

# Diversifying Domestic Tourism Products in the Context of the Covid-19 Epidemic: A Case of Vietnam

Ho Tra Giang

Hospitality & Tourism Management Faculty, FPT University, Vietnam

**Abstract** - The COVID-19 pandemic has caused borders to be closed, inbound and outbound tourism in Vietnam and other countries around the world completely frozen, and this is also considered the time when domestic tourism is fully utilized. But for domestic tourism to really become a lever for the entire tourism industry, which is struggling during the pandemic, is a rather difficult problem for managers and travel businesses. Many problems and solutions from the practice of managing over nearly two years of living with the COVID 19 pandemic have been proposed by managers, businesses, and travel associations. This article compares current and previous research results in order to find appropriate solutions to contribute to the sustainable development of the tourism economy. The results show that the diversification of tourism products is quite necessary. We need to be more proactive and gradually adapt to the pandemic. In addition to product diversification, advertising, linking regions as well as amending regulations is extremely urgent today.

**Keywords** - Development, Diversification, Economy, Tourism.

## INTRODUCTION

In 2018, Vietnam welcomed 15,497,791 international visitors, an increase of 19.9% compared to 2017. According to calculations, international visitors to Vietnam in 2019 increased by 16.2% compared to 2018. According to the General Department of Tourism, in 2019, Vietnam's tourism served 85 million domestic visitors (an increase of over 6%). Total revenue from tourists is estimated to increase by over 16% (Figure 1).

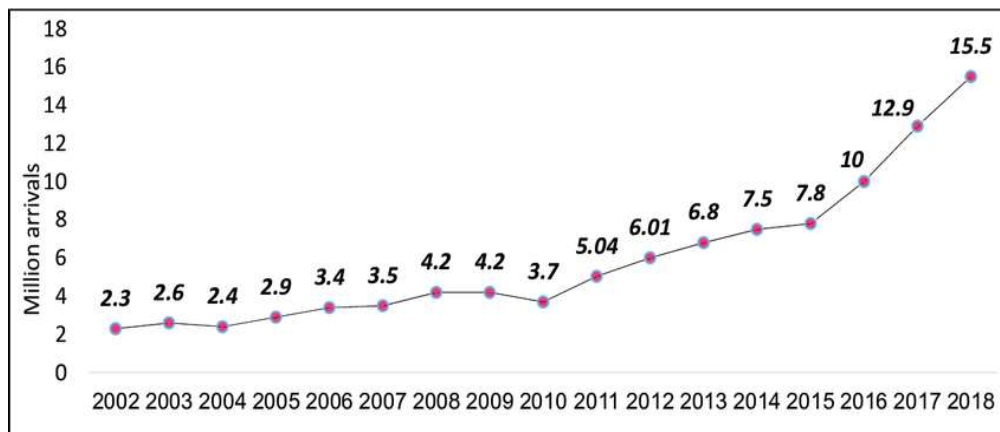


FIGURE 1  
NUMBER OF INTERNATIONAL VISITORS TO VIETNAM OVER THE YEARS

Due to the impact of the COVID-19 epidemic, the number of visitors and revenue from tourism in the country decreased sharply (Mazimhaka, 2007). In the first 8 months of 2021, total revenue from tourism was down by more than 26% compared to the same period in 2020. Generally, in the first 5 months of 2021, international visitors to Vietnam are estimated at 81,000 arrivals, down 97.8% compared to the same period of 2020 with the same period last year. In the first nine months of 2021, international visitors to Vietnam were estimated at 114.5 thousand arrivals, down 97% compared to the same period last year.

## STATUS OF DOMESTIC TOURISTS IN RECENT YEARS

Regardless of the stage, domestic tourism always plays an important role in the development of the tourism industry. According to the General Department of Tourism statistics, if in 2011 domestic tourists only reached 30 million, by 2019 this number has increased nearly three times, the average growth rate is about 15%/year. Trip time and average spending per day of domestic tourists tend to increase. The average trip time of a domestic visitor is 3.7 days, the average expenditure of a domestic visitor ranges from 1 million to nearly 2 million VND/day. Domestic tourists increasingly need to use the services of accommodation

establishments. In 2017, guests using accommodation services reached about 35.7 million visitors; in 2019 it continues to increase to 48.3 million (Figure 2).

