

# A Study of Analyzing the Selection of Promotion Activities and Destination Attributes in Tourism Industry in Vietnam - From the Perspective of Tourism Industrial Service Network (TISN)

Wen-Hsiang Lai, Nguyen Quang Vinh

**Abstract**—In order to explore the relationship of promotion activities, destination attribute and destination image of Vietnam and find possible solutions, this study uses decision system analysis (DSA) method to develop flowcharts based on three rounds of expert interviews. The interviews were conducted with the experts who were confirmed to directly participate or influence on the decision making that drives the promotion of Vietnam tourism process. This study identifies three models and describes specific decisions on promotion activities, destination attributes and destination images. This study finally derives a general model for promoting the Tourism Industrial Service Network (TISN) in Vietnam. This study finds that the coordination with all sectors and industries of tourism to facilitate favorable condition and improving destination attributes in linking with the efficient promotion activities is highly recommended in order to make visitors satisfied and improve the destination image.

**Keywords**—Destination attributes, Destination image, Decision system analysis, Tourism promotion

## I. INTRODUCTION

**T**OURISM has grown into one of the world's largest industries in recent years [4]. Among the countries in Asia, Vietnam has proven to be one of the fastest growing tourist destinations. The latest report released by World Economic Forum in 2011 shows that Vietnam's tourism competitiveness has jumped to the 80th out of 139 countries and territories in the world. Even though Vietnam's world-class cultural heritages prevails over other countries' cultural heritages and natural landscapes (9 world-class heritages in Vietnam), Vietnam's tourism industry is considerably inferior to other countries in Asia, and thus Vietnam's tourism market ranks behind some rivals such as Singapore (10th), Malaysia (35th), Thailand (41st) and Indonesia (74th). It seems that the Vietnam's government does not either concentrate on the promotion policy to get the market segment, nor build up the promotion policy to improve the returning rate of tourists. The tourism industrial service network (TISN) plays an important role in Vietnam's tourism industries since the interactions between service providers and customers are increasingly taking place in the form of long-term business relationships.

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By using the DSA method, the objectives of this study are to investigate how the current promotion activities affecting the destination attribute and to explore what the destination attribute attracting the tourism promotion. Furthermore, this study contributes to how promotion activities and destination attribute affecting overall destination images. Finally this study aims to accomplish tourism development by strategically collaborating with the public sectors and tactically coping with the private sectors. Therefore, the contribution of critical factors of the promotion activities approaching in this study will be of both practical and academic values. The practical value indicates that managers seem to use the practical suggestions of such efforts and the implication of this study in their relationships with stakeholders. The academic value contributes to the academic knowledge by an examination of tourism theory in the context of Vietnam.

## II. LITERATURE REVIEW

### A. Promotion Activities

Promotion activities in this study are defined as the activities of government to promote the national tourism industry. It includes policies, budgets and promotion method, which are depicted as below.

#### 1. Policy

The purpose of tourism policy for promotion serves the raising awareness of all levels, which include the position and role of tourism in TISN, and people's responsibility on preserving natural, cultural and environmental heritages in the course of country development. This phenomenon has necessitated new interactive relations within the society, and thus the new experiments emphasizing co-regulation, co-steering, co-production, co-operative management, and public-private partnerships on national, regional, and local levels have become more and more important than ever [12].

#### 2. Budget

Tourism scholars have recognized the importance of gaining government's support for the development of successful tourism industry in TISN. In the literatures of stating expenditures of tourism market in TISN, Deskins and SeEVERS [9] suggest that spending higher levels of tourism promotion can trigger higher levels of tourist activity and enhance employment growth rate for tourism industry. When tourism promotion has enough budgets, the number of visitors will be increased, and it can certainly contribute for some

portion of GDP in the nations.

