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Enhancing the Competitiveness of Vietnamese SMEs in the Context of International Integration: Moderating Role of Financial Support

Diu Thi Phuong Tran¹, Huong Thi Mai Dang², Thuy Thu Luong³, Dung Tien Pham^{4*}, Phong Tuan Cao⁵

¹Academy of Finance, Hanoi, Vietnam

ORCID iD: <https://orcid.id/0000-0002-2594-9533>, Email: tranphuongdiu@hvtc.edu.vn

²Hanoi Metropolitan University, Hanoi, Vietnam

ORCID iD: <https://orcid.id/0009-0006-9609-2481>, Email: dtmhuong@hnmu.edu.vn

³Academy of Finance, Hanoi, Vietnam

ORCID iD: <https://orcid.id/0009-0004-0929-0726>, Email: luongthuthuy@hvtc.edu.vn

⁴Hanoi Committee for Religious Affairs, Hanoi, Vietnam

ORCID iD: <https://orcid.id/0009-0003-8319-1489>, Email: dungptbca@gmail.com

⁵Vietnam Institute of Economics, Hanoi, Vietnam

ORCID iD: <https://orcid.id/0009-0008-1003-3232>, Email: caotuanphong78@gmail.com

*Corresponding Author: Email: dungptbca@gmail.com

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Abstract

The primary determinant contributing to the success of an organization is its level of competitiveness, which necessitates a thorough examination through recent research endeavours. Thus, this current study scrutinizes the effects of international market access, technology integration, and export orientation on the competitive edge of Small and Medium-sized Enterprises (SMEs) in the context of Vietnam. Moreover, the research delves into the moderating influence of financial support on the relationship between international market access, technology adoption, export orientation, and SME competitiveness in Vietnam. Data collection from SME employees was conducted via questionnaires, and the study utilized smart-PLS methodology to analyse the interconnections among the variables. The findings underscore a positive correlation between international market access, technology adoption, export orientation, and SME competitiveness in Vietnam. Additionally, the study highlights the significant moderating effect of financial support on the relationship between international market access, technology adoption, export orientation, and SME competitiveness in Vietnam. This article offers insights to policymakers for the formulation of regulations aimed at augmenting SME competitiveness through enhanced international market access, effective technology adoption, and robust export orientation strategies.

Author Correspondence: dungptbca@gmail.com

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Introduction

SMEs are widely recognized as the cornerstone of Vietnam's economy, playing a pivotal role in job creation, revenue generation, and overall economic expansion. In recent years, Vietnam has actively pursued a policy of international integration, aiming to enhance competitiveness, tap into global markets, and attract foreign investment (Walsh et al., 2021). Focusing on the moderating role of financial support, this study endeavours to investigate the determinants influencing the competitiveness of Vietnamese SMEs within the framework of international integration. The research examines three principal independent variables: international market access, technology adoption, and export orientation, and their impact on SME competitiveness. Moreover, the study explores how SME competitiveness is moulded within the context of international integration through economic linkages among domestic enterprises. Understanding these linkages, which encompass supply chain interactions, strategic partnerships, and value chains, is crucial for enhancing the competitiveness of Vietnamese SMEs in the global arena (Mehdikhani & Valmohammadi, 2019). These components constitute significant aspects of the research. Participation in value chains enables SMEs to bolster productivity, reduce costs, and gain access to specialized inputs, thereby fostering long-term growth (Gereffi, 2019). Furthermore, collaboration and knowledge exchange foster resilience and innovation, empowering SMEs to navigate challenges and capitalize on opportunities, as evidenced by the study. International market access stands as a pivotal determinant of SME competitiveness, granting access to broader and more diverse markets, growth avenues, and economies of scale. Nevertheless, penetrating foreign markets necessitates significant financial investment for market analysis, competitive evaluation, and regulatory adherence (Naradda Gamage et al., 2020). Moreover, SMEs encounter formidable competition from larger, well-established enterprises, alongside logistical complexities, cultural disparities, and trade barriers (Chandra et al., 2020). Another critical driver shaping SME competitiveness within the realm of global integration is technology adoption. Embracing technology empowers SMEs to enhance productivity, innovation, and operational efficiency, thereby gaining a competitive advantage and adapting to dynamic market landscapes (Dutta et al., 2021). However, the financial burden associated with hardware, software, infrastructure, training, and other requisites for technology adoption may prove prohibitive for many SMEs, particularly those with limited resources. Export orientation represents a third significant aspect influencing SME competitiveness amidst global integration. By venturing into international markets, SMEs expand their market reach, diversify clientele, and capitalize on global opportunities (Asgary et al., 2020). Nevertheless, international expansion demands substantial financial resources for marketing endeavours, product adjustments, distribution channels, and market research. Furthermore, the study examines the moderating role of financial support in conjunction with the direct impacts of export orientation, technology adoption, and international market access on SME competitiveness. Financial assistance furnishes SMEs with the necessary resources and expertise to invest in strategic initiatives, surmount barriers to international integration, and seize foreign market opportunities (Pu et al., 2021). Such support may manifest in various forms, including grants, loans, subsidies, and investments. Additionally, financial backing

facilitates collaboration and information sharing among domestic enterprises, fostering economic linkages and elevating SME competitiveness through collaboration and synergy (Fainshmidt et al., 2019).

