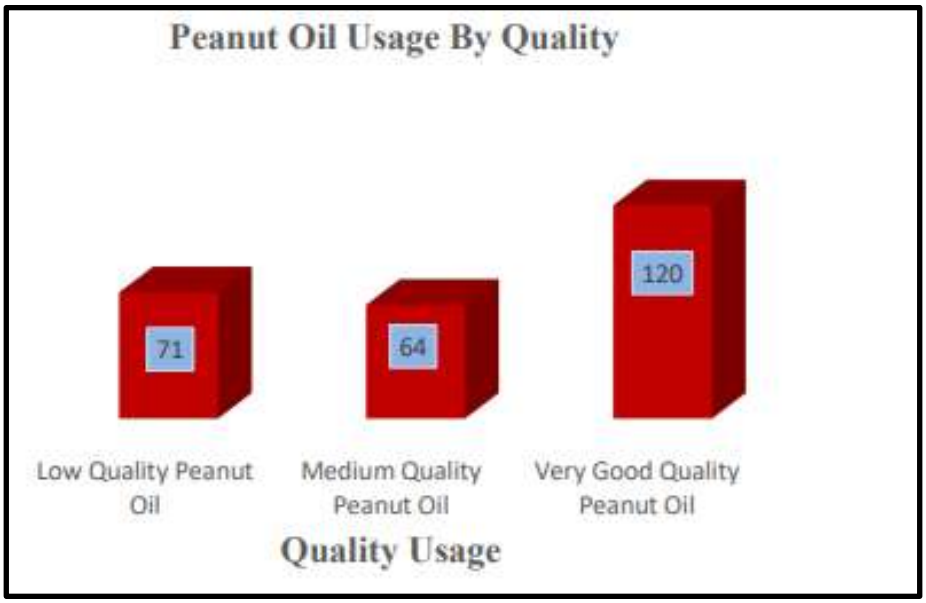


**Figure 2: Usage of peanut oil based on quality**

(Source: Hafiantiet al. 2024)

Based on the approaches of the health aspect, supermarket consumers have leveraged by highlighting the significant impact of the quality of peanut oil. Influencing the maximum people or the majority of customers prefer to purchase products with very good quality from the supermarkets (Hafiantiet al. 2024). These shifts in consumer behaviour lead to erratic purchasing decisions and fierce rivalry amongst supermarkets. Supermarket operators prioritise competitive strategies in such a

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volatile environment to maintain business performance by maintaining their competitiveness through pertinent business strategies.

**Aim:** This study aims to depict the significance of linking the competitive strategy and retail performance based on the study of strategic choices among Myanmar supermarkets.

**Objectives:**

- To depict the role of linking the competitive strategy and retail performance based on the study of strategic choices among Myanmar supermarkets
- To identify different challenges that occur while implementing a competitive strategy among Myanmar supermarkets
- To derive the effective strategies for mitigating the issues faced by Myanmar supermarkets and to boost customer satisfaction through strategic choice

## II. LITERATURE REVIEW

Supermarkets now serve the local community in a significant way and the bulk of consumers purchase their groceries and food goods at supermarkets. People choose to buy a wide range of products from supermarkets, including dried and fresh seafood, kitchenware, meat, vegetables and fruit. People in Myanmar have grown accustomed to shopping at upscale department stores that are sophisticated and fit their evolving lifestyles, a result of the country's improving economic conditions and rising social standing. This digital transformation has far-reaching economic ramifications that extend beyond the current financial losses incurred by Main Street merchants alone (Myo et al. 2025). Retail businesses' profitability is greatly impacted by their capacity to trace products from their place of origin to the point of sale (Taracha and Noor, 2023). Supply chain traceability can boost customer trust, lower supply chain interruptions, and improve product quality, all of which have a favourable effect on retail companies' performance.

As per Myo et al. (2025), Myanmar can also anticipate a growing divide between shops that have adopted online strategies and those that continue to rely on conventional methods, as a result of this largely unexplored field of e-commerce. The necessity of allowing conventional enterprises to adjust to digital difficulties might be explained by the need to promote inclusive economic growth. This covers initiatives to increase digital literacy and technology access for merchants, particularly small ones without the means to digitise independently, in addition to policy support. According to Pongtanalert and Assarut, (2022), communication with internal and external stakeholders, transparency, and stakeholder collaboration are important. The key components of supermarket resilience are entrepreneurship, creativity, and innovation; however, government action is also required to establish a supportive environment. Due to the convenience and variety that supermarkets provide, and their growing affluence, people are now more inclined to buy from them than from neighbourhood traditional markets. These shifts in consumer behaviour lead to erratic purchasing decisions and fierce rivalry between supermarkets.

