

MODERATING ROLE OF DIGITAL TRANSFORMATION IN THE BRAND IMAGE AND COMPETITIVE CAPACITY RELATIONSHIP: A CASE STUDY OF THE COMMERCIAL BANKS IN VIETNAM

O PAPEL MODERADOR DA TRANSFORMAÇÃO DIGITAL NA RELAÇÃO ENTRE IMAGEM DE MARCA E CAPACIDADE COMPETITIVA: UM ESTUDO DE CASO DOS BANCOS COMERCIAIS NO VIETNÃ

Article received on: 8/15/2025

Article accepted on: 11/14/2025

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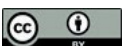
The authors declare that there is no conflict of interest

Abstract

In an increasingly competitive and digitally driven banking environment, understanding the key determinants of competitive capacity has become a strategic priority for commercial banks, particularly in emerging economies. This study aims to identify and examine the factors affecting competitive capacity in Vietnamese commercial banks by integrating intellectual capital, organizational culture, and digital transformation into a unified analytical framework. A mixed-methods approach was employed. First, qualitative discussions with 45 bank managers in Ho Chi Minh City were conducted to develop and refine the measurement scales. Subsequently, a quantitative survey was administered to banking service users in Ho Chi Minh City and Dong Nai province, yielding 654 valid responses from 700 distributed questionnaires. The data were analyzed using Partial Least Squares Structural Equation Modeling with SmartPLS 4.0. The empirical results indicate that brand image, human capital, structural capital, relationship capital, organizational culture, and digital transformation all positively and statistically significantly affect competitive capacity. Among these factors, relationship capital emerges as the most influential determinant. In addition, digital transformation not only directly enhances competitive capacity but also significantly moderates the relationship between brand image and competitive capacity, strengthening the

Resumo

Em um ambiente bancário cada vez mais competitivo e digitalizado, compreender os principais determinantes da capacidade competitiva tornou-se uma prioridade estratégica para os bancos comerciais, particularmente em economias emergentes. Este estudo visa identificar e examinar os fatores que afetam a capacidade competitiva em bancos comerciais vietnamitas, integrando capital intelectual, cultura organizacional e transformação digital em uma estrutura analítica unificada. Foi empregada uma abordagem de métodos mistos. Primeiramente, foram realizadas discussões qualitativas com 45 gerentes de bancos na cidade de Ho Chi Minh para desenvolver e refinar as escalas de mensuração. Posteriormente, uma pesquisa quantitativa foi aplicada a usuários de serviços bancários na cidade de Ho Chi Minh e na província de Dong Nai, resultando em 654 respostas válidas de 700 questionários distribuídos. Os dados foram analisados utilizando Modelagem de Equações Estruturais por Mínimos Quadrados Parciais com o SmartPLS 4.0. Os resultados empíricos indicam que a imagem da marca, o capital humano, o capital estrutural, o capital de relacionamento, a cultura organizacional e a transformação digital afetam a capacidade competitiva de forma positiva e estatisticamente significativa. Dentre esses fatores, o capital de relacionamento emerge como o determinante



impact of brand value in digitally advanced banks. This study contributes to the literature by providing empirical evidence from an emerging-market banking context and by highlighting the strategic role of digital transformation in leveraging intangible resources. The findings offer practical implications for bank managers and policymakers seeking to enhance sustainable competitiveness in the digital era.

Keywords: Brand Image. Competitive Capacity. Commercial Banks. Intellectual Capital. Digital Era.

mais influente. Além disso, a transformação digital não apenas aprimora diretamente a capacidade competitiva, mas também modera significativamente a relação entre imagem de marca e capacidade competitiva, fortalecendo o impacto do valor da marca em bancos digitalmente avançados. Este estudo contribui para a literatura ao fornecer evidências empíricas de um contexto bancário de mercado emergente e ao destacar o papel estratégico da transformação digital no aproveitamento de recursos intangíveis. As descobertas oferecem implicações práticas para gestores bancários e formuladores de políticas que buscam aprimorar a competitividade sustentável na era digital.

Palavras-chave: Imagem de Marca. Capacidade Competitiva. Bancos Comerciais. Capital Intelectual. Era Digital.

