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## **ПРОБЛЕМЫ ВОССТАНОВЛЕНИЯ ТУРИСТСКОГО БРЕНДА ВЬЕТНАМА ПОСЛЕ COVID**

**С. Ю. Черников, Фунг Тхи Тхань Хиен**

Российский университет дружбы народов, Москва, Россия

В статье анализируются направления и проблемы возрождения туристской индустрии Республики Вьетнам после окончания глобальной пандемии COVID-19, оказавшей на нее значительное влияние, особенно с точки зрения снижения спроса на поездки и нарушения цепочек поставок. В силу высокой значимости отрасли для социально-экономического развития страны, занятости и т. д., правительство осуществило ряд мер по поддержке и продвижению туризма, включая финансовую помощь субъектам хозяйствования, занятым в отрасли, налоговые льготы и маркетинговые кампании. В статье подчеркивается необходимость постоянной государственной поддержки и стратегического планирования для обеспечения долгосрочного восстановления и роста туристской индустрии Вьетнама. Рассматриваются факторы, которые повлияли на замедление восстановления туристской индустрии Вьетнама после пандемии COVID-19, а также роль правительства в продвижении туристского бренда страны. Обсуждаются возможности и даются рекомендации по укреплению туристской индустрии Вьетнама и эффективному продвижению его имиджа в постпандемическую эпоху.

*Ключевые слова:* туристская индустрия, пандемия COVID-19, совершенствование технологий, вмешательство правительства.

## **CHALLENGES OF POST-COVID VIETNAM TOURIST BRAND RECOVERY**

**Sergey U. Chernikov, Phung Thi Thanh Hien**

Peoples' Friendship University of Russia  
Moscow, Russia

This article analyzes the resurrection of the Vietnam's tourism industry after COVID-19 pandemic, which had a significant impact on the tourism industry, particularly in terms of reducing travel demand and disrupting supply chains. However, the government has implemented several measures to support the industry and promote tourism, including financial assistance, tax incentives, and marketing campaigns. The article highlights the need for continued government support and strategic planning to ensure the long-term recovery and growth of Vietnam's tourism industry. In addition, this paper elaborates on the factors that have impacted the slow return of Vietnam's tourism industry post-COVID-19 pandemic and the government's role in promoting the country's tourism brand. Opportunities and recommendations for Vietnam are discussed to enhance its tourism industry and effectively promote its image in the post-pandemic era.

*Keywords:* tourism industry, COVID-19 pandemic, technology enhancement, government intervention.

### **Introduction**

The tourism industry plays a significant role in Vietnam's economy, contributing to the country's overall development and growth. It is a major source of foreign exchange earnings, job creation, and investment opportunities. The industry also helps to promote the country's cultural and natural heritage to the world, attracting visitors to explore Vietnam's diverse landscape, history, and traditions.

The tourism industry in Vietnam has experienced rapid growth and development, with an increasing number of international and domestic visitors. The industry has been one of the fastest-growing sectors in the country, and it has become a key driver of economic development, contributing significantly to the country's GDP. According to Vietnam's General Statistics Office, in 2019, the total number of international arrivals reached 18 million, a 16.2% increase from the previous year, while domestic tourists reached 85 million [20]. Revenue from the tourism industry also increased significantly, contributing over 9% to the country's GDP and providing jobs for millions of people, especially in remote and rural areas, contributing to poverty reduction and improving living standards. Additionally, the industry has promoted cultural exchange and social development by fostering understanding and friendship among different cultures and communities. Overall, the tourism industry in Vietnam is of great significance, both in terms of its economic contribution and its cultural and social impact.

The COVID-19 pandemic has had a significant impact on the global tourism industry, and Vietnam is no exception. As a country heavily reliant on tourism, Vietnam has experienced a sharp decline in the number of international visitors since the outbreak of the pandemic. In response, the government of Vietnam has implemented various measures to support the tourism industry and promote the country's image as a safe and attractive destination for travelers.

This article aims to analyze Vietnam's tourism industry after the COVID-19 pandemic and the factors that have affected the country's tourism industry since the outbreak of the pandemic. Furthermore, this article will also explore the role of the government of Vietnam in promoting the country's tourism image and supporting the recovery of the tourism industry. By analyzing these factors, this article aims to provide insights into the current state of Vietnam's tourism industry and the potential opportunities and challenges for the future.