### 3. Promotion Method

Kotler et al [13] define the promotion strategy referring to the activity of market communication with the target audience in the various or selected market. In light of promotion, there are various modes of promotion strategies and tools, which include sales promotion, direct selling, advertising, public relation and personal selling. According to McLellan and Foushee [16], Tour operators and travel agents also represent a primary source of information contributing to the image formation that travelers can base for their decision of selecting destinations. Other side, market segmentation is one of the starting points for promotion strategy.

### B. Destination Attributes

#### 1. Nature resource

The natural resources of a tourism destination define the environmental framework within which the visitor enjoys the destination. They include physiography, climate, flora and fauna, scenery and other physical assets [10]. As Porter [21] and other researchers have emphasized 'factor creation' as a source of competitive advantage, a destination's endowment of natural resources is crucial for many forms of tourism and visitor's satisfaction. Moore and Carter [17] state that tourism in the natural environment has been characterized by (1) the marketing of resources without acknowledging the impact on resources that visitation can create and (2) the management of resources without acknowledging the impact of protection policies on tourism operators and their clientele.

#### 2. Culture resource and activities

Beside the nature resource, the culture resource of a destination, such as the history, institutions, customs, architectural features, cuisine, traditions, artwork, music, handicrafts, dance, etc., provide basic and powerful attracting forces for the prospective visitors [8],[18]. In the literatures of tourists' decision on destination selection, most studies are based on sites or activities of the destination. In order to promote tourism and attract visitors, Dwyer and Kim [10] propose five activities that can be created, such as the tourism infrastructure, special events, range of available activities, entertainment and shopping.

#### 3. Human resource

Baum [2] addresses that people are considered as a critical factor of successful delivery of tourism services in TISN. In order to demonstrate this statement, he expresses that "the story of successful tourism enterprises is one that is largely about people". This means that the tourism industry is configured to depend on the source of labors. And thus, there has been some modifications changing from the original demands of training product and technical skills to the current demands of "generic skills" of communication, personality (aesthetic and emotional labor) as well as the usage of technology [5].

#### 4. Tourism Facilities

Many of the services and facilities used by visitors are provided by the private sectors, but the public sectors at all

levels (national, regional, and local) are also becoming involved in the tourism industry in different ways (such as planning, infrastructure provision, and economic regeneration. Watson and Kopachevsky [24] are arguing that the tourist experiences cannot be properly understood unless we take into account for the larger context and setting in these encounters taken place, Bittner [3] claims that service infrastructure is housed within the larger macro-environment or 'physical plant' of the destination.

### C. Destination Image

#### 1. Perceived value of quality

Perceived value can be defined as the ratio of the consumer's outcome/input to that of the service provider's outcome/input [20]. In the tourism literatures, the perceived value of quality is the visitor's overall appraisal of the net worth of the trip, based on the visitor's assessment of what is received (benefits) and what is given (costs or sacrifice) [6]. Therefore the received value of service quality is the first step to influence the image perceived by customer on the destination, and it can be recognized as the antecedents of behavioral intentions during the time of visiting.

#### 2. Satisfaction

Tourist satisfaction is important to the construction of successful destination marketing, and the promotion activities in particular are essential to understand the influences of visitor's attitudes regarding to the choice of destination, consumption of products and services, and decision of revisiting the same destination [14]. In order to gain an in-depth understanding of tourists' attitudes and behaviors after visiting the destinations, there is a need to investigate the relationship between destination attributes and tourists' satisfaction from the tourist's perspective. In order to measure the satisfaction, Barsky and Labagh [1] use the model of "expectation met" factors that were weighted by attribute-specific importance, as the result conclude that the satisfaction has the relationship with willingness to return the destination, then the destination image is increased by visitors

#### 3. Loyalty

Oliver [19] defines the consumer loyalty as the behavior of choosing to return, to buy or to be the client for a tourism product or service in the future, no matter what degrees the external commercial influences and what efforts the potential influence changes. Tourists express satisfaction or dissatisfaction after purchasing tourism products and services. Chon and Olsen [7] discover a fitting correlation between tourists' expectations and satisfactions. Therefore it raises the need of different organizations in TISN to effectively and efficiently cater consumer needs and expectations and minimize the potential negative socio-cultural, economic and ecological impacts on the host community.

