

Marketing Solutions for Ho Chi Minh City Tourism Development Until 2020

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ABSTRACT

Recently tourism has become many countries' leading economy and made considerable contributions to developing the economy in the world. As the products of tourism possess greatly distinctive attributes, they serve as essential components in the marketing. With the current global trends and the tourism is gaining attention among economic sectors, the tourism of Ho Chi Minh City is subject to fierce competition, especially in the effort to attract tourists. This requires the city to have effective marketing solutions to promote the attraction of the cities to tourist. Based on the survey on international tourists to Ho Chi Minh City (HCMC), the article aims to analyze main factors of traditional marketing in tourism, and then suggesting solutions to guarantee tourism development in HCMC in the stage 2015-2020.

Keywords: Tourism marketing; tourism development; Ho Chi Minh City.

INTRODUCTION

Tourism is a fumeless industry bringing numerous important benefits to the economy. Tourism development contributes to improving economic-social status, increasing income, decreasing unemployment for the locals. Tourism also motivates the development of other jobs and boosts the movement in economic structure. Developing tourism strongly is indispensable in building a balanced and sustainable economy as well as ensuring a harmonious and abundant socio-cultural life.

HCMC is the largest tourist center in Vietnam. Equipped with fairly good facilities such as airport, ports, bridges, posts, and telecommunications, etc. and natural resources, advantageous geographical location, the city is regarded as a very potentially tourism place. In

recent years, tourism operation in HCMC exerts a big influence upon the tourism in the whole country (VNAT, 2013).

Although the speed of tourism development in HCMC accelerates, it is still slower than the one in the cities of neighboring countries such as Bangkok (Thailand), Singapore, Kuala Lumpur (Malaysia), Hong Kong, etc. The quality of tourism products has not fulfilled tourists' demand; tourism types have not been diversified, the amount of staff has been limited, etc. Therefore, the efficiency obtained does not correspond to the city tourism's potential of development.

Currently, the world is prevailing marketing trends and e-commerce, so the field is still relatively new, marketing activities take place in small scale, lack of initiative and innovativeness. Upon researching the theoretical system of

tourism and application of marketing in tourism, the author investigates the status quo of marketing operation in city tourism and then suggests marketing solutions with the view to developing HCMC tourism until 2020.

LITERATURE REVIEW

1. An overview of the status quo of Vietnam and HCMC tourism.

In the past years, the amount of international tourists to Vietnam increased satisfactorily along with the advantages of pristine natural landscape, low pollution, having human value filled with national character and human resource of affluence, wisdom, and hospitality. Gradually, the tourism products are increasingly invested by tourism agencies along with the coordination of different levels of local administrators to empower the development and attract more domestic and international investment projects in thriving tourism. Besides, there have been several accomplishments in collaborating with other countries in Southeastern Asia to develop tourism.

Table 1. The amount of international tourists to Vietnam (million people)

Year	2009	2010	2011	2012	2013	2014
Int'l tourist	3,77	5,04	6,01	6,84	7,57	7,87

Source: Vietnam National Administration of Tourism.

In the draft “Strategies of Developing Vietnam Tourism until 2020, scoping to 2030” drafted by Vietnam National Administration of Tourism, there will be

11-12 million international tourists estimated to visit Vietnam in 2020, 18-19 billion USD of revenue gained, contributing 6.5 – 7% GDP to Vietnam's. In 2030, as estimated, the revenue of tourism will be double the 2020's. Tourism, basically, will become a leading economy in 2020, highest ranked domestically in 2020 and internationally in 2030.

Table 2. The amount of international tourists to HCMC (million people)

Year	2009	2010	2011	2012	2013	2014
Int'l tourist	2,6	3,1	3,5	3,8	4,1	4,4

Source: HCMC Department of Culture, Sports and Tourism.

Since Vietnam implemented innovation policy and was open to integrate into regional and international economy, especially from 1990 – the year of Vietnam Tourism – until now, HCMC tourism has made extraordinary strides of development. In 2009, the city welcomed more than 2.6 million international tourists; until 2014, it reached 4.4 million ones. The distinctively fast-growing amount of tourists to Vietnam, specifically in HCMC, demonstrates the initial effectiveness of numerous policies and solutions which stimulate the regional tourism development such as visa exemption, flight route expansion, flexible-low price tickets, and mainly the impacts of promotional programs that HCMC tourism has been exercising so far.