Jamhariet al. (2021), state that the actors in the food supply chain coordinate closely. Supermarkets, farmers, distributors, producers and retailers are just a few of many parties involved in the food supply chain today. However, because of the lack of coordination, this system is unreliable and inefficient. In order to adapt to market demand for product volume and quality, farmers and other market actors in SEA nations need to work together more. Additionally, they need to be mindful of changing consumer tastes. Following the Covid-19 pandemic, which raised consumer awareness of the potential of virus infection in agricultural products, consumers today seek nutritious and eco-friendly food, which is reflected in many certification programs. One of the main factors influencing customers' propensity to purchase using or getting services is store image, which is a crucial marketing element. When selecting and buying a product, consumers also take into account both the material and immaterial aspects of the item (Wu et al. 2024). Accordingly, a product's attributes influence consumers' intention to buy. Additionally, a company can gain a competitive edge and stand out from the competition thanks to its product qualities.

## III. METHODOLOGY

Itmethodology, the study has been processing with selecting "**interpretivism research philosophy**" to depict the core ideas about understanding effective subjective experience and also individuals' interpretation. This helps to identify the concept of competitive strategies in embracing the retail performance within the Myanmar supermarket. The research approach consists of three parts and they are qualitative, quantitative, and mixed methods." Among all of these, the study focuses on a qualitative research approach that is non-numerical. The study has followed an "**explanatory research design".** Explanatory research develops the study with the

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identification of qualitative information for understanding different factors that contribute towards a particular social issue (Lim, 2025). The study has been proceeding with the selection of a "**secondary data collection process**" for the collection of different information based on the articles. This information helps the researcher for saving their time in collecting information and time also. It helps to depict the researcher with broader and unique insights about the study perspective. This data in further going to be further analysed with the help of "**thematic data analysis",** as it promotes adequate findings of the study to embrace the effectiveness of linking the competitive strategy and retail performance. Furthermore, with the aspect of thematic analysis, the research can identify the identification of role of linking the competitive strategy and retail performance based on the study of strategic choices among Myanmar supermarkets.

## IV. RESULT

**Thematic Coding**

| Theme No. | Theme | Description | Sample Codes |
|---|---|---|---|
| 1. | Role of linking competitive strategy and retail performance to enhance customer satisfaction | Linking competition strategy helps the retail sector and supermarkets to improve their business performance by improving customer satisfaction as an effective strategy. | Competitive strategy, retail performance, customer satisfaction and supermarket business performance |
| 2. | Different challenges occur while implementing a competitive strategy among Myanmar supermarkets | There are different types of challenges that occur while supermarkets then to adopt competitive strategies for improving competitive edge and embracing positive outcomes from the customers. | Supermarkets then need to adopt competitive strategies, a competitive edge, and face challenges |
| 3. | Strategies to address issues faced by Myanmar supermarkets while adopting a competitive strategy | Strategiesevaluates for mitigating or minimising issues faced by Myanmar supermarkets while process with competitive strategy. | Strategies to address issues faced by Myanmar supermarkets and minimise issues faced by Myanmar supermarkets |

**Table 1: Thematic coding**

**Thematic analysis**

**Theme 1: Role of linking competitive strategy and retail performance to enhance customer satisfaction**

Service quality is very important in Myanmar's retail sector, which is crucial to the country's economic growth, job creation, and consumer welfare. The success of retail enterprises is directly related to their capacity to provide top-notch services, and they help with consumer choice, market access, and convenience. The industry does, however, confront difficulties, such as heightened competition from chain and local retailers, which emphasises the necessity of ongoing service quality development. Service quality has become a crucial factor in determining customer happiness and overall organisational performance in the modern corporate environment. Understanding and improving service quality is a strategic necessity for retail firms, not just an operational one. Service quality includes many factors that work together to influence consumers' opinions and experiences, which in turn affect their degree of satisfaction and brand loyalty (AYE, 2024). The physical components of service delivery, such as the equipment and the facility's look and cleanliness, are referred to as tangibles. The capacity of the service provider to accurately and consistently deliver on promises is known as reliability. The ability to assist clients and deliver timely service is measured by responsiveness.