## III. RESEARCH METHODOLOGY

This study applies decision systems analysis (DSA) to formalize an interview procedure for managers who participate in various phases in the same multi-firm decision process. Kaynak and Ghauri [11], Woodside [25] and other

researchers indicate that the aim of DSA is to describe configurations in why and how a decision process actually occurs as well as the flow of thinking, interactions of participants, decisions, actions, and outcomes in the process. The phases of the manufacturing decision process provide opportunities to periodically review and evaluate changing needs, conditions, and alternatives [15]. DSA includes drawing a series of preliminary flowcharts of the decision phases and interactions of managers. In the follow-up interviews, these preliminary flowcharts are shown to managers to elicit additional details of the decision processes and so that corrections can be made. The preliminary flowcharts are then revised to enhance completeness and accuracy. The flowchart revisions should be shown to the managers in a third round of interviews, and can be shown to other managers who had observed the decision process but who had not been directly involved in the previous interviews. A final version of the flowcharts can be completed based on the third set of interviews. After the third round interview three main variables are obtain as: Promotion activities of Vietnam National Administration of Tourism (VNAT), Destination attributes, and Destination image. To develop the flowchart, the researchers follow the process of DSA from the first round interview to the third round interview. Table 1 provides the experts backgrounds for the first and second round of interview, table 2 shows the background of the expert in the third round of interview.

#### IV. RESULTS DISCUSSION

From the viewpoint of methodology, the result of this study that adopted the DSA approach reveals the relationships among Vietnam promotion activities, destination attributes and consumers' perception about the destination image. The result also suggests the implications on destination promotion strategies for destination marketers as well as recommendations solutions to increase the number of new arrivals and repeat visits for Vietnam tourism industry (see Fig. 1). With the promotion activities (see Fig. 2), all the interview experts recommend four main factors should be considered as policy, budget, expert and method for the tourism promotion, and there is a need for the integrated tourism planning. The result also addresses that the coordination among government agencies, between the public and private sectors, and among private enterprises is a challenging task and requires the development of new mechanisms and processes for incorporating the diverse elements of the tourism system. This coordination is also frequently used in the tourism planning and policy literature [22], [23], [27].

TABLE I  
 INTERVIEW EXPERT'S BACKGROUNDS  
 (FIRST AND SECOND ROUND OF INTERVIEW)

| No | Expert's organization | Department /sector | Experience | Title          |
|----|-----------------------|--------------------|------------|----------------|
| 1  | VNAT                  | Marketing          | 9 years    | Executive      |
| 2  | VNAT                  | R&D                | 8 years    | Executive      |
| 3  | VNAT                  | Administrative     | 28 years   | Deputy Manager |
| 4  | Hotel                 | Public             | 20 years   | Manager        |
| 5  | Hotel                 | Public             | 15 years   | Manager        |
| 6  | Hotel                 | Public             | 12 years   | Manager        |
| 7  | Tourism company       | Public             | 20 years   | Manager        |
| 8  | Tourism company       | Private            | 6 years    | Guide tour     |
| 9  | Tourism university    | Public             | 30 years   | Professor      |
| 10 | Tourism university    | Private            | 15 years   | Professor      |

TABLE II  
 INTERVIEW EXPERTS' BACKGROUND (THIRD ROUND OF INTERVIEW)

| No | Expert's organization | Department /sector | Experience | Title      |
|----|-----------------------|--------------------|------------|------------|
| 1  | Tourism Agency        | Marketing          | 7 years    | Executive  |
| 2  | Tourism organization  | Consultancy        | 9 years    | Executive  |
| 3  | VNAT                  | Promotion project  | 10.5 years | Vice chair |
| 4  | Hotel                 | Public             | 12 years   | Manager    |
| 5  | Tourism company       | Private            | 16 years   | Manager    |