The study encompasses a diverse array of objectives. Its primary aim is to discern the principal determinants shaping SME competitiveness within the Vietnamese context. Export orientation, technology adoption, and access to international markets emerge as the three focal independent variables in this investigation. Moreover, the study seeks to scrutinize the moderating influence of financial support on the relationship between SME competitiveness and these variables. Additionally, it endeavours to explore the economic interconnections existing among domestic enterprises and their implications for SME competitiveness amid global integration. By achieving these objectives, the study aspires to furnish insightful analysis and constructive recommendations to stakeholders, practitioners, and policymakers endeavouring to enhance the competitiveness of Vietnamese SMEs in an increasingly interconnected and competitive global marketplace. Within the Vietnamese milieu, this study addresses several noteworthy gaps in the extant literature concerning SME competitiveness and international integration. Firstly, despite the scrutiny directed toward the determinants influencing SME competitiveness in previous research, there remains a dearth of comprehensive studies examining the moderating impact of financial support on these linkages. This study bridges this gap by examining the interplay between financial support and critical factors such as SME competitiveness, export orientation, technology adoption, and access to international markets. Furthermore, the significance of economic linkages among domestic enterprises in shaping SME competitiveness within the context of global integration is frequently overlooked in the scholarly discourse. Through an exploration of these economic linkages and their repercussions on SME competitiveness, this study contributes to a more nuanced understanding of the dynamics within the Vietnamese SME ecosystem.

In the subsequent section of this study, we will delve into a comprehensive review of pertinent literature, delineate the research methodology employed, and execute a thorough empirical analysis to assess the validity of the proposed hypotheses.

Literature Review

In the contemporary global economy, sustaining competitiveness and viability for SMEs hinges fundamentally upon their access to international markets. This access not only represents a pivotal element but a foundational one. The capacity to engage with broader and more diverse customer segments stands out as among the paramount advantages derived from international market penetration for SMEs. As elucidated by Udayana et al. (2021), venturing into international markets enables SMEs to reach customers characterized by varying demographics, interests, and purchasing capacities. This diversification mitigates the risks associated with over-reliance on a single market, concurrently augmenting sales potential and revenue prospects. SMEs with international market access are thus better positioned to weather economic uncertainties and sustain consistent growth amidst fluctuating demand dynamics (Etemad, 2020). Furthermore, as underscored by Prasanthi & Bhaskara Rao (2019), international expansion facilitates the realization

of economies of scale—a critical determinant of competitiveness in today's globalized economic landscape. By leveraging larger-scale production of goods or services, SMEs can effectively reduce per-unit production costs, thereby enhancing profit margins and market competitiveness. Reflecting on their cost efficiency, Farhikhteh et al. (2020) note that SMEs are adept at offering competitive pricing strategies, which bolster their appeal to customers both locally and abroad. Moreover, SMEs can bolster their competitive advantage through strategic investments in Research and Development (R&D), innovation, and technology adoption, driven by economies of scale (Masroor & Asim, 2019).

As posited by Prasanthi & Bhaskara Rao (2019), access to international markets not only broadens SMEs' reach but also exposes them to innovation ecosystems, advanced business methodologies, and novel technologies that may not be readily available in their domestic markets. Through engagement with foreign partners, suppliers, and customers, SMEs can gain valuable insights and expertise, thereby catalysing product innovation, process optimization, and refinement of business models. To remain competitive and adaptive in rapidly evolving markets and industries, SMEs must continuously learn and adapt. Consequently, access to international markets not only fosters innovation and expansion but also enhances the international standing and credibility of SMEs (Bagheri et al., 2019). By demonstrating their capability to compete with larger, established enterprises in international arenas, SMEs can earn the respect and trust of stakeholders such as suppliers, consumers, and investors. This heightened exposure creates avenues for strategic alliances, collaboration, and growth, thereby bolstering SMEs' competitiveness and sustainability in the global marketplace over the long term (Masroor & Asim, 2019). Hence, we posit that,

H1: International market access has a direct relation with competitiveness of SMEs.