2. The concept of Tourism

A global outbreak of tourism has occurred in the world lately that tourism becomes many countries' leading economy and considerably contributes to the world economy growth.

According to WTO (World Tourism Organization), it is defined that "Tourism is a collection of relations, phenomena, and economic activities deriving from the formation and residence of the individuals who frequently live far away from their home with a view to maintaining peace and their destinations are not their places of study or work."

In Vietnamese Law of Tourism, enforced by the Congress on June 2005 and effective since January 01 2006, "tourism is one of the activities involving the travelling of individuals who are frequently away from home for meeting demands of visiting, discovering, entertaining, and relaxing in a certain period of time."

3. Marketing in tourism

Tourism is a fumeless industry, so its product is different from the product of goods, and especially being distant and unable to make direct transference to tourists. In essence, marketing detects the demands and finds ways to satisfy them in order to obtain the sale target of the enterprises. In tourism business, applying necessary marketing can help learn tourists' demand and the art of satisfying to make business effective (Bennett, 2001).

Marketing is more important to the tourism industry than ever before because of the more volatile, fragmented and sophisticated nature of the contemporary market (Morrison, 2002).

A variety of factors has led in the increased importance of tourism marketing and, thus, marketers offerings need to adopt the principles of tourism marketing (Lumsdon,

1999). There are plenty of different ideas about marketing mix: 4P, 7P, 8P. This article only focuses on four main components of traditional marketing: Product, Price, Place, and Promotion.

Moreover, monitoring of tourism marketing efforts concentrate on brand image should be undertaken with a variety of different stakeholders involved such as visitors, government organizations and local communities have different perspectives on tourism branding (Hudson, 2008).

METHODOLOGY

1. Research scope

Spatial scope is limited within HCMC and looks into the relationships about tourism development in regions and across the country. The article refers to the statistics of tourism activities in HCMC from 2009 to 2014. Moreover, it explores the appreciations from tourists so that marketing solutions to developing HCMC tourism until 2020 can be given.

2. Research Methodology

The issues raised in this article are analyzed and evaluated based on the following research methodologies: analysis and statistic on the basis of numbers, data, macro/micro environment factors, which affect the sale activity of HCMC tourism. The other reference sources can be taken such as books, newspaper, magazine, website, etc.

In attempt to understand what judgments tourists make about HCMC tourism, the article conducts a real survey on 269 samples of international tourists validly from February 2015 to March 2015. Distribution of questionnaires was carried out only during the daytime from 9 A.M. to 4 P.M. Respondents were approached and informed about the purpose of the survey in advance before they were given

the questionnaire. They were asked if they would participate in the survey and survey respondents to be anonymous. Thus, the author can clarify essential issues, which are helpful in initiating solutions for the paper.

DISCUSSION

1. Descriptive Statistic

The information about the respondents' demographics is shown in Table 4-1. There are 56.5 % male and 43.5% female out of 269 participants. As for age, mostly respondents are in the range of 26-35 years old (42.4%), 37.2 % from 18 to 25 years old, over 36 year old ones account for 19.7% while the under 18 year old ones are just 0.7%.

In term of jobs, there are 30.1% office administrators, 17.8% self-employed businessmen and 18.2% students. Related to travel partner, respondents' tendency to travel with their friends makes up the majority (50.2%), going alone and with family account for 30.9% and 18.9% respectively.

2. Market research and target market selection

Determining the tourist market plays a significant role in giving solutions to tourism development of the whole country, particularly the city. This serves as an important responsibility that every tourism agencies bear. The city tourism needs to classify the market based on the objects, regions and determine primary/secondary market, target market, and the other concerned potential markets closely related to the research of supplying, demanding, tourists' psychology and taste in order that implementing market is passed by the government decisions properly. The research of tourism market is required to be conducted in the following hierarchy: Enterprise – City – Nation to

collect/process data sources and make appropriate decisions on investing, developing, and promoting tourism. The city tourism needs to establish the teams of market researching with the supports of marketing experts in offices, enterprises to be able to integrate, analyze, have judgments on the solutions of developing market properly and appropriately. Investigating potential market, concerning moderately, and organizing collaborative activities can help to make impressions and build tourism bridges, thus promoting Vietnam as an extraordinarily attractive tourism destination in which HCMC plays an advantageous door for tourists from Euro, America to enter. Also, this research contributes to creating and developing tourism demands in broad domestic tourism market, 80 million populations' income being improved and purchasing power increasing.

