



Online Tourism Destination Marketing: Strategies for Vietnam

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บทคัดย่อ

ความสำคัญของการตลาดแบบเชื่อมต่อตรงสำหรับแหล่งท่องเที่ยวเป็นสิ่งที่ไม่สามารถปฏิเสธได้ องค์การการท่องเที่ยวในปัจจุบันได้ค้นพบว่าการเสนอตำแหน่งทางการตลาดของตนในตลาดอิเล็กทรอนิกส์เป็นที่น่าสนใจ ที่อยู่เว็บของแหล่งท่องเที่ยวสามารถสร้างความได้เปรียบในการแข่งขันและอาจช่วยให้แต่ละองค์กรหรือแหล่งท่องเที่ยวใช้ประโยชน์ของตลาดแบบเชื่อมต่อตรงได้อย่างเต็มที่ การตลาดแบบเชื่อมต่อตรงและระบบการจัดการสามารถสร้างนวัตกรรมของผลิตภัณฑ์ได้ง่ายขึ้นและเพิ่มผลิตภาพในกิจกรรมขององค์การการท่องเที่ยว บริการเชื่อมต่อตรงสร้างประโยชน์อย่างมากมายให้กับลูกค้าในรูปของการเพิ่มสภาพพร้อมใช้งานของสารสนเทศ ความโปร่งใสของราคามากยิ่งขึ้น และความเป็นไปได้ของการสั่งจองและการจ่ายเงินทันที อย่างไรก็ตามมีความจำเป็นที่ต้องใช้ในหนทางที่มีความหมายเพื่อให้ได้รับประโยชน์อย่างเต็มศักยภาพ

เพื่อตอบสนองต่อพลวัตของการเปลี่ยนแปลงเหล่านี้ การวิจัยจึงมุ่งหมายเพื่อบ่งชี้ถึงความท้าทายหลักและแสวงหาคำตอบที่เป็นไปได้ต่อการตลาดแบบเชื่อมต่อตรงของแหล่งท่องเที่ยวของเวียดนาม รวมทั้งการศึกษาถึงอุปสงค์ปัจจุบันต่อบริการเชื่อมต่อตรงในเวียดนาม และในเวลาเดียวกันศึกษาการตลาดแบบเชื่อมต่อตรงสำหรับแหล่งท่องเที่ยวของเวียดนามในระดับชาติ ระดับจังหวัด และระดับวิสาหกิจ วิเคราะห์จุดอ่อนและปัญหา และโดยเฉพาะการเสนอมาตรการเพื่อปรับปรุงคุณภาพของบริการแบบเชื่อมต่อตรงของการเดินทางต่างๆ

การศึกษารวบรวมข้อมูลจากหลายต้นทาง การศึกษาอุปสงค์สำหรับการบริการแบบเชื่อมต่อตรงในเวียดนามและการบ่งชี้ถึงความจำเป็นและการรับรู้ที่อยู่ของเว็บการเดินทาง

เวียดนาม มีการจัดเก็บข้อมูลจากนักท่องเที่ยวต่างชาติผู้มาท่องเที่ยวเวียดนามระหว่างเดือนพฤศจิกายนถึงเดือนธันวาคม ค.ศ. 2007 จำนวน 268 คน การวิเคราะห์ความสำคัญและผลการปฏิบัติงานนำมาใช้กับลักษณะประจำที่อยู่เว็บการเดินทางของเวียดนามเพื่อวิเคราะห์ว่าคุณภาพที่อยู่เว็บการเดินทางเวียดนามตรงกับความต้องการของนักท่องเที่ยวหรือไม่ ได้ดำเนินการประเมิน

กิจกรรมการตลาดแบบเชื่อมตรงในเวียดนามทั้งแบบสอบถามและการสัมภาษณ์แบบเจาะลึก มีการเก็บแบบสอบถามจากหน่วยงานการท่องเที่ยวระดับจังหวัดเพื่อป้อนข้อมูลถึงการตลาดแบบเชื่อมตรงและแผนในอนาคตสำหรับการพัฒนาในระดับจังหวัด มีการสัมภาษณ์แบบเจาะลึกกับธุรกิจการเดินทางและเจ้าหน้าที่ขององค์การการท่องเที่ยวแห่งชาติเวียดนาม(วีเอ็นเอที)จำนวน 17 คนเพื่อความเข้าใจในมุมมองของกิจกรรมการตลาดการท่องเที่ยวในเวียดนาม โดยเฉพาะการตลาดแบบเชื่อมตรงและระบบการจัดการแหล่งท่องเที่ยว(ดีเอ็มเอส) รวมทั้งมุมมองของธุรกิจการเดินทางในการตลาดแบบเชื่อมตรงในเวียดนาม

ผลการศึกษาชี้ให้เห็นว่าการรับรู้ของนักท่องเที่ยวต่างชาติต่อที่อยู่เว็บที่เกี่ยวข้องกับการท่องเที่ยวในเวียดนาม โดยทั่วไปอยู่ในระดับดี อย่างไรก็ตามมีรายงานถึงข้อบกพร่องบางประการที่สัมพันธ์กับคุณลักษณะประจำที่อยู่เว็บ เช่น ขาดสารสนเทศหรือไม่เพียงพอสำหรับการสำรอง การให้ทิศทางที่ถูกต้องของแหล่งท่องเที่ยว ราคาห้องพัก/ภัตตาคาร การจองแบบเชื่อมตรง เป็นต้น ประเด็นอื่นๆ จะสัมพันธ์กับการรับรู้ถึงเทคโนโลยีและความปลอดภัยในจิตใจของนักท่องเที่ยว สิ่งเหล่านี้มีผลต่ออัตราการแปลงผันของการค้นหาและการซื้อผลิตภัณฑ์การท่องเที่ยวต่อที่อยู่เว็บการเดินทางเวียดนาม

ผู้ตอบแบบสอบถามจากองค์กรและธุรกิจที่สัมพันธ์กับการท่องเที่ยวในเวียดนามมีความตระหนักอย่างสูงต่อบทบาทที่สำคัญของการตลาดแบบเชื่อมตรงภายในองค์กรหรือธุรกิจ ความตระหนักถึงการตลาดแบบเชื่อมตรงอย่างสูงของผู้ตอบแบบสอบถามทั้งหมดแสดงออกในรูปการวางแผนที่อยู่ของเว็บและการปรับปรุงเทคโนโลยีในอนาคตอันใกล้

จากผลการศึกษา ผู้วิจัยได้เสนอกกลยุทธ์ที่เฉพาะเจาะจงเพื่อปรับปรุงคุณภาพของที่อยู่เว็บรวมทั้งบริการการท่องเที่ยวแบบเชื่อมตรงอื่นๆ ปกติแล้วคุณภาพที่อยู่ของเว็บที่สัมพันธ์กับแหล่งท่องเที่ยวมีความสำคัญต่อการสร้างความพึงพอใจอุปสงค์สารสนเทศของลูกค้ารวมทั้งการจอง การซื้อและความต้องการอย่างอื่น ที่อยู่ของเว็บต้องมีการส่งเสริมผ่านช่องทางการจัดจำหน่ายต่างๆ เพื่อเพิ่มความได้เปรียบในการแข่งขันขององค์กรที่เกี่ยวข้องกับการท่องเที่ยวจำเป็นต้องมุ่งเน้นต่อปฏิสัมพันธ์กับลูกค้าผ่านไปรษณีย์อิเล็กทรอนิกส์ ที่ประชุมที่ปรึกษาหารือ ห้องสนทนา การส่งสารทันทีและหน้าที่จัดทำตามความต้องการลูกค้าเฉพาะรายและรักษาความปลอดภัยรายการการเชื่อมตรง เพื่อที่จะไม่เพียงแต่จูงใจลูกค้ารายใหม่แต่ยังสร้างความมั่นใจกับลูกค้าเก่า คุณภาพของบริการต่อเชื่อมมักจะมีอิทธิพลต่อการรับรู้ภาพลักษณ์ของแหล่งท่องเที่ยว มีความจำเป็นต้องมีการฝึกอบรมพนักงานในงานการตลาด การบริการลูกค้าและเทคโนโลยี ความร่วมมือในการทำตลาดจะเป็นการประหยัดต้นทุนและสามารถกระตุ้นการเดินทางโดยใช้ดีเอ็มเอสให้มากขึ้น การกำหนดทิศทางและการให้การสนับสนุนจากรัฐบาลมีความสำคัญมากในประเทศ

อย่างเวียดนามสำหรับการขยายตลาดการท่องเที่ยวโดยทั่วไปและโดยเฉพาะการตลาดแบบเชื่อมต่อตรง
แหล่งท่องเที่ยว

คำสำคัญ การตลาดแหล่งท่องเที่ยว การบริการการเดินทางแบบเชื่อมต่อตรง
 การตลาดแบบเชื่อมต่อตรง การท่องเที่ยวอิเล็กทรอนิกส์ อินเทอร์เน็ต เวียดนาม

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ABSTRACT

The importance of online marketing of tourism destinations is undeniable. Tourism organisations are now coming up with attractive offers to position themselves in the electronic markets. The website of a tourist destination can give a competitive advantage and may help individual organisations or destinations enjoy the benefits of direct marketing. Online marketing and management systems make product innovation easier and increase productivity in the activities of tourism organisations. Online services bring numerous benefits to clients in the form of improved availability of information, greater price transparency, and the possibility of immediate booking and payment. It is necessary however to utilize it in a more meaningful way to derive the potential benefits.

In response to these dynamic changes, this research aims to identify the main challenges to online tourism destination marketing of Vietnam and seek possible solutions for them. This includes a study of the current demand for travel online services in Vietnam; and, at the same time, of the online tourism destination marketing of Vietnam at national, provincial and enterprise levels. Common weaknesses and problems are identified, and specific measures proposed to improve the quality of online travel services.

The research collected the data from several sources. To study the demand for online travel services in Vietnam and identify tourists' needs and perceptions of Vietnamese travel websites, data were collected from 268 foreign tourists who had visited Vietnam in November - December 2007. Importance - Performance Analysis was carried out for Vietnamese travel website attributes, in order to analyze whether the quality of Vietnamese travel websites meets the requirements of tourists. To assess the current online marketing activities in Vietnam both questionnaire survey and in-depth interviews were conducted. Questionnaires were collected from 39 provincial tourism departments to identify the current online marketing and future plans

for development at provincial level. Seventeen in-depth interviews were generated with travel businesses and Vietnam National Administration of Tourism (VNAT) officials to understand the various perspectives of tourism marketing activities in Vietnam, particularly online marketing and Destination Management System (DMS), as well as the viewpoint of travel businesses on online marketing in Vietnam.

The findings of the study indicate that the perception of the foreign tourists of the tourism-related websites in Vietnam is generally good; however, certain deficiencies have been reported with regard to some website attributes, such as insufficient or lacking information on booking reservations, providing proper directions to the destination, price of hotels/restaurants, online booking, etc. Other issues were related to technology and safety perception in the minds of the tourists; these result in low conversion rate of searching and purchasing travel products on Vietnamese travel websites.

All the respondents from tourism-related organisations and businesses in Vietnam were highly aware of the vital role of online marketing within the organisations or businesses. The high awareness of online marketing of all respondents was shown in their planning on website and technology upgrades in the near future.

Based on the results of the survey, the researcher has proposed specific strategies to improve the quality of websites as well as that of other online tourism services. Destination-related websites' quality is often crucial to satisfying the customers' demand for information, as well as their booking, purchasing and other requirements. Websites need to be promoted through all distribution channels. To gain competitive advantage, tourism-related organisations need to focus on interaction with customers, through e-mail, discussion forum, chat room, instant message and customization functions, and ensure the safety of online transactions, in order not just to attract new users but also to ensure repeat customers. The quality of online services will often influence the perceived image of a destination. The staff needs to be trained in the areas of marketing, customer service and technology. Co-operative marketing is much more cost effective and can stimulate greater travel urges by using DMS. Governmental support and direction will also be very important in a country like Vietnam for enhancing the destination marketing in general and online destination marketing in particular.

Keywords: Tourism Destination Marketing, Online Travel Services, Online Marketing,
E-tourism, Internet, Vietnam

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Le Thi Phuong Anh

CONTENTS

	Page
Contents	viii
List of Tables	xi
List of Figures	xiii
List of Abbreviations and Symbols	xiv
Chapter	
1. Introduction	1
1.1 Statement of the Problem	1
1.2 Related Literature	7
1.2.1 ICTs in the Hospitality and Tourism Industries	7
1.2.2 The Internet and Hospitality and Tourism	17
1.2.3 Online Marketing	23
1.2.4 Tourism Destination Marketing	30
1.2.5 Online Tourism Destination Marketing	35
1.2.6 Review of Tourism Development in Vietnam	39
1.2.6.1 History	39
1.2.6.2 Tourism Potential	42
1.2.6.3 Policies	43
1.2.7 Review of ICT in Tourism in Vietnam	46
1.2.8 Review of Tourism Promotion and Marketing Activities in Vietnam	52
1.3 Aim & Objectives	57
1.4 Significance of the Study	58
1.5 Scope of the Study	58
1.5.1 Scope of Time	58
1.5.2 Scope of Geography	58
1.5.3 Area of Research	58
1.5.4 Scope of Demography	59
1.6 Definition of Key Terms	59

1.7 Conceptual Framework	61
1.8 Online Tourism Destination Marketing Research Flow Chart	62

CONTENTS (CONTINUED)

	Page
2. Methodology	63
2.1 Population, Sampling Group and Sampling Method	63
2.1.1 Population	63
2.1.2 Sample and Sampling Method	65
2.2 Type of Research	67
2.3 Research Instruments	67
2.3.1 Questionnaires	67
2.3.2 Semi-Structured Interviews	67
2.4 Data Collection	68
2.4.1 Secondary Data	68
2.4.2 Primary Data	68
2.5 Data Analysis	69
3. Results	71
3.1 Demand for Online Travel Services in Vietnam	72
3.1.1 Personal Information of the Sample	72
3.1.2 Online Purchasing and Searching Behaviors	77
3.1.3 Perception of Vietnamese Travel Websites	80
3.1.4 Post-trip Behaviors	93
3.2 Current Situation of Online Tourism Destination Marketing in Vietnam	96
3.2.1 Online Marketing at the National Level	96
3.2.1.1 Vietnam Tourism Marketing Activities	96
3.2.1.2 Problems to Vietnam Tourism Marketing	100
3.2.1.3 Future Plans for Marketing in Vietnam	103
3.2.2 Online Marketing at the Provincial Level	104
3.2.3 Online Marketing at the Enterprise Level	111

4. Summary	117
4.1 Conclusions	117
4.1.1 Demand for Online Travel Services in Vietnam	118
4.1.2 Current Situation of Online Tourism Destination Marketing in Vietnam	120

CONTENTS (CONTINUED)

	Page
4.2 Discussions	125
4.2.1 Current Situation of Demand for Online Travel Services in Vietnam	125
4.2.2 Current Situation of Online Tourism Destination Marketing in Vietnam	128
4.2.3 Challenges to, and Opportunities for, Developing Online Tourism Destination Marketing in Vietnam	136
4.2.3.1 Challenges to Developing Online Tourism Destination Marketing in Vietnam	136
4.2.3.2 Opportunities for Developing Online Tourism Destination Marketing in Vietnam	141
4.2.3.3 SWOT Analysis for Online Tourism Destination Marketing in Vietnam	145
4.3 Recommendations	146
4.3.1 Destination Image	147
4.3.2 Cooperation	149
4.3.3 Website Management	156
4.3.4 Training	159
4.3.5 The Role of the Government	161
4.4 Limitations and Suggestions for Further Study	165
4.4.1 Limitations of the Study	165
4.4.2 Suggestions for Further Study	165
4.4.3 Contributions of the Study	166

References	167
Appendices	176
Appendix A: Questionnaire for Provincial Tourism Department	177
Appendix B: Questionnaire for Foreign Tourists	180
Appendix C: Questions for Interviewing Tourism Promotion-Related Officials	186
Appendix D: Questions for Interviewing Tourism-Related Business Managers	188
Appendix E: Interviewees Information	191
Vitae	193

LIST OF TABLES

Table	Page
1.1 A Brief Overview of Global Distribution Systems	10
1.2 DMS Modules Provided by New Mind	15
1.3 World Internet Users and Population Statistics	17
1.4 Totals Online Booking Revenue and Channel Share, 2003 to 2009	22
1.5 Four Major Online Marketing Domains	25
1.6 Online Marketing (E-marketing) Applications in Tourism	26
1.7 Internet Marketing and Advertising Measurement Terminology	27
1.8 Do's and Don'ts of Website Design for Destination Marketing Organisations	37
1.9 International Visitors to Vietnam by Purpose	40
1.10 International Visitors to Vietnam by Countries and Territories	41
1.11 Internet Developments in Vietnam During the Period 2003-2007	47
1.12 Main Channels of Information on Vietnam for Foreign Tourists	49
1.13 Assessing the Effects of National Tourism Promotion Activities	51
1.14 Assessing the Level of Priority for National Tourism Promotion Products	51
2.1 Target Population of Foreign Tourists in Vietnam	64
2.2 The Number of Questionnaire Distributed to Foreign Tourists in Vietnam	66
2.3 Survey Groups, Population, Sample Selection, Methods, Sample Size	69
3.1 Response Rate Compare with Calculated Sample Size	72
3.2 Demographic Information of the Respondents	73
3.3 Tourists' Trip Profile	74
3.4 The Comparison between Party Arranged for This Visit and Respondent's Original	75
3.5 Vietnam Images	76
3.6 The Comparison between First Image of Vietnam and Respondent's Original	77
3.7 The Internet and Online Purchasing Behaviors	78
3.8 Importance of Travel Website Attributes	79
3.9 Searched or Visited Official Vietnamese Tourism Websites by Respondents	80

3.10	Online Searching Perception of Vietnamese Travel Websites	81
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LIST OF TABLES (CONTINUED)

Table		Page
3.11	Searched and Purchased Products Online	82
3.12	Quality of Email Reply	83
3.13	Quality of Vietnamese Travel Websites	84
3.14	Importance - Performance Gaps of Vietnamese Travel Websites	86
3.15	Variations in Importance of Travel Website Attributes by Regions	91
3.16	Variations in Performance of Vietnamese Travel Website Attributes by Regions	92
3.17	Impression of Vietnamese Travel Websites	93
3.18	Tourists' Post-trip Behaviors	93
3.19	Plans to Come Back to Vietnam	94
3.20	Website Profile	105
3.21	Website Advertised	106
3.22	Website Operations	107
3.23	Website Information Provision	108
3.24	Number of People Accessing Website Every Month	109
4.1	SWOT Analysis for Online Tourism Destination Marketing in Vietnam	145
4.2	Typical Functions of a DMS that are Available by TITC	151
4.3	Summary of the Recommendations	162

LIST OF FIGURES

Figure		Page
1.1	International Tourist Arrivals by Region, 1995 - 2007	1
1.2	International Tourist Arrivals in Vietnam, 1995 - 2007	2
1.3	International Tourism Receipts of Vietnam, 2001 - 2007	3
1.4	ICT Components	8
1.5	Using a Destination Database to Disseminate Information	12
1.6	Products of a Destination Management System	15
1.7	Structure of the Tyrol Information System	16
1.8	Consumer Doubts with Online Booking	20
1.9	Simple Model of the Marketing Process	24
1.10	Setting up for Online Marketing	25
1.11	Online Marketing Tactics Used by Companies Worldwide	29
1.12	Types of Advertising Trusted by Internet Users Worldwide	30
1.13	Organisational Structure of Vietnam National Administration of Tourism	56
3.1	IPA Grid for Vietnamese Travel Website Attributes with Mean Scores for the Scale	87
3.2	IPA Grid for Vietnamese Travel Website Attributes with Mean Score Observed	89
4.1	Proposed Structure of the Vietnam Tourism Information System (VTIS)	152

LIST OF ABBREVIATIONS AND SYMBOLS

APEC	Asia Pacific Economic Cooperation
APTA	Asia Pacific Tourism Association
ASTA	American Society of Travel Agents
CRM	Customer Relationship Management
CRSs	Computer Reservations Systems
DMOs	Destination Management Organisations
DMS	Destination Management System
DICIRMS	Destination Integrated Computer Information Reservation Management System
DIMMS	Destination Information Management and Marketing System
FUNDESO	Fundacion Desarrollo Sostenido (the Sustained Development Foundation of Spain)
GDSs	Global Distribution Systems
ICTs	Information Communication Technologies
JATA	Japan Association of Travel Agents
OLRS	Online Reservation System
PATA	Pacific Asia Travel Association
POP	Post Office Protocol
TPD	Tourism Promotion Department
TITC	Tourism Information Technology Centre
VNAT	Vietnam Tourism Administration of Tourism
VNNIC	Vietnam Internet Network Information Centre
UN	United Nations
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNWTO	United Nations World Tourism Organisation
WTTC	World Travel and Tourism Council
WWW	World Wide Web

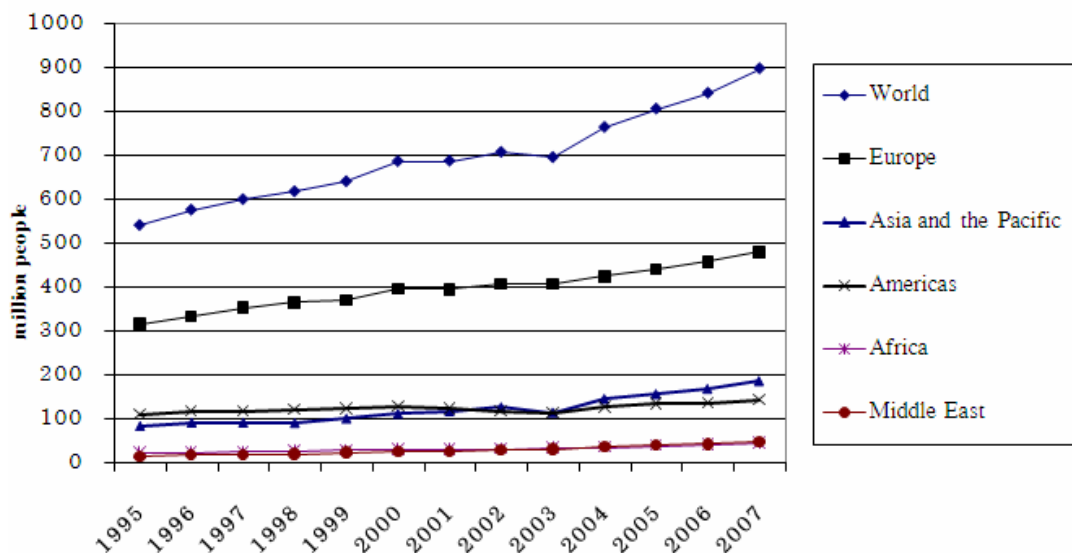
CHAPTER 1

INTRODUCTION

1.1 Statement of the Problem

Travel and Tourism is one of the world's most important and fastest growing economic sectors, generating quality jobs and substantial wealth for economies around the globe (WTTC, 2006). In 2007, the Travel and Tourism Industry was expected to contribute 3.6% to global gross domestic product (GDP) (USD 1,851 billion) and generate 231.2 million jobs, representing 8.3% of total employment worldwide (1 in every 12 jobs). These figures were forecasted to rise to USD 3,121.7 billion (3.4% of total GDP) and 262.6 million jobs by 2017 (WTTC, 2007). World tourism demand has been steadily rising, reaching 898 million international arrivals in 2007 (Figure 1.1). It is predicted by UNWTO to rise to 1 billion arrivals in 2010. Furthermore, the UNWTO expects a high growth of tourism demand for Asia and the Pacific region destinations by 2020 (UNWTO, 2008).

Figure 1.1 International Tourist Arrivals by Region, 1995 - 2007



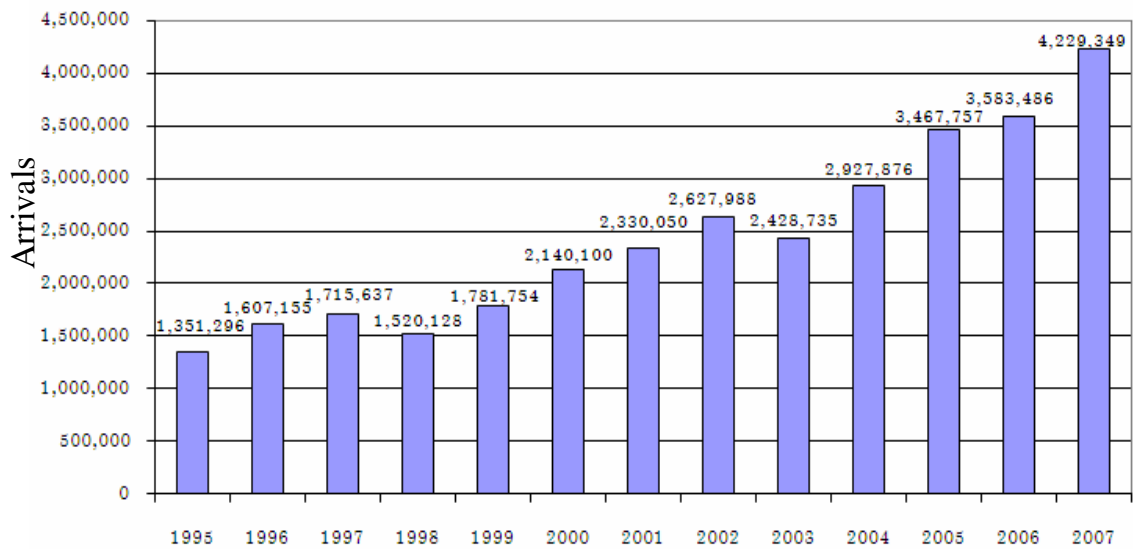
Source: UNWTO (2008)

According to the WTTC's Tourism Satellite Account (TSA) Research, Vietnam is ranked 7th in the top ten countries with highest expected growth of Travel and Tourism demand between 2007 and 2017 with 7.5% annualized real growth (WTTC, 2007). At the 4th APEC Tourism Ministers' Meeting, held in December 2006 in the historic city of Hoi An, Vietnam, Mr. Taleb Rifai, Deputy Secretary-General of UNWTO commented: "Vietnam, together with the emerging markets of Asia, is becoming the rising star of tourism in the world" (UNWTO, 2006).

Tourism development has been acknowledged as one of the key areas for Vietnam's socio-economic development at present and in the future. The sector already contributes significantly to the country's GDP, employs directly and indirectly a large number of people and is attracting a large portion of the foreign direct investment (FDI) in the country (VNAT and FUNDESO, 2003). According to VNAT (2008), in 2007 the tourism sector involved 300,000 direct employees and 700,000 indirect employees. It was forecast the requirement of 500,000 direct and 1.2 to 1.3 million indirect employees in 2010. The total investment capital of tourism accounts for 15% of all FDI capital in Vietnam during the first six months of 2007.

During the past decade, Vietnam tourism has recorded a solid growth, both in international and domestic tourism. The growth is expected to continue, thanks to the natural beauty of new emerging destinations, unique culture and friendly people. Tourist arrivals to Vietnam have grown on average by over 10% per year, from 1.35 million in 1995 to over 4.2 million in 2007 (Figure 1.2).

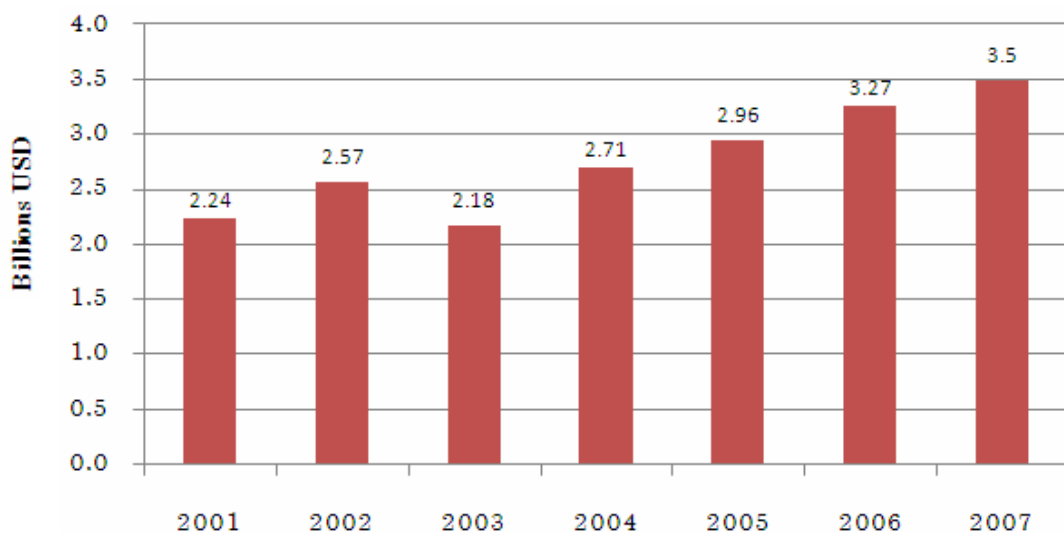
Figure 1.2 International Tourist Arrivals in Vietnam, 1995 - 2007



Source: Vietnam General Statistics Office (2008)

In line with the growth in international tourist arrivals, international tourism receipts have increased at an average of about 8% per year for the period spanning 2001 -2007: from USD 2.24 billion in 2001 to USD 3.5 billion in 2007 (Figure 1.3).

Figure 1.3 International Tourism Receipts of Vietnam, 2001 - 2007



Source: Vietnam National Administration of Tourism (compiled from submissions, reports and websites of VNAT)

Vietnam aims at becoming one of the leading tourist destinations in the region. In the 2006-2010 period, the number of international tourists is expected to increase by 10% to

20% a year on average, and the number of domestic tourists to increase by 15% to 20% a year, generating a revenue of USD 6 billion in 2010, double that of the year 2005 (VNAT, 2006a). The Communist Party and State of Vietnam determined that tourism is an important integrated economic sector bearing in-depth cultural, cross-sector, inter-regional and highly socialized characteristics; developing tourism with the aim of satisfying people's and international tourists' needs for visiting, recreation, leisure, making contribution to improvement of the community's intellectual level, to job generation and the country's socio-economic development; tourism development is an important strategic orientation in the socio-economic development policy and turning tourism into a realistic spearhead economic sector (VNAT and FUNDESO, 2003). Therefore, the government has taken continuous initiatives to develop an infrastructure system, especially road transportation, bridges, seaports, airports, electricity, water supplies, telecommunications and granted incentives to the private sector for tourism facility development.

To achieve the above mentioned objectives, tourism promotion and marketing have increasingly been paid due attention in Vietnam. With the travel industry growing ever more competitive, the role of marketing and sales become increasingly vital to every type of travel organisation, marketing is the key to success (Burke and Resnick, 2000). Many international conferences, seminars, workshops on tourism and the likes have been held in Vietnam, and VNAT has taken part in conferences, seminars, trade fairs, exhibitions on tourism abroad and launched marketing programs on the key markets. A wide range of publications, promotion materials, advertising brochures, guiding booklets, video tapes, VCDs and CD-ROMs, as well as websites have been produced to introduce Vietnam, its people and tourist destinations. Foreign cruise firms, airlines, tour operators and international organisations have been encouraged to pass information on Vietnam tourism to the international community. Authorities have also provided further opportunities and created favorable conditions for tourism promotion, building up and enhancing the image and position of Vietnam tourism by Vietnamese embassies and overseas missions (VNAT and FUNDESO, 2003).

VNAT (2006b) also agrees that one of the main reasons for the fast development of the tourism industry is the improvement of marketing activities in the main tourism markets and inside the country itself. In particular, online marketing constitutes a critical role to reach potential clients worldwide with cost-effective ways.

Having taken into consideration the situation, the VNAT (2006a) has come up with a 2006-2010 national action plan on tourism which was approved and funded of USD 7.6 million by the government. The plan points out four main areas:

Firstly, tourism promotion and propaganda must be enhanced to raise the image of Vietnamese tourism, introducing the culture and history of Vietnam to international tourists.

Secondly, it is vital to diversify and improve the quality of tourism products and protect natural resources and the environment for the sustainable development of tourism.

Thirdly, regulations and policies to develop tourism must be updated. Co-ordination among ministries and sectors is needed to develop documents related to tourism. Implementation of the Tourism Law must be boosted.

Finally, education and training in fields of tourism and foreign languages at tourism schools should be improved.

VNAT et al. (2001) state that it will be crucial to create a market position for Vietnam as a destination with important cultural, historical and recreational attractions, a destination with a wide range of environmental and soft adventure activities, and a destination that can be linked with both regional neighbours and other ASEAN countries.

Furthering Vietnam tourism promotion in the country and abroad has been declared one of nine major events of Vietnam tourism in 2008 by the Vietnamese Ministry of Culture, Sports and Tourism. According to the VNAT (2007a), in order to continue develop tourism to become a spearhead for the economy and carry out the 2006-2010 National Tourism Action Plan, to promote tourism in Vietnam, marketing activities in 2008 would focus on the following areas:

- Coordinating with news agencies and radio, television stations throughout the country to continue promotion of Vietnam's tourism potentials - the country, the culture, the history, the traditions, and the people - in order to speed up tourism development and growth (Vietnam Television Channel 1 - VTV1);

- Using suitable forms to advertise tourism in Vietnam, the hidden charm to tourism markets in other countries: Extending markets through relations with the international presses, and arranging foreign familiarization trips and press trips to promote Vietnam as a tourist destination. In 2008, Vietnam expected to receive more than 10 trips from some main markets;

- Expanding shares in traditional markets through professional and effective participation in international tourism fairs and exhibitions. In 2008, Vietnam is expecting to have a presence in 12 international fairs and exhibitions on tourism;
- Coordinating with other ministries and the provinces to participate in or provide promotional literature at diplomatic events (such as Vietnamese Days abroad), investment promotions, commercial exchanges, cultural and sporting events, as well as other domestic and international events;
- Working out a plan for promotion and deployment of online tourism marketing solutions.

However, a major issue that Vietnam tourism faces is tourism product competitiveness: the number of strong competitive tourism products in Vietnam is still limited. Marketing, promotion and branding have not met the demand (Pham, 2005). The general image of Vietnam in international markets is confusing. Much of the perception of Vietnam is colored by past events, and little specific information on Vietnam today is available in core markets. This limits the knowledge of the tourists on what to expect when they arrive in Vietnam. Currently, Vietnam has not been able to establish a strong market position, as it has not fully identified its core markets or established the needs of individual markets. In addition, except for a few commercial enterprises, the main state institutions have not created the critical links with the main players in source markets that are an important part of marketing success (VNAT, UNDP, and UNWTO, 2001).

Le (2006a) points out that in many national workshops on marketing strategy organised annually by the National Tourism Organisation (called Vietnam National Administration of Tourism) or by the Provincial Tourism Departments, it seems that people ask for more effective, more professional, more cooperative of marketing activities, especially online marketing for the tourism industry of Vietnam.

In many cases, online marketing seems unprofessional. Potential customers who surf the website can find different rates at different websites for the same hotel. According to Le (2006a), awareness of the important role of online tourism marketing is high among the Destination Marketing Organisations (DMOs), but marketing online is not efficient. Of 1,511 hotels and resorts, 52% use email, 33% use both email and websites for marketing purposes. Of

481 international travel agencies, 89% use email, while 42% use both websites and email do so (TITC, 2005). DMOs online marketing activities are related to e-commerce, but at a low level: the websites provide information about national or provincial destinations, contact addresses of businesses and details on their tour packages, and a variety of hotel rooms and other tourist-related services through the Internet. Sellers and buyers can exchange information and transactions can be made later (Le, 2006a).

Moreover, as the global tourism industry continues to perform strongly, there has naturally been an increasing demand for more efficient and effective marketing activities for tourism destinations (UNWTO, 2007a). Wee (2006) commented that for sustainable tourist arrivals, marketing and promotional activities play a vital role. Only proper marketing tools which are carefully formulated will ensure the success of our efforts in attracting tourists to visit our countries. Destinations around the world have had to adapt to the new technologies, which are causing a change in the travel market, and harness technology to become effective and cost-efficient. National tourism organisations and administrations need to work with industry partners to draw up action plans as to how they can differentiate themselves from their competitors (UNWTO, 2007a).

According to UNWTO (2007a), there are already clear signs that tomorrow's successful destination and other tourism industry stakeholders will be those that adapt to the new operating environment and cater to all forms of distribution. Information and Communication Technologies (ICTs) have become key.

Tourism destinations emerge as umbrella brands and they will need to be promoted in the global marketplace as one entity for each target market they try to attract. The emerging globalization and concentration of supply increase the level of competition and require new Internet marketing strategies for destinations. Hence, destination marketing organisations (DMOs) increasingly have to identify niche markets and develop their interactivity with tourists (Rita, 2000). In response to these dynamic changes, this research aims to investigate the Vietnam online tourism destination marketing context. Furthermore, it suggests strategies for developing online tourism destination marketing for Vietnam.

1.2 Related Literature

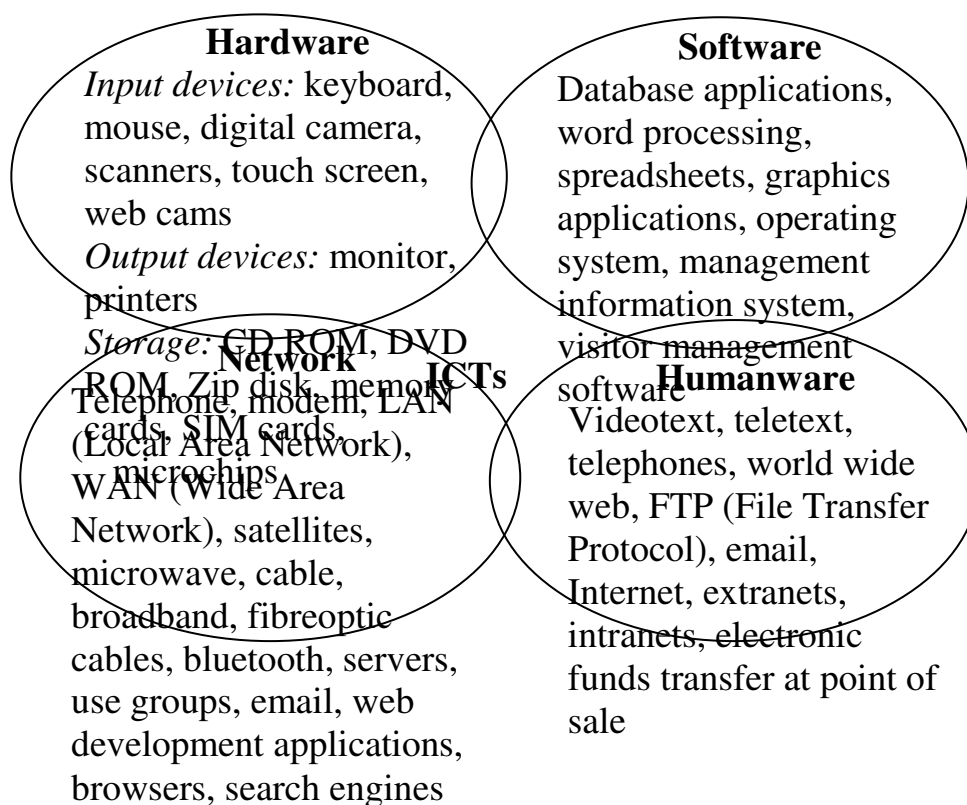
1.2.1 ICTs in the Hospitality and Tourism Industries

Information and Communication Technologies (ICTs) are becoming increasingly vital for efficient and effective management of operations and managing the distribution of products and services with the tourism and travel industry (Kozak and Andreu, 2006).

One of the major reasons is that tourism is very information intensive. In fact, information has been described as the “lifeblood” of the industry, as without it the sector could not function. Tourists need information before going on a trip to help them plan and choose between options. They also increasingly need information during the trip as the trend towards more independent travel increases (O'Connor, 1999). Information must be able to flow quickly and accurately between the client, intermediaries and each of the tourism suppliers involved in servicing the client's needs. Travelers can acquire information from a wide variety of sources. With the development of new technology, for today's traveler it is much easier to get information about destinations, book accommodation and reach the farthest places in the world (Kozak and Andreu, 2006).

Information Technology (IT) is related to the hardware and software used to process information for organisations. IT is a resource consisting of hardware, software, and people. Information system describes the process relationships (networks) of IT (Tesone, 2006). These networks are called intranets when they connect people within a company; extranets when they connect a company with its suppliers and customers; and the Internet when they connect users to an amazingly large “information superhighway” (Kotler, Bowen and Makens, 2006). ICT (Information and Communications Technology - or Technologies) can be defined by whatis.com (2004) as: an umbrella term that includes any communication device or application, encompassing: radio, television, cellular phones, computer and network hardware and software, satellite systems and so on, as well as the various services and applications associated with them, such as videoconferencing and distance learning. ICTs are often spoken of in a particular context, such as ICTs in education, health care, or libraries. The ICT components were summarized in 4 groups: hardware, software, network and humanware (Figure 1.4).

Figure 1.4 ICT Components



Source: Buhalis (2003), quoted by Buhalis et al. (2006)

Frangialli (1998) points out that tourism enterprises and destinations, regardless of their size, product, specialization and geographical coverage, need to take advantage of the emerging tools and aim to improve their ability to manage, produce and deliver tourism products. It is confirmed that use of ICTs by destination management organisations and tourism enterprises is the best and lowest-cost avenue for reaching the greatest number of consumers, converting their interest into sales and ultimately competing on a global level in the tourism market (UNCTAD, 2005a). As a result, ICT - the amalgamation of computing, communications and electronics - has become almost universal feature of the tourism industry (Bennett, 1993 quoted by O'Connor, 1999). Daniele (2007) gives the overview of major ICT applications in the tourism industry:

- Computer Reservations Systems (CRSs);

- Global Distribution Systems (GDSs);
- Customer Relationship Management (CRM);
- Destination Management Systems (DMSs);
- Internet, Extranet and Intranet applications in the tourism industry.

