

**A STUDY ON THAI OUTBOUND TOURISM- RECOMMENDATIONS ON HOW
VIETNAM CAN GAIN A LARGER SHARE OF THAI OUTBOUND TOURISM**

By

Chu, Van Long

THESIS

Submitted to
KDI School of Public Policy and Management
in partial fulfillment of the requirements
for the degree of

MASTER OF BUSINESS ADMINISTRATION

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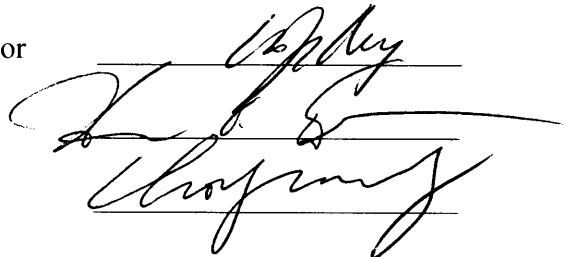
MASTER OF BUSINESS ADMINISTRATION

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Approval as of October , 2008

ABSTRACT

A STUDY ON THAI OUTBOUND TOURISM- RECOMMENDATIONS ON HOW VIETNAM CAN GAIN A LARGER SHARE OF THAI OUTBOUND TOURISM

By

Chu, Van Long

Vietnam is a rich country in natural beauty and resources, which is very potential for tourism to develop. However, it is not widely known to international tourists. Thailand is Vietnam's neighboring country, and an important partner in economic cooperation, especially in tourism industry. The number of Thai outbound travelers to Vietnam is increasing every year; however, it just accounts for a small number of international arrivals to Vietnam as well as of total Thai outbound travelers. Therefore, the aim of this thesis is to find the way for Vietnam tourism to increase this number of Thai arrivals. The approach of this thesis is to analyze the historical trend of Thais traveling abroad to understand the characteristics and habits of this market in general, then to look for the future trend. Besides, it also investigates the readiness of Vietnam tourism in welcoming this market. Finally, from the analysis and findings recommendations are given mainly focusing on developing the marketing and PR strategies, education and training programs, and product improvement.

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**Dedicated to my son Chu, Minh Hoang
and my wife Tran, Thi Thanh Nga**

ACKNOWLEDGEMENT

I would like to regard my special thanks to Professor Kim Ji-Hong who has helped me much in writing this thesis. He has given me valuable guidance from the topic proposal to the detail outline, which is very important for me to write and finish the thesis as it is today. I am also thankful to my wife, my parents, my friends and my colleagues who are always beside me and encourage me to finish this thesis.

Thank you very much.

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LIST OF ABBREVIATIONS

UNWTO	: World Tourism Organization
ASEAN	: Association of South East Asian Nations
ACMECS	: Ayeyawady Chao Phraya Mekong Economic Cooperation Strategy
EWEC	: East West Economic Corridor
GMS	: Greater Mekong Subregion
MOU	: Memorandum of Understanding
CIA	: Central Intelligence Agency
TAT	: Tourism Authority of Thailand
FIT	: For individual travel
VFR	: Visiting Friends and Relatives
VNAT	: Vietnam National Administration of Tourism
Lao PDR	: Lao People's Democratic Republic

CHAPTER I: INTRODUCTION

1. Purpose of the Thesis

‘In 2007, international tourist arrivals grew by an estimated 6% to reach a new record figure of nearly 900 millions – an astonishing achievement given that the 800 million mark was only reached two years earlier. This represents nearly 52 million more arrivals than in 2006, well over the total count for either the Middle East or Africa. In fact, world tourism enjoyed its fourth consecutive year of growth in 2007 above the long- term forecast of 4.1 % and, surprisingly, it even exceeded the 5.5% increases recorded in 2005 and 2006’¹.

The above statistics by the World Tourism Organization (UNWTO) is the proof for the fast growing of tourism industry in the 21st century. It is growing as a national strategic force due to its positive economic, social and environmental impacts. In 1998, the number of tourists traveled internationally was more than 625 million, of which the spending was already \$444 billion (excluding transportation). ‘Tourism accounts for 8 percent of the total world exports, more than 31 percent of international trade in services, and more than 100 million jobs worldwide. It employs more people than any single industrial sector and has infrastructure (lodging, transportation, and restaurants) investment conservatively estimated to exceed \$3 trillion.’²

The development of tourism will not stop at the number of 900 million international tourist arrivals. It will grow to much more than that with higher rate. ‘The future prospects for tourism are brighter than ever.’³ UNWTO forecasts that international tourists arrivals are expected to reach over 1.6 billion by the year 2020. Particularly, international tourist arrivals

¹ World Tourism Organization, *UNWTO World Tourism Barometer* (Madrid, 2008), vol.VI, No.1, p.1

² Philip Kotler et al., *Marketing for Hospitality and Tourism*, 4th ed. (2006), p. 717.

³ Roy A. Cook et al., *Tourism the Business of Travel* (New Jersey, 1999), p. 5.

to East Asia and the Pacific are expected to reach 397 million a year by 2020. This represents the annual growth rate of 6.5% over the period of 1995-2020, which is above the growth rate of 6% in 2007⁴.

In this prospective, Vietnam considers tourism industry a key economic sector which makes up a valuable chunk of the national economy. In fact, it is listed among the five strongest hard currency earners after crude oil, garments and textiles, footwear and seafood. In 2000, the revenue from tourism was \$1.0 billion, however, it quickly increased by 60% to \$1.6 billion in 2004.

In its long-term development strategy, Vietnam tourism considers Thailand is one of the most important target markets. Both located in the Southeast Asia region, Vietnam and Thailand share many common cultural characteristics as well as lifestyle and thinking. Since Vietnam joined ASEAN organization in 1995, the bilateral relationship between two countries has been much strengthened and expanded. The travel between the two countries is much easier, more convenient and less costly nowadays. Thus, there are more and more people doing businesses or going for holidays between the two countries. The number of Thai tourists of one year who travel to Vietnam is always higher than that of the preceded year. For example, there were 160.747 Thai tourist arrivals to Vietnam in 2007, which increased by 30% compared to those in 2006⁵. However, it still accounts for a very small number of total Thai outbound tourists, 2.56%⁶. This number is still smaller than that of other countries in other regions to Vietnam such as USA, France, China or Taiwan, which have more difficulties and cost more in traveling to Vietnam.

⁴ World Tourism Organization, *Tourism 2020 Vision Volume 3: East Asia and Pacific* (Madrid, 2000), pp. 10-11.

⁵ Vietnam National Administration of Tourism.

⁶ Tourism Authority of Thailand.

The tourism potential of Vietnam is very rich both in nature and humanity. With regard to the important deal of tourism in the period of renovation and in the overall socio-economic development strategy of the country, in the last few years, Vietnamese Government had released many policies which created conditions for tourism development. Thailand, a neighboring country with the big population of more than 65 million, is an important partner in the development of tourism. There are many advantages that Vietnam possesses to attract Thai inbound tourists such as its many tourism attractions, visa exception, and easy accessibilities and so on. However, the fact is that Vietnam's number of Thai inbound tourists remains small. The number does not reflect the real potential of Vietnam tourism.

So what is the problem that makes the number of Thai tourists to Vietnam still small, and how to make it increase are the questions that the writer of this thesis would like to answer. With the topic **“A Study on Thai Outbound Tourism – Recommendations on How Vietnam Can Gain a Larger Share of Thai Outbound Tourism”**, this study will analyze the characteristics of Thai outbound tourism and factors that affect the travel demand of Thai people. Besides, the writer will also analyze some strengths and weaknesses of Vietnam tourism to see how ready it is in welcoming Thai outgoing travelers, and to propose some recommendations for Vietnam tourism to attract more Thai national tourists.

The author of this thesis is also an employee in the tourism sector, who is directly responsible for developing Thai outbound tourism market to Vietnam. Therefore, the foremost purpose of the author to conduct this study is to use the analysis and findings to improve and expand his business strategy. Afterwards, the writer hopes it will also somewhat be useful for Vietnam tourism agencies in issuing more effective policies, and strategic plan to increase the share of Thai outbound tourism.

2. Methods and Structure of the Thesis

In order to accomplish the objectives of the thesis, the writer will use information and data collected from various sources namely, books, newspapers, trade journals, industry portals, government agencies, monitoring industry news and developments, and through access to many paid databases from libraries.

The writer's own experience in having directly worked with Thai outbound tourism for some years has helped him to understand the real situation. From that the analysis and recommendations become more realistic and practical.

In term of structure, this thesis is divided into five chapters. In chapter I, the author would like to state the rationale of the topic, the purposes of study and methodologies. The following chapter, chapter II, is the theoretical background where some overview theories of tourism and the bilateral relationship between Vietnam and Thailand are discussed. Then, the main parts of the thesis begin with chapter III. In this part, all the information and data about Thailand outbound tourism will be analyzed in details to see the characteristics and trend of this market in general and how it is in Vietnam; together with some factors affecting the travel demand of Thai people. Chapter IV is the analysis of Vietnam tourism, some strengths and weaknesses in welcoming Thai arrivals. The last chapter, chapter V, will be the summary of the analysis and findings of the thesis, and recommendations to help Vietnam tourism to gain larger share of Thai outbound tourism.

CHAPTER II: THEORETICAL BACKGROUND

The aim of this chapter is to provide readers with some definitions and basic theory of tourism. The second part will briefly summarize the history of relationship between Vietnam and Thailand. This chapter will act as the theoretical background for the further study in the next chapters.

1. An Introduction to Tourism

1. 1. Tourism Definition

People by nature are curious. We are curious to understand the world in which we live. We yearn to know what other places look like- what the people, their culture, the animals and plant life, and the landforms may be elsewhere. Since then, travel occurs. In the beginning, it was simply the migration of animals or the travels of people for survive as the seasons changed. Today, travel can be taken for many reasons. The most commons are leisure, business, and study. Also, higher levels of education and the influence of television and other communication media have combined to create in us a much greater awareness of our entire world. Material prosperous in many developed countries, with accompanying higher standards of living, has made travel attainable for hundreds of millions of us.

The subject of travel and tourism nowadays is exciting and fascinating (for the purpose of this study, the term *travel* and *tourism* will be synonymous). Tourism has become more than just another industry; it has developed into an important part of the economic foundation of many countries. ‘The economic figures cited show that tourism has grown to be an activity of worldwide importance and significance. For a number of countries, tourism is the largest

commodity in international trade. In many others, it ranks among the top three industries. Tourism has grown rapidly to become a major social and economic force in the world'⁷. However, defining tourism is not at all an easy task.

There have been many definitions of tourism. However, most of them are not considered completed ones. One of the first attempts⁸ was that of Professor Hunziker and Krapf of Berne University, in 1942. They defined tourism as 'the sum of the phenomena and relationship arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected to any earning activity'. This definition helps us to make clear the differentiation of tourism from migration. However, it makes the assumption that both travel and stay are necessary for tourism, thus precluding day tours. It seems to deny the business travel, which is connected with earnings, even if that income is not gained in the destination place. Furthermore, it's not easy to differentiate between business and leisure tourism because almost every business trip partly includes leisure activities.

One has only to consider multidimensional aspects of tourism and its interactions with other activities to understand why it is difficult to come up with a meaningful definition that will be universally accepted. Each of the many definitions that have arisen is aimed at fitting a special situation and solving an immediate problem, and the lack of uniform definitions has hampered the study of tourism as a discipline. Development of a field depends on (1) uniform definition, (2) description, (3) analysis, (4) prediction, and (5) control⁹.

⁷ Robert W. Mc Intosh, Charles R. Goeldner, *Tourism Principles, Practices, Philosophies*, 7th ed. (Canada, 1995), p. 4.

⁸ J. Christopher, Holloway, *The Business of Tourism*, 5th ed. (Harlow, 1998), pp. 1-2.

⁹ Robert W. Mc Intosh, Charles R. Goeldner, *Tourism Principles, Practices, Philosophies* 7th ed. (Canada, 1995), p. 10.

For that reason, this study will use the definition devised by the World Tourism Organization, and was endorsed by the UN Statistical Commission in 1993 as a uniform one. UNWTO has taken the concept of tourism beyond a stereotypical image of “holiday-making”: Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or other purposes. The term “usual environment” is intended to exclude trips within the area of usual residence and frequent and regular trips between the domicile and the workplace and other community trips of a routine character.

1. International tourism:
 - a. Inbound tourism: visits to a country by nonresidents.
 - b. Outbound tourism: visits by residents of a country to another country.
2. Internal tourism: visits by residents of a country to their own country.
3. Domestic tourism: internal tourism plus inbound tourism (the tourism market of accommodation facilities and attraction within a country).
4. National tourism: International tourism plus outbound tourism (the resident tourism market for travel agents and airlines).

1. 2. Tourist Definition

Tourists play a vital role in the development of tourism. Without tourists, tourism products and activities become meaningless. So who are considered tourists?

According to the United States’ National Tourism Resources Review Commission, ‘a tourist is one who travels away from home for a distance of at least 50 miles (one way) for business, pleasure, personal affairs, or any other purpose except to commute to work, whether he stays overnight or returns the same day’¹⁰.

¹⁰ Ibid., p. 11.

However, in 1963 the United Nations Conference on International Travel and Tourism agreed with the recommendation of the World Tourism Organization (IUOTO at that time) to use the term “visitor” to describe ‘any person visiting a country other than that in which he has his usual place of residence, for any reason other than following an occupation remunerated from within the country visited’. This definition was to cover two classes of visitor:

- Tourists, who were classified as temporary visitors staying at least 24 hours, whose purpose could be categorized as leisure (whether for recreation, health, sport, holiday, study or religion), or business, family, mission or meting.
- Excursionists, who were classed as temporary visitors staying less than twenty-four hours, including cruise travelers but excluding travelers in transit¹¹.

In this study, the terms visitor, tourist, traveler or holiday-maker are used interchangeably, and all have the meaning of tourists.

According to the definitions of inbound tourism, outbound tourism and domestic tourism above, the terms inbound tourist, outbound tourist and domestic tourist are defined as follows: inbound tourists are non-residents traveling in a given country. Outbound tourists involve residents traveling in another country. Domestic tourists are residents of the given country traveling only within this country.

1. 3. The Tourist Products

A product is ‘a complexity of tangible and intangible attributes, including functional, social and psychological utilities or benefits. A product can be an idea, a service, a good or any

¹¹ J. Christopher, Holloway, *The Business of Tourism*, 5th ed. (Harlow, 1998), p. 2.

combination of these three'¹². Meanwhile, a service is an activity or a deed that benefits someone. For example, if we hire someone to fix our computer or consult a dentist about your teeth, we are purchasing a service. Most industries produce either products or services. But the travel and tourism industry is unusual in that it simultaneously produces both products and services. When someone buys a cruise, a product, on Halong Bay in Vietnam, he is also purchasing many services. Those services include the guide, tickets to visit some grottos, accommodation and food and beverage on boat which are all arranged by someone else.

The tourism products have several characteristics that distinguish them from the products of most other industries.

According to J. Christopher¹³ and Holloway, first, it is difficult for the buyers to inspect before buying. Since purchasing a package tour can be considered one of the most expensive decisions made in the year, the buyers have put high degree of trust on the sellers. Secondly, it is often said that “selling holidays is like selling dreams”. A package tour is a collection of different services, however, a purchaser always expect more than just the services such as an airline ticket, hotel room, meals or clean coaches. They expect to understand the history, culture and heritage... of the destinations; and to see the incorporating novel geographical features – old-world towns, tropical landscapes – and other intangible benefits such as atmosphere and hospitality. In return, the marketers’ role is to turn the dream into the reality. To do so, they have to prepare and arrange the services carefully basing on the customers’ needs, and the taste and quality standard of the time and circumstances. Any small disappointed thing such as a bumpy flight or poor food may turn all the enjoyable expecting holidays to nightmares. Thirdly, another special characteristic of a tourist product is that it is

¹² Dawn Johnson, *Sales and Marketing in the Tourism Industry* (Roseville, NSW, 2000), book IV, p.3.