1 INTRODUCTION

In recent years, the global banking industry has experienced profound transformations driven by intensified competition, rapid technological advancement, and changing customer expectations (Bianchi *et al.*, 2021; Boohene *et al.*, 2020). Commercial banks are no longer competing solely on traditional factors such as interest rates or branch networks but increasingly on intangible resources, service quality, and digital capabilities (Akins *et al.*, 2016). In this context, enhancing competitive capacity has become a critical strategic objective for banks seeking sustainable growth and long-term survival (Bilgin & Kethüda, 2022; Teece, 2018).

In emerging economies such as Vietnam, the challenge of building competitive capacity is particularly pronounced. The Vietnamese banking sector has undergone significant restructuring, liberalization, and integration into international financial

markets. Alongside these developments, domestic commercial banks face growing pressure from foreign banks, fintech firms, and digital financial platforms (Byukusenge & Munene, 2017; Azmi *et al.*, 2024). As a result, the banks must rethink their competitive strategies by leveraging intangible assets, organizational capabilities, and digital transformation initiatives to maintain and strengthen their market positions.

The existing literature on banking competitiveness has focused mainly on financial performance indicators, market structure, and efficiency measures. While these studies provide valuable insights, they often overlook the strategic role of intangible resources such as brand image, intellectual capital, and organizational culture (Cowling *et al.*, 2018; Gianiodis *et al.*, 2022). Intellectual capital theory emphasizes that human capital, structural capital, and relationship capital are essential sources of value creation and competitive advantage, especially in knowledge-intensive service industries such as banking. The empirical evidence on how these components jointly influence competitive capacity in emerging-market banking contexts remains limited.

Moreover, digital transformation has emerged as a fundamental driver of change in the banking industry. Digital banking platforms, data analytics, and fintech innovations are reshaping how banks deliver services, interact with customers, and build brand value (Juergensen *et al.*, 2020; Nakku *et al.*, 2020; Teece, 2018). Despite the growing importance of digital transformation, prior studies have predominantly examined its direct effects on performance, paying insufficient attention to its potential moderating role in enhancing the effectiveness of other strategic resources, such as brand image (Hussain & Bashir, 2020; Li, 2019).

This study seeks to address these research gaps by developing and empirically testing an integrated model of competitive capacity in Vietnamese commercial banks. Specifically, the study examines the direct effects of brand image, human capital, structural capital, relationship capital, organizational culture, and digital transformation on competitive capacity. In addition, it investigates the moderating role of digital transformation in the relationship between brand image and competitive capacity.

By employing a mixed-methods approach and structural equation modeling, this research makes several important contributions. Theoretically, it extends the literature on banking competitiveness by integrating intellectual capital and digital transformation within a unified analytical framework. Empirically, it provides robust evidence from an emerging-market context, offering insights that are often underrepresented in prior

research. In practice, the findings offer valuable implications for bank managers and policymakers seeking to enhance sustainable competitive capacity in an increasingly digitalized banking environment.

2 THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Competitive capacity in the banking sector refers to a bank's ability to sustain and enhance its market position by effectively mobilizing resources, delivering superior value to customers, and adapting to dynamic environmental changes (Varma & Dutta, 2023; Wong & Kee, 2022). Unlike manufacturing industries, banks operate in a highly service-oriented and knowledge-intensive environment, where intangible assets and organizational capabilities play a decisive role in shaping competitive outcomes (You *et al.*, 2023; Agyapong *et al.*, 2025). In emerging markets, competitive capacity is further influenced by institutional reforms, market liberalization, and technological disruption, making it a multidimensional and dynamic construct (Bornay-Barrachina & Herrero, 2018). Drawing on the Resource-Based View (RBV), competitive capacity is achieved when firms possess valuable, rare, inimitable, and non-substitutable resources (Maji & Hazarika, 2018; Rakshit & Bardhan, 2019; Teece, 2018). In the banking context, such resources are increasingly intangible, including brand reputation, intellectual capital, organizational culture, and digital capabilities (Bustinza *et al.*, 2019). Therefore, understanding how these factors interact to influence competitive capacity is essential for both theory and practice.