### **Overview of Vietnam's tourism industry before and after the COVID-19 pandemic**

Vietnam had become a popular tourist destination in Southeast Asia, with its rich cultural and historical attractions, natural landscapes, and friendly people. Famous tourist destinations in Vietnam included Ha Long Bay, Hoi An, Hue, Nha Trang, Da Nang, and Phu Quoc Island, among others. Vietnam's

major cities, such as Hanoi and Ho Chi Minh City, also attracted tourists with their bustling city life, diverse cuisine, and modern infrastructure.

Vietnam tourism governing policy has gone through some serious evolution at the turn of XXI century. The initial steps to strengthen the importance of this industry has occurred between 1991 and 2004, when it slowly turned into an economic spearhead, while from 2005 to 2015 it was also attributed with a poverty alleviation function. The government has introduced a lot of policy innovation aiding tourism development and foreign investments, as well as increasing efforts for overseas promotion and even establishing tourism schools (like Hanoi Hospitality School, Vung Tau Hospitality School, and Centre for Tourism and Hospitality Training). As can be seen from Table above, the 2015 year has been a break-through in terms of international tourists growth. This became the result of government fulfillment of the incorporated “Master Plan for Tourism Development 2020”, which was aiming to turn Vietnam into a country with a developed tourism industry characterized by “professionalism, advanced infrastructure, and diversified and high-quality products and services”.

**The number of tourists in Vietnam\***

Year	Domestic tourist		Foreign tourist		Total number of tourist	
	Number, million	Growth, %	Number, million	Growth, %	Number, million	Growth, %
2000	11,2		2,1		13,3	
2001	11,7	4,5	2,3	9,5	14,0	5,3
2002	13,0	11,1	2,6	13,0	15,6	11,4
2003	13,5	3,8	2,4	-7,7	15,9	1,9
2004	14,5	7,4	2,9	20,8	17,4	9,4
2005	16,1	11,0	3,4	17,2	19,5	12,1
2006	17,5	8,7	3,5	2,9	21,0	7,7
2007	19,2	9,7	4,2	20,0	23,4	11,4
2008	20,5	6,8	4,2	0,0	24,7	5,6
2009	25,0	22,0	3,7	-11,9	28,7	16,2
2010	28,0	12,0	5,0	35,1	33,0	15,0
2011	30,0	7,1	6,0	20,0	36,0	9,1
2012	32,5	8,3	6,8	13,3	39,3	9,2
2013	35,0	7,7	7,5	10,3	42,5	8,1
2014	38,5	10,0	7,8	4,0	46,3	8,9
2015	57,0	48,1	7,9	1,3	64,9	40,2
2016	62,0	8,8	10,0	26,6	72,0	10,9
2017	73,0	17,7	12,9	29,0	85,9	19,3
2018	80,0	9,6	15,6	20,9	95,6	11,3
2019	85,0	6,3	18,0	15,4	103,0	7,7

\* Source: [20].

The vast expansion of personnel training, range of tourism business areas, promotion budgets, infrastructure investment incentives have paved this way for further growth. Also an important brand strategy was established at that time, heavily impacting the modern era of Vietnam tourism. It was

“Người Việt Nam du lịch Việt Nam – Mỗi chuyến đi thêm yêu Tổ quốc” (“Vietnamese people travel Vietnam – Every trip makes you love the country better”) – the domestic tourism promotion program, showing great results<sup>1</sup>.

Certainly, the economic growth of Vietnam over the last three decades should not be overlooked here. According to W. Shih there was a meaningful long-run relationship between tourism and economic growth in Vietnam over the period of 1995-2013, so the Ministerial efforts to promote tourism should be perceived as a part of a larger picture of country's progress over the years [12]. This specific feature of national tourism being strongly connected to country's economic health has also been shown in a later studies. N. V. Dat pointed to the correlations of stock prices of tourist companies with appropriate changes in GDP growth, lending rate, and exchange rate [4]. Accordingly, P. T. Hoan additionally found that there is a significant relationship between international tourist arrivals, bilateral trade, and income in Vietnam. Practically, it was evident that that exports and per capita income significantly influence Vietnam's international tourist arrivals from 2008 to 2019, so variations in exports are attracting international visitors to Vietnam and vice versa. This result together with previous data implies that a significant portion of international arrivals to Vietnam are related to business and thus the country should focus more on trade-related policies such as MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism. These findings also give ground to suggestions that the income-tourism relationship presumes Vietnam's popularity among slightly wealthier visitors from countries with good economic performance [11].