The integration of technology and the competitive prowess of SMEs exhibit a close correlation within the contemporary business landscape. In the present digital epoch, technological advancement stands as an indispensable catalyst for enhancing efficiency, fostering innovation, and propelling economic development across diverse sectors. For SMEs, the adoption of technology transcends mere relevance—it emerges as a pivotal facet underpinning competitiveness and sustainability. Primarily, the implementation of technology empowers SMEs to bolster overall productivity, automate repetitive tasks, and optimize operational workflows (Dutta et al., 2021). Leveraging software solutions, cloud computing platforms, and digital tools facilitates the streamlining of internal processes, reduction of administrative burdens, and more effective allocation of resources. As elucidated by Asemokha et al. (2019), SMEs gain a competitive edge owing to their operational efficacy, leading to cost efficiencies, expedited turnaround times, and enhanced adaptability in meeting market demands. Moreover, as delineated in Rakshit et al. (2022) research, technology endows SMEs with the capability to elevate the quality and scalability of their offerings. By harnessing artificial intelligence, data analytics, or advanced manufacturing technologies, SMEs can devise innovative solutions that cater to evolving customer preferences and needs. Consequently, SMEs can augment their market share within fiercely competitive sectors, attract new clientele, and retain existing ones by leveraging technology to develop distinctive value propositions (Donbesuur et al., 2020).

The incorporation of technology into SME operations additionally facilitates their access to novel domestic and international markets and clientele. Through utilization of online marketplaces, digital marketing avenues, and e-commerce platforms, SMEs can swiftly tap into a global audience with minimal initial investment (Tolstoy et al., 2022). This expanded market reach diminishes reliance on local markets while diversifying revenue streams, thereby mitigating the risks associated with fluctuations in demand or economic downturns. Furthermore, as underscored by Jalil et al. (2021), technology adoption fosters a culture of innovation and continual enhancement within SMEs. By embracing new technologies, experimenting with fresh business strategies, and cultivating a mindset of digital transformation, SMEs can proactively stay abreast of evolving market dynamics and adjust swiftly to changing conditions. In industries characterized by rapid pace and volatile market landscapes, the ability to innovate and adapt holds paramount significance in maintaining a competitive edge (Ferreira et al., 2020). Hence, we posit a hypothesis that,

H2: Technology Adoption has a direct relation with competitiveness of SMEs.

The competitive standing of SMEs in the international arena is profoundly shaped by their export orientation. SMEs engaged in export activities enjoy several advantages that augment their overall sustainability and competitiveness. Primarily, exporting enables SMEs to access a broader spectrum of markets and diversify their customer base beyond national borders (Osano, 2019). As elucidated by the findings of Asgary et al. (2020), global expansion empowers small and medium enterprises to mitigate dependence on specific markets, thereby mitigating risks associated with regional economic fluctuations or shifts in demand. This diversification strategy enhances resilience in the face of market volatility while bolstering revenue stability.

Moreover, export-focused SMEs stand to benefit from economies of scale, leveraging increased production volumes to drive down unit costs and enhance profitability (Asgary et al., 2020). By capitalizing on global market access, SMEs can augment sales volumes, distribute fixed expenses across a broader customer base, and negotiate favourable terms with partners and suppliers. The cost efficiency attained by export-oriented SMEs enables them to adopt competitive pricing strategies, thereby enhancing their attractiveness to both domestic and international clientele (Gkypali et al., 2021). Additionally, exporting exposes SMEs to innovative practices, global industry standards, and cutting-edge technologies, fostering continuous learning and development within the organization. Furthermore, export orientation positions SMEs as formidable contenders in their respective industries by enhancing their visibility and credibility on the international stage. Successful entry into overseas markets demonstrates SMEs' ability to compete with larger, established enterprises, earning the trust and respect of partners, investors, and customers (Udomkit et al., 2019). This enhanced reputation creates avenues for strategic partnerships, joint ventures, and avenues for development and expansion. Furthermore, by embracing export activities, SMEs can capitalize on global trends and emerging opportunities, thereby maintaining their competitive edge in swiftly evolving markets (Hu & Kee, 2022). Hence, we posit that,

H3: Export Orientation has a direct relation with competitiveness of SMEs.

The moderating role of financial support in the nexus

between SME competitiveness and their access to international markets holds notable significance. While gaining entry to international markets presents substantial opportunities for SME growth and customer acquisition, it also poses challenges, particularly concerning financial backing (Naradda Gamage et al., 2020). According to insights from the study conducted by Hammerschlag et al. (2020), significant financial resources are often requisite for international market entry, encompassing aspects such as establishing distribution networks, adapting products, conducting market research, and executing marketing endeavours. Without adequate financial assistance, SMEs may encounter hurdles impeding their ability to fully leverage the advantages of international expansion (Chandra et al., 2020).

Various avenues exist through which financial support can be extended, including grants, loans, subsidies, and investments from governmental bodies, financial institutions, and other stakeholders. Such forms of support furnish SMEs with access to capital and financial resources, facilitating their navigation through initial entry barriers, addressing challenges inherent in global markets, and enabling investments in strategies that enhance competitiveness. Moreover, as highlighted by Pu et al. (2021), financial support can mitigate the risks associated with international expansion, encompassing market uncertainties, currency fluctuations, and regulatory compliance. Furthermore, financial assistance can contribute to capacity-building initiatives such as technical assistance, mentorship programs, and training courses, which are indispensable for equipping SMEs with the requisite skills and knowledge to effectively compete in global markets (Nakku et al., 2020). Therefore, we posit that,

H4: Financial support moderates the relation between international market access and competitiveness of SMEs.