3 BRAND IMAGE AND COMPETITIVE CAPACITY

Brand image represents customers' overall perceptions, beliefs, and associations regarding a bank. In financial services, where products are often intangible and risk-laden, a strong brand image signals trust, reliability, and service quality (Sisodia *et al.*, 2021; Intara & Suwansin, 2024). From a signaling perspective, brand image reduces information asymmetry between banks and customers, thereby enhancing customer confidence and loyalty (Adhikari & Panda, 2019). Previous studies suggest that banks with strong brand images are better positioned to attract and retain customers, command price premiums, and withstand competitive pressures (Amoroso *et al.*, 2021; Nasution *et*

al., 2022). In emerging economies such as Vietnam, where trust in financial institutions is critical, brand image becomes a strategic asset that directly enhances competitive capacity. Accordingly, this study proposes the following hypothesis:

H1: Brand image positively impacts competitive capacity.

4 HUMAN CAPITAL AND COMPETITIVE CAPACITY

Human capital refers to the knowledge, skills, experience, and competencies possessed by employees. In banking, employees are central to service delivery, relationship management, and innovation (Schulze & Dada, 2024; Teece, 2018). According to intellectual capital theory, human capital is a primary source of organizational value creation, particularly in service-based industries. Well-trained and motivated banking personnel enhance service quality, operational efficiency, and customer satisfaction, thereby strengthening a bank's competitive position (Bucciari *et al.*, 2020; Presutti & Odorici, 2019). Moreover, human capital enables banks to adapt to regulatory changes and technological advancements more effectively. Therefore, banks that invest in developing their human resources are more likely to achieve superior competitive capacity.

H2: Human capital positively impacts competitive capacity.

5 STRUCTURAL CAPITAL AND COMPETITIVE CAPACITY

Structural capital encompasses organizational processes, information systems, databases, routines, and institutionalized knowledge that support employees' productivity (Saraswati *et al.*, 2024; Sedziniauskiene & Sekliuckiene, 2020). Unlike human capital, structural capital remains within the organization even when employees leave, making it a critical component of sustainable competitive advantage (Srivastava *et al.*, 2023). In the banking sector, robust structural capital enables efficient operations, effective risk management, and standardized service delivery (Asiaei *et al.*, 2021). Advanced information systems and well-defined procedures enable banks to deliver consistent service quality and respond swiftly to market changes. Empirical evidence suggests that structural capital enhances organizational performance by supporting innovation and operational excellence. Hence, the following hypothesis is proposed:

H3: Structural capital positively impacts competitive capacity.

6 RELATIONSHIP CAPITAL AND COMPETITIVE CAPACITY

Relationship capital refers to the value embedded in relationships with customers, partners, regulators, and other stakeholders (Gashe *et al.*, 2024). In banking, long-term customer relationships are particularly valuable due to high switching costs and the importance of trust. From a relational view perspective, substantial relationship capital enables banks to co-create value with customers, enhance loyalty, and reduce transaction costs (Adu-Ameyaw *et al.*, 2022). In emerging markets, where personal relationships often influence financial decisions, relationship capital becomes a dominant driver of competitive capacity. Banks that effectively manage customer relationships can achieve sustained market advantages.

H4: Relationship capital positively impacts competitive capacity.

7 ORGANIZATIONAL CULTURE AND COMPETITIVE CAPACITY

Organizational culture reflects shared values, beliefs, and norms that shape employee behavior and decision-making (Amoa-Gyarteng *et al.*, 2024). A strong, adaptive organizational culture fosters collaboration, innovation, and customer orientation, all of which are critical to competitiveness in the banking industry (Aboramadan *et al.*, 2020). In a rapidly changing environment, banks with flexible and innovation-oriented cultures are better equipped to implement strategic changes and embrace digital transformation. Organizational culture also influences how effectively other resources, such as human and structural capital, are utilized. Therefore, a supportive organizational culture is expected to enhance competitive capacity.

H5: Organizational culture positively impacts competitive capacity.

8 DIGITAL TRANSFORMATION AND COMPETITIVE CAPACITY

Digital transformation involves integrating digital technologies across all aspects of banking operations, fundamentally changing how banks create and deliver value. Digital banking platforms, fintech collaboration, and data-driven decision-making

enhance service accessibility, efficiency, and personalization (Jie *et al.*, 2023; Teece, 2018). From the dynamic capability perspective, digital transformation enables banks to sense market opportunities, seize technological advancements, and reconfigure resources to maintain competitiveness. Empirical studies indicate that digital transformation improves operational performance and customer experience, thereby strengthening competitive capacity.

H6: Digital transformation positively impacts competitive capacity.