It is important to point out that being under strong central government control, Vietnam tourist industry has been carefully constructed through formulation and implementation of a series of policies, strategies and plans, which are slow to change and difficult to implement due to unpredictability of future. Also, despite many investments, there are development challenges that were repeatedly mentioned with regard to Vietnam tourist industry in 2005–2015 period – pollution in tourist destinations, limited tourism products, second-rate facilities and amenities, and poor customer service. Another interesting point is that despite the desire to decrease poverty levels through tourism, the government didn't specify the mechanism of this change, which caused this objective to stall [18].

Nonetheless, it is visible that the authorities see tourist industry as a good contribution to the overall national brand of Vietnam. Certainly, despite the abovementioned planning and governmental efforts, the growth of tourist numbers has led to some negative outcomes – predominantly environmental and infrastructural.

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<sup>1</sup> Quang Đông, 2020. Du lịch Việt Nam vượt khó, tìm thời cơ trong thách thức. – URL: [https://mof.gov.vn/webcenter/portal/vclvcstc/pages\\_r/1/chi-tiet-tin?dDocName=MOFUCM186775](https://mof.gov.vn/webcenter/portal/vclvcstc/pages_r/1/chi-tiet-tin?dDocName=MOFUCM186775) (accessed 11.08.2023).

The international tourists have mostly been originating from neighboring Asian countries such as China, South Korea, Japan. Other countries including Australia, Western Europe, US and Russia have only joined in relatively recently. Vietnam attracted nearly 18 million tourists in 2019, out of which 60% were from Asia (mainly China and South Korea), 24% were from Europe (France and England), 9% from America and 6% from Oceania and Africa. The overall tourism revenue in 2019 was over VND 726 trillion (as nearly USD 31.5 billion), accounting for nearly 11.5% of the national GDP [20]. The investment that were poured into the Vietnam led to the creation of over 960 hotels ranked in three stars and above class with more than 126.7 thousand rooms [19]. Of course, many of these hotels are ranked on the low standard levels and most are in domestic private ownership with limited improvement capacity. But this was almost twice as much comparing to 2013, which is still a great improvement. As the Vietnamese government recognized the importance of tourism to the country's economy and was actively promoting tourism development, more and more measures were aimed at improving the country's infrastructure, increasing the services quality, and enhance tourism promotion campaigns.

The COVID-19 pandemic ruined all these plans and had a severe impact on Vietnam's tourism industry, which has been a significant contributor to the country's economy. According to the World Travel and Tourism Council (WTTC), in 2020–2021, the tourism industry's direct GDP contribution has dropped by more than half (Figure 1).

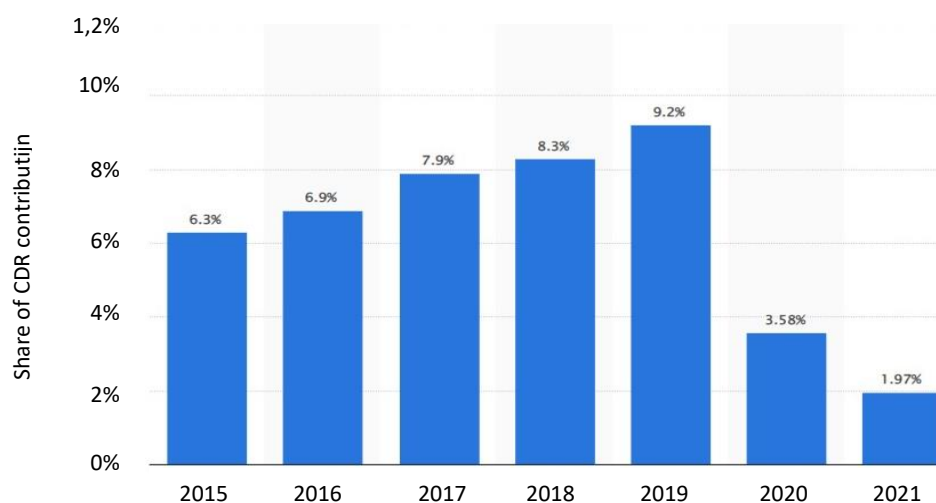


Figure 1: Direct GDP contribution from the tourism sector in Vietnam from 2015 to 2021<sup>1</sup>

<sup>1</sup> URL: <https://www.statista.com/statistics/1077200/vietnam-share-tourism-sector-direct-gdp/>

The pandemic has caused a significant drop in tourist arrivals to Vietnam, especially from key markets, which also had severe travel limitations at the time. The government had to implement strict measures to control the spread of the virus, including travel restrictions and quarantine measures, which have made it difficult for tourists to enter the country. As a result, the number of international tourist arrivals in Vietnam in 2020 was only around 3.8 million, down nearly 80% from the previous year (Figure 2).