The interplay between SME competitiveness and their adoption of technology is significantly conditioned by financial support. While technology adoption holds the promise of enhancing SME efficiency, productivity, and market competitiveness, there exist initial costs and implementation hurdles that may pose formidable challenges. In the absence of adequate financial backing, many SMEs may encounter difficulties in making requisite investments in infrastructure, software, hardware, and training essential for embracing technology-driven innovation (Mishrif & Khan, 2023). As elucidated by Fainshmidt et al. (2019), financial support plays a pivotal role in overcoming these impediments, enabling SMEs to unlock the full potential of technology adoption by granting access to resources and capital. Government agencies, financial institutions, and other stakeholders have the capacity to extend grants, loans, subsidies, and investments to SMEs, facilitating the enhancement of their digital capabilities, strategic technological investments, and competitive positioning in swiftly evolving markets. Additionally, financial support facilitates the implementation of initiatives aimed at bolstering capacity and providing technical assistance programs, equipping SMEs with the requisite tools to effectively leverage technology for business transformation and expansion (Troise et al., 2022).

In the contemporary digital and interconnected business landscape, financial support serves as a catalyst for SMEs to harness technology as a strategic asset, fostering innovation, differentiation, and sustained competitive advantage by bridging the gap between aspiration and execution (Chege & Wang, 2020). Hence, we contend that,

H5: Financial support moderates the relation between

technology adoption and competitiveness of SMEs.

The moderating impact of financial support on the association between SME competitiveness and export orientation is of substantial significance. Export orientation poses significant challenges, particularly concerning financial constraints and risk mitigation, yet it also presents considerable opportunities for SMEs to expand, diversify, and penetrate new markets (Ghag et al., 2022). Substantial investments are imperative to access international markets, encompassing areas such as product adaptation, distribution channels, market research, and promotional endeavours. In the absence of adequate financial support, many SMEs may struggle to surmount these barriers and fully realize the potential benefits of export-oriented strategies (Ranjan, 2024). Various forms of financial support, including grants, loans, subsidies, and investments, among others, can furnish SMEs with the requisite resources and expertise to navigate the intricacies of global trade, mitigate risks, and capitalize on opportunities in foreign markets. As asserted by Kahiya (2024), financial support facilitates SME access to financing, enabling investment in export-related activities such as product customization, market expansion, and compliance with international standards and regulations. Furthermore, financial assistance can bolster export assistance programs and capacity-building initiatives, equipping SMEs with networks, expertise, and resources essential for survival in competitive international arenas. By enhancing SMEs' capacity to compete internationally, achieve sustainable growth, and thrive in the modern globalized economy, financial support provides the financial resources and support mechanisms necessary to pursue export-oriented initiatives (Appiah et al., 2019). Therefore, we posit a hypothesis that,

H6: Financial support moderates the relation between export orientation and competitiveness of SMEs.

Research Methods

The article investigates the influence of international market access, technology adoption, and export orientation on the competitiveness of SMEs, while also exploring the moderating effect of financial support in Vietnam. Data were collected through questionnaires administered to employees of SMEs. The questionnaire items were structured to measure various constructs: international market access, comprised of five questions (Zahoor & Al-Tabbaa, 2021); technology adoption, consisting of five questions (Oduro, 2020); export orientation, comprising six questions (Kolbe et al., 2022); financial support, containing four questions (Kurniawan et al., 2023); and SME competitiveness, encompassing six questions (Singh et al., 2019). These questionnaire items are presented in Table 1.

The research selected employees from SMEs as the survey participants, employing a simple random sampling technique. Surveys were distributed through personal visits to the SMEs, resulting in 290 valid responses out of 433 surveys distributed, yielding a response rate of 66.97 percent. Additionally, the study utilized smart-PLS methodology to explore the relationships among variables. Smart-PLS is a robust statistical tool adept at handling primary data and yielding optimal results through intricate modelling (Hair et al., 2020). The study considered three predictor variables: international market access (IMA), technology adoption (TA), and export orientation (EO), alongside one moderating variable, financial support (FS), and one dependent variable, competitiveness of SMEs (CSME). These variables are illustrated in Figure 1.

Table 1: Items and Measurements.