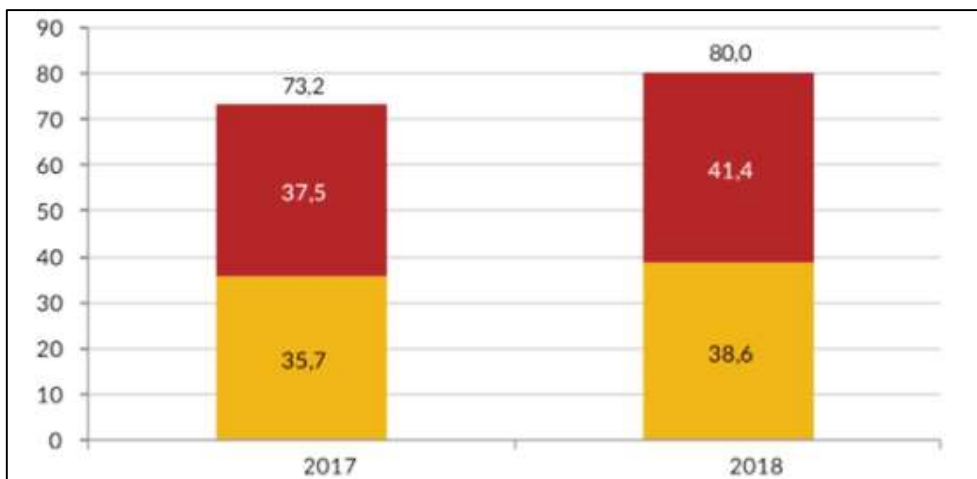


FIGURE 2  
NUMBER OF DOMESTIC VISITORS FROM 2018 TO 2019

However, the outbreak of the COVID-19 pandemic and complicated developments made domestic tourism difficult. According to the General Department of Tourism statistics, it is estimated that domestic tourists in March 2021 will reach 7.0 million arrivals, of which 3.6 million will stay at tourist accommodation establishments. In the first three months of 2021, domestic visitors are estimated at 16.5 million, of which 8.5 million stays at tourist accommodation establishments. Total revenue from tourists in the first three months of 2021 is estimated at 71,900 billion VND, down 50% compared to the same period in 2020.

#### SOME POSITIVE SIGNS OF THE RECOVERY

The domestic tourism market is showing signs of warming. With COVID-19 being quite well controlled today, along with the experience of handling three previous outbreaks well, people in the country have regained their confidence to travel. Without strong COVID-19 outbreaks again, domestic air travel demand will recover quickly to pre-COVID-19 levels; Regional international routes between Vietnam and Asian countries will recover around 2023 and transcontinental routes will recover in 2024. Therefore, the domestic market remains the focus (Saarinen et al., 2014).

The role of domestic tourism in viewpoints, goals, orientations and solutions has been consistently affirmed in the tourism development strategy of Vietnam up to 2030, approved by the Prime Minister on 22-23. 01-2020. As a result, the target must be achieved by 2025, that tourism will serve at least 120 million domestic tourists, maintaining an average growth rate of 6-7%/year. However, achieving this goal in the "new normal status" needs many concrete and breakthrough solutions (Petkova & Marinov, 2014).

#### METHODOLOGY

The article applies theoretical research methods, scientific information is collected, analyzed and compared on the basis of studying existing documents and documents and using logical thinking manipulations to draw a necessary science summary.