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Assurance relates to staff members' expertise, civility, and capacity to inspire trust.

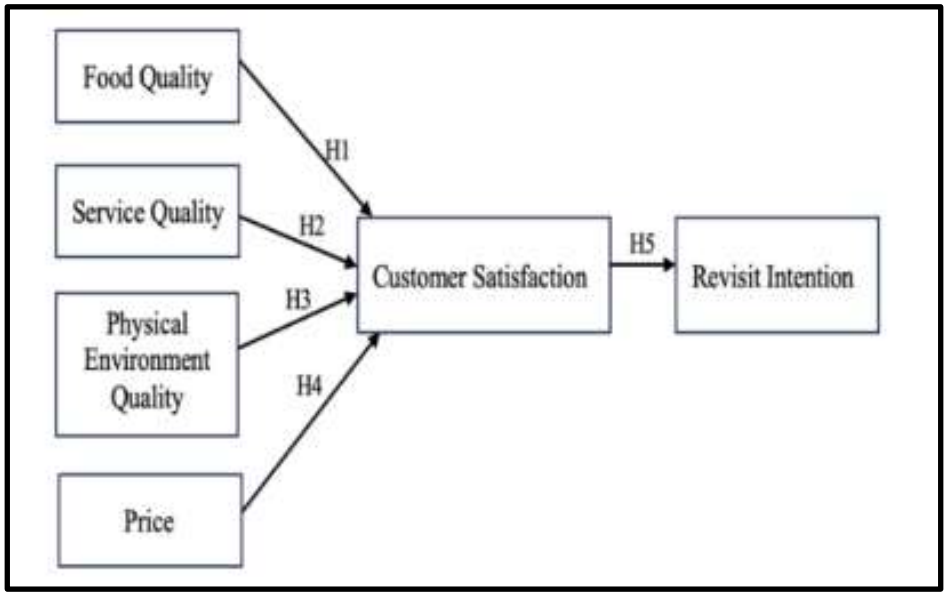


**Figure 3: Different factors affect customers in revisiting**
(Source: Zaw and Nuangjamnong, 2023)

Agriculture is the backbone of Myanmar's economy, and the food and beverage (F&B) sector accounts for up to 30% of the country's GDP, with substantial contributions (Zaw and Nuangjamnong, 2023). Between 2014 and 2019, while GDP per capita increased, consumer spending power increased as well. International food businesses developed themselves in cities during this time, creating a competitive atmosphere in Myanmar's F&B sector. But in 2020, the epidemic hampered the industry's expansion and changed consumer behaviour.

The concern and individualised attention given to clients is a component of empathy. Every one of these factors is essential in determining how satisfied and viewed customers are. Beyond just affecting customer happiness, service quality has an impact on many facets of corporate performance. Because happy consumers are more likely to make repeat purchases and stick around, high service quality can boost sales. By encouraging customer retention and favourable word-of-mouth, which can draw in new clients, it also lowers marketing expenses. Additionally, a solid reputation for providing high-quality services can aid the store in luring in skilled workers who are inspired to work in a welcoming and customer-focused atmosphere.

**Theme 2: Different challenges occur while implementing a competitive strategy among Myanmar supermarkets**

Worldwide, e-commerce has completely transformed retail by altering how customers interact with companies and obtain goods and services. Digital retail platforms' increasing popularity in recent years has posed significant obstacles for consumers and traditional brick-and-mortar enterprises, particularly in developing nations. Similar changes are occurring in Myanmar's development, particularly in Yangon, the country's commercial hub, as Smartphone penetration and internet availability have increased quickly. Between 2010 and 2020, Myanmar's internet penetration rate increased from about 1% to 43%, allowing more customers than ever to access online shopping platforms (Myo et al. 2025). The commercial capital of Myanmar is being impacted by this shift, as e-commerce presents a practical, but frequently less costly, substitute for physical shop fronts. The quick development of Myanmar's internet infrastructure is partly to blame for this change. Urban consumers can now interact with digital marketplaces in ways that were previously impossible due to government changes, corporate investment, and telecommunications investments. Only visiting customers fewer than 30 are increasingly using online buying, as e-commerce has grown in popularity in recent years in the city's strong markets.