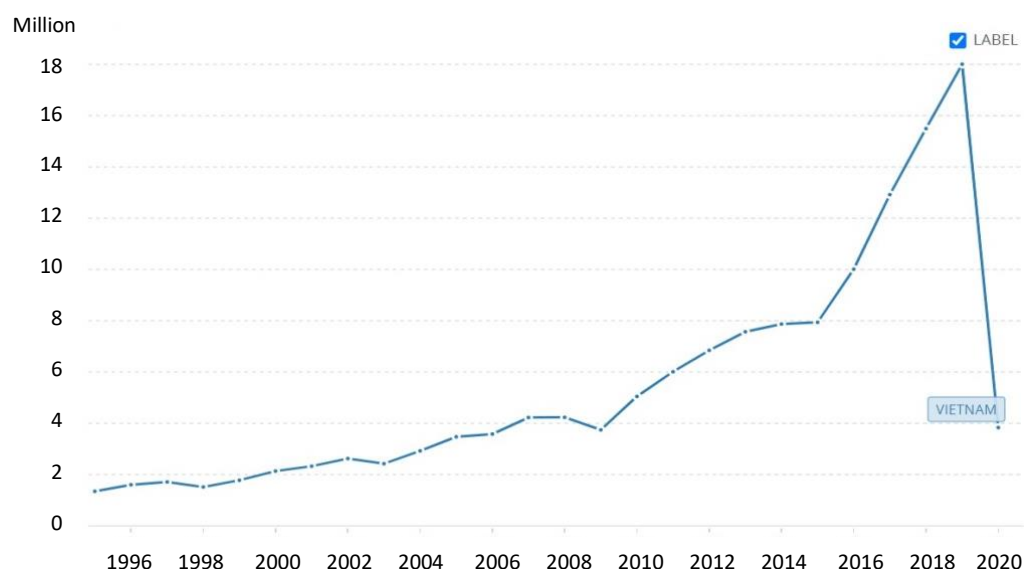


Figure 2. The number of international arrivals to Vietnam from 1995 to 2020<sup>1</sup>

The sharp decline in tourist arrivals has resulted in a significant decrease in revenue and profit for tourism businesses, including hotels, restaurants, and travel agencies. Many businesses have had to scale down their operations or shut down completely because they could not sustain their operations.

The reduction in the scale of tourism businesses has also resulted in many people losing their jobs, particularly in tourist-dependent areas such as Da Nang, Nha Trang, and Phu Quoc, etc. The World Tourism Council stated that above 100 million jobs in the tourism sector were at risk in 2020. According to ILO, in South East Asia, in 2020, the rate of job losses in tourism-related sectors was four times greater than in non-tourism sectors. According to some calculations, over 90% of workers in Vietnam's tourism-related businesses left or stalled their jobs due to the pandemic. The tourism industry has to not only fight the epidemic, but also constantly face unusual natural disasters. Since October 2020, the Central Region has suffered from

<sup>1</sup> World bank indicators, International tourism, number of arrivals, Vietnam. – URL: <https://data.worldbank.org/indicator/ST.INT.ARVL?locations=VN>

13 consecutive tropical storms, which caused the strongest floods and landslides in 100 years [10]. The rate of tourism business suspension or shutdown was particularly high among medium and small businesses. For example, V. D. Huynh states in the research dedicated to Can Tho city that although larger tourism enterprises generally managed to restructure their business in the short term, on longer distances they were found to be even more vulnerable. Over 20% of tourism-related enterprises have had to close their business, whereas all the remainder have faced post-pandemic recovery challenges. Interestingly, there was practically no difference in terms of the damage evaluation from various tourism service company in guest number decreases, tourism asset usage percentage, service capacity and utilization, as well as volumes of employee downsizing [6].

Moreover, the suspension of many tourism activities has affected many traditional cultural festivals and events in Vietnam, such as the Hue Festival and the Hoi An Lantern Festival. This has had societal and cultural impacts on the country. In response to the pandemic, the Vietnamese government has implemented various measures to support the tourism industry, such as reducing taxes, providing financial support to appropriate damaged businesses, promoting domestic tourism, discounts on air tickets and entrance fees to tourist attractions. Also the government has implemented an e-visa policy for tourists from 80 countries, making it more convenient for tourists to come to Vietnam.