¹³ J. Christopher, Holloway, *The Business of Tourism*, 5th ed. (Harlow, 1998), pp. 4-5.

able to be brought to the customers, but the customers must be brought to the product. The market demand in tourism industry always changes, however, in a short term the supply such as the number of hotel rooms in a particular destination is fixed. Therefore, the supply must find solutions to adapt to it.

James Burke and Barry Resnick¹⁴ state that a tourism product has a number of characteristics: intangibility, simultaneous production and consumption, perishability, seasonality, parity, uniqueness, and complementarity.

- Travel products are intangible because they cannot be seen or touched. They include experiencing a flight on an airplane, a cruise on an ocean liner, a night's rest in a hotel, a visit to an art museum, a view of the mountains, a good time in a night club, and much more. These products are experiences. Once they have taken places, they exist only as memories that can be recalled and relished.
- Tourism products are sold first, then simultaneously produced and consumed. Most of them are produced and consumed in the same place and at the same time. For example, an airline passenger consumes a flight as it is produced, and a hotel guest uses a hotel room as it is made available for a night's sleep.
- Perishability is another characteristic of tourism products. It is related to the fact that travel products are intended to be consumed as they are produced. An airline has a specific number of seats to sell on each of its flight. If no one purchases a ticket for a particular airline seat by the time the flight departs, then the opportunity to sell that product is lost and gone forever. It can't be kept in the travel company's inventory.
- Most travel and tourism products are subject to seasonality. Seasonality is the fluctuation in the demand for travel at different times of year. Although seasonality

¹⁴ James Burke, Barry Resnick, *Marketing & Selling the Travel Product*, 2nd ed. (Albany, NY, 2000) , pp. 26-30

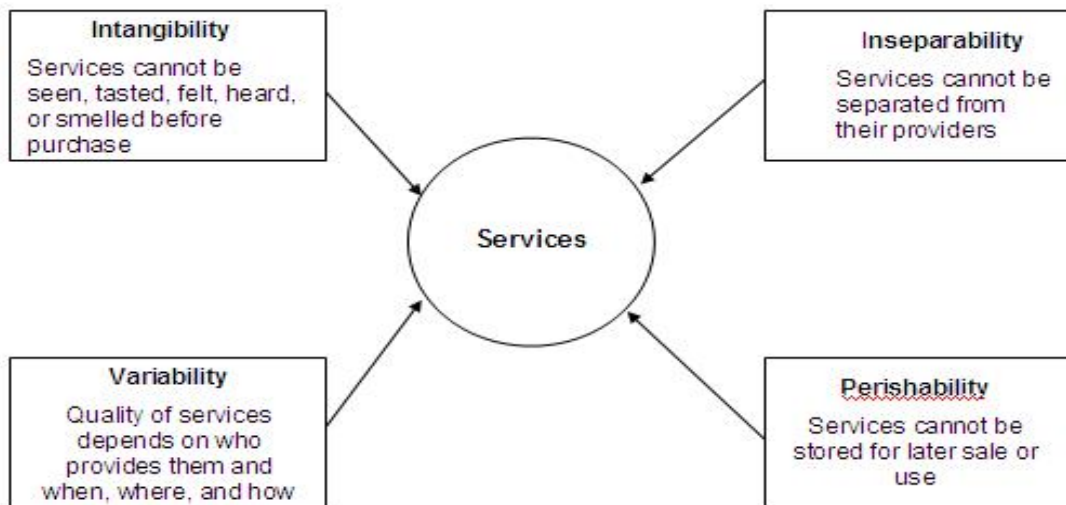
generally refers to travel products affected by weather conditions, it can also refer to fluctuations in demand according to the day of the week, or even the hour of the day.

- Some travel products- especially the products of transportation companies- are essentially comparable; that is, they possess parity. Parity means that competing companies offer the same basic product. A flight on an airline is very much like a flight on another airline; even the food on airlines is similar.
- Tourism products are unique. So sometimes parity is not a problem. The places such as Eiffel Tower, Buckingham Palace or the Statue of Liberty offer experiences with uniqueness, that cannot be duplicated anywhere else, and thus attract thousands of customers with relatively little promotion. The unique aspects of travel product should be featured in all marketing efforts conducted on behalf of that product. They help potential customers to clearly differentiate it from similar products by identifying the appealing characteristics and the benefits that will be experienced.
- The purchase of one travel product causes a chain reaction, since consumers rarely buy just one travel product. Many products go hand in hand. As a result, what affects one product affects another- for better or for worse. This close relationship of travel products is referred to as complementarity, and it is a characteristic of all travel products.

According to Philip Kotler, John Bowen and James Makens¹⁵, tourism products as services have four characteristics. They are intangibility, inseparability, variability and perishability.

¹⁵ Philip Kotler et al., *Marketing for Hospitality and Tourism*, 4th ed. (2006), p. 42.

Figure 1: Four service characteristics



1. 4. The Tourist Destination

A destination by definition is the place designated as the end. 'Destinations are places with some form of actual boundary, such as the physical boundary of an island, political boundaries, or marketed created boundaries such as those of a travel wholesaler who defines a South Pacific tour solely as Australia and New Zealand. Central America consists of seven nations, but few, if any, national tourist offices or tour planners view it that way. A commonly packaged tour of Central America includes only two or three nations such as Costa Rica, Guatemala, and Panama. Others are excluded for reasons of political instability or deficient infrastructure'¹⁶.

A. V. Seaton and M. M. Bennett¹⁷ view a destination is both a physical entity (a geographical location with spatial, physical properties) but it is also a more intangible socio- cultural entity (made up of its history, its people, its traditions and way of life). It is not just something that

¹⁶ Philip Kotler et al., *Marketing for Hospitality and Tourism*, 4th ed. (2006), p. 718.

¹⁷ A. V. Seaton, M. M. Bennett, *Marketing Tourism Products: Concepts, Issues, and Cases* (London, 1996), p. 315.

actually exists; it is also what thought to exist, a mental concept in the mind of its tourists and potential tourists.

Nevertheless, tourist destinations can be grouped into different categories like seaside resort, town or city and countryside. First, the attraction of the seaside is the combination of sun, sand and sea which still appeals to be the largest segment of the tourist market. Second, the town or city belongs to the urban tourism which has grown steadily in recent years. Most of tourists coming to town or city are interested in cultural activities such as visits to theatres, museums and art galleries or interested in historical architecture and the opportunity to undertake shopping expedition. Last, tourists coming to the countryside would like to enjoy the quiet atmosphere, natural beauty or some kinds of traditions that have been preserved since the past. Many people also desire to get away from the noise and congestion of big cities¹⁸.

However, tourist destinations¹⁹ share the same characteristics that are necessary to attract more tourists. They are the quality of the three benefits that the destinations offer to its visitors: attractions, amenities (or facilities) and accessibilities. One common characteristic of these benefits is that the more attractions, amenities and the easier the accessibilities that a destination provides, the easier the destinations become to market themselves and attract more tourists.

- Attractions, first, maybe either site or event ones. Ste attractions are permanent by nature, while event attractions are temporary, and are often mounted in order to increase the number of tourists to a particular destination. Second, destinations and their attractions can be either nodal or linear in character. A nodal destination is the

¹⁸ J. Christopher, Holloway, *The Business of Tourism*, 5th ed. (Harlow, 1998), pp. 7-9.

¹⁹ *Ibid.*, pp. 7-11.

one in which its attractions are closely grouped geographically. On the other hand, linear tourism is that in which the attraction is spread over a wide geographical area, without any specific focus.

- Amenities are those essential services catering for the needs of tourists. These include accommodation and food, local transport, information centers and the necessarily infrastructure to support tourism- roads, public utility services, parking facilities.
- A destination must be accessible if it is to facilitate visits from tourists. While the more intrepid travelers may be willing to put themselves to great inconvenience in order to see some of the more exotic places in the world, most tourists will not be attracted to a destination unless it is relatively easy to reach. On the other hand, if access becomes too easy, this may result in over demand and resultant congestion, making the destination less attractive to the tourist.

1. 5. Benefits and Costs of Tourism

Philip Kotler et al.²⁰ pointed out that there are five visible benefits of tourism. The most visible one is the direct employment in hotels, restaurants, retail establishments, and transportation. A second but less visible benefit consists of support industries and professions (such as yield management, consultants, university tourism professors, and others), many of which pay considerably more than the visible employment opportunities such as restaurant personnel. The third benefit of tourism is the multiplier effect as tourist expenditures are recycled through the local economy. Governments use economic impact models to estimate overall employment gains in goods and services consumption resulting from tourism multipliers. Tourism's fourth benefit is state and local revenues derived from taxes on tourism. And the fifth benefit is that it stimulates exports of place-made products. Estimates

²⁰ Philip Kotler et al., *Marketing for Hospitality and Tourism*, 4th ed. (2006), pp. 719-720.

of visitor spending on gifts, clothing, and souvenirs are in the range of 15% to 20% of total expenditures.

However, according to Robert W. Mc Intosh and Charles R. Goeldner²¹ tourism not only bring economic benefits, it also benefits some additional areas that have not received much research attention, non-economic ones. These relate to the benefits occurring to the traveler, such as the contribution of pleasure travel to rest and relaxation, the educational benefit, the understanding of other people and cultures, and the physical and mental well-being of the traveler.

There are not only benefits, but also costs that tourism brings to the host communities. Tourism is not perfect. We must accept that tourism is neither a blessing nor a blight, neither poison nor panacea. Tourism can bring great benefits but it can also bring social problems. Its has been blamed for polluting the beaches; raising the price of labor, land, goods, and so on; spoiling the countryside; contaminating the values of native people. The world has experience in how to increase the benefits of tourism, and at least some experience in how to lessen problems. What has to be done is to balance the benefits and costs to come up with the best cost/benefit result²².

2. Vietnam- Thailand Relationship

Thailand, the land of smile, of vast rice fields and Buddhism, is situated in the heart of Southeast Asian mainland, covering an area of 513,115 sq. km and extending about 1,620 km from the north to south and 775 km from east to west.

The Kingdom of Thailand is a constitutional monarchy comprising 76 provinces, which are further divided into districts, sub-districts and villages. Bangkok is the capital city and centre

²¹ Robert W. Mc Intosh, Charles R. Goeldner, *Tourism Principles, Practices, Philosophies* 7th ed. (Canada, 1995), p. 23.

²² Ibid.

of political, commercial, industrial and cultural activities. It is also the seat of Thailand's revered Royal Family, with His Majesty the King recognized as Head of State, Head of the Armed Forces, Upholder of the Buddhist religion and Upholder of all religions.

Thai people are famous for their friendliness and hospitality. Among the population of about 65 million people, the majority are ethnic Thais (80%). The others are Chinese (10%), Malay (3%) and the rest are minorities (Mons, Khmers, hill tribes). About 7 million people reside in the capital city of Bangkok.

The national and official language is Thai, while English is spoken and understood in major cities particularly in Bangkok, business circles and tourist destinations.

Thailand embraces a rich diversity of cultures and traditions. With its proud history, tropical climate and renowned hospitality, the Kingdom is a never-ending source of fascination and pleasure for international visitors.

Vietnam, officially the Socialist Republic of Vietnam, is a country located on the eastern coast of the Indochina's Peninsula, in a transport junction from the Indian Ocean to the Pacific Ocean. Hanoi is Vietnam's capital while Ho Chi Minh is the country's largest city. Vietnam is now considered the second fastest growing economy in the world, and a new, safe destination for international visitors.

Most visitors to Vietnam are overwhelmed by the sublime beauty of the country's natural setting: the Red River Delta in the north, the Mekong Delta in the south and almost the entire coastal strip are a patchwork of brilliant green rice paddies tended by women in conical hats.

There are some divine beaches along the coast too, while inland there are soaring mountains, some of which are cloaked by dense, misty forests.

Covering an area of 329, 600 square kilometers, one might consider Vietnam small, but the country does extend across two climatic zones. Vietnam lies in the intertropical zone and climate varies by geographic location. In the Northern region of the country, the area recognizes two seasons, winter from November to April, and summer from May to October. In the more tropical South, there is a little more variation in weather patterns: the cold season from November to January, the hot season from February to April or May and the rainy season from May or June to October.

With a population of 87 million, Vietnam has become the second most populous country in Southeast Asia. About 90 % of the population is Vietnamese, who speaks Vietnamese, the official language of Vietnam. The others consists of more than 50 different ethnic groups. The most common of these are Tày, Mường, Khmer, Chinese, Nùng and H'mông who possess their own cultures and languages. However, the country is still very homogenous from an ethical standpoint. Even with this large percentage of natives there is a good deal of diversification within the country.

Vietnam and Thailand are two neighboring countries, whose peoples have age-old friendly relations and numerous similarities in culture and way of life. Nearly sixty years ago, right after the event that the Democratic Republic of Vietnam came into being, it was in Bangkok that the first representation office of the new Vietnam was open.

In politic relations, Vietnam and Thailand officially established the diplomatic relations on August 6th, 1976. This is an important event in the history of relations between the two countries. The bilateral relations have been gradually consolidated and developed since 1991, especially since Vietnam's admission to ASEAN on July, 1995. Over the past 30 years, the two countries have overcome step by step the complicated past and witnessed the enhancement of mutual understanding and trust. There are frequent exchange delegations at both high and working level between the two countries.

The first Thailand - Vietnam joint Cabinet Retreats were held in Danang (Vietnam) and Nakhorn Phanom (Thailand) on 20 and 21 February 2004 respectively. The Retreat was attended by 47 members of the Vietnamese and Thai Cabinets. On this occasion, 10 documents, including a joint Statement on Vietnam- Thailand Cooperation Framework in the first decade of the 21st Century were concluded.

In the framework of regional and international forums such as ASEAN, ACMECS, EWEC and GMS, Vietnam and Thailand always wish to boost the bilateral cooperative relations. Thailand strongly supported Vietnam's accession to WTO and Vietnam's non-permanent membership of the UN Security Council in 2008-2009.

In the fields of economics and trade, the success of the cooperation is marked by the amount of investment, import and export between the two countries. Thailand has 145 investment projects with a total capital of US\$1.6 billion, ranking the 3rd in ASEAN and 12th among the 77 countries/ territories investing in Vietnam. Economics, trading and investment activities between Thai northeastern provinces and Vietnamese central provinces along roads no. 8 and 9 have been boosted significantly. The bilateral trade exceeded US\$ 4.2 billion in 2006.

Vietnam and Thailand are the two biggest rice exporters in the world. For the past few years the two countries have agreed to conduct the rice export cooperation with an aim to coordinate in price policy and exchange market information. Vietnamese main exports to Thailand are computers, crude oil, seafood, coal, peanuts and plastics. Imported products from Thailand are petrol, material plastics, components and motorbike spare-parts²³.

In tourism and culture relations, with the target of enhancing joint cooperation to attract tourists to the Mekong River sub-region nations; over the past years, the Vietnam - Thailand Tourism have had close bilateral and multi-lateral cooperation relationship.