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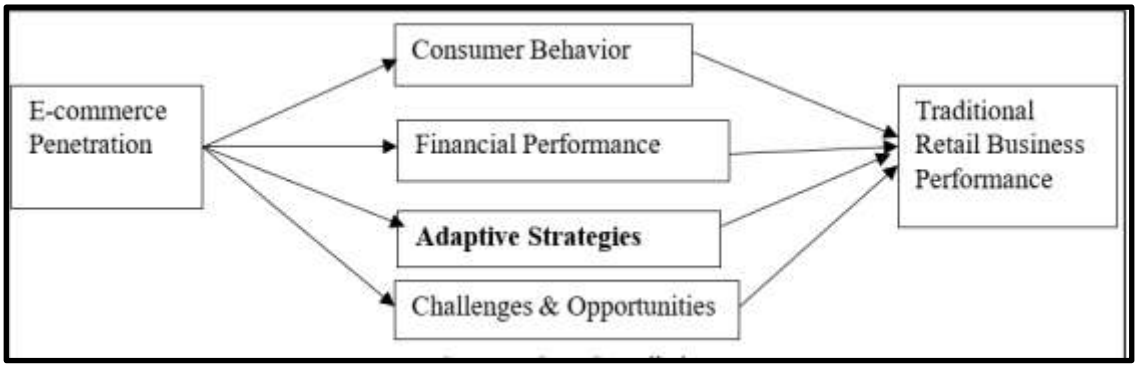


**Figure 4: Framework between traditional and penetration retail business**
(Source: Myo et al. 2025)

Customers of e-commerce value the aspects that physical businesses find challenging to match, such as product variety, convenience of use, and 24/7 purchasing. However, traditional retail faces an extremely tough battle as a result of this shift. The majority of SMEs in Yangon have limited experience or capacity to switch to the internet and are dependent on local, repeat clients and brick-and-mortar operations (Myo et al. 2025). Because they are unable to take advantage of the salary and operating advantages enjoyed by many of their digital competitors who do not require physical premises, these businesses are severely disadvantaged in our increasingly digitalised economy. With the growth of e-commerce in Yangon, Myanmar, Traditional retail companies lack the unrealised digital infrastructure and investments necessary to adapt to the changing environment. E-commerce may offer customers more convenience, a wider selection of goods, and more affordable prices, but it is putting physical stores at risk, particularly small and medium-sized businesses (SMEs), who have historically relied on foot traffic and personal connections with clients. In contrast to their e-commerce peers, who benefit from a wider reach at a lower cost, traditional merchants face significant operating costs as well as limited accessibility and attribution possibilities.

**Theme 3: Strategies to address issues faced by Myanmar supermarkets while adopting a competitive strategy**

The government wants to support innovative products and platforms in recognition of the growing popularity of buying, selling, and customer outreach in Myanmar (Zun and Teerakapibal, 2020). Even though access to the technologies and tactics needed for e-commerce has dramatically improved, there are currently not as many successful e-commerce companies in Myanmar. Supermarkets in Myanmar need to overcome several obstacles to successfully use e-commerce. These include handling shipping and logistics, adjusting to the digital payment environment, and fostering customer trust in online transactions. Techniques include emphasising safe payment methods, transparent communication, effective delivery methods, and employing digital marketing to establish a web presence (Islam, 2024). Overcoming the major obstacles: 1. Establishing Trust with Customers, systems for secure payments: To increase confidence in online transactions, highlight safe payment gateways and advocate for digital wallets. Targeted advertising involves analysing consumer behaviour to successfully advertise and promote online purchasing platforms. E-commerce Platform: Create an intuitive mobile application or e-commerce website with easy navigation and a clear display of product catalogues.