ICTs have, in fact, affected the travel and tourism industry for at least the last 50 years. As for the airline industry, computer technology was first introduced in the 1950s with the advent of the Computer Reservation System (CRS). These systems have traditionally been organised by individual airlines to handle reservations, ticketing, schedules, and seat inventories and have created great advances in speed and accuracy for the booking of airline flights. The first CRS was officially introduced in 1953. While CRSs were beneficial to agents compared to the old methods of researching information and securing flights, it was impractical for travel agents to subscribe to different CRSs owned by different airlines. A system was needed to collect all airline information into one mass database. These systems are the GDS systems (Zhou, 2004). It was explained by O'Connor (1999): "As well as growing in terms of numbers, the airline systems also expanded in terms of functionality. The original systems were airline specific- where travel agents could only sell tickets to wherever the owner airline had flights - had to change. Being able to access a much broader range of flights greatly enhanced the functionality of the systems, changing their orientation from being small and regionally focused to having a more global perspective. And the term "global distribution systems" began to be used to describe these new mega-systems."

An early move to create an electronic distribution channel was provided by global distribution systems (GDS), which represented a closed, dedicated connection of terminals displaying travel information about airlines, hotels, car rentals, cruises and other travel products. Used almost exclusively by travel agents, the GDS created a linear distribution chain. With advances in communication and software, GDS, such as those operated by Sabre, Galileo, Amadeus and Worldspan, have been reduced to just one component of a much larger system of networked travel information (Morgan, Pritchard, and Pride, 2006). Tesone (2006) concludes that Global Distribution Systems (GDSs) provide a whole range of travel-related services through electronic switches and routers.

These GDSs serve as central repositories for all kinds of data and information, ranging from databases of reservations to information about the travelers who made reservations with them. So far all these GDSs have set up websites that are linked to their databases, allowing travelers to view their booked reservations and itineraries (Table 1.1). For instance, a traveler who made a reservation through Orbitz.com and Expedia.com, which use Worldspan GDS, or through travel agencies that subscribe to the Worldspan GDS can go to www.mytripandmore.com to view their reservations and itineraries. Similarly, reservations made through travel agencies subscribing to Sabre can go to www.virtualthere.com to view and print their itineraries (Zhou, 2004).

Table 1.1 A Brief Overview of Global Distribution Systems

Company/Website	Internet Gateway for corporate and/or travel agents	Internet Gateway for Individual Travelers
Sabre: www.sabre.com	www.getthere.com	www.virtuallythere.com
Galileo/Apollo: www.galileo.com	www.travelgalileo.com	www.viewtrip.com
Amadeus: www.amadeus.com	www.e-travel.com	www.checkmytrip.com
Worldspan: www.worldspan.com	www.tripmanager.com	www.mytripandmore.com

Source: Zhou (2004)

Another major application of the ICT applications is Customer Relationship Management (CRM). In terms of marketing, CRM is perhaps the most important concept of modern marketing (Kotler and Armstrong, 2008). Although there are many definitions of CRM in the management literature, the researcher uses the one developed by Tesone (2006, p. 118) which defines it as: “a holistic system of advertising, promotion, and target marketing; market research; and forecasting using electronic data mining and analysis to generate long-term guest/customer loyalty.”

E-Future (nd.) states that using the Internet and e-business to provide products and services and information to customers requires that the customers’ needs were really known and understood. When people visit an online business at a website, nobody will even know they are there. There isn’t any opportunity to ask or answer questions. It is therefore vitally important that their questions and concerns are anticipated and the needed information is provided in a way

that makes it easy for them to fully understand the offering. Customer Relationship Management (CRM) is a way to get the maximum value from the e-business investment. According to Constantelou (2002), for this to happen, destinations or companies need to have developed sophisticated data management systems, which integrate customer information received from various sources. Therefore, CRM should be seen as a business strategy that entails data intensive work at both the back office and the front office. The ultimate objective of this strategy is for the organisation to gain and retain valuable customers in terms of the profits they can generate.

As shown above, GDS and CRSs, with their primarily business client/travel agent focus are not capable of servicing this very complex and demanding mix of needs because tourism is probably the ultimate dispersed industry. Tourists, whether business or leisure ones, come from everywhere and go everywhere, which mean that everyone has unique information requirements. Therefore, a different type of distribution system, adapted to the needs of smaller, more leisure-focused, suppliers, is developed. This system is known as Destination Management System (DMS). DMSs exist which provide information distribution, reservation processing and database marketing resources to the Regional Tourism Organisation (RTO) and its member suppliers (O'Connor, 1999).

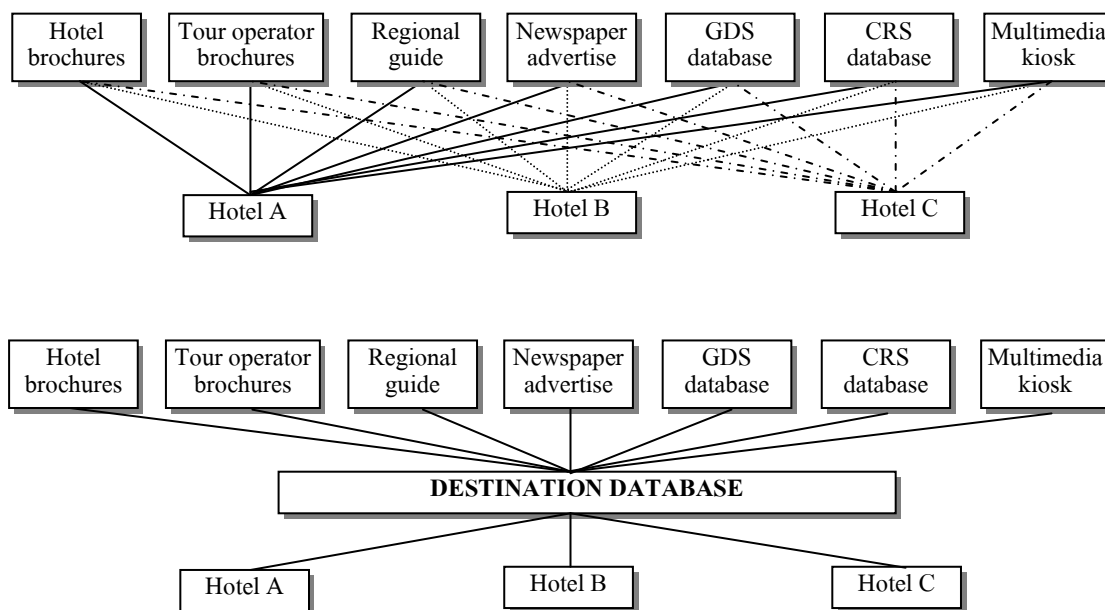
Many studies show that DMSs are strategic ICT tools that can help operators and tourism enterprises in developing countries integrate, promote and distribute tourism products and services. According to UNCTAD (2005b), the two primary functions of a destination management system are to:

- Provide consumers with comprehensive and accurate information for the preparation of their vacations, and with booking facilities for tourism services and products, and
- Provide tourism enterprises with the means to be better integrated into the tourism supply chain by organising and promoting personalized and enriched tourism experiences.

According to O'Connor (1999), the most basic form of DMS is one that stores and distributes information about tourism suppliers, visitor attractions and events in a destination. Traditionally, tourism suppliers have had to provide the same information to different distribution channels- for their individual brochures, for regional guidebooks, for tour operator catalogues and

for electric sources such as GDS, CRS and DMS databases or developing distribution channels such as CD-ROM guides or websites. Therefore, the information needs to be integrated and it is considered a destination database which includes main elements such as: product database, customer database and the booking and reservation system to tie them all together. One of the key benefits of using a destination database is that the information needed to service all of these information and distribution systems only has to be collected once. As the number of uses for the information increased, the amount of time that it took to manage it and the potential for errors similarly increased. With a destination database, information only has to be provided to and maintained in one location (Figure 1.5). Users of tourism information have access to a single, accurate, multifunctional and digital source of information to help them produce appropriate promotional material.

Figure 1.5 Using a Destination Database to Disseminate Information



Source: O'Connor (1999)

Many destination marketing organisations, especially small, local ones, have limited their websites presence to an online brochure. Others have gone beyond this with the development of destination databases that can be used for customer targeting and request fulfilment through an online reservation system (OLRS). These databases can offer full product

information, interactive booking capability, and real-time price and availability information. Several destination databases have been developed worldwide, often involving large investment costs, and with varying degrees of success, including the BOSS system in Canada, GULLIVER in Ireland, SWISSLINE in Switzerland and ATLAS in Queensland, Australia (Palmer, 2006).

Palmer (2006) states that Destination Management Systems can take the development of an online destination brand beyond the stages of merely offering an online brochure, or providing an online reservation service. A DMS provides a suite of tools for managing a destination's tourism activities. This includes systems for managing information for all of the constituent tourism organisations' websites as well as sales offices, call centers, literature fulfilment and marketing functions. Also included are systems to manage communications services and OLRs. There are now a number of software companies that offer DMS, usually on a modular basis which allows users to add on facilities, depending on their specific requirements.

The modules that make up a DMS are a combination of those that are immediately visible to the public and a range of "back-office" functions. The following are typical functions of a DMS (typically a DMS will offer some of these services, but few will offer all of them) as discussed by Palmer (2006).

- *Website server*: provides templates allowing users of the DMS easily to create and maintain websites for different regions, in specific languages.
- *Online reservation system*: can be either provided as a self-managed system with its own inventory, or linked to a GDS; the system would be linked to an electronic payment system.
- *Email management and post office services*: including newsletter subscriber forms, mailing list manager, multiple respondent accounts, automatic responders and online mail administration for Post Office Protocol (POP) accounts.
- *Search facility*: allow users to find information quickly on a subject that may otherwise be difficult to find in a large website.

- *Personal brochure/ personal website*: allow visitors to the system to pick their options and have delivered to them a personal view of the destination that is relevant to their needs.
- *Program tracking*: gives an ability to establish and monitor Internet pages for integrated marketing promotions and campaigns; the destination can evaluate the effectiveness of a campaign in real time.
- *Online shopping*: typically for guidebooks.
- *Promotional services for users*: e.g. e-postcards, visitors journals, guest books, newsgroups, special promotions and screensaver downloads
- *Media relations system*: copies of recently produced press releases
- *Calendar*: through which participating organisations can add events and festivals and classify them for multiple listings
- *Integrated databases*: can be used to provide tourist information through CD multimedia productions, kiosks, call centres, visitor information bureaux and corporate information systems
- *Archives system*: allows partners to add items to a user-searchable archive and to upload files and graphics directly from their browser
- *Client profile and survey system*: details of people who have made contact with the DMS (e.g. by email, telephone, personal visit to a Tourist Information Centre or by post) are recorded; profiles can be developed and selected to meet the needs of specific marketing campaigns
- *Mobile targeting*: developments in global positioning systems are allowing systems to target customers through mobile phones depending on their location.

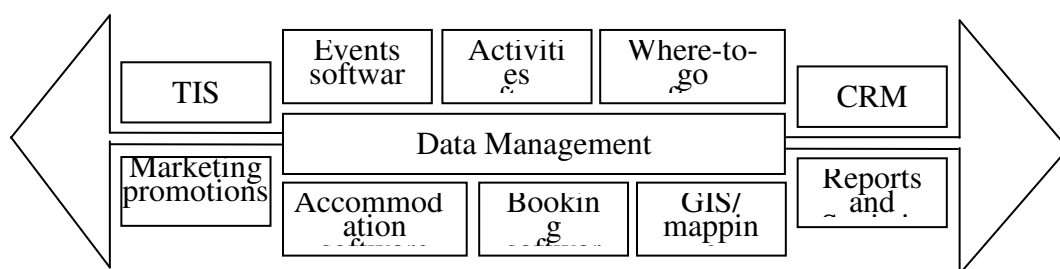
UNCTAD (2005b) indicates the main beneficiaries of a DMS are:

- Potential travelers;
- Providers of tourism products and services such as accommodation, restaurants, and leisure and transportation services;
- National travel agents and outbound travel agents;

- Public sector: ministry in charge of tourism, national tourism offices, regional administrations, municipalities, ministries of economy, foreign affairs, environment;
- IT providers;
- Investors.

It can be expensive to develop and maintain a DMS. The WTOBC (1999) has estimated that a major DMS may cost between USD 500,000 and USD 800,000 to develop and typically over USD 250,000 annually to operate. Fortunately, destination management organisations do not have to develop these systems and can configure standard systems from suppliers such as AXSES SCI, Travellinx and BVG Internet. A range of products or modules of DMS are offered as in Figure 1.6 by BVG Internet or as in Table 1.2 by New Mind. Otherwise, as O'Connor (1999) mentions the Gulliver system - the DMS of Ireland Tourism, the funding for the system came from variety of sources, including EU development grants (IR£2.9m), the Irish Tourist Board (IR£2.6m), International Fund for Ireland development grants (IR£1.6m) and the Northern Ireland Tourist Board (IR£1.5m).

Figure 1.6 Products of a Destination Management System



TIS: Tourist Information System; GIS: Geographic Information System; CRM: Customer Relationship Management.

Source: BVG Internet (nd.)

Table 1.2 DMS Modules Provided by New Mind

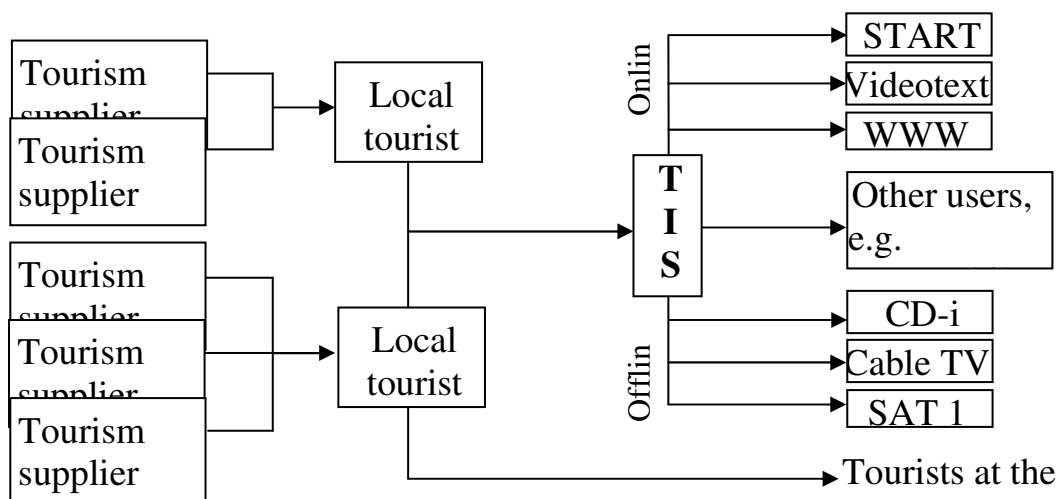
▪ Product Management	▪ Enquiry Management	▪ Visitor CRM
▪ Business CRM	▪ GIS and Mapping	▪ Management Reporting

▪ Availability Management	▪ User Management	▪ Website Content Management
▪ Image Library	▪ Questionnaire Builder	▪ eNewsletter Builder
▪ Kiosk Application		

Source: New Mind (2007)

According to O'Connor (1999), Tyrol Information System GmbH (TIS) is one of the leading examples of a DMS. The design of the system was greatly influenced by the structure of the tourist board and illustrated as Figure 1.7.

Figure 1.7 Structure of the Tyrol Information System



Source: O'Connor (1999)

Based on the fundamental DMS, alternative systems are developed. Some systems are known as DIMMS - Destination Information Management and Marketing Systems - are computerized systems specifically designed to facilitate information about a destination's tourism product through integrated databases. The DIMMSs constantly take into account the latest developments in technology and market demands, acting as tourism counsellors, who reduce the time and money budget needed to acquire information, enabling a vast customer pool to detect the desirable choices (Zuhrt and Sakellaridis, 2005). Another development is titled as DICIRMS -Destination Integrated Computer Information Reservation Management Systems - with the same communication medium could then be used to share such information and market

intelligence with individual suppliers, along with information about the operations, assistance schemes and promotions of the RTO. In this way, suppliers would be more aware of the activities and efforts of the destination as a whole, which would help to further enhance the feeling of cooperation (O'Connor, 1999). DMSs can be applied at a number of geographical levels, from small town, to regions and whole countries or groups of countries. Good systems should integrate these levels. In some cases, groups of towns or regions that share a common tourism interest have jointed together to offer a system that has many of the characteristics of a DMS (Palmer, 2006).

1.2.2 The Internet and Hospitality and Tourism

The Internet is a computer network consisting of millions of hosts from many organisations and countries around the world transporting data across computers. It is similar to a global library with millions of books; records and movies open all day, every day of the year (Kozak, Bigne and Andreu, 2005).

There are an estimated 1,319,872,109 Internet users worldwide (representing about 20.0% of the population worldwide), according to statistics updated on 31st December 2007 by InternetWorldStats. This represents an increase of 265.6% compared to 2000 (Table 1.3).

Table 1.3 World Internet Users and Population Statistics

World Regions	Population (2007 Est.)	Population % of World	Internet Usage, Latest Data	% Population (Penetration)	Usage % of World	Usage Growth 2000-2007
Africa	941,249,130	14.2 %	44,361,940	4.7 %	3.4 %	882.7 %
Asia	3,733,783,474	56.5 %	510,478,743	13.7 %	38.7 %	346.6 %
Europe	801,821,187	12.1 %	348,125,847	43.4 %	26.4 %	231.2 %
Middle East	192,755,045	2.9 %	33,510,500	17.4 %	2.5 %	920.2 %
North America	334,659,631	5.1 %	238,015,529	71.1 %	18.0 %	120.2 %
Latin America /Caribbean	569,133,474	8.6 %	126,203,714	22.2 %	9.6 %	598.5 %
Oceania / Australi	33,569,718	0.5 %	19,175,836	57.1 %	1.5 %	151.6 %

a						
WORL D TOTAL	6,606,971,659	100.0 %	1,319,872,109	20.0 %	100.0 %	265.6 %

Source: InternetWorldStats (2008)

The number of Internet users increases every year and in every region in the world. The largest number of Internet usage in a region in 2007 was in Asia with more than 510 million people. However, the largest percentage of population of Internet usage in a region in 2007 was in North America with 71.1%.

North America will remain on top in terms of the number of people with online access. According to JupiterResearch in 2006, online penetration rates on the continent will increase from the current 70% of the overall North American population to 76% by 2011. JupiterResearch says the worldwide online population will increase at a compound annual growth rate of 6.6% during the next five years, far outpacing the 1.1% compound annual growth rate for the planet's population as a whole. There will be 1.5 billion people with Internet access in 2011, with the biggest growth in the online population occurring in Brazil, Russia, India and China, according to the "Worldwide Online Population Forecast, 2006 to 2011" report by JupiterResearch. The company anticipates that a 38% increase in the number of people with online access will mean that, by 2011, 22% of the Earth's population will surf the Internet regularly (ETC, 2008).

Due to the increasing use of the Internet, Zhou (2004) mentions that hospitality and tourism industries have probably been the most effected industries by the Internet. The market for tourism relies on information. The Internet enables the providers of all these types of products and services to interact directly with consumers around the world at a relatively low cost (UNCTAD, n.d).

The Internet uses the World Wide Web (WWW) as a distributed multimedia protocol to enable the instant distribution of media-rich documents (such as textual data, graphics, pictures, video, and sounds). The Internet effectively revolutionizes the interactivity between computer users and servers. As a result, an innovative platform for efficient, live and timely

exchange of ideas and products was established. It also provided unique opportunities for interactive marketing to all service providers (Frangialli, 1998).

Moreover, using the Internet, there is no limitation of time, place and products. Anyone in any country is able to access the web page of any organisation or destination in a different country, to read the updated information and news, and to see color photographs. The Internet encourages a new marketing approach involving customers' self control as they benefit by knowing in advance the facilities, attractions and events at the destination. The Internet offers suppliers the ability to show full-colour virtual catalogues, provide on-screen order or reservation forms, offer online customer support, and advertise updated events and products within the destination. It also provides opportunities for customer feedback, loyalty and branding (Kozak, Bigne, and Andreu, 2005).

The Internet allows delivery of customer service on a 24/7 basis - (7 days per week, 24 hours per day). This is a great opportunity because most of the service is "self-service" and does not require staff on duty all the time. Much of the world's business today is carried out over digital networks that connect people and companies. The Internet, a vast public web of computer networks, connects users of all types all around the world to each other and to an amazingly large information repository (Canada Business Network, 2008).

Poon (1993) points out the new consumers of tourism products and services are more informed, more independent, more individualistic and more involved. The new travelers are empowered by the Internet, which provide them with easy and cheap access to various information sources and extended communities (Rifkin, 2000). In contrast to many consumer goods and services, the consumption of travel experiences involves often extensive pre- and post-consumption stages in addition to the actual trip, which itself can spread over several weeks or months. These stages of the tourism consumption process are typically information intensive. Internet-based technologies have come to play a significant role in supporting consumers throughout this multi-stage process. Further, the Internet is a highly personalized medium and new consumers expect marketers to address and cater to their complex personal preferences (Buhalis and Costa, 2006).

The selling and buying of goods and services on the Internet is one of the common definitions of e-commerce (Kotler, Bowen and Makens, 2006). According to Kotler et

al. (2006), countless companies have set up websites to inform about and promote their products and services. They have created intranets to help employees communicate with each other and access information found in the company's computers. They have set up extranets with their major suppliers and distributors to assist information exchange, orders, transactions, and payments. In contrast, e-commerce involves buying and selling processes supported by electronic means, primarily the Internet. It includes e-marketing and e-purchasing. E-marketing is marketing side of e-commerce. It consists of company efforts to communicate about, promote, and sell products and services over the Internet. The flip side of e-marketing is e-purchasing, the buying side of e-commerce. It consists of companies purchasing goods, services, and information from online suppliers.

According to Tesone (2006), in hospitality industry, the four levels of E-commerce Transactions can describe briefly as follows:

B2C: Transaction involving **business-to-consumer** interactions

B2B: Transaction involving **business-to-business** interactions

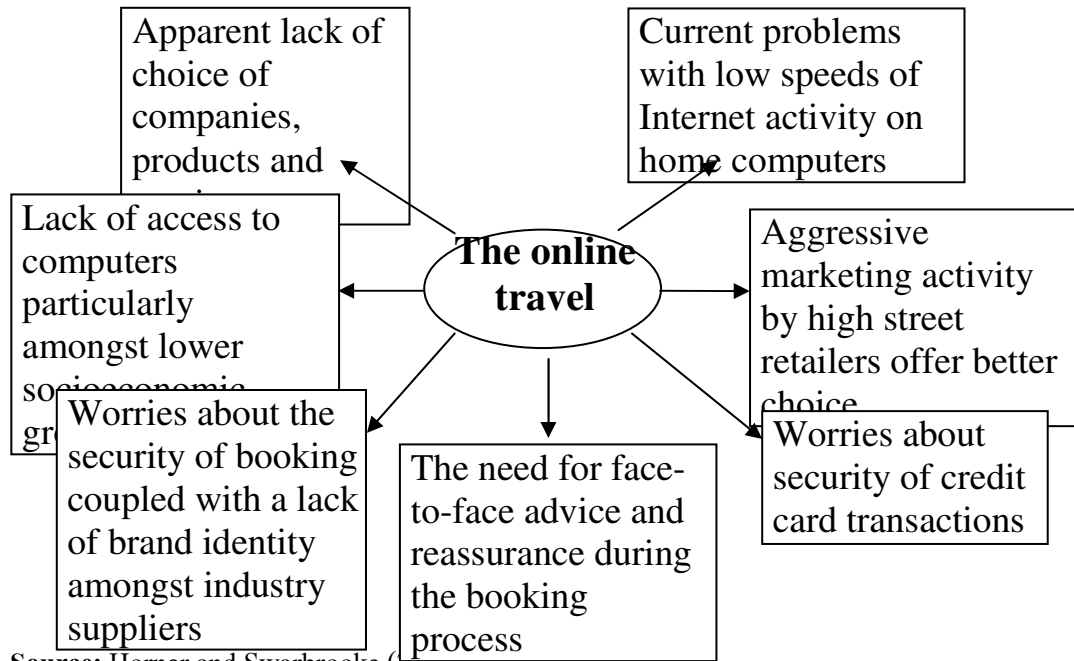
B2E: Transaction involving **business-to-employee** interactions

C2C: Transaction involving **consumer-to-consumer** interactions

In terms of tourism and hospitality, Tesone (2006) shows that the majority of hospitality e-commerce systems are focused on the marketing business function. Marketing involves the management of the pricing, placement, and promotion of products and services provided by a specific hospitality enterprise. E-marketing uses electronic networks for the promotion and placement of products and services. E-commerce systems have a tremendous impact on marketing strategies by permitting customers to engage directly in the discovery of products, prices, places, and promotions through the use of electronic media.

It can be seen from Figure 1.8 that the consumer has certain doubts in relation to online travel in 2004. These doubts of security, cash transactions and an apparent lack of brand identity all lead the consumer to feel insecure about online booking. The online travel industry will have to overcome these disadvantages that the consumer sees with online booking (Horner and Swarbrooke, 2005).

Figure 1.8 Consumer Doubts with Online Booking



Source: Horner and Swarbrooke (2005)

Horner and Swarbrooke (2005) mention the low speeds associated with many Internet systems currently installed in homes may add a final level of frustration that forces the consumer to look to the high street for travel booking. This may change as online travel organisations with strong brand identities become better established and worries about credit card booking on the Internet are dissipated. Higher-speed Internet systems will also make online booking more convenient for the consumer.

The growth of travel web sites in the past year has soared by 25%, according to research from Internet Security Systems. Their research found that more than half of the world's travel websites (or 60.4%) are found in the United States. Germany was a distant second with 12.9%, followed by Great Britain at 5% (ETC, 2008).

According to ETC (2008), 72% of online travelers usually rely on the Internet when shopping for vacation travel. People who are using the Web are not just surfing. It is estimated that more than 85% of the world's Internet users surveyed have purchased something online, according to The Nielsen Company's "Global Online Survey on Internet Shopping Habits" conducted in October and November 2007 (ETC, 2008). In addition, "today's travelers want to do more online than shop rates and book a room," said Warren Dehan, president of US

Operations for NORTHWIND-Maestro PMS. “They want to use their browser to schedule spa appointments and tennis lessons, tee times and other activities, customize packages, make dining reservations and even set up group meetings before they reach the property” (eMediaWire, 2008).

Online bookings accounted for 40% of total travel bookings in the world in 2006, and are expected to represent 56% by 2010. The proportion of young travelers who book online has surged from 10% to 50% in five years, according to the World Youth and Student Educational Travel Confederation’s global study of young independent travelers. And 80% use the Internet to search for information before departing on their trip. Most commentators argue that spending on travel online will increase over the next ten years, particularly as high-speed Internet system such as Broadband become popular in consumer’s homes. The survey of more than 8,500 young independent travelers found that the average spend per trip has increased by 40% since 2002 to EUR 1,915, of which around EUR 1,140 is put aside to cover costs once in the destination (ETC, 2008).

Roy Morgan Research shows Australian consumers are planning and booking their vacations online in significant numbers, especially when it comes to traveling abroad. In the year ending June 2007, 28% of Australians used the Internet to help choose an overseas destination for their last trip, and 19% chose their domestic destination online. In addition, 36% of Australians who had gone on an international, non-business trip in the past 12 months had booked their vacation using the Internet. However, booking in person was still most popular, with 57% of respondents booking their trips in this manner. When it came to domestic trips, 27% had booked their trip online. Only 15% booked their trip in person and 29% did not bother to book anything (eMarketer, 2008). U.S. online travel sales are projected to reach a year-end total of USD 54 billion in 2004, comprising just under a quarter (23%) of all domestic travel sales, according to the latest market forecast by JupiterResearch. That figure marks a 20% year-over-year increase above the 2003 total. According to Jupiter's report, which tracks sales by major direct distributors and third parties, robust growth is predicted to continue through 2009, reaching a total of USD 91 billion, or 33% of all travel purchased (Table 1.4) (ETC, 2008).

Table 1.4 Totals Online Booking Revenue and Channel Share, 2003 to 2009

Year	U.S. Online Travel Booking	Percentage of Total U.S.
------	----------------------------	--------------------------

	Revenue	Travel Revenue
2003	USD 46 billion	20%
2004	USD 54 billion	23%
2005	USD 62 billion	26%
2006	USD 70 billion	28%
2007	USD 77 billion	30%
2008*	USD 84 billion	31%
2009*	USD 91 billion	33%

Note: * forecast

Source: ETC (2008)

According to ETC (2008), a new study by Eye for Travel Research has some suggestions for e-marketers who want to see continuing growth. The study attributed continued growth to the achievement of significant broadband penetration levels, the evolution of several electronic payment methods, increasing confidence arising from Internet security initiatives, and online awareness created by Online Travel Agency (OTA) and suppliers. But some of the improvements suggested in the study include:

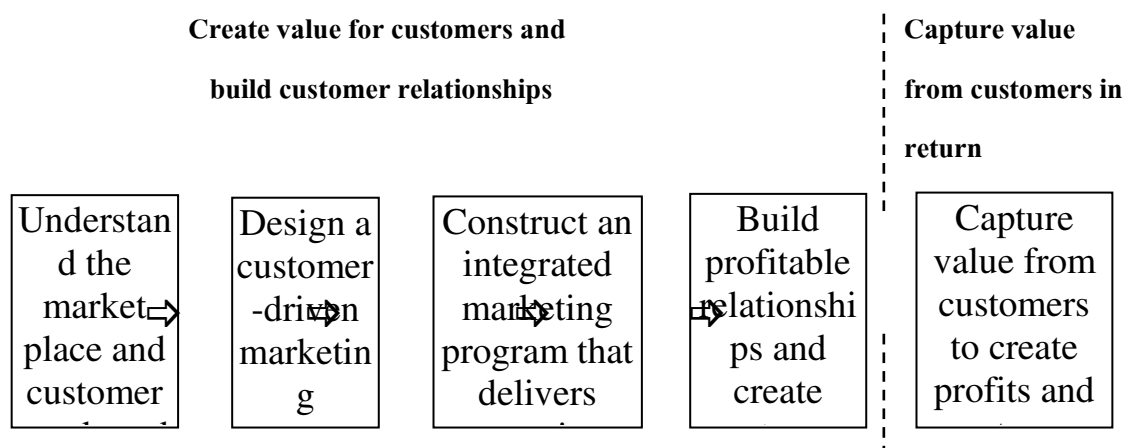
- Increased spending on technology to improve web site performance, exploit up-and cross-selling and channelize e-CRM initiatives.
- Implementation of e-security programs is of the utmost importance to address consumer fears about online identity theft and credit card security.
- Complete product offerings on the net that allow customers to make advance bookings for all activities of their choice.
- Continued tie-ups with retailers to gain instant access to their loyalty databases and their demographics.

The Internet has developed rapidly over recent years and has changed many aspects of life. The way in which consumers research their travel decisions has been revolutionized and web based marketing campaigns have become an increasingly important means of promoting destinations (ETC, 2008).

1.2.3 Online Marketing

Marketing, more than any other business function deals with customers. Although a more-detailed definition of marketing will be soon explored, according to Kotler and Armstrong (2008) perhaps the simplest definition is this one: Marketing is managing profitable customer relationships. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction. Marketing was understood in the old sense of making a sale- “telling and selling” and now it is known in the new sense of satisfying customer needs. Selling and advertising are only part of a larger “marketing mix”- a set of marketing tools that work together to satisfy customer needs and build customer relationships. Hence, Kotler and Armstrong (2008) define marketing as the process by which companies create value from customers and build strong customer relationships in order to capture value from customers in returns. Figure 1.9 present a simple five-step model of the marketing process. In the first four steps, companies work to understand consumers, create customer value, and build strong customer relationships. In the final step, companies reap the rewards of creating superior customer value. By creating value for consumers, they in turn capture value from consumers in the form of sales, profits, and long-term customer equity (Kotler and Armstrong, 2008).

Figure 1.9 Simple Model of the Marketing Process



Source: Kotler and Armstrong (2008)

Nowadays, the use of technology plays a crucial role in tourism marketing. The development of IT along with the rapid changes in network technologies has created a number of opportunities for tourism enterprises (Kozak and Andreu, 2006). As a result, *online marketing* becomes the fastest growing form of **direct marketing** which is an element in marketing communications mix - Integrated Marketing Communication (**IMC**). The other elements of IMC are **advertising, publicity, personal selling** and **sales promotion** (Kotler and Armstrong, 2008).

The concept of online marketing (e-marketing or Internet marketing) may be confusing. It is explained by Marketing Teacher (2000) that: There is no real difference between e-marketing and Internet marketing. However, with the arrival of mobile technologies such as PDA's and 3G mobile phones, as well as Interactive Television, both terms tend to be stretched to include these new media technologies. E-marketing and Internet marketing can be seen as subtly different as explained below:

Internet marketing is achieving marketing objectives through applying digital technologies.

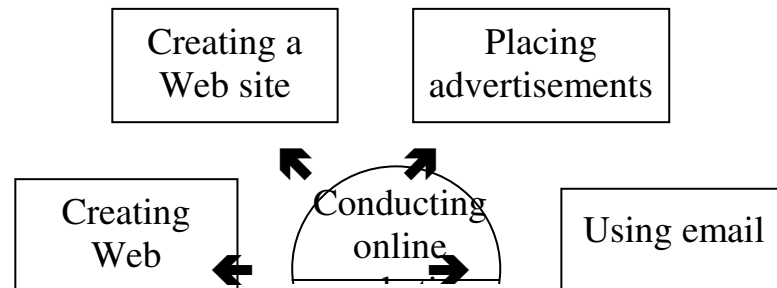
E-marketing is achieving marketing objectives through use of electronic communications technology.

Whilst this distinction is wholly acceptable, it is difficult to see where the distinction lies between digital technologies and electronic communications technologies, especially with the convergence of technologies such as mobile devices.

For the purpose of this research, online marketing is referred to as e-marketing or Internet marketing.

Kotler and Armstrong (2008) show that the Internet has given marketers a whole new way to create value for customers and build customer relationships. The Web has fundamentally changed customers' notions of convenience, speed, price, product information, and service. Online marketing is understood as company efforts to market products and services and build customer relationships over the Internet.

Clearly, all companies need to consider moving online. Companies can conduct online marketing in any of the four ways shown in figure 1.12: creating a website, placing ads and promotions online, setting up or participating in web communities, or using email.

Figure 1.10 Setting up for Online Marketing

Source: Kotler and Amstrong (2008)

The four major online marketing domains are shown in Table 1.5. They include B2C (Business to Consumer), B2B (Business to Business), C2C (Consumer to Consumer), and C2B (Consumer to Business).

Table 1.5 Four Major Online Marketing Domains

	Targeted to consumers	Targeted to business
Initiated by business	B2C (Business to Consumer)	B2B (Business to Business)
Initiated by consumer	C2C (Consumer to Consumer)	C2B (Consumer to Business)

Source: Kotler and Amstrong (2008)

- Business-to-Consumer (B2C) online marketing: selling goods and services online to final consumers.

- Business-to-Business (B2B) online marketing: Using B2B Websites, email, online product catalogues, online trading networks, and other online resources to reach new business customers, serve current customers more effectively, and obtain buying efficiencies and better prices.

- Consumer-to-Consumer (C2C) online marketing: Online exchanges of goods and information between final consumers. (eBay, Web log)

- Consumer-to-Business (C2B) online marketing: Online exchanges in which consumers search out sellers, learn about their offers, and initiate purchases, sometimes even driving transaction terms.

A summary of online marketing (E-marketing) applications in tourism is showed in Table 1.6.

Table 1.6 Online Marketing (E-marketing) Applications in Tourism

E-business	Company	Consumer	Government
Company	B2B Communication networks between hotels and tour operators (extranet)	B2C E-business applications where airline tickets are purchased	B2G Business relations with government offices (i.e. approval of plans for hotel construction)
Consumer	C2B Specific requests of consumers from hotels or airlines	C2C Sharing of positive or negative experiences between consumers	C2G Consumer applications for entrance visa or information requests about destinations
Government	G2B Informing of businesses about food safety and taxes by government	G2C Informing of consumers about judicial arrangements, safety, visa or vaccine requirements	G2G Governments' receive of technical assistance about tourism policy from international organisations such as UNWTO

Source: Buhalis (2003)

For most companies, online marketing will remain just one important approach to the marketplace that works alongside other approaches in a fully integrated marketing mix.

Despite the many challenges, companies large and small are quickly integrating online marketing into their marketing strategies and mixes. As it continues to grow, online marketing will prove to be a powerful direct marketing tool for building customer relationships, improving sales, communicating company and product information, and delivering products and services more efficiently and effectively (Kotler and Armstrong, 2008).

Online marketing is sometimes confused with the act of putting up a web site and waiting for people to come by. This thinking will always result in disappointment unless the web site is followed up with a full online and offline marketing effort (Online Marketing Strategies, n.d).

Zhou (2004) mentions that an important part of Internet research regards online consumer behavior and marketing and advertising effectiveness. The Internet has offered a whole new set of tools to measure these activities. Most of the specialty terms which are used only in Internet marketing and advertising research are listed and explained in Table 1.7.

Table 1.7 Internet Marketing and Advertising Measurement Terminology

Terminology	Explanation
Banner	A banner is really an ad in the traditional sense. It is typically a graphic image or set of animated images displayed on a Web site. Banners and other special advertising that include an interactive or visual element beyond the usual are known as rich media.
Impression	An impression is a measure of how many times an ad is served on a sponsoring site. It is sometimes referred to as an “ad view”. In other words, if a single ad appears on a Web page 100 times, when the page arrives at the viewer’s display, it has 100 impressions. Many Web sites charge advertisers by number of impressions.
Click	A click, as its name suggests, means that a visitor clicks on a displayed ad banner. It does not mean that the visitor actually follows the click to arrive at the advertised Web page; rather, it simply means that the visitor actually clicks on the ad banner.
Click	A click stream refers to a recorded path of pages a visitor has clicked through.

Terminology	Explanation
stream	This is important information since it can help Web site owners understand how visitors are using their sites and which pages are getting the most use. It also provides advertisers with valuable information regarding how users get to the clients' pages, what pages they visit, and how they order a product or service.

Table 1.7 (Continued)

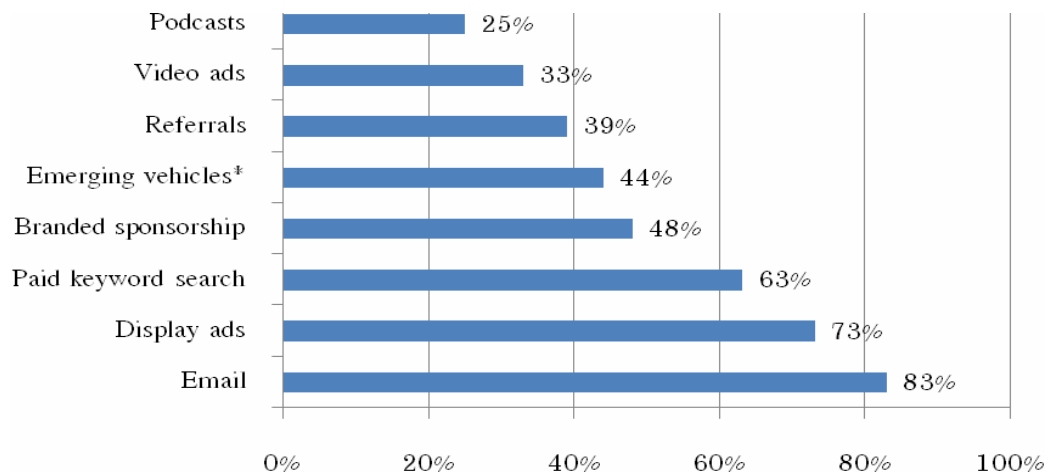
Terminology	Explanation
Click-through	A click-through often is used interchangeably with "click." However, by using the word "click-through," the sponsoring site wants to convey the idea that the visitor not only clicks on the banner but also follows through to the linked web page. Many advertisers want to pay only for click-throughs, not just the click or impressions.
Click-through rate	The click-through rate measures the percentage of impressions that results in click-throughs. It is importance for advertisers to know how many visitors actually click on their ad banners, even though ad impressions have their own value in terms of visibility and branding. A click-through rate measures not only the number of the eyeballs of visitor (impressions) but also, to a certain degree, how effective a banner is.
Conversion	Another term for "click-through." It measures a visitor's completed action - that is, a visitor clicking on a banner - which often is the goal of a marketing campaign. A second use of conversion refers to the "look-to-book ratios" in online travel reservations.
CPM	A measurement used by ad agencies or site owners to charge advertisers. CPM stands for "cost per thousand" online ad impressions. The traditional advertising industry uses the same measure; the online advertising community simply borrows this term. Note here that "M" is taken from the roman numeral for "thousand"
Pay per lead	When an advertiser places a banner on a site and a visitor click on the banner to complete what the banner intends him or her to do, the advertiser pays accordingly. An advertiser, for instance, will pay for every visitor who clicks on a banner that

Terminology	Explanation
	asks the visitor to sign up for a newsletter and the visitor does.
ROI	Stands for “return on investment”. It is a measure of how successful an ad campaign is in terms of what the returns, sales revenue, or fulfillment of the ad campaign objectives were for the money invested.
Run of network	An ad network enables you to place your ad on all its associated sites, giving you the power of large-scale exposure. It is a selling point for the ad network to advertisers. An ad placed in such an ad network is commonly referred to as a run-of-network ad.
Unique visitor	A unique visitor is someone who visits a Web site with a unique IP address for the first time in one day or a specified period of time. It is used to investigate how many different visitors a site has for that day or for a specific period of time. A visitor with the same IP address who returns within the same day is counted only once as a unique visitor.
Hit	A hit is a record of a requested file from the server. Requesting a single Web page can bring with it a number of individual files (e.g., text, graphics, or sound), thus several hits. A hit is not a good indicator of actual use (number of visitors) but it is a good indicator of traffic flow on a site.

Source: Zhou (2004, p.184)

Major marketers worldwide use email in their campaigns, according to The McKinsey Quarterly. In a survey of 311 marketing executives, McKinsey found that 83% used email, ahead of display ads, paid search and online video. McKinsey also asked about the future of online marketing. By 2010, respondents generally thought the Web would be part of the first two stages of the buyer decision-making process - product awareness and information gathering - for a majority of all consumers (Figure 1.11) (eMarketer, 2008).