The Thai Tourism Administration invited some Vietnamese travel companies and press agencies to join in the tour of visiting Thai farms as models. Beyond that, within the scope of Thailand - Laos - Vietnam multilateral cooperation, the three nations co-organized many package tours and encouraged road tours in support of the program “Vietnam - Laos - Thailand - a destination”.

Vietnam - Thailand had talks on the trend for cooperation and tourism promotion of both nations as well as in South East Asia, including a Memorandum of Understanding (MOU) to facilitate road transit signed, cooperation for tourism development between state and private enterprises and between both countries' airlines.

In addition, under cooperation of Mekong River Sub-region nations (GMS), the road No.6, 8 and 9 linking North and Northern provinces of Thailand, Laos and Vietnam to relatively Dien

²³ The Ministry of Foreign Affairs of Vietnam

Bien Phu, Nghe An and Quang Tri provinces (Vietnam) form tourist routes from Thailand and other countries to the Vietnamese North, North-Eastern and Central areas for visiting and exploring diversified cultural beauty. In Thailand, the project of Thailand-Vietnam Friendship Village in Na Chooc mountain village of Nakhonphanom province - a historical relic zone where Ho Chi Minh lived and carried out his political works was inaugurated. This will be symbol of friendship and a cultural- historical tourist spot to attract tourists to the two countries.

Never before has the relationship between Vietnam and Thailand been in such a good shape as it is today. This is attributed to the goodwill and the constant and intensive efforts made by the leaders and peoples of the two countries. Though there still remains much to be done, it is believed that by working closely together, the two countries can make the relationship one of long-term and durable friendship and cooperation.

CHAPTER 3: ANALYSIS ON THAILAND OUTBOUND TOURISM

This is the main chapter to analyze the travel demand affecting factors of Thai tourists such as population, social conditions and economy; characteristics of Thai outbound travelers in general and Thais to Vietnam in particular.

1. Factors Fuelling Travel Demand

1. 1. Population

The Thai population is still estimated to increase with the average annual growth rate of 7.2 % between 2000 and 2010. After decades of significant, but gradually slowing growth, this growing rate is considered relatively high. During the period of 1960- 1990, Thailand's population more than doubled from 27.5 million to 55.2 million; with social improvements proving a major factor as life-expectancy increased by 18.9% between 1976 and 1996.

Table 1: Mid- year population estimates for Thailand, growth rate, 1950-2050

Year	Population(millions)	Period	Average annual growth rate (%)
1950	20	1950-60	37.3
1960	27.5	1960-70	34.8
1970	37.1	1970-80	26.8
1980	47	1980-90	17.4
1990	55.2	1990-00	12.1
2000	61.9	2000-10	7.2
2010	66.3	2010-20	4.8
2020	69.5	2020-30	2.4
2030	71.1	2030-40	-0.3
2040	71	2040-50	-2.4
2050	69.3		

Source: US Census Bureau, International Database

However, according to the US Census Bureau this rapid pace of growth has slowed gradually towards the end of the 20th century, and it will get a further slow rate before beginning to shrink in 2034. Still, that shrinkage will be less dramatic than those of South Korea and Japan. The Capital city of Bangkok has a very high rate of population density at 3,600 people per km², and its population accounts for 17 % of the whole nation's. Other 30% live in North Eastern Region and the remaining 50% live in the North, Central and Southern Region where the population density is 70 – 140 people per km².

Thailand's population has become significantly less dependent with 70% of the population aged between 15 and 59, which is working age, in 2001 compared to 50% in 1970. This is reflected in the dynamic growth of outbound tourism trade in the late 1980s and early 1990s²⁴, with more of the population able to take advantage of the increasing ease of international travel. About 800,000 people entering the labor market a year, with a majority not being highly educated. The average years of attainment for the population aged over 15 years were 7.8 in 2002²⁵.

Due to the low education levels and the local societal structure, many of the households and population work in the field of agriculture (about 30%). Other 38% are employed in manufacturing and services. The hired employees, mainly ranging from working to middle class such as sales persons, service personnel or employees in manufacturing industry etc., administrative and executive employees comprise only 9-10% of all households. The percentage of entrepreneurs who run their own business is 15-17%; most of them small business entrepreneurs²⁶.

²⁴ Neil Barrie, *Thailand Outbound- Travel & Tourism Analysis*, Mintel: Travel & Tourism Analyst 3 (2002), p. 7.

²⁵ UNWTO, *Thailand- The Asia and the Pacific Intra-Region Outbound Series* (Madrid, 2006), p.1.

²⁶ *Ibid.*, pp.1-2.

So, in term of population, the Thai outbound market will maintain to be vast potential for growth. However, to see the overall picture of the Thailand outbound market, only population figures would be not enough.

1. 2. Social Conditions

Thailand has shown a significant improvement in the quality of life and living standard during the last two decades. In 1990 there were 87.5% of non-municipal households having electricity. Meanwhile, that number was just 32% in 1980. During the same period, the ownership of a television rose from 38.6% to 79.9%.

Table 2: Real GDP per capital (1995* Dollars)

	1965	1995	2007	Growth rate 1965-1980	Growth rate 1980-1995	Growth rate 1990-1995
Thailand	1570	6723	8000	4.6 (4.4)	6.4 (5.5)	6.8 (6.3)

Note: *purchasing power parity dollars

Source: World Bank and CIA-the World Fact book.

During the period of 1980 and 1995, Thailand's economy had seen the rapid growth in GDP per capital with an annual rate of 6.4% (table 2). The middle income classes were expanded while the extreme poverty people (those who live on less than \$1 per day) were reduced to less than 1% of the population by 1995. At the same time, it was clearer to see the social inequality, which was shown in the varying widely wage differential between the top 5% and the rest of the work force. The average household income in Bangkok was 140% higher than that of the rest of Thailand and the capital dominates overseas travel, accounting for over 80% of trade to Singapore for example. The divide between the quality of life and education

of people living in municipal and other areas is quite significant with the latter having a 13% higher natural growth rate and 57% higher crude death rate.

Table 3: Average household income in Thailand by region, 2000 (Bath)

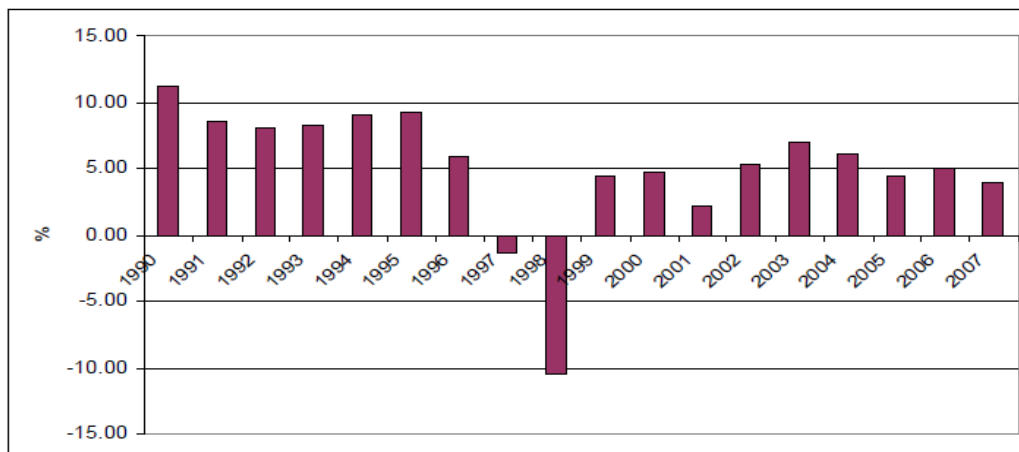
Whole Kingdom	12,167
Greater Bangkok	24,690
Central Region	13,301
Northern Region	8,649
Northeastern Region	7,853
Southern Region	11,407

Source: National Statistical Office, Office of the Prime Minister.

1. 3. Economy

Thailand historically used to be a tiger economy with average growth rates of 9.4% during the period of 1985-1996. However, after the 1997-1998 currency crises, millions of people were unemployed and impoverished and it wasn't until 2001 that Thailand regained momentum over the baht and economy.

Figure 2: Thailand GDP Growth



Note: data for 2006 and 2007 are projections.

Source: World Development Indicators; Bank of Thailand

(<http://www.bot.or.th/bothomepage/databank/EconData/EconFinance/index04e.htm>)

Suffering from the common trend of world economy, the economy of Thailand began to slow down in 2007. Real GDP growth rate of Thailand declined from 5% in 2006 to 4.8% in 2007. However, it is projected to come back to 5% in 2008 despite the global economic downturn,

which makes it the only larger economy in East Asia where growth is expected to accelerate this year. The key reason is the economic bounce expected from a return to democracy and the election of a new Government late in 2007. Last year's better- than- expected growth was due to buoyant export performance throughout the year even as domestic consumption and investment declined amidst the uncertain political environment and sudden shifts in policy. The inflation is rising, driven by fuel and food prices; however, it is expected to remain within the target range set by the Bank of Thailand. Thus, the interest rates are expected to remain low and supportive of private investment. Most of the risks to this forecast are on the downside, but these should be muted (barring some unforeseen event) as the government has the fiscal and macroeconomic space to respond to negative external shocks²⁷.

The rise in agricultural prices has been the positive signal for the rural population, and has somewhat helped the rural poor. Around 40% of the population and of the poor are engaged in agriculture. The rise in agricultural prices since 2004 has raised farm incomes by more than 15% annually. Farm incomes are estimated to have climbed by another 22% in January 2008. From 2004 to 2006, Thailand's poverty headcount fell by almost 2 percentage points (over one million people) with most of the reduction occurring in rural areas. This trend is expected to have continued in 2007 and early 2008²⁸.

Generally, as many other economies, Thailand is also influenced by the global economic downturn. However, with the timely macroeconomic policies Thailand economy still gains certain achievements in reducing the people under the poverty line, and remains its status in the region. To some extent, this would not dampen Thai demand for outbound travel. East Asia, especially news destination in ASEAN may take the advantage in attracting Thais.

²⁷ The World Bank, *East Asia: Testing Time Ahead*, 2008, p. 39

²⁸ *Ibid.*, p.40.

2. Outbound Tourism Overview

2. 1. Development of the Outbound Thai Traveler

Along with the development of the economy and society, the perception of Thai people about tourism and travel has been changed gradually. Travel used to be a luxury activity, which is difficult to access. However, now it is considered a beneficial and productive activity. Thanks to that change in perception, the national tourism has been increased steadily over the years. According to the table 4 the number of Thai person-trips (including at least one overnight) in 1995 was about 35.334 million. Just about ten years later, the number reached 48 million in 2004, which shows the annual average growth rate of 4%.

Table 4: Market size and share of Thai Traveler, 1995-2007

Year	National Tourism		Domestic Tourism		Outbound Tourism	
	Number (000)	Growth	Number (000)	Growth	Number (000)	Growth
1995	35,334	-	33,536	-	1,798	-
1999*	36,795	-	35,140	-	1,655	-
2000	37,079	0.77	35,170	0.08	1,909	15.35
2002	40,660	10.50	38,410	9.31	2,250	35.95
2003	45,142	22.69	42,990	22.34	2,152	30.03
2004	48,009	30.48	45,300	28.91	2,709	63.69
Average Growth Rate		6.10		5.78		12.74

Source: World Tourism Organization²⁹ (* Base year)

Year	Outbound Tourism	
	Number (000)	Growth
2005	3,046	84.05
2006	3,381	104.29
2007	4,017	142.72
Average Growth Rate		17.84

Source: Thailand Authority of Tourism

Nevertheless, most of Thai travelers are domestic tourists. The outbound tourism accounts only for 5-5.6% of national tourism in the period of 1995-2004. Yet, the average annual growth rate was 12.74% since 2000 (based on 1999 date). Meanwhile the rate of the national tourism was only 6.1% per year. According to the latest statistics by the Tourism Authority of

²⁹ UNWTO, *Thailand- The Asia and the Pacific Intra-Region Outbound Series* (Madrid, 2006), p.3

Thailand, the average annual growth rate of outbound segment until 2007 has gone up to 17.84% per year (also based on 1999 data).

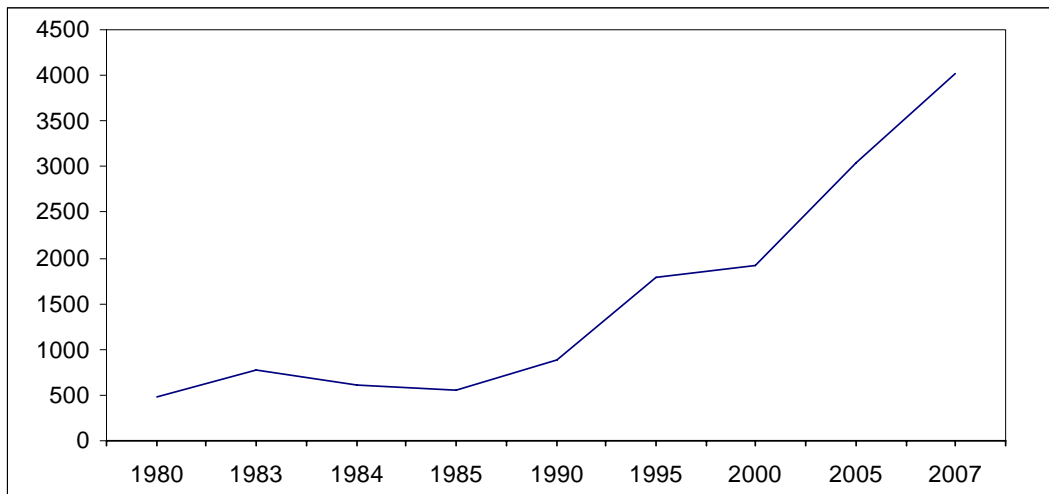
The figure and table below clearly indicate the development of outbound Thai traveler during the period of 1980-2007. Generally, it can be figured out as an upraising line except two periods of 1984-1986 and 1997-1998.

In 1970, there were only 50,000 Thai traveled abroad. Most of them were government officials, businessmen and laborers on foreign work contracts who traveled on business purpose. After that Thailand seriously supported tourism. Inbound tourism was emphasized to bring back foreign exchange for the country. On that trend, outbound tourism also developed. From 50,000 travelers in 1970, it reached more than 300,000 in 1978, and then significantly increased until 1983 with the annual growth rate of 15-20%.

That increase strongly effected the balance payments of the country, leading the government to launch a policy to prevent the drain of foreign exchange by imposing a departure tax of 1,000 baht (US\$ 50 at that time) per person, and limit the money that could be spent abroad³⁰. That was the reason for the decline in outbound market in the period of 1984-1986. The year 1987 was marked by the government's withdrawal from this policy, which helped outbound tourism to recover to the same rate as previously.

³⁰ Ibid. p.4

Figure 3: Development of the Thai Traveler Abroad, 1980-2007 (Unit: 1000 people)



Source: Tourism Authority of Thailand

Outbound travel expanded strongly in the early 90s because of steady economic growth, expansion of export and foreign investment especially in construction and banking. Investment in the stock market, land and real estate also stimulated large consumption by the Thai people. Outbound travel such as for incentives, study as well as shopping grew by double-digit. In 1992, the number crossed the one million mark³¹.

The financial crisis in 1997 affected the whole economy of Thailand. The outbound tourism saw the second decline since 1980. In 1996, the number of Thai outgoing travelers was more than 1.8 million. It went down to 1.6 million in 1997 and 1.4 million in 1998, and only recovered back in 2000. During the economic crisis, some outbound agencies had to change their strategy to do inbound business because only inbound tourism was not affected.