#### RESULTS AND DISCUSSION

The year of 2020 is not the end since 2021 is the year in which consecutive outbreaks of COVID-19 make people working in the tourism industry face many difficulties. The statistics of the tourism industry are just quite disappointing numbers. In 2021, tourism indicators continue to fall deeply. It is estimated that the number of domestic tourists in the first 10 months of this year reached 32.3 million arrivals (only 44.7% compared to the same period in 2019), of which staying guests only reached 16.2 million arrivals (equivalent to 16.2 million arrivals). 44% compared to 2019).

In the period 2011 - 2019, Vietnam's tourism industry achieved encouraging achievements, making an important contribution to promoting economic development (Saarinen et al., 2014). Tourist arrivals increased significantly, from 6 million international arrivals, 30 million domestic arrivals (in 2011) tripling in 2019. It is this growth that has contributed to GDP significantly.

The competitiveness of the tourism industry is increasing day by day. The tourism industry has also received many prestigious awards from the World Travel Awards, as one of the best destinations in the world. It can be said that Vietnam's tourism is growing strongly, gradually affirming its position and brand in the region and in the world.

Looking back at the impact of the Covid-19 epidemic on Vietnam's tourism, it can be seen that when the epidemic occurred, activities in the hotel, restaurant and transportation sectors were mostly postponed due to the nationwide closure order. In addition, the aviation industry was also severely affected when a series of domestic and international flights to and from Vietnam

were cancelled. The number of international visitors in the first months of the year is almost extremely small. Domestic tourists also dropped sharply due to the complicated development of the epidemic and Vietnam implemented social distancing. Tourism businesses face difficulties, causing many tourism employees to lose their jobs, even have no income, etc. According to the General Statistics Office, international visitors to Vietnam in March 2020 decreased sharply, reaching nearly 450,000 arrivals, down 68.1% over the same period in 2019.

Although then the Government has directed to promote domestic tourism and open to international tourism when conditions permit. Accordingly, the Ministry of Culture, Sports and Tourism has implemented a program to stimulate domestic tourism and Vietnamese people to travel to Vietnam" and had some positive results. Vietnamese tourism businesses have also quickly launched attractive products with very low prices but guaranteed quality to attract domestic tourists. This has brought a recovery to the tourism industry quite clearly with the association of industries and companies s (Barlybaev et al., 2009).

However, in the last six months of 2020, Vietnam's tourism industry continued to face difficulties when the Covid-19 epidemic broke out again in the community in some localities across the country. The re-emergence of the Covid-19 epidemic has quickly caused negative developments in the domestic tourism situation. Tourism businesses that have not yet recovered from the first outbreak have suffered a second wave of Covid-19 epidemic, making already difficult businesses even more difficult. The tourism stimulus packages were almost frozen due to the sudden increase in the number of tourists canceling tours, while the tourism industry is in the context of having passed the peak domestic tourist season (Petkova & Marinov, 2014).

In order to recover soon after the second Covid-19 epidemic, the tourism industry continues to launch the second domestic tourism stimulus program in the direction of promoting safety and attractiveness. However, according to the General Statistics Office, international visitors to Vietnam in 2020, the number of international visitors will only reach about 4 million, this is a very worrying number.

The negative impacts of the Covid-19 epidemic on the tourism industry in 2020 and even 2021 are very heavy. However, the Covid-19 epidemic also opens up many opportunities for Vietnam's tourism industry to overcome challenges. Such outbreaks have changed behavior leading to many changes in the needs of tourists (Morupisi & Mokgalo, 2017). Accordingly, tourists tend to pay more attention to the factors of health safety, hygiene, travel insurance, and avoid crowded contact. Besides, the demand for high-class resorts in open and isolated spaces is increasing. Visitors also choose nearby tourist attractions, travel plans are built close to the time of the trip and can be changed more flexibly than before. Instead of prioritizing price, customers will prioritize safety and choose high-quality travel products.