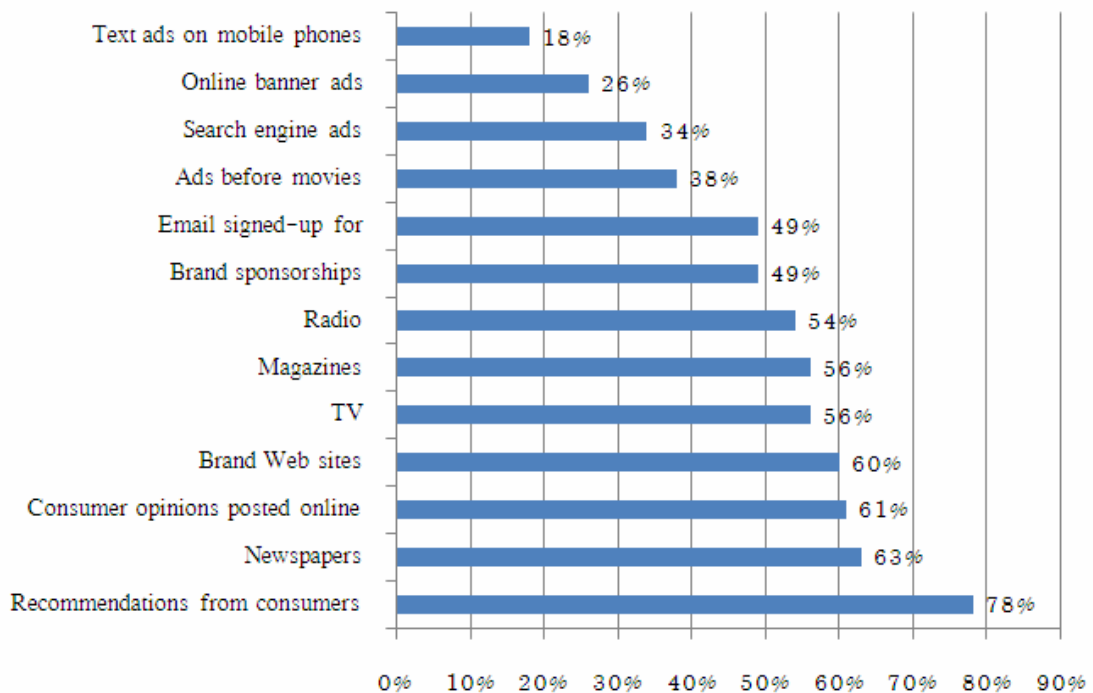
Figure 1.11 Online Marketing Tactics Used by Companies



Note: * Blogs, online games, social networks, virtual worlds, widgets and wikis.

There are more marketing channels aimed at consumers than ever. Yet more than 3/4 of consumers surveyed worldwide find that consumer opinions are the most effective form of advertising, according to a Nielsen study. Nielsen surveyed Internet users in 47 markets in Europe, Asia Pacific, the Americas and the Middle East on their attitudes toward many types of ads, including television, branded Web sites and consumer-generated content. The fact that consumers think opinions posted online are as trustworthy as brand Web sites speaks to the power of online reviews and recommendations (Figure 1.12) (eMarketer, 2008).

Figure 1.12 Types of Advertising Trusted by Internet Users Worldwide



Source: eMarketer (2008)

A similar study conducted by GFK Roper Consulting in 2007 on the trustworthiness of sources used to make purchases found that consumers rated word of mouth highest. In the US, more than 9 in 10 respondents to a DoubleClick survey said that a friend's recommendation was the most important influence when it came to buying a product or service (eMarketer, 2008).

1.2.4 Tourism Destination Marketing

Destination is the combination of different tourist and non-tourist products that offer the visitor an integrated experience regardless of any political border. Destination marketing is the management process of creating a relationship between the destination and tourists (*de facto* tourists or potential tourists) by anticipating and responding to their needs towards a destination and being able to communicate it. The actions undertaken for creating this relationship must aim at maintaining this relationship (sustainability of the process) (VNAT and FUNDESO, 2003).

The concept of destination marketing has become a catchphrase in the 1990s. The basis idea is that destinations can or should be marketed by tourism organisations in the same

way as products are marketed by manufacturers (Keller, 1998). However, according to Vellas and Becherel (1999) cited in Wilkinson (2001), tourism marketing is different than other forms of product marketing because of distinctive features: intangibility, perishability, supply inelasticity, demand elasticity, complementarity, inseparability, heterogeneity, high fixed costs, and labor intensity. Tourism marketing, long considered a branch of traditional marketing, has focused on designing products and identifying target markets that would be attracted to those products. As a result, marketing effort concentrated on promotion and was limited to advertising and presenting products in a brochure where the destination was represented by photographs of hotels or tourists on the beach with a bargain price printed on the cover. More recently, tourism marketing has gone through fundamental changes with the pursuit of global strategies based on strategic alliances, the breakdown of commercial borders and advances in new technologies, particularly communication and distribution technologies.

Many researchers (Kozak and Andreu, 2006; Morgan, Pritchard, and Pride, 2006) showing that the destination is widely acknowledged to be one of the most difficult products to manage and market, involving large numbers of stakeholders and a brand image over which a destination marketing manager typically has very little control.

Horner and Swarbrooke (2005) give more detail with four of a number of reasons for this complexity which are of most significance:

- Destinations exist at a number of different geographical levels which are interrelated. Within the European context, some tourists can see the whole continent as a single destination, for example, 'Inter-Railers' who tour Europe on a rail ticket that allows them to travel in most European countries. Other tourists talk about a country being their destination, for example, 'this year we are going on a coach tour of Ireland'. Regions often function as destinations, such as the Lake District in the UK. Some of these regions can be natural regions that cross national boundaries, like the Alps. Finally, there are individual resorts or urban areas or cities. While this appears complex, it is a simplification of the true situation. Coordination between the different geographical levels is still one of the major challenges of destination marketing.

- Secondly, the objective of destination marketing tends to be more complicated than those for other types of marketing, reflecting the fact that most destination marketing is carried out by public-sector bodies rather than private companies.
- The organisations who are charged with marketing destinations are largely promoting a product over which they have no direct control, and which is not a single product. Destinations are a composite product which is made up of a number of components, including:
 - o Accommodation establishments
 - o Restaurants
 - o Bars
 - o Theatres, cinemas and nightclubs
 - o Transport systems such as taxis, metros and buses
 - o Natural features like beaches and cliffs
 - o Man-made attractions including cathedrals, theme parks and museums
 - o The availability of excursions to nearby attractions
 - o Sports centers and leisure facilities
 - o Special events.

Generally the public-sector organisations which market destinations neither own nor control the vast majority of these elements of the destination product. However they have to attempt to market them as a cohesive whole.

- Finally, no direct price is charged for visiting the destination so that standard marketing approaches to pricing are not really applicable. This is why, for example, pricing has not as yet proved a very successful way of reducing peak demand in destinations which receive more tourists than they can cope with at peak times. Consumers pay to use the individual components of the destination product but not for the destination itself. Day trippers, therefore, can often use a beach for a whole day and use local infrastructure such as road network, without contributing any money to pay for the services they

use. This fact is at the root of one of the most controversial aspects of destination marketing. In other words, most destination marketing is funded by the whole community through taxes paid to public-sector bodies. Yet most of the economic benefits go to private-sector enterprises, while the consumer rarely pays the true cost of their visit. This is clearly a moral dilemma. Therefore, Buhalis (2000) indicates many researchers agree that perhaps, the most difficult problem is ensuring the rational use of zero-priced public goods, such as landscapes, mountains, and the sea for the benefit of all stakeholders and at the same time preserving the resources for future generations. Conflicts can easily develop, especially when some (perhaps greedy) stakeholders exploit resources for short-term benefits. A compromise encompassing all these interests is extremely difficult if not impossible, but is the key to long-term success.

One additional complication to tourism marketing is that in most cases destinations already have a rich history, image and legacy development which need to be taken into consideration when developing tourism marketing strategies (Buhalis, 2000).

Buhalis and Cooper (1998) and Fayos-Sol (1996) quoted by Buhalis (2000) discuss that developing a marketing strategy and mix for destinations is a complex process, mainly because there are many independent stakeholders and principals involved. Destination cannot be managed or marketed as enterprises, due to the dynamics of interests and benefits sought by stakeholders. In addition, most destinations are amalgams of independent Small and Medium-sized Tourism Enterprises (SMTEs), which already follow their own marketing strategies. Although DMOs have traditionally taken marketing responsibility for the destination product, they fail to control marketing activities and mixes of individual players and hence can only co-ordinate and guide, rather than undertake a comprehensive marketing strategy. Perhaps the most important challenge for destination marketing therefore is to bring all individual partners together to cooperate rather than compete and to pool resources towards developing an integrated marketing mix and delivery system. Moreover, Buhalis (2000) and VNAT and FUNDESOC (2003) confirm destination marketing is not any more considered as a tool for attracting more visitors to a destination as the mechanism that facilitates regional development objectives.

According to Horner and Swarbrooke (2005) in many European countries in recent years, there has been a growth in public-private sector partnerships in destination marketing. This has occurred for a number of reasons, notably:

- The desire for a more coordinated approach to destination marketing;
- The need to use the financial resources of the private sector to supplement the limited budget available for public-sector destination marketing organisations;
- A wish to bring private-sector marketing expertise into the field of public-sector destination marketing.

Destinations need to differentiate their products and develop partnerships between the public and private sector locally in order to co-ordinate delivery. Taking advantage of new technologies and the Internet also enables destinations to enhance their competitiveness by increasing their visibility, reducing costs and enhancing local co-operation. Destination marketing must lead to the optimization of tourism impacts and the achievement of the strategic objectives for all stakeholders (Buhalis, 1998).

The most important criterion for selecting to visit or not to visit a destination may be its image. Image is the set of expectations and perceptions a prospective traveller has of a destination. Past experience of the destination or the companies involved (i.e., airlines, hotels, tour operators); descriptions by friends and relatives; general information; and marketing campaigns develop these expectations and perception which may be true or imaginary representations (Baloglu and Brinberg, 1997; Chon and Chacko, 1997 quoted by Buhalis, 2000).

Moreover, VNAT and FUNDESO (2003) stresses that a destination image is the combined result of the ideas, beliefs, and impressions a person forms from it. It is, therefore, a critical determinant of the way residents and tourists respond to the place. A destination must be aware of its image and attempt to manage this, as its image is crucial to promotion efforts.

Developing the right image for destinations will therefore determine the suppliers' ability to satisfy visitors as it will allow them to develop realistic and fulfil-able expectations (Morgan and Pritchard, 1998; Seaton, 1997; Pearce, 1997 quoted by Buhalis, 2000).

Palmer (2006) points out that co-operative promotion of tourism destinations has conventionally focused on the production of joint publicity brochures, often distributed through

shared stands at exhibitions (although many organisations have done much more, such as operating booking services). The development of electronic commerce now offers opportunities for collaboratively marketing tourism destinations. There is the potential to create “virtual co-operation”, whereby potential tourists can browse through websites of individual facilities at a destination and develop a coherent picture of the destination experience on offer.

1.2.5 Online Tourism Destination Marketing

WTOBC (1999) confirms: The new truth for destination marketing organisations is that *if you are not online then you are not on-sale* within your key markets. It means that if your destination is not on the Web then it may well be ignored by the millions of people who now have access to the Internet and who expect that every destination will have a comprehensive presence on the Web. The Web is the new destination marketing battleground and if you are not in there fighting then you cannot expect to win the battle for tourist dollars (WTOBC, 1999).

Before the birth of the Internet, tourist destinations have reached their customers with traditional marketing activities and via travel agencies. Today these activities can be carried out through the Internet. It is therefore important for tourist destinations to mix their traditional offline activities with the online opportunities that have occurred (Burman and Soderberg, 2007).

According to Palmer (2006), tourist destinations can benefit from the Internet by developing a coherent position in the marketplace, increasing their market share by getting closer to customers (actual and potential), and subsequently by ensuring delivery of high levels of customer satisfaction. The role of information integration and brokerage is especially applicable to destination marketing organisations (state tourism departments, national tourism offices, and city convention and visitor bureaux) as they rarely have a product of their own to sell. Instead, their role is to match buyers with sellers, demand with supply and producers with consumers by positioning and promoting a place as a tourism destination brand.

Destination marketing organisations can embrace Internet technology at a number of levels. At its simplest, a web site is essentially an electronic document which allows multiple users (consumers) to access and download information from the page to their own computers. Each webpage can be stored on numerous computer servers all connected to the

Internet, which in effect broadens the distribution of the webpage to a large number of potential users around the world. The flexibility to update and then distribute a webpage electronically has created exciting marketing possibilities for tourism suppliers. The websites can be compared to a product brochure that is constantly up to date, graphical and colourful, capable of text, audio and video images, cheap and easy to copy, and accessible by millions of readers around the world (Palmer, 2006).

The literature suggests that the search for information used to plan travel is likely to take longer and to involve the use of more information sources than the search for information about most other consumer products (Fodness and Murray 1998). The tourism industry is characterized by offering complementary business. This is similar to the computer industry, where a buyer often buys an assortment of goods made by different companies. For example, the manufacturers of the computer, printer, and software are often different. Similarly, a traveler will use air travel, a rental car, and a hotel room and purchase meals. Different companies provide these services. The goal of the traveler is to have an enjoyable experience. A properly designed website can facilitate the travelers' planning, helping to ensure they make the right choices and have an enjoyable experience. It can also serve as the distribution point for all the services they will need as they plan their vacation (Rita, 2000).

Many tourism destination marketing organisations have developed websites with varying levels of interactivity. An interactive website provides a good opportunity for the multiple suppliers involved in a tourism destination to fashion together uniquely the specific components of a destination offer, which are sought by individual visitors (Palmer, 2006).

Burman and Soderberg (2007)'s findings indicate that a website is an important tool in the tourism business, primarily for reaching out with information. However, it is important to build the website in an effective way, where the structure and website design offer the users fast and easy access to the information they are looking for regarding the offline experience they seek. The important role of the IT in destination marketing involves the careful attention to manage the website content. Hence, the content of tourism destination website directly influences the perceived image of the destination and creates a virtual experience for the consumer (Doolin, Burgess and Cooper, 2002). The website of destinations should provide useful, complete, and relevant information to potential users. This is because providing useful and relevant information

on the website directly is an important feature that affects online users' intention to purchase (Kozak, Bigne, and Andreu, 2005). Furthermore, Rita (2000) shows that websites of DMOs will continue to evolve into more marketing tools than just archives or information services. Their success relies heavily on the organisation's ability to design effective websites, i.e., implementing the do's and avoiding the don'ts of website design and website usability (Table 1.8). This table addresses all these issues within the context of portal sites for marketing tourism destinations in the global marketplace.

Table 1.8 Do's and Don'ts of Website Design for Destination Marketing Organisations

Do's	Don'ts
<p>Content/Information</p> <ul style="list-style-type: none"> - About the DMO - Tourism Products and Services - Frequently Asked Questions - Online Ordering - Interactive Request Form, Guest Book, or Survey - What's New - Giveaways <p>Navigation</p> <ul style="list-style-type: none"> - Menus - Image Maps, Buttons, and Jump Lines - Search Engine - Hyperlinks 	<p>Content/Information</p> <ul style="list-style-type: none"> - Outdated information - Lack of biographies - Lack of archives - Headlines that make no sense out of context - Complex URLs <p>Navigation</p> <ul style="list-style-type: none"> - Using frames - Gratuitous use of bleeding-edge technology - Scrolling text and looping animations - Orphan pages - Lack of navigation support - Nonstandard link colors - Slow download times - Breaking or slowing down the Back button - Opening new browser windows - Moving pages to new URLs

Source: Rita (2000)

Rita (2000) suggests that the distribution/allocation strategy of tourism products should follow a customer-oriented approach. A vertical marketing system should be in place bringing together a set of products related with each destination available for selection. This implies that each tourist destination must have a major portal website acting as a gateway to the destination rather than relying solely on a fragmented number of individual websites put online by the trade. Indeed, customers require one-stop shopping.

The tourism destination portal site ought to be developed by the DMOs in partnership with the major market participants, through a contractual or corporate approach. This would have links from and to the websites of the other organisations that have business related to the destination. Partnerships are important because by building relationships with other companies the DMOs get access to their consumers while helping those companies expand their product offerings. Moreover, the development of websites by main travel intermediary players is also important as these may allow the browser/visitor to access destination information provided by the DMOs' sites and to compare the services offered by competing destinations in order to make his/her travel decision (Rita, 2000).

However, while online media is productive and valuable, travel industry suppliers may want to reconsider their budget allotments for online and traditional media versus online marketing. Investing more travel marketing dollars in a strategic, online marketing campaign could reap much bigger rewards for their destination, hotel, attraction or other travel business (USDAM, 2006).

Aware of this, India, one of the 5 favourite tourism destinations worldwide, used USD 13 million for electronic tools from the total marketing budget for the period 2006-2007 which was USD 35 million. E-marketing is carried out through an interactive online campaign on major sites, global online contests, development of thematic microsites, an e-commerce platform (through partnership), hyperlinks to stakeholders for online booking, email tracking, e-newsletters and availability of the website in different languages (UNCTAD, 2007).

Tourism destinations emerge as umbrella brands and they will need to be promoted in the global marketplace as one entity for each target market they try to attract. The emerging globalization and concentration of supply increase the level of competition and require new Internet marketing strategies for destinations. Hence, destination marketing organisations

(DMOs) increasingly have to identify niche markets and develop their interactivity with tourists (Rita, 2000).

1.2.6 Review of Tourism Development in Vietnam

1.2.6.1 History

Vietnam tourism came into being in 1960 when the first tourism companies were set up. However, it has really developed quickly in the 1990s and especially after 1993. Due to the prolonged wars, low starting point of the economy, Vietnam's stagnant growth of tourism compared with that of the other countries in the region and the world remains at a bottom-line level in terms of physical and technical facilities, labour force, managerial expertise in tourism development, as well as in its achievements. The main tasks of Vietnam tourism during this period was to serve the high-ranking official delegations invited by the Vietnam government, and foreign experts who worked for projects under the framework of cooperation agreements signed between Vietnam and other countries.

In recent years, coupled with the process of renovation, Vietnam tourism has been fast growing. The number of international tourist arrivals to Vietnam has for several consecutive years increased by around 30 per cent; however the absolute statistics still stand low. The number of international tourist arrivals in Vietnam increased from 669,000 in 1993 to over 1.7 million in 1997. However, in 1998 due to the impacts of the regional financial crisis, the number of international arrivals to Vietnam slightly dropped to around 1.5 million. By 1999, with positive signs of economic recovery in the region, the volume of arrivals to Vietnam continued to grow and by the year 2000 it welcomed a record of 2.14 million international visitor arrivals. In 2003, again the number of international arrivals to Vietnam slightly dropped because of the difficulties in the region. Nevertheless, Vietnam tourism has done some notable achievements with 3.85 million foreign visitors in 2006 and then over 4.2 million foreign visitors in 2007 (VNAT, 2008).

According to Vietnam General Statistics Office (2008), international arrivals to Vietnam in 2007 were estimated at 4.23 million, increasing by 18% against 2006. Of which arrivals for tourism and relaxing were 2.61 million, accounting for 61.6% and rising by 26%; for

business purpose: 673.8 thousand, accounting for 15.9% and increasing by 17%; for visiting relatives: 601 thousand, accounting for 14.2% and by 7.1%, for other purposes reducing by 7.7% (Table 1.9).

Table 1.9 International Visitors to Vietnam by Purpose

By purpose of visit	Persons		
	Accrued 12 months in 2007	Accrued 12 months in 2006	2007 vs. 2006 (%)
Tourism	2,605,749	2,068,875	+26
Business	673,782	575,812	+17
Visiting relatives	600,987	560,903	+7.1
Others	348,831	377,896	-7.7
TOTAL	4,229,349	3,583,486	+18

Source: Vietnam General Statistics Office (2008)

China was the leading country in volume of visitors to Vietnam, estimated achieving 574.6 thousand, accounting for 13.6% of the total arrivals and rising by 11.3% over 2006. Countries and regions with large volume of visitors to Vietnam were South Korea with 475.4 thousand visitors, increasing by 12.7%; United State: 408.3 thousand visitors, by 5.9%; Japan: 418.3 thousand visitors, by 9%; Taiwan: 319.3 thousand, by 16.2% and Australia: 224.6 thousand visitors, by 30.2%. Some other countries with a smaller amount of visitors but high consumption gained relative higher growth rates than in 2006: Russia Federal rose by 50.5%; Italy by 43%; New Zealand by 39.2%; Netherlands by 37.9% and Belgium by 32.5% (Table 1.10).

According to RNCOS (2007), in the period 2001-2006 the number of Chinese visitors arriving to Vietnam has increased significantly. This upward trend is expected to continue in the coming years as well, as China continues to develop, and the people become better off and tend to travel more. It is expected that the Chinese outbound tourist will increase at a Compound Annual Growth Rate (CAGR) value of 18.19% for the period spanning 2007-2011. Besides, the

number of Russian tourists, though still lagging behind that of visitors from China, and some other countries, has been increasing steadily and rapidly. Russia in recent years has remained among the fastest growing markets of Vietnam tourism and regards as a potential market. In 2004, 12,500 Russian tourists came to Vietnam, an increase of 42% over 2003. The number increased sharply to 23,000 in 2005, an increase of 90.4% over 2004. In 2006, nearly 28,776 Russian tourists visited Vietnam.

Table 1.10 International Visitors to Vietnam by Countries and Territories

By countries and territories	Persons		
	Accrued 12 months in 2007	Accrued 12 months in 2006	2007 vs. 2006 (%)
China, PR	574,627	516,286	+11.3
South Korea	475,388	421,741	+12.7
Japan	418,333	383,896	+9.0
United States	408,323	385,654	+5.9
Taiwan	319,291	274,663	+16.2
Australia	224,619	172,519	+30.2
France	183,790	132,304	+38.9
Thailand	167,043	123,804	+34.9
Malaysia	153,507	105,558	+45.4
Cambodia	150,216	154,956	-3.1
Singapore	138,190	104,947	+31.7
UK	107,468	84,264	+27.5
Germany	101,821	76,745	+32.7
Canada	89,467	73,744	+21.3
Russia Federal	43,300	28,776	+50.5
Netherlands	36,620	26,546	+37.9
Philippines	32,462	27,355	+18.7
Laos	31,728	33,980	-6.6
Spain	26,923	22,131	+21.7
Sweden	23,537	18,816	+25.1
Indonesia	23,342	21,315	+9.5
Italy	22,510	15,746	+43.0
Denmark	21,274	18,050	+17.9
Switzerland	21,195	16,686	+27.0
New Zealand	19,709	14,162	+39.2

By countries and territories	Persons		
	Accrued 12 months in 2007	Accrued 12 months in 2006	2007 vs. 2006 (%)
Belgium	19,577	14,770	+32.5
Norway	11,775	12,684	-7.2
Finland	6,344	5,342	+18.8
Hong Kong (China)	5,886	4,199	+40.2

Source: Vietnam General Statistics Office (2008)

1.2.6.2 Tourism Potential

Situated in the heart of the vast, rich region of Southeast Asia with strong and dynamic economic and tourist performances, Vietnam possesses enormous potential for tourism development in its natural resources, cultural values and long-lasting historical traditions. There still remain many architectural structures, historical relics, arts, good morals and customs, cultural activities, religions, festivals, handicrafts, of various diversities and characteristics. Some have been recognized as natural and cultural world heritage by UNESCO; and some others have been submitted to UNESCO for world heritage accreditation (VNAT, 2006c).

With 3,260 kilometers of coastline, Vietnam has some 125 beaches, including exceptionally long ones with lengths of 15 - 18 kilometers with fine sands, which is a very favorable condition for tourism development. The distinctive karst formations of Vietnam, which occupy more than 50,000 square kilometers, offer unusual types of features for tourism, including caves, which are a base for developing speleology (Pham, 2005).

According to Pham (2005), Vietnam has over 250 caves, including those with world-wide recognition like Phong Nha - Ke Bang. This cave is 8 kilometers long, located in Phong Nha - Ke Bang National Park and has been recognized by UNESCO as a World Natural Heritage Site. Halong Bay, with over 2,000 limestone islands, is a world famous destination. The landscape and geological value of Halong Bay has also been awarded two times the status of a World Natural Heritage Site by UNESCO. Vietnam has rich natural mineral water resources with over 400 discovered sites. Many of them are of a thermal type, which is suitable for health tourism, an activity that attracts Japanese and European markets.

As of 2005, Vietnam had some 28 national parks, 53 natural reserves, 34 cultural - historic - environmental forests, which conserve biological diversity. Vietnamese biodiversity is comparatively high compared with many other countries, with over 2,000 species of flora and 7,000 species of fauna, some of which are endemic and are of high ecological value, and listed in the World Red Book. Besides biodiversity value, in national parks and natural reserves there are attractive traditional cultures related to ethnic minority groups (Pham, 2005).

Halong Bay and Nha Trang Bay have been recognized as two of the 29 most beautiful bays in the world; Cangio, Cat Tien and Cat Ba National Parks are recognized as world biosphere sites (VNAT, 2006b).

The above landscape and areas of natural ecological value are important and distinctive potential for ecotourism in particular and Vietnamese tourism in general.

Historical and cultural sites are priceless assets of each nation, which reflect national development through time. With a long history over thousands of years and some 54 ethnic groups, Vietnam has a huge number of cultural and historical sites, surpassing 40,000. Out of this number some 2,603 have been graded nationally (Pham, 2005).

Besides two world natural heritage sites, UNESCO has recognized five world cultural heritage sites in Vietnam including tangible and intangible which are the Complex of Hue Monuments, My Son Sanctuary, Hoi An Ancient Town, Nha Nhac (Vietnamese Court Music), and the Space of Gong Culture in the Central Highlands. These are typical quintessence of Vietnamese culture closely attached to the history of the development of the nation (VNAT, 2006b).

Vietnam has some 1,500 villages practicing traditional crafts, many of them with great tourism value. Vietnam has also hundreds of traditional festivals including great ones attracting some hundreds of thousands of visitors a year. This cultural value is of great tourism potential, and together with natural assets, create the charm of Vietnamese tourism (Pham, 2005).

The infrastructure has been, and is being considerably expanded. The physical and technical establishments in tourism have continued to be improved and expanded. At present there are about 4,283 accommodation facilities of all categories with a total 109,198 rooms, including over 25,500 rooms of international standards. Apart from that a network of restaurants and means of transportation is taking shape, entertainment areas, recreational centers, golf

courses, tourist attractions are also being built, but are still not living up with to factual requirements (VNAT, 2007b).

1.2.6.3 Policies

The government has encouraged various economic components to get involved in tourism-related businesses; favourable conditions have been further created for foreign entrepreneurs who have invested and will be investing in the tourism sites, hotels and other tourism facilities. During the first six months of 2007, seventeen foreign-invested tourism projects were given the go-ahead by the local authorities, according to the VNAT. The total investment capital of more than USD 776 million, accounts for 15% of all FDI capital in Vietnam at that time. The majority of projects focus on the building of golf courses, resorts and tourism areas that are expected to receive a great deal of attention from both local and foreign investors. Vietnam already has fourteen golf courses and is currently developing a further twenty-eight. In the hotel and tourism fields, the country has attracted 182 foreign-funded projects, with a total capital of over USD 4.3 billion in ten years from 1997 to 2007 (MOFA, 2007).

The above efforts have only partly met the growing tourist demands both foreign and local. With poor infrastructures, capital shortages, lack of expertise and awareness; entry-exit procedures for foreign tourists to some extent have been improved, but that are still not matching with the tourists' needs. These are the main causes affecting quality and competitiveness of the tourism products. This is quite a big challenge for Vietnam tourism (Pham, 2005).

Vietnam government is committed and determined to enhance this sector, by developing a tourism industry which will be living up to its huge tourism potential. The government has now recognized tourism as an important economic sector in the strategy for national socio-economic development, in contribution to the execution of the national industrialization and modernization. Along that line, the common objectives in tourism development are oriented by ways of preserving ecology, landscapes, environment, history, cultures, and promoting the national identities; safeguarding the socio-economic settings; ensuring the socio-economic efficiencies, national security and social orders (VNAT, 2002).

Based on the planning in each locality such as in 3 tourist zones (Northern zone, North-central zone, South-central and Southern zones), in 10 targeted tourism centers (Hanoi, Haiphong, Quang Ninh, Hue, Danang, Vung Tau, Nha Trang, Dalat, Ho Chi Minh City and Can Tho), and other specific planning of different cities and provinces respectively, Vietnam tourism has mapped out the Overall Master plan for Tourism Development for the period 2005 - 2010 which has been approved by the Vietnam government. It is projected that by the year 2010 that number will be 5 - 6 million international arrivals and 25 million domestic visitors (VNAT, 2006a). To achieve these objectives, currently, the Vietnam government has been carrying out an overhaul of the administrative procedures, easing the bureaucracies, enabling foreign tourists to enter Vietnam and investors to easily go ahead with their business. Vietnam tourism is in coordination with other relevant ministries and branches focusing on finalizing the tourism decrees, streamlining the entry-exit and other formalities as travelling, visiting, residing, purchasing and carrying of their purchased personal effects in conformity with the international norms and practices.

Vietnam has constantly considered the development of human resources as an important factor for the tourism sector in the early stage as well as in the future. Together with the rapid increase in international arrivals and the improved physical tourism infrastructure system, the contingent of manpower in tourism has also developed in both quantity and quality. The training needs and requirements in tourism is a tremendously huge and pressing matter (VNAT, 2006a).

The government of Vietnam has also established a State Steering Committee for Tourism and is proactively launching a National Tourism Actions Program and tourism events for 2000 and beyond. The program focuses on:

- Launching the tourism promotional campaign.
- Developing cultural tourism associated with traditional festivals and sport events.
- Developing and upgrading tourism resorts and attractions.
- Improving tourism and service qualities.
- Facilitation of international travel.

- Streamlining the institutional mechanism and improving the efficiency of state management in tourism.

International cooperation, promotion and advertising have been given appropriate importance in spite of financial constraints. Vietnam has signed agreements on tourism cooperation with all Southeast Asian countries (ASEAN), China, France, Uzbekistan, Israel, India, Cuba and has been in a position to enter into agreements with other countries (VNAT, 2006c).

VNAT is a member of the United Nations World Tourism Organisation (UNWTO), Pacific Asia Travel Association (PATA) and many local tourist companies have joined PATA, Japan Association of Travel Agents (JATA), American Society of Travel Agents (ASTA) and have had business deals with 800 companies of over 50 countries so far. The PATA Vietnam Chapter has been established and attracted more than 100 members. These are considerable efforts that help Vietnam integrate itself into the regional and international process (VNAT, 2006c).

Vietnam is becoming a newly emerging, attractive and safe destination for tourism. At the same time it is really a potential market for many foreign investors, especially, at the beginning of 2007, Vietnam became the 150th full member of the World Trade Organisation (WTO). Vietnam tourism will certainly be embarking on a new pace of development with many challenges and opportunities.

1.2.7 Review of ICT in Tourism in Vietnam

The information technology industry represents one of Vietnam's fastest growing sectors. A recently published market study by a major private-sector research organisation suggested that during the period from 2004-2008, Vietnam's spending on this sector will rank among the top ten in the world. The Government of Vietnam has articulated its obligation to boosting the development of the ICT industry, particularly in the software production sector, Internet infrastructure, IT education promotion, and other forms of human capital development (StarSoftwareDevelopment, 2005).

Vietnam's ICT has been booming since the end of the year 1997, when the country was officially integrated in the Internet. During the period 1997-2005, the country has an annual rate of development of between 70-100% regarding Internet subscribers, Internet user as well as registered domain names and bandwidth. Total international bandwidth has risen from 1,038Mbps in 2003 to 10,508Mbps in 2007 (Aug.); the Internet users reached 18.55 million in 2007 and the Internet user rate is 22.04% of the population. Internet related service providers represent another fast-growing industry sector for IT equipment, software, and service suppliers. To date, six Internet exchange access service providers (IXP), 17 Internet service providers (ISPs), and 15 Online service providers (OSPs) have been licensed (VNNIC, 2007).

The Internet growth is expected to increase annually by 50%. The target for 2010 is 35% for the Internet user rate of the population. In the period of 2006 - 2010, telecoms growth rate will reach 1.5 - 2 times the average of economic growth. Estimates for 2010, total revenue of telecoms and Internet reaches at VND 55,000 billion (approximately USD 3.5 million) (VNNIC, 2007).

According to Do (2006), the Master Plan for Telecommunications and Internet development in Vietnam to 2010 has been approved by the Prime Minister in February 2006 with the following goals and objectives:

- To push up the universal service obligation of telecoms and Internet nationwide, bridging the gap between areas.
- To 2010, the telephone density gets 32 - 42% including 14 - 16% for fixed phone subscribers and 8- 12% for Internet subscribers (including 30% of broadband subscribers).
- The Internet user will be 25 - 30% of population. 100% of communes having accessed to public telephone, 70% of communes having accessed to Internet, 100% of districts and most communes in key economic regions are connected with Internet broadband.
- Total invested capital for telecoms and Internet key project estimates VND 100,500 billion (USD 6.4billion).

Table 1.11 Internet Developments in Vietnam During the Period 2003-2007

	Internet users (million)	Internet user rate by proportion of population (%)	Capacity (MPps)
2003	3,098,007	3.8	1,036
2004	6,345,049	7.69	1,892
2005	10,710,980	12.9	3,615
2006	14,683,783	17.67	7,076
2007	18,551,409	22.04	10,508

Source: VNNIC (2007)

Vietnam government has strong commitments on encouraging and creating favorable conditions for ICT development and applications, both in public and private sectors. According to the Minister of Posts and Communications, the Strategy on ICT development toward 2010 and the vision toward 2020 try to create an information society in Vietnam. To 2010: Vietnam will be at an above average level in the ASEAN countries in terms of information society. To 2020: based on ICT as key elements, Vietnam will changes its social - economic structure to become the advanced country in term of knowledge based economy and information society, greatly contribute for the success of country's industrialization and modernization process. Vietnam will become one of the advanced countries in the ASEAN in ICT development and application (Do, 2006).

Thus, the fast development of ICT infrastructure and the wide IT applications are efficiently contributing to the economic and social development of the country. One area that has benefited significantly from the level of ICT is tourism.

Along with the general developing of the country, Vietnam tourism has had gigantic prosperous paces of development in recent years. IT has made a considerable contribution to this achievement. IT has become an efficient tool for tourism in many tasks such as: promoting, e-commerce, and management (Le, 2006a).

The website www.vietnamtourism.com was one of the first three Vietnamese websites presented when the country was officially connected to the Internet at the end of the year 1997. It means that VNAT aware very well about the importance of online marketing for the country (Le, 2006a).

Aware of the vital role of IT, Vietnam National Administration of Tourism (VNAT) has paid special attention to IT development and with many efforts VNAT already gets the Vietnam ICT (E-readiness) index in the top ten among 20 ministries in 2005 and 2006 (MOT, 2007). This index shows the abilities ready to develop ICT between ministries and government offices; it is calculated by Vietnam Informatics Association.

ICTs applications are widely developed for Vietnam tourism by Tourism Information Technology Center (TITC). Besides developing management software, a range of promotion and marketing products as well as activities is also introduced base on ICTs such as websites, CD-ROMs, etc.

Presently, VNAT is running several websites as follows (classified in chronological order): www.vietnamtourism.com; www.vietnamtourism.gov.vn; www.dulichvn.org.vn; www.vietnam-tourism.com; www.vietnamtourism-info.com; www.myhotelvietnam.com.

Almost of all these websites provide tourist-related information in Vietnamese and other languages. According to Le (2006a), www.vietnam-tourism.com is considered as a gate of Vietnam Tourism. From there, people can surf and link to other VNAT websites as well as all the websites of Vietnam ministries and organisations. This website was launched in 2001. And www.myhotelvietnam.com is the official hotel reservation system of VNAT. Launched in 2003, this website is providing online hotel reservation services for every accommodations provider, even for 5-star hotels and guest houses in Vietnam. The recent survey of VNAT on tourism promoting shows that more than 50% foreign visitors collect travel information on Vietnam through the Internet (Table 1.12).

Table 1.12 Main Channels of Information on Vietnam for Foreign Tourists

Channels of information		Internet Survey		Direct Survey		Total	
		Freq.	%	Freq.	%	Freq.	%
a	Internet	819	34.62	385	16.27	1204	50.89
b	Friends, relatives	460	19.44	488	20.63	948	40.07
c	TV and/or Radio	354	14.96	433	18.30	787	33.26

d	Guidebooks, publications	505	21.34	268	11.33	773	32.67
e	Newspapers, Magazines	308	13.02	377	15.93	685	28.95
g	Vietnam Tourism events abroad (Vietnam Days, Vietnam Week)	261	11.03	85	3.59	346	14.62
h	Tourism International Fairs	189	7.99	126	5.32	315	13.31
i	Others (please specify)	205	8.66	106	4.48	311	13.14
k	Travel Agencies	103	4.35	198	8.37	301	12.72
l	Seminars/Workshops on Tourism	156	6.59	56	2.37	212	8.96
m	Souvenirs	75	3.17	83	3.51	158	6.68

Source: VNAT (2006b)

E-commerce is also emerging in a big wave for the travel and tourism industry with Vietnam already holding 18.5 million Internet users in 2007. The Vietnam National Postal and Telecommunication Corp plans to create over 2,000 free Internet access points in key cities over the next two years, including Hanoi, Ho Chi Minh City, Nam Dinh, Nghe An and Danang, Daklak and Can Tho, opening up opportunities for marketing in this new and dynamic distribution channel. Local travel retailers such as Vietravel, Saigontourist and Apex Vietnam are already bringing e-commerce to their business models and selling their tours online with other players likely to follow suit (TravelMole, 2008).

However, the adoption of ICTs, especially of the Internet to tourism in Vietnam at provincial and enterprise levels is low. According to the survey conducted by the TITC (2005) among the travel agencies and hotels in the whole country, their use of the Internet-based application is still modest. Among 1,511 hotels and resorts, 785 hotels and resorts have an email account while 498 hotels and resorts have both email account and their own websites. Regarding international travel agencies, among 481 there are 424 companies which have email accounts and of which 200 companies have both email accounts and websites. There are only 27 provincial Department Marketing Organisations (DMOs) that have their own websites. Most of them are DMO of the famous tourist point or tourist cities of Vietnam like Halong Bay, Nha Trang Beach, Hanoi or Ho Chi Minh City.

The websites are providing information about national destinations or provincial destinations, contact address of travel agencies and their tour packages, a variety of hotel rooms and other tourist-related services; through the Internet and the website, sellers and buyers could exchange information and then the transaction could be made later. The B2C model is used much more than the B2B model. B2C e-commerce type is largely used on the websites of DMOs: The room rates provided by hotels in several websites analysed are reserved for individual potential tourists. The individuals could contact the webmaster for further tourist-related information. There are few cases that the travel agencies and or partner organisations could get a discount list price from the hotel reservation system (e.g. the case of www.saigon-tourist.com) (Le, 2006a).

Nevertheless, a survey of tourism marketing and promotion activities of VNAT in 2006 show that websites are considered and assessed as an effective marketing channel by tourism-related managers. Of 64 tourism managers surveyed, 83% (53/64) of the respondents believed that setting up of websites and advertizing via Internet are effective or very effective for national tourism promotion activities (Table 1.13). 55% (35/64) of the respondents say the website is the first priority for national tourism promotion products, while 19% (12/64) of the respondents consider websites as the second priority for national tourism promotion products (Table 1.14).

Table 1.13 Assessing the Effects of National Tourism Promotion Activities

Criteria	Frequency							Mean
	1	2	3	4	5	6	7	
Set up website, advertize via Internet	19	16	18	7	3	1	0	2.41
Join Tourism International Fairs	27	7	10	7	8	5	0	2.64
Advertize on TV	6	11	9	12	8	11	7	4.03
Organise or take part in Seminar/Workshop on Tourism	5	13	8	8	12	10	8	4.11
Advertize on Newspapers, Magazines	3	8	13	14	11	9	6	4.14
Publish Guidebooks, publication	1	3	6	14	6	18	16	5.17
Organise famtrips	4	5	3	2	13	11	26	5.38

Note: 1: Most effective -> 7: Least effective

Other suggestions included: Tourism products promotion month or organise festivals during the year to attract tourists; The important role of embassies and representatives of Vietnam overseas in tourism promotion; Organise road shows; Employ foreign experts with understanding about Vietnam to do Public Relations for Vietnam tourism.

Source: Adapted from VNAT (2006b)

Table 1.14 Assessing the Level of Priority for National Tourism Promotion Products

Criteria	Frequency						Mean
	1	2	3	4	5	6	
Websites	35	12	10	4	2	1	1.89
Thin-book introducing Vietnam tourism in general	16	23	12	4	3	6	2.58
VCD about Vietnam tourism	8	15	16	13	3	9	3.23
Special subject brochures (beach, eco-tourism, golf)	1	9	16	17	16	5	3.83
Maps	3	1	5	19	26	10	4.47
Guidebooks, publications	1	2	5	7	13	36	5.14

Note: 1: First priority -> 6: Last priority

Other suggestions included: Advertising film on Vietnam tourism; Associate tourism with other foreign affairs and economic activities; Specific products are made in Vietnam with traditional style; Organise special subject exhibitions in Vietnam.

Source: Adapted from VNAT (2006b)

In terms of information management, the tourism management information system is regarded as one of the elements that facilitate tourism management. Aware of this, the sustainable Tourism Management Information System (TMIS) is recommended in the Revised Tourism Development Plan (2001-2010). VNAT, UNDP and UNWTO (2001) mentioned that the VNAT's Tourism Information Technology Center (TITC) recently published the Vietnam Tourist Guidebook, based principally on information provided by provincial tourism offices. This information of TITC's also comprises a partial national inventory of tourism resources. TITC's inventory is readily retrievable, as it has all been computerised. The TITC has some Geographic Information System (GIS) capability. The TITC's tourism resources information appears to be in GIS format, this condition should be assessed in the context of establishing the strategic information system recommended here.