Items	Statements	Sources
International Market Access		
IMA1	Our top manager's access to foreign markets.	(Zahoor & Al-Tabbaa, 2021)
IMA2	Our top manager knows foreign business laws and regulations.	
IMA3	Our top manager knows the needs of foreign customers.	
IMA4	Our top manager's knowledge of foreign distribution channels.	
IMA5	Our top manager has the ability to determine foreign business opportunities.	
Technology Adoption		
TA1	We adopt innovation to improve our internal (R&D) process.	(Odunro, 2020)
TA2	We use the innovation to gain knowledge and expertise that we do not have internally.	
TA3	Our enterprise uses innovation to reduce the high cost of innovating alone.	
TA4	We use innovation to counterbalance our lack of capacity.	
TA5	We use the innovation to secure market share growth and global market reach,	
Export Orientation		
EO1	Our export activity has been very profitable.	(Kolbe et al., 2022)
EO2	Our export activity has generated a high volume of sales.	
EO3	Our export activity has achieved rapid growth.	
EO4	Our export activity has improved our global competitiveness.	
EO5	Our export activity has strengthened our strategic position.	
EO6	Our export activity has significantly increased our global market share.	
Financial Support		
FS1	The government provides financial support to SMEs owners to pay work termination wages for employees.	(Kurnia et al., 2023)
FS2	The government provides financial support to workers.	
FS3	The government provides financial support for business actors or SMEs.	
FS4	The government financially supports participating businesses or SMEs to improve the business environment.	
Competitiveness of SMEs		
CSME1	My organization's products are better than those of its competitors.	(Singh et al., 2019)
CSME2	My organization's R&D capabilities are better than its competitors.	
CSME3	My organization's managerial capabilities are better than those of its competitors.	
CSME4	My organization's profitability is better than its competitors.	
CSME5	My organization's image is better than its competitors.	
CSME6	My organization's competitive advantage is better than its competitors.	

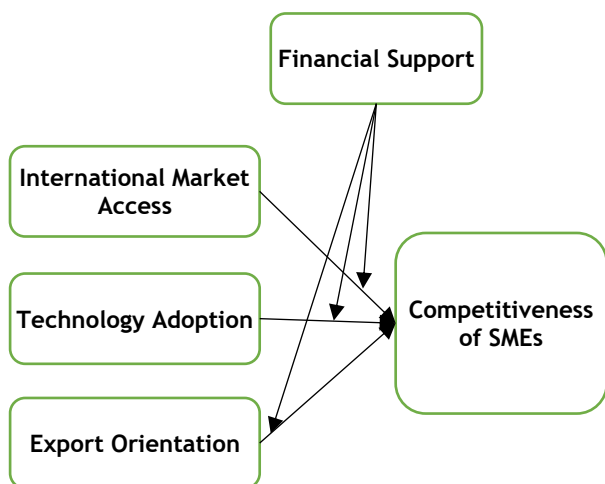


Figure 1: Research Model.

Research Findings

The study examines the convergent validity of the items through the assessment of Alpha, composite reliability (CR), and factor loadings, ensuring that they surpass the threshold of 0.70. Moreover, the assessment also includes the average variance extracted (AVE) and factor loadings, ensuring they exceed 0.50. These values indicate a strong correlation among the items, as outlined in Table 2.

The study assesses discriminant validity through cross-loadings and Fornell-Larcker criteria. The results indicate that the values representing the correlation between variables are higher than those indicating correlations with other variables. This observation suggests a low correlation between the variables, as illustrated in Tables 3 and 4.

Table 2: Convergent Validity.

Constructs	Items	Loadings	Alpha	CR	AVE
Competitiveness of SMEs	CSME1	0.849	0.909	0.929	0.687
	CSME2	0.808			
	CSME3	0.820			
	CSME4	0.864			
	CSME5	0.767			
	CSME6	0.862			
Export Orientation	EO1	0.861	0.906	0.928	0.681
	EO2	0.854			
	EO3	0.838			
	EO4	0.787			
	EO5	0.771			
	EO6	0.837			
Financial Support	FS1	0.865	0.899	0.929	0.766
	FS2	0.875			
	FS3	0.881			
	FS4	0.881			
International Market Access	IMA1	0.761	0.837	0.884	0.603
	IMA2	0.797			
	IMA3	0.729			
	IMA4	0.785			
	IMA5	0.808			
Technology Adoption	TA1	0.535	0.844	0.880	0.608
	TA2	0.892			
	TA3	0.919			
	TA4	0.908			
	TA5	0.538			

Table 3: Fornell Larcker.

	CSME	EO	FS	IMA	TA
CSME	0.829				
EO	0.520	0.825			
FS	0.396	0.426	0.875		
IMA	-0.178	-0.066	-0.124	0.777	
TA	0.431	0.494	0.526	-0.143	0.780

Table 4: Cross-Loadings.