9 THE MODERATING ROLE OF DIGITAL TRANSFORMATION

Beyond its direct effects, digital transformation may also enhance the effectiveness of other strategic resources (Kiranantawat & Ahmad, 2023). Specifically, digital transformation can strengthen the impact of brand image on competitive capacity by amplifying brand visibility and consistency across digital touchpoints (Wang *et al.*, 2021; Taouab & Issor, 2019). Digitally advanced banks can translate brand promises into seamless digital experiences, reinforcing customer trust and loyalty. Consequently, the relationship between brand image and competitive capacity is expected to be stronger in banks with higher levels of digital transformation.

H7: Digital transformation positively moderates the relationship between brand image and competitive capacity.

Figure 1

A research model for critical factors influencing the competitive capacity

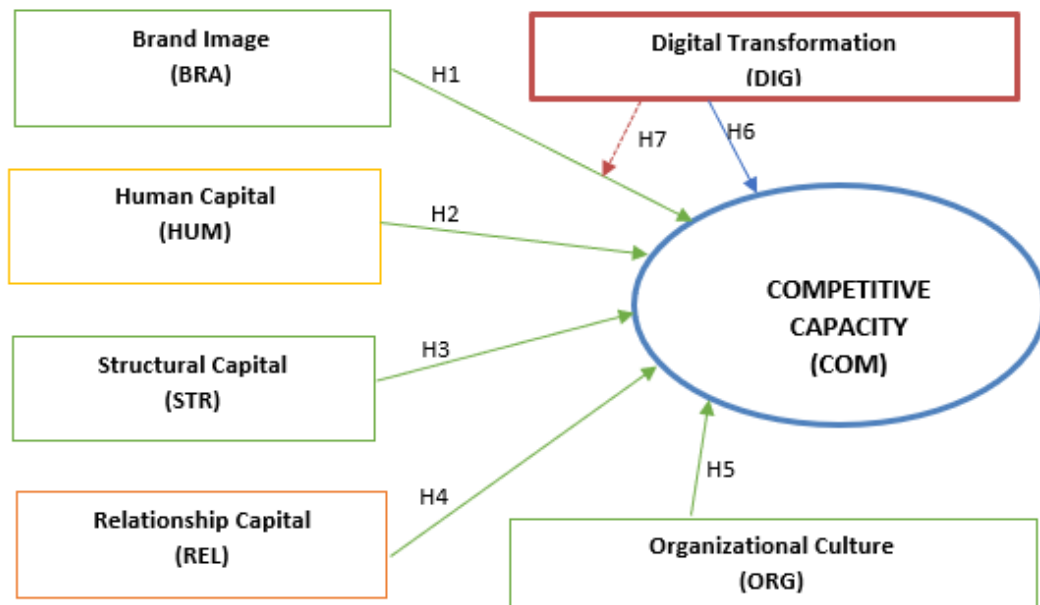


Figure 1 presents the proposed research model, which presents a comprehensive and well-structured framework for examining competitive capacity in commercial banks. It integrates key intangible resources, including brand image, human capital, structural capital, relationship capital, and organizational culture, which are widely recognized as critical drivers of competitiveness in service-oriented industries. Notably, digital transformation is not only a direct determinant of competitive capacity but also a moderating factor that strengthens the impact of brand image. This dual role reflects the strategic importance of digital capabilities in the contemporary banking environment. Overall, the model is theoretically grounded, contextually relevant, and suitable for explaining competitive dynamics in emerging-market banking systems.

10 RESEARCH METHODS

This study employs a mixed-methods research design that integrates qualitative and quantitative methods to yield robust, contextually relevant findings. The combination of methods is particularly appropriate for examining competitive capacity in the banking sector, where both managerial insights and customer perceptions are critical.

The qualitative phase: It involved in-depth discussions with 45 bank managers from commercial banks in Ho Chi Minh City (HCMC), Vietnam. The participants were selected based on their managerial experience and direct involvement in strategic and operational decision-making. The objective of this phase was to explore key factors influencing competitive capacity and to refine the measurement scales used in the survey instrument. Insights from the discussions were used to adapt existing scales from prior studies to the Vietnamese banking context, ensuring the questionnaire items' content validity and clarity.