1.2.8 Review of Tourism Promotion and Marketing Activities in Vietnam

The official objective of Vietnam tourism marketing and promotion according to VNAT and FUNDESO (2003) is to raise the awareness of tourism at all levels, branches and people, to establish and guide domestic tourism demand. To establish and position the image of Vietnam tourism in the region and the world, and attract more international tourists to Vietnam.

To fulfill the above objective, Vietnam tourism has been implementing the following:

- Enhance tourism marketing and promotion by many ways on mass media and live-shows inside the country and abroad. Focus on setting up tourism information centers in transportation hubs, applying information technology to improve the ability of attracting more tourists.

- Establish Vietnam tourism representative offices in source markets, foster marketing and promotion activities in source markets.

- Coordinate with foreign information offices and make use of international cooperation to promote the country, the people and Vietnam tourism, strengthen market promotional campaigns.

Tourism promotion and marketing have increasingly been paid due attention in Vietnam. Many international conferences, seminars, workshops on tourism and the likes have been held in Vietnam as well as VNAT has participated in conferences, seminars, trade fairs, exhibitions on tourism abroad and launched marketing programs on the key markets. A wide range of publications, promotion materials, advertising brochures, guiding booklets, video tapes, VCDs and CD-ROMs have been produced and published as well as Internet connection to introduce Vietnam, its people and tourism; getting foreign cruise firms, airlines, tour operators and international organisations to pass information on Vietnam tourism onto the international community. Foreign affairs and foreign information of the State, relevant authorities have also provided further opportunities and created favorable conditions for tourism promotion, building up and enhancing the image and position of Vietnam tourism (VNAT and FUNDESO, 2003).

To date, according Le (2006a), the online marketing technologies are largely used on the websites: Internet marketing technologies most used in the websites are as follows: (1) online advertising, (2) direct email marketing, and (3) online catalog. The websites are the good tools for VNAT and other DMOs to promote cost-effective Vietnam Tourism and their tourist services around the world and arrive at the first level of e-commerce application. In addition, those websites have given both travel services suppliers and tourists an area in which they could exchange information and deal with each other. Furthermore, most E-commerce technology and concept are involved in those websites, which help them attract much more visitors.

National Tourism Year is organised every year with specific topics which could relate to the destination chosen. During the year, some tourism events would take place in this area. Most budgets from government would pay for these events each year. In addition, many tourism events may occur in other destinations with less government budgets and are organised by individual regions.

According to VNAT (2008), ten notable marketing and promotion activities events and trends of Vietnam tourism in 2007 were announced on the Vietnam tourism press conference in December, 2007 included:

- The successful organisation of Thai Nguyen Tourism Year 2007.
- Vietnam welcoming 4.2 million international visitors this year, ranking fifth for attracting foreign tourists in the region.
- The image of Vietnam tourism in the 30-second video clip has been seen worldwide on the CNN (the Cable News Network) at “golden time” twice a day for 13 consecutive weeks from October 2007. The amount of money for the advertisement is nearly VND 4.7 billion (over USD 290,000) from the State budget (VNAT, 2007c).
- Vietnam - Laos - Cambodia Tourism Minister Summit and “Three countries - one destination” tourism fair.
- Vote for Halong Bay Campaign on website www.toiyeuhalong.com
- The success of surveys on new and unique tours for Vietnam tourism.
- The success of the Dalat Flower Festival 2007
- Booming in tourism investments, especially Foreign Direct Investment (FDI).
- 10th year anniversary of tourism website (www.vietnamtourism.com).
- Number of foreign tourists who visited the Central Region increased steadily by road.

And some others such as: cooperate with Vietnam Airline to promote the image of Vietnam tourism; Vietnam days in Europe.

According to VNAT (2008), Vietnam National Administration of Tourism has designed a series of big-scale tourist events for 2008 with the aim of cashing in on the country’s diverse culture and landscapes. They were introduced in the Vietnam tourism year-end 2007 conference including:

- It has selected the Mekong Delta city of Can Tho as the main venue for the 2008 Tourism Year which looks to promote the exploration of beauty waterways of the Mekong Delta Vietnam. Events planned will include

ceremonies to launch and wrap up the 2008 Tourism Year and festivals featuring the distinctive culture of the Mekong delta. These events are expected to draw close to 2 million visitors and make VND 600 billion in revenue.

- The northern provinces of Phu Tho, Yen Bai and Lao Cai would continue to host for the fourth year a tourism program in commemoration of the nation's origins. The provinces look to receive 4.5 million visitors, including 350,000 foreign tourists.
- Hue Festival 2008 is another big event which will include hundreds of special cultural and tourist activities. Twenty-two art troupes from 16 countries had, by the end of October, registered to participate in the festival, which is slated for June.
- An international fireworks contest is to be held along the banks of the Han River in the central coastal city of Danang. The event, with prizes totaling USD 100,000, will see the participation of competitors coming from countries having experiences and tradition in fireworks. It will be accompanied with cultural, artistic, sport and sea-based events.
- In May 2008, a Miss Tourism contest took place in Ho Chi Minh City for the first time. The winner from the beauty pageant will represent Vietnam at the 2008 International Miss Tourism Pageant.
- The Miss Universe competition was also slated to come to Vietnam for the first time to be held in the coastal city of Nha Trang in central Khanh Hoa Province. Expected is the participation of more than 100 contestants from around the world. It is expected to draw more foreign visitors to Vietnam as the event will be broadcasted live on 170 television channels from 120 countries.

Apart from big tourism events, the national tourism administration plans to send representatives to attend 12 tourism trade fairs and expos next year.

Organisations that promote hospitality and tourism in Vietnam

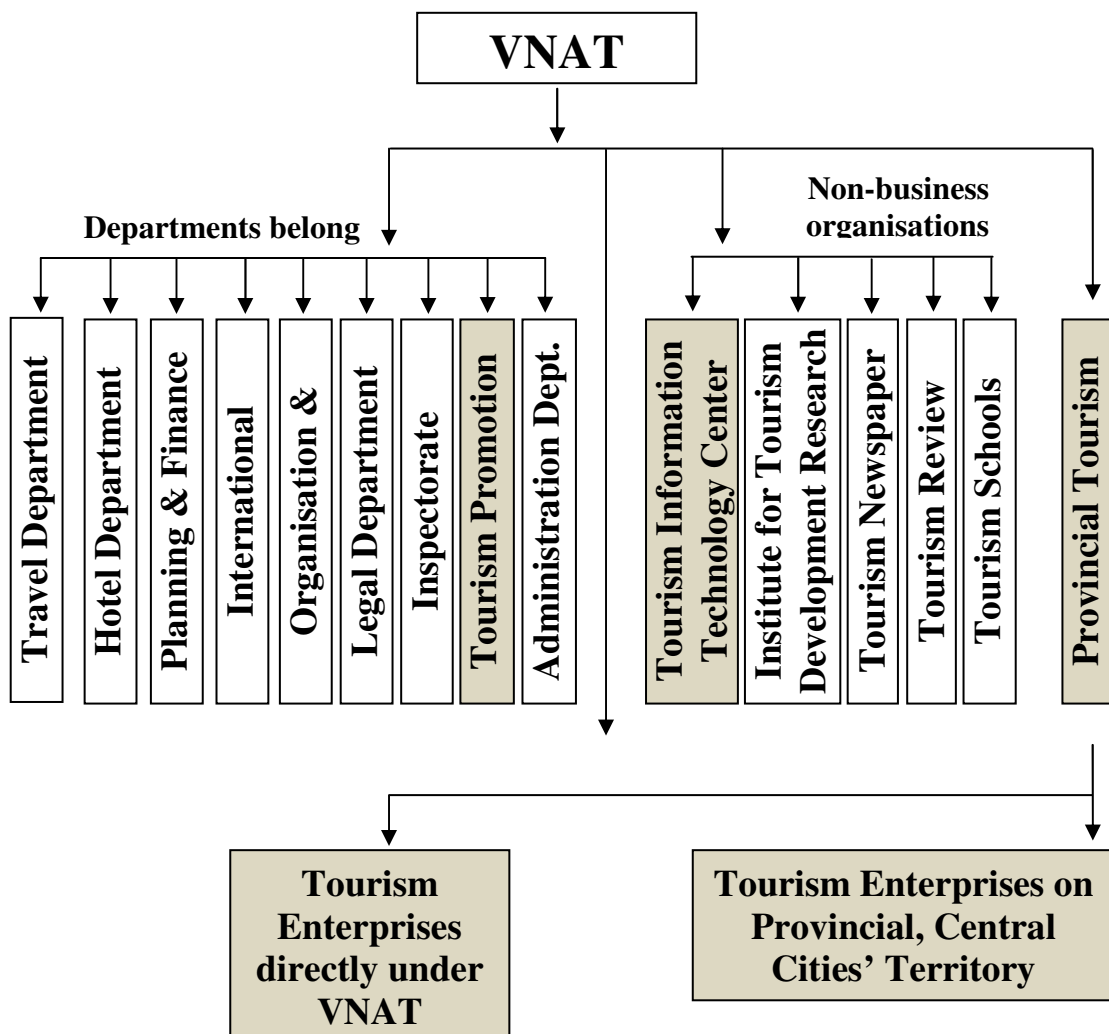
According to the organisational structure of Vietnam National Administration of Tourism (Figure 1.13), there are organisations that are in charge of promoting tourism at 3 levels: national, provincial and enterprise levels.

At the national level, VNAT there are two departments in charge of promoting and marketing for Vietnam tourism. The Tourism Promotion Department (TPD) has the mission of promoting the country through International Tourism Fairs such as ITB, JATA; and the Tourism Information Technology of Tourism (TITC) is the webmaster of all official websites of VNAT.

Due to its functions and assigned tasks, TITC is the department that is regarded to have responsibilities for online marketing for the whole country as a unique destination.

Both of these departments, TITC and TPD play important roles in collaboration with all tourism promotion and marketing organisations at different levels all over the country.

Figure 1.13 Organisational Structure of Vietnam National Administration of Tourism



Note: Shaded boxes indicate departments responsible for Vietnam tourism promotion.

According to VNAT (2005), the functions, tasks, powers, and organisation of the Tourism Promotion Department and Tourism Information Technology Center are as follows:

The Tourism Promotion Department is a unit under VNAT. Its functions include giving advice to the General Director of VNAT to carry out the State management of tourism promotion in the territory of Vietnam, and organising activities for tourism promotion both inside and outside Vietnam.

The Tourism Information Technology Center is directly under the control of VNAT. Its functions are conducting research, applying information technology to tourism industry to serve the State management of VNAT and providing information services for organisations and individuals within the Tourism industry. Main activities include Information Technology and Advertising and Promoting Vietnam Tourism:

- Establish the information systems for Vietnamese tourism (Intranet, Internet).
- Apply information technology into the all activities of tourism (Hotel management and booking system; consulting and training the information and technology personnel).
- Promote Vietnam Tourism by using information technology applications on the Internet, multimedia products and publications.
- Create a tourism-related database.
- Research and apply advanced technologies for tourist promotion purposes.

At the provincial level, the mission of tourism marketing belongs to the Tourism and Trade Promotion Unit, since in most cases; Trade and Tourism are under the control of the same provincial authority organisation. And those units promote for their provinces as tourist destinations.

Regarding travel businesses (such as travel agencies, hotels, etc.) their marketing units have to fulfill their missions of promoting for their tourist services world-wide and nation-wide.

1.3 Aim & Objectives

1.3.1 Aim: Identify the main challenges to online tourism destination marketing of Vietnam and seek possible solutions for them.

1.3.2 Objectives:

- 1.3.2.1 Examine the current situation of demand for online travel services in Vietnam
- 1.3.2.2 Examine the current situation of online destination marketing of Vietnam tourism at national, provincial and enterprise levels.
- 1.3.2.3 Analyse the challenges to, and opportunities for, developing online tourism destination marketing in Vietnam.
- 1.3.2.4 Propose-strategies for Vietnam online tourism destination marketing.

1.4 Significance of the Study

- The study provides information and review of destination marketing.
- It highlights the importance of co-operation and collaboration for developing online marketing as a tool for tourism promotion in the country at all levels.
- The motivation for this research was not purely academic; it aims to provide broader ranges of practical measures for successful development of online tourism destination marketing in Vietnam.
- This study will help to synchronize online destination marketing activities of tourism organisations at all levels by proposing a Destination Management System (DMS) for the whole country. It could be a cost-effective marketing

campaign for all tourism organisations at different levels and a rich information system for customers from the world.

1.5 Scope of the Study

1.5.1 Scope of Time

The study period was from September 2007 to June 2008. The questionnaire data collection and in-depth interviews were carried out in November - December 2007.

1.5.2 Scope of Geography

For tourists, distributions of questionnaires were carried out at the Noi Bai International Airport and through inbound travel agents in Vietnam. The provincial tourism departments include all 64 provinces of Vietnam. Collection of data from government agencies and businesses took place in Hanoi.

1.5.3 Area of Research

The primary focus is to identify current issues in online tourism marketing in Vietnam, seek values and means of collaboration among tourism organisations at all levels, and highlight the ways in which co-operation and collaboration objectives of those organisations can be achieved with view to improving online destination marketing.

1.5.4 Scope of Demography

- International tourists who have visited Vietnam in November - December 2007.
- At the provincial level, all provincial tourism departments were included.
- Government agency data collection through senior and other relevant officials of Vietnam tourism promotion located in Hanoi.
- Travel businesses, which have websites and operate in the country.

1.6 Definition of Key Terms

Internet: A worldwide network of computers that enables the exchange of information in a variety of formats.

E-commerce: A system of conducting business activities using Internet and other information technologies. Refers to using computer networks to conduct business, including buying and selling online, electronic funds transfer, business communications, and other activities associated with the buying and selling of goods and services online (Tesone, 2006).

E-marketing: the marketing side of e-commerce. It consists of company efforts to communicate about, promote, and sell products and services over the Internet (Tesone, 2006).

Destination Management System (DMS): is one that stores and distributes information about the tourism suppliers, visitor attractions and events in a particular region.

Destination Information Management and Marketing Systems (DIMMS): are computerized systems specifically designed to facilitate information about a destination's tourism product through integrated databases (O'Connor, 1999).

Website: A collection of webpages. Although each page is referred to as a webpage, the first page is called the home page or index page.

Information and Communications Technologies (ICTs): The Hardware, Software and Netware used by information systems (Tesone, 2006).

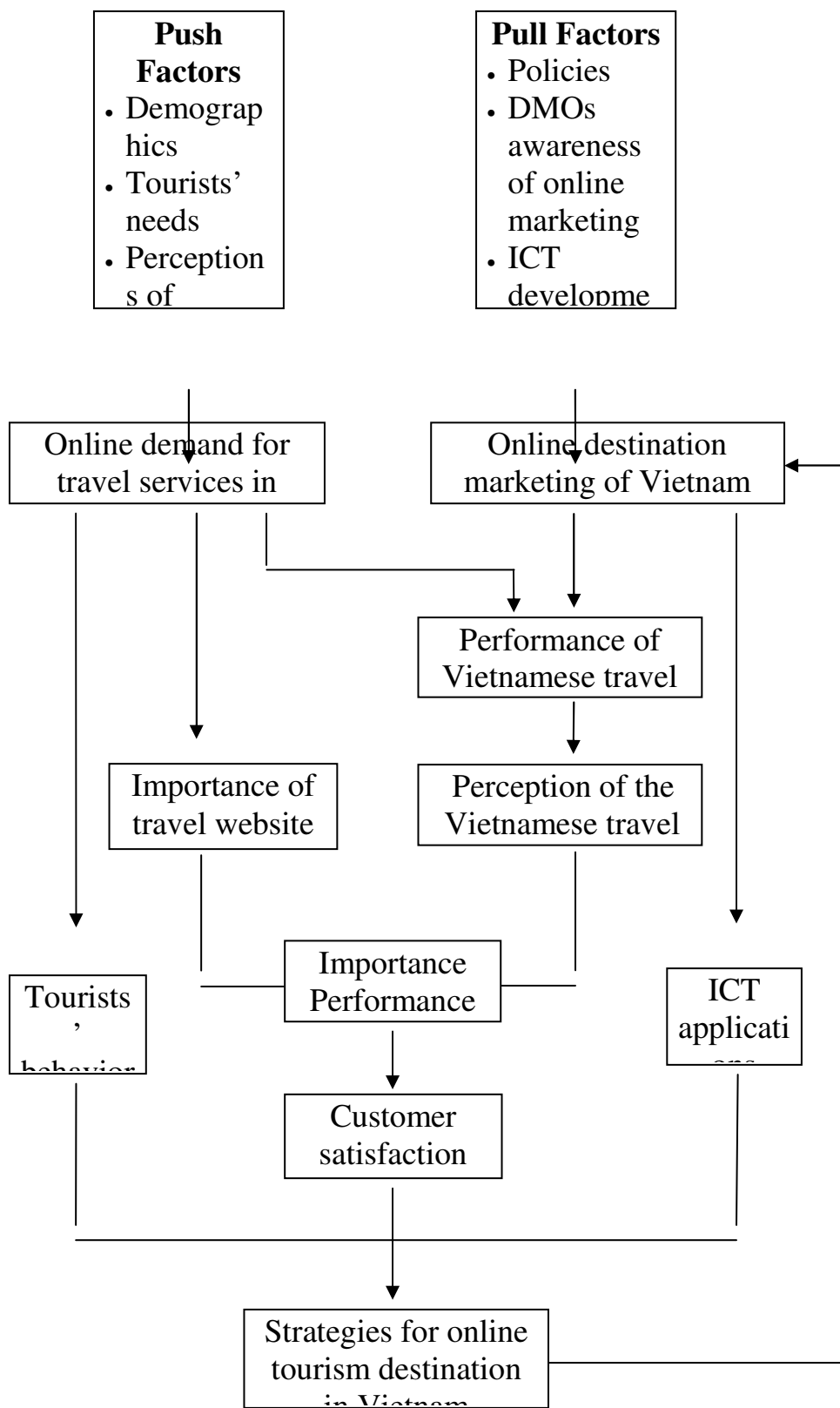
Computerized Reservation System (CRS): Previously, CRSs were organised by individual airlines to handle reservations, ticketing, schedules, seat inventories, and have created great advances in speed and accuracy for the booking of airlines flights but now the term CRS usually refers to a reservation system internal to travel organisations.

Global Distribution System (GDS): The term given to reservation systems that contains a vast database of inventories and travel information of participating travel carriers and suppliers

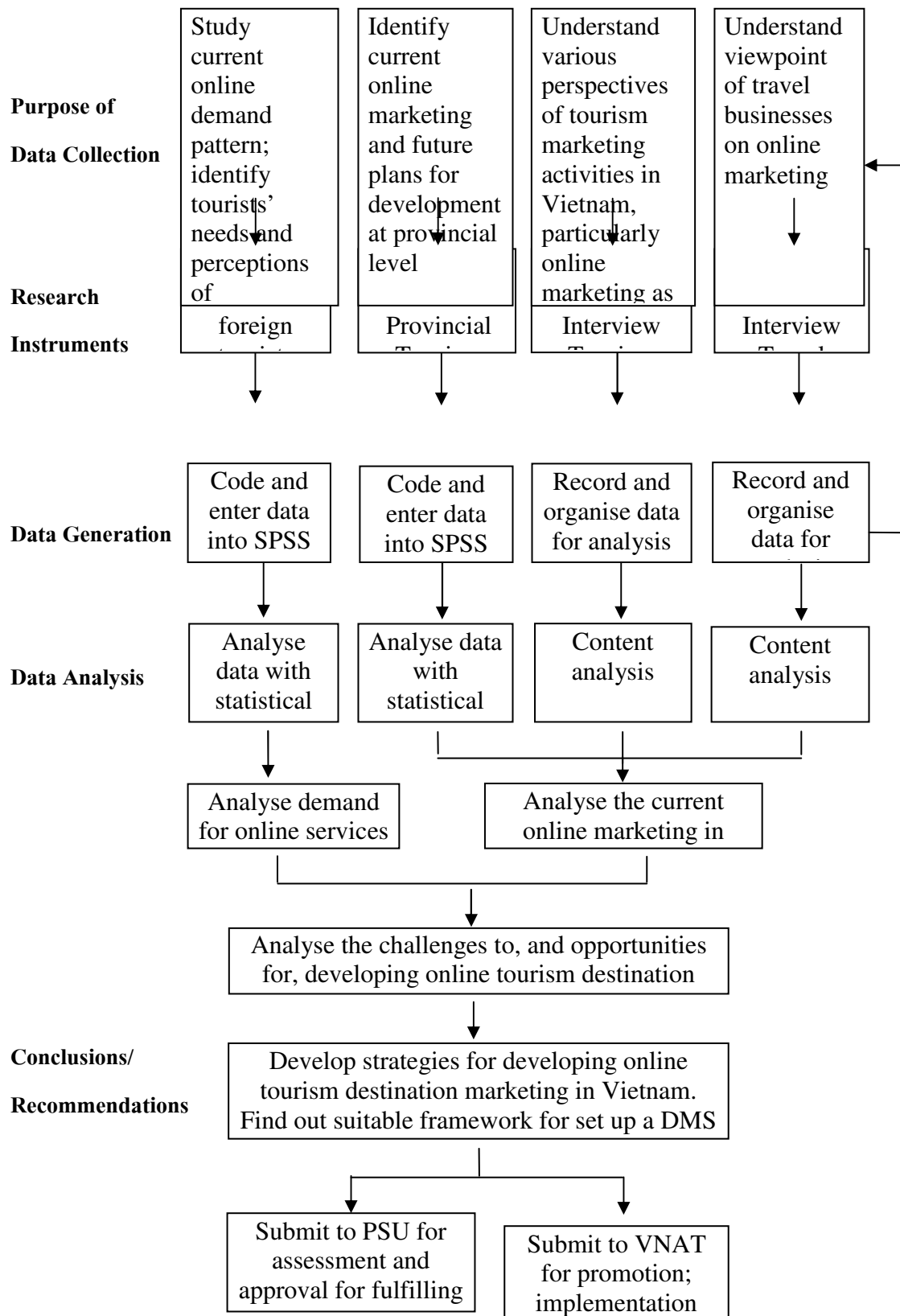
Customer Relationship Management (CRM) in its broadest sense simply means all customer interactions. Practically, this requires the firm to use information about customers and prospective customers to more effectively interact with customers in all stage of relationship with them.

Electronic Customer Relationship Management (eCRM) means managing all customer interactions via electronic mean(s) in order to effectively interact with customers in all available stages of relationship.

1.7 Conceptual Framework



1.8 Online Tourism Destination Marketing Research Flow Chart



CHAPTER 2

METHODOLOGY

2.1 Population, Sampling Group and Sampling Method

2.1.1 Population

There are 4 target groups involved in this study:

Group 1: The national level - National Tourism Organisation (NTO)

NTO is Vietnam National Administration of Tourism (VNAT) - a governmental office - under the Ministry of Culture, Sports and Tourism. It holds the function of state administration tourism nationwide as well as has responsibilities for promoting Vietnam tourism.

VNAT has two units which are set up and in charge of tourism promotion and marketing. The Tourism Promotion Department has the mission of promoting the country through International Tourism Fairs such as ITB, JATA; and the Tourism Information Technology Centre is in charge of online marketing for the whole country as a unique destination.

According to the Personnel Department of VNAT, the numbers of officials who work in these two departments are 55 people of which seven people are senior officials (VNAT, 2006c).

Group 2: The provincial level - Provincial Tourism Departments

There are 64 departments in charge of tourism management in 64 provinces and cities in Vietnam. In provinces, the mission of tourism marketing belongs to the Tourism and Trade Promotion Unit, since in most cases trade and tourism are under the control of the same provincial authority organisation. And those units promote their respective provinces as tourist destinations.

Group 3: The enterprise level - Tourism-related businesses

Tourism-related businesses include travel agencies, tour operators, hotels and other accommodation, restaurants, airlines, etc. All businesses have a unit in charge of marketing, which has to fulfill the mission of promoting for its tourist services world-wide and nation-wide as well as play an important role in promoting tourism destination.

Because of time limitations, this survey focuses on travel agencies and hotels which have websites and operate in Vietnam, with the opinion that these are most actively involved in tourism marketing. Customers can search the destination's information shown on the websites as well as they can book or buy the service directly via the Internet, therefore travel agencies and hotels would be the first place they contact before they come to the destinations.

According to TITC (2005), among 1,511 hotels and resorts, 498 hotels and resorts have their own websites. Regarding international travel agencies, among 481 there are 200 companies with websites.

Group 4: Foreign tourists

The tourist statistics page of VNAT's website (2007) shows that among 3,583,486 arrivals to Vietnam in 2006, 571,915 (16%) visitors who come from ASEAN countries, while 1,600,785 (45%) from other Asian countries, and 13% from Europe, 13% from America, 13% from Oceania (Table 2.1).

Table 2.1 Target Population of Foreign Tourists in Vietnam

Foreign Tourists Regions	2006	%
ASEAN countries	571,915	16%
Other Asian countries	1,600,785	45%
Europe	472,860	13%
America	459,398	13%
Oceania	478,528	13%
Total	3,583,486	100%

Source: VNAT (2007c)

All groups have been selected as they can be directly influenced by online marketing now or in the future.

2.1.2 Sample and Sampling Method

Several sampling methods were applied for different population groups as they have various patterns of behaviors and benefit sharing characteristics.

For the government officials group, purposive sampling was used. A semi-structured interview was taken with the director of TITC who is directly in charge of online tourism marketing policy development for Vietnam tourism. Another interview was conducted with the chief of Information System Division of TITC who has responsibilities for deploying ICT applications of tourism on the Internet. Two other interviews were conducted with two deputy directors of Promotion Tourism Department. They had adequately provided specific information on tourism marketing and promotion activities in Vietnam, particularly about online tourism destination marketing at the national level.

At the provincial level, group 2, the census survey was used; all 64 provincial tourism organisations in the whole country were contacted. The structured questionnaires were distributed through two main channels, post mail and electronic mail and sent directly to the directors of promotion and marketing departments.

For the third group - travel businesses, short interviews of online marketing were taken with selected tourism related businesses which have websites and operate in Vietnam. To select 40 hotels and travel agencies for this group's sample size, the multistage sampling was used. First, the group was stratified into a hotel group and a travel agency group. Then 20 businesses from each group had been selected purposively from the businesses that have good quality websites or advertise on the website www.vietnamtourism.com.

Although the number of hotels is higher than the number of travel agencies, the researcher selected equal number of businesses from the 2 groups to interview with the observation that travel agencies pay the same attention to online tourism destination marketing, or

possibly more, than hotels. Additionally the number of travel agencies that advertised on the website www.vietnamtourism.com is double the number of hotels that did so.

To minimize bias, stratified convenience method was applied for group 4. The structured questionnaires were distributed to international tourists at Noi Bai International Airport (in Hanoi) at the departure hall and at hotels and inbound travel companies in some major destinations in Vietnam.

The Taro Yamane (1967) theory was used to specify target sample sizes which a confidence interval of 95%.

According to the formula:

$$n = N/(1+N(e)^2)$$

e = Confidence interval at 95%, so e= 0.05

N = number of population = 3,583,486

n = sample size

Substituting into the equation:

$$n = 3,583,486 / (1+3,583,486(0.05)^2)$$

$$n = 3,583,486 / (1+8,959)$$

$$n = 399$$

Therefore, the sample size of foreign tourist group is 399.

The questionnaires were distributed to foreign tourists as in Table 2.2.

Table 2.2 The Number of Questionnaire Distributed to Foreign Tourists in Vietnam

Foreign Tourists Regions	Calculated Sample Size		Actual Sample Size	
	Freq.	%	Freq.	%
ASEAN countries	65	16%	51	19.0%
Other Asian countries	178	45%	78	29.1%
Europe	52	13%	61	22.8%
America	52	13%	38	14.2%
Oceania	52	13%	40	14.9%
Total	399	100%	268	100%

With sampling method of stratified convenience sampling for foreign tourists by region, the survey had to distribute more than 50% of the total sample size to Asian tourists. It was difficult because Asian tourists were not willing to answer the questions, partly due to language limitations (questionnaires were in English only). Researcher had also sent questionnaire to international travel agencies to get answer from Asian tourists but still insufficiency.

2.2 Type of Research

The research was classified as a mixed research method, combining quantitative and qualitative study. Quantitative data was prepared with 2 types of questionnaire, one for provincial tourism departments and another for foreign tourists in Vietnam. Qualitative data was collected from several interviews with Vietnam tourism officials and travel businesses marketing managers in Vietnam.

2.3 Research Instruments

2.3.1 Questionnaires

For provincial tourism departments

A two-page questionnaire with 19 questions was designed focusing on online marketing only, about the current situation of the department and their future plan (see Appendix A).

For foreign tourists

Four pages questionnaire in English were conducted, including four parts (see Appendix B):

- Part 1: Personal information
- Part 2: Internet and online searching and purchasing behaviors
- Part 3: Perception of Vietnamese travel websites
- Part 4: Tourists' post-trip behavior

2.3.2 Semi-Structured Interviews

The interviews were conducted in Vietnamese and included some guideline questions to ask the respondents to collect the main data that were used for the study; additional questions were asked on a case by case basis.

For tourism promotion-related officials

The main questions were about (see Appendix C):

- The situation of Vietnam tourism marketing, especially online marketing.

- The challenges to, and opportunities for, improving and developing tourism marketing in Vietnam.
- The future plan for marketing as well as online marketing in Vietnam.

For tourism-related business managers

The main questions were about (see Appendix D):

- Marketing and Sales activities of the company specifically with online marketing.
- Their opportunities and challenges in developing online marketing.
- Assess the vital role of online marketing in the company.

2.4 Data Collection

2.4.1 Secondary Data

Secondary data were used for the purpose of estimations and forecasting of online marketing development to Vietnam tourism. Respective data were available from Vietnam National Administration of Tourism (VNAT), Tourism Information Technology Centre (TITC) and Department of Tourism Promotion (DTP).

The annual statistical report and monthly bulletin of the VNAT provided fairly sufficient updated information on tourism in the country. The VNAT data gave macro-level picture of the industry. Data of TITC & DTP past surveys, respective local authority data were also used for the study.

Additionally, this research made use of publications in tourism journals, and professional organisations such as UNWTO, WTTC, UNESCAP, PATA, APTA.

2.4.2 Primary Data

Since the tourist destination online marketing sector in Vietnam started developing, there were hardly any specific data available on destination tourism online marketing.

Due to these limitations and absence of actual data required for the analysis, researcher conducted a field survey to gather necessary primary data for the study.

The data collection was carried out in the period November - December 2007: A summary of the data collection methods is provided in Table 2.3.

Table 2.3 Survey Groups, Population, Sample Selection, Methods, Sample Size

Survey groups Content	(1) Tourism Promotion-related Officials	(2) Provincial Tourism Departments	(3) Tourism-related Businesses	(4) Foreign Tourists
Population	Tourism promotion-related department of VNAT	Province Tourism Departments	Travel agencies, hotels which have websites and operated in Vietnam	All international tourists
Sampling Method	Purposive method (Non- probability)	Census (Non- probability)	Multistage (stratified and purposive) method (non-probability)	Stratified convenience (probability)
Focal Point to collect data	Selected senior officials	Directors of promotion and marketing departments	Manager/ Owner/ Directors of promotion and marketing dept.	International tourists in Vietnam
Population size	7 senior officials	64	698 (498 hotels and 200 international travel agencies)	3,853,496
Calculated Sample Size	2 heads of the two departments	64	20 hotels and 20 travel agencies	399
Actual Sample Size	4 senior officials of the two departments	39	4 hotels and 9 travel agencies	268

Data Collection Method	Semi-structured interview	Mail back with structured questionnaire	Semi-structured interview	Structured questionnaire
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2.5 Data Analysis

After sorting out the information by questionnaires, data were coded, computed and analysed by the Statistical Package for Social Sciences or SPSS version 15 by some functions. They are:

Frequency: result in the number of the respondents who answer each question and it gives the percentage.

Mean: it is the average of the investigated value.

Standard Deviation: the common measures of spread of variability which standard deviation summarize how far away from average the data values typically.

For analyse the means of several groups, the ANOVA is used. ANOVA or analysis of variance normally is widely used to analyse the independent groups that have more than two sub groups for nominal scale. Interpretation is analysed at 95% confidence level.

Pearson Chi-square: it is used nonparametric test of significance, involving nominal data; typical are cases where data is grouped in two or more nominal categories. Interpretation was analysed at 95% confidence level with 5% level of significance.

Independent - Sample T-test: is used for comparing the difference between two groups, which are independent from each other. Interpretation is analysed at 95% confidence level.

Five-point Likert scale was used to assess tourists' opinion on related issues. Likert scale: 5=very important/very good; 4=important/good; 3=average; 2 = unimportant / poor, 1=very unimportant/very poor.

The ranges between levels of importance/impression:

1.00 - 1.80:	Not important at all	Very poor
1.81 - 2.60:	Not important	Poor
2.61 - 3.40:	Average	Average

3.41 - 4.20:	Important	Good
4.21 - 5.00:	Very important	Very good

Importance-Performance Analysis (IPA) was performed to analyse whether the quality of Vietnamese travel websites meets the needs of tourists.

For qualitative data, content analysis and grouping method were used to make analysis clear.

SWOT analysis was used for assessment of the destination tourism online marketing development challenges from information collected in the survey.

Finally, having identified the challenges, strategic actions were proposed to groups and the tourism promotion sector.

CHAPTER 3

RESULTS

This chapter focuses on the results from the mixed studies and analyses the quantitative and qualitative data derived from the questionnaires and semi-structured interviews. A questionnaire was designed for foreign tourists to study current online demand patterns and identify tourists' needs and perceptions of Vietnamese travel websites. Another questionnaire for provincial tourism departments aims to identify current online marketing and future plans for development at provinces of Vietnam. In addition, in-depth interviews were carried out with senior tourism promotion related officials to understand various perspectives of tourism marketing activities in Vietnam, particularly online marketing as well as DMS for the country. In-depth interviews were also carried out with tourism-related business managers to understand their viewpoints on online marketing. In this chapter, the researcher presents the results as follows:

3.1 Demand for Online Travel Services in Vietnam

3.1.1 Personal Information of the Sample

3.1.2 Online Purchasing and Searching Behaviors

3.1.3 Perception of Vietnamese Travel Websites

3.1.4 Post-trip Behaviors

3.2 Current Situation of Online Tourism Destination Marketing in Vietnam

3.2.1 The current situation, challenges and opportunities for improving and developing tourism marketing in Vietnam and the future plan at national level (results of direct interviews with the two vice directors of the TPD - VNAT; the Director of the TITC - VNAT and the Chief of Information System Division - TITC - VNAT).

3.2.2 Current online marketing and future plans for development at provincial level in Vietnam.

3.2.3 The current situation, challenges and opportunities for improving and developing tourism online marketing in Vietnam at enterprise level; the assessment and

future plan (results of direct interviews with managers, marketing managers or sales managers of tourism-related businesses).

3.1 Demand for Online Travel Services in Vietnam

Nine hundreds surveys were distributed to foreign tourists at the Noi Bai International Airport in Hanoi, hotels and travel agencies in some major destinations in Vietnam. The response rate yielded a usable sample of 268 tourists, which represents 67.2% of the calculated sample size (Table 3.1).

Table 3.1 Response Rate Compare with Calculated Sample Size

Foreign Tourists Regions	Calculated Sample Size		Respondents	
	Freq.	%	Freq.	%
ASEAN countries	65	16%	51	19.0%
Other Asian countries	178	45%	78	29.1%
Europe	52	13%	61	22.8%
North Americas	52	13%	38	14.2%
Oceania	52	13%	40	14.9%
Total	399	100%	268	100%

3.1.1 Personal Information of the Sample

Table 3.2 shows the demographic information of the respondents. There were 139 (51.9%) male respondents and 129 (48.1%) female respondents. Almost half were over 45 years of age (46.6%); an additional 25.6% were between the age of 26 and 35 and 22.1% are between the age of 36 and 45. In terms of educational background of respondents, 86% of the respondents had diploma or higher. 57.4% of the all respondents are currently employed, while 32.3% were retired and 4.9% were students. The most frequent level of annual income reported was below USD 20,000 by 29 respondents (10.8%), while 8.6% earned of between USD 20,001 - 40,000, the annual income reported of between USD 40,001 - 60,000 and between USD 60,001 - 80,000 at the same rate of 6.7%. The highest annual income was reported by 8 respondents (3%)

with over USD 100,000 and the second highest was reported by 16 respondents (6%) with between USD 80,001 - 100,000. The majority of respondents stayed in hotels with three or more stars (85.8%).

Table 3.2 Demographic Information of the Respondents

		Freq.	%
Gender	Male	139	51.9
	Female	129	48.1
Age	16 - 25 yrs	15	5.7
	26 - 35 yrs	67	25.6
	36 - 45 yrs	58	22.1
	46 - 55 yrs	35	13.4
	56 - 65 yrs	58	22.1
	Over 65 yrs	29	11.1
Regions	ASEAN	51	19.0
	Other Asian countries	78	29.1
	Europe	61	22.8
	North Americas	38	14.2
	Oceania	40	14.9
Education	High school or less	35	14.0
	Diploma	46	18.4
	Bachelor Degree	105	42.0
	Graduate	64	25.6
Occupation	Employed	151	57.4
	Student	13	4.9
	Retired	85	32.3
	Unemployed	8	3.0
	Others	6	2.3
Annual household income	20,000 USD or less than	29	10.8

	20,001 - 40,000 USD	23	8.6
	40,001 - 60,000 USD	18	6.7
	60,001 - 80,000 USD	18	6.7
	80,001 - 100,000 USD	16	6.0
	Over 100,000 USD	8	3.0
	Prefer not to say	156	58.2

Table 3.2 (Continued)

		Freq.	%
Accommodation stayed	1-star	7	2.7
	2-star	13	5.0
	3-star	97	37.5
	4-star	66	25.5
	5-star	59	22.8
	Others	17	6.6

Table 3.3 provides more details about the foreign tourists' trips to Vietnam. Of all the respondents, 45.5% reported that travel agencies in their countries had arranged their trips, while 16.8% of the trips were arranged by travel agencies in Vietnam. Own arrangement by Internet was reported by 78 respondents (29.1%). According to the survey, 23.9% of the respondents were repeat visitors; the majority of respondents visited Vietnam for the first time (76.1%).

Table 3.3 Tourists' Trip Profile

		Freq.	%
The party arranged the travel products reservation for this visit	Travel agency in respondent's country	122	45.5
	Own arrangement by Internet	78	29.1
	Travel agency in Vietnam	45	16.8
	Others	23	8.6

		Freq.	%
Visit to Vietnam	First time	204	76.1
	Repeat visit	64	23.9

Table 3.4 shows the type of trip arrangements based on the origin of the respondents. The highest percentage of respondents who arranged their visits by themselves via the Internet was from ASEAN (43.1%), the next highest was Oceania (32.5%), and the third highest was other Asian countries (28.2%). The lower percentage from North Americas (23.7%) and Europe (19.7%) was surprising since these two regions normally showed high number of booking online in the world. Pearson Chi-square test at 95% of confidence interval indicated statistically significant differences in party arranged for this visit between differences in the original of the respondents (Table 3.4).

Table 3.4 The Comparison between Party Arranged for This Visit and Respondent's Original

The party arranged for this visit	Regions										Pearson Chi-Square		
	ASEAN		Other Asian countries		Europe		North Americas		Oceania		Value	d f	Sig. (2-sided)
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%			
Own arrangement by Internet	22	43.1	22	28.2	12	19.7	9	23.7	13	32.5	27.786	12	0.006*
Travel agency in the country	16	31.4	42	53.8	35	57.4	14	36.8	15	37.5			
Travel agency in Vietnam	11	21.6	6	7.7	9	14.8	8	21.1	11	27.5			
Others	2	3.9	8	10.3	5	8.2	7	18.4	1	2.5			

Note: * Pearson Chi-square was used to test for statistically significant differences between groups

The first image of Vietnam that comes to foreign tourists' mind was various. They were categorized into 6 areas include: specific destinations, history, natural landscapes, culture and customs, people and others.

The most common first image of Vietnam reported was beautiful natural landscapes by 56 respondents (20.9%). The second most frequent level of image was some specific destination reported by 43 respondents (16%). The third highest image reported by 25 respondents (9.3%) was people. Following by 8.6% was others; 6% was culture and customs and 3% was image of history. However, 97 respondents (36.2%) reported the first image of Vietnam was not specific (Table 3.5).

Table 3.5 Vietnam Images

	Categories	Descriptions	Freq.	%
First image of Vietnam	Natural landscapes	Beautiful country; great landscapes; beautiful beaches; beautiful site; rice paddy; natural heritage.	56	20.9
	Specific destination	Beautiful Hanoi; Ho Chi Minh City; Halong Bay; scenic Sapa; greenery of Mekong Delta; historic site of Hue; Dien Bien Phu; Cu Chi; Phu Quoc; Chaos Airport; Ben Thanh Market; poetic Dalat.	43	16.0
	People	Friendly; hospitality; smiling; heroic; honest; happy local people;	25	9.3
	Culture and Customs	Food; culture; cultural heritage; Asian life; beautiful handicraft.	16	6.0
	History	War (long war, effect of the war)	8	3.0
	Others	Developing country; safe country; busy country; motorbike; pollution; traffic jam; big market; economy; business; a nice for whole family travel together.	23	8.6
	Not specific		97	36.2

North American respondents reported the highest percentage of tourists that had as first image of Vietnam natural landscape (47.4%); they also reported the highest percentage of specific first image of Vietnam with the least percentage people for whom the first image of Vietnam was not specific (7.9%). Other regions reported not specific first image of Vietnam with highest percentage from Europe (45.9%), ASEAN (43.1%), then Oceania (42.5%) and other Asian countries (34.6%). Pearson Chi-square test at 95% of confidence interval indicated statistically significant differences in the first image of Vietnam between differences in the original of the respondents (Table 3.6).