	CSME	EO	FS	IMA	TA
CSME1	0.849	0.442	0.343	-0.135	0.347
CSME2	0.808	0.450	0.319	-0.164	0.407
CSME3	0.820	0.413	0.337	-0.151	0.342
CSME4	0.864	0.378	0.300	-0.132	0.294
CSME5	0.767	0.481	0.359	-0.170	0.432
CSME6	0.862	0.393	0.293	-0.119	0.282
EO1	0.482	0.861	0.347	-0.098	0.417
EO2	0.445	0.854	0.367	-0.033	0.430
EO3	0.438	0.838	0.352	-0.024	0.455
EO4	0.395	0.787	0.348	-0.009	0.400
EO5	0.405	0.771	0.332	-0.122	0.389
EO6	0.402	0.837	0.367	-0.034	0.353
FS1	0.339	0.319	0.865	-0.106	0.446
FS2	0.338	0.392	0.875	-0.106	0.475
FS3	0.318	0.362	0.881	-0.113	0.441
FS4	0.386	0.413	0.881	-0.109	0.477
IMA1	-0.124	-0.055	-0.121	0.761	-0.090
IMA2	-0.140	-0.059	-0.131	0.797	-0.160
IMA3	-0.096	0.006	-0.044	0.729	-0.049
IMA4	-0.145	-0.070	-0.048	0.785	-0.120
IMA5	-0.168	-0.059	-0.123	0.808	-0.116
TA1	0.162	0.246	0.660	-0.102	0.535
TA2	0.392	0.466	0.376	-0.158	0.892
TA3	0.406	0.448	0.395	-0.119	0.919
TA4	0.426	0.447	0.354	-0.096	0.908
TA5	0.167	0.247	0.662	-0.097	0.538

The study examines the correlation between variables, known as discriminant validity, using the Heterotrait Monotrait (HTMT) ratio. The findings reveal that the values obtained are below the threshold of 0.90. These results indicate a low correlation between the variables, as indicated in Table 5.

Table 5: Heterotrait Monotrait Ratio.

	CSME	EO	FS	IMA	TA
CSME					
EO	0.565				
FS	0.432	0.471			
IMA	0.195	0.088	0.138		
TA	0.443	0.540	0.716	0.166	

The results indicate a positive association between international market access, technology adoption, and export orientation with the competitiveness of SMEs in Vietnam, thus confirming hypotheses H1, H2, and H3. Furthermore, the findings demonstrate that financial support significantly moderates the relationships among international market access, technology adoption, export orientation, and SME competitiveness in Vietnam, thereby supporting hypotheses H4, H5, and H6. These findings are detailed in Table 6.