3. Reinforcing and diversifying tourism product

The table shows that 89% international tourists claim that there are just a few of sightseeing places and 59% ones see just a few of entertainment and shopping places built in HCMC.

Table 3. Tourists' appreciations on the number of sightseeing place – entertainment and shopping places in HCMC

Criteria	International Tourists	
	Frequency	Percentage
<i>Sightseeing-place</i>		
Just a few	239	89
Fairly	30	11
Too much	0	0
<i>Entertainment, shopping places</i>		
Just a few	158	59
Average	73	27
Rather much	35	13
A lot	3	1

Endowed with dynamicity and modernity, HCMC should courageously develop the model “City Tourism” to solve the situation above as well as to extend the tourist’s accommodations in the city. Thus, the city needs to make plans and investments in upgrading tourism routes currently available in HCMC.

Table 4. Tourists’ appreciations on shopping places

Criteria	International Tourists	
	Frequency	Percentage
Markets	46	17
Street Stores	148	55
Trade centers	102	38

It is recommended that shopping places need to be developed for tourists to get access to local products. There are 55% tourists usually shopping at street stores along central streets. Besides, the city makes effort to have standardized shopping places founded. The city tourism has to facilitate continuous information updates of these stores for tourists as well as guarantee social safety, sanitation, price and quality of products at shopping areas with view to comforting tourists, especially when they go shopping at night.

Table 5. Places of interest that tourists frequently go to at night in HCMC

Criteria	International Tourists	
	Frequency	Percentage
Backpacker town	199	74
Bars	140	52
Night market	70	26
Night clubs	121	45
Coffee shop	218	81
Other	40	15

The result shows that 74% tourists have chosen Backpacker town as their frequently-visited places of interest at night. So the majority of tourists recognize Backpacker town to be the very peculiar trait of HCMC while they may be unknown of Ben Thanh market, Notre Dame Cathedral, etc. Although planning and surveying to develop Backpacker town as a special zone of tourism in HCMC, it has still been uncompleted due to difficulties in making local administrative papers. The city needs to accelerate investigations into Pham Ngu Lao Backpacker town in order to shape it as the special zone of tourism in HCMC, diversifying products and creating one more entertainment and shopping place for tourists, particularly high-income ones.

Cultural events and tourism associated festivals need to be focused on developing so as not only to elevate the frequency of event and festival celebrations but also to prove the city as the one of peace, solidarity, and friendliness. To reach the most efficiency in doing these events, besides making certain investments, the city needs to plan, organize exhibitions, art cultural performances, sports competitions, and etc. properly throughout the year along with wide advertisements held ahead of the specified year, especially the annual traditional events; thereafter, tourism agencies can have foundations in promoting tour programs to attract more tourists.

Entertainment areas should be invested so that types and products of tourism grow more diversified. Re-planning the current amusement parks such as Dam Sen, Suoi Tien, Binh Quoi, etc. and orienting the in-depth investment can facilitate the diversification of entertainments and meet the international tourists’ demands as well as prevent entertainment types from overlapping. Emphatically, the city needs

to concentrate on successfully investing one particular amusement theme park, which is considerable and comparable to regional countries. Typical, modern, and big cinemas should be planned and built to have modern films and excellent art performances, etc. while periodical performance should take place to attract tourists. Focusing on high-class and MICE tourists, the city needs to improve the dynamicity and modernity yet can retain Vietnamese cultural essence with various types of products and services to satisfy the tourists' demand of diversity. The city is regarded as intensively working and "a sleepless city." The "young" cities such as Singapore, Hong Kong, Bangkok, which possess just a few of natural resources and do not neighbor to countries having various products like HCMC, have gained success because they are aware of placing certain emphasis on the city tourism type methodically and deeply; especially the tourism type of shopping and conference-seminar stressed at most. Therefore, city tourism is required to intensively develop the city's strengths such as type of conference or meeting tour, exhibition, and fair. The city also needs to make plans and investments to build up a center of fair, grand conference, and prominent city exhibitions furnished with meeting rooms, facilities, and standardized equipment, all of which are comparable to the ones in regional countries.

Being lack of novelty, the proposals above make a particular significance to tourism development of the city in correspondence with the contributions to strategies of diversifying tourism types and products, appealing more tourists to HCMC.

4. Solution to Price.

Price is one of substantial variables in Marketing mix strategy. Price plays a decisive role in tourists' selection of tourism product. For enterprises, price

holds a decisive position in market competitiveness and has an important meaning as it directly affects the turnover and profit.