The quantitative phase: The data were collected via an online survey targeting customers who use banking services. The survey was distributed to respondents in HCMC and Dong Nai province, two economically dynamic regions representing diverse banking service users in Vietnam. A total of 700 questionnaires were distributed, of which 654 valid responses were returned and included in the final analysis, resulting in a high response rate. This sample size exceeds the minimum requirements for Partial Least Squares Structural Equation Modeling (PLS-SEM). All constructs were measured using multi-item scales with responses recorded on a five-point Likert scale, ranging from strongly disagree to agree strongly. The collected data were analyzed using the PLS-SEM, which was selected for its suitability for predictive research, for complex models with moderating effects, and for non-normal data distributions. The analysis followed a two-step procedure, including assessment of the measurement model and evaluation of the structural model.

Bootstrapping with 5.000 subsamples was employed to test the significance of path coefficients and moderating effects. The evaluation of the research model was conducted in accordance with established PLS-SEM criteria. The measurement model was assessed using Cronbach's alpha and composite reliability (thresholds above 0.70) and average variance extracted (AVE) exceeding 0.50 to ensure convergent validity. Discriminant validity was examined using the Fornell-Larcker criterion and the HTMT ratio ($HTMT < 0.85$). The structural model was evaluated based on path coefficients (β), t-statistics (≥ 1.96 , $p < 0.05$), R^2 values, and the significance of the moderating effect through the interaction term.

11 RESULTS

11.1 Demographic Information of the Study Sample Based on 654 Respondents

The demographic profile of the study sample is based on 654 valid responses collected from banking service users. Regarding gender, female respondents account for 59.0% of the sample, while male respondents represent 41.0%, indicating a relatively balanced but female-dominated sample. Regarding marital status, 61.8% of respondents are married, while 38.2% are single, suggesting that the majority of participants have stable family backgrounds. Regarding age distribution, the most significant proportion of respondents falls in the 35–45 age group (52.4%), followed by those aged 25–35 (23.5%). Respondents aged 45 and above represent 15.6%, while the youngest group (22–25 years) accounts for 8.4%. Overall, the sample reflects a mature customer base with substantial experience in using banking services.

Table 1

Testing of Cronbach's alpha and composite reliability

Factors	Code	Items	Mean	Std. Deviation	Cronbach's alpha	Composite reliability	Average variance extracted
1. Brand Image	BRA	4	3.075	0.923	0.910	0.937	0.787
2. Human Capital	HUM	4	3.425	0.935	0.926	0.948	0.819
3. Structural Capital	STR	4	3.273	0.954	0.848	0.884	0.662
4. Relationship Capital	REL	3	3.451	0.915	0.911	0.944	0.849
5. Organizational Culture	ORG	4	3.236	0.936	0.922	0.940	0.797
6. Digital Transformation	DIG	4	3.117	0.942	0.862	0.899	0.693
7. Competitive Capacity	COM	3	3.346	0.944	0.825	0.895	0.740

Table 1 presents the results of reliability and convergent validity testing for the study constructs. The Cronbach's alpha values range from 0.825 to 0.926, exceeding the recommended threshold of 0.70, which confirms strong internal consistency among the measurement items. Composite reliability values range from 0.884 to 0.948, further supporting the reliability of the constructs. In addition, all Average Variance Extracted (AVE) values are above 0.50, ranging from 0.662 to 0.849, indicating satisfactory convergent validity. These results demonstrate that the measurement scales are reliable and valid, providing a solid foundation for subsequent structural model analysis.

Table 2

Testing the SEM model for factors influencing the competitive capacity

Factors	Original sample	Sample mean	Standard deviation	T statistics	P values
BRA → COM	0.223	0.224	0.037	5.948	0.000
DIG → COM	0.111	0.117	0.037	3.040	0.002
DIG x BRA → COM	0.100	0.096	0.038	2.640	0.008
HUM → COM	0.148	0.148	0.033	4.471	0.000
ORG → COM	0.081	0.085	0.032	2.543	0.011
REL → COM	0.306	0.306	0.038	8.058	0.000
STR → COM	0.100	0.104	0.033	3.062	0.002

Table 2 reports the results of the structural equation model examining factors influencing competitive capacity. The findings indicate that all hypothesized relationships are positive and statistically significant. Brand image has a significant effect on competitive capacity ($\beta = 0.223, t = 5.948, p < 0.001$), while human capital ($\beta = 0.148, t = 4.471, p < 0.001$) and structural capital ($\beta = 0.100, t = 3.062, p = 0.002$) also contribute positively. Relationship capital exhibits the strongest impact ($\beta = 0.306, t = 8.058, p < 0.001$), highlighting the importance of customer relationships in banking competitiveness. Organizational culture ($\beta = 0.081, t = 2.543, p = 0.011$) and digital transformation ($\beta = 0.111, t = 3.040, p = 0.002$) further enhance competitive capacity. Moreover, the interaction effect between digital transformation and brand image is significant ($\beta = 0.100, t = 2.640, p = 0.008$), confirming the moderating role of digital transformation.