Table 3.6 The Comparison between First Image of Vietnam and Respondent's Original

First image of Vietnam	Regions										Pearson Chi-Square		
	ASEAN		Other Asian countries		Europe		North Americas		Oceania				
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Value	d f	Sig. (2-sided)
Destination	6	11.8	19	24.4	7	11.5	6	15.8	5	12.5	53.558	24	0.000*
History	0	0.0	5	6.4	0	0.0	0	0.0	3	7.5			
Natural Landscapes	9	17.6	13	16.7	9	14.8	18	47.4	7	17.5			
Culture and Customs	3	5.9	2	2.6	8	13.1	1	2.6	2	5.0			
People	5	9.8	8	10.3	5	8.2	5	13.2	2	5.0			
Others	6	11.8	4	5.1	4	6.6	5	13.2	4	10.0			
Not Specific	22	43.1	27	34.6	28	45.9	3	7.9	17	42.5			

Note: * Pearson Chi-square was used to test for statistically significant differences between groups

3.1.2 Online Purchasing and Searching Behaviors

Most respondents (190) (70.9%) were Internet users, while 29.1% of the respondents (78) did not use the Internet. Table 3.7 reports the Internet and online purchasing behaviors of the respondents. The majority of the respondents who used the Internet accessed Internet "Primarily work/school but also at home" (42.5%) while 20.7% accessed the Internet "at home only". 118 respondents (66.3%) used the Internet "Several hours a day", 27 respondents (15.2%) accessed the Internet "1 hour per day", 28 respondents (15.7%) accessed the Internet "A few times a week", while 4 respondents (2.2%) accessed the Internet "Once a week" and 1 respondents (0.6%) accessed the Internet "Once a month". Among the respondents who used the Internet, 80% had been using Internet resources more than 3 years, of which 38.3% had been using for 7 years or more; 39 respondents (21.4%) had never purchased anything on the Internet, 42 respondents (23.1%) purchased travel products online once a year, 65 respondents (35.7%)

purchased between “2 - 5 times a year”, 23 respondents (12.6%) purchased between “6 - 12 times a year”, while 13 respondents (7.1%) purchased more than 12 times a year.

The most frequent average percentage of total purchase travel online to total travel per year for purchase travel online was “1% - 25%” by 21 respondents (32.3%), 18 respondents (27.7%) spent “26% - 50%” and 10 respondents (15.4%) spent “51%-75%”, while 16 respondents (24.6%) spent “76% - 100%”. The average total travel expenditures of the respondents per year is USD 7,037; their average online travel expenditures per year are USD 3,340, and the average of total purchase travel online to total travel rate per year is 49.9%.

Table 3.7 The Internet and Online Purchasing Behaviors

		Freq.	%
Primary place of Internet access	Primarily work/school but also at home	76	42.5
	Work only	33	18.4
	Primarily at home but also at work/school	33	18.4
	Home only	37	20.7
How often do you use of Internet?	Several hours a day	118	66.3
	1 hour/day	27	15.2
	A few times a week	28	15.7
	Once a week	4	2.2
	Once a month	1	0.6
How long have you been using Internet resources?	1-3 years	35	20.0
	4-6 years	73	41.7
	7 years or more	67	38.3
How often do you purchase travel products online?	Never purchase anything on the Internet	39	21.4
	Once a year	42	23.1
	2 - 5 times a year	65	35.7
	6- 12 times a year	23	12.6
	More than 12 times a year	13	7.1
Total purchase travel	1% - 25%	21	32.3

		Freq.	%
online to total travel per year.	26% - 50%	18	27.7
	51% - 75%	10	15.4
	76%- 100%	16	24.6

Table 3.8 illustrates the average of online searching assessment of respondents. It explains how important attributes of travel websites are.

Table 3.8 Importance of Travel Website Attributes

Attributes of travel websites	Freq.	Min.	Max.	Mean	Std. Deviation
Photographs of the destination	148	2.00	5.00	4.39	0.57
Web site is available in different languages	146	2.00	5.00	4.18	0.79
Price of (hotels, restaurants, tours)	144	2.00	5.00	4.15	0.75
Tourist essential information (Visa, money)	146	1.00	5.00	4.08	0.77
Maps	146	2.00	5.00	4.04	0.85
Booking reservation	143	1.00	5.00	4.04	0.79
Where to go	144	2.00	5.00	4.04	0.75
Climate, Geography, Topography	144	1.00	5.00	4.03	0.87
How to get to the destination	145	1.00	5.00	4.03	0.79
Culture and Customs	145	1.00	5.00	4.03	0.76
Attractions	147	1.00	5.00	3.99	0.81
Tourist promotions	144	1.00	5.00	3.95	0.83
What to do	144	1.00	5.00	3.94	0.75
Logo or brand	146	2.00	5.00	3.83	0.96
Festivals and Events	148	1.00	5.00	3.82	0.96
Destination specific activities	144	1.00	5.00	3.81	0.88
Suggested itineraries	142	1.00	5.00	3.81	0.94
Site map	144	1.00	5.00	3.81	1.03
Tourism news	144	2.00	5.00	3.77	0.85

Attributes of travel websites	Freq.	Min.	Max.	Mean	Std. Deviation
Visitors comments	144	1.00	5.00	3.75	0.80
Public transport	145	1.00	5.00	3.74	0.97
Keyword search	144	1.00	5.00	3.65	0.94
List of awards given to site	142	1.00	5.00	3.62	0.98
List of external links to related sites	143	1.00	5.00	3.57	0.88
List of frequently asked questions (FAQ)	144	1.00	5.00	3.53	0.91
Shopping hours	145	1.00	5.00	3.44	1.03

Base on the statistics in Table 3.8, the means of all attributes were mostly in the range of 3.41-4.2, except attribute of Photographs of the destination (4.39); therefore the research shows that almost all above attributes were important and the attribute of Photographs of the destination was very important to the travel websites.

3.1.3 Perception of Vietnamese Travel Websites

Of the respondents who had searched or visited official Vietnam tourism websites, 54% (95 respondents) had searched or visited www.vietnamtourism.com. It was followed in popularity by vietnamtourism-info.com (15.9%), vietnam-tourism.com (14.2%), vietnamtourism.gov.vn (13.6%), dulichvn.org.vn (8.5%), and myhotelvietnam.com (8.5%) (Table 3.9).

Table 3.9 Searched or Visited Official Vietnamese Tourism Websites by Respondents

Websites	Freq.	% *
www.vietnamtourism.com	95	54.0
www.vietnamtourism-info.com	28	15.9
www.vietnam-tourism.com	25	14.2
www.vietnamtourism.gov.vn	24	13.6
www.dulichvn.org.vn	15	8.5
www.myhotelvietnam.com	15	8.5

Note: * The total may not add up to 100%, because multiple selections were allowed.

Table 3.10 reports the online searching perception of respondents to Vietnamese travel websites. A quarter of the respondents (26.2%) found that it was easier to find online information on Vietnam for their trip from Vietnamese travel websites, while 28 respondents (16.3%) reported easier from Vietnam-related foreign websites. However, 99 respondents (57.6%) reported it was easy to find online information on Vietnam for their trip from both Vietnamese and Vietnam-related foreign websites.

Just under half of the respondents (48.3%) could find all travel information they needed from Vietnamese websites only, while 89 respondents (51.7%) could not find only on Vietnamese websites.

Nearly half of the respondents (43.4%) found that vietnamtourism.com is the most useful website when they searched information on Vietnam, 4 respondents (4.8%) reported vietnamtourism-info.com is the most useful website, while 43 respondents (51.8%) reported other websites were the most useful websites for searching information on Vietnam. These other websites were mostly websites of travel agencies or hotels that they booked for their trips such as www.saigon-tourist.com, www.peacetour.com.vn. Some were travel portals or search engines such as Google.com, Wikipedia.com, travelsupermarket.com.

Table 3.10 Online Searching Perception of Vietnamese Travel Websites

		Freq.	%
Easier to find online information on Vietnam for the trip from	Vietnamese travel websites	45	26.2
	Vietnam-related foreign websites	28	16.3
	Both	99	57.6
Could find all travel information you needed from Vietnamese websites only	Yes	83	48.3
	No	89	51.7
The websites found most useful	www.vietnamtourism.com	36	43.4
	www.vietnamtourism-info.com	4	4.8

Airline tickets	85	47.2	33	18.3	16	8.9	21	11.7	18.8	63.6
Other transportation	36	20	35	19.4	20	11.1	16	8.9	55.6	45.7
Accommodation	65	36.1	41	22.8	31	17.2	18	10.1	47.7	43.9
Package tour	67	37.2	39	21.8	14	7.8	20	11.1	20.9	51.3
Travel insurance	30	16.7	46	25.6	13	7.2	23	12.8	43.3	50.0

Note: * The total may not add up to 100%, because multiple selections were allowed.

** Conversion Rate: % of travelers who make online purchases from the website they search information on.

The respondents' overall impression with responses to their email inquiries to Vietnamese travel websites is reported in Table 3.12. All the respondents had good impressions with the quality of email replies, and all criteria were ranked as good; the best impressions were with "Prompt response" and "Good suggestions".

Table 3.12 Quality of Email Reply

Attributes	Freq.	Min	Max	Mean	Std. Deviation	Impression
Prompt response	145	1.0	5.0	4.01	.76	good
Good suggestions (e.g. alternative routes)	142	2.0	5.0	3.89	.74	good
Sufficient information	142	2.0	5.0	3.83	.67	good
Relevant response (answered what asked for)	143	1.0	5.0	3.81	.70	good
Professional language used	142	1.0	5.0	3.80	.71	good

Table 3.13 illustrates the average quality of online searching on Vietnamese travel website. The respondents had good impression with almost of all showed attributes; however they weren't at high level. Most attributes were good with the mean above 3.40 but only

one attribute was a bit more than 4.00 (Culture and Customs, 4.08) and one attribute was equal to 4.00 (Photographs of the destination); all other attributes were less than 4.00.

Table 3.13 Quality of Vietnamese Travel Websites

Attributes of travel websites	Freq.	Min	Max	Mean	Std. Deviation
Culture and Customs	145	2.00	5.00	4.08	0.77
Photographs of the destination	148	2.00	5.00	4.00	0.69
Festivals and Events	148	1.00	5.00	3.89	0.87
Web site is available in different languages	146	1.00	5.00	3.88	0.78
Suggested itineraries	142	1.00	5.00	3.86	0.79
Maps	146	1.00	5.00	3.86	0.86
Tourist essential information (Visa, money,)	146	1.00	5.00	3.84	0.75
Climate, Geography, Topography	144	2.00	5.00	3.83	0.72
Where to go	144	2.00	5.00	3.83	0.78
Attractions	147	1.00	5.00	3.81	0.80
Logo or brand	146	2.00	5.00	3.79	0.80
What to do	144	2.00	5.00	3.79	0.77
Destination specific activities	144	2.00	5.00	3.74	0.76
Price of (hotels, restaurants, tours)	144	2.00	5.00	3.72	0.72
Tourism news	144	2.00	5.00	3.71	0.74
Site map	144	1.00	5.00	3.69	0.89
Booking reservation	143	2.00	5.00	3.68	0.83
How to get to the destination	145	1.00	5.00	3.63	0.77
Public transport	145	2.00	5.00	3.61	0.88
Tourist promotions	144	2.00	5.00	3.61	0.75
Visitors comments	144	2.00	5.00	3.58	0.79
Shopping hours	145	2.00	5.00	3.56	0.77
List of frequently asked questions (FAQ)	144	1.00	5.00	3.56	0.77
List of awards given to site	142	2.00	5.00	3.54	0.86
Keyword search	144	2.00	5.00	3.44	0.77
List of external links to related sites	143	1.00	5.00	3.38	0.78

Note: The ranges between levels of impression: 1.00 -1.80: Very poor; 1.81 - 2.60:

Poor; 2.61 - 3.40: Average; 3.41 - 4.20: Good; 4.21 - 5.00: Very good

Since the vital role of websites to online tourism destination marketing, some more statistical tests as well as analysis had done with the Vietnamese travel website attributes.

Table 3.14 shows the result of paired-samples T-test of the difference of the means of Importance and Performance of all attributes of the travel websites. Based on the statistics in Table 3.14, the attributes which had negative performance-importance gap need to improve to get the Performance of the attributes equal or higher than their Importance. The attributes need to improve most were Price of (hotels, restaurants, tours) (-0.43); How to get to the destination (-0.40); Photographs of the destination (-0.39); Booking reservation (-0.36) and Tourist promotions (-0.34); Web site is available in different languages (-0.30); Tourist essential information (Visa, money,) (-0.24); Keyword search and Where to go (-0.21); Climate, Geography, Topography (-0.20); List of external links to related sites (-0.19); Attractions and Maps (-0.18); Visitors comments (-0.17); What to do (-0.15); Public transport (-0.13). Some other attributes that need pay a little more attentions included Site map (-0.12); List of awards given to site (-0.08); Destination specific activities (-0.07); Tourism news (-0.06); and Logo or brand (-0.04).

Of the above attributes, the attributes showed statistically significant difference between importance and performance were: Price of (hotels, restaurants, tours); How to get to the destination; Photographs of the destination; Booking reservation; Tourist promotions; Web site is available in different languages; Tourist essential information (Visa, money,); Where to go; Keyword search; Climate, Geography, Topography; List of external links to related sites; Attractions; Maps; Visitors comments. These attributes indicated the need of urgent improvement to satisfy customers.

Table 3.14 Importance - Performance Gaps of Vietnamese Travel Websites

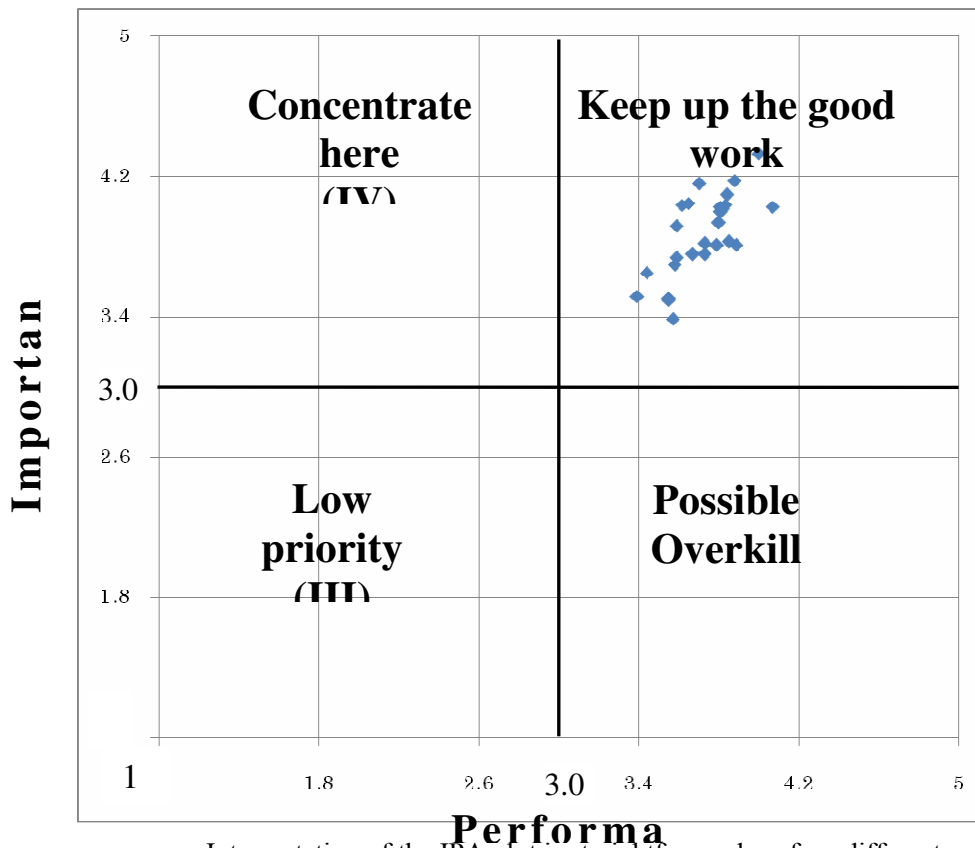
Attributes of travel websites	P	I	(P-I)	T-test	
				t-value	p-value
Price of (hotels, restaurants, tours)	3.72	4.15	-0.43	-5.32	0.00*
How to get to the destination	3.63	4.03	-0.40	-5.30	0.00*
Photographs of the destination	4.00	4.39	-0.39	-6.05	0.00*
Booking reservation	3.68	4.04	-0.36	-4.92	0.00*
Tourist promotions	3.61	3.95	-0.34	-4.15	0.00*
Web site is available in different languages	3.88	4.18	-0.30	-3.81	0.00*
Tourist essential information (Visa, money,)	3.84	4.08	-0.24	-2.81	0.01*
Where to go	3.83	4.04	-0.21	-2.59	0.01*
Keyword search	3.44	3.65	-0.21	-2.86	0.01*
Climate, Geography, Topography	3.83	4.03	-0.20	-2.43	0.02*
List of external links to related sites	3.38	3.57	-0.19	-2.78	0.01*
Attractions	3.81	3.99	-0.18	-2.50	0.01*
Maps	3.86	4.04	-0.18	-2.29	0.02*
Visitors comments	3.58	3.75	-0.17	-2.10	0.04*
What to do	3.79	3.94	-0.15	-1.90	0.06
Public transport	3.61	3.74	-0.13	-1.43	0.16
Site map	3.69	3.81	-0.12	-1.49	0.14
List of awards given to site	3.54	3.62	-0.08	-1.05	0.30
Destination specific activities	3.74	3.81	-0.07	-0.88	0.38
Tourism news	3.71	3.77	-0.06	-0.80	0.42
Logo or brand	3.79	3.83	-0.04	-0.54	0.59
List of frequently asked questions (FAQ)	3.56	3.53	0.03	.442	0.66
Culture and Customs	4.08	4.03	0.05	0.70	0.49
Suggested itineraries	3.86	3.81	0.05	0.57	0.57
Festivals and Events	3.89	3.82	0.07	0.86	0.39
Shopping hours	3.56	3.44	0.12	1.30	0.20

Note: * statistically significant gap ($p \leq 0.05$) between Performance and Importance (Paired-sample T-test)

Importance - Performance Analysis (IPA) has been widely accepted and used in a variety of fields and types of organisations due to ease of application as well as the appealing means of presenting both data and strategic suggestions. IPA combines measures of an attribute's importance and level of performance into a two-dimensional grid in an attempt to ease data interpretation and derive practical suggestions. Ideally, the importance of an attribute is measured prior to, rather than after, the actual experience because IPA seeks to understand the role of the key selected attributes. Performance is then measured using the same set of attributes (Martinez, 2003).

For this research, participants were asked to assess how important attributes of travel websites are. Then they were asked how they impress to Vietnamese travel websites. The mean data was plotted of the importance and performance scores with horizontal and vertical gridlines for the website attributes. Researcher uses two different methods to plot importance-performance data, each of which has different implications. The first, shown in Figure 3.1, locates the cross-hair points of the grid along the mean points for the scales employed for measuring importance-performance.

Figure 3.1 IPA Grid for Vietnamese Travel Website Attributes with Mean Scores for the Scale



Interpretation of the IPA plot is straightforward, as four different suggestions are making based on the importance-performance measures. The first quadrant, ‘keep up the good work’, captures the attributes considered important and which are perceived to have been performed well. Likewise, ‘possible overkill’ in Quadrant 2 indicates that the attributes in this quadrant are relatively less important but were still performed well. Some attributes may fall into the third quadrant, ‘low priority’ because both importance and performance ratings are lower than the average. These items are likely to receive less time or resources in the future. The attributes that are important to participants but were not performed well are classified into Quadrant 4, “concentrate here”.

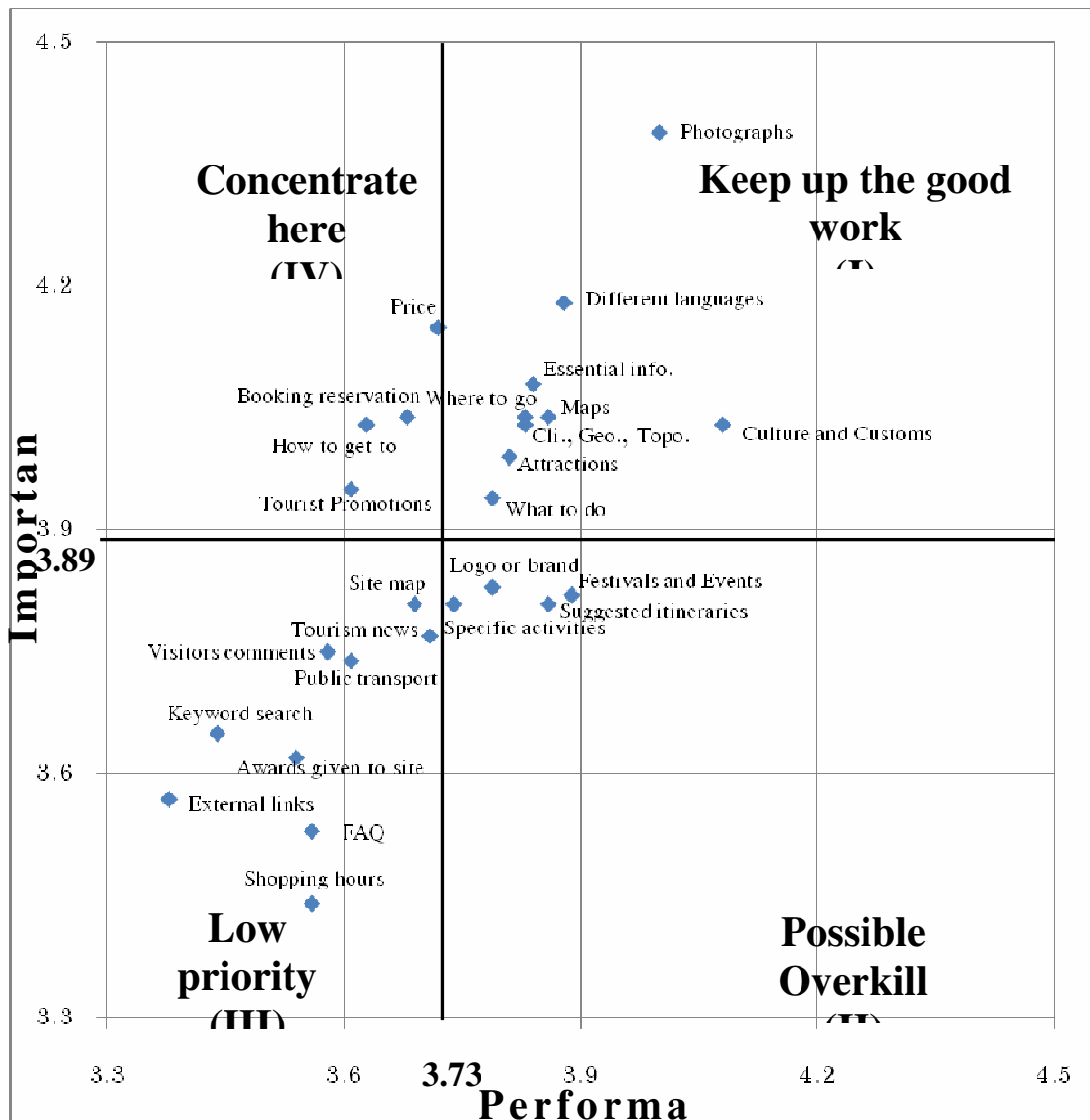
These are areas where resources and time should be allocated to improve performance. In essence, IPA provides a snapshot of how well attributes of importance were performed and, at the same time, offers guideline for future resource allocation decisions (Martinez, 2003).

With the cross-hair of the grid in the position as in Figure 3.1, all points fall into Quadrant 1, indicating that the respondents felt all shown website attributes were important and they had good impression with these attributes which were provided in Vietnamese travel websites.

However, according to Oh (2001), the majority of researchers place the cross-hair of the grid along the mean values observed (calculated from respondent scores). With the cross-hair of the grid in this position (Figure 3.2), interpretations were very different.

The importance of the attributes is ranged with scale of “minimum of mean of the importance to maximum of mean of the importance (3.38 to 4.4)”. Lower number means less important, higher number means more important. The "Performance" also comes up with a scale of “minimum of mean of the performance to maximum of mean of the importance (3.38 to 4.08)”. The cross-hair of the grid was placed along the mean values observed (calculated from participant scores), the average of all means of the Importance score and the average of all means of the Performance score (Figure 3.2).

Figure 3.2 IPA Grid for Vietnamese Travel Website Attributes with Mean Score Observed



With the cross-hair of the grid as in the position in Figure 3.2, interpretations were as followings:

Quadrant 1: Keep Up the Good Work:

Trying to maintain and maximize benefits for these attributes: Photographs of the destination; Culture and Customs; Web site is available in different languages; Climate, Geography, Topography; Maps; Where to go; Attractions; What to do; and Tourist essential information (Visa, money). It is already operating and performing well.

Quadrant 2: Possible Overkill:

The attributes that do not need to be paid more attention for are Logo or brand; Destination specific activities; Festivals and Events; Suggested itineraries.

Quadrant 3: Low Priority:

Vietnamese travel websites need to improve these following attributes, however, they are second priority after the attributes plotted in quadrant 4: List of external links to related sites; Visitors comments; Tourism news; Keyword search; Public transport; Shopping hours; List of awards given to site; List of frequently asked questions and Site map.

Quadrant 4: Concentrate Here:

Vietnamese travel websites need to improve urgently the following attributes with high priority: Price of (hotels, restaurants, tours); How to get to the destination; Booking reservation; Tourist promotions.

In addition, analysis of variance (ANOVA) test was used to investigate the tourists in difference regions' assessment travel website attributes and their impression on Vietnamese travel website with these attributes with the F-value or statistically significant was accepted at 0.05.

As illustrated in Table 3.15, the attributes that showed significant differences between the regions were Logo or brand, List of awards given to site, Site map, List of external links to related sites, Where to go, Keyword search.

The impressions of respondents from different regions were similar with regard to the Vietnamese travel website attributes (see more detail in Table 3.16).

Table 3.15 Variations in Importance of Travel Website Attributes by Regions

Travel website attributes	Regions					ANOVA	
	ASEAN	Other Asian countries	Europe	North Americas	Oceania	F	P
Logo or brand	4.15	3.83	3.58	3.33	4.15	5.47	0.00*
Photographs of the destination	4.37	4.41	4.25	4.24	4.38	0.66	0.62
Web site is available in different languages	4.07	4.27	4.21	4.06	4.33	0.80	0.53
List of awards given to site	3.84	3.67	3.43	3.03	3.52	3.34	0.01*
Climate, Geography, Topography	4.16	3.93	4.09	3.79	4.24	1.48	0.21
Tourist essential information (visa, money)	4.11	4.02	4.12	3.97	4.37	1.27	0.28
Shopping hours	3.68	3.40	3.42	3.27	3.11	1.27	0.29
How to get to the destination	3.95	4.03	4.03	3.94	4.33	1.17	0.33
Public transport	4.02	3.73	3.67	3.59	3.63	1.32	0.27
Culture and Customs	4.02	4.00	4.21	3.82	4.19	1.46	0.22
Festivals and Events	3.90	3.83	3.80	3.67	3.86	0.32	0.87
Attractions	4.03	4.10	3.94	3.91	4.04	0.33	0.86
Destination specific activities	3.94	3.85	3.91	3.55	3.89	1.14	0.34
Suggested itineraries	3.81	3.75	3.88	3.82	3.96	0.24	0.91
Maps	4.14	4.00	4.00	3.79	4.37	2.02	0.09
Site map	3.78	4.03	3.82	3.18	4.00	4.24	0.00*
List of external links to related sites	3.58	3.90	3.36	3.18	3.48	3.50	0.01*
Visitors comments	3.86	3.78	3.55	3.67	3.59	0.78	0.54
Booking reservation	4.24	3.98	3.91	3.85	4.32	2.14	0.08
Price of (hotels, restaurants, tours)	4.13	4.10	4.30	3.97	4.36	1.45	0.22
Tourist promotions	3.94	4.10	3.85	3.79	3.93	0.73	0.57
What to do	3.89	3.98	3.88	3.82	4.18	1.02	0.40
Where to go	3.89	4.18	3.94	3.82	4.31	2.51	0.04*
Tourism news	3.86	3.73	3.70	3.65	3.90	0.49	0.74
Keyword search	3.53	3.55	3.97	3.33	4.00	2.89	0.02*
List of frequently asked questions (FAQ)	3.58	3.33	3.58	3.55	3.52	0.52	0.72

Note: *ANOVA test was used to test for statistically significant differences between groups

The ranges between levels of important: 1.00 - 1.80: Not important at all;

1.81 - 2.60: Not important; 2.61 - 3.40: Average; 3.41 - 4.20: Important;
4.21 - 5.00: Very important.

Table 3.16 Variations in Performance of Vietnamese Travel Website Attributes by Regions

Travel website attributes	Regions					ANOVA	
	ASEAN	Other Asian countries	Europe	North Americas	Oceania	F	Sig.
Logo or brand	3.97	3.94	3.62	3.53	3.83	1.88	0.12
Photographs of the destination	4.06	3.94	3.97	4.00	4.09	0.21	0.93
Web site is available in different languages	3.59	3.97	3.90	4.03	3.96	1.68	0.16
List of awards given to site	3.71	3.57	3.41	3.42	3.59	0.60	0.67
Climate, Geography, Topography	3.76	4.03	3.83	3.83	3.52	1.73	0.15
Tourist essential information (visa, money)	3.88	3.80	3.97	3.87	3.65	0.62	0.65
Shopping hours	3.65	3.43	3.59	3.48	3.74	0.73	0.57
How to get to the destination	3.53	3.63	3.66	3.72	3.57	0.28	0.89
Public transport	3.65	3.83	3.55	3.48	3.35	1.19	0.32
Culture and Customs	4.15	4.09	4.07	3.97	4.04	0.22	0.93
Festivals and Events	3.97	3.86	3.97	3.87	3.78	0.23	0.92
Attractions	3.59	3.89	3.97	3.80	3.82	1.01	0.41
Destination specific activities	3.71	3.80	3.83	3.62	3.70	0.34	0.85
Suggested itineraries	3.79	3.97	4.00	3.86	3.52	1.47	0.21
Maps	3.85	4.03	3.79	3.83	3.57	0.98	0.42
Site map	3.82	3.86	3.66	3.50	3.36	1.52	0.20
List of external links to related sites	3.53	3.46	3.48	3.23	3.18	1.15	0.34
Visitors comments	3.68	3.71	3.41	3.45	3.61	0.89	0.47
Booking reservation	3.76	3.69	3.69	3.59	3.48	0.46	0.76
Price of (hotels, restaurants, tours)	3.68	3.97	3.52	3.69	3.57	1.97	0.10
Tourist promotions	3.56	3.71	3.55	3.48	3.61	0.40	0.81
What to do	3.84	3.71	3.72	3.90	3.87	0.35	0.85
Where to go	3.89	3.80	3.83	3.83	3.70	0.22	0.93
Tourism news	3.86	3.60	3.55	3.86	3.78	1.25	0.29
Keyword search	3.50	3.37	3.45	3.38	3.52	0.23	0.92

List of frequently asked questions (FAQ)	3.62	3.62	3.48	3.73	3.22	1.74	0.14
Website design	3.38	3.37	3.30	3.50	3.65	1.00	0.41
Website usefulness	3.47	3.34	3.37	3.63	3.57	1.02	0.40
Overall impression	3.29	3.40	3.37	3.53	3.48	0.77	0.55

Note: The ranges between levels of impression: 1.00 -1.80: Very poor; 1.81 - 2.60:

Poor; 2.61 - 3.40: Average; 3.41 - 4.20: Good; 4.21 - 5.00: Very good

The mean of respondents' impression of the Vietnamese travel websites design was 3.43 out of 5, and with the Vietnamese travel website usefulness were 3.47. The overall impression had a mean of 3.41, showing that the websites should have been paid more attention by their owners and designers (Table 1.17).

Table 3.17 Impression of Vietnamese Travel Websites

	Freq.	Min.	Max.	Mean	Std. Deviation	Impression
Website usefulness	152	2.00	5.00	3.47	.68	Good
Website design	152	1.00	5.00	3.43	.71	Good
Overall impression	152	2.00	5.00	3.41	.59	Good

3.1.4 Post-trip Behaviors

Table 3.18 reports tourists' post-trip behavior. The majority of the respondents (54.9%) reported that they would talk to their relatives / friends, 55 respondents (21.4%) wrote to the travel agencies/ hotels that they booked, 35 respondents (13.6%) wrote on their blogs, only 1 respondent (0.4%) wrote to official websites of Vietnam Tourism and 7 respondents (2.7%) had written or talked to others. However, 66 respondents (25.5%) did not talk or write to anybody about their trips.

Table 3.18 Tourists' Post-trip Behaviors

		Freq.	% *
How to spread experience and comments on the trip when go back	Talk to the relatives / friends	141	54.9
	Email to the travel agencies/ hotels that had booked	55	21.4
	Write on the blog	35	13.6
	Email to the official websites of Vietnam Tourism	1	0.4
	Others	7	2.7
	No comment	66	25.5

Note: * The total may not add up to 100%, because multiple selections were allowed.

Table 3.19 shows the number of tourists that planned to come back to Vietnam. 107 respondents (41.2%) reported would come back to Vietnam, while 30 respondents (11.5%) would not. However, 123 respondents (47.3%) reported that they might be back to Vietnam.

Table 3.19 Plans to Come Back to Vietnam

		Freq.	%
Plans to come back to Vietnam	Yes	107	41.2
	No	30	11.5
	Maybe	123	47.3

The respondents were also asked in one open-ended question to provide any additional relevant comments on Vietnam tourism information supply. However, some respondents give other comments they might have during their trips.

Many of the comments showed satisfaction with the trip, especially with the hospitality and friendly of the local people:

“Experience was much better than expectation; [I] would definitely return.”

“Good food; beautiful landscape; friendly people”

“Everything was good; I [am] satisfied with the trip”

“It was very easy to organise tours/travel in Vietnam, I walk in secure and people here very friendly”

“The Vietnamese [are] very friendly and Vietnam has rich view.”

“I book all my holiday trips in Amsterdam at Travel Market Reizen who is working together with Orient-Yours 115/8 Tran Quoc Thao, Ward 7, Dist. 3, HCMC. I let them organise our trips to full satisfaction.”

Some comments revealed problems tourists had encountered when they searched information for the trip to Vietnam, mostly from the content of websites. Some were related to bookings and updating information:

“The hotel we stayed in failed to send us email confirmation for our reservation, although I asked for it 2 times. It was very frustrating”

“Must have clear information in English and Chinese”

“Publish book with simple words. A simple book giving keywords (should put on website)”

“Updated information [is needed] on rates of hotel vital - includes rail timetables; fares internally.”

“Updated more information”

Some comments however revealed troubles tourists had met during their trip in Vietnam. Some were related to the services and prices:

“Price of accommodation is expensive”

“Too much shopping places during the trip”

“Take care the price with the level of property of the room”

“Public transport slow and crowded; Internet slow; people drive very fast”

“Reduce amount of motorcycle;”

“Public transport in Vietnam is very slowly. Especially, in Ho Chi Minh City is very crowded.”

Some of the comments showed the lack of preliminary knowledge on the potential tourism in Vietnam:

“Before the trip, the image of Vietnam was not specific. However, after the trip [we] have great image of Phu Quoc.”

And one comment for the researcher was related to the questionnaire, it should be shorter (it needed 15 minutes or more to answer it).

3.2 Current Situation of Online Tourism Destination Marketing in Vietnam

3.2.1 Online Marketing at the National Level

Four in-depth interviews with tourism promotion related officials were taken with questions related tourism marketing as well as online tourist destination marketing in Vietnam, the opportunities for and challenges to developing and improving tourism marketing in Vietnam, and the future plans for online marketing in Vietnam. The interviewees were two vice directors of the Tourism Promotion Department of VNAT; the Director of the Tourism Information Technology Centre (TITC) of VNAT and the Chief of Information System Division - TITC - VNAT.

3.2.1.1 Vietnam Tourism Marketing Activities

The image of Vietnam tourism sent to the world depends on the market. For example, for developed countries (such as European countries, America, Australia), Vietnam tourism introduces images that relate to wildlife natural environment, unique cultural traditions in order to attract tourists' discover and study. However, for Northeast Asia countries, the comfortable resorts, gastronomy, special handicrafts are introduced. Seven world heritage of Vietnam are paid special attention in all tourism promotion programs. In general, Vietnam tourism sent its image to the world as a new emerge destination which is able to satisfy the diversity of customer demands. Vietnam is considered as a new-fangled market for tourists.

- **Distribution Channels**

For attracting foreign tourists, there were two approaches: First, approaching indirectly via international travel agencies, tourism corporations, system of news agencies, presses, and communications; Second, approaching directly to foreign tourists. The National Tourism Promotion Department approaches mainly to the first group. Travel businesses approach to the second group. There were several ways that were utilized to promote Vietnam tourism such as:

+ Vietnam tourism image was advertised on international multimedia and communication. Actually, this advertising was very rare due to the limited government budget. However, in 2007, it was the first time Vietnam tourism was advertised on CNN and Paris Match.

+ Advertising via newspaper reports, interview key people;

+ Inviting foreign journalists to Vietnam to survey and study Vietnam tourism, and then write about Vietnam tourism.

+ Participating to international tourism fairs: every year, Vietnam takes part in more than 10 international tourism fairs with the scale and activities more and more are enriched.

+ Approaching potential tourists via websites and publications in five main languages as English, French, Japanese, Chinese, Russian and other languages as Spanish.

- **Cooperation**

Destination Management Organisations at provincial and enterprise levels coordinated together and with national level with two aspects: following administrative system and economic relationship. For administration, every province has a government administrative office of tourism. All businesses operate in the province under the control of the government. For economic relationship, provinces always mobilize businesses to contribute to tourism promotion. As for the destinations in the province, some are under the management of private companies, and some are managed by the government (a department of provincial tourism department or the provincial people's committee). These departments have self-control in finance. They sell tickets or supply services to cover their expenditure. The government may provide initial investment in infrastructure.

- **Online Marketing Activities**

Step by step, online marketing is getting more attention from VNAT. To implement the 2006-2010 national action plans on tourism, VNAT announced nine major tourism events in 2008. Tourism promotion is one of them and one of the main tourism promotion activities in 2008 is set plan for promoting and implementing tourism destination online marketing solutions.

The Internet provides access to global audiences and markets. VNAT offers a series of websites with target markets of all people from around the world that would like to know about Vietnam now as well as in future. It has slightly different target markets for each website in order to server customers better, with more detailed and specific functions: the vietnamtourism.com website is providing full information about the country, from the history, culture, to tourism-related information and services. The content is provided in 5 languages: Vietnamese, English, French, Japanese and Chinese. Moreover, this website is represented for many tourism-related businesses and the information is distributed under many forms include static as well as dynamic. Therefore, the target market could be large. On the other hand, www.myhotelvietnam.com is a model of e-commerce website of Vietnam tourism. The target market is hoteliers as well as customers looking for an accommodation in Vietnam.

The websites are the good tools for VNAT and other DMOs to promote effective-costly Vietnam Tourism and their tourist services around the world and becomes at the first level of e-commerce application. In addition, those websites have given both travel services suppliers and tourist an area in which they could exchange information and deal dejectedly each others. Furthermore, most e-commerce technology and concept are involved in those websites, which help them attracting much more visitors.

There are some favors to regional tourism organisations as well as tourism related business to develop online marketing. As mentioned, vietnamtourism.gov.vn is non-profit website; the website accepts the promotion free of charge, for all destinations inside Vietnam by banner, logos and web links services.

The return on online marketing investment is evaluated as uncountable, besides the amount of receipt from products and services it could bring a huge intangible benefits such as potential customers. It is really one of the most cost-effective marketing solutions.

VNAT was in pursuit to maximize the information technology development and research in order to meet the demand of the customers. Opportunities for developing a DMS for Vietnam tourism include the following: The online marketing is paid more attention; therefore there are more opportunities for developing DMS for the whole country because people will get more understand about it; the budget could be come from the government or from the contribution of companies of tourism industry; Technology as well as technology infrastructure is

upgrade rapidly so the price could be lower; Learn and get experience of DMSs from other destinations; Vietnam tourism is emerging in global tourism market so it could be easier to find support by international organisations or companies .

Being the only premier, official online tourism marketing organisation representing Vietnam, vietnamtourism.com and some other websites had made excellent progress:

+ Vietnamtourism.com website was the first Vietnamese website when the country was officially connected to the Internet at the end of 1997. It means that VNAT is well-aware of the importance of online marketing for the country. The website is providing fully information about the country, from the history, culture, to tourism-related information and services. The content is provided in 5 languages: Vietnamese, English, French, Japanese and Chinese. The website is frequented daily by more than 30 thousands visitors from the world. So far, the website have more than 350 clients and/or partners who are presented in the website by the Tourist Companies list, or by their banner, logos, pop-up and other advertisement types. Since the website creates content and has management account for each province of the country, each provincial DMO could access to the content management panel and update the information for their destination. Therefore, through this website, people could find needed tourist information of any tourist points, tourist areas with their accompanied services in any province of Vietnam. The website is also providing hotel reservation and tours booking form and web link services. The annual receipt form the online marketing is about USD 15,000.

+ Regarding vietnamtourism.gov.vn, this website has been launched in 2001 when VNAT started its 5 years National Program on Action of Tourism. It is providing information in two languages: Vietnamese and English. So far, the websites has more than 5,000 visitors per day. Since it is non-profit website, the website accepts the promotion free of charge, for all destinations inside Vietnam by banner, logos and web links services. Here, visitor could exploit the list of hotels, tours operators and the photo album of the country or get access to the database of tourism statistics of Vietnam.

+ Myhotelvietnam.com is a model of e-commerce website of Vietnam tourism. It is upgraded to become the official hotel reservation system of VNAT, providing online services for every accommodation provider. So far, more than 800 members have registered. The system provides automatic registration for the providers as well as for the users; it has automatic

checking of credit cards and offers B2B e-commerce for tour operators for booking rooms. Furthermore, the system offers online marketing through image, logo, maps, banner and email contact or web links. So far, the hoteliers that advertise and registered on www.myhotelvietnam.com are given authority to change and update the information for their companies by user names and passwords.