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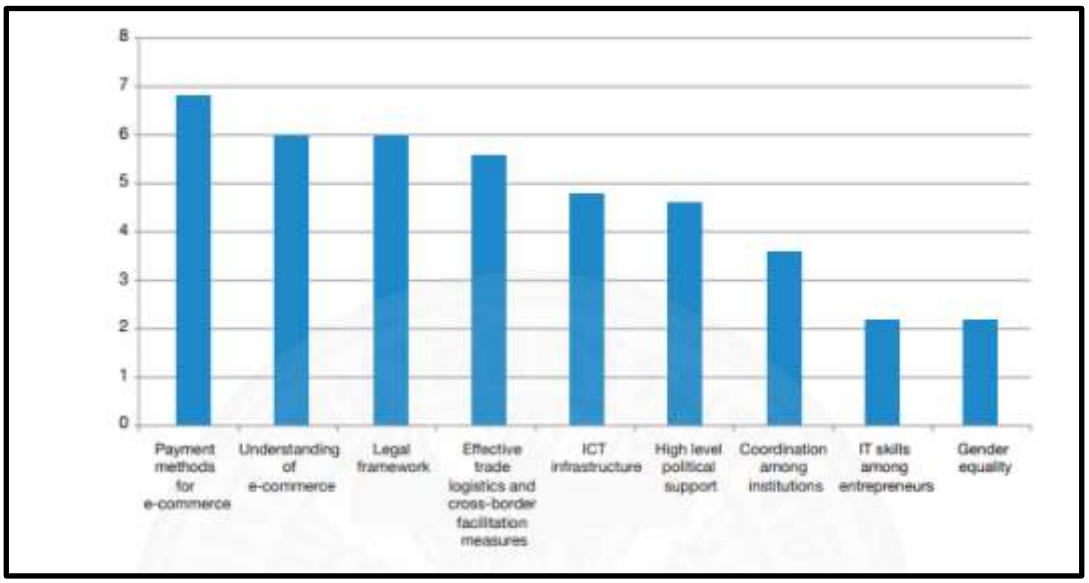


**Figure 5: E-commerce Development Important Factors**

(Source: Zun and Teerakapibal, 2020)

The following are some of the main issues that Myanmar's e-commerce companies are facing: (i) Logistics ease is a critical component of success. A large number of enterprises in Myanmar depend on offline stores to boost their earnings. The pricing plan creates another difficulty. E-commerce sites are unable to drastically reduce prices, which will lead to complaints being sent to manufacturers. Even though there are obstacles in the rapidly expanding e-commerce industry, Myanmar's citizens can gradually overcome them with improved procedures and processes (Zun and Teerakapibal, 2020). Hence, with more and more people in the nation using the internet, or more specifically Facebook, awareness will only grow in the future. The goal of retail business technology is to plan, organise, and coordinate IT management throughout the entire company. Social media, payment gateways, and the internet are the three main e-commerce facilitators. The process of managing and conducting business operations in an electronic or digital format is known as e-business.

## V. DISCUSSION

Lack of access to computers, appropriate software and hardware components, and affordable telecommunications, low supply chain partners' use of e-commerce, security and legal concerns, insufficient management and employee knowledge, and a lack of awareness of the advantages of e-commerce were identified as key adoption barriers. After that, the government begins to assist the private sector in concentrating its resources and efforts on production, services, and trading. Since Myanmar lacks laws specifically on supermarkets, all laws, rules, and directives apply to the development of supermarkets. With the growth of e-commerce in Yangon, Myanmar, Traditional retail companies lack the unrealised digital infrastructure and investments necessary to adapt to the changing environment. E-commerce may offer customers more convenience, a wider selection of goods, and more affordable prices. Furthermore, the success of retail enterprises is directly related to their capacity to provide top-notch services. The industry does, however, confront difficulties, such as heightened competition from chain and local retailers. Also, on the other side, linking competition strategy helps the retail sector and supermarkets to improve their business performance by improving customer satisfaction as an effective strategy.

## VI. CONCLUSION

The study has positively evaluated Myanmar supermarkets to find the effective links between the retail performance and competitive strategy. From the above research paper, it has been concluded that leveraging different strategies within the retail industry can positively gain or influence the retail performance within Myanmar supermarkets. However, this is important for the supermarket business to adopt or leverage competitive strategies within their respective business operations to improve retail performance critically. People in Myanmar have significantly grown accustomed to shopping at upscale department stores that are sophisticated and fit with

their evolving lifestyles as a result of the country's improving economic conditions and rising social standing. The customer has been facing issues in implementing the e-commerce phenomenon within supermarkets, apart from the traditional shopping behaviour; they have been facing difficulties in adopting the challenges. Hence, the supermarket retailers have been process to adopt different strategies to embrace customer satisfaction through adequate service processes and maintaining business transparency on social platforms.

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