Table 5: Outgoing Thai Travelers, 1977- 2007

Year	Number	+/- (%)
1977	239,433	+14.25
1978	322,361	+34.63
1979	396,585	+22.71
1980	479,217	+21.14
1981	580,893	+17.04

³¹ Ibid., p.4

1982	642,768	+14.60
1983	766,186	+19.20
1984	607,527	-20.71
1985	545,329	-10.24
1986	541,383	-0.72
1987	650,605	+20.17
1988	733,271	+12.71
1989	800,658	+9.19
1990	883,328	+10.03
1991	955,415	+15.00
1992	1,262,845	+26.00
1993	1,516,864	+24.00
1994	1,657,373	+9.26
1995	1,798,324	+8.50
1996	1,823,676	+1.40
1997	1,637,595	-10.20
1998	1,393,845	-14.90
1999	1,654,740	+18.70
2000	1,908,928	+15.36
2001	2,010,616	+5.30
2002	2,249,636	+11.90
2003	2,151,709	-4.40
2004	2,708,941	+25.90
2005	3,046,549	+12.46
2006	3,381,629	+11
2007	4,017,713	+18.81

Source: Immigration Bureau, Police Department, TAT

After the financial crisis, outbound tourism continued to grow, but the rate was not as strong as before. In 2001, the number of Thai outgoing travelers reached 2 million for the first time. However, the growth rate slowed down to 5.3% compared to 2000. It was partly due to the encouragement of Thai government to its residents to take domestic holidays and tighten their belts abroad to support the economy. Another reason was the fall down of the Thai Baht to annual low of 44.4 against the US Dollar in 2001, a decline of 10.7% on 2000. The SARS outbreak caused temporary disruptions, and made the outbound market to plummet by 4.4% in 2003.

After the short downturn in 2003, there saw again the steady rise of the outbound market until the end of 2007. The mark of 3 million and 4 million were reached in relatively 2005 and 2007, which is the positive sign for the future development of Thailand outbound travel.

2. 2. Volume of Outbound Tourism

East Asia always accounts for the overwhelming proportion of outbound Thai tourism, more than two third of the total number since 1996. Among East Asia countries, ASEAN is main destination for Thai outgoing travelers. The number of Thai travelers to ASEAN countries keeps increasing from 40% out of 78% of those to East Asia to 55.56% out of 83.84%. However, travel for leisure and business purpose is growing more and more, especially due to the liberalization of the ASEAN economies and the improved facilitation in the form of visa exemption, visa on arrival and aviation linkage among Asian and ASEAN cities. Malaysia is the single most important destination, which attracts the biggest number of Thai travelers for many years, followed by Singapore, Laos, China and Japan.

After East Asia, Europe is the second most popular destination for Thai outbound travelers, which accounts for around 8% of the market share in recent years. Germany and the United Kingdom are in turn the most popular places for Thai nationals, accounting for 1%-2% of the total market share.

Table 6: Regional Share and Growth by Thai Outbound, 2000-2007

Destination	1996		2000		2004		2007	
	Number	(%)	Number	(%)	Number	(%)	Number	(%)
East Asia	1,412,680	77.96	1,568,469	82.16	2,265,068	83.61	3,368,321	83.84
ASEAN	(726,428)	(39.83)	(946,389)	(49.58)	(1,404,726)	(51.86)	(2,232,200)	(55.56)
Europe	174,241	9.55	158,598	8.31	222,912	8.23	317,699	7.91
The Americas	69,693	3.82	48,457	2.54	36,392	1.34	63,479	1.58
South Asia	25,770	1.41	28,356	1.49	50,548	1.87	83,072	2.07
Oceania	75,978	4.17	63,714	3.34	71,402	2.64	90,460	2.25
Middle East	52,374	2.87	35,846	1.88	60,174	2.22	87,164	2.17
Africa	3,940	0.22	5,488	0.29	2,445	0.09	7,518	0.19
Total	1,823,676	100	1,908,928	100	2,708,941	100	4,017,713	100

Source: Tourism Authority of Thailand

Australia is the main destination in Oceania region. However, after the financial crisis it also suffered from the loss of market share from 4.17% in 1996 to 3.34% in 2000, and then only

2.25% in 2007. The Middle East, Americas and Africa experienced a similar downturn before and after the crisis.

Table 7: Main Destinations by Thai Outbound, 1996-2007

Destination	2007		2004		2000		1996	
	Rank	Number	Rank	Number	Rank	Number	Rank	Number
Malaysia	1	1,135,336	1	863,665	1	540,278	1	383,985
Lao PDR	2	600,044	7	106,880	7	67,251	9	54,469
China	3	410,623	3	285,893	4	135,517	5	105,820
Singapore	4	267,695	2	287,597	2	234,482	3	268,560
Japan	5	234,137	5	143,152	6	88,900	6	87,235
Hong Kong	6	222,383	4	238,566	3	195,678	2	237,448
Taiwan	7	121,727	6	107,749	5	134,880	4	107,825
Republic of Korea	8	105,742	8	68,402	8	61,465	12	26,760
Vietnam	9	102,674	11	45,102	13	21,851	14	16,458
Australia	10	76,965	9	64,896	9	58,597	8	62,571
United Kingdom	11	74,602	12	43,626	12	31,171	11	36,616
Germany	12	67,965	10	54,184	11	41,088	10	39,272
USA	13	58,817	13	34,825	10	47,026	7	65,362
Myanmar	14	33,048	14	31,808	14	16,606	13	20,685

Source: Tourism Authority of Thailand

After the financial crisis, Thai outbound travelers paid more attention to the cost. The medium and long-haul categories cost two to three times more than traveling within the region, short-haul travel. There are less Thai people who are able to pay for the long-haul travel to Europe or Americas. That is the reason for the success of East Asia and South Asia countries in attracting Thai nationals.

3. Market Characteristics

3. 1. Gender

The table 8 shows the male: female ratio in 2002 and 2004. Even though there is some slight different between the numbers of male and female among Thai outgoing travelers in some destinations, in general it is not significant. In 2002 and 2004, the ratio was 50.96/49.04, and 50.63/49.37.

Female travelers prefer shopping, beautiful scenery and safety. Therefore, such destinations like Europe and Oceania, where it is easy to getting around and famous for shopping, seem to attract more female travelers (more than 55%). Meanwhile destinations in Middle East and Africa attract more male outbound travelers (nearly 60%).

Table 8: Thai Outbound by Gender, 2002-2004

Destination	2004				2002			
	Male		Female		Male		Female	
	Number	(%)	Number	(%)	Number	(%)	Number	(%)
East Asia	1,167,482	51.53	1,097,974	48.47	983,916	51.89	912,106	48.11
Europe	92,750	41.66	129,866	58.65	72,584	41.30	103,167	58.70
The Americas	17,226	47.46	19,069	52.54	16,622	48.68	17,523	51.32
South Asia	25,835	51.26	24,565	48.74	15,855	55.86	12,529	44.14
Oceania	30,644	43.13	40,410	56.87	31,491	42.97	41,789	57.03
Middle East	36,253	59.73	24,438	40.27	22,623	63.45	13,033	36.55
Africa	1,403	57.76	1,026	42.24	3,235	50.54	3,166	49.46
Total	1,371,593	50.63	1,337,348	49.37	1,146,326	50.96	1103313	49.04

Source: Arrival card recorded by TAT³²

3. 2. Age

Thai outbound travelers can be divided into five age groups, of which the groups of early to mid working-age bracket (25-34 and 35-44 years old) account for the most share of the outbound market. In 2004, each of these groups accounted for 27% of the market share, totalized 54% for both. In 2002, the total share of both groups was also high, 56%.

³² Ibid., p. 8.

The next group that has a high share in the outbound market is the mid to high working bracket (45-54 years old). The number of share for this group increased steadily from 18% in 2002 to 19% in 2004. This growth would be potential in the future.

The number of share for the youth group (under 25 years old) and the elderly one (over 54) is quite similar, 14% and 13% respectively. Among the youth group, a large percentage is traveling to the United Kingdom, Oceania, the United States and Canada, possibly for study purpose.

Table 9: Distribution of Thai Outbound by Age group, 2002 and 2004 (%)

Age group	2002	2004
< 25	15	14
25-34	30	27
35-44	26	27
45-54	18	19
> 54	11	13

Source: Statistic Report by TAT³³

3. 3. Occupation

Excluding those working in the agricultural sector and working class, the segment of travelers, classified by occupation, is divided into 6 groups as shown in table 10. This classification is based on the structure of the population

Table 10: Thai Outbound by Occupation, 2004 (%)

Labor and Service Worker	37
Employee in Commercial Sector	22
Professional and Administrative Employee	10
Students and Children	11
Housewife/ Unpaid Family worker	8
Other	12

Source: Statistical report by TAT³⁴

As shown in the table, 37% of the market share is employees working in the industrial manufacturing and service sector. This group accounts for the biggest share of the outbound

³³ Ibid., p. 8.

³⁴ Ibid., p. 9.

travel. The number comprises of both leisure travel and foreign contract labor to some countries like Taiwan, Brunei and Israel.

Travelers who work in the commercial and business sector contribute 22% of the market share as the second largest segment. Both this group and the first group have a similar structure of travel destinations, mainly to East Asia (more than 85%). They also share similar employment condition and income.

Following the second group is the segments of students and professionals/administrative executives, which respectively account for 11% and 10%. They tend to have higher propensity to travel to medium and long-haul destination such as Europe, Oceania and America than the first two groups.

The last segment comprises of housewife and unpaid family workers, who work as part of a family business. This group accounts for only 8% of the outbound market. However, they are a potential niche market, and prefer niche destinations such as religious destinations or unique and new destinations.

3. 4. Purpose of Travel

According to the statistics by Thailand Authority of Tourism, there are 1,457,000 Thai nationals went abroad for holiday travel in 2004. This biggest share accounts for more than 50% of the market. Others 14.3% belongs to the second largest group with the purpose to attend conferences and exhibitions. Traveling for business purpose accounts for 12.3%. The rest of the market share is for traveling for VFR and government official trips, which are 7.5% and 6.3% respectively.

Table 11: Purpose of Thai Outbound Travelers by Region of Destination, 2004 (%)

Region	Holiday	Conference/ Exhibition	Business	VFR	Official Mission	Others
Total	53.8	14.3	12.3	7.5	6.3	5.8
East Asia	54.4	13.8	12.5	7.8	6.2	5.3
Europe	50.0	19.4	11.8	8.0	6.0	4.8
The Americas	50.0	16.3	5.9	6.3	13.3	7.9
South Asia	44.3	11.1	9.8	2.7	5.1	27.0
Oceania	63.2	12.9	7.6	3.2	8.5	4.6
Middle East	41.8	20.4	24.4	1.7	6.3	5.4
Africa	67.7	14.3	1.6	9.9	-	6.5

Source: Expenditure Survey Report 2004³⁵

The most popular destination for holiday travel is Oceania, with 63.2% of Thai outgoing travelers, followed by East Asia and Europe. Destinations in Asia which are famous for holiday travel are China, Hong Kong or Singapore. Besides, Japan and ASEAN countries (except the Philippines) are holiday and business travel destinations

Most Thai travelers are not interested in culture or way of life in the destinations. Only 8-10% wants to see or study culture and tradition, which is different from that of Thailand. But 12-14% of them are interested in shopping. So shopping is included in most trips, but visiting museum, opera house or cultural activities are seldom found³⁶.

3. 5. Travel Arrangement

From the analysis above we can see that half of the Thai outgoing travelers are for holiday purposes. Among them more than 32% travels in package tours bought from travel agencies. The rest of them (about 70% or 1,750,000 trips) are FIT travelers normally for business, meetings/conference and government business purposes. Virtually, the difference in the number of trips between long haul and short haul is not significant. For instance, the share of FIT tours in some popular destinations as East Asia is 68%, Europe is 69%, and Oceania 69%.

³⁵ Ibid., p. 10.

³⁶ Ibid., p.10

Table 12: Number of Thai Outbound by Travel Arrangement, 2004

	Package Tour		FIT	
	Number	(%)	Number	(%)
Total	838,094	32.3	1,756,927	67.7
East Asia	703,598	32.4	1,469,764	67.6
Europe	68,155	30.8	152,873	69.2
The Americas	8,871	26.0	25,230	74.0
South Asia	22,768	42.6	30,635	57.4
Oceania	22,311	31.2	49,139	68.8
Middle East	11,761	29.0	28,814	71.0
Africa	630	57.2	742	42.8

Source: Expenditure Survey Report 2004³⁷

3. 6. Length of Stay

The average length of stay of Thai outgoing travelers has been getting progressively shorter in both long-haul and short-haul destinations. In 1998, the time of financial crisis, the average duration of stay was about 14 days. However, it has been cut down year by year and remained almost 6 days in 2007. Destinations in Europe and Oceania have seen the dramatic decline from around 20 days in 2002 to no more than 9 days in 2007. The reason for this might be the tight and expensive visa restrictions in the UK, and the unfavorable exchange rates. Also, the terrorist attack on 11th Sep. 2001 in the US, the bombing in Bali-Indonesia in 2002, the London bombing attack in July 2005, the outbreak of SARS all over the world since 2002, and the call for tightening the belts abroad of Thai government might have been the significant reasons for the decline in the duration of stay of Thai outgoing travelers, especially for long haul destinations.

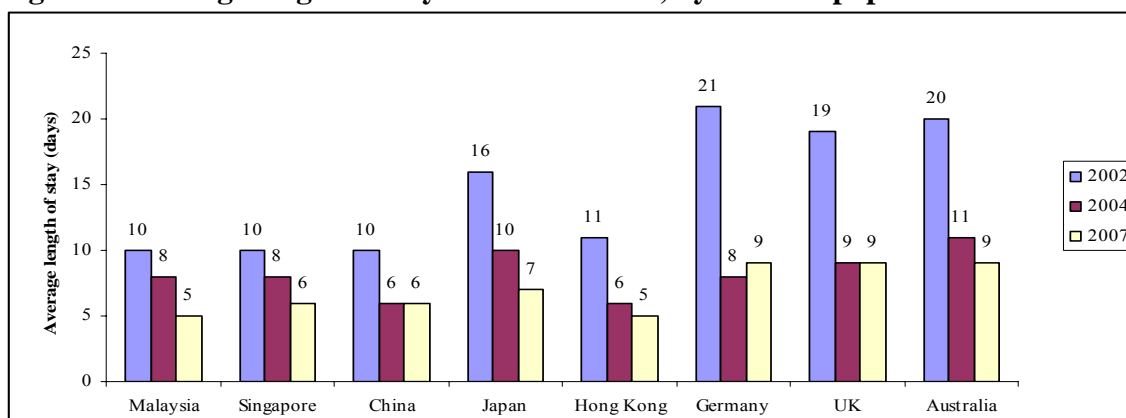
Table 13: Average Length of Stay of Outbound Thai Travelers, 1998-2007 (Unit: day)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Average length of stay	13.69	12.44	11.76	11.95	7.84	7.14	7.7	6.63	6.77	5.83

Source: Tourism Authority of Thailand

³⁷ Ibid., p. 14.

Figure 4: Average length of stay of Thai arrivals, by selected popular destinations



Source: Tourism Authority of Thailand

3. 7. Seasonality

Traditionally, the high season of Thai outbound market is the summer vacation of March-May, and the semester break of October. The months of March to May are the hottest time of the year, especially April. The traditional New Year, Songkran Festival, of Thai people is also on 13, 14, and 15 of April, which is the peak season of Thai Inbound market. Therefore, many Thai people travel abroad to escape from the heat, the crowd and to make use of their long holiday. It makes the number of outbound Thai travelers the highest in April every year, followed by March and October.