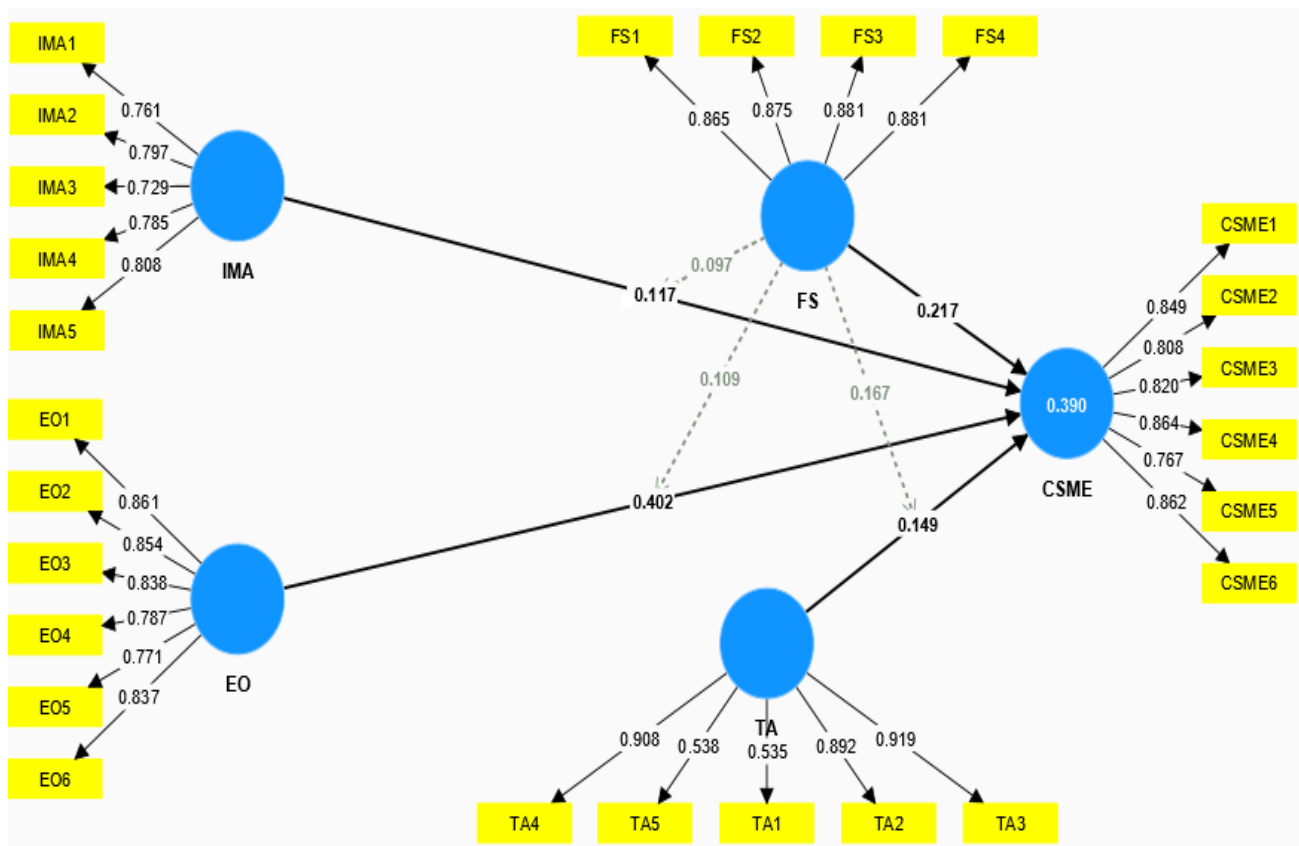


Figure 2: Measurement Model Assessment.

Table 6: Path Analysis.

Relationships	Beta	Standard Deviation	T Statistics	P Values
EO → CSME	0.402	0.060	6.650	0.000
FS → CSME	0.217	0.063	3.432	0.001
IMA → CSME	0.117	0.044	2.651	0.009
TA → CSME	0.149	0.067	2.241	0.027
FS × IMA → CSME	0.097	0.044	2.195	0.031
FS × TA → CSME	0.167	0.063	2.663	0.009
FS × EO → CSME	0.109	0.052	2.101	0.038

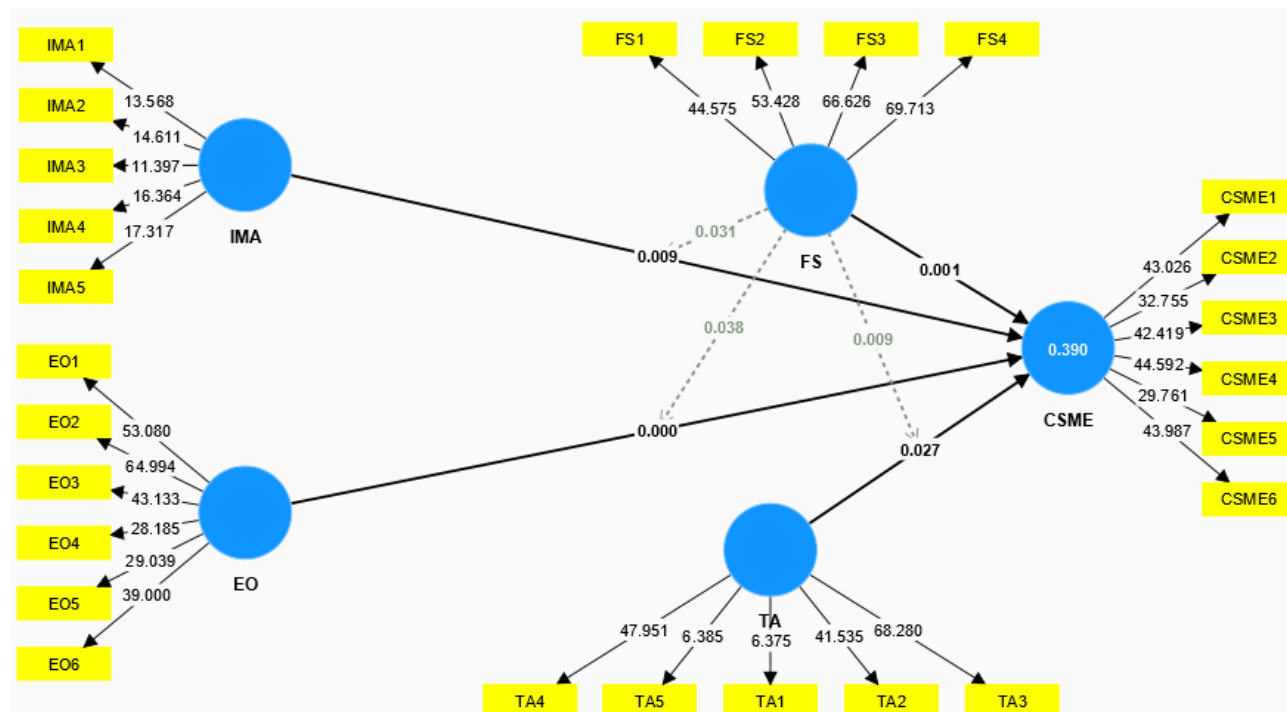


Figure 3: Structural Model Assessment.