3.2.1.2 Problems to Vietnam Tourism Marketing

There may be significant imbalance between different classes of the hotels. In big cities and coastal areas such as Hanoi, Ho Chi Minh City, Halong, Nha Trang, and Phan Thiet hotels and resorts usually have very high occupancy. However, at lower classified hotels (1 or 2-star hotels) or in other provinces the room occupancy was very low. The variety of tourism products on the whole was poor. Apart from luxury resorts, cultural and ecological products are underdeveloped; they haven't got enough investment in knowledge as well as capital.

There are a number of challenges to improving and developing tourism marketing in Vietnam: market research is very weak; the long-term tourism marketing plan is just being set up; human and financial resources are limited. However, probably the main challenge, solving which would likely solve the other challenges, is the limitation of human resources. To improve the quality of tourism products and services more investment is needed. So far, the situation can be described as "a true coral needs no painter's brush".

- **Market Research**

Presently, research and marketing plan are just being implemented; current promotion hardly makes use of research or planning. In 2007, with the support of the Spanish International Cooperation Agency, VNAT started building the tourism destination strategies (master plan) for Vietnam tourism in the period of 2008-2011 which are expected to be approved in September or October 2008. Based on the approved marketing plan, a new logo and slogan for Vietnam tourism would be selected.

- **Human Resources**

The human resources in tourism marketing are limited; the number of staffs who are trained regularly on tourism marketing is inadequate. They have limit with foreign languages too. Moreover, the Tourism Promotion Department was only started in 2005 has suffered from frequent staff changes, and currently in the process of reorganisation; as a result of lacks experienced employees. An appropriate policy is needed to attract talented people in this area.

- **Budgeting**

The government is aware of the position and role of national destination promotion. National destination promotion activities have been invested in but are still very limited. Every year, the central government invests about 20 billion Vietnamese dong (about USD 1,300,000) in national tourism promotion and provincial governments also allocate some budget to promote their provinces. For research and planning budget for the tourism marketing and online marketing the figures have not been decided yet.

- **Cooperation**

Lack of cooperation between tourism stakeholders in marketing made the input information for tourism publications and websites inadequate. One reason was that tourism-related organisations and businesses had not provided enough information and another reason was that reporters appear not to be really active yet. If the cooperation is increased, the input information quality would be improved, and tourists would benefit.

In their relationship with national promotion office, provincial departments and businesses have gradually attained clearer awareness of the promotion activities of the national destination image. This relationship is going to be enhanced and closely coordinated step by step. However, promoting and marketing for specific destinations is not well coordinated. Some provincial tourism departments promote and advertise these destinations in brochures together but some businesses promote by themselves, sometimes sending conflicting destination images. In addition, tourism-related businesses would benefit from partnerships with destination management organisations. If the destination was managed and promoted well, more tourists would come to visit; stay in the destination longer, and therefore tourism-related businesses would be able increase their company revenues from supplying tourism services. However, the

problem is how to share this benefit; most tourism-related businesses have not understood or prepared to join in promoting the tourism destination.

- **Problems to Online Marketing**

VNAT is aware of the importance of both online and offline marketing. Online marketing plays a vital role to a destination. It is indispensable to a tourism destination. To stimulate online tourism marketing, in 2008, working out the promotion and deployment online destination tourism marketing solutions plan is one of main points which VNAT focuses on. Uploading information to the websites with many interesting forms, however, the Internet users still find out insufficient accuracy and quantity of information. Current online tourism marketing is also found insufficient to meet the demand which is increasing very fast. This area also needs more investment in both finance and human resources.

Regarding the cooperation between national tourism organisation with tourism business and regional tourism organisations in the field of online tourism marketing, the TITC made contracts with every tourism business and regional tourism organisation that had demand for online marketing such as advertising on VNAT websites, setting up new websites or IT application consultant. Companies and regional DMOs can ask to cite information from VNAT's website database on their own websites. However, these contracts were still very limited. It could be said that it presented less than 10% of the potential.

The destination database is individual between organisations so it makes the online marketing appear unprofessional. The information is inconsistent, sometimes out-of-date. For example, in many case, different websites would offer customers different prices for the same hotels or products.

DMS make cost-effective marketing campaign for all tourism organisations as well as tourist companies and create a rich information system for customers from the world. It is an important tourism information resource. However, some challenges were shown: Initial investment as well as maintenance cost is high; the adequate allocation of budget for such online tourism marketing is critical to successfully set up the system; the back-end of the DMS is very

complicated and requires a lot of staff; lack of awareness from tourism stakeholders about the system; the DMOs at different levels need to cooperate together; team work is required; inadequate information on the destination; policies, human and financial resources to promote tourism of the destination are insufficient.

For the payment method on the Vietnamese travel websites, at the moment, customers order products by email or through booking forms. After confirming the information, they can only pay through bank transfers, which makes online bookings much less attractive. VNAT is expected to change this and to start offering online payments from 2008. Other e-commerce projects currently being implemented include e-original certification and digital signatures.

- **Online-Offline Integration**

Online and offline marketing support each other. In the short-term, the information sources are joint and all tourism marketing and promotion activities are uploaded to the websites. The detailed information of all tourism promotion activities that have been implemented, are being implemented, or are going to be implemented, must be on the websites. Vice versa, online marketing can support offline marketing through Internet surveys to assess the effectiveness of promotion activities.

Integrating online and offline marketing is very essential, however, it requires a comprehensive system with clear functions, tasks and authorities.

The target of all official websites of VNAT is playing the role as an umbrella for DMOs developing online marketing in the country. They are brand names in the country in tourism sector. The anniversary of 10 years of vietnamtourism.com was one of ten major tourism events in 2007. And it is recognized as the most prestigious address in tourism sector in Vietnam. Every national tourism campaign and event or major events at provinces and cities are reaching the Internet through these websites. All tourism websites at the national level are good tools for VNAT and other DMOs to promote cost-effectively Vietnam Tourism and their tourist services around the world, as e-commerce applications and they have also given both travel services suppliers and tourists an area in which they could exchange information and deal directly with each other.

On the other hand, these websites also be advertised on other distribution channels such as newspapers, brochures, add links in other websites, register with online directories and relevant sites for click-through links or banners ads.

3.2.1.3 Future Plans for Marketing in Vietnam

At present, with the support of the Spanish International Cooperation Agency, VNAT is building the tourism destination strategies (master plan) for Vietnam tourism in the period of 2008-2011 which were expected to be approved in September or October 2008. Based on the approved marketing plan, a new logo and slogan for Vietnam tourism would be selected.

In 2007-08, VNAT has been very active preparing for the ASEAN Tourism Forum (ATF) which for the first time is organised in Vietnam in January 2009, and for the National Tourism Year to be organised in Central Highlands.

VNAT has also been considering setting a forum for Internet users on Vietnam tourism websites, however, it has not been implemented yet. A forum for officials in VNAT to exchange ideas, knowledge and others has been set up.

Allowing more user-generated content in destination marketing has been considered, however, doing so on the official website of government agencies will be complicated because the content is crucial and needs to be added carefully. It is difficult to apply user generated content on VNAT websites.

In 2008, all VNAT websites were expected to offer complete online services such as online payments and e-confirmations. Other e-commerce projects are implemented, such as e-original certification and digital signatures. Other plans include changing the interface for the website www.vietnamtourism.com, adding more information in different languages; upgrading the website www.myhotelvietnam.com to make it the official e-commerce website of Vietnam tourism. The TITC also prepares information and analysis for building new websites for big coming tourism events such as ASEAN Tourism Forum (ATF) with website www.atf2009vietnam.com.

3.2.2 Online Marketing at the Provincial Level

According to Ministry of Trade report, 64.32% websites was established before 2003 while 35.68% was established in 2003-2004 (Le, 2006a). Therefore, researcher intended to categorize the year of website establishment in to period of before 2003, from 2003-2007 due to the big number of websites was set up in this period, in 2008 and not yet decided.

Sixty four questionnaires were sent to the directors of all 64 provincial tourism departments. Out of 64 questionnaires, 39 provincial tourism departments responded.

Table 3.20 indicates the website profiles at provincial level. The database shows 34 departments had websites, 2 departments (5.1%) had plans to set up the website in 2008 while 3 departments (7.7%) did not know when they would set up websites. The majority of websites were set up in the period 2003-2007 (31 websites; 79.5%) while only 3 websites (7.7%) was established before 2003 (the oldest website was set up in 1998). Most websites were owned by the provincial tourism departments; however, the website names reported show that some departments used the websites of their provincial government or major tourist agencies in the provinces.

Table 3.20 Website Profile

		Freq.	%
Website established year	before 2003	3	7.7
	2003 - 2007	31	79.5
	2008	2	5.1
	Not yet decided	3	7.7
The budget for setting your current or planned website	Less than VND 6,000,000	11	28.2
	VND 6,000,000 - 10,000,000	4	10.3
	More than VND 10,000,000	20	51.3
	None	4	10.3

Note: VND 6,000,000 = approximately USD 375, and VND 10,000,000 = approximately USD 625

The budget for setting websites were mostly more than VND 10,000,000 as reported by 20 departments (51.3%); 11 departments (28.2%) reported less than VND 6,000,000, while 4 departments (10.3%) reported budget between VND 6,000,000 - 10,000,000. Four departments (10.3%) had no budget for setting websites.

Table 3.21 explains the channels that the departments used to advertise their websites. 14 departments (35.9%) are advertising on newspapers, magazines, other websites and search engines, while 19 departments (48.7%) are advertising by brochures, leaflets, office's equipments and only 5 departments (12.8%) are advertising on website directories. In addition, 13 departments (33.3%) had plan to advertise in newspapers, magazines and search engines, 12 departments (30.8%) - to advertise on brochures and leaflets, 14 departments (35.9%) - on office's equipments, 6 departments (15.4%) - on other websites, and 18 departments (46.2%) on website directories.

Table 3.21 Website Advertised

	Using		Going to use		N/A	
	Freq.	% *	Freq.	% *	Freq.	% *
Newspapers, magazines	14	35.9	13	33.3	12	30.8
Brochures, leaflets	19	48.7	12	30.8	8	20.5
Office's equipments	19	48.7	14	35.9	6	15.4
Other websites	14	35.9	6	15.4	19	48.7
Website directory	5	12.8	18	46.2	16	41.0
Search engines	14	35.9	13	33.3	12	30.8

Note: * The total may not add up to 100%, because multiple selections were allowed.

Table 3.22 shows the operation of websites. All websites had a Vietnamese version (100%), 94.1% had English and only 20.6% had one more other language (French or Japanese). Almost all websites (80.6%) were claimed to be updated every week, and 12.9% to be updated every day. 37.5% uploaded tourism events from around the country, and 37.5% uploaded tourism events from their province, while 25% uploaded only some events.

Seven websites (21.2%) reported that more than 10 businesses advertised on them, other 7 websites reported 5 - 10 advertising businesses and 11 websites (33.3%) reported less than 5 advertising businesses; 8 websites (24.2%) reported no advertising businesses. Most websites (94.1%) had Contact Us form, while 17.6% had forum and 20.6% allowed newsletter subscription. Only 23.5% offered booking reservation. 47.1% provided price of hotels, restaurants or tours, 94.1% offered list of top things to see in the destination, 26.5% offered the list of top things to do in the destination. However, only 8.8% offered a list of top family activities, and 5.9% offered other top activities such as shopping, cooperation, list of high quality hotels, restaurants.

Table 3.22 Website Operations

		Freq.	%
Languages	Vietnamese	34	100.0
	English	32	94.1
	Other languages	7	20.6
Frequency of updates	Everyday	4	12.9
	Every week	25	80.6
	Every month	2	6.5
Tourism events uploaded to website	All over the country	12	37.5
	All over the province/city	12	37.5
	Some events only	8	25.0
Number of businesses advertising on the website	None	8	24.2
	Less than 5	11	33.3
	5-10	7	21.2
	More than 10	7	21.2
Website has Contact Us form		32	94.1
Experience-sharing forum on the website		6	17.6
The website offers newsletter subscription		7	20.6
The website offers booking reservation		8	23.5
The website displays price		16	47.1
Top things to see in the destination		32	94.1
Top things to do in the destination		9	26.5
Top family activities		3	8.8
Other top activities		2	5.9

Table 3.23 reports the types of information which were provided on the website. Most websites (97.1%) offered information on tourism news, attractions, festivals and events and list of external links to related sites, 32 websites (94.1%) provided information on culture and customs. 31 websites (91.2%) offered information on hotels, 30 websites (88.2%) offered

information on restaurants, 28 websites (82.4%) offered information on tours, 27 websites (79.4%) offered information on local specialities, 23 websites (67.6%) offered information on photographs of the destination, 18 websites (52.9%) offered information on maps, 17 websites (50.0%) offered information on transportation, 13 websites (38.2%) offered information on tourist promotions, 6 websites (17.6%) offered information on others such as: Tourist notebook, Airlines and Custom Regulations, Trade and Investment, Export news.

Table 3.23 Website Information Provision

	Freq.	%
Tourism news	33	97.1
Attractions	33	97.1
Festivals and Events	33	97.1
List of external links to related sites	33	97.1
Culture and Customs	32	94.1
Hotels	31	91.2
Restaurants	30	88.2
Tours	28	82.4
Local specialities	27	79.4
Photographs of the destination	23	67.6
Maps	18	52.9
Transportation	17	50.0
Tourist promotions	13	38.2
Others	6	17.6

Table 3.24 reports the number of people accessing the website every month. Only 11 websites (28.2%) had reported the number of website visitors, whereas 28 websites (71.8%) did not know the number of website visitors. The number of people accessing every month the websites was between 500 and 80,000.

Table 3.24 Number of People Accessing Website Every Month

Number of People	Freq.	%
500	1	2.6
1,000	1	2.6
2,000	1	2.6
2,254	1	2.6
3,000	1	2.6
5,700	1	2.6
7,000	1	2.6
9,000	1	2.6
20,000	1	2.6
40,000	1	2.6
80,000	1	2.6
Total departments reported number of website visitors	11	28.2
Departments did not report number of website visitors	28	71.8

Provincial Tourism Departments Plans and Comments

Most respondents provided their plans for website development. Some respondents stated the plan in general as “Continue upgrading and extending the content” or “Upgrading the website in 2008”, “Updating information”, “upgrading the website after introducing.” while some others reported their plans of the website upgrade in more detail into several areas.

In terms of tourist information, some departments set the plan of adding information on tourist sites, tour itineraries, prices of hotels and restaurants. Some respondents were more specific, such as “Upgrading, giving supplementary new tourist sites, tours - itineraries of three provinces Lao Cai - Yen Bai - Phu Tho”. Some departments had plans of expanding in contents such as adding more information on tourism in other provinces or international tourism.

Along with the information on upgrading, the frequency of updating and quality of the information are also paid more attention; plans included Updating and adding new

information regularly; Updating information on provincial tourism daily; Developing more versions in different languages such as French, Japanese and Chinese.

In terms of website design and technology, with the purpose of increasing the number of people accessing the site some respondents stated that websites would be upgraded with new items and technology, nicer interface and faster speed access. The specific plans included: Changing the interface for English and Japanese versions; Upgrading to become a completely dynamic website, changing the interface to get more attractive; Upgrading and completing the content as well as the form of the website; Building a portal which would be an efficient tool for supporting tourists as well as travel-related businesses; Setting tourism forum for everyone to share their information and experience. Focusing on web design and performance; Broadening bandwidth; and adding more functions to the website. Other features included: Developing public services on website; integrating application programs in order to enhance management capacity of the department; advertising the destination image in particular and Vietnam tourism in general.

Respondents also showed their plans on promoting their websites, and some explicit plans are: Advertising the website on website directory; Setting up web links with travel agencies in the province, other provincial tourism departments and VNAT websites.

One respondent commented on the reorganisation of VNAT. The provincial tourism and trade department will be separated into two departments, tourism management task will merge with Information Culture Department and trading management task will merge with Industry and Trade Department. They, therefore, have no plan for website developing, just maintaining the existing one.

Some respondents requested a division to be set which would be responsible for taking care of the websites. Others asked for more support from the VNAT. Proposals also included:

- Proposing the Ministry of Culture, Sport and Tourism to give suggestions to Quang Binh People's Committee for establishing a Tourism Promotion Center. Based on this, the Center would be in charge of operating the provincial website so it could be done effectively.

- Assigning the Tourism Information Centre of the Provincial Trade and Tourism Department to provide accurate and up to date information on provincial tourism.

- VNAT financial support for website upgrading.
- VNAT tourism information provision to make websites more content-rich.
- Adding links to the provincial websites from the pages with information on provinces on VNAT's website.

3.2.3 Online Marketing at the Enterprise Level

Four interviews with hotel managers and nine interviews with travel agencies managers were conducted, with the main questions related to the marketing and sales activities of the company, the opportunities and challenges in developing online marketing, and the role of online marketing for the company.

- **Distribution Channels**

Companies and hotels use many communication media as distribution channels: newspapers, magazines, tourism directory, radio, televisions and the Internet. All the information and promotion activities are reported on the company's website. Most websites are printed on all companies' publications and productions; advertised on newspapers, banners, brochures; nice pictures of service and product and information are selected to upload to the websites. They have their links from other websites of tourism or trade promotion, especially on Vietnam tourism portal websites. Some websites were advertising on search engines such as Google, Yahoo or popular websites in the country as www.tuoitreonline.com. Public communication media were the place where most websites advertised. Some websites were also promoted directly to their partners and foreign tourist companies.

For hotels, annual customer conferences and clubs such as MICE Club were other distribution channels. Most travel agencies focus on organising tourism promotion campaign in the country and abroad; taking part in sponsor and support tourism events and festivals; joining tourism organisations and associations as well as participating in tourism fairs in the country and abroad.

Direct marketing was popular way for all companies to promote themselves, through: marketing directly to tourists; email to customers; promotion products and publications, brochure sent directly to customers.

- **Target Markets**

The companies had various target markets. Some companies target only international markets such as: Europe, Asia, North America, and more niche on only Australia, Russia or Japanese and Taiwan; Western Europe and Scandinavian; Chinese, ASEAN and Germany.

Besides, some companies focus on people who like using technology and set their target markets are young customers, office workers who are interested in technology, studying and updating new information, familiar with ecommerce and fond of travelling. For some the target market is mainly medium-income customers expecting this market to use more online technology when booking services online. Some hotels target all customers who need room to stay, conference room, eating and drinking, while for other the target is the luxury segment only.

To focus on these markets, most websites provide online bookings; offer adequate information in detail about all services, payment and booking methods, package or tailored services, etc. In addition, the websites are published in many languages to meet the demand of domestic as well as international tourists; introduce tour programs and advises to these markets on the websites. Web design and usefulness is also stressed by providing friendly interface, updated information, good support tools.

- **Online Marketing Activities**

All companies noticed the vital role of online marketing. Some companies started working with online marketing as soon as the country was connected to the Internet. The earliest company started in 1997; most companies engage with online marketing before 2000 by setting up a website. Some companies just started online marketing in recent years.

One company had set up an e-tour system to associate with online sellers and suppliers. The staffs took short courses on e-commerce; some were organised by the Vietnam Chamber of Commerce and Industry (VCCI).

In terms of budget for online marketing (proportion of total marketing budget), only some companies presented these figures. Most companies allocated a proportion for online

marketing in the total marketing budget; usually between 10% - 15%. One company stated that they pay for online marketing as much as for offline marketing (50/50). However, in contrast, some companies pay for online marketing just 1% of their total marketing budget. Some companies stated their online sales to be 5%; 7%; and 10% of total sales. One reason is that online payments are not yet possible. Some hotels stated that they receive from online booking over 20% of the total volume of the customers' orders. Online orders or bookings come mainly from international customers and Vietnamese overseas customers.

Nevertheless, businesses noticed that the revenue after use online marketing is increasing, in some cases significantly. Most companies saw the improvement of company's cash-flow cycle or believed it would be improved. Most businesses agree that e-business plays and will play a vital role in company operations. It was confirmed that in the future only companies that can keep pace with e-business technology can be successful. E-business is expected to contribute significantly to the tourism revenue in Vietnam. Even companies for which e-business is still insignificant were planning to develop it in the future.

The reasons companies decide to engage in e-business activities were: Their competitors also engage in e-business; Their customers expected it from the business; Their suppliers expected it; The company believes that e-business will help to get an edge over its competitors; Communicate faster with customers; Connecting with customers in real time; Increased opportunities for new business partnerships; Time saving; Cost reduction; Sale opportunities for direct marketing; Improved planning ability.

Most companies now have two sections of marketing: online and offline. However, some companies do not separate online and offline marketing, and one department has responsibilities for both tasks. For example, a company manages two types of marketing: online and offline by Marketing - Communication - Branding Department, however, it is still divided into two areas:

- Managing company reputation, brand name and do public relations.
- Marketing section: supporting promotion, marketing and sales activities.

One company established E-tour Centre to deal with online marketing and coordinate with other units for offline marketing in order to create many distribution channels to approach customers' demand. Or one hotel mentions about establishing a full worked-out

information system in order to integrate online and offline marketing. However, one company stated that they make online and offline marketing departments do business independently.

To integrate online and offline marketing, most interviewees were planning to: propose general action plan and objectives for market development then apply suitable methods for online or offline marketing; introduce products on website and in publications with the same designs and price; combine advertising on newspapers and websites.

- **ICT Adoption Level**

In terms of support marketing or sales processes by using specific IT solutions, the Internet is the IT solution that all companies and hotels use to support their marketing and sales processes. The most popular applications are website and email, mostly used for: receiving orders from customers; publishing offers to customers such as Vietravel Tourists Newsletter; answering calls for proposals or tenders: answering all customers' requirement as soon as possible.

Only some companies now offer technology for launching sales auctions, like on B2B or B2C marketplaces and enabling customers to order products or services online. A hotel stated that they use a fully worked-out system for distributing and selling. Some other specific IT solutions that companies used are making promotional CDs; online working with Skype, MSN or Yahoo Messenger.

Only two companies stated that they are using CRM system and commented that this system helps: marketing activities are more effective; customer services are improved; and developing new products or services easier and more effective. Most interviewed companies however were not aware of the meaning of CRM.

- **Challenges**

E-payments are the biggest difficulty that the companies selling online are facing. Besides the technical and security issues, high transaction fees are a big problem too. People have to pay for the bank, the company and the service fee too. The company's cash-flow

cycle had not really improved due to the fact that contacts and coordination between domestic and international banks is delayed or meets different difficulties.

Some other problems were found: Vietnamese traditional payments with direct transactions and payments; difficulty in marketing company's website to customers; difficulty in receiving cancellation fines; difficulty negotiating; difficulty convincing customers on many issues such as: price, number of tourists; products on website cannot satisfy individuals; customers may give up the order but the company does not know how to pursue them; technical staffs require time for training and also have high turnover; the quality of the network is still poor.

For online marketing training, some staffs haven't been trained or was trained with short or irregular courses. Training is very limited. One reason managers flinch from investment in it is the high turnover of staff. The coordination between companies is rising as they find and associate with partners which have effective and famous websites. Companies were also eager to find partners: choosing effective and prestigious company partners to coordinate; finding realizable partners to coordinate. However, most companies noticed the insufficiency in cooperation between tourism stakeholders in online marketing. Tourism-related businesses found difficulties cooperating with regional and national tourism organisations, as well as between themselves. These difficulties were due to the following reasons: Information technology levels and priorities are not equal in each organisation; it is difficult to exchange web links with tourism suppliers and organisations in and out the country; different Service System Databases; different awareness of the importance of ICTs; inconsistent or out-of-date information makes it difficult to cooperate among companies (e.g., many unit prices of some domestic and international travel agencies uploaded on their websites are not compatible with the unit prices of the hotel).

Nobody agreed that a company could be too small to benefit from e-business activities. They found the challenges for practicing e-business as follows: Providing products via the Internet could send too much information to competitors and the product may be imitated; Potential security risks and privacy; Unsolved legal barriers are very challenge; E-business technologies may be too expensive to implement; E-business technology was too complicated or may be not compatible with those of their suppliers or customers; Difficult to find reliable IT suppliers; Not enough trained staff; The customers prefer face to face contact, not

Internet; The business partners prefer face to face or phone contact; High cost of initial investment.

- **Travel Businesses' Experience and Future Plans**

The interviewees shared many practical experiences in adopting marketing online. They stressed that companies which would like to develop have no choice but use online marketing. Implementation can be done step by step; however, companies need to be well prepared from the beginning on material and technical facilities, human resources, and operating process: technical system need to be comprehensive; staffs that have responsibilities need to be well schooled; websites need to be updated and upgraded frequently; safety and security need to be paid attention; and customers' expectations of online services need to be satisfied. Regarding the partners, it is necessary to investigate them carefully before signing contracts; assess and select partners which have good information technology.

The future plans for developing online marketing were focused on technical and material facilities: the network system will be gradually upgraded; maintenance and developing E-tour (online tour selling system); associate better with search engines; attempt more online sales; implement online payments; invest in information technology equipment; develop online sales section as a separate department with high initial investment. Other plans were mentioned about human resources and e-payment solutions: training human resource on online marketing; choosing bank that act as guarantee for payment security for customers.

CHAPTER 4

SUMMARY

This chapter concludes the thesis, discusses the results, and provides recommendations based on the research findings. The discussion and recommendations sections follow the research objectives that were to examine the current situation of online destination marketing of Vietnam tourism on demand and supply sides, analyse the challenges to and opportunities for developing online tourism destination marketing in Vietnam and conduct a SWOT analysis, in order to finally propose strategies for online tourism destination marketing in Vietnam.

4.1 Conclusions

The aim of this research has been to identify the main challenges to online tourism destination marketing of Vietnam and seek possible solutions for them. The research collected the data from several sources. To study the demand for online travel services in Vietnam and identify tourists' demography and their needs and perceptions of Vietnamese travel websites, data were collected from 268 foreign tourists who had visited Vietnam in November - December 2007. The researcher aimed to compare the importance and performance of Vietnamese travel website attributes in order to analyse whether the quality of Vietnamese travel websites meets the requirements of the tourists. To assess the current online marketing activities in Vietnam both questionnaire survey and in-depth interviews were conducted. Questionnaires were collected from 39 provincial tourism departments to identify the current online marketing and future plans of development at provincial level. Seventeen in-depth interviews were generated with travel businesses and VNAT officials to understand various perspectives of tourism marketing activities in Vietnam, particularly online marketing as well as DMS for the country and the viewpoint of travel businesses on online marketing in Vietnam. To analyse the information collected, SPSS program and content analysis method were used. The SPSS functions used in this study included Frequency, Mean, Standard Deviation, ANOVA, Pearson Chi-square, Paired-sample t-test. Five-point Likert scale was used to assess tourists' opinion on related issues.

Based on the result of the survey, the suggestions for the further successful development of online tourism destination marketing in Vietnam were focused on five important

issues: destination image, cooperation, website management, training, and the role of the government.

4.1.1 Demand for Online Travel Services in Vietnam

Almost half of the respondents were over 45 years old and from Asia. Over 85% had at least a diploma or higher university degree.

Nearly one third of the respondents had made their own arrangements via the Internet (29.1%). More than two third of the respondents regularly or occasionally use the Internet. The majority of the respondents who use the Internet reported their Internet access as “Primarily at work/school but also at home.” Most of them use the Internet “Several hours a day” and have been using Internet resources for more than 3 years, some for 7 years or more.

When asked about their online purchasing behavior, most respondents said that they had purchased travel products online at least once a year, and some more than 12 times a year. However, 21.4% said that they had never purchased travel products via the Internet. The most frequent average percentage of total purchase travel online to total travel per year for purchase travel online was “1% - 25%”, while 24.6% spent online between 76% and 100% of their total travel expenses. The average total travel expenditures of the respondents is USD 7,037 per year; their average online travel expenditures are USD 3,340 per year, and online travel purchases constitute 49.9% of their total travel expenses.

Of the respondents who had searched or visited official Vietnamese tourism websites, more than half (54%) had accessed www.vietnamtourism.com. Other websites were less popular, such as vietnam-tourism.com (14.2%), vietnamtourism.gov.vn (13.6%), vietnamtourism-info.com (15.9%), dulichvn.org.vn (8.5%), and myhotelvietnam.com (8.5%). More than half of the respondents reported that they had found relevant information on both Vietnamese and Vietnam-related foreign websites. Nearly half of the respondents found that www.vietnamtourism.com is the most useful website when they searched information on Vietnam, and half of the respondents found the most useful websites for searching information on Vietnam are other websites such as websites of the travel agencies or the hotels that they booked, travel portals, and search engines.

Airline tickets and package tours were the products that people search most from Vietnamese websites. However, the conversion rate (percentage of travelers who make online purchases from the website they search information on) from search on foreign websites tends to be higher than the rate for Vietnamese websites. For local transportation and accommodation, Vietnamese websites had higher conversion rate from search than other websites whereas foreign websites were preferred for airline ticket purchases, package tours and travel insurance.

All respondents had good impressions with the quality of email replies, and all criteria were ranked as good; the best impressions were with “Prompt response” and “Good suggestions”.

The respondents had good impression with most attributes of Vietnamese travel websites. However from the overall scores it can be noted that not all website attributes performed at high level. Paired-samples T-testing of the gap between the Importance and Performance of the attributes of the travel websites was performed. The attributes which had negative statistically significant gap and hence need to be improved include Information on prices (hotels, restaurants, tours); How to get to the destination; Photographs of the destination; Booking reservation; Tourist promotions; Availability of language options; Tourist essential information (Visa, money); Keyword search; Where to go; Climate, Geography, Topography; List of external links to related sites; Attractions; Maps and Visitors comments.

Importance - Performance Analysis was also performed. With the cross-hair points of the grid were located along the mean points for the scales employed for measuring importance-performance, all Vietnamese travel website attributes plotted in the quadrant of High Importance - High Performance (operating and performing well, trying to maintain and maximize their benefits). However, when the cross-hair of the grid were placed along the mean values observed, interpretations were very different. Attributes which were plotted in the quadrant of High Importance - High Performance are operating and performing well, trying to maintenance and maximize their benefits. These attributes included: Photographs of the destination; Culture and Customs; Web site is available in different languages; Climate, Geography, Topography; Map; Where to go; Attractions; What to do; and Tourist essential information (Visa, money,). The attributes plotted in the quadrant of Low Importance - High Performance do not need much attention paid: Logo or brand; Destination specific activities; Festivals and Events; Suggested

itineraries. The attributes plotted in the quadrant of Low Importance - Low Performance are: List of external links to related sites; Visitors comments; Tourism news; Keyword search; Public transport; Shopping hours; List of awards given to site; List of frequently asked questions, and Site map; they need improvement but not as urgently as those in the quadrant of High Importance - Low Performance. The attributes in the latter quadrant, which need to be addressed urgently, are: Price of (hotels, restaurants, tours); How to get to the destination; Booking reservation; Tourist promotions.

The mean of respondents' impression with the Vietnamese travel websites design was 3.43 out of 5, and with the Vietnamese travel website usefulness - 3.47. The overall impression had a mean of 3.41, showing that the websites should have been paid more attention by their owners and designers.

Some comments of the tourists revealed problems they had encountered during their information search, such as "Updated information on rates of hotel is vital - it should include rail timetables; internal fares"; "There should be clear information in English and Chinese". Some comments were related to bookings and updating information: "The hotel we stayed in failed to send us email confirmation of our reservation, although I asked for it 2 times. Very frustrating."

The majority of the respondents reported that they would talk to their relatives/friends about the trip, 21.4% would write to the travel agencies/hotels they had used, 13.6% would write on their blogs, and a few would write to the official websites of Vietnam tourism. Finally, 41.2% reported they would come back to Vietnam, while 11.5% would not and 47.3% said they might be back to Vietnam.

4.1.2 Current Situation of Online Tourism Destination Marketing in Vietnam

- **Online Tourism Destination Marketing at the National Level**

Four in-depth interviews with tourism promotion related officials were conducted with questions related to online tourist destination marketing in Vietnam tourism marketing, the opportunities for and challenges to developing and improving tourism marketing in Vietnam, and the future plans for online marketing in Vietnam.

In general, the image of Vietnam tourism sent to the world should be of a new emerging destination which is able to satisfy the diversity of customer demands. Seven world heritage of Vietnam are paid special attention in all tourism promotion programs. The image of Vietnam tourism sent to the world depends on the markets. For example, for developed countries (such as European countries, America, Australia), Vietnam tourism introduces images that relate to wildlife natural environment, unique cultural traditions in order to attract tourists' discovery and study. However, for Northeast Asian countries, comfortable resorts, gastronomy, special handicrafts would be introduced. Recently, emphasis has been put on cultural performance activities. This initiative helps differentiate Vietnam tourism products.

The government is aware of the important role of national destination promotion. Various distribution channels are used: advertising in international media such as CNN and Paris Match; releases of newspaper reports and interviews; inviting foreign journalists to Vietnam; participating in international tourism fairs; approaching potential tourists via websites and publications. Every year, the central government spends about 20 billion Vietnamese dong (about USD 1,300,000) on national tourism promotion. VNAT is aware of the importance of both online and offline marketing. To stimulate online tourism marketing in 2008, VNAT has been working on a tourism marketing solutions plan. The tourism authority has set several official websites aimed at promoting and facilitating tourism in the country. The target of all official websites of VNAT is playing the role as an umbrella for DMOs' online marketing in the country. The 10-year anniversary of vietnamtourism.com was one of ten main tourism events in 2007. It is recognized as the most prestigious address in the tourism sector in Vietnam. Other popular national tourism websites developed by the VNAT include vietnamtourism.gov.vn and myhotelvietnam.com (the latter being the official hotel reservation system of VNAT), and the tourism environment website www.moitruongdulich.vn.

These websites are promoted through banners, pop-up ads, pop-under ads, rich media ads, website directories, search engines, direct email marketing and online catalogs. Offline methods for promoting websites include brochures, leaflets, newspapers, magazines and office equipment. Advertising on search engines is considered as the most effective and efficient on the Internet, however, VNAT has budget limitations: it is estimated to cost USD 500 per day to advertise the website www.vietnamtourism.com through Google pay-per-click ads.

All tourism websites at national level are good tools for VNAT and other DMOs to promote Vietnam tourism and their tourist services around the world. In addition, those websites have given both travel services suppliers and tourists an area in which they could exchange information and deal directly with each other. However, the destination database is individual for each organisation which limits the potential of online marketing. The information is not consistent and is sometimes out-of-date.

In terms of human resources on tourism marketing, one limitation is the number of staffs who are trained regularly on tourism marketing. They have limit with foreign languages too. Moreover, the organisation is often changed so it could not gather experience. It also asks for an appropriate policy to attract talent people work in this area.

Another group of problems are related to payments. At present, VNAT websites customers can order products by email or using booking form, but after confirmation of the information they can pay only through bank transfers. VNAT is expected to change this and to start offering online payments from 2008. Other e-commerce projects currently being implemented include e-original certification and digital signatures.

- **Online Marketing Development at the Provincial Level**

Sixty four questionnaires were sent to the directors of all 64 provincial tourism departments in the country. Of these, 39 provincial tourism departments responded. The results show that 34 departments (87.2%) had websites (some departments used the websites of their provincial government or major tourist agencies in the provinces), 2 departments (5.1%) had plan to setup a website in 2008, and 3 departments (7.7%) did not know when they would setup websites. The majority of websites (79.5%) were set up in the period 2003-2007, and only 7.7% was established before 2003. The budget for setting websites was typically over VND 10,000,000 (20 departments or 51.3%), 11 departments (28.2%) reported less than VND 6,000,000, while 4 departments (10.3%) reported a budget between VND 6,000,000 - 10,000,000. However, 4 departments (10.3%) had no budget for setting a website. (Note: VND 6,000,000 = approximately USD 375, and VND 10,000,000 = approximately USD 625.)

When it comes to the distribution channels of their websites, 35.9% of the departments are advertising the websites on newspapers, magazines, other websites and search engines, while 48.7% are advertising on brochures, leaflets, office's equipments and 12.8% are advertising in website directories. The future plans of 33.3% were to advertise on newspapers, magazines and search engines; 30.8% - on brochures and leaflets; 35.9% - on office equipment; 15.4% - on other websites, and 46.2% - on website directories. The popularity of the websites ranged significantly, between 80,000 and 500 per month. Less than one third of the departments reported number of website visitors.

All websites were in Vietnamese, 94.1% had an English version and 20.6% had one more language version (French or Japanese). Most websites were updated every week. Almost all websites had Contact Us form, while 17.6% had an online forum and 20.6% allowed newsletter subscriptions. Only 23.5% offered booking reservation. Most of departments reported that there were several businesses advertising on their website. However, one third of the websites had not any businesses advertising on. Less than half of websites display price of products. Nevertheless, most of them show top things to see in the destination. Top things to do in the destination, top family activities and other top activities were displayed by several departments.

When asked about their site content, 97.1% of the departments reported that their websites offered information on tourism news, attractions, festivals and events and list of external links to related sites. 94.1% provided adequately information on culture and customs. 91.2% offered information on hotels, 88.2% - on restaurants, 82.4% - on tours, 79.4% - on local specialities, and 67.6% displayed photographs of the destination.

All respondents were planning some website upgrade in the near future. The upgrades would involve adding information on tourist sites, tour itineraries, price of hotels and restaurants, etc. Some departments had plans to enrich their contents by offering more information on tourism in other provinces and on international tourism. Many were also planning to improve the frequency of updating, and the quality of the information; some stated as their priority "Updating and adding new information regularly"; "Updating information on provincial tourism daily"; "Developing more versions in different languages"; "The website will have more languages such as French, Japanese, and Chinese". Other plans included making the websites more interactive, improving their interface and speed, and exchanging web links with travel

agencies in the province, other provincial tourism departments and VNAT websites. To accomplish these plans, however, some respondents asked for supporting related to information provision, budget, and technical consulting from VNAT or establishing new centre responsible for e-marketing.

- **Online Marketing and Sales Activities at the Enterprise Level**

Four interviews with hotel managers and nine interviews with travel agencies managers were conducted, with the main questions related to the marketing and sales activities of the company, the opportunities for and challenges to developing online marketing, and the role of online marketing for the company.

The most popular ICT applications are website and email, mostly used for receiving orders from customers; publishing offers to customers such as Vietravel Tourists Newsletter; answering calls for proposals or tenders: providing information requested by customers. Most websites provide online bookings but not online payments; offer adequate information in detail about all services, payment and booking methods, package or tailored services, etc. In addition, the websites are published in many languages to meet the demand of domestic as well as international tourists; they introduce tour programs and advises to these markets on the websites. Some companies offer technology for launching sales auctions, acting as B2B or B2C marketplaces and enabling customers to pay online for ordered products or services. Direct marketing is popular among travel agencies or hotels; this includes sending email to customers. Feedback from customers comes in various forms, including emails and feedback forms on some of the websites.

Regarding website promotion, most websites are printed on all companies' publications and productions; advertised on newspapers, banners, brochures. Websites have their links from other websites of tourism or trade promotion, especially on Vietnam tourism portal website. Some websites are advertising on search engines such as Google and Yahoo, and on popular websites in the country such as tuoitreonline.com. Websites are also promoted directly to their partners and foreign tourist companies. Some companies do not separate online and offline marketing and try to integrate them by making information consistent across media and advertising together their online and offline activities. However, one company stated that they

have separate online and offline marketing departments which do business independently. Another company established e-tour centre to deal with online marketing and coordinates with other units for offline marketing in order to diversify its distribution channels. However, the share of online orders or bookings remains negligible for many companies, in the range of 3% - 7%, although for some hotels online bookings accounted for over 20% of the total. Online orders or bookings are made mainly by international customers and Vietnamese overseas customers; very few come from national customers or the public sector. The main problem faced is that online payments are still not possible on Vietnamese websites. Other problems include security concerns and high transaction fees when payment is made offline (through bank transfers).

Only two companies said that they use customer relationship management (CRM) system; they commented that this system helps by making marketing activities more effective, improving customer services, and facilitating the development of new products or services. Most companies however were not aware of the CRM system.

Some companies always support and encourage, associate and create good conditions for comprehensive cooperation and the best for the partners with online service. One company had set up an e-tour system to associate with online sellers and suppliers. The staffs took short courses on e-commerce; some were organised by the Vietnam Chamber of Commerce and Industry (VCCI). However, some respondents shared that they found it difficult to work online due a number of limitations: negotiating was not possible, flexibility in designing tours was limited, and the quality of the network was still poor. In addition, many problems occurred by the lack of qualified staff in some companies since they had not attended regular courses or the managers were afraid of staff high turnover after the training.

The main priorities of the respondents in the near future included developing and improving online tour selling system, adopting online payments, stronger advertising with search engines, investing in information technology equipments and training their staff, selecting a bank to act as a guarantee for payment security to customers, improving website design and finding partners for exchanging links and selling each other's products.

4.2 Discussions

The discussion of results of the study is organised following the objectives of this research.

4.2.1 Current Situation of Demand for Online Travel Services in Vietnam

This objective aims to examine the current situation of online demand for travel services in Vietnam.

The findings show that more than two third of the respondents regularly or occasionally use Internet. Most of them use the Internet “Several hours a day”, and have been using Internet resources for more than 3 years, some for 7 years or more. Nearly one third of the respondents had made their own arrangements for this trip via the Internet (29.1%).

Earlier research has found that European and North American tourists record high number of online travelers in the world. According to USDM (2006), in America, 82% of travelers who plan their trips online now also book reservations online. That indicates more than 64 million Americans bought or reserved an airline ticket, hotel room, rental car or package tour online in 2005 - up from 70% in 2004. However, the findings of this research were different. The results were that the respondents from ASEAN countries had the highest percentage of own arrangement by Internet. Next highest in own arrangement by Internet were the respondents from Oceania. The third highest was other Asian countries. The lowest percentage of own arrangement by Internet was Europe and the second lowest was North America. Travelers plan their trips using two important inputs: professional travel information (i.e. guide book, travel agent, and trusted web site), and recommendations from their friends, family and colleagues. Therefore, lack of trusted, detailed, useful information will make tourists less confident about arranging trips by themselves. In addition, tourism-related organisations and businesses fail to offer information to consumers with access to the Internet but no payment means.

Most respondents purchased travel products online at least once a year; some had over 12 purchases a year. According to eMediaWire (2008), today’s travelers want to do more online than shop rates and book a room. They want to use their browser to schedule spa appointments and tennis lessons, golf tee times and other activities, customize packages, make dining reservations and even set up group meetings before they reach the property.