### **Vietnam tourism industry impacting factors**

According to the United Nations World Tourism Organization (UNWTO), in 2020 the global tourist industry suffered a decrease of 74% on international arrivals, leading to loss of USD 1.3 trillion in export revenues. It is important to note that, Asia and the Pacific experienced the hardest drop of 84% decrease in international arrivals in 2020<sup>1</sup>. The COVID-19 pandemic has had a significant impact on the global tourism industry, and Vietnam has not been an exception. Although Vietnam's initial response to the pandemic was swift, its scale and impact didn't match the negative effects to the country's tourism industry, leading the latter to a relatively slow recovery. There were several major reasons contributing to this:

- *Travel restrictions and quarantine measures*: Many countries have imposed travel restrictions and mandatory quarantine measures for international travelers, making it difficult for tourists to plan and book trips.
- *Fear and uncertainty*: The fear of contracting the virus while traveling and uncertainty around travel restrictions and lockdowns have also deterred many people from traveling.

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<sup>1</sup> UNWTO World Tourism Barometer. – 2021. – Vol. 19. – Issue 1. – URL: <https://www.e-unwto.org/doi/epdf/10.18111/wtobarometereng.2021.19.1.1> (accessed 12.07.2023).

- *Economic downturn*: The economic downturn caused by the pandemic has made many people more cautious with their spending, including on travel.
- *Reduced flight and transportation options*: Many airlines and transportation companies have reduced their services or suspended operations, making it difficult for tourists to reach their desired destinations.
- *Changes in travel behavior*: The pandemic has caused a shift in travel behavior, with many people opting for domestic travel or more remote, off-the-beaten-path destinations.

The revival pace would rely on factors like the pandemic restriction duration, the effectiveness of the response measures and the willingness of tourists to travel. It was also obvious that the Vietnamese tourism industry needs to adapt to the “new normal” situation and take COVID as a chance to build up a sustainable tourism strategy to ensure further long-term resilience [22].

It was argued that Vietnam should copy the practices of several neighboring countries that have had more success in swift recovery of their tourism industry during Covid pandemic. Thailand was quick in adapting specific safety policies and reopened popular tourist destinations such as Phuket, Samui, and Pattaya to fully vaccinated tourists without having to undergo quarantine<sup>1</sup>. They have implemented strict health and safety protocols to ensure the safety of both tourists and locals<sup>2</sup>. The recovery of the flight capacity was considered a critical factor. According to TAT, the flight number recovery to Thailand in 2022 was 70% of the 2019 maximum, with Chinese flights even reaching 90% resumption at certain months. The Tourism Authority of Thailand (TAT) has quickly elaborated on the changes in tourist preferences and travel decision-making, seeking relaxation, visiting relatives and families, and especially shopping. TAT greatly supported the wellness tourism and shopping activities to become main revenue generators for Thailand and greatly contribute to the continuous recovery of the tourism industry<sup>3</sup>. In the post-pandemic period, TAT set its targets to recover 50% in 2022, 80% in 2023 and 100% in 2024. So far the progress is going well, and TAT estimates an arrival of 30–35 million foreign tourists in 2024, which will mark a 100% return to pre-Covid levels.

Other countries have also made aggressive efforts to revitalize their tourist industries. Cambodia has offered visa exemptions and reduced

<sup>1</sup> Steve S., Sodprasert J., Sucharitakul V. Reimagining Travel: Thailand Tourism after the COVID-19 Pandemic, 2021. – URL: <https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/reimagining-travel-thailand-tourism-after-the-covid-19-pandemic> (accessed 03.08.2023).

<sup>2</sup> Thai Tourism Recovery Complete by 2025. – URL: <https://www.ttrweekly.com/site/2023/06/thai-tourism-recovery-complete-by-2025/> (accessed 01.08.2023).

<sup>3</sup> The Nation, TAT expects 30–35m foreign tourists in 2024, a full return to pre-Covid levels. – URL: <https://www.nationthailand.com/thailand/tourism/40028075> (accessed 01.08.2023).



quarantine periods for fully vaccinated guests<sup>1</sup>. The Maldives has reopened borders to tourists with strict health and safety protocols. The government has greatly invested in promoting the country as a safe destination for tourists and has also introduced attractive tourist packages<sup>2</sup>. Singapore has implemented a "travel bubble" with Hong Kong, allowing travelers to move freely between the two countries without the need for quarantine<sup>3</sup>. They have also implemented strict health protocols and have made several promotions for local tourism to boost the industry.

Generally, all neighbors have made similar efforts, such as investing in domestic tourism, implementing strict health and safety measures, making a variety of monetary and non-monetary incentives to attract tourists (tax breaks and visa waivers), and developing digital tourism (primarily virtual tours and online booking systems).