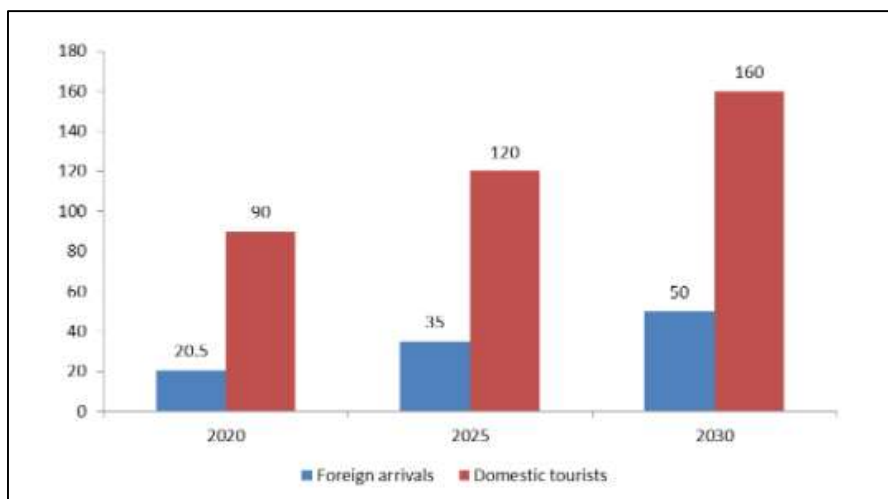


FIGURE 3  
NUMBER OF TOURISTS EXPECTED IN 2030

Vietnam is one of the countries that can successfully control the Covid-19 epidemic. This is an advantage for Vietnam to enhance the image of safe tourism in Vietnam. The goal of Vietnam's tourism development strategy to 2030 is to turn the tourism industry into a spearhead economic sector, creating a driving force for the development of other industries (Hoi, 2020). For this reason, in order for the tourism industry to develop in the future, it is necessary to focus on more effective solutions (Figure 3).

### RECOMMENDATIONS

The first is to link regions and managers. In the new context, in order to promote the domestic tourism market, we need to diversify products and bring bold local characteristics such as smart tourism, healthcare tourism, cultural tourism, traditional craft village tourism, art tourism, ecotourism, adventure sports tourism. We also need to encourage the development of new tourism products in areas with complex tourism potential but in the Mekong Delta provinces (Morupisi & Mokgalo, 2017).

In addition, the role of tourism businesses and local communities is very crucial. This is reflected in aspects such as the exploitation and use of tourism resources by businesses, in order to develop products, they must be responsible for protecting and regenerating, ensuring sustainable factors, bringing benefits to the community (Hoi, 2020). The coordination with local authorities to prevent and limit the negative impacts occurring in the process of developing tourism products; Identifying markets and segments of tourists is something that needs attention (Petkova & Marinov, 2014).

Moreover, Vietnam's tourism industry needs to re-evaluate and reposition the domestic tourism market policy in Vietnam's tourism development strategy up to 2030. In which, we need to clarify the role and the importance of the domestic tourist market to the development of tourism. Support policies to promote tourism recovery and re-development need to be promulgated quickly, timely and substantively to be implemented right in reality to be effective. For urgent issues that need to be implemented immediately, the pilot implementation shall be carried out without legal documents or other regulations (Barlybaev et al., 2009). The second is individualization. To be able to build products suitable for markets, we need to evaluate many factors, the most essential of which are factors related to people's lives, such as income, employment, education level, flexibility, etc. The trend of solo travel is in favor of budget travel, low season, short-term travel, weekend travel, travel close to home and self-travel in small groups (Weidenfeld, 2018).



FIGURE 4  
THE UNIQUENESS IN TOURISM PRODUCTS

Once tourists have changed, tourism businesses cannot help but change the way they think and act. Maybe a travel company sold day-long tours at very high prices in the past but still bought them, but now the tour only lasts for a few hours (Figure 4). The third is the construction of a friendly and safe tourism environment (Morupisi & Mokgalo, 2017). We need to focus on propaganda, raising awareness for the community, businesses and the whole society, actively taking action to build a friendly, safe and hospitable tourism image in Vietnam (Sharpley, 2002).