Of the respondents who had searched or visited official Vietnamese tourism websites, over half had accessed www.vietnamtourism.com. Other VNAT websites were less popular. Nearly half of the respondents found that www.vietnamtourism.com is the most useful website when they searched information on Vietnam, and half of the respondents found the most useful websites for searching information on Vietnam are other websites. These other websites were mostly websites of travel agencies or hotels that they booked for their trips such as www.saigon-tourist.com, www.peacetour.com.vn. Some were travel portals or search engines such as Google.com, Wikipedia.com, travelsupermarket.com. However, more than half of the respondents could not find all travel information they needed from Vietnamese websites only and they reported it was easy to find online information on Vietnam for their trip from both Vietnamese and Vietnam-related foreign travel websites.

The perception of the foreign tourists of the tourism related websites in Vietnam is generally good, however certain deficiencies have been reported with regard to certain attributes of insufficient or lacking information on booking reservations, providing proper direction to the destination, price of hotels/ restaurants, tourist promotion etc.

Another aspect is the issue of technology and safety perception in the minds of the tourists. While it has been observed that the number of hits on the searcher of websites in Vietnam is much higher than that in other websites, the number of actual bookings of tours is much higher from other websites than from Vietnamese websites. This was attributed directly to the safety concerns of tourists regarding booking through the Vietnamese websites or insufficiencies of online payment means.

According to the survey, 23.9% of the respondents were repeat visitors; the majority of respondents visited Vietnam for the first time (76.1%). VNAT, UNDP, & UNWTO (2001) discuss that even though Vietnam and the inbound tour operators provide a wide range of very different and attractive tour options, Vietnam does not benefit much from repeat visits, and this is an area that must be addressed in future marketing. The percentage of repeat visitors was reported differently by different surveys: VNAT (2008) reported 30%, while RNCOS (2007) reported 10% to 15% of the total influx. The differences are likely due to different survey periods and methodology. However, according to the RNCOS (2007), this is a matter of concern for the tourism industry, as high proportion of repeat tourists usually indicates the healthy state of the

tourism sector of that country. For example, PATA (2007) reports that with over 50% of tourists to Thailand being repeat visitors, Thailand would continue to gain valuable business by being a gateway hub to the Mekong region. Tourism in another popular destination, Australia, enjoyed a rate of repeat visitors of 57% of total tourist arrivals in 2007 (Tourism Australia, 2007).

Asked about their post-trip behavior, 41.2% of the respondents reported that they would come back to Vietnam, while 11.5% would not and 47.3% said they might be back to Vietnam. So Vietnam may expect a higher percentage of repeat visitors in the future. Finally, the majority of the respondents reported that they would talk to their relatives/friends about the trip, while 13.6% would write on their blogs. These comments will be an important information channel for other potential visitors to Vietnam, in particular to the Internet users.

4.2.2 Current Situation of Online Tourism Destination Marketing in Vietnam

This objective aims to examine the current situation of online destination marketing of Vietnam tourism at the national, provincial and enterprise levels. The results of the online destination marketing activities of tourism-related organisations in Vietnam at national, provincial and enterprise levels show a high awareness of the vital role of online marketing of Vietnamese tourism practitioners; however, a number of problem areas exist that need to be addressed urgently.

- **At the National Level**

Along with the overall development of the country, Vietnam tourism has made significant progress in recent years. IT has made a considerable contribution to this achievement. IT has become an efficient tool for tourism in many tasks such as: promoting, e-commerce, and management (Le, 2006a). Vietnam National Administration of Tourism (VNAT) has paid special attention to IT development and with many efforts VNAT already joined the top ten among 20 ministries in the Vietnam ICT (E-readiness) index in 2005 and 2006 (MOT, 2007). This index shows the abilities needed to develop IT and communication between ministries and government offices; it is calculated by Vietnam Informatics Association. The website

www.vietnamtourism.com was one of the first three Vietnamese websites presented when the country was officially connected to the Internet at the end of the year 1997. It means that the VNAT is very well aware of the importance of online marketing for the country (Le, 2006a).

All tourism websites at national level are good tools for VNAT and other DMOs to promote Vietnam tourism and their tourist services around the world. In addition, those websites have given both travel services suppliers and tourists an area in which they could exchange information and deal directly with each other. For example, the vietnamtourism.com website is providing fully information about the country, from the history, culture, to tourism-related information and services. The content is provided in 5 languages: Vietnamese, English, French, Japanese and Chinese. The website is frequented daily by more than 30 thousands visitors from the world. So far, the website have more than 350 clients and/or partners who are presented in the website by the tourist companies list, or by their banner, logos, pop-up and other advertisement types. Since the website creates a content management account for each province of the country, each provincial DMO could access to the content management panel and update the information for its destination. Therefore, through this website, people could find needed tourist information on any tourist points, tourist areas with their accompanied services in any province of Vietnam. The website is also providing hotel reservation and tours booking form and web link services. It invites advertising from travel businesses. However, the annual receipt from the online marketing is only about USD 15,000.

However, even though these websites are promoted through banners, pop-up ads, pop-under ads, rich media ads, website directories, search engines, direct email marketing, online catalogs, brochures, leaflets, newspapers, magazines and office equipment the findings show that only the website vietnamtourism.com was accessed by more than half of the respondents, while other websites were less popular, such as vietnam-tourism.com (14.2%), vietnamtourism.gov.vn (13.6%), vietnamtourism-info.com (15.9%), dulichvn.org.vn (8.5%), and www.myhotelvietnam.com which offers online booking system had been accessed by only 8.5% of the respondents. The reason for offering a number of websites with different targets, functions, and structures, is to help users, especially Vietnamese researchers, with more specific and relevant information; however, for the majority of users as web surfers, having several websites may be confusing and they may not have enough time to discover all these websites. Also,

because of currently the content of the websites may be overlap with each other, this will reduce users' interests in visiting these websites. Presently, vietnamtourism.com website gains remarkable more than 30 thousands visitors daily and vietnamtourism.gov.vn reported 5,000 visitors per day.

According to USDM (2006), investing more travel marketing dollars in a strategic, online marketing campaign could reap much bigger rewards for their destination, hotel, attraction or other travel business. Vietnam government announced plans to spend USD 7.6 million for the five-year plan (2006-2010) (RNCOS, 2007). Of this, about 20 billion Vietnamese dong (approximately USD 1,300,000) is spent on national tourism promotion. However, the budget for online marketing is not specified. RNCOS (2007) discusses that this amount of money that was mentioned above is equivalent to the spending of Thailand, Malaysia or Indonesia within only one year. So this is a thought-provoking matter because to develop the tourism sector in the country and to bring it to a level comparable to other neighboring countries, it is necessary to invest more money in this sector. For example, *Incredible India* is considered as a model on tourism promotion. India, which is one of the 5 most-favourite tourism destinations worldwide, used USD 13 million for electronic tools from the total marketing budget for the period 2006-2007 which was USD 35 million (about 37% of the total marketing budget). E-marketing is carried out through an interactive online campaign on major sites, global online contests, development of thematic microsites, an e-commerce platform (through partnership), hyperlinks to stakeholders for online booking, email tracking, e-newsletters and availability of the website in different languages (UNCTAD, 2007).

Due to the limited budget of VNAT, none of VNAT websites were advertised on popular search engines such as Google. It is estimated to cost USD 500 per day to advertise the website www.vietnamtourism.com through Google pay-per-click ads.

UNCTAD (2007) indicates that human resources are a key factor in innovation. The future success of the tourism industry relies on its ability to grasp the opportunities provided by ICT, and failure to do so will mean the loss of competitiveness and business opportunities. In most countries of the Asia-Pacific region, however, the main bottleneck for the diffusion of ICT is the lack of adequate human resources and limited resources to upgrade skills. Many developing

countries lack not only the telecommunications infrastructure, but also the requisite skilled human resources, to turn an information-only website into a productive marketing tool.

In terms of human resources on tourism marketing in Vietnam at national level, there is the limitation of the number of staff trained regularly on tourism marketing. Employees have limit with foreign languages too. There is a lack of people with good knowledge both on tourism and technology. Moreover, the Tourism Promotion Department was only started in 2005 has suffered from frequent staff changes, and currently in the process of reorganisation; as a result of lacks experienced employees. It is expected that if the human resources problem is solved the country will be promoted better.

Another group of problems are related to payments. At present, VNAT websites customers can order products by email or using booking form, but after confirmation of the information they can pay only through bank transfers. VNAT is expected to change this and to start offering online payments from 2008. Other e-commerce projects currently being implemented include e-original certification and digital signatures.

Online marketing play a vital role to a destination. It is indispensable to a tourism destination. To stimulate online tourism marketing working out the promotion and deployment online destination tourism marketing solutions plan is one of main points which VNAT currently focuses on. However, Internet users still find out that they have not enough accurate and sufficient information. Current online tourism marketing is also found insufficient to meet the rapidly growing demand. This area needs more investment in both financial and human resources.

- **At the Provincial Level**

Of 39 responded provincial tourism departments, 34 departments (87.2%) had websites (some departments used the websites of their provincial government or major tourist agencies in the provinces), 2 departments (5.1%) had plan to setup a website in 2008, and 3 departments (7.7%) did not have plan to setup websites yet. Although the number of websites increased from 27 in 2005 to 34 in late 2007; the level of online marketing adoption at the provincial level remains low.

Most websites were set up in the period 2003-2007 and the budget for setting websites was typically over VND 10,000,000. However, nearly half of these website budget were less than VND 10,000,000, and some departments reported no budget for website setting. Normally, provincial governments also allocate some budget to promote their provinces. It has been found that if the budget allocated to provincial tourism departments comes directly from VNAT this facilitates the coordination between tourism-related organisations at national and provincial levels.

Most departments reported that they were advertising the websites on brochures, leaflets, office's equipments and most of them had plan to advertise on website directories. However, it was observed that many of the departments made the common mistake (as discussed in *Online Marketing Strategies*, n.d) of putting up a web site and waiting for people to come by. This thinking will always result in disappointment unless the web site is followed up by a full online and offline marketing effort. In addition, some ways of monitoring website operations, such as record hit counter on websites, had not been considered. Less than one third of the departments reported number of website visitors. These numbers showed that the popularity of the websites ranged significantly. The number of monthly visitors was between 500 and 80,000. Knowing the number of website's customers is important for website analysis. The UN (2000) suggests that vital marketing information about consumers can be collected passively, while they are online, indicating, for instance, how many times a person visited a certain web-base, how long they spent viewing the information, etc., or actively by motivating them to volunteer information by filling in forms or querying a database. This information is then used to effectively identify and communicate with travelers while exploring their preferences for specific market segments and niches. This, in turn, enables the organisation or business to track information on who buys what, goes where, how often and for how long. Kaplanidou and Vogt (2003) also monitor the number of repeat visitors to the website. And they regard repeat visitation numbers as one of the key measures for brand loyalty.

Each website of these provincial tourism departments can be considered as the tourism destination portal site of the respective province. Rita (2000) suggests that the website ought to be developed by the DMOs in partnership with the major market participants, through a contractual or corporate approach. It would have links from and to the Web sites of the other

organisations that have business related to the destination. Partnerships are important because by building relationships with other companies the DMOs get access to their consumers while helping those companies expand their product offerings. Moreover, the development of Web sites by main travel intermediary players is also important as these may allow the browser/visitor to access destination information provided by the DMOs' sites and to compare the services offered by competing destinations in order to make his/her travel decision. However, according to the survey, most departments reported that there were several businesses advertising on their website and one fourth of the websites had not any businesses advertising on. The number of websites which had links in websites of other tourism-related organisations at the national level and the same level is also very limited.

Less than half of the websites display the price of products, and this was one of the complaints of the tourists for whom this attribute was important. Most websites offer information on top things to see in the destination. For top things to do in the destination, top family activities and other top activities were displayed by several departments. Information on tourism news, attractions, festivals and events and list of external links to related sites were offered on most websites; in addition, they provided adequately information on culture and customs; offered information on hotels, restaurants, tours, local specialities, and displayed photographs of the destination.

All websites were in Vietnamese, but most of them had an English version and some had one more language version (French or Japanese). Most websites were updated every week. Almost all websites had Contact Us form, while some had an online forum; others allowed newsletter subscriptions and offered booking reservations. More is needed in terms of improving the interactivity of the websites.

The high awareness of online marketing shown by all respondents was revealed in their planning on website upgrades in the near future. The upgrades would involve adding information on tourist sites, tour itineraries, price of hotels and restaurants, etc. Some departments had plans to enrich their contents by offering more information on tourism in other provinces and on international tourism. Many departments were also planning to improve the frequency of updating, and the quality of the information. Other plans included making the websites more interactive, improving their interface and speed, and exchanging web links with travel agencies in

the province, other provincial tourism departments and VNAT websites. To complete these plans, however, some respondents asked for support related to information provision, budget, and technical consulting from VNAT, and establishing a new centre responsible for online marketing.

- **At the Enterprise Level**

A survey of tourism marketing and promotion activities of VNAT in 2006 showed that websites were considered and assessed as an effective marketing channel by tourism-related managers VNAT (2006). Of 64 tourism managers surveyed, most believed that setting up of websites and advertizing via Internet are effective or very effective for national tourism promotion activities. Over half of the respondents said that websites are the first priority for national tourism promotion products, while one fifth of the respondents consider websites as the second priority for national tourism promotion products. The awareness of the important role of online tourism marketing is quite high among enterprises, but they still don't use ICT efficiently: among 1,511 hotels and resort only 52% use email, and 33% have websites. Among 481 international travel agencies, 89% use email and 42% have websites (TITC, 2005).

The most popular ICT applications are website and email, mostly used for receiving orders from customers; publishing offers to customers such as Vietravel Tourists Newsletter; answering calls for proposals or tenders: providing requested information by customers. Most websites provide online bookings; offer adequate information in detail about all services, payment and booking methods, package or tailored services, etc. In addition, the websites are published in many languages to meet the demand of domestic as well as international tourists; they also introduce tour programs and advises to these markets.

The website saigon-tourist.com is arguably the best example of online marketing at the enterprise level. Saigon Tourist Corporation is one of top ten travel agencies in Vietnam. It is a group of representing several international tour operators and hotels all over the country. The website functions as a portal for online marketing for the whole Corporation. From this site, customer could surf to different services provided by its member companies. B2B model e-commerce is provided so that members companies or partners could exchange business and get the best price for the services provided. Tour booking form and hotel reservation form are also

available as well as newsletter services (Le, 2006a). In addition, the company develops other websites; their product focus sometimes is related to the 4 seasons in Vietnam: e.g., www.dulichhe.com offers information and special promotions for tourists' travelling in the summer, while www.dulichdong.com does the same for the winter season.

Some companies offer technology for launching sales auctions, acting as B2B or B2C marketplaces and enabling customers to pay online for ordered products or services. However, according to Le (2006a), the B2C model is used much more than the B2B model. B2C e-commerce type is largely used on the websites of DMOs: The room rates provided by hotels in several websites analysed are reserved for individual potential tourists. There are few cases that the travel agencies and or partner organisations could get a discount list price from the hotel reservation system (e.g. the case of www.saigon-tourist.com).

Direct marketing is popular among travel agencies or hotels; this includes sending email to customers. Feedback from customers comes in various forms, including emails and feedback forms on some of the websites.

Regarding website promotion, most websites are printed on all companies' publications and productions; advertised on newspapers, banners, brochures. Websites have their links from other websites for tourism or trade promotion, especially on Vietnam tourism portal website. Some websites are advertising on search engines such as Google and Yahoo, and on popular websites in the country such as tuoitreonline.com. Websites are also promoted directly to their partners and foreign tourist companies.

However, the share of online orders or bookings remains negligible for many companies, in the range of 3% - 7%, although for some hotels online bookings accounted for over 20% of the total, while by 2008, as much as 37%-38% of all hotel bookings will be transacted over the web, which represents 15%-16% growth over 2007 (Starkov and Price, 2007). The main problem faced is that online payments are still not possible on Vietnamese websites. Other problems include security concerns and high transaction fees when payment is made offline (through bank transfers).

E-Future (nd.) states that using the Internet and e-business to provide products and services and information to customers requires that the customers' needs were really known and understood. When people visit an online business at a website, nobody will even know they

are there. There isn't any opportunity to ask or answer questions. It is therefore vitally important that their questions and concerns are anticipated and the needed information is provided in a way that makes it easy for them to fully understand the offering. Customer Relationship Management (CRM) is a way to get the maximum value from the e-business investment. However, only two companies from the survey were using customer relationship management (CRM) system; they commented that this system helps making marketing activities more effective, improving customer services, and facilitating the development of new products or services. Most companies were not aware of the CRM system; this is consistent with UN (2000)'s comment that this function is still uncommon in developing countries.

The main priorities of the respondents in the near future included developing and improving online tour selling system, adopting online payments, stronger advertising with search engines, investing in information technology equipments and training their staff, selecting a bank to act as a guarantee for payment security to customers, improving website design and finding partners for exchanging links and selling each other's products.

4.2.3 Challenges to, and Opportunities for, Developing Online Tourism

Destination Marketing in Vietnam

4.2.3.1 Challenges to Developing Online Tourism Destination Marketing in Vietnam

There are some challenges to improving and developing tourism marketing in Vietnam: market research is very weak; the long-term tourism marketing plan is still in the process of being set up; the quality of tourism products and services remains poor. Other challenges specific to Vietnam's online tourism destination marketing are discussed below.

- **Destination Image**

The image of Vietnam tourism sent to the world depends on the target markets. For example, for developed countries (such as European countries, America, Australia), Vietnam tourism introduces images that relate to wildlife natural environment, unique cultural traditions in order to attract tourists' discovery and study. However, for Northeast Asian countries, comfortable resorts, gastronomy, special handicrafts are emphasized. Recently, accent has been put on cultural performance activities. This initiative helps differentiate Vietnam tourism products.

In general, Vietnam tourism sent its image to the world as a new emerging destination which is able to satisfy the diversity of customer demands. Strategic marketing should carefully consider what the primary strategic aim of destination branding is (Konecnik and Gartner, 2007). Reflecting this main aim, proper marketing strategies should increase tourists' destination awareness, appeal to their image or quality perceptions, or influence their loyalty dimension. It is reasonable to employ different marketing strategies for different foreign markets, but all marketing strategies should be prepared in consideration of the destination's brand identity.

For 36.2% of the respondents the first image of Vietnam was not specific. Some of the comments showed the lack of preliminary knowledge on tourism in Vietnam. Most of these respondents are from Europe, ASEAN countries, and Oceania. This absence of destination branding leads to loss of potential visitors. Kaplanidou and Vogt (2003) discuss that the lack of branding means that the consumer may not be as aware of a destination or its identity. This means that during the decision-making process of choosing a travel destination the consumer is more likely to consider a destination which has a distinct position in his/her mind. Lack of branding means also lack of visual, emotional, rational and cultural destination images, which do not encourage potential visitors to feel a certain way about a destination and potentially motivate them to go there.

The first images of Vietnam of the respondents included: Natural landscapes; Specific destinations within the country; People; Culture and Customs; History; developing country, safe country; country with a lot of motorbikes, etc. This confirmed VNAT, UNDP and UNWTO's (2001) discussion that the general image of Vietnam in international markets is confused. Much of the perception of Vietnam is colored by past events, and little specific

information on Vietnam today is available in core markets. This limits the knowledge of the tourists on what to expect when they arrive in Vietnam. Currently, Vietnam has not been able to establish a strong market position, as it has not fully identified its core markets or established the needs of individual markets. VNAT (2008) mentions that Vietnam is still often associated by tourists with the Vietnam War which still influences the opinion and view of some marketplaces.

Due to the continuous increase of travellers using the Internet, websites become important tools for raising destination awareness. However, challenges may arise when individual tourism suppliers attempt to develop their own individual brand identities on a global scale via the Internet. Assenov and Cosh (2008) explain that this difficulty is multiplied for tourist destinations where, as opposed to company products, there are numerous stakeholders both from the private and public sector, and these stakeholders may be willing to send different messages to the general public. Thus whereas a tourism authority may wish to promote say sustainable cultural tourism in a destination, hotel owners may be more interested in attracting the mass tourist, and entertainment venues may want to emphasize the availability of alternative entertainments. These stakeholders then send conflicting message to existing and potential visitors and the tourism authority may have little success in promoting their desired image of the destination.

In addition, Chon and Sparrowe (2000) state that the images of a destination are so important that states and countries spend millions of dollars to build positive images of their destinations. This is one of the challenges of destination branding. Morgan and Pritchard (2006) mention that Procter & Gamble, the world's biggest advertiser, spends millions each year promoting its various brands, and countries such as Croatia, Vietnam and Egypt still have to vie with them for consumer mindshare in a crowded environment characterized by spiraling media costs.

- **Cooperation**

Researches show that perhaps the most important challenge to destination marketing is to bring all individual partners together to cooperate rather than compete and to pool resources towards developing an integrated marketing mix and delivery system. The findings showed more cooperation between tourism stakeholders at all levels in Vietnam in general as well as in online marketing. However, it is still inadequate as spontaneous development does not result

in a system. In addition, except for a few commercial enterprises, the main state institutions have not created the critical links with the main players in source markets that are an important part of the marketing success. Lack of cooperation between tourism stakeholders in marketing makes the input information for tourism publications and websites at the national level inadequate. One reason is that tourism-related organisations and businesses are not willing to provide information. If cooperation is increased, the input information quality will be improved, so that the tourists will get sufficient information.

Due to the limitation of cooperation among national tourism organisations, tourism business and regional tourism organisations in the field of online tourism marketing, the contracts related to online marketing among these organisations likely accounted for less than 10% of the potential.

For the partnerships with destination management organisations, tourism-related businesses would benefit from partnerships with destination management organisations. If the destination is managed and promoted well, more tourists will come to visit and will stay in the destination longer. Therefore, tourism-related businesses would be able to increase their company revenue from supplying tourism services. However, the problem was how to share this benefit; few tourism-related businesses have understood or are prepared for joint promotion of the tourism destination.

Problems to cooperation include: Information technology levels and priorities are not equal in each organisation; it is difficult to exchange web links with tourism suppliers and organisations in and out the country; organisations have different Service System Database; inconsistent or out-of-date information makes it difficult to cooperate; many unit price of some domestic and international travel agencies which upload on their websites are not suitable with the unit prices hotels when contracts are signed. Between tourism-related businesses in online marketing, there is a tendency towards cooperation but it is inadequate and incomprehensive due to differences in awareness and development among companies. The different destination databases are unique to each organisation which also limits the potential of online marketing. Besides, lack of cooperation between DMOs at different levels is a serious challenge in setting a DMS.

- **Technology**

Almost all tourism stakeholders are interested in online marketing but the approaches are different; they depend on the companies' awareness of technology as well as their financial abilities. At the national level, it was found that it is not difficult to carry out online marketing. The easiest way could be finding a reliable supplier who would implement all aspects of online marketing. The difficulty is how to make it become real cost-effective method. Developing a site is not enough; it need to have staff to look after it, at least by updating information, advertising for the site, and making it interesting and useful so that the users would visit the site more often.

At the enterprise level, more challenges for practicing e-business were found: the greatest challenge is the concerned about potential security risks and privacy. Another difficulty is to find reliable IT suppliers; furthermore, the quality of the network is still poor.

E-payments are the most serious difficulty for online company sales, due to the need to pay through costly bank transfers for online reservations. Unsolved legal barriers of e-payment are another challenge for developing and applying new technology. E-payment is also challenge to all tourism-related organisations at the provincial as well as national levels.

DMS make cost-effective marketing campaign for all tourism organisations as well as tourist companies and create a rich information system for customers from the world. It is an important tourism information resource. Technologies are the greatest complicated and challenges to organisations in setting and operating the system. However, destination management organisations do not have to develop these systems and can configure standard systems from suppliers such as AXSES SCI, Travellinx and BVG Internet. The technology can be outsourced so the challenges to DMS setting and developing were found to be mostly non-technology-related.

As it continues to grow, online marketing will prove to be a powerful direct marketing tool for building customer relationships, improving sales, communicating company and product information, and delivering products and services more efficiently and effectively. However, the important thing is how to catch up with the latest technology and deploy it effectively.

- **Human Resources**

In general, the lack of marketing qualified staff appears in tourism-related organisation at all levels. At the national and provincial levels, the limitation of human resources is regarded as the biggest challenge. The lack of people has good knowledge both on tourism and technology, and with foreign language skills, results in poor and out-of-date information on websites. It is considered that if the issue of human resources for marketing was solved, Vietnam tourism would receive a significant boost.

At the enterprise level, staff has not been trained for online marketing, or was trained with short or irregular courses. One reason managers flinch from investment is of the high turnover of staff. Due to the fact that the back-end of the DMS is very complicated, setting it requires a lot of trained staff. Therefore, human resources become an even greater challenge to Vietnam in improving and developing online tourism destination marketing.

- **Psychological Barriers**

Businesses are fluctuant to engage in e-business due to their fear that once their products have been announced online it will become easy for their competitors to imitate them. They also feel that it is difficult to negotiate online; to convince customers on many issues such as prices; customers may give up the order but the company cannot pursue them. In addition, direct transactions and payments are more familiar to customers and businesses: the customers prefer face to face contact, not Internet, and the business partners also prefer face to face or phone contact. One of the problems to setting DMS is that people are not used to team work.

- **Finance and Budget Issues**

Finance and budget were a challenge to tourism-related organisations to develop and improve online marketing due to the need for spending a lot to deploy capital effectively.

The budget of tourism organisations for online marketing (as proportion of total marketing budget) at the national level comes from the government. It is limited and the

proportion spends for online marketing is not defined. At the provincial level, most provincial tourism departments have some government budgets for setting and developing their websites. At the enterprise level, most companies allocate a proportion of the total marketing budget for online marketing, typically 10% - 15% but occasionally 20%-25% of the total marketing budget. However, in contrast, some companies spent for online marketing only 1% of the total marketing budget.

In terms of setting DMS, initial investment as well as maintenance cost is very high; the adequate allocation of budget for such online tourism marketing is critical to successfully set up the system. It can be expensive to develop and maintain a DMS. WTOBC (1999) has estimated that a major DMS may cost between USD 500,000 and USD 800,000 to develop and typically over USD 250,000 annually to operate.

4.2.3.2 Opportunities for Developing Online Tourism Destination

Marketing in Vietnam

The biggest opportunity for Vietnam tourism is that it is a new-fangled market for tourists, especially Internet savvy travelers. In addition, the awareness of tourism marketing and the vital role of tourism promotion from the government as well as tourism-related organisations and businesses in the country is increasing. Opportunities for developing and improving online marketing, especially online tourism destination marketing in Vietnam were indicated as followings:

- **Online Marketing Foundation**

The Internet provides access to global audiences and markets. VNAT offers a series of websites which target people from around the world that would like to know about Vietnam now as well as in future. These websites are the good tools for VNAT and

other DMOs to promote effective-costly Vietnam tourism and their tourist services. In addition, those websites have given both tourists and travel services suppliers an area in which they could exchange information and deal with each others.

Being the only premier, official online tourism marketing organisation representing Vietnam, vietnamtourism.com and some other websites have made excellent progress:

+ Vietnamtourism.com website was the first Vietnamese website when the country was officially connected to the Internet at the end of 1997. The website aims to provide fully information about the country, from the history, culture, to tourism-related information and services. The content is provided in 5 languages: Vietnamese, English, French, Japanese and Chinese. The website is frequented daily by more than 30 thousands visitors from around the world. So far, the website have more than 350 clients and/or partners who are presented in the website by the Tourist Companies list, or by their banner, logos, pop-up and other advertisement types. Through this website, people could find needed tourist information of any tourist points, tourist areas with their accompanied services in any province of Vietnam. The website is also providing hotel reservation and tours booking form and web link services. The annual receipt from the online marketing is about USD 15,000.

+ Vietnamtourism.gov.vn was launched in 2001 when VNAT was starting its 5 years National Program on Action of Tourism. It provides information in two languages: Vietnamese and English. So far, the websites has more than 5,000 visitors per day. Since it is a non-profit website, it accepts the promotion free of charge, for all destinations inside Vietnam by banner, logos and web links services. Here, visitors could exploit the list of hotels, tours operators and the photo album of the country or get access to the database of tourism statistics of Vietnam.

+ Myhotelvietnam.com is a model of e-commerce website of Vietnam tourism. It is upgraded to become the official hotel reservation system of VNAT, providing online services for every accommodation provider. So far, more than 800 members have registered. The system provides automatic registration for the providers as well as for the users; it has an automatic check of credit cards and offers B2B model e-commerce for tour operator to book rooms. Furthermore, the system accepts online marketing though images, logo, maps, banner and email contact or web links. So far, the hoteliers that advertise and are registered on www.myhotelvietnam.com are given the authority to change and update the information for their companies by their user names and passwords.

At the enterprise level, local travel retailers such as Vietravel, Saigontourist and Apex Vietnam are already bringing e-commerce to their business models and selling their tours online with other players likely to follow suit.

- **Setting a DMS**

VNAT pursues to maximize the information technology development and research in order to meet the demand of the customers. There are some obstacles to setting a DMS for Vietnam tourism. However, online marketing is paid more attention; therefore there are more opportunities for developing DMS for the whole country. When people and businesses have in-depth understanding about the system operation and benefits, they will be willing to contribute to set up the system. The capital to set up the system could be from the government budget and the contribution of tourism-related organisations and businesses. In addition, technology as well as technology infrastructure is upgraded rapidly so the price of a DMS could be lower. A number of destinations in the world had developed and operated DMSs, therefore, Vietnam can learn from their failures and success to find the most suitable system for itself. As a new emerging destination in global tourism market Vietnam could find supports from international organisations or companies to develop the DMS in order to improve tourism development in Vietnam.

- **High Awareness of Online Marketing**

High awareness of online marketing was observed in tourism-related organisations at all levels.

At the national level, vietnamtourism.com website was the first Vietnamese website when the country was officially connected to the Internet at the end of the year 1997. It means that VNAT was aware very well about the important of online marketing for the country. Step by step, online marketing is getting more attention from VNAT. To implement the 2006-2010 national action plans on tourism, VNAT announced nine major tourism events in 2008. Tourism promotion is one of them and one of the main tourism promotion activities in 2008 is setting a plan for promoting and implementing tourism destination online marketing solutions.

At the provincial level, the high awareness of online marketing was shown in their planning of website upgrades in the near future. The upgrades would involve adding

information on tourist sites, tour itineraries, price of hotels and restaurants, etc; enriching the contents by offering more information on tourism in other provinces and on international tourism; improving the frequency of updating, and the quality of the information; making the websites more interactive, improving their interface and speed, and exchanging web links with travel agencies in the province, other provincial tourism departments and VNAT websites.

At the enterprise level, companies stressed that if they would like to develop they could not avoid applying online marketing. Almost all businesses agree that e-business plays a vital role in present condition. It is a special part in company operations now. They have a comprehensive understanding of relevant issues to online marketing practices. They suggest that online marketing needs to be implemented step by step and not in a haste; however, they need to be well prepared from the beginning on material and technical facilities, human resources, and operating process: technical system need to be comprehensive and upgraded; staffs that have responsibilities need to be well-trained; information needs to be updated frequently; safety and security need to be paid attention; and customers' expectation on online services need to be satisfied.

All companies noticed the vital role of online marketing. Some companies started working with online marketing as soon as the country connected to the Internet. The earliest company started in 1997; many companies engaged in online marketing before 2000 by setting up a website. Some companies always support and encourage, associate and create good conditions for comprehensive cooperation with partners; for example they set up an e-tour system to associate with online sellers and suppliers. In some cases the staff had taken short courses on e-commerce.

- **Cooperation**

All respondents from tourism organisations at all levels state that cooperation between stakeholders in tourism marketing is increasing at national, provincial and enterprise levels. Tourism destinations present an ideal scenario for the development of virtual organisations, linked together by information technology. It should be possible for all businesses within a tourist destination to link their websites so that a visitor to one site would easily be able to find out about related facilities at other companies' websites. It was found that electronic

commerce offers exciting new opportunities for cooperation among tourism suppliers. The different stakeholders also need to work together towards setting a destination management system (DMS) with Internet-based technology for the entire country. Such an "info-structure" would enable the destination to disseminate comprehensive information about resources and services and local tourism products as well as to facilitate the planning, management, and marketing of country regions as tourism entities or brands (Buhalis, 2000).

4.2.3.3 SWOT Analysis for Online Tourism Destination Marketing in Vietnam

From the analysis of primary data and studying secondary data about tourism destination marketing in Vietnam, SWOT analysis was performed. Its results are presented in Table 4.1.

Table 4.1 SWOT Analysis for Online Tourism Destination Marketing in Vietnam

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ VNAT has a series of tourism websites with different target users ▪ VNAT offers some promotion free of charge, for all destinations inside Vietnam by banner, logos and web links services on website ▪ Vietnamtourism.com had illustrated for the success of “The first mover’s case” ▪ Almost of all provincial tourism departments have plans to promote their destinations on their own websites professionally. ▪ High awareness of all tourism-related organisations and businesses on the vital role of online marketing 	<ul style="list-style-type: none"> ▪ Tourism image is vague, often changes ▪ Lack of trained staff in online marketing at all level ▪ Coordination in online tourism marketing is still limited (e.g. lack of exchange links between tourism organisation’s websites as well as information between central and provincial tourism authorities) ▪ Budget for tourism marketing is still limited ▪ Website design and usefulness had not gained high impression of users. ▪ Website promotion is ineffective ▪ Level of ICT adoption is still low. ▪ Lack of market research in the tourism sector

Table 4.1 (Continued)

Opportunities	Threats
<ul style="list-style-type: none"> ▪ Strong government commitment on tourism development ▪ Emerging markets and new Internet-savvy travelers in Asia ▪ International organisations willing to support the tourism destination marketing strategies ▪ Emergence of cooperation at national, provincial and enterprise levels to coordinate tourism marketing ▪ VNAT is in the process of making plan for promoting and implementing tourism destination online marketing solutions ▪ ICT infrastructure is developing rapidly 	<ul style="list-style-type: none"> ▪ The security issues related to e-payments ▪ Consumer doubts with online bookings and payments ▪ Tourism-related businesses have not understood or prepared to join in promoting tourism destination. ▪ Individual tourism suppliers send different and conflict destination image via the Internet ▪ Fierce competition in online tourism market ▪ Risk of foreign companies gaining most market share.

Source: the researcher

4.3 Recommendations

Destination-related websites' quality is often crucial to satisfying the customers' demand for information, as well as their booking, purchasing and other requirements. Websites need to be promoted through all distribution channels. To gain competitive advantage, tourism-related organisations need to focus on interaction with customers, through email, discussion forum, chat room, instant message and customization functions, and guarantee the safety of online transactions, in order not just to attract new users but also to ensure repeat customers. The quality of online services will often influence the perceived image of a destination. Co-operative marketing is much more cost effective and can stimulate greater travel urges by using DMS.

Governmental support and direction will also be very important in a country like Vietnam for enhancing the destination marketing in general and online destination marketing in particular. The result of this study summarized the six key factors which are essential for a successful development of online tourism destination marketing. They are also the main issues of Vietnam online tourism destination marketing; those are destination image, cooperation, website management, training, and the role of the government. Therefore, the researcher had proposed strategies for developing online Vietnam tourism destination marketing.

4.3.1 Destination Image

Earlier research shows that the most important criterion for selecting to visit or not to visit a destination may be its image. Image is the set of expectations and perceptions a prospective traveler has of a destination. This image is a result of information they collect through different channels. Past experience of the destination or the companies involved (i.e., airlines, hotels, tour operators); descriptions by friends and relatives; general information; and marketing campaigns develop these expectations and perception which may be true or imaginary representations. The nature and the quality of information presented before the actual experience becomes crucial because this information is the source of expectations which are used for evaluation of service quality following the experience. Similarly, the supply of up-to-date information that includes details of the tourism product becomes important for creating reasonable expectations (Baloglu and Brinberg, 1997; Chon and Chacko, 1997 quoted by Buhalis, 2000).

However, to have clear, consistent information on image of destination, Kaplanidou and Vogt (2003) suggest that a mission and a vision for destination's branding efforts need to be created. Tourism organisations need to create their brand with unique features that differentiate it from the competitor.

At the national level, Vietnam should position itself as a destination with important cultural, historical and recreational attractions, with a wide range of environmental and soft adventure activities, and a destination that can be linked with both neighbors and other ASEAN countries. *Vietnam - the hidden charm*, the current slogan of Vietnam tourism, needs to

be better promoted to stimulate visitors discover more about its charm. All the branding components and communicate the destination's brand identify to the potential visitor must be reflected on the website. Branding is very important in today's markets. With so many products and services to choose from, consumers need to have some basis in order to make decisions.

The destination is widely acknowledged to be one of the most difficult products to manage and market, involving large numbers of stakeholders and a brand image over which a destination marketing manager typically has very little control. Each stakeholder may send different and conflict images to the market, these cause the image becomes confusing. Vietnam enjoys big tourism product diversity, however, this diversity may also make tourists confused about Vietnam. In addition, the complication to tourism marketing is that in most cases destinations have already a rich history, image and legacy development as the image of Vietnam is much affected from the past such as the war. Therefore, to avoid the confusion of the image in the markets and in response to the lack of preliminary knowledge on the potential tourism of the destination Vietnam must be careful about sending diverse images, for example, which province is special for which product. Moreover, besides a logo or a slogan, tourism-related organisations need to create an emotional relationship between the destination and potential visitors so that a meaningful destination brand would be built.

Most DMOs in Vietnam have very limited budget and yet they have to market globally, competing not just with other destinations, but also with other global brands. However, with the Internet, online branding has become cost-effective and most suitable for Vietnam. Websites can be the communication tools that move the customer's mind from brand awareness to brand preference and finally to brand loyalty. These websites can be specific to different target markets. For example, for western visitors the focus could be on images related to the wildlife natural environment and to the unique cultural traditions; for visitors from Northeast Asia the focus could be on the comfortable resorts, gastronomy, and special handicrafts. The seven world heritage sites of Vietnam are paid special attention in all tourism promotion programs so a website on Vietnam world heritage could be set up and operated by VNAT; a website of each heritage site may be set up and operated by the respective provincial tourism department. So far, the information on the seven world heritage sites of Vietnam is provided in www.vietnamtourim.com. Nevertheless, too much information also leads to confusing and

overlapping content for the destination, therefore, there is a necessary to monitor and measure brand loyalty on the web. Kaplanidou and Vogt (2003) suggest some of the key measures regarding brand loyalty:

- Website conversion rates: find the number of unique web visitors who decided to visit the destination because of the website information. One way to do this is to ask for the visitors' email address in order to subscribe them to a news service the website offers and perform a follow-up study on whether the information provided influenced the web visitors to visit the destination.

- Customer satisfaction: use email addresses or exit surveys to ask visitors how satisfied they were with the website and the information and services offered.

- Repeat visitation numbers: Monitor the number of repeat visitors to the website.

- Commitment to the brand: some indicators of commitment are asking customers if they will recommend the brand to others, to monitor the numbers of site users that enjoy website membership benefits such as free travel information and special offer newsletters. Also, monitor the number of people who cancel their email newsletter subscriptions.

4.3.2 Cooperation

Co-operative marketing is much more cost effective and can stimulate greater travel urges. A public-private partnership will cut down costs in the productivity and distribution channels by using pool resources and bring more autonomy to tourism stakeholders in the country. Tourism-related businesses should recognize the importance of promoting not only themselves but also the destination. In terms of online marketing, it should be possible for all businesses within a tourist destination - be it Vietnam itself, or a specific region in the country - to link their websites so that a visitor to one site would easily be able to find out about related facilities at other companies' websites. Tourism-related businesses should take the initiative to contact tourism-related organisations in their provinces, as well as at national level, as well as other businesses, in order to exchange relevant links and possibly to develop new, region-specific or product-specific websites. Tourism-related organisations and businesses need assistance from

consultants that could be provided by the national tourism organisation. Collaboration among all stakeholders at all levels to provide opportunities such as meeting, seminar, etc. to get to know with each others (Chobkhay and Assenov, 2007).

The DMS system would help all stakeholders in the region gather together in using a single tourism database and system to enhance the cooperation as well as avoid inconsistent information. The destination management system can be used to build the image of the destination and eventually as an online reservation system. The effectiveness of a destination management system depends on the costs involved and the capacity of operators to run different functionalities, the technological, human and financial resources available, and the capacity of the various stakeholders. Success in the development of a destination management system will require a good organisational structure and cooperation mechanisms between the government and the private sector, as well as capacity-building activities.

- **Establishment of the DMS for Vietnam**

The VNAT's Tourism Information Technology Center (TITC) recently published the Vietnam Tourist Guidebook, based principally on information provided by provincial tourism offices. This information also comprises a partial national inventory of tourism resources. TITC's inventory is readily retrievable, as it has all been computerised. The TITC has some Geographic Information System (GIS) capability. The TITC's tourism resources information appears to be in GIS format, this condition should be assessed in the context of establishing the strategic information system recommended here. Therefore, the Tourism Information Technology Center - part of the VNAT - is recommended as the best suited to become the webmaster of the DMS at the national level, making it the single source of online information for Vietnam tourism as a whole. The center should be involved not only in setting the system, but also in its future operations. The center has responsibility for the future management and development of the Destination Management System (DMS) which is a database that holds information on attractions, places to eat, events and where to stay in the area. The DMS is updated regularly by all partners across the county. Updates appear frequently so that they are available to all users immediately. The TITC staff will play a key role in keeping the DMS up to

date and also use it to access information. The followings are typical functions of a DMS (typically a DMS will offer some of these services, but few will offer all of them) as discussed by Morgan et al. (2006) which are providing by TITC. However, the adoption level was observed at foundation level.