On the other side, the budget for promotion is concerned inadequate. In Vietnam, the budget for tourism often appears no relations with the volume of visitor arrivals or economic impact of tourism industry. National tourism agencies in Vietnam depend on the availability of public funds, which place them under the limitation of government budget. However, this situation should be changed by learning from other countries' (such as Singapore, Hong Kong, Thailand, and Indonesia) where budgets of tourism promotion coming from the private sectors. The suggestion of calling from the private sector for tourism promotion is recommended in this study.

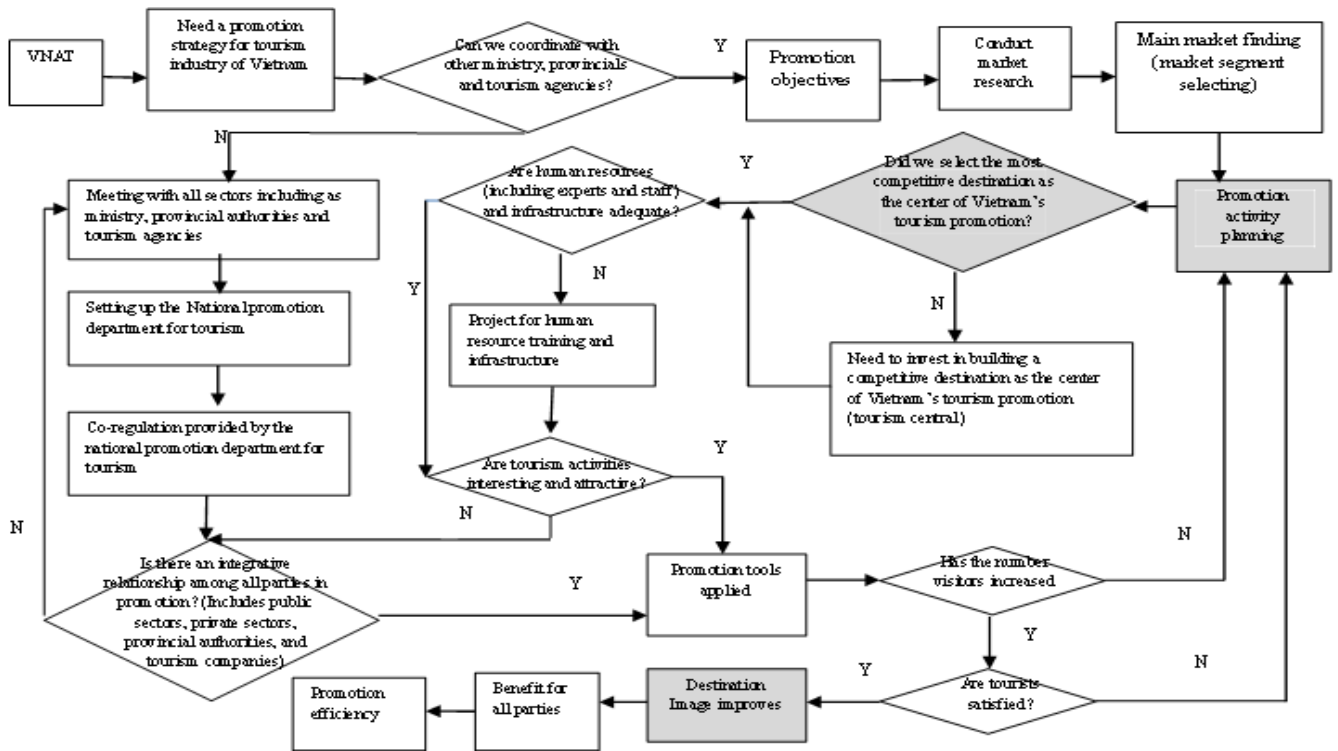


Fig. 1 General DSA chart of relationship between promotion activities and destination attribute