Vietnam's response to the COVID-19 pandemic has been generally considered as effective in controlling the spread of the virus. It can be said that the patterns of Vietnam aid to tourism were not much different from other regional players – launching a domestic tourism stimulus program, implementing measures to attract foreign tourists, reducing visa fees and promoting safe tourism. However the country's approach has been much more slow, cautious and gradual compared to some of its neighboring countries. For example, Vietnam has implemented a pilot program allowing fully vaccinated foreign visitors to visit Phu Quoc island without having to undergo quarantine, but the program was extremely limited in scope and subject to strict health protocols. This may have been the consequence of insufficient collaboration between government, industry stakeholders, and local communities to create a sustainable and resilient tourism industry.

This should be done with consideration of several important factors, influencing the Vietnam tourism industry. According to Manh Le, these factors are tourist satisfaction, price policies transparency of tourism products, tourism infrastructure and facilities development level, high-quality tourism human resources and quality of the destination's environment. The latter does not only include natural resources, but also polite behavior towards tourists [8]. This goes in line with an earlier study revealing that the destination image was the most impactful factor of the site, while other environmental and infrastructure factors (perceived prices, local cuisine, cultural and historical attractions, safety and security, recreations and entertainments) had lower contribution to tourist satisfaction. This leads to conclusion that large governmental tourism support

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<sup>1</sup> The Government of the Kingdom of Cambodia, 2022. Cambodia Reopens to Tourism. – URL: <https://www.prnewswire.com/news-releases/cambodia-reopens-to-tourism-301505339.html> (accessed 01.08.2023).

<sup>2</sup> Ministry of Tourism of Republic of Maldives, Updates on the COVID-19 Situation in the Maldives. – URL: <https://www.tourism.gov.mv/covid19> (accessed 04.08.2023).

<sup>3</sup> Farah M. Hong Kong, Singapore Announce Plans for Travel Bubble, 2020. – URL: <https://www.reuters.com/article/health-coronavirus-hongkong-idCNL4N2H61MV> (accessed 02.07.2023)

policies should also be embodied in rather minor issues, like street signages in foreign languages for cultural and historical places, renovations and restorations of these attractions, public hygiene facilities, establishing a hotline and support center for tourists. These small scale factors are certainly as important as large scale issues like turning the local cuisine into an international brand or improving the metro and road systems [7].

### **Vietnamese government's strategies for promoting the national tourism brand**

Faced with the difficult situation of the tourism industry due to the COVID-19 pandemic, the Vietnamese government has shown special consideration in supporting businesses in the industry. As mentioned above, this was done in form of many supportive measures such as land rent reduction, tax exemption and reduction, credit and loan support, site clearance cost support, advertising support and market promotion, human resource training and market information provision [3]. In addition, the government has also launched a consumer stimulus package worth VND 24,000 billion (more than 1 billion US dollars), which included discounts for many types of tourism services, including entrance fees, air tickets, hotels and tours. Tourism businesses were encouraged to organize promotions to attract domestic tourists, like the "Safe Vietnam Tourism" application allowing tourists to choose safe services during their experience journeys. Medical safety measures in tourist destinations were rather strict to protect the health of tourists and local people. Like its neighbors, Vietnam has focused on promoting domestic tourism as a solution to revive the tourism industry through increased marketing and communication about the country's tourist destinations. As mentioned above, these measures had controversial effect due to cautious and slow implementation, but they still had a positive impact.

According to UNWTO, in the beginning of 2023, international arrivals reached 80% of pre-pandemic levels. Almost 235 million tourists travelled internationally in the first three months (double the same period of 2022), while revised data for 2022 showed over 960 million travels that constituted 66% of pre-pandemic numbers (Figure 3). Asia in general has reached 54% of pre-pandemic levels with an upward trend, although the region is showing the slowest recovery rate comparing to Middle East, Europe, Africa<sup>1</sup>.

The Vietnamese government has launched many important strategies and plans to promote the country's tourism brand, regain international tourists and increase revenue for the tourism industry. These strategies focus on

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<sup>1</sup> Tourism on Track for Full Recovery as New Data Shows Strong Start to 2023. – URL: <https://www.unwto.org/news/tourism-on-track-for-full-recovery-as-new-data-shows-strong-start-to-2023#:~:text=Tourism%20has%20continued%20to%20show,pre%2Dpandemic%20numbers%20were%20recovered> (accessed 11.07.2023).

strengthening the development of local destinations and products, promoting them in traditional methods and digital media.