Figure 2

Testing the SEM for factors influencing the competitive capacity

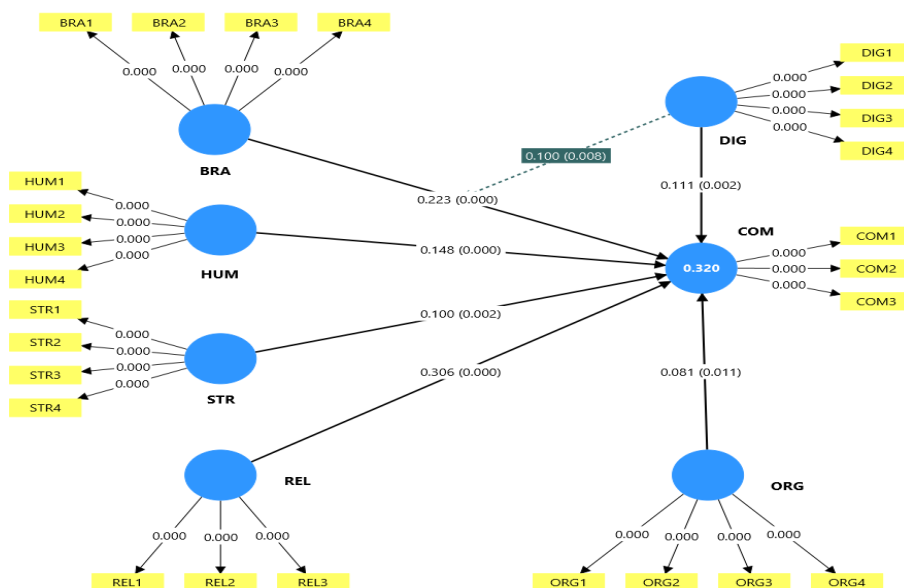


Figure 2 illustrates the results of the PLS-SEM analysis using SmartPLS 4.0. The model explains 32.0% of the variance in competitive capacity ($R^2 = 0.320$), indicating a moderate explanatory power. All direct paths from brand image, human capital, structural capital, relationship capital, organizational culture, and digital transformation to competitive capacity are positive and statistically significant. Among these factors, relationship capital has the greatest effect, highlighting the importance of customer relationships in banking competitiveness. Notably, digital transformation not only has a direct impact but also significantly moderates the relationship between brand image and competitive capacity, confirming its strategic role in enhancing brand-driven competitiveness in the digital banking environment.

11.2 Discussion of findings

The findings of this study provide strong empirical evidence on the key determinants of competitive capacity in Vietnamese commercial banks, emphasizing the critical role of intangible resources and digital transformation. Overall, the results support the proposed research model and confirm that a combination of intellectual capital, organizational factors, and technological capabilities shapes competitive capacity in the banking sector.

Among the examined factors, relationship capital emerges as the most influential determinant of competitive capacity (Holland & Scullion, 2021; Zhu & Newman, 2023). This result underscores the banking industry's relationship-oriented nature in Vietnam, where customer trust, long-term relationships, and personalized services are essential to sustaining competitiveness. Substantial relationship capital enables banks to enhance customer loyalty, reduce customer switching behavior, and create long-term value, consistent with prior studies in emerging markets.

Brand image also shows a significant positive impact on competitive capacity. In financial services, a strong brand reduces perceived risk and strengthens customer confidence, thereby enhancing market position (Sarfraz *et al.*, 2020; Vithana *et al.*, 2021). This finding suggests that Vietnamese banks should continue to invest in brand-building strategies to differentiate themselves in an increasingly competitive environment. Similarly, human and structural capital both significantly contribute to competitive capacity, underscoring the importance of skilled employees, effective organizational

processes, and knowledge management systems in delivering high-quality banking services. Although the effect size is relatively smaller, organizational culture remains a significant factor influencing competitive capacity (Datta *et al.*, 2020; Kengatharan, 2019). A supportive culture that encourages innovation, collaboration, and customer orientation facilitates the effective utilization of other strategic resources and supports long-term competitiveness.