Table 4.2 Typical Functions of a DMS that are Available by TITC

Functions	By TITC
Website server: provides templates allowing users of the DMS easily to create and maintain websites for different regions, in specific languages.	x
Online reservation system: can be either provided as a self-managed system with its own inventory, or linked to a GDS; the system would be linked to an electronic payment system.	x
Email management and post office services: including newsletter subscriber forms, mailing list manager, multiple respondent accounts, automatic responders and online mail administration for POP accounts.	--x
Search facility: allow users to find information quickly on a subject that may otherwise be difficult to find in a large website.	x
Personal brochure/ personal web: allow visitors to the system to pick their options and have delivered to them a personal view of the destination that is relevant to their needs.	--x
Program tracking: gives an ability to establish and monitor Internet pages for integrated marketing promotions and campaigns; from this, the destination can evaluate the effectiveness of a campaign in real time.	--
Online shopping: typically for guidebooks.	--x
Promotional services for users: e.g. e-postcards, visitors journals, guest books, newsgroups, special promotions and screensaver downloads	--x
Media relations system: including copies of recently produced press releases	--x
Calendar: through which participating organisations can add events and festivals and classify them for multiple listings	--
Integrated databases: can be used to provide tourist information through CD multimedia productions, kiosks, call centres, visitor information bureaux and corporate information systems	--x
Archives system: allows partners to add items to a user-searchable archive and to upload files and graphics directly from their browser	--x

<p>Client profile and survey system: details of people who have made contact with the DMS (e.g. by email, telephone, personal visit to a Tourist Information Centre or by post) are recorded; profiles can be developed and selected to meet the needs of specific marketing campaigns</p>	--x
<p>Mobile targeting: developments in global positioning systems are allowing systems to target customers through mobile phones depending on their location.</p>	--

Note: Available functions (X); Unavailable functions (--);

Partly available functions (--x)

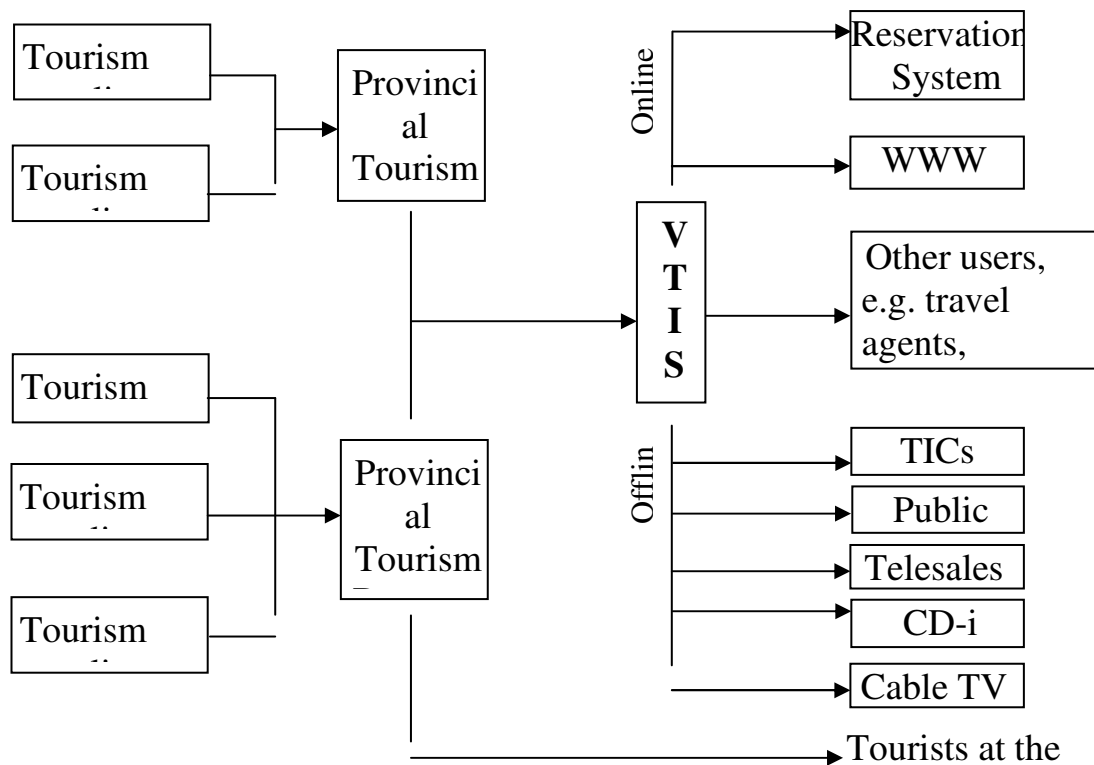
According to O'Connor (1999), Tyrol Information System is one of the leading examples of a DMS. In addition, the design of this system was greatly influenced by the structure of the tourist board that was organised similarly to the structure of the Vietnam National Administration of Tourism. Therefore, the researcher has proposed the structure of the Vietnam Tourism Information System as shown in Figure 4.1 which is mainly based on Tyrol Information System model, however, its channels of distribution are wider as their effectiveness and breadth are particularly important for the system's success.

- System Operation

The primary goal of the system is will be the main channel of distribution for information and reservations on all major aspects of tourism in Vietnam. The objectives of the system are:

- To make it easier for a tourist to choose Vietnam as a destination;
- To improve visitor servicing while in Vietnam.

Figure 4.1 Proposed Structure of the Vietnam Tourism Information System (VTIS)



Source: Adapted from O'Connor (1999)

The system is supposed to have two main functions: to make tourist information about Vietnam more available in the marketplace and to facilitate communication between the National Tourism Organisation (NTO) and Provincial Tourism Departments/tourism suppliers.

It forms a large network, with the provincial tourism departments all participating in the formulation of overall marketing strategy and policy. The NTO itself has no independent decision-making powers, which helps to ensure that the interest of the industry is always respected. VTIS is designed to strengthen this structure by using a distributed data architecture. All data will be stored locally, close to where they are most frequently used, which helps to reduce communications costs. However, each provincial tourism department can also access the entire database. The central office operates as a communications server, consolidating the databases from each province and then distributing a copy of the overall database to each user. Updates take place daily so that any data in the system are at most one day old. The use of a centralized real-time approach is not proposed due to the requirement of high levels of central

computing power, which sometimes resulted in performance difficulties at peak time. A decentralised approach is also used for data collection. Each provincial tourism department is responsible for keeping data on their provinces up-to-date on the system. Similarly, each provincial tourism department will be able to specify what data they want to receive from the central system so that resources will not be wasted in downloading information that will never be used.

- System Features

As in the case of Tyrol Information System (O'Connor, 1999), conceptually, the system will be able to be divided into two parts: a module designed to provide clients with information about Vietnam; and a marketing/management module designed to disseminate statistical and other data to the provincial tourism departments and tourism suppliers.

+ The *information module* will be the main focus of the system, and will contain data on a wide variety of tourism products and services, including accommodation, details of entertainment (including a calendar of events), places to visit (historical vestiges, ancient monuments, gardens, national parks, landscapes, museums, art-galleries), activities (such as facilities for angling, golf, sailing and walking), transportation (air and ferry schedules, train and bus timetables, car rental information), special promotions and other general tourism information (such as passport/visa requirements, health regulations and climatic conditions). It is suggested to cooperate with Meteorological Institute and Transportation Office in order to offer real-time information on climate, roads and traffic.

+ The *management information module* will be smaller, but is critical to the acceptance of the system by the provincial tourism departments. Its content is based on a survey of the latter's information needs, and it provides information that is of interest to both the provincial tourism departments and tourism suppliers. This includes: the national as well as provincial marketing plan, information on trade fairs, press conferences and other promotional activities, details of subsidies available for tourism development, and information and advertising publication schedules and prices. The organisation charts of the National Tourism Organisation and Provincial Tourism Departments should be available on the system to help suppliers become familiar with the structure of the related organisations. Addresses of major players in the tourism

industry (such as travel agencies, tour operators, the travel media or provincial tourism departments) are also available and can be used for email or direct mail purposes. Currently, this information is available in separate websites of the VNAT. In addition, market information and statistics on both source countries and competing destinations will be provided and powerful decision-support tools will be available to help users interpret these data.

The TITC will take care of the technology of the system with its existing legacy of computer equipment and will be the consultant for the upgraded system. The central database will be maintained by the TITC too. Training on both the use and the capabilities of the system is mandatory for all provincial tourism department staffs.

The range and scope of distribution channels will be selectively developed. The distribution channels of the system are supposed to be as follows:

- + Reservation system: this is the reservation system where the VTIS data are available. Electronic search facilities assist users in quickly and easily finding exactly the information they require. In addition, electronic booking facilities allow them to check availability and rates, make their bookings and immediately receive confirmation.

- + World Wide Web: launched in 1997, one of the first three websites in Vietnam (www.vietnamtourism.com) will allow potential customers anywhere in the world to find comprehensive information about visiting Vietnam. For example, the site includes sections on places to stay and things to do, as well as information on how to get to Vietnam and an innovative “personal brochure and itinerary” feature. Visitors can either use the hyperlinks to browse through the site and find the information they require, or can use a powerful search engine to find more specific data. Information on availability and online booking facilities are also added, which allow potential visitors to reserve accommodation and other services directly over the Web.

- + Other users: in addition to the provincial tourism departments, electronic access to the system is also going to be provided to certain other organisations, such as travel agencies, tour operators in Vietnam, Vietnam Airlines or even leading tour operators in other countries.

- + TICs: staff in TICs and tourism-related organisations located throughout the country can use the system to service visitor requests and make bookings at all accommodation and other tourism suppliers included on the system.

+ Public kiosks: Within the destination, tourist can often access information on the region's facilities and attractions using multimedia touch screen kiosks located in public places such as shopping centres, airports and hotel lobbies.

+ Telesales center: Visitors are offered a toll-free number, which automatically routes the caller to a Vietnamese-based call center. This operates 24 hours per day, 7 days a week to handle enquiries and process bookings and is staffed by multilingual personnel.

+ CD-i (compact disk interactive)-: taking advantage of developments in computing and multimedia, the TITC has been producing a range of CDs about Vietnam tourism and major tourism destinations in Vietnam. Therefore, a CD-i-based promotional tool should be produced which incorporates an interactive show with combine text, photos, video clips, music and speech, thus giving the potential visitor a taste of the attractions of the region. These disks will be used at self-service kiosks at the destination, and also at promotional stands at travel exhibitions and shows.

+ Cable TV: consumers can retrieve VTIS tourist information through their cable television sets. This facility is aimed at local people rather than tourists, but tourists can access the system through the television sets in their hotel rooms.

4.3.3 Website Management

- **Website Content**

The official websites of the destination should form an “information mall” which provides the users with all the basic information about it such as the tourist essential information, through the hyperlinks to the sites of tourism-related companies. The websites of the destination must provide useful, complete, and only relevant information to potential users. Information provided should be not too little, not too much. The availability of sufficient and relevant information is an important feature that affects online users’ intention to purchase. At the same time, too much information may confuse tourists. The information needs to be updated on a regular basis. The products should be introduced on the website with enough details to add more value for customers. From the findings, some attributes of Vietnamese travel websites need urgently improve are: Price of hotels, restaurants, tours; How to get to the destination; Photographs of the destination; Booking reservation; Tourist promotions, etc.

- **Website Design**

Website owners should seek the help of professional web designers to make sure the websites include all travel essential information; have useful functions such as online booking, and design friendly interfaces. Simplicity and ease of use may be advantages, since the demand for simple and effective websites has increased. The users need to access the site quickly. If the website takes long time to access, it will lose the visitors. Website owners may follow Rita (2000)’s suggestions for implementing the do's and avoiding the don'ts of Web design and Web usability (shown in Table 1.7) in order to enhance their success due to it relies heavily on the organisation's ability to design effective Websites.

- **Online Customer Services**

Tourism-related organisations and businesses should have positive attitudes towards the Internet as it is found that poor management attitudes and low priorities towards the Internet resulted in poor e-service (Saweksup and Assenov, 2006). They should consider their target market and customer needs or preferences in order to ensure that their websites are more efficient and effective, especially by focusing on customer requirements. For example, business travelers may need more information on the destination's economy, investment or policies and facilities related to meetings, incentives, conferences and exhibitions (MICE). On the other hand, leisure travelers may help create value for the destination based on the provision of low season information. The website may offer e-services by customizing itself to the needs of customers from different areas and with different primary languages.

There is the need to improve e-business services, and enhance customer communications, e.g. by efficiently using emails. As Saweksup and Assenov (2006) suggested, managers should recruit qualified staff who feel comfortable using the Internet, are familiar with foreign languages and have good attitude towards customer service. To enhance competitive advantage, the organisation or company should establish email templates that use basic business communication procedures such as polite greetings, thanking the customer, addressing the customer by name, offering additional information via a website, offering further assistance, closing politely, identifying the employee's name and including the office contact address.

Further, they should try to increase customer interaction in their sites by providing discussion forums, chat rooms, FAQ, instant messages and online "contact us" forms. Through these functions, the customers will be supplementary served with detailed and essential information. They will be able to easily contact the responsible person in the company, and will have place to complain directly to the organisation or business if they are unsatisfied with their services, or to express satisfaction with the destination and the services received. Therefore, the organisation or business will understand the real problems and will be able to improve services or policies. There are some other ways to increase online service quality that require managerial intervention such as: managers send an email or use instant messages from mock customers to

their own company to test the e-service of their staff; or attach a simple evaluation form in the email message to the customer, politely asking for a feedback on the response quality.

- **Assurance and Security**

Assurance and security are an essential element of successful online services. There is a general tendency for customers to doubt online payments due to the security of booking and a lack of brand identity amongst industry suppliers; this is a particular problem for websites originating from less-developed countries. Therefore, besides using high, latest technology, there is a need for advice and reassurance during the booking process to reduce the worries about security of credit card transactions on the Internet. Tourism-related organisations and businesses need to build strong brands to create a sense of confidence in the minds of the customers by using brand name websites, brand name emails, co-branding with others, choosing prestigious web masters and banks to cooperate, and offering simple booking forms. Asking too much information from customers could make them feel uneasy and worried about their personal information safety. It is necessary to provide sufficient information on online purchases such as competitive prices, special services, and cancellation policies (cancellation insurances and cancellation penalties).

As tourism-related organisations and businesses may lack information on e-commerce, especially online security technology, they need to be trained or to consult with webmasters. This can make them more confident in solving customers' doubts on doing online transaction. Besides, TITC should be promoted as a trusted place for every organisation and business in the tourism sector when it comes to consulting about tourism technology solutions.

- **Website Marketing**

To ensure the success of the online tourism marketing strategies, organisations need to integrate online and offline marketing. The websites - national, regional and enterprise ones - need to incorporate information as accurate and detailed as brochures or other advertising

types. The websites also need to be advertised on other distribution channels such as newspapers, brochures, add links in other websites, register with search engines and online directories and pay relevant sites for click-through links or banners ads. A numbers of the Internet marketing terms which are introduced by Zhou (2004) are listed and explained in Table 1.6. Website owners may refer to it and chose the most suitable one for their organisations or companies in terms of developing the Internet marketing.

Marketing of the site should be integrated into the organisations' overall communications and marketing strategy. The site address should be included on all stationery, business cards and the numerous other documents that the organisations produce every year. All staff should include the site address and a short description of the site into the automatic signature of their email. Taking the advantage of the first mover case, VNAT needs to focus on finding various ways to advertise website vietnamtourism.com widely domestics as well as international markets as the starting point for search on Vietnam.

4.3.4 Training

The main problem of tourism marketing in Vietnam is the lack of qualified marketing staff, particularly staff with knowledge and understanding of the service industry and in the field of computer technology. Therefore, training is the most significant and necessary area for them, in order to upgrade and increases their efficiency in managing as well as service provision. There need to be basic and advanced training courses in the areas of language skills, computer skills and up-selling techniques that are related to e-business. Also, it is important to have business owners with a positive attitude towards online marketing. All respective stakeholders, tourism-related organisations at national, provincial and enterprise levels, should organise training and also retraining on e-commerce since the technology is rapidly changing over time.

In addition, e-commerce development offices such as the Vietnam Chamber of Commerce and Industry (VCCI), which has responsible for Vietnam e-commerce development, or the Tourism Information Technology Centre (TITC) which has responsible for e-commerce development of Vietnam tourism, should prepare and distribute the guidelines of e-commerce to

tourism-related organisations and businesses in order to prepare themselves before adopts e-commerce and effective deployment both offline and online. Moreover, they can set up online courses so that the staffs can be flexible with their constraint time of work to study.

Employees they need to be trained to make sure that they realize the importance of new technologies for the success of the business, and to ensure that they are aware of the basic rules of online customer services. The staff should be service-minded and have a good attitude towards the Internet and service industry. The staff should be alert to take extra courses or learn by themselves computer and language-related skills.

The staff that is in charge of online services such as answering email, instant message should be confident to communicate with the customers. To reduce errors in email responses, the staff needs to consult colleagues or supervisors if in doubt, and recheck the email before sending to the customers. The staff should follow the organisation or business standard or template to answer email. In both cases, answering email or instant message, the staff should make sure that they answer all questions, offer related information, use polite language and be free of spelling errors. However, they should be flexible and had some initiative to answer the inquiries. This includes offering not only the required information but also interesting information related to their inquiry, which should increase customer satisfaction.

In addition, when the organisations or companies applying credit card payment system, the staff has to understand the online credit card transaction. This helps staff explain detail about the process to customers and it will reduce customers' doubts to purchase online with the organisation or company. They will feel safer and more motivate to purchase products. According to Le (2006b), this process could be:

- When consumer would like to purchase products or service, consumer add items to the merchant's shopping cart.

- When he or she wants to pay for the items, he or she provides credit card information in a form secured by Secure Sockets Layer (SSL) and this information will be sent to the merchant.

- Once the consumer credit card information is received by the merchant, the merchant software contacts a clearinghouse.

- Clearinghouse authenticates credit card and verify the account balances and contacts the issuing bank to verify the account information
- Once verified, the issuing bank credits the account of the merchant at the merchant's bank
- The debit to the consumer account is transmitted to the consumer in a monthly statement

However, the motivation of staff depends heavily on the managers. So, the managers should explain to the staff the need to improve online customer service clearly and encourage them to do that.

4.3.5 The Role of the Government

For a centralized economy such as Vietnam's, the government plays a crucial role in tourism destination marketing. What is needed for improving the online destination marketing is strong support and commitment from the government, as well as the provision of human and financial resources. The government can play an active role in e-commerce by providing the necessary infrastructure for conducting Internet business. Larger budget needs to be allocated for tourism research, tourism marketing and training.

The government and in particular VNAT could help regional tourism organisations and tourism businesses more by organising more events where they can meet and exchange experience and ideas; by developing and implementing concrete plans for e-commerce development in the tourism and hospitality area and assigning specific duties to relevant national-level departments and provincial offices.

All of the measures needed should be put in the context of developing a national DMS. Government support here is crucial due to the high costs of setting and operating a DMS, the technical challenges associated with it, the low awareness of tourism stakeholders of the opportunities presented by the system, and the need to integrate information which now exists in many and unconnected databases in different organisations. At the same time, factors crucial to its success will be the involvement of all stakeholders, their awareness of the benefits and willingness to contribute information and efforts in the future. So the government will not only provide the initial effort to introduce a DMS but should also bring together all stakeholders to affirm the success of the system.

Table 4.3 Summary of the Recommendations

Problems	Proposed solutions	Responsibility
<ul style="list-style-type: none"> • Destination image <p>- Communicate consistently through website</p> <p>- Measure brand loyalty on the web</p>	<ul style="list-style-type: none"> - Create a mission and a vision for destination's branding efforts. - Create a brand with unique features that differentiate it from the competitor - Co-branding with another destination brand to leverage a destination brand - All the branding components and communicate the destination's brand identify to the potential visitor must be reflected on website. - Website conversion rates - Customer satisfaction - Repeat visitation numbers - Commitment to the brand 	<ul style="list-style-type: none"> • VNAT, provincial tourism organisation, service provider and webmaster
<ul style="list-style-type: none"> • Lack of tourism research 	<ul style="list-style-type: none"> - Support human and financial resources to do research. - Implement research via the Internet. 	<ul style="list-style-type: none"> • Government, tourism institutions and organisation, service provider and webmaster
<ul style="list-style-type: none"> • Financial and budgeting <p>- Lack of government budget</p> <p>- Lack of budget for developing online marketing</p>	<ul style="list-style-type: none"> - Propose detail and feasibility action plans on tourism to the government - Continuous awareness on web settings to tourism-related organisations and businesses by providing free web hosting for agreed period and after at a concessionary price. 	<ul style="list-style-type: none"> • Government • VNAT • Tourism institutions and organisations • Webmaster • VCCI • TITC

	- Concessionary price for training and retraining, special price for memberships.	
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Table 4.3 (Continued)

Problems	Proposed solutions	Responsibility
<ul style="list-style-type: none"> • Website management - Lack of travel essential information - Lack of link pages to other organisations - Lack of safety features and online payment mean. - Unclear online booking functions - Lack of special features 	<ul style="list-style-type: none"> - Include all travel essential information; useful functions; design friendly interface (more refer to Table 1.8). - The website attributes need urgently improve are: Price of (hotels, restaurants, tours); How to get to the destination; Photographs of the destination; Booking reservation; Tourist promotions, etc. - Include postal address, and use branded email and branded website address. - Provide certification or copyright display, and privacy protection statement, use new technology of online payment. - Include product availability check, payment procedure, cancellation policy, and customization function. - Include discussion forum, user content generate, virtual travel community. 	<ul style="list-style-type: none"> • Tourism organisation • Service provider • Web master
<ul style="list-style-type: none"> • Currency of content 	<ul style="list-style-type: none"> - The latest tourism-related policies, events are presented adequately on respective websites. - Ensure that information e.g. price, special promotion, package tour are updated. 	<ul style="list-style-type: none"> • Tourism organisation • Service provider

Table 4.3 (Continued)

Problems	Proposed solutions	Responsibility
<ul style="list-style-type: none"> • Lack of online marketing trained staff 	<ul style="list-style-type: none"> - The professional online marketing training and retraining are necessary to develop their performance of staff, increase the awareness on online marketing in management level, increase understanding on tourism field for web master and developer. - Prepare and distribute the offline and online guidelines of e-commerce to tourism-related organisations and businesses in order to prepare themselves before adopts e-commerce and effective deployment. 	<ul style="list-style-type: none"> • Service provider • Professional organisations (such as the VCCI or TITC)
<ul style="list-style-type: none"> • Lack of cooperation on online tourism marketing (eg. lack of exchange links as well as information) 	<ul style="list-style-type: none"> - Collaboration among all stakeholders at all levels to provide opportunities such as meeting, seminar, etc. to get to know with each others. - Setting a DMS for the country - Include link page to other related organisations (suggested Internet Marketing and Advertising methods were described in Table 1.6) 	<ul style="list-style-type: none"> • Government • VNAT • Tourism organisations • Service provider • Web master • TITC

4.4 Limitations and Suggestions for Further Study

4.4.1 Limitations of the Study

The time of collecting and analysis data was short, therefore there are a number of limitations in the study on online tourism destination marketing strategies for Vietnam such as:

- The study gave priority to foreign visitors. It is not a survey of domestic tourists, the large and rising number of Vietnamese website users who would be able to give useful assessment and comment to develop Vietnam tourism destination online marketing.

- The sample size of hotels and travel agencies was small, and the sample did not include other tourism-related businesses that could have made the study results richer in contents and insights.

- With sampling method of stratified convenience sampling for foreign tourists by region, the survey should have distributed more than 50% of the questionnaires to Asian tourists. This was difficult, in spite of the use of support from international travel agencies, because Asian tourists were not willing to answer the questions, partly due to language limitations (questionnaires were in English only). This may have resulted in biased results.

4.4.2 Suggestions for Further Study

- There should be a study on the online demand of domestic tourists, to reflect the growing importance of Internet-savvy domestic tourists for Vietnam.

- The study should cover a larger representative sample size of foreign tourists with paper survey as well as include an Internet survey to find out the major markets' requirements and expectations, in order to implement tourism international online marketing strategies for each target market.

- The study could be expanded to analyse the ICT awareness and adoption of all tourism-related businesses, not only travel agents and hotels but also restaurants, entertainments, and transportations sector, and with a larger sample size of travel agents and hotels.

- The study should be expanded to collect data from other organisations such as Vietnam Tourism Association, Vietnam Hotel Association, Vietnam Travel Agents Association as well as tourism chapters at cities or provinces on online marketing activities.
- The study should study tourism IT suppliers to give comprehensive technology solutions for e-business adoption of tourism-related organisations at all levels.
- The study should study in more detail the quality of travel websites in Vietnam.
- The study should study in more detail the quality of online travel services in Vietnam.
- The study should study more in detail the setting and operating of DMS for Vietnam.

4.4.3 Contributions of the Study

- This is the first research that has studied in depth the issue of online tourism destination marketing in Vietnam both on the demand and supply sides.
- The motivation of this research was not purely academic; it aims to provide a broader range of practical measures for successful online tourism destination marketing in Vietnam.
- The recommendation could be used as a base for a future marketing plan for Vietnam tourism.
- The recommendation could be used as a base for developing the framework for setting up a DMS for the country.

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APPENDIX A

No.....



Questionnaire for Provincial Tourism Departments
Online Tourism Destination Marketing: Strategies for Vietnam

To: Director of Promotion and Marketing Department

I am an **expert** of Tourism Information Technology Center, Vietnam National Administration of Tourism. Now I am an **MBA student** in Hospitality and Tourism Management (International Program), the Faculty of Tourism and Hospitality at Prince of Songkla University, Phuket Campus in Thailand. For **my study**, I am researching online tourism destination marketing in Vietnam. The data collected for this survey will be **used for academic purposes only** and will be useful for developing and improving the content as well as service quality of online marketing in Vietnam tourism, especially for the official websites of Vietnam tourism from the central to provincial levels. I would very much appreciate if you could spare about 5 minutes of your valuable time to participate in this survey. And please sent it back to the address on the attached envelop or email to **lethiphuonganh@yahoo.com** before 12 December 2007.

Thank you for your participation.

Ms. Le Thi Phuong Anh

Please write down answer or tick ✓ in which corresponds to your answer.

1. Does the office have Website?

Yes No, we plan to set up in 2007 2008 Unknown

Name of the websites (if have):..... Year of found:.....

2. The budget for setting your current or planned website is

Less than VND 6,000,000

VND 6,000,000 - VND 10,000,000

More than VND 10,000,000

3. The website already has or is going to be advertised on

	Using	Going to use
Newspapers, magazines	<input type="checkbox"/>	<input type="checkbox"/>
Brochures, leaflets	<input type="checkbox"/>	<input type="checkbox"/>
Office's equipments (employees' name cards, envelopes,...)	<input type="checkbox"/>	<input type="checkbox"/>
Other websites (name one:)	<input type="checkbox"/>	<input type="checkbox"/>
Website Directory (e.g. www.vietnam-tourism.com, www.webdanba.com)	<input type="checkbox"/>	<input type="checkbox"/>
Search engines (Yahoo, Google...)	<input type="checkbox"/>	<input type="checkbox"/>
Others (please specify.....)	<input type="checkbox"/>	<input type="checkbox"/>

Please continue only if you answered "Yes" to Question 1

4. Languages on website:

Vietnamese English Others (Please specify.....)

5. The Website is updated:

Every week Every month Others (Please specify.....)

6. Tourism events upload to website from

All over the country All over the province/city Some events only

7. How many people access to the website every month?people. (Unknown)

8. How many businesses do advertise on the website?

None Less than 5 5-10 more than 10

9. Does the Website have **Contact Us** form?

Yes No

10. Is there an experience sharing forums on the Website? (who did what in the destination and recommends it to his/her peers) Yes No

11. Does the Website allow subscribe newsletters? Yes No

12. Website offer adequately information on:

Tourism news	<input type="checkbox"/>	Culture and Customs	<input type="checkbox"/>
Tours	<input type="checkbox"/>	Attractions	<input type="checkbox"/>
Hotels	<input type="checkbox"/>	Festivals and Events	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	Restaurants	<input type="checkbox"/>
Specialities	<input type="checkbox"/>	Maps	<input type="checkbox"/>
Photographs of the destination	<input type="checkbox"/>	Tourist Promotions	<input type="checkbox"/>
List of external links to related sites	<input type="checkbox"/>	Others (Please specify.....)	<input type="checkbox"/>

13. Does the website offer booking reservation for (hotels, restaurants, tours)?

Yes No

14. Does the website offer price of (hotels, restaurants, tours...)?

Yes No

15. The website has any the following lists:

- Top things to see in the destination
- Top things to do in the destination
- Top family activities
- Others (Please specify.....)

16. What are your future plans for your website development?

.....

17. Any other comments:

.....

.....
.....

Thank you very much for your cooperation in answering this questionnaire.

- Retired Unemployed
 Others (please specify.....)

1.6. Annual household income:

- USD 20,000 or less than USD 20,001 - 40,000
 USD 40,001 - 60,000 USD 60,001 - 80,000
 USD 80,001 - 100,000 Over USD 100,000 Prefer not to say

1.7. Accommodation you was staying in

- 1-star 2-star 3- star
 4-star 5-star Others

1.8 Who arranged your travel products reservation for this visit? (tick all that apply)

- Own arrangement by Internet Travel agency in my country
 Travel agency in Vietnam Others (please specify.....)

1.9 Visit to Vietnam

- First time Repeat visit

1.10 When you think about Vietnam, the first image that comes to your mind is

Part 2: Internet and Online Searching and Purchasing behaviors

2.1 Do you use Internet?

- Yes No (if no, please move to **part 4**)

2.2 Primary place of Internet access:

- Primarily work/school but also at home Work only
 Primarily at home but also at work/school Home only

2.3 How often do you use of Internet?

- Several hours a day 1 hour/day

A few times a week Once a week Once a month

2.4 How long have you been using Internet resources?

1-3 years 4-6 years 7 years or more

2.5 When you search for travel information, **how important** are the following attributes of travel websites? (tick in the appropriate box)

	Very Important	Important	Average	Un-important	Very Un-important
Logo or brand					
Photographs of the destination					
Web site is available in different					
List of awards given to site					
Climate, Geography, Topography					
Tourist essential information (e.g. Visa, money)					
Shopping hours					
How to get to the destination					
Public transport					
Culture and Customs					
Festivals and Events					
Attractions					
Destination specific activities					
Suggested itineraries					
Maps					
Site map					
List of external links to related sites					
Visitors comments					
Booking reservation					
Price of (hotels, restaurants, tours)					
Tourist promotions					
What to do					
Where to go					
Tourism news					
Key word search					
List of frequently asked questions					

2.6 How often do you purchase travel products online?

Never purchase anything on the Web

Once a year

2 - 5 times a year 6- 12 times a year More than 12 times a year

2.7 Total travel expenditures per year: approximately USD

2.8 Total online travel expenditures per year: approximately USD

Part 3: Perception of Vietnam travel websites

3.1 Is it easier to *find online information* on Vietnam for your trip from:

Vietnamese travel websites Foreign Vietnam-related sites Both

3.2 What products have you searched or purchased online for your trip to Vietnam, from which websites? (tick all that apply)

Products	Searched		Purchased	
	Vietnamese websites	Others	Vietnamese websites	Others
Airline tickets				
Other transportation				
Accommodation				
Package tour				
Travel Insurance				
Others (please specify.....)				

3.3 Which websites did you find most useful when you searched information on Vietnam?

http://.....

3.4 Which official Vietnam tourism websites you have searched or visited?

(tick all that apply)

The websites named below are the official websites of VNAT:

- www.vietnamtourism.com www.vietnam-tourism.com
- www.vietnamtourism.gov.vn www.vietnamtourism-info.com
- www.dulichvn.org.vn www.myhotelvietnam.com
- Others (please specify.....)

3.5 If you have previously sent email inquiries to travel websites in Vietnam, what was your overall impression of (tick in the appropriate box):

	Very good	Good	Average	Poor	Very poor
Prompt response					
Relevant response (answered what I asked for)					
Sufficient information					
Good suggestions (e.g. alternative routes or discounts)					
Professional language used					

3.6 Could you find all travel information you needed from Vietnamese websites only?

Yes No

3.7 If you ever used Vietnamese travel websites, what is your impression of the following attributes? (tick in the appropriate box)

	Very good	Good	Average	Poor	Very poor
Logo or brand					
Photographs of the destination					
Web site is available in different languages					
List of awards given to site					
Climate, Geography, Topography					
Tourist essential information (e.g. Visa, money)					
Shopping hours					
How to get to the destination					
Public transport					

Culture and Customs					
Festivals and Events					
Attractions					
Destination specific activities					
Suggested itineraries					

3.7 (Continued)

	Very good	Good	Average	Poor	Very poor
Maps					
Site map					
List of external links to related sites					
Visitors comments					
Booking reservation					
Price of (hotels, restaurants, tours...)					
Tourist promotions					
What to do					
Where to go					
Tourism news					
Key word search					
List of frequently asked questions (FAQ)					
Website design					
Website usefulness					
Overall impression					

Part 4: After the trip

4.1 Will you write/ talk about your experience and comments on your trip when you back?

Yes; I will write / talk to

my blog

the travel agencies/ hotels that I booked

- my relatives / friends
- official websites of Vietnam Tourism
- others (please specify.....)

No

4.2 Would you come back to Vietnam? Yes No Maybe

4.3 Any other comments on Vietnam tourism information supply:

.....
.....

Thank you very much for your cooperation in answering this questionnaire.

APPENDIX C

Questions for Interviewing Tourism Promotion-Related Officials

I - Questions for tourism promotion senior official

1. The current situation of Vietnam tourism marketing.

- Which image Vietnam tourism sent to the world?
- What Vietnam tourism marketing does to attract more foreign tourists?
- How is the relationship between supply and demand in Vietnam tourism?
- How DMOs at provincial and enterprises levels coordinate together and with national level?
- What are government policies to develop Vietnam tourism in term of promotion?
- How is the human resource in tourism marketing?
- What kind of marketing initiatives taken recently by VNAT have been successful?
- How are you balancing offline and online marketing initiatives?
- How much government budget for research and planning went into the tourism marketing and how much into online marketing?
- Are there any favours to online tourism marketing? What are they?
- What role do you think marketing online has played in promoting the destination?
- In your opinion how tourism-related businesses can form lucrative/benefit partnerships with destination management organisations?

2. The challenges to and opportunities for improving and developing tourism marketing in Vietnam.

- What are the challenges to and opportunities for improving and developing tourism marketing in Vietnam?
- How you integrate online and offline marketing?
- How to evaluate and monitor tourism marketing activities?

3. The future plan for marketing in Vietnam

- What's on your agenda? What initiatives are being planned for future?

II- Questions for online marketing senior official

1. The current situation of Vietnam tourism online marketing.

- Do all the websites of VNAT play the role as an umbrella for DMOs developing online marketing in Vietnam? Are they brand names in tourism sector?
- How many percents online tourism marketing meet the demand?
- Are there any tourism campaigns on Internet?
- How are e-commerce adopt by tourism related organisations at all level in the country?
- How do tourism organisations use destination database?
- There are many methods of promotion for website. What do you do and which do you think are the most effective?
- How difficult people can book tourism products for their trips on Vietnamese travel websites?
- How is the payment method on the Vietnamese travel websites?
- Being the only premier, official online tourism marketing organisation representing Vietnam, how do you assess progress made by vietnamtourism.com and some your other websites?

2. What are the challenges to and opportunities for improving and developing online tourism marketing in Vietnam?

- What VNAT do to develop online tourism marketing?
- How is the important to set up a DMS. What are the opportunities and challenges for developing a DMS for Vietnam tourism?
- The internet provides access to global audiences and markets. Where are you located and is your market influenced by your location?
- How can an e-commerce business owner decide where to advertise online?
- Compared to the current competition, how vietnamtourism.com differentiate.
- Do all tourism stakeholders join online marketing? And how?
- Are there any favours to regional tourism organisations as well as tourism related business to develop online marketing? What are they?

3. The assessment and future plan for online marketing

- What do you think about the return on online marketing investment?
- Do you have planned to introduce forum in Vietnam tourism websites?
- What's your view on user generated content in destination marketing?

- What's on your agenda? What initiatives are being planned for future?

APPENDIX D**Questions for Interviewing Tourism-Related Business Managers****A - Current marketing and sales activities of the company specify with online marketing**

1. How do you promote your hotel?
2. How your company gets feed back from customers?
3. Does your company use a CRM system that is a specific software suite for customer relationship management? How would you rate the utility of the CRM system:
 - For the effectiveness of marketing activities
 - For the development of new products or services
 - For improving customer service
4. Do you have separate marketing sections: online and offline?
5. How your company support marketing or sales processes by using specific IT solutions?
 - For publishing offers to customers
 - For answering calls for proposals or tenders
 - For launching sales auctions, like on B2B or B2C marketplaces
 - For receiving orders from customers
 - For enabling customers to pay online for ordered products or services
6. How your company integrates online and offline marketing?
7. Who are your target markets?
8. How your website do to focus on this market?
9. Please estimate how large a share of the total volume of your customers' orders or bookings is received online.
 - Online orders or bookings mainly from regional, national or international customers.
 - Online orders or bookings mainly from other companies, consumers or the public sector.
 - It mixed.
10. How you promote your website?

B - Opportunities and challenges in developing online marketing

1. When did your company engage with online marketing?

2. What are the challenges for your company practising e-business?
 - Company is too small to benefit from any e-business activities
 - E-business technologies are too expensive to implement
 - E-business technology is too complicated
 - The systems are not compatible with those of your suppliers or customers
 - You are concerned about potential security risks and privacy
 - You think that there are important unsolved legal
 - It is difficult to find reliable IT suppliers
3. How much does the company/hotel spend for online marketing (proportion of total marketing budget)?
4. What are the problems when you sell online and the percentage of online sales?
5. How difficulties you meet in cooperation with regional tourism organisations, national tourism organisation to develop online marketing?
6. Do the staffs be trained for online marketing?
7. Has your financial institution been supportive of your initiatives to electronically integrate your supply chain and those of your business partners?

C- Assess the vital role of online marketing in the company

1. How difference in the revenue of the company before and after use online marketing?
2. Would you say that by participating in an electronically integrated supply chain, your company's cash-flow cycle has improved, deteriorated or stayed the same?
3. In summary, and according to the overall experience of your company, would you say that e-business constitutes a significant part of the way your company operates today, or some part or none at all?
4. Why did your company decide to engage in e-business activities? Because:
 - The competitors also engage in e-business
 - The customers expected it from you
 - The suppliers expected it from you
 - The company believes that e-business will help to get an edge over the competitors
5. Could you share us any experiences in adopting marketing online?

6. What are your future plans for developing online marketing?

Background information about the company

1. When was your company founded?
2. Which groups are the primary customers of your company?
3. What is the ownership type of your company / hotel?
4. What is your company's most significant market? Is it the regional market, the national market, or international markets which you consider your main sales area?
5. How large is the market share of your company in the market?

Interviewee Information

Name:.....

Position in the company:.....

Tel:.....

Email:.....

APPENDIX E

Interviewees Information

No.	Name	Position	Tel	Email
1.	Mr. Nguyen The Thang	Deputy Director of Promotion Tourism Department - VNAT		thangthe@yahoo.com
2.	Ms. Nguyen Thanh Huong	Deputy Director of Promotion Tourism Department - VNAT		n_thanhhuong@hotmail.com
3.	Mr. Le Tuan Anh	Director of Tourism Information Technology Center - VNAT		letuananh@vietnamtourism.gov.vn
4.	Mr. Tran Tri Dung	Director of Information System Department - Tourism Information Technology Center - VNAT		tridung@vietnamtourism.gov.vn
5.	Ms. Le Kim Chi	Sales and Marketing Coordinator - Fortuna Hotel - Hanoi	(84-4)831 3333	kimchi@fortunahotel.com.vn
6.	Mr. Ha Truong My	General Manager of Rex Hotel - HCM City	(84-8) 8292 185	rexgm@hcm.vnn.vn
7.	Mr. Cao Tri Dung	Marketing Manager - Vietnam Tourism in Danang - VITOURS Company - Danang City	(84-511) 382 3660	dung@vitours.com.vn
8.	Mr. Le Ngoc Thai Duong	Sales Manager - Huong Giang Hotel-	+84(0) 905 540 559	duongsm@huonggiangtourist.com

No.	Name	Position	Tel	Email
		Hue City		
9.	Mr. Nguyen Huu Bong	General Manager of Haiphong Tourist Company - Haiphong City	+84(0) 903 408 455	
10.	Mr. Truong Nam Thang	OSC-SMI Hanoi Manager - Hanoi		tnthang@ osctravel.com.vn
11.	Mr. Nguyen Van Cuong	Manager of R&D Department - Vietravel Company - HCM City	(84-8) 822 8898 / 205	nguyenvancuong@ vietravel-vn.com
12.	Mr. Bui Quang Son	Deputy Director of Marketing Department - Ben Thanh Tourist Company- HCMC	(84-8) 823 0694	quangson@ benthanhtourist.com
13.	Mr. Nguyen Van Tan	Director of T&T Company - HCMC	(84-4) 920 3040	tan.nv@ tnt- vietnam.com
14.	Mr. Nguyen Van Tran	GM of APEX Tourism Joint-venture Company - HCMC	+84(0) 903 706 537	nguyentran1932@ yahoo.com
15.	Mr. Phan Duc Man	Chairman of board of directors of Kim Lien joint-stock Tourism Company - Hanoi	+84(0) 903 678 678	
16.	Mr. Luong Trung Hieu	Director of Marketing and Management Department of Saigon Tourist Company - HCMC	(84-8) 822 5887	hieult@ sgtourism.com.vn

No.	Name	Position	Tel	Email
17.	Ms. Ta Thi Hoa	Hai Au Hotel - Binh Dinh Province		taho@ seagullhotel.com.vn

VITAE

Name Mrs. Le Thi Phuong Anh

Student ID 5030120022

Educational Attainment

Degree	Name of Institution	Year of Graduation
Bachelor of Arts (English)	Hanoi University, Vietnam	1996
Bachelor of Science (Informatics)	Vietnam National University, Hanoi	1997
Certificate of English Proficiency	Victoria University of Wellington, New Zealand	2000

Scholarship Awards during Enrolment

Thailand International Development Cooperation Agency (TICA), 2007-2008

Work-Position and Address

Expert, Technology Development and Research Department

Tourism Information Technology Centre

Vietnam National Administration of Tourism - Ministry of Culture, Sports and Tourism

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List of Publication and Proceeding

Le, Thi Phuong Anh and Ilian Assenov (2008). *Demand for Online Travel Services in Vietnam*.

The Seventh Asia Pacific Forum for Graduate Students' Research in Tourism, June 3-4,
2008, Shah Alam, Malaysia.