

PUTTING INTO PRACTICE CURRENT CONDITIONS AND INNOVATIVE TOURIST SOLUTIONS TO MAKE TOURISM THE MAIN ECONOMIC PILLAR OF VIETNAM

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Abstract

After reopening in March last year, Vietnam's domestic tourism has recovered strongly, but international tourism accounts for 60% of tourism revenue, so the recovery is not very hot. Still, Vietnam has good reasons to expect a stronger recovery, especially after China reopens. HSBC's "Vietnam Overview: Tourism: Part of the Salvation" report says tourism will be mainstream in 2023, emerging as a new source of growth to ease some of the year's rhythms. In 2023, Vietnam's tourism industry aims to welcome 110 million visitors (including about 8 million international visitors and 102 million domestic visitors), and total revenue from tourists will be about 650,000 billion VND. However, according to many experts and travel businesses, to achieve this goal, Vietnam must innovate more. In 2023, Vietnam's tourism industry aims to welcome 110 million visitors (including about 8 million international visitors and 102 million domestic visitors), and total revenue from tourists will be about \$650,000 billion. However, according to many experts and travel businesses, to achieve this goal, Vietnam must innovate more.

Keywords: Tourism, Business, Innovation, Economy

1. INTRODUCTION

Information from the Vietnam National Administration of Tourism (Ministry of Culture, Sports, and Tourism) said that the number of domestic tourists in January 2023 in Vietnam was estimated at 13 million, of which about 4.5 million were staying guests. Total revenue from tourists in January was estimated at VND 46,000 billion. Thus, in the first month of the year, although the number of tourists increased sharply, the number of guests staying decreased by 37.5% compared to the same period last year, and the total revenue also decreased by 30%. The impact of the global economic recession and domestic economic and social fluctuations has reduced the purchasing power of tourists, and visitors have limited spending on mid- and high-class tourism services. Besides, the trend of tourism at the beginning of the year is mainly spiritual tourism, going during the day, so the number of visitors decreases. In 2023, it is forecasted that there will be many difficulties and challenges for the tourism industry due to changes in trends, needs, and spending abilities of international visitors. Some travel businesses further analyze that, currently, the domestic tourism market still has problems from 2022 that have not been resolved. For example, Vietnam has not yet relaxed the visa deadline, so the time that foreign tourists can stay in Vietnam is still too short. Many countries in the region create favorable conditions for international visitors to enter visa-free. Malaysia and Singapore are visa-free for 162 countries; the Philippines is visa-free for 157 countries; Thailand is exempting visas for 65 countries; and Vietnam is exempting visas for 24 countries. The visa exemption

period of many ASEAN countries lasts from 30 days to 45 days, even 90 days, while Vietnam's is 15 days. The level of development of tourism facilities in general is also very encouraging. In particular, the supply of high-end accommodation facilities continued to grow, with the number of 4-5-star standard establishments increasing by an average of 12% per year before the pandemic, according to the Vietnam National Administration of Tourism. After the pandemic, a number of global hotel chains are actively looking to open new facilities in Vietnam, reflecting Vietnam's attractiveness in other areas than just manufacturing.

2. LITERATURE REVIEW

A domain in information technology refers to a collection of computers that follow a standard set of guidelines, making it simple for users to access and manage them. According to Hjrand and Albrechtsen (1995), a domain is often connected to a collection of entities that offer audiences access to sources of information about a certain subject. A domain is a collection of connections, domain names, and Web sites that include various file kinds in hypertext forms (Xiang & Gretzel, 2010). As a result, according to Xiang, Woeber, and Fesenmaier (2008), an online tourist domain is one that offers a selection of tourism-related information. According to a proposed paradigm (Werthner & Klein, 1999), internet technology is crucial to interactions and communications between business owners and their customers. Up to 2019, it is predicted that Vietnam would welcome more than 100 million foreign visitors. Statistics on the sector have consistently demonstrated how important it is to the overall economy. The It was dubbed a "miraculous story" how Vietnam's tourist industry has grown in recent years. During the time of The number of international arrivals quadrupled between 2016 and 2018 thanks to the tourist sector. This figure was close to 15.5 million in 2018 and gave the State Budget 637 trillion VND. The tourist sector in Vietnam, particularly in 2019, recorded numerous significant successes. More than 85 million domestic tourists and over 18 million visitors from other countries were handled by the entire industry, which brought in over 720.000 billion VND. Using these Vietnam was thus listed as one of the top ten nations.