Table 14: Thai Outbound Departures by Month, 2000, 2004 and 2007

Month	2007		2004		2000	
	Number	(%)	Number	(%)	Number	(%)
January	306,053	7.62	194,258	7.17	126,895	6.65
February	240,034	5.97	180,947	6.68	134,749	7.06
March	383,649	9.55	236,823	8.74	175,438	9.19
April	429,202	10.68	309,808	11.44	232,744	12.19
May	332,501	8.28	225,231	8.31	172,157	9.02
June	281,926	7.02	199,506	7.36	141,687	7.42
July	316,169	7.87	216,732	8.00	149,647	7.84
August	311,892	7.76	211,859	7.82	150,045	7.86
September	302,240	7.52	208,164	7.68	159,067	8.07
October	397,523	9.89	274,997	10.15	192,342	10.08
November	329,415	8.20	203,087	7.50	137,075	7.18
December	387,109	9.63	247,529	9.14	142,082	7.44
Total	4,017,713	100	2,708,941	100	1,908,928	100

Source: Tourism Authority of Thailand

However, Thai outbound travelers tend to travel more during the winter time of December and January. In 2007, the share of Thais travel in December is the same as that of the peak months of March and October (nearly 10%). In addition, the above peak times cannot be applied to some particular destinations. For instance, Thai visits to Hong Kong increase from March to May before peaking in June, not April. The number of Thai visits to the UK is even throughout the year, because most of them are travels for business and VFR purposes, with the exception of January-March.

3. 8. Expenditure

As the number of Thai outgoing travelers just reached 2 million in 2001, and 4 million in 2007, this is a small market compared to the total number of travelers worldwide. Thus, tourism expenditure of this market is not high. After the financial crisis the expenditure of Thais dropped dramatically from 4 million in 1996 to just more than 1 million in 1997-1999, and slightly recovered back since 2001 with more than 2 million. There saw the decline again of the expenditure figure to 1.5 million in 2002 and 1.3 million in 2003, largely due to the SARS crisis. After that it increased to 3 million in 2007.

Table 15: Tourism Expenditure by Thai Outbound Travelers, 2001-2007 (US\$ million)

	1996	2001	2002*	2003	2004	2005	2006	2007
Tourism Expenditure	4,171	2,178	1,523	1,345	2,085	2,007	2,535	2,911

Source: Tourism Authority of Thailand

* Expenditure of Thai Outbound Travelers before 2002 includes Thais working abroad.

According to table 16, Thai outbound travelers pays mostly on accommodation (34%) and shopping (30%). Thai people seem to prefer shopping abroad, and are keen on the accommodation. The lowest share is on entertainment, accounts for just 4-5% of the total

expenditure. They pay fair attention to food & beverage, about 17-19%. This pattern did not change since 2000.

Table 16: Breakdown of tourism expenditure by type of expenditure, 2000 and 2007

Expenditure type	2007 (%)	2000 (%)
Shopping	29	30
Entertainment	4	5
Sight Seeing & Local Transportation	11	10.3
Accommodation	34	34.1
Food & Beverage	19	17.4
Miscellaneous	3	3.2

Source: Tourism Authority of Thailand

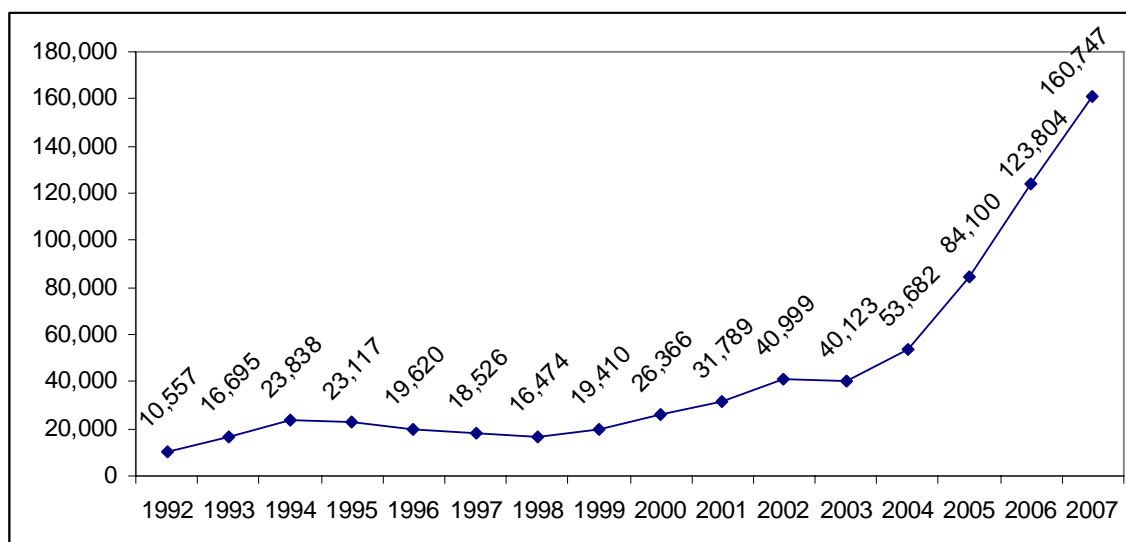
4. Thai Outbound Travel to Vietnam

4. 1. Development of Thai Nationals to Vietnam

For a long time since the bilateral diplomatic relations resumed in 1976, the travel between Vietnam and Thailand did not develop well because of the lack of communication and transportation linkages and of knowledge of Vietnam as a tourist destination for Thais. Before 2000, most of the Thai travelers to Vietnam were government officials and traders. The market share of leisure travel has been growing faster only since 2000 onwards.

According to the figure 5, during the period of 1992-2003, number of Thai arrivals to Vietnam rose steadily from 10,557 to 40,123 arrivals. This number started to rocket since 2004 with the average annual rate of 33% per year, reaching 160,747 arrivals in 2007. At the moment Vietnam is ranking number four among the most favorite destinations for Thais in ASEAN, after Malaysia, Laos and Singapore.

Figure 5: Development of Thai Nationals to Vietnam, 1992-2007



Source: Vietnam National Administration of Tourism (VNAT)

This is really a good sign for Vietnam tourism. However, it is still the very first stage in the plan to attract more Thai tourists because the number of Thais accounts for very few percentages of international tourists to Vietnam as well as of the total Thai nationals traveling abroad. Particularly, in 2007 the number of Thais to Vietnam, the highest one until now, accounts for only 4% of the total international arrivals and less than 3% of the Thai outbound market.

Table 17: Market share of Thai nationals compared to total international arrivals to Vietnam, 1999-2007

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
(%)	1.09	1.2	1.4	1.6	1.7	1.8	2.4	3.5	3.9

Source: VNAT

Table 18: Market share of Thai nationals to Vietnam compared to total Thai outgoing travelers, 1999-2007

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
(%)	0.99	1.14	1.34	1.74	1.66	1.66	1.54	2.33	2.56

Source: TAT

4. 2. Duration of Stay

In general, the average length of stay of Thai outgoing travelers to Vietnam over the years is not stable. In 1999, the time when Thai economy began to be recovered from the financial crisis, Thai tourists stayed in Vietnam for the longest, 15.77 days on average, 2.7 times more than the average duration of international tourists to Vietnam in the same year. However, it was cut down to only 6 days in 2000. The recover to almost 15 days in 2001 did not last for long when it soon reduced again to 4.6 days in 2003 and only 4 days in 2005. Eventually, the average duration of stay of Thais was 6.38 days in 2007, still more than that of total Thai outbound market of the year.

Table 19: Average length of stay of Thai nationals to Vietnam, 1999-2007 (unit: days)

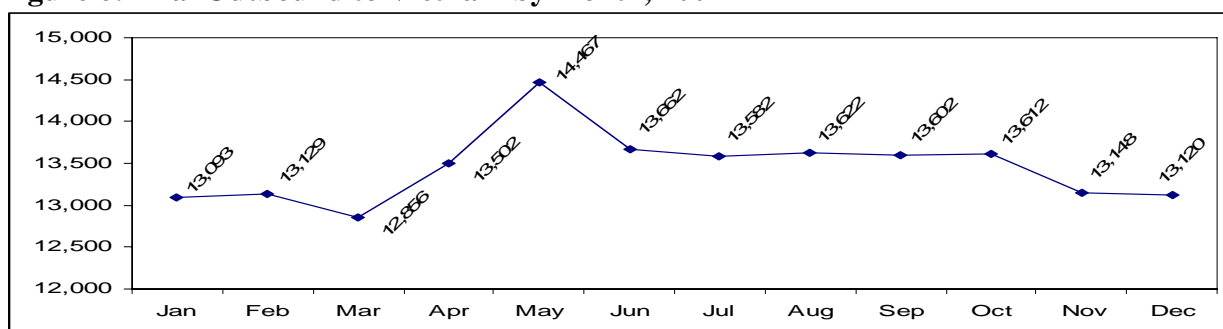
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Average length of stay	15.77	5.94	14.99	10.92	4.61	6.99	3.91	7.57	6.38

Source: TAT

4. 3. Seasonality

It is clearly seen from the figure 6 that Thai travel to Vietnam is all year round. The peak month of the year is May, not April, and March becomes the low month. Except those two months, travel in each other month is generally consistent in numbers, on average 13,400 arrivals per month.

Figure 6: Thai Outbound to Vietnam by month, 2007



Source: VNAT

4. 4. Composition of Traveler

Even though the number of Thai nationals to Vietnam is getting higher, Vietnam is still a very new destination for Thai people. Meanwhile more than 50% of Thais travel abroad is for holiday purpose, in Vietnam the number is only 41%. The same figure is for business and conference. The third group is for those who visit friends and relatives (11%).

Among Thais to Vietnam, 53% is at the age of 35-54 years old. This group of age consists of mainly young executives and senior employees. The second group, which accounts for 26%, is young and early working bracket from the age of 25-34. The silver age group, who is more than 54 years old, accounts for 15%.

By age group	(%)	By purpose of visit	(%)
<25	6	Holiday	41
25-34	26	Business and Conference	41
35-44	30	VFR	11
45-54	23	Others	7
>54	15		

Source: Statistical Report by TAT³⁸

4. 5. Expenditure

Due to the market segment of female Thai travelers to Vietnam is small (only 38-39%) and the poor shopping centers and products, Thai people pay only 18-19% of their expenditure to shopping. Accommodation is still paid the most attention. It covers more than 40% of the total expense. Vietnamese food is also very attractive to Thai tourists because of its abundance, the difference from Thai food, and low percentage of fat. This category accounts for 20-21% of the total expenditure.

³⁸ Ibid., p. 53.

Table 20: Breakdown of tourism expenditure by type of expenditure, 2006 and 2007

Expenditure type	2007 (%)	2006 (%)
Shopping	19.4	18.3
Entertainment	3.8	3.6
Sight Seeing & Local Transportation	11	11
Accommodation	41	43
Food & Beverage	20.5	21
Miscellaneous	4	2.6

Source: Tourism Authority of Thailand

4. 6. Favorite Tour Programs

The traditional package tour of Thai people is Hanoi- Halong Bay for 4 days and 3 nights. This route has been exploited for Thai tourists for many years, and is still a popular destination among them. Because of the short holidays they have, Thai people especially prefer the short program of 4 days- 3 nights, which can only pass by big cities and famous heritage such as Hanoi, Hue, Danang, Hoian, Ho Chi Minh city, Halong Bay, Cu Chi underground tunnels. Even, the long program to visit Hue- Danang- Hoian by road no. 9, passing by Lao PDR, is also spent for only 4 days- 3 nights.

It seems that the adventurous tours in the mountainous areas such as Sapa or beach tours in Nha Trang, Phan Thiet, Mui Ne are not attractive to Thai people. It might be because there are many beautiful beaches in Thailand, and Thai people do not like adventures or unsafe types of tour.

Hanoi- Halong Bay	3 days-2 nights / 4 days-3 nights
Hue- Danang- Hoian	4 days- 3 nights
Ho Chi Minh- Cu Chi tunnels- Vung Tau	4 days- 3 nights
Hanoi- Ho Chi Minh	4 days- 3 nights
Hue- Danang- Hoian- Ho Chi Minh	5-6 days
Hanoi- Hue- Danang- Hoian- Ho Chi Minh	6-7 days

CHAPTER IV: VIETNAM INBOUND TOURISM- STRENGTH AND WEAKNESS TO ATTRACT THAI OUTBOUND TRAVEL

This chapter is to look back at the current situation of Vietnam inbound tourism, to find out the strengths and weaknesses of Vietnam inbound tourism in luring Thais. Also in this chapter as well as other part of this thesis, the term Vietnam inbound tourism and Vietnam tourism are substitutionally used.

1. Overview of Vietnam Inbound Tourism

Vietnam is considered one of the most attractive countries in Southeast Asia, offering unspoiled landscapes, virgin beaches, soaring hills and mountains, as well as peaceful rivers, forests and springs. Its long history and distinctive



Vietnam Tourism Logo-slogan

culture serve as additional magnets for first time and returning visitors alike. Tourist facilities are not developed as neighboring countries. However, in recent years, the emergence of luxury hotels and resorts managed by world-class groups, expansion of the domestic airline network to all major tourist spots, and significant upgrading of the infrastructure have improved choices available to visitors.

With the advantages of geography, scenic landscapes, history, and culture Vietnam has the high potential growth in tourism. In 1993, Vietnam Government promulgated Decree 45/CP to innovate and develop tourism industry. The “doi moi” (renovation) policy combining with peaceful atmosphere and friendly people has been Vietnam’s advantages for tourism growth. Nowadays, people around the world not only know about Vietnam through the wars, but also

through various world heritage that this country possesses such as Ha Long Bay, Hue ancient Capital, My Son Holy Land, Phong Nha-Ke Bang and others.

The development of Vietnam tourism began to be seen clearly since early 1990s. From 1993-1997, the inbound arrivals has increased rapidly. This resulted from the “doi moi” policy to integrate into the world economy, the achievement of the Reform Policy, stable politic and the exertion of Vietnam National Administration of Tourism and relevant departments in improving management mechanisms, enhancing quality of tourism products. Additionally, the normalization of the bilateral relation with the United States in 1994 and the joining of Vietnam into the ASEAN in 1995 were advantageous conditions for Vietnam tourism.

Table 21: Number of international arrivals to Vietnam, 1995-2007 (Unit: 1000)

Year	Number	+/- (%)
1995	1,351.3	
1996	1,607.2	+18.9
1997	1,715.6	+6.7
1998	1,520.1	-11.4
1999	1,781.8	+17.2
2000	2,140.0	+20
2001	2,330.8	+8.9
2002	2,628.2	+12.8
2003	2,429.6	-7.6
2004	2,928.0	+20.5
2005	3,467.8	+18.4
2006	3,583.5	+3.3
2007	4,171.6	+16.4

Source: VNAT

Due to the financial crisis in 1997-1998, the increase rate of international tourists to Vietnam reduced from 19% in 1996 to just 6.7% in 1997. In 1998, the impact of the crisis was the worst. The number of arrivals decreased from more than 1.7 million to just 1.5 million (minus 11.4%) in 1998. However, the situation did not get worse in the following years. In 1999, the number rebound to nearly 1.8 million visitors. In 2000, Vietnam tourism welcomed the second million international visitor; the growth rate was 20%. The increase continued for three years consecutively. However, in March 2003, SARS epidemic happened. Once more

the development of Vietnam tourism was affected and declined by 7.6%. Although the bird flu still occurred in the beginning of 2004 and Tsunami storm in Indian Ocean in December of the same year, Vietnam inbound tourism continued to develop with high speed. The number of foreign visitors reached 3 million in 2005, and 4 million in 2007. It is expected that Vietnam tourism will welcome the fifth million international visitor in 2008.