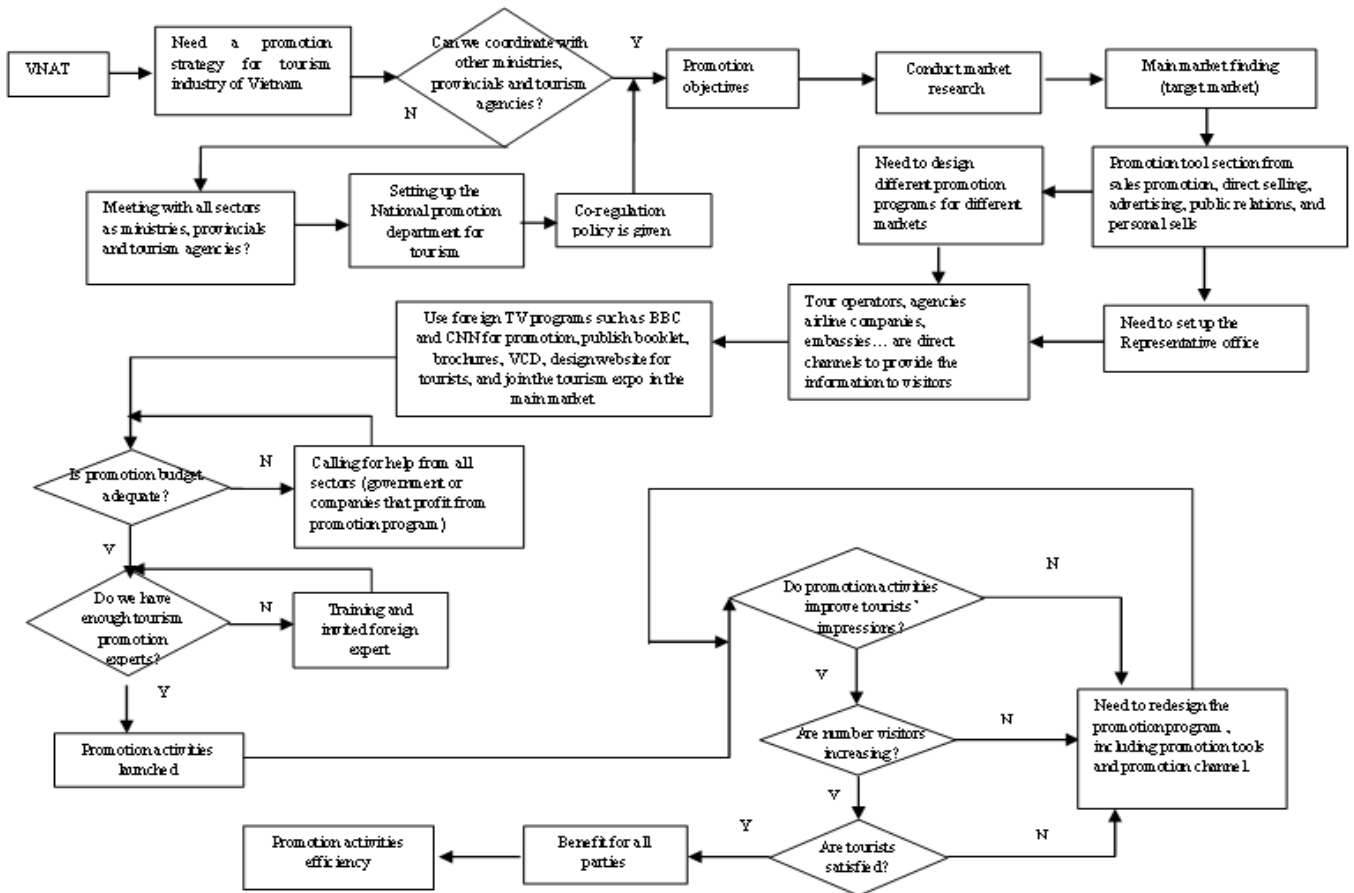


Fig. 2 DSA chart of promotion activities

The lack of excellent experts and suitable methods for promotion is discussed as the main problem of making promotion of tourism inefficiently. In order to conduct the promotion tool selection, there are some issues to be considered as: design the different promotion programs in the different markets, set up the representatives office for tourism in the main markets, consider tour operators, agencies airline companies, and embassies for the direct channels providing the information to visitors and connecting the foreign TV program as: BBC, CNN... for promoting, publishing the booklet, brochures, VCD, designing website for tourism, and joining the tourism expo in the main market.

On the other hand, the destination attributes such as infrastructure, human resources, and tourism activities are considered as the weakness of Vietnam TISN and required for the future improvement (see Fig. 3). It is necessary for building the competitiveness destinations as the most particular places (tourism centers), such as Phuket and Pattay in Thailand and Bali in Indonesia. For attracting more tourists, it is recommended to implement the program for coordinating and linking among provincials and tourism companies to build and sell the tour packages in order to make the tour program more interesting and diversifying.

Improving the quality of services, recognition of vocational skills at basic level, raising standards and quality of human resources for tourism industry are recommended. Vietnam is known as a potential country with richness of culture and natural resources for tourism development. However, in order to ensure the sustainable tourism development, Vietnam needs to take urgent actions for protecting and preserving its natural resources as well as keeping the culture by the traditional way

Improving the destination image has the same meaning with improving the overall experience level of visitors. The level of customer satisfaction about a destination brand depends on the assessment of the overall experience of the destination versus expectations and perceptions. Therefore, it is extremely important for destination marketers to enhance the positive destination image in order to satisfy visitors' expectations. Actions are necessary to change the perceptions of visitors about quality facilities such as hotel equipment, public infrastructures and the quality of service staffs. The current tourism promotion strategy adopted by the Vietnamese authorities emphasizes the popular promotions tools widely applied in