Discussion

The study extensively analyses the intricate factors impacting SME competitiveness amidst Vietnam's integration into the global market. It delves into international market access, technology adoption, and export orientation as pivotal independent variables to unveil nuanced insights into SME competitiveness. Furthermore, it underscores the critical role of financial support in moderating the relationship between SME competitiveness and these variables. The report also underscores the importance of robust economic linkages among domestic enterprises to enhance SME competitiveness on a global scale. Access to international markets emerges as a significant determinant of SME competitiveness, offering unparalleled opportunities for market expansion, audience diversification, and economies of scale (Udayana et al., 2021). However, accessing these markets poses challenges such as trade regulations, cultural disparities, and logistical obstacles, hindering SMEs' effective participation in the global arena, as noted by previous studies like Pu et al. (2021). In such scenarios, financial support becomes indispensable in alleviating these barriers and enabling SMEs to capitalize on the benefits of international integration (Troise et al., 2022). By aiding SMEs in navigating complex international markets, devising successful market entry strategies, and enhancing their global competitiveness, financial support provides the necessary resources, expertise, and support systems (Kahiya, 2024).

In the context of global integration, the study highlights technology adoption as a critical determinant of SME competitiveness. Previous research, such as that by Dutta et al. (2021) and Rakshit et al. (2022), underscores how embracing technology confers a competitive advantage upon SMEs in rapidly evolving industries by enhancing productivity, fostering innovation, and facilitating market responsiveness. However, the adoption of technology entails substantial investments in infrastructure, knowledge, and training, posing challenges for resource-constrained SMEs. Once again, financial support emerges

as a pivotal moderator, providing SMEs with the means to invest in cutting-edge technologies, bolster their digital capabilities, and harness the transformative potential of technology to drive growth and competitiveness in global markets (Mishrif & Khan, 2023).

Another crucial determinant of SME competitiveness identified in the study is export orientation, which enables firms to expand internationally, diversify their customer base, and broaden their market reach. Nonetheless, many SMEs, particularly those operating in resource-constrained environments, may encounter difficulties in investing in market research, product adaptation, and distribution channels necessary for venturing into overseas markets, as explored in Ghag et al. (2022). Once again, financial support emerges as a moderator, providing SMEs with the resources and expertise required to overcome hurdles associated with export market entry and effectively compete on a global scale. Furthermore, the report underscores the significance of robust economic linkages among local businesses in shaping SME competitiveness in the global market. Economic linkages encompass a wide array of collaborative relationships that enable SMEs to surmount individual challenges, leverage collective strengths, and enhance overall competitiveness. These relationships include joint ventures, supply chain partnerships, subcontracting agreements, and strategic alliances. Economic linkages facilitate SMEs' access to specialized inputs, expertise, and distribution channels, thereby enhancing efficiency, reducing costs, and bolstering competitiveness in the global marketplace (Gereffi, 2019). Additionally, as highlighted by Mehdikhani & Valmohammadi (2019), economic linkages foster collaboration, knowledge sharing, and resource pooling among SMEs. Moreover, these linkages contribute to the creation of innovation ecosystems and industrial clusters, where businesses, academic institutions, and government organizations collaborate to drive growth and innovation. Through collaborative networks, urban economies of scale, and localized knowledge spill overs, industry clusters enable SMEs to enhance their competitiveness in global value chains, as also noted by Gereffi (2019). Furthermore,

innovation ecosystems afford SMEs access to opportunities for technology transfer, resources for research and development, and platforms for collaboration, fostering an environment conducive to innovation and entrepreneurship within the SME ecosystem (Song, 2023).

Implications of the Study

The study encompasses a plethora of implications with broad-reaching significance. Primarily, the findings furnish invaluable insights for stakeholders, practitioners, and policymakers engaged in formulating strategies and policies aimed at enhancing the competitiveness of SMEs within the Vietnamese market. By identifying key determinants of SME competitiveness, such as international market access, technology adoption, and export orientation, and highlighting the moderating influence of financial support, actionable recommendations are provided to foster an enabling environment conducive to SME growth and innovation. Moreover, the study underscores the importance of fostering economic interconnectedness among domestic enterprises to bolster SME competitiveness in global markets. Additionally, by contributing novel insights and opening avenues for further exploration in the realm of SME competitiveness and international integration, the study enriches the existing body of knowledge in this critical domain. Overall, the implications extend beyond academic boundaries, offering pertinent guidance and recommendations to regulators for devising policies aimed at bolstering SME competitiveness through enhanced international market access, effective technology adoption, and robust export orientation.

Limitations

Despite offering valuable insights into variables influencing SME competitiveness and the role of financial support, the study has limitations. Firstly, its reliance on cross-sectional data may hinder the determination of causal relationships among variables. Additionally, the predominant use of quantitative analysis may overlook qualitative nuances impacting SME competitiveness. Moreover, the study's focus on the Vietnamese context may restrict the generalizability of its findings to other regions. Furthermore, biases or constraints inherent in secondary data sources could affect the study's reliability. Finally, the study's conclusions may be compromised if it fails to account for confounding variables or external influences on SME competitiveness.

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