For many years, China has always been the major and potential market for Vietnam inbound tourism. Even though there has seen the decline in the number of Chinese tourists to Vietnam in 2006-2007, Chinese visitors still rank number one in term of volume, and accounts for 13-14% of total inbound market. With high economic growth, there is a boom in outbound Chinese travelers, and ASEAN countries are one of their favorite destinations. Bordering with China and visa exemption policy to Chinese tourists, Vietnam takes advantages to attract this market.

Table 22: Number of international arrivals to Vietnam by nationalities, 2005-2007

	2007	(%)	2006	(%)	2005	(%)
China	558,719	13.4	516,286	14.4	752,567	21.7
Korea	475,535	11.4	421,741	11.8	317,213	9.1
USA	412,301	9.9	385,654	10.8	333,566	9.6
Japan	411,557	9.9	383,896	10.7	320,605	9.2
Taiwan	314,026	7.5	274,663	7.7	286,324	8.3
Australia	227,300	5.4	172,519	4.8	145,359	4.2
France	182,501	4.4	132,304	3.7	126,402	3.6
Thailand	160,747	3.9	123,804	3.5	84,100	2.4
England	105,918	2.5	84,264	2.4	80,884	2.3
Malaysia	145,535	3.5	105,558	2.9	76,755	2.2
Others	1,177,425	28.2	982,797	27.4	943,982	27.2
Total	4,171,564	100	3,583,486	100	3,467,757	100

Source: VNAT

The United States of America and Republic of Korea are the next major markets for Vietnam tourism. The booming of Korean travelers to Vietnam since 2000 has made Korean outbound travel number two in term of volume since 2006. During 2001-2004, Korea is the market which has highest growth rate (42.4% and 50.2% in 2001 and 2002 respectively). Especially,

since 2004 visa for Korean people was exempted, the number of tourists from Kim Chi land increased incredibly by more than 80%.

International arrivals from USA still get increasing and accounts for about 10% of total foreign travelers to Vietnam. Besides those who travel for leisure purpose, the major part of visitors from America is the oversea Vietnamese (more than 70%), who mainly go to Vietnam to visit their hometown, friends and relatives.

The fourth and fifth major markets for Vietnam tourism are Japan and Taiwan. For European countries, France and England are two countries which have highest number of travelers to Vietnam. Among ASEAN countries, Thailand is the potential market which accounts for the highest share.

Table 23: Number of international visitors to Vietnam by purpose, 2005-2007

Year	2007	(%)	2006	(%)	2005	(%)
Leisure	2,569,150	61.6	2,068,875	57.7	2,041,529	58.9
Business	643,611	15.4	575,812	16.1	493,335	14.2
Visiting Friends	603,847	14.5	560,903	15.7	505,327	14.6
Others	354,956	8.5	377,896	10.5	427,566	12.3
Total	4,171,564	100	3,583,486	100	3,467,757	100

Source: VNAT

According to table 23, most of international visitors to Vietnam are for pure holiday purpose. This category accounts for around 60% of the market share. This is a positive signal for Vietnam tourism because during the period of 1993-1999, this rate was always below 45%. It proves that Vietnam is more attractive for leisure market. Meanwhile, terrorism and unstable politics are seen in many countries in the world and region such as Thailand, the Philippines, and Indonesia... Vietnam is still considered a stable, friendly and safety destination.

The booming of Vietnam economy is very attractive for foreign investors these years. In addition, Vietnam government has many new policies to encourage Vietnamese overseas to come back to the country. These reasons help increase the number of visitors for business and VFR purposes.

2. Strengths

2. 1. Bilateral Relationship Background

There are many advantages or strengths that Vietnam tourism possesses to attract outbound Thai tourists. First and the most important one is the close bilateral relationship between the two countries. The governments of the two countries always create good conditions and opportunities for their people to travel, trade, and exchange cultures and understanding to each other. The visa exemption is one example. Since 2001, Vietnamese people who travel to Thailand within 30 days do not need to apply for visa and vice versa. Every year Royal Thai Embassy in Hanoi organizes Thai Product Exhibition in Hanoi and Ho Chi Minh City. This is a good chance for Vietnamese and Thai businessmen to meet and cooperate to each other, which makes the mutual trade between the two countries develop, and increases the business purpose travel. Activities on tourism are often held in both Vietnam and Thailand such as conferences on developing tourism in three countries Laos- Thailand- Vietnam or in countries along Mekong Delta River.

2. 2. Large Vietnamese Community in Thailand

Second, there are many Vietnamese people living in Thailand, making a strong and crowded Vietnamese community there. In the history, there were many waves of Vietnamese people migrated to Thailand to find a better life, to escape from the fierce wars or for political

purpose. Many of them settled down there and integrated with the local community. However, they still think of their fatherland and would like to come back to visit their relatives and friends, and event to do businesses. According to the Que Huong Magazine Online on 17th August 2008, it was estimated that there were at least 110,000 Vietnamese people living in Thailand in 2004³⁹, mostly in the Northeast part and Bangkok. This is a very important and potential market for Vietnam tourism. They also can be an effective tool to propagandize Vietnam tourism among Thai local community.

2. 3. Accessibility

One advantage which is clearly seen is the easy accessibility. From Thailand, there are different ways to travel to Vietnam. First, the most convenient way is by airplane. Everyday there are 8-9 flights (depending on each day) from Bangkok to Hanoi, and the same number of flights from Hanoi to Bangkok. There are also about 5-6 Bangkok- HCM-Bangkok flights daily. Apart from those two big cities, Danang city, in the central part of Vietnam, also has 3 round flights a weak to Bangkok operated by PB Air. So there are totally about 100 flights from Thailand to Vietnam per week. It is really convenient for people from the two countries to visit each other. The fare is also very flexible. Travelers can choose from low cost airlines such as Air Asia and Nok Air to more luxury ones such as Thai Airways, Vietnam Airlines, Air France and Lufthansa. Even Vietnam Airlines and Thai Airways also offer difficult levels of ticket fares. Therefore, low income people can afford for traveling as the slogan of Air Asia “Everyone Can Fly”. Traveling by airplane is not only convenient, but also can save time because it takes only one and a half hour to get to Vietnam from Thailand and vice verse.

³⁹ <http://www.quehuong.org.vn/vi/nr041215095635/nr050107191630/ns060322152406>

Second, traveling to Vietnam by road passing Laos or Cambodia is becoming more and more popular among Thai people. From Mukdahan, Thailand passing Mekong River to Laos PDR, then visitors can take the road number 9 passing Sawannakhet province to get to Quang Tri province of Vietnam. Another way is from Nongkhai province of Thailand to Vientiane and road number 8 of Laos to get to Nghe An province of Vietnam. Both ways take less than one day from Thailand to Vietnam. Therefore, traveling by road is also very convenient and cheaper than by airplane.

2. 4. Tour program

As the analysis above, the average length of stay of Thai outbound travelers is getting shorter. The average duration of stay in 2007 was only 5.38 days due to the shorter holidays that Thai people get a year. However, this is not a disadvantage for Vietnam tourism to attract Thai tourists because for most of the tour programs in Vietnam they just need on average 4 days. All the traditional tour programs such as Hanoi- Halong Bay, Hue-Danang-Hoian, Ho Chi Minh-Cu Chi underground tunnel or Ho Chi Minh-Vung Tau just require 4 days. Even the tours by road via Laos (as mentioned above) take only four to five days.

Thai outbound tourism to Vietnam has been developed for many years. Therefore, most of the tour programs have been fully developed. Vietnamese travel agencies understand better what Thai people need, and know how to make the tour programs that can satisfy their customers from Thailand. This is also an advantage to improve the quality of the tour.

It is undeniable that the tour programs by road via Lao PDR make big strength for Vietnam tourism to attract Thai people, especially those from the Northeast part of Thailand. It is evaluated by specialists and tour operators to be a potential tour product of Vietnam tourism to attract a big number of Thai tourists in a short time. Moreover, it is specially emphasized

in the Tourism Agreement between Vietnam and Thailand. The positive characteristics of this program are:

- Convenience: from Thailand to Laos, tourists do not have to use boat to cross Mekong River anymore. There are two Laos-Thailand Friendship bridges passing Mekong River in Mukdahan and Nongkhai Provinces. The road number 8 and 9 from Laos leading to Vietnam are in good condition. Therefore, it takes only less than 10 hours to get to Vietnam by road no. 9 and about 14 hours by road no. 8.
- Cheapness: traveling by road is cheaper than by airplane. If people from the Northeast part of Thailand would like to fly to Vietnam, they have to take a domestic flight to Bangkok or travel the same distance to Bangkok as to Vietnam by road before taking an international flight to Hanoi or Ho Chi Minh City. Obviously, it doubles the transportation cost. It does not seem to be economical for Thai people here who are mostly farmers.
- By taking this type of tour, Thai outbound travelers have chance to visit both Laos and Vietnam, two countries in the same program. It is not only beneficial to Vietnam and Thailand tourism, but also Lao tourism. Thus, it is supported much by Laos's government.
- Northeast part of Thailand has many Vietnamese people living there. This program can target not only Thai people, but also Vietnamese who are always eager to come to their motherland country.
- Northeast part of Thailand has no beaches. The distance from here to the beautiful beaches in the Central Vietnam is shorter than to the South of Thailand.

Also being a tour by road, Caravan tour is a new favorite one for Thai visitors. Using the same route, Caravan tour let tourists to drive their own car throughout the journey. This is a new type of tour program in Vietnam. Although it still has some difficulties to implement, it

is interested by many people, especially the rich who have high payment ability. It is stated by Vietnam Administration of Tourism in its First Quarter Report 2008 that “Recently, tourist using Caravan tour is constantly increasing. Caravan tour becomes a brand name of Vietnam tourism, which contributed to promote Vietnam tourism by road”.

In the future, tour program by road will be increased from just two programs via roads number 8 & 9 at present to more than that such as the route from Nongkhai to Vientiane – Luang Prabang- Dien Bien Phu battle field Vietnam, or from Thailand to the South of Laos before entering Vietnam, and from Thailand passing Cambodia then going to Ho Chi Minh City.

2. 5. Food

Although Vietnamese food is not as abundant as Thai food, it is famous for Thai people. Thai people love Vietnamese cuisine for its own typicality: containing much vegetable, and not fat. Due to there is big community of Vietnamese in Thailand, Thai people have many chances to know and enjoy Vietnamese cuisine. The popular dishes for them are “Nem Nuong” (grilled pork with many kinds of vegetable wrapped in a thin rice pan cake), spring roll and “PHO” (noodle). Even though it is easy for them to buy these types of food in Thailand, they are still eager to see how different it is if they taste them in Vietnam. Therefore, all kinds of tour programs for Thai people must have them in daily meals. This is one of the strengths of Vietnam to attract Thai outbound travelers.

3. Weakness

3. 1. Accommodation Shortage

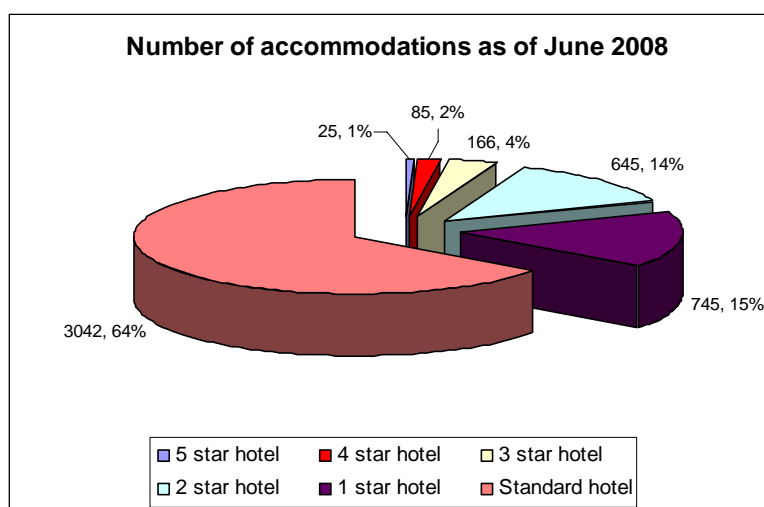
Recently, Vietnam tourism has been facing the problem of accommodation shortage. The number of tourists both domestic and international is increasing rapidly every year. Meanwhile, the number of accommodation does not increase much. The supply is much smaller than demand.

According to the statistics from Vietnam National Administration of tourism, until June 2008 there are totally 9,343 hotels in Vietnam, in which only 3% is four and five star hotels. Another 4% is three star hotels. One and two star hotels account for 29% of the total share, and the rest is standard hotels. So the number of three-five star accommodations is too few. Furthermore, the size of hotels is small. For example, in Hanoi the percentage of hotels which has more than 50 rooms and 100 rooms is only 8.87% and 3.63% respectively.

However, Thai tourists have certain requirements on accommodation that one star hotel or standard ones cannot meet. For those who buy package tour through agents they require at least three star hotels which must be clean, has enough facilities and good breakfast. One star hotels or standard hotels are just suitable for those who have low budget and travel on their own or backpackers.

Nowadays, there is almost no separation of low and high season for hotel management in Vietnam, especially in big cities. Previously, May and June are the low season for hotels, but now the occupation of those months always stays at more than 70%.

Figure 7: Number of accommodations in Vietnam as of June 2008



	Number of Accommodations
Total	9343
5 star hotel	25
4 star hotel	85
3 star hotel	166
2 star hotel	645
1 star hotel	745
Standard hotel	3042

Source: VNAT

Normally, Thais do not have the habit of making holiday plan for themselves long in advance. There are some cases that decide to travel just one week before the departure. The consequence is that it is very difficult for them as well as travel agents to book accommodations. Sometimes it is impossible in high seasons. Furthermore, luxury hotels like four and five star ones in big cities tend to prefer business guests more than tourists. Many hotels just offer 30% of their capacity for travel agents. The reason is because corporate guests bring them more profits than pure tourists. Eventually, the shortage of rooms and business customer preference of hotels make the accommodation price get higher and higher.

According to a hotel survey conducted by Grant Thornton Vietnam Ltd. in 2008, high hotel room tariffs in Vietnam are expected to go down probably by 2010 since new rooms will be

put into service then. It means that from now until then accommodation price in Vietnam will continue to rise. The survey shows that there had been a 37% increase in Vietnam's average room rates in the period of 2006-2007. Currently, Hotel room rates in Vietnam are even higher than those in Thailand and Malaysia⁴⁰.

3. 2. Increasing Price

Everywhere in Vietnam, people complain about the price increase. This is a serious problem that Vietnam economy is facing. Inflation accelerated from 6.6% (year on year) in December 2006 to 15.7% by February 2008. In July 2008, the inflation rate reached 27.04%, the highest so far this year. The price of food in July 2008 increased by 111.92% compared to that of 2005, and by 58.85% compared to that of December 2007. Apart from food, price of transportation, healthcare, accommodation and culture, sports & entertainment also go up dramatically. Yet, experts warn the worst is still to come. Prices are still on the rise, and August's figures are expected to be much higher due to the impact of fuel price⁴¹.

Meanwhile the general trend in tourism in other countries is the deduction more and more of land tour (tour price) year by year, Vietnam tourism tends to go in contrary direction. Land tour in Vietnam increases rapidly every year, which makes it difficult for travel agents in Vietnam to market and sell their products to international customers, especially Asian travelers who have lower budget than Westerners. This problem will continue for at least three to four years or more as Vietnam economy will still be in difficulties.