the tourism industry, including PR, advertising and trade fairs targeting foreign visitors in different markets. However, it seems insufficient and inefficient in boosting sales information to reach the goal. Due to the dynamic changing tourism market as well as consumer behaviors, this study suggests that the strategy of Vietnam TISN should be changed from the promotion-oriented destination marketing to a more holistic and strategic approach in order to attain sustainable competitive advantage (see Fig. 4). For serving a better visitor's satisfaction, it needs to correlate the actions from

diverse entities (Hotels, tour operators, and public, private sectors etc.) working together to provide suitable price policies, improve accommodation quality, integrate information and policies for tourism promotion, diversify tour programs, and finally improve the tourism awareness of people.

## V. CONCLUSION

The method of DSA is helpful in providing systematic evidence of the expert's interview. The purpose of DSA is to capture the dynamic relationship among tourism issues and provide knowledge and insight in how and why decision process occurs [26]. In this study, the DSA flowcharts are made after expert's interviews, and the experts all have long time experiences in tourism and marketing and also have high positions in VNAT, tourism Companies, hotel and universities. From the interview results captured from DSA flowcharts, there are some recommendations to improve the promotion activities of Vietnam TISN.

Vietnam's tourism promotion strategy is unprofessional and the information is insufficient and not timely for visitors. Therefore, the policy, budget, expert and methods for promotion are recommended as main factors. The coordination among the government agencies, between the public and private sectors, and among private enterprises is a challenging task and requires the development of new mechanisms and processes for incorporating the diverse elements of the tourism system in TISN. Improving destination attributes in linking with the promotion activities is highly recommended in order to make visitors satisfied and improves the destination image. The contribution of critical factors of the promotion activities approached in this study is of both practical and academic values. The practical value indicates that managers seem to use the practical suggestions of such efforts and the implication of this study in their relationships with stakeholders. On the other hand the academic value contributes to the academic knowledge by an examination of tourism theory in the context of Vietnam.