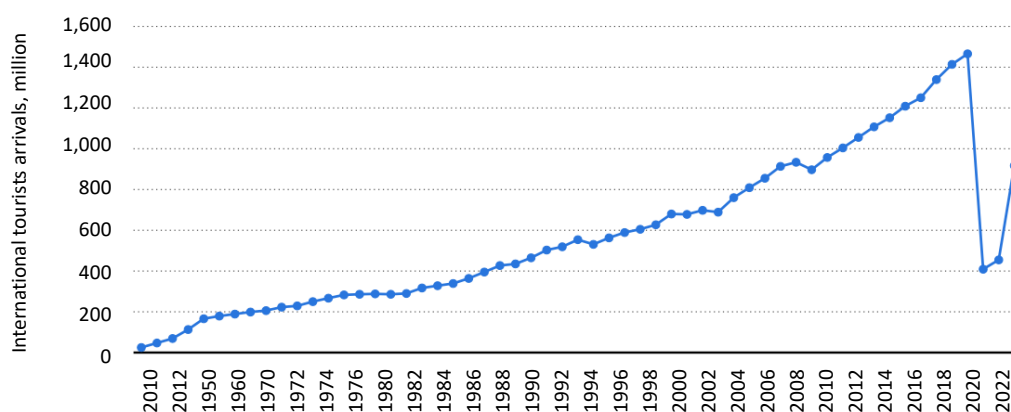


Figure 3. Number of International Tourist Arrivals Worldwide from 1950 to 2022 (in millions)<sup>1</sup>

The government is also promoting the construction of sustainable tourism development projects, as well as promoting international cooperation in the tourism sector. In addition, they also provide support policies for tourism businesses to help them adapt to the market and improve the quality of their products and services [13]. All these efforts show that the government is playing an important role in promoting the sustainable development of Vietnam's tourism industry (Figure 4).

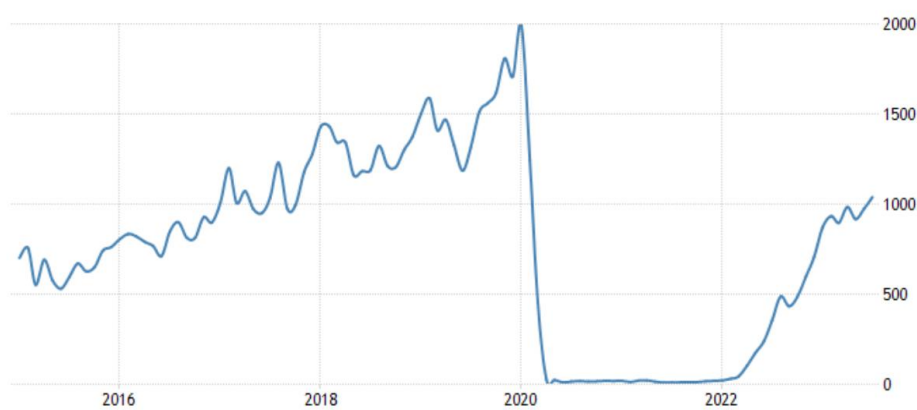


Figure 4. Number of international tourist arrivals in Vietnam from 2019 to 2022 in millions<sup>2</sup>

<sup>1</sup> URL: <https://www.statista.com/statistics/209334/total-number-of-international-tourist-arrivals/>

<sup>2</sup> URL: <https://tradingeconomics.com/vietnam/tourist-arrivals>

As of July 2023, Vietnam is having a relatively positive recovery for international tourists, reaching over 6.5 mln visits. The main drivers of restoration are visitors from China (1,562.3% increase from 2022 period), Russia (275.1%), South Korea (223.9%), Japan (140.4%), US (105.7%), UK (99.8%), France (94.4%), and Germany (57.6%). However, compared to the recovery trend of international tourists in the world and rivaling Thailand, the recovery in Vietnam is still slow and needs attention and efforts from the Government and businesses in the tourism industry. However, as was shown above in the paper, Vietnam tourism shows extremely strong correlation with the economic output of the country, and the latter has been on the rise recently [16]. With this in mind, the share of tourist authorities current efforts impact on the current international arrivals number restoration is yet to be researched.

Nonetheless, some of the government's strategies and plans to promote the country's tourism brand include:

- *Plan to promote domestic tourism*, including encouraging Vietnamese people to travel domestically and introducing domestic tourism products to international tourists. This is considered to be one of the crucial elements in the tourism sector support as the role of domestic tourism demand became a crucial driver in the industry. The number of domestic tourist travel reached 101 mln in 2022, exceeding the 85 mln result of 2019. This success is crucial for Vietnam authorities and is the central pillar in the strategic planning [21].