Digital transformation plays a dual role in the model. Its direct positive effect confirms that digitalization enhances operational efficiency and customer experience (Nadeem *et al.*, 2018; Arsawan *et al.*, 2020). More importantly, its moderating effect indicates that digital transformation strengthens the influence of brand image on competitive capacity. This finding suggests that in digitally advanced banks, brand value is more effectively translated into competitive advantages through seamless digital services and enhanced customer interactions. These findings contribute to a deeper understanding of how commercial banks in emerging markets can build sustainable competitive capacity in the digital era.

12 CONCLUSIONS AND POLICY RECOMMENDATIONS

12.1 Conclusions

This study examines the key factors influencing competitive capacity in Vietnamese commercial banks by integrating intellectual capital, organizational culture, and digital transformation into a unified research framework. Using a mixed-methods approach and PLS-SEM analysis of 654 valid survey responses, the findings confirm that brand image, human capital, structural capital, relationship capital, organizational culture, and digital transformation all have significant positive effects on competitive capacity. Among these factors, relationship capital emerges as the most influential determinant, highlighting the importance of customer trust and long-term relationships in the banking sector. The results also reveal the strategic role of digital transformation, which not only directly enhances competitive capacity but also strengthens the impact of brand image. This suggests that in the digital banking environment, brand value alone is insufficient unless advanced digital capabilities and seamless service delivery support it. Finally, the study provides empirical evidence that competitive capacity in emerging-market banks is

driven primarily by intangible resources and dynamic capabilities rather than traditional tangible assets. From a broader perspective, the study contributes to the literature by extending intellectual capital and resource-based theories to the context of digital banking in emerging economies. The findings offer valuable insights for both scholars and practitioners seeking to understand and enhance sustainable competitiveness in the banking industry.

12.2 Policy recommendations

Based on the standardized path coefficients from the structural equation model, this study proposes a set of prioritized policy recommendations to enhance the competitive capacity of commercial banks in Vietnam. The recommendations are structured according to the relative strength of each determinant, ensuring that policy actions focus first on the most influential factors.

(1) Strengthening relationship capital as the top strategic priority ($\beta = 0.306$): Relationship capital exhibits the most substantial impact on competitive capacity, indicating that customer relationships, trust, and long-term engagement are the most critical drivers of competitiveness in Vietnamese commercial banks. Therefore, banking policies should prioritize relationship-oriented strategies. At the institutional level, banks should invest in customer relationship management systems that integrate data across multiple touchpoints, including branches, digital channels, and customer service centers. These systems would enable banks to understand customer needs better, personalize services, and enhance customer satisfaction and loyalty. From a regulatory perspective, policymakers should encourage banks to adopt customer-centric service standards and transparent communication practices. Policies promoting consumer protection, data privacy, and service quality monitoring would further strengthen trust between banks and customers, thereby reinforcing relationship capital at the industry level.

(2) Enhancing brand image through strategic positioning ($\beta = 0.223$): Brand image is the second most influential factor affecting competitive capacity. This highlights the importance of reputation, credibility, and perceived service quality in the banking sector. Banks should develop long-term brand strategies that emphasize reliability, innovation, and social responsibility. Marketing communication should be consistent across traditional and digital channels to reinforce brand identity and customer trust. In addition,

banks are encouraged to engage in corporate social responsibility activities aligned with national development goals, such as financial inclusion and green finance, to enhance brand reputation. At the policy level, regulators may support industry-wide branding initiatives that promote the Vietnamese banking system as stable, modern, and trustworthy, especially in the context of regional and international integration.

(3) Investing in human capital development ($\beta = 0.148$): Human capital plays a significant role in enhancing competitive capacity, reflecting the knowledge-intensive nature of banking services. Policymakers and bank executives should prioritize continuous professional development and skills upgrading. Banks should implement comprehensive training programs focusing on digital skills, customer service excellence, risk management, and compliance with international standards. Talent retention policies, including performance-based incentives and career development pathways, are also essential to maintain a high-quality workforce. From a policy perspective, collaboration between banks, universities, and training institutions should be strengthened to align educational programs with industry needs. Government support for banking-related training and certification programs would further enhance sector-wide human capital.