The limitations in this study are divided into two aspects. First, the promotion activities in relationship with destination image analyzed in this study is the overall with the expert interview and the lack of participation of visitor, even though the actual modified image tends to be realistic and complex as suggested by the literature. Second, some issue cannot be discussed deeply due to the wide scope of this study, and the exploratory survey used in this study is the qualitative research method. The future research work will include a quantitative survey with a representative sample to validate the qualitative findings.

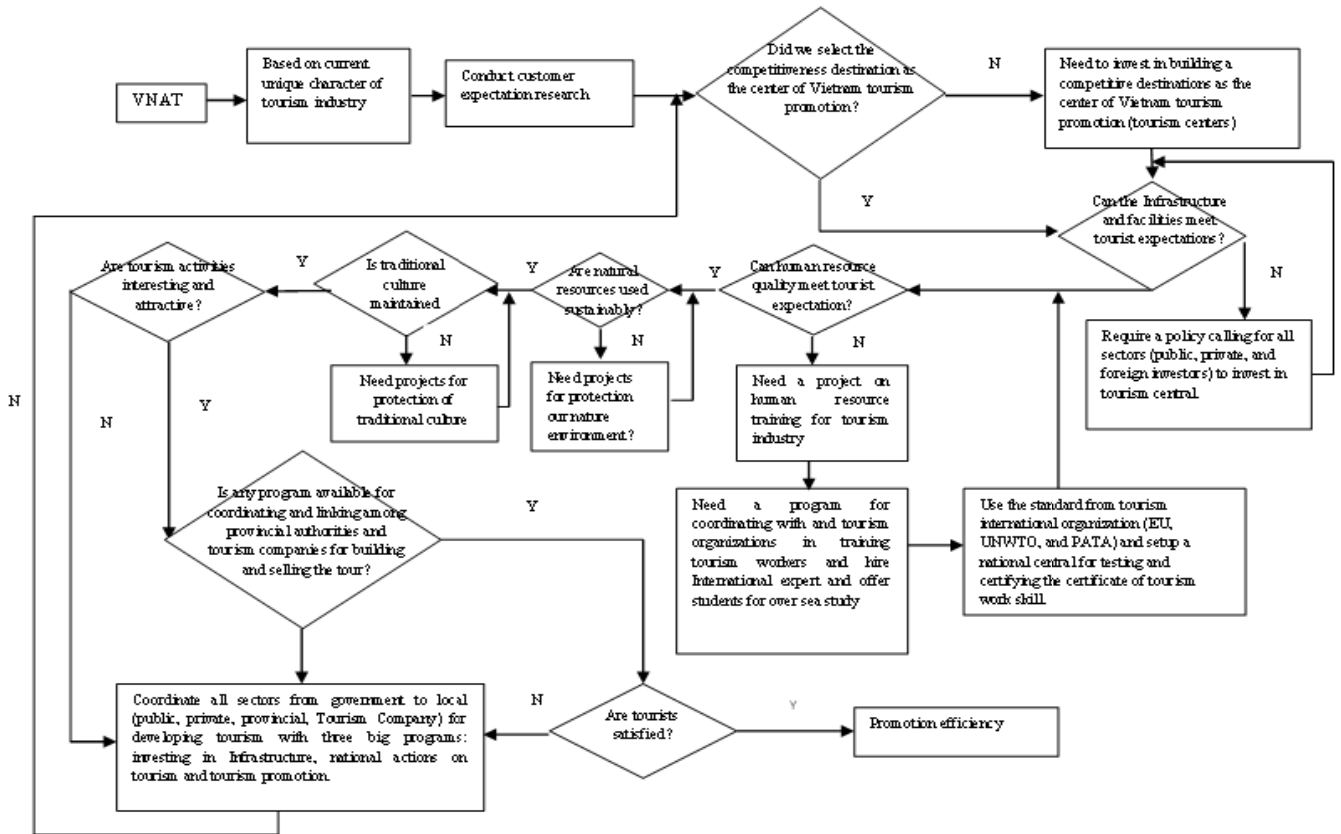


Fig. 3 DSA chart of Destination attributes selection for tourism promotion

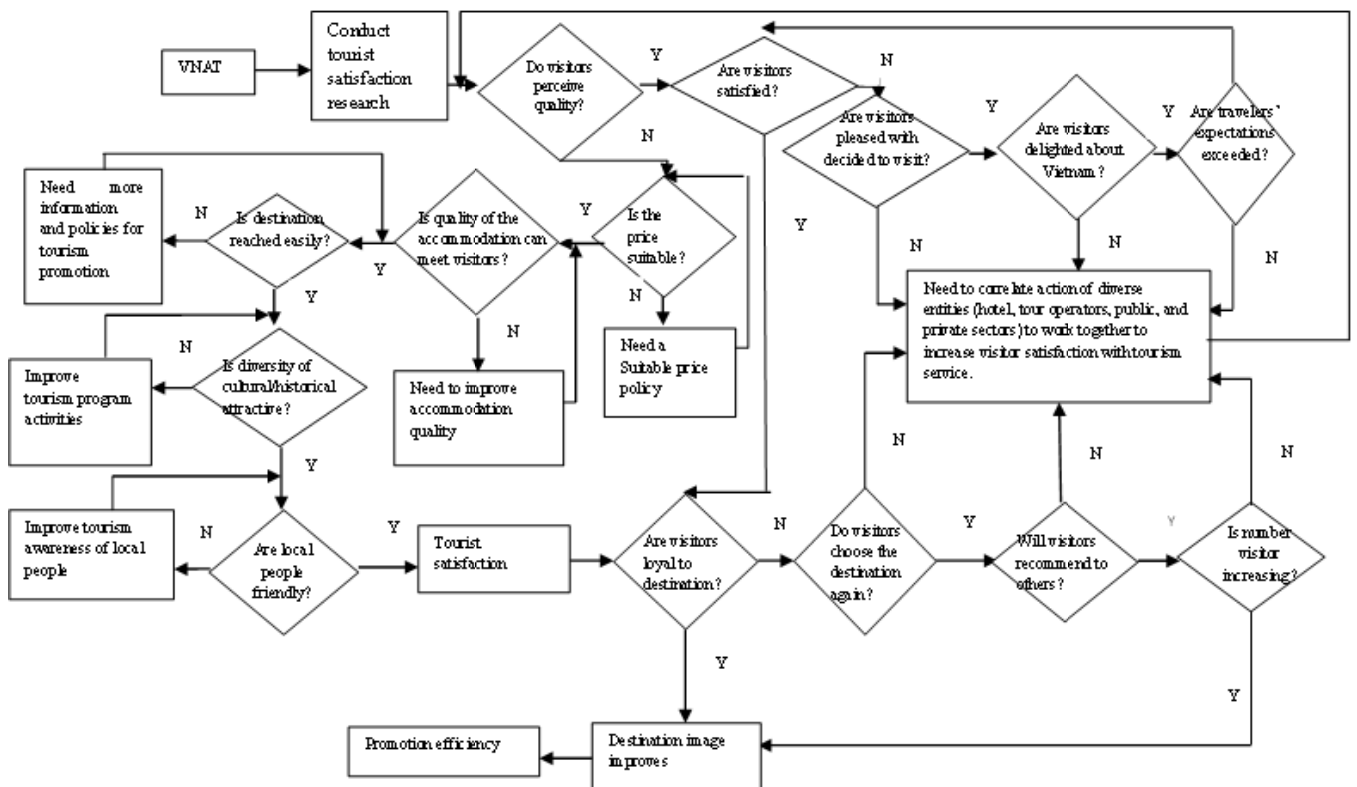


Fig. 4 DSA chart of visitors 'destination image after visited

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