Travelers in Asia Pacific (APAC) heavily rely on social media platforms to research leisure travel options. When choosing their first holiday location, 57%, 42%, and 51% of consumers, respectively, respond to online travel forums, Facebook, and Internet reviews, according to the 2012 Text 100 research on How Digital Influences Travel Decisions Around the World. Previous research has revealed that social media websites, such as TripAdvisor and Virtual Tourist, come in second and third place, respectively, to travel middleman websites when it comes to Hong Kong younger travelers looking for online hotel information (Sun et al., 2016). According to studies on the influence of social media on the tourist sector in the Philippine province of Batangas, 87% of tourism businesses use Facebook to advertise their services, with Youtube, Twitter, and Instagram following closely behind.

3. RESEARCH METHODOLOGY

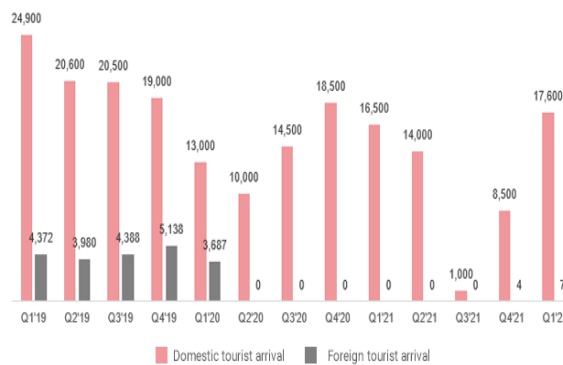
The study implements a method of comparative analysis and synthesis of domestic and foreign studies, applied when searching for patterns of similarities and differences, explaining

continuity and change. Implemented by comparing economic indicators with projects that have been built or are in operation to help assess the reasonableness and accuracy of the project's targets. From there, it is possible to draw the right conclusions about the project and make an accurate investment decision.

4. RESEARCH RESULT AND DISCUSSION

The largest source of tourists for Vietnam before the pandemic, has recently begun the process of reopening, further facilitating Vietnam's thriving tourism industry. Although the recovery process may take place gradually, the impact on the Vietnamese economy will be huge in many ways.

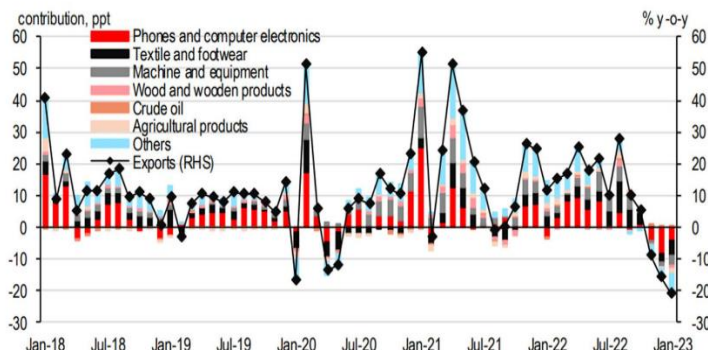
Figure 1: Number of tourist arrivals in Vietnam from 2019 to 2022



Source: Vietnam national administration of tourism, ministry of Culture, Sports & Tourism

High-end domestic travel may emerge from changes in tourism behavior. A rise in internal luxury travel may result from budget reallocation as borders remain restricted to outbound travel. Naturally, as previously said, domestic tourism has lower purchasing power than international tourism, thus it cannot entirely make up for the lack of international passengers.

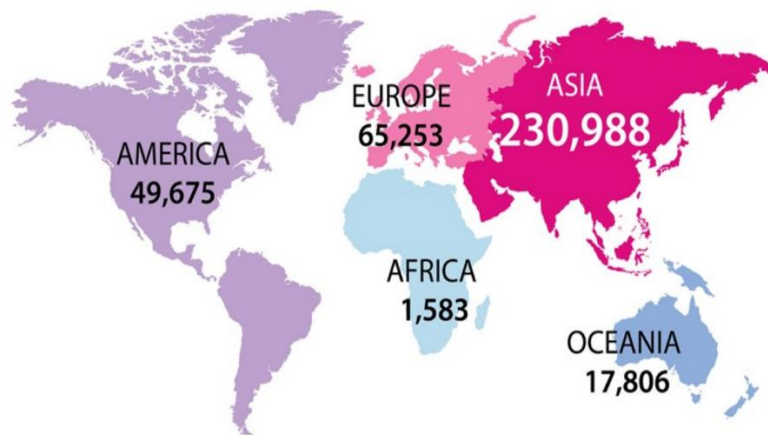
Figure 2: Early 2023 saw exports and deliveries from Vietnam



Source: CEIC, HSBC 2023

With \$1.2 billion in fresh positive FDI inflows, Vietnam begins 2023. Technology businesses continue to invest in Vietnam despite the temporary dip in global technology. The Chinese display manufacturer BOE Technology Group, a supplier of displays to both Apple and Samsung, has announced its most recent intentions to invest up to \$400 million to construct two plants.