⁴⁰ Mong Binh, The Saigon Times Daily- "*Hotel Room Tariffs seen declining*", No. 3244 Friday, August 1st, 2008

⁴¹ Vietnam General Statistics Office

3. 3. Lack of Good Tour Guide

For a tour guide who leads an international tourist group, besides the professional skills and knowledge of the destinations, the ability to speak tourists' mother tongue is very important. It is because languages are the effective tool to communicate and exchange information. Thai outgoing travelers to Vietnam are not exception.

The number of Thai tourists who can use English well and is willing to accept English speaking guides is few. Therefore, to increase the share of Thai tourists to Vietnam, Vietnam must have enough and high qualified Thai speaking guides. However, this is a big problem that Vietnam tourism has not solved yet.

At present, there are totally about 100 Thai speaking guides in Vietnam (no specific statistics about it). Most of them are in Hanoi, about 50 people. The rest is in Ho Chi Minh City, and some in the Central of Vietnam. However, about half of the total is over 50 years old. They were not trained by any institute to speak Thai language. Most of them were born in Thailand, or had long time of stay in Thailand, and then came back to Vietnam following the call of the Communist Party of Vietnam to build the country after the wars. Few of them attend any training course about tourism knowledge and tour guide skills. Therefore, few of them have tour guide licenses. Furthermore, because they are not young, their health and sense of service are not as good as the young. There were some Thai tourists said that they were so surprised when seeing the guide. They confused whether the guide would serve them or they would have to serve him because he is too old.

Another half of the total Thai speaking guides is the young, who studied Thai language by themselves or were taught from Universities in Vietnam or studied in Thailand. The

advantages they possess are the enthusiasm, activeness, and smartness. However, the disadvantage is that their Thai language is not as good as those who were born and grew up in Thailand. At most universities in Vietnam such as Vietnam National University Hanoi, College of Foreign Languages or University of Humanity and Social Sciences in Hanoi and Ho Chi Minh City, Thai language is not a major, but just only a course which they study for two years or three years. Moreover, the best students always have many opportunities to choose apart from a hard job as a tour guide.

One hundred Thai speaking guides are not enough to meet the demand of the increasing number of Thai arrivals to Vietnam. In the high season of April, October or on some holiday occasions of Thai people this problem become more serious. Travel agents in Vietnam have to call those who can just speak Lao language and have never been a guide before to (because Lao and Thai language are quite similar, but not the same). It makes the quality of the tour become worse.

Shortage of Thai speaking guides will last for long in the future. The reason is that the old generation will retire soon. There are only three to four universities in Vietnam teach Thai language with very limited number of students, 20 to 30 students each. For example, Vietnam National University, Hanoi College of Foreign Languages recruits one class of 20-30 students every two years. Every two years there is one class to graduate, but few of them choose to be a tour guide. The reason is because this is a hard job and most of them are female (male: female ratio is 1:4). In case of Ho Chi Minh City, almost no one chooses this job because there are many Thai companies offering them better jobs there.

3. 4. Poor Service Mind- Low Quality

Although the service industry in Vietnam has been improved much in comparison with it ten years ago, it is not well developed and paid much attention until now. The service mind of people working in this field is poor. The service providers still lack of smiles on their face. Many of them do not understand that customers are people who bring back their works and salary. And in any circumstance, customers are always right. However, the misunderstanding and argument between staff and customers still happen, especially in low star hotels such as standard or one to three star hotels, state own organizations and some restaurants. This can be considered the leftover of the system based on the administrative subsidies, the consequence of the unadvanced education system, and the limitation of a developing country.

As analyzed above, the quality of Thai speaking guides needs to be improved much. The old generation has good ability to speak Thai language, but limited service mind. The young is more active, smart and enthusiastic but low language competence. This affects the quality of the tour.

The inconvenient transportation in Vietnam also makes customers have negative impression on the tour. The main cause to the inconvenience of the transportation is the strict regulation on the speed limitation. The urban speed limit ranges from 30 to 40 km/h. The rural speed limit ranges from 40 to 60 km/h. For example, a 35 to 45 seat bus is allowed to run on the urban road at the speed of 35 km/h, or 45 km/h outside the city. This the reason why it takes three hours and a half to get to Halong Bay from Hanoi when the length of the road is only 170 km. Tourists from Thailand or other countries feel so surprised with the regulation. They also feel tired of it because they have to spend too much time on the road. In addition, pedestrians always have to be careful, as sidewalks are extremely congested and uneven, and

drivers of bicycles, motorcycles and other vehicles routinely ignore traffic signals and traffic flows, and even drive on sidewalks. These issues seem to be small, but many small things gather and make the whole picture of the tour bad.

In spite of many natural beauties and cultural heritages, Thai tourists sometimes feel bored. The entertainment system is so poor. There is almost nothing for tourists to play or entertain in the free time or in the evening. Thai female especially like shopping. Nevertheless, Vietnamese products are not special and abundant, but expensive. They always have to buy with two to three times more expensive than the local does. Meanwhile, those products can be found in their country or other Asian ones, even with lower price.

All of the above factors make Thai arrivals not really impressed with the tour. They do not have high assessment on the quality. That's why the number of international tourists coming back to Vietnam is small. This is the challenge for Vietnam tourism.

CHAPTER V: CONCLUSION

1. Conclusion

Thailand is a famous country in the world for its successful tourism industry. Every year, Thailand attracts more than ten million international arrivals. Along with the success of inbound tourism, outbound tourism in Thailand also gets increased in term of volume in recent years. Since 1970s until now, the general trend of Thai outbound tourism is upward, especially since 2005 until now. Before that the number of Thai outgoing travelers sometimes declined just because of the unavoidable and objective causes such as the financial crisis in 1997-1998 or the SARS in 2003. This upward trend is expected to last for longer in the future.

Most of Thai outgoing tourists travel to East Asian countries, especially those in ASEAN group. The average length of stay of Thais gets shorter; however, they tend to spend more. The two types of expenditure to which they pay more attention are shopping and accommodation. Thai market is characterized more by sightseeing holidays rather than leisure or the desire to learn something new. Normally, the high seasons of Thai outbound market are in April and October. However, it varies depending on each specific destination.

For Thailand, Vietnam is a new destination for tourism. Locating in Southeast Asian, a member of ASEAN group, Vietnam is becoming more and more eye-catching to Thai people. Although the number of Thais to Vietnam still accounts for a very small percentage among the total of Thai traveling abroad as well as the total of international arrivals to Vietnam, it is increasing rapidly with very high growth rate. All the general characteristics mentioned above of Thai travelers fit well with what is shown when they travel to Vietnam, which is a

very important base for Vietnam tourism to improve the strategic plan to lure more Thai arrivals.

At present, in attracting Thai tourists Vietnam tourism has many strengths as well as weaknesses. The good bilateral relationship between Vietnam and Thailand acts as an advantageous background for the cooperation in any fields, including tourism. There is a big community of Vietnamese people living in Thailand. This will be a potential market for VFR tourists as well as an effective tool to propagandize Vietnam tourism to Thai local community. The next strength is the easy accessibility for Thai people to get to Vietnam. Besides that Vietnamese food and some types of tour program also leave good impression in Thai tourists' mind.

Meanwhile, some big weaknesses, if they are not improved soon, will be obstacles for Vietnam tourism. They are the shortage of accommodation, expensiveness of tour price, the lack of good tour guides, the poor service mind of most of employees in this industry and the low quality of tour programs.

This thesis is the only completed study about Thai outbound tourism and current situation of Vietnam tourism in welcoming Thai tourists that the writer ever had. Although before conducting this research the author already equipped much knowledge and experience in this field, those knowledge and experience have not been gathered and analyzed deeply as this one. Besides that if this thesis had not been conducted, the writer could not have had chance to investigate many other characteristics of Thai outbound tourism that he had not paid attention to before. Hence, this thesis has helped to draw out a more detailed picture of Thai outbound tourism and the readiness of Vietnam tourism in attracting this market.

2. Recommendation

From the analysis and conclusion of this study, the writer would like to propose some recommendations for Vietnam tourism to increase the share of Thai outbound tourism as follows:

First of all, Vietnam Government, specifically Vietnam Administration of Tourism, should have suitable policies and strategies in marketing and public relation activities and advertising campaigns to better position the image of Vietnam to Thai people. Thai outbound travelers largely are trend-followers rather than trend-setters. They are much influenced by the media, and tend to follow celebrities or society leaders. Therefore, marketing, PR and advertisement are good ways to create demand among them. Activities can be implemented directly by making use of a tourism product as a selling point or indirectly by promoting the main tourist attractions of the country to create familiarity and interest in the destination until it becomes a trend. Suggestions:

- Often organize Vietnamese cultural activities in Thailand such as “Vietnam days” to introduce Vietnamese culture and traditions as well as tourist attractions. They should be taken place in different parts of the country, not just big cities.
- Establish a unique selling point for just Thais by positioning Vietnam in a unique way that is different from other tourist destinations, emphasizing the identity of each attraction as well as of the country.
- Call for cooperation of private PR and marketing companies in Vietnam and Thailand to do tourism marketing via strategies and plans which are best suited to the Thai outbound market.
- Join travel fairs in Thailand

- Advertise on Thai Media: working with Thai outbound operators to advertise in Thai media or inviting Thai media to have sightseeing and educational tours to more tourist areas in Vietnam then asking them to make TV programs and air it on TV channel regularly; sponsoring various game shows in Thailand to create chances for Thais to be aware of Vietnam tourism;
- Invite and support Thai movie producers or TV drama series to shoot at tourist destinations in Vietnam. This activity has been done in Vietnam for several times such as the movie “Hoian I love you” some years ago. It has shown to be a very effective method so it needs to be carried out more.

Marketing and PR activities should be organized regularly to increase the awareness of Vietnam among Thai people, and push them always update information about Vietnam.

Secondly, educating the tourism labor force is also very important action. Service mind must be especially emphasized in all the education and training programs at schools or colleges or tourism or tourism related organizations. From the immigration authorities at the airport to the tour guides, hotel and restaurant staff and souvenir shop assistants must understand that only good services can make customers satisfied. And only tourists’ satisfaction can bring back the success for the tourism industry. Apart from the service mind, short educational courses on tourism and tour guide skills should be organized regularly and mandatory for tour guides to keep and increase the standard. Furthermore, there should be more Thai language courses to improve the ability to use it for Thai speaking guides and to train more Thai speaking guides to serve the increasing number of Thai arrivals.

Thirdly, the quality of tourism products should be improved often. To do so, there should be a close cooperation among different government agencies:

- Infrastructure improvement: in general the roads in Vietnam are narrow and in poor condition. That is one of the reasons for accidents to happen, and for the speed limitation. Therefore, the roads should be improved to facilitate travel between tourist attractions, making it quick, easy and safe.
- Increase the resting places along the road: due to the speed limitation and the long distance between different tourist attractions there should be more resting places on the way for tourist to take a break, and to go to rest-rooms. The rest areas themselves should be large, cool, and clean, including the rest-rooms. Vietnam and Laos should cooperate to build the resting places along the road number 8 & 9 of Laos because those are very long and important routes for the tours by road to Vietnam without any rest-rooms.
- Increase the number of international standard hotels (three to five star hotels): Vietnam government should call for foreign investment to build more international standard hotels to solve the problem of accommodation shortage and reduce the price.
- Add more values to each tourist attractions: there should be more entertainment facilities at natural tourist spots so that tourists can have different options to relax and entertain in stead of just enjoying the view.
- Increase the shopping malls: Thai people by nature enjoy shopping activities. There should be more shopping malls with abundance of products in reasonable price. This would not only satisfy the habit of Thai tourists, but also increase the revenue for Vietnam tourism. The shopping malls and travel agents in Vietnam should cooperate to each other to reduce the tour price.

APPENDICES

APPENDIX A

Tour Programs for Thai tourists (provided by Hanoitourist Travel Company- Hanoitourist Corporation):

Program 1: BKK- Hanoi- Halong- Hanoi- BKK (3 days/ 2 nights)

Day 1: BKK- Hanoi- Halong (D)

Arrive in Hanoi international airport by VN/TG. Welcome group and transfer to Halong city. Check in hotel. Dinner at restaurant. Free visiting Halong Bay by night. Stay at hotel.

Day 2: Halong- Ha Noi (B/L/D)

Breakfast at hotel. Take boat to visit the natural beauty of Halong Bay – the World Heritage with Thien Cung grotto (means Heaven's palace), Wood head cave, Lu Huong islet, The Couple islet. *Lunch on boat with fresh seafood.*

Return to Hanoi. On the way, stop at Hai Duong province for some speciality with sticky rice cake, green bean cake. Arrive in Hanoi. Visit returned sword lake with legend of Le Loi king, Ngoc Son temple (Jade Hill temple). Dinner at restaurant. *See water puppet show.* Stay at hotel.

Day 3: Hanoi- BKK (B/L) avoid Monday & Friday

Breakfast at hotel. Visit Ho Chi Minh Mausoleum (which now kept President Ho Chi Minh's body), President house on stil (was the resident of uncle "Ho" from 1959 until he died" was built in the style of Vietnam ethnic minority), One pillar pagoda (mot cot pagoda- its shape likes a lotus flower- an artistical architecture of 11th century), These places close on every Monday and Friday. Lunch at restaurant. Free shopping in old streets area. Transfer to the airport for flight to BKK by VN/TG. Conclude tour.

Program 2: BKK- Hanoi- Halong- BKK (4 days 3 nights)

D1: BKK- Hanoi- Halong (D)

Arrive in Hanoi international airport by flight VN/TG. Welcome group and transfer to Halong city. Check in the hotel. Dinner at the restaurant. Free visiting Halong Bay by night. Stay at the hotel.

D2: Halong- Ha Noi (B/L/D)

Breakfast at the hotel. Take boat to visit the natural beauty of Halong Bay – the World Heritage with Thien Cung grotto (means Heaven's palace), Wood head cave, Lu Huong islet, The Couple islet. Have lunch on boat with seafood.

Return to Hanoi. On the way, stop at Hai Duong province for some specialities with glutinous rice cake, green bean cake.... Arrive in Hanoi. Visit returned sword lake with legend of Le Loi king, Ngoc Son temple (Jade Hill temple). Have dinner at the restaurant. See water puppet show. Stay at the hotel.

D3: Hanoi city tour (B/L/D) avoid Monday and Friday

Breakfast at the hotel. Visit Ho Chi Minh Mausoleum (which now kept President Ho Chi Minh's body), President house on stil (was the resident of uncle "Ho" from 1959 until he died" was built in the style of Vietnam ethnic minority), One pillar pagoda (mot cot pagoda- its shape likes a lotus flower- an artistical architecture of 11th century), Ho Chi Minh Museum (display the process & history of Ho Chi Minh working life and Vietnam revolution). These places close on every Monday and Friday. Continue to west lake (the biggest lake in Hanoi, visit Tran Quoc pagoda (the earliest built pagoda in Hanoi). After lunch at restaurant, Visit Litterature of temple - the first university of Viet Nam, free shopping in old streets area. Dinner at the restaurant with Vietnamese tranditional music perfomance. Stay at the hotel.

D4: Hanoi- BKK (B/L)

Breakfast at the hotel. Free shopping until lunch at the restaurant then transfer to the airport for flight to BKK by VN/TG. Conclude tour.