FIGURE 5  
THE ATTRACTIVENESS IN TOURISM PRODUCTS

The fourth is the investment and completion of tourism infrastructure and technical facilities, and the development of a variety of tourism products and services. We need to review the development process, renovate the tourism technical facilities, the tourism infrastructure to prepare for a new development phase (Weidenfeld, 2018). At the same time, the tourism industry needs to

strengthen research and development of diversified tourism products and services, form new tourism product lines such as medical tourism, health care, night tourism services and improve service quality to meet market demand (Figure 5).

Fifth is the promotion and promotion of tourism after the pandemic (Stone & Stone, 2017). We need to focus on some traditional markets such as China, Korea, Japan, Thailand, Malaysia, etc. Besides, we also need to continue to research, approach and expand potential and distant markets, such as Western Europe, Russia, Australia, etc.

Another important thing is that tourism workers have left the industry and changed industries. Therefore, after the pandemic, the first important thing is to take measures to attract and restore the workforce for the tourism industry. In addition, we also need to strengthen the training and development of tourism human resources, especially high-quality tourism human resources to supplement the tourism industry, in order to meet the development needs in this period such as the tour guide team and the hotel and restaurant staff (Mazimhaka, 2007).

## CONCLUSION

Tourism now has to be personalized for each customer. To personalize, we need to measure customer needs, understand customer psychology and create products highlights. In fact, a tourism product does not need too many attractive points, but only one point that tourists find attractive, they will buy. Each travel agency needs to do to make a difference and create a unique value. That is, the travel company must put brains and creativity into their tourism products to be able to attract tourists. Tourism is the industry that has been most affected by the pandemic, but is also one of the most resilient. In the context that the Covid-19 pandemic has not been controlled in the world, international tourism activities have not been reopened, domestic tourism is gradually recovering and plays a role in maintaining the stability of the whole industry. If we grasp the new tourism trend, Vietnam needs to get ready so that right after the epidemic is over, the tourism market will flourish and there will be suitable products to serve tourists.

## CONFLICT OF INTEREST

There is no conflict of interest noted in the paper.

## LIMITATION OF THE PAPER

The paper could be improved much better in a near future since it needs more time to analyze the factors affecting tourism as well as some effective solutions.

## REFERENCES

- [1] Mazimhaka, J. (2007). Diversifying Rwanda's tourism industry: a role for domestic tourism. *Development Southern Africa*, 24(3), 491-504.
- [2] Morupisi, P., & Mokgalo, L. (2017). Domestic tourism challenges in Botswana: A stakeholders' perspective. *Cogent Social Sciences*, 3(1), 1298171.
- [3] Saarinen, J., Moswete, N., & Monare, M.J. (2014). Cultural tourism: new opportunities for diversifying the tourism industry in Botswana. *Bulletin of geography. Socio-economic Series*, (26), 7-18.
- [4] Weidenfeld, A. (2018). Tourism diversification and its implications for smart specialisation. *Sustainability*, 10(2), 319.
- [5] Hoi, H.T. (2020). Advertising Vietnam's Tourism Products in the Technology Age. *In Proceedings of the International Conference on Management of e-Commerce and e-Government*, 11-15.
- [6] Sharpley, R. (2002). The challenges of economic diversification through tourism: the case of Abu Dhabi. *International journal of tourism research*, 4(3), 221-235.
- [7] Petkova, E., & Marinov, V. (2014). Development of Diversified Tourism Destination Products-A Case Study of Tourism Destination, Municipality of Sofia, Bulgaria. *Journal of Environmental and Tourism Analyses*, 2(1), 33.
- [8] Stone, L.S., & Stone, T.M. (2017). Domestic tourism in Botswana: An examination of nature-based tourism constraints. *Botswana Journal of Business*, 10(1), 97-116.
- [9] Barlybaev, A.A., Akhmetov, V.Y., & Nasyrov, G.M. (2009). Tourism as a factor of rural economy diversification. *Studies on Russian Economic Development*, 20(6), 639-643.