Figure 3: Foreign arrivals by continents in first 5 months of 2022



Source: General Statistics Office 2022

Besides, international tourism has only partially recovered but not completely, with the number of tourists reaching 3.6 million, or only 20% in 2019. That further emphasizes the significant potential of the epidemic segment. Services continued to grow amid a slowdown in global commodity demand. In 2023, the Government aims to attract 102 million domestic tourists and 8 million international visitors, with tourism revenue expected to increase by more than 30%, although still below 2019 levels. It should be noted that total tourism revenue used to be as high as 10% of GDP in 2019. China.

5. RECOMMENDATION

For tourism to recover as it did before the pandemic, experts recommend that localities and businesses actively research the market, trends, and needs of tourists to build new suitable products. Strengthen publicity measures more widely. After a period of being affected by the pandemic, the travel needs of many customer markets have changed. To promote Vietnam's tourism to the international market, in 2023, the Vietnam National Administration of Tourism and agencies will actively participate in international events and fairs on ASEAN tourism, communication, and promotion on major channels. 2023 could see strong growth in international travel demand. Therefore, it is forecast that Vietnam's tourism will not fall out of this trend, promising many breakthroughs in both the number of visitors and revenue. The government can try out innovative and environmentally friendly financing strategies like hotel revenue pooling, in which a group of hotels with greater occupancy rates split money with other properties. As a result, hotels would be able to maximize variable expenses and lessen

their need on government stimulus programs. Vietnam has a great chance to increase its reputation as an adventure travel destination. Governments and business organizations may use the nation's general momentum and the anticipated resurgence of foreign travel to drive up demand. According to our data, travelers continue to hunt for adventure as the top travel trend in the Asia-Pacific region, which puts Vietnam in a good position to capitalize on this trend. Similar to this, investments are anticipated to move away from large-scale development projects like Phu Quoc. Exploiting new markets will be a central issue, with various initiatives such as the implementation of tourism promotion programs to pave the way to emerging markets such as India, which has a growing presence in Vietnam's international tourism industry. Easier travel also facilitates deeper travel connections. Further loosen the visa policy, an issue the Government has also urged. Currently, Vietnam does not exempt visas for major markets, including mainland China, the US, and Australia, while European countries are exempt from visas, but the stay period is only 15 days. Access to the visa-free regime is still relatively tight in Vietnam. This situation may change. Officials are considering increasing the visa-free period to 30 days and rolling out e-visas for citizens from all countries and territories. Another way to facilitate tourism is not only by improving traditional infrastructure but also by diversifying tourism products. Sports tourism, the tourism segment within the tourism industry vision of the Vietnam National Administration of Tourism, can also help attract high-spending visitors. For example, Hanoi has been aiming to become a leading destination for golf tourism. Accelerating digital transformation to form and develop a smart tourism ecosystem in Vietnam Continue to invest and develop tourism human resources to meet requirements; diversify forms of training; promote socialization; encourage businesses; and attract major tourism groups in the world to participate in training tourism human resources. Amending and completing policies on immigration procedures for international visitors in the direction of increasing the number of countries exempt from visas, extending the duration of stay in accordance with reasonable fees, and expanding electronic visas creating conditions for domestic and international airlines to open routes and directly connect Vietnam with key and potential tourism markets.

6. CONCLUSION

With the global trend to prioritize experiences over other factors, travel demand is expected to grow far beyond the previously suppressed. After Vietnam reopened in March 2022, domestic tourism has recovered strongly, helping Vietnam easily surpass the target of 60 million domestic visitors in 2022 and reach over 100 million domestic tourists. This year, Vietnam's tourism industry aims to welcome at least 8 million international visitors. To achieve this goal, the Government has just issued Resolution No. 82, setting out many specific tasks and solutions, mainly to accelerate the recovery and accelerate effective and sustainable tourism development. Many breakthrough policies on immigration and visa procedures are also being discussed at the National Assembly, which is expected to be approved soon to create a push to welcome international visitors to Vietnam.

Conflict of interests

None

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