(4) Accelerating digital transformation initiatives ($\beta = 0.111$): Digital transformation has a meaningful direct impact on competitive capacity and serves as a key enabler of modern banking operations. Banks should prioritize investments in digital infrastructure, including core banking systems, cybersecurity, data analytics, and digital service platforms. Digital transformation policies should focus not only on technology adoption but also on organizational readiness and process redesign. Banks must ensure that digital initiatives are aligned with strategic objectives and customer needs rather than being implemented in a fragmented manner. Policymakers should foster a supportive digital banking ecosystem by promoting fintech collaboration, establishing regulatory sandboxes, and developing clear guidelines for digital banking and cybersecurity. Such policies would facilitate innovation while maintaining financial stability.

(5) Leveraging structural capital for operational excellence ($\beta = 0.100$): Structural capital, including organizational processes, information systems, and institutionalized knowledge, significantly contributes to competitive capacity. Banks should focus on standardizing and optimizing internal processes to enhance efficiency and service consistency. Investments in knowledge management systems and internal databases would help preserve organizational knowledge and support decision-making. The process

automation and cross-departmental integration reduce operational costs and improve responsiveness to market changes. Policymakers may support these efforts by encouraging the adoption of international best practices in banking operations and risk management, thereby strengthening the sector's overall structural capital.

(6) Strengthening the moderating role of digital transformation in brand utilization ($\beta = 0.100$): The significant moderating effect of digital transformation on the relationship between brand image and competitive capacity suggests that digital capabilities enhance the effectiveness of branding strategies. Banks should ensure that brand promises are consistently delivered through digital channels, such as mobile banking applications and online customer support. Digital user experience design should reflect brand values, ensuring reliability, convenience, and security. From a policy standpoint, regulators should establish digital service quality benchmarks to ensure that digital banking platforms meet minimum performance and security standards, thereby reinforcing brand trust in the digital environment.

(7) Cultivating a supportive organizational culture ($\beta = 0.081$): Although organizational culture has the smallest standardized coefficient, it remains a statistically significant determinant of competitive capacity. A supportive culture enables the effective implementation of other strategic initiatives, including digital transformation and human capital development. Banks should foster cultures that encourage innovation, collaboration, and customer orientation. Leadership development programs should emphasize change management and digital leadership to guide employees through transformation processes. At the policy level, guidelines promoting ethical standards, transparency, and accountability can help shape a positive organizational culture across the banking industry.

(8) Integrated policy implications: The findings suggest that competitive capacity in Vietnamese commercial banks cannot be enhanced through isolated initiatives. Instead, a coordinated policy approach is required, prioritizing relationship capital and brand image while leveraging digital transformation as a strategic enabler. Policymakers should adopt a holistic framework that simultaneously supports customer-centric strategies, digital innovation, human capital development, and institutional strengthening. Such an integrated approach will enhance the resilience and sustainable competitiveness of the Vietnamese banking system in the digital era.

Limitations and Future Research: Despite its contributions, this study has several limitations. First, the data were collected from banking service users in only two regions of Vietnam, which may limit the generalizability of the findings to other geographical contexts. Second, the cross-sectional research design does not allow for causal inference or examination of dynamic changes over time. Third, the study focuses on selected intangible factors and digital transformation, while other potential determinants of competitive capacity were not considered. Future research could employ longitudinal designs, expand the sample to include other regions or countries, and incorporate additional variables, such as financial performance or regulatory factors, to provide a more comprehensive understanding.

ACKNOWLEDGEMENT

"This research is partly funded by University of Finance – Marketing and Lac Hong University"

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Authors' Contribution

All authors contributed equally to the development of this article.

Data availability

All datasets relevant to this study's findings are fully available within the article.

How to cite this article (APA)

Nha, N. T., & Tam, P. T. (2025). MODERATING ROLE OF DIGITAL TRANSFORMATION IN THE BRAND IMAGE AND COMPETITIVE CAPACITY RELATIONSHIP: A CASE STUDY OF THE COMMERCIAL BANKS IN VIETNAM. *Veredas Do Direito*, 22(7), e224044. <https://doi.org/10.18623/rvd.v22.n7.4044>