Table 6. Tourists' appreciation upon the quality of service

Criteria	International Tourists	
	Frequency	Percentage
Right price comparable with	99	37
standard of services	132	49
Price is high with low standard of services	38	14
Price is high with very low standard of services		

Price goes along with the quality of supplied service. According to the survey, however, 49% tourists claim that they have to pay a higher price for the supplied service than its real quality refers to. This issue needs to be taken into tourism-related offices' account; otherwise, it will influence tourists' decision of returning to this city. Hence, tourism associations are encouraged to found such as Tourism Association, Hotel-Restaurant Association, Referee Office, which are in charge of preserving legal rights of membership units, reducing negative competitions such as the escalation of room or service price in rush season or devaluation of tour package in slack season that bring bad impressions on tourists about Vietnam tourism.

Department of Tourism, in collaboration with Bureau of Taxation, attempts to make consistency in retailed prices of tour tickets

around Pham Ngu Lao Street, where a number of agencies are located and target to the “Backpacking” Westerners and international tourists without buying group tour or with open tour. Nowadays, open tour is a relatively popular tourism type that wins individual tourist’s favor. At the same time, tourism-associated offices and local administrators need to cooperatively propose most effective solutions of managing this type of business in order that national security and the tour quality are ensured. In near future, expenses of aviation, telecommunication, etc. need to reduce the price equal to the regional countries’ one; thus, the price of tours to Vietnam can have chance to compete, attract, and appeal more tourists.

4. Reinforce promoting and advertising tourism.

The city continues to boost the cooperation and tries to exploit the informative advantages of mass media with a view to making orientations for tourism promotion and advertisement, raising community’s awareness of sustainable tourism development. Besides, distributing tourism publications to the very hands of international tourists needs to be sped up. Information Booths of Tourism are encouragingly built in centers and public, at airports and train stations, in big hotels, supermarkets, and city centers. Moreover, the city needs to supply tourists with free tourism information, which is supported by Government Budget and contributions from local tourism enterprises.

Table 7. Mass Media Known by Tourists

Criteria	International Tourists	
	Frequency	Percentage
Internet	37	28.5
Magazines, book	67	25
Media	112	41.7
Personal research	10	3.9
Recommendation form friends, family	2	0.9

The table 7 shows that 41.7% tourists get to know HCMC via mass media, 28.5% via Internet, and 25% via books and magazines. The city tourism needs to improve its image and establish the position of HCM tourism in the world market by increasingly making propagations and advertisements via mass media in pivotal market, specifically joining fairs and international conferences based on the program of developing tourism market organized by General Department of Tourism. Also, it remains active in making plans, contents, and forms of activities in attempt to assemble local enterprises of tourism so that the efficiency of activities happened outside Vietnam can be ensured. The city needs to focus on holding the following events: Annual ASEAN/ATF Tourism Forum, ITB Fair (Germany), JATA Congress and Show Fair (Japan), Topresa Fair (France), WTM (England), ASTA (USA), CITM (Shanghai).

Likewise, the city needs to make a close cooperation with Vietnam Aviation Agency and International Aviation Agencies in order to offer necessary supports to tourism-associated activities such as organizing introductions of national art, Southern cuisine culture, mini-handicrafts, and international press conference. The seminars of developing market and domestic tourism products should be held with the attendance of international representatives. Tourism publications are basically involving CD-ROMs, videos, posters, pictures, etc. which describe history/culture, architectural works, vestiges, natural landscapes, trade villages, festivals, etc. They are distributed widely to international fairs and seminars, representative offices of tourism Vietnam, embassy of Vietnam in every country, and the flight of International and National Aviation Agency.

CONCLUSION

Applying marketing to tourism has been still difficult because tourism products possess extremely peculiar features that require tourism businessmen to absorb general and technical knowledge. As the tourists' demands are various and under constant changes with time, tourism is strongly suggested to plan strategies appropriate to every stage and tendency of development.

Marketing belongs to a field of science and abundant art which have undergone the process of long-lasting accumulation and evolution. Researching and applying marketing scientifically and creatively to HCMC tourism serve as a pressing requirement for all of the enterprises in market economy, especially in our

country's economy newly joining WTO. In the stage of 2015-2020, the city tourism needs to hold proper marketing activities to fulfill various demands of tourists, making contributions to raising GDP of the city and the country as a whole.

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