Program 3: BKK-HCM-CUCHI UNDERGROUND TUNNEL-HCM CITY-BKK(3 days/2 nights)

D1: BKK- HCM city (D)

Arrive at the airport by VN/TG. Welcome group and transfer to city center. Visit Notre Dam church, Ho Chi Minh monument (in front of the People Committee of HCM city), Central post office. *Dinner on boat along Sai Gon river with seafood menu and enjoy live songs.* Stay at hotel.

D2: HCM city- Cu Chi underground tunnel- HCM city (B/L/D)

ABF at hotel. Transfer to famous Cu Chi underground tunnel. Return to HCM City. Lunch at restaurant. Visit War museum, Reunification Hall, shopping at Ben Thanh market. *Dinner at Rex royal restaurant and enjoy traditional music performance.* Stay at hotel.

D3: HCM City- BKK (B/L)

ABF at hotel. Visit Thien Hau temple, China town. Lunch at restaurant with buffet style. Shopping at Ben Thanh market and a lacquerware until transfer to the airport for flight to BKK by VN/TG. Conclude tour

Program 4: BKK - HCM - VUNG TAU - CU CHI - BKK (3 days/2 nights)

D1: BKK- HCM city- Vung Tau (D)

Arrive at the airport by flight VN/TG. Welcome group and continue to Vung Tau city. Visit Vung Tau seafood market. Dinner at restaurant and stay at hotel.

D2: Vung Tau- HCM city (B/L/D)

ABF at hotel. Visit The Holy Kwan Yin, Bao Dai White villa, Nirvana Meditation retreat, Reclining Buddha temple, Jesus statue. Lunch at Vung tau floating restaurant. Return to HCM city. Visit War museum, Reunification Hall - the former President Palace, Notre Dam church, Central post office. *Dinner on boat along Sai Gon river and enjoy live songs.* Stay at hotel.

D3: HCM city- Cu Chi underground tunnel- BKK (B/L/-)

ABF at hotel. Transfer to famous Cu Chi underground tunnel with system of underground hospital, meeting rooms, living rooms.... for Vietnamese soldiers used to live to fight against French and American army. Return to HCM City. Lunch at restaurant.

PM: Transfer to the airport for flight to BKK by VN/TG. Conclude tour.

Program 5: BKK - HCM - VUNG TAU - CU CHI - HCM - BKK (4 days/3 nights)

D1: BKK- HCM city- Vung Tau (D)

Arrive at the airport by flight VN/TG. Welcome group and continue to Vung Tau city. Visit Vung Tau seafood market. Dinner at restaurant and stay at hotel.

D2: Vung Tau- HCM city (B/L/D)

ABF at hotel. Visit The Holy Kwan Yin, Bao Dai White villa, Nirvana Meditation retreat, Reclining Buddha temple, Jesus statue. Lunch at Vung tau floating restaurant. Return to HCM city. Visit Notre Dam church, Central post office. *Dinner on boat along Sai Gon river and enjoy live songs.* Stay at hotel.

D3: HCM city- Cu Chi underground tunnel- HCM city (B/L/D)

ABF at hotel. Transfer to famous Cu Chi underground tunnel with system of underground hospital, meeting rooms, living rooms.... for Vietnamese soldiers used to live to fight against French and American army.

Return to HCM City. Lunch at restaurant with buffet style. Visit War museum, Reunification Hall - the former President Palace. Dinner at restaurant. Stay at hotel.

D4: HCM City- BKK (B/L)

ABF at hotel. Visit China town, Then Hau pagoda. Free shopping at Ben Thanh market. Lunch at restaurant. Transfer to the airport for flight to BKK by VN/TG. Conclude tour

Program 6: BKK-DAD-HOIAN-HUI-DAD-BKK (4 Days/3 nights)

D1: BKK-DAD (L/D)

Meet group at Danang international airport by VN/FD, Welcome and transfer to Danang city, group visit Cham museum, Marble mountain, China beach. Transfer to Hoi An, lunch at Hoi An. Visit Art an old house, Japanese bridge, Fu Jian pagoda, dinner at restaurant, stay at hotel.

D2: DAD-HUE (B/L/D)

ABF at hotel, transfer to group Hue, lunch at restaurant, group take boat along Perfume river, visit Thien Mu pagoda, Imperial citadel, dinner at restaurant, stay at hotel.

D3: HUE - DAD (B/L/D)

ABF at hotel, visit Khai Dinh king tomb, Dong Ba market, lunch at restaurant. Back to Danang, dinner at restaurant and stay at hotel.

D4: DAD-BKK (B)

ABF at hotel, group visit local market before transfer to Da Nang airport for flight back to BKK to VN/FD. Conclude tour.

Program 7: BKK-HAN-HALONG-HUE-HOIAN-HCM-CUCHI-BKK (6 days/5 nights)

D1: BKK- Hanoi- Halong (D)

Arrive at Hanoi international airport by TG/VN. Welcome group and transfer to Halong city, check in hotel. Dinner at the restaurant, enjoy Halong Bay by night. Stay at hotel.

D2: Halong - Hanoi (B/L/D)

Breakfast at hotel. Take 4 hours boat trip to visit the natural beauty of Halong Bay – the World Heritage with Thien Cung grotto (means Heaven's palace), Wood head cave, Lu Huong islet, The Couple islet. *Lunch on boat with seafood.*

Return to Hanoi. On the way, stop at Hai Duong province for some specialities with sticky rice cake, green bean cake. Arrive in Hanoi. Visit Hoan Kiem lake, Ngoc Son temple. *Dinner at restaurant with traditional music performance. See water puppet show.* Stay at hotel.

D3: Hanoi- Hue (B/L/D) avoid Monday and Friday

Breakfast at hotel. Visit Ho Chi Minh Mausoleum (which now kept President Ho Chi Minh's body), President house on stil (was the resident of uncle "Ho" from 1959 until he died" was built in the style of Vietnam ethnic minority), One pillar pagoda (mot cot pagoda- its shape likes a lotus flower- an artistical architecture of 11th century), Ho Chi Minh Museum (display the process & history of Ho Chi Minh working life and Vietnam revolution), visit Litterature temple- the first university of Vietnam. Lunch at restaurant then transfer to the airport for flight to Hue by VN, arrive in Hue, group take boat along Perfume river, visit Thien Mu pagoda, Imperial citadel- the ols palace of Nguyen kings dynasty until 1945. Dinner at restaurant, stay at hotel.

D4: Hue- Danang- Hoian (B/L/D)

ABF at hotel, group visit Khai Dinh king tomb then proceed to Danang city, visit Marble mountain, Cham museum. Continue to Hoi An ancient town. Lunch at restaurant.

PM: Visit Japanese bridge, Tan Ky old house, Fu Jian pagoda. Dinner at restaurant. Stay at hotel.

D5: Danang- HCM city -Cu Chi underground tunnel (B/L/D)

ABF at hotel, Transfer to the airport for flight to HCM city by VN, welcome group and transfer to city center, group visit Norte Dam church, China Town, Thien Hau pagoda. Lunch at restaurant.

PM: Transfer to famous Cu Chi underground tunnel to visit underground system with hospital, meeting room, rest rooms of Vietnamese Army used to live to fight against American army. Return to HCM City. *Dinner on boat along Sai Gon River & enjoy live songs.* Stay at hotel.

D6: HCM city- BKK (B/L)

ABF at hotel. Group visit War museum, Reunification Palace, HCM monument and free shopping at Ben Thanh market. Lunch at restaurant. Transfer to the airport for flight to BKK by VN/TG. Conclude tour

Program 8: BKK-HAN-HALONG-NINHBINH-HUE-HOIAN-HCM-CUCHI (7 days/6 nights)

D1: BKK- Hanoi- Halong (D)

Arrive at Hanoi international airport by TG/VN. Welcome group and transfer to Halong city, check in hotel. Dinner at the restaurant, enjoy Halong Bay by night. Stay at hotel.

D2: Halong - Hanoi (B/L/D)

Breakfast at hotel. Take 4 hours boat trip to visit the natural beauty of Halong Bay – the World Heritage with Thien Cung grotto (means Heaven's palace), Wood head cave, Lu Huong islet, The Couple islet. *Lunch on boat with seafood.*

Return to Hanoi. On the way, stop at Hai Duong province for some specialities with sticky rice cake, green bean cake. Arrive in Hanoi. Visit Hoan Kiem lake, Ngoc Son temple. *Dinner at restaurant with traditional music performance. See water puppet show.* Stay at hotel.

D3: Hanoi - Ninh Binh- Tam Coc- Hanoi (B/L/D)

ABF at hotel. Transfer to Ninh Binh province (away 100 Km from Hanoi). Group visit Dinh & Le kings temple. Lunch at restaurant with specialty fried goat meat of Ninh Binh province
P.M: take rowing boat along tiny canal to visit Tam Coc (which is regarded as Dry Halong) with the beautiful rice field. Return to Hanoi. *Dinner at the restaurant with traditional music performance.* Stay at hotel.

D4: Hanoi- Hue (B/L/D) avoid Monday and Friday

Breakfast at hotel. Visit Ho Chi Minh Mausoleum (which now kept President Ho Chi Minh's body), President house on stilt (was the resident of uncle "Ho" from 1959 until he died" was built in the style of Vietnam ethnic minority), One pillar pagoda (mot cot pagoda- its shape likes a lotus flower- an artistical architecture of 11th century), Ho Chi Minh Museum (display the process & history of Ho Chi Minh working life and Vietnam revolution), visit Literature temple- the first university of Vietnam. Lunch at restaurant then transfer to the airport for flight to Hue by **VN**, arrive in Hue, group take boat along Perfume river, visit Thien Mu pagoda, Imperial citadel- the old palace of Nguyen kings dynasty until 1945. Dinner at restaurant, stay at hotel.

D5: Hue- Danang- Hoian (B/L/D)

ABF at hotel, group visit Khai Dinh king tomb then proceed to Danang city, visit Marble mountain, Cham museum. Continue to Hoi An ancient town. Lunch at restaurant.

PM: Visit Japanese bridge, Tan Ky old house, Fu Jian pagoda. Dinner at restaurant. Stay at hotel.

D6: Danang- HCM city -Cu Chi underground tunnel (B/L/D)

ABF at hotel, Transfer to the airport for flight to HCM city by **VN**, welcome group and transfer to city center, group visit Norte Dam church, China Town, Thien Hau pagoda. Lunch at restaurant.

PM: Transfer to famous Cu Chi underground tunnel to visit underground system with hospital, meeting room, rest rooms of Vietnamese Army used to live to fight against American army. Return to HCM City. *Dinner on boat along Sai Gon River & enjoy live songs.* Stay at hotel.

D7: HCM city- BKK (B/L)

ABF at hotel. Group visit War museum, Reunification Palace, HCM monument and free shopping at Ben Thanh market. Lunch at restaurant. Transfer to the airport for flight to BKK by VN/TG. Conclude tour

Program by road number 9: Savanakheth- Lao Bao- Hue- Danang- Hoian- BKK (4 days/3 nights)

Day 1: Savanakheth- Lao Bao- Dong Ha - Hue (L/D)

08:00 a.m pick up group at Savanakheth border - Friendship bridge (between Laos & Thailand). Visit That Inghang. Transfer to Densawan, lunch at Bunnam restaurant at Muong Phin. Check in Vietnam via Lao Bao border gate. Transfer to Dong Ha town, visit Hien Luong bridge, Ben Hai river, Vinh Moc underground tunnel. Dinner at Phung Hoang 2 hotel. Continue to Hue city. Overnight in Hue.

Day 2: Hue - Danang - Hoian (B/L/D)

Breakfast at hotel. Transfer to Danang city, group visit Cham museum, Marble mountain, China beach. Lunch at Kim Do restaurant.

PM: Proceed to the charming Hoian ancient town, group visit Tan Ky old house, Japanese bridge pagoda, Fu Jian Temple, etc ... Dinner at Lang Que restaurant (with lobster). Overnight in Hoian.

Day 3: Hoian - Danang- Hue (B/L/D)

Breakfast at hotel. Transfer back to Hue via Hai Van pass. Upon arrival in Hue, group visit Khai Dinh king tomb. Lunch at Cung Dinh restaurant.

PM: Visit Thien Mu pagoda, Imperial Citadel, free shopping at Dong ba market. Dinner at An Binh restaurant. *Take boat along Perfume river (with music performance)*. Overnight in Hue.

Day 4: Hue- Lao Bao- Savanakhet (B/L)

Breakfast at hotel. Transfer to Lao Bao border gate to check out Vietnam. Continue to Savanakhet border gate between Lao and Thailand. Lunch en route at Fanta restaurant.

Conclude tour

Program by road number 8: Thakhet - Vinh - Halong - Hanoi – Vinh – Thakhet (5days/4nights)

Day 1: THAKHET – CAU TREO – VINH (L/D)

07:00 am Pick-up the group at Thakhet border (Laos side). Overland to Vinh city (Via route No. 8). Lunch at Only One restaurant in Lac Xao (Laos). Immigration clearance at Cau Treo border. Transfer to Vinh. Arrive Vinh at about 18:30. Hotel check-in. Dinner inside the hotel. Overnight in Vinh.

Day 2: VINH - HALONG (B/L/D)

Breakfast at hotel. Group visits Kim Lien village, the fatherland of President Ho Chi Minh then transfer to Halong. Lunch at Ngan Hoa hotel in Thanh Hoa Province. Continue to Halong, upon arrival, check-in hotel. Free at leisure at shopping area. Dinner at Hong Kong restaurant. Free shopping at night market of Halong. Overnight in Halong.

Day 3: HALONG – HANOI**(B/L/D)**

Breakfast at hotel, boat trip on Halong Bay to visit Thien Cung and Dau Go cave. Seafood lunch on board. Transfer back to Hanoi. Stop at Hai Duong Town for shopping. Upon arrival to Hanoi, visit to Hoan Kiem Lake, Ngoc Son Temple, the old quarter of Hanoi. See water puppet show. Dinner at Lotus restaurant & Overnight in Hanoi.

Day 4: HANOI – VINH**(B/L/D)**

Breakfast at hotel. Group visit Ho Chi Minh Mausoleum (which now kept President Ho Chi Minh's body), President house on stilt (was the resident of uncle "Ho" from 1959 until he died" was built in the style of Vietnam ethnic minority), One pillar pagoda (mot cot pagoda- its shape likes a lotus flower- an artistical architecture of 11th century), Ho Chi Minh Museum (display the process & history of Ho Chi Minh working life and Vietnam revolution). Transfer to Ninh Binh province to have lunch at Anh Dung restaurant. After lunch transfer back to Vinh city. Dinner and overnight in Vinh.

Day 5: VINH – CAU TREO - THAKHET**(B/L/-)**

05:00 am Transfer back to Thakhet. Lunch at Only One restaurant in Lao Xao (Laos). Arrive the border at about 16:30. Tour end.

Notes:

VN: Vietnam Airlines

TG: Thai Airways

B: Breakfast

L: Lunch

D: Dinner

ABF: American Breakfast

APPENDIX B

Public Holidays in Thailand

1 st	January	New Year's Day
21	February	Makhabucha Day
6	April	Chakri Day
13-15	April	Songkran Festival Day
16*	April	Substitution for Songkran Festival
1	May	National Labor Day
5	May	Coronation Day
9	May	Ploughing Cerem Day
19	May	Wisakhabucha Day
17	July	Asarnhabucha Day
18	July	Buddhist Lent Day
12	August	H.M. The Queen's Birthday
14	October	Buddhist Lent finish Day
23	October	King Chulalongkorn Memorial Day
12	November	Loy Krathong Day
5	December	H.M. The King's Birthday
10	December	Constitution Day
28	December	King Taksin Memorial Day
31	December	New Year's Eve

* Based on 2008

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