- *Focus on local products and tourist attractions*: The government has promoted the development of local products and tourist areas, in order to increase the diversity and attractiveness of tourist destinations.

- *Strategy to promote Vietnam's tourism in the 2021–2025 period*, with the goal of making Vietnam a leading tourist destination in the region and in the world. This strategy focuses on developing new tourism products, improving service quality, and promoting the country's image through tourism promotion and communication activities.

- *Promotion budgets on both “traditional” media* (television, magazines, newspapers) in order to increase tourist's awareness and attractiveness of tourist destinations in Vietnam, and *social networking sites*, including Facebook, Instagram, Twitter and YouTube. The government is focusing on creating content that attracts tourists and enhances the image of Vietnam's famous tourist destinations, like the main local competitors are doing already [1].

- *Further improvements of tourism infrastructure*, including upgrading airports, roads and renovating tourist destinations to meet the needs of tourists.

- *Strengthen international cooperation* and introduce Vietnam's tourism at international tourism exhibitions in Asia and Europe.

- *Further support tourism businesses*, in order to improve the quality and value of tourism products in Vietnam, especially with application to fostering online business and domestic tourism programs.

**Outlooks to possible Vietnam tourist industry developments**

As can be seen from above, despite the growth of international arrivals, the domestic tourism market has played a significant role in the industry's resurrection in 2022 [21]. Domestic tourists have been driving the recovery, as international travel restrictions and concerns about the pandemic have limited international tourism.

There is a vast number of suggestions and proposed strategies in current literature to further support the Vietnam tourism industry, mostly dedicated to developing a safe tourism environment, diversifying and improving high-quality tourism products, and implementing digital transformation and sustainable tourism practices. It is stated that the preferred destinations for tourists in the coming years will be the non-crowded places, so tourism product development strategy must focus on developing natural and “green” tourism products. There are also lots of suggestions on further development of tourist products based on cultural heritage and festivals, developing craft village and community tourism combined with a homestay. It is considered that new types of tourism, especially connected with sustainable practices, might greatly attract tourists after the pandemic.

However, there are studies indicating that investment intentions in green tourism are mostly affected by government policies and regulations, together with funding resources accessibility. But at the same time the engagement of local communities and catering to the needs of environmentally and socially conscious tourists are crucial factors [14].

The latter brings a specific problem, as promoting “green” and “community” tourism is a very delicate matter. One of the studies on Hmong community in Lao Cai region showed that although green tourism's environmental and sociocultural benefits positively influence the Hmong community's awareness and commitment to sustainable tourism practices, but they value preservation of their cultural heritage, traditions, and customs more than economic benefits. This is a good showcase that this requires engaging the community in tourist planning and decision-making processes, as well as ensuring they receive tangible benefits from their involvement. Such practices by definition cannot be massively duplicated throughout a large country like Vietnam, meaning that the fashionable “green” tourism practices cannot serve as the basis for vast tourist industry success and revenue generator [15].

Another issue is maintaining and developing human capital in Vietnam tourism. This strategic issue has significant importance as the drop of employment during COVID-19 pandemic caused many high-qualified workforce switched to other professions. Therefore, the tourism industry should implement a strategy to maintain and gather human resources by supporting monetary policies. Training workers, improving professional qualifications and expertise in the tourism industry, and creating jobs with

employee retention wages and fair working conditions, developing human resources into high-quality human resources [21].

The same issue is true for tourism businesses, as the entrepreneurs wouldn't come back to the industry without a support incentive strategy from the government - tax exemption, electricity prices subsidy, organizing training programs for human resources are necessary [24].

However, from authors' perspective, COVID pandemic shock provides Vietnam tourist industry a good chance for a qualitative change through digital transformation in tourism. This means digitization of tourism data and information systems, digital tourism marketing and up-to-date destination management through VR and AR Internet platforms. Vietnam Travel businesses have actively used online platforms such as Booking.com, Agoda, or Airbnb to promote their products and services to domestic and foreign customers. According to a survey on online travel agencies (OTA) usage conducted in November 2020, Booking.com was the leading online travel agency used in Vietnam as chosen by 62 percent of the respondents. Agoda was a close second as 61 percent of the respondents had used this agency before (Figure 5). The use of technology helps tourism businesses manage services, reservations, payments, and customer management more effectively, especially in the situation of qualified personnel deficit and a serious language barrier. However, booking online was practically the only implication of technological advancement in the Vietnam tourist industry before 2020. After the start of COVID crisis the government has also launched an application "Safe Vietnam", which was a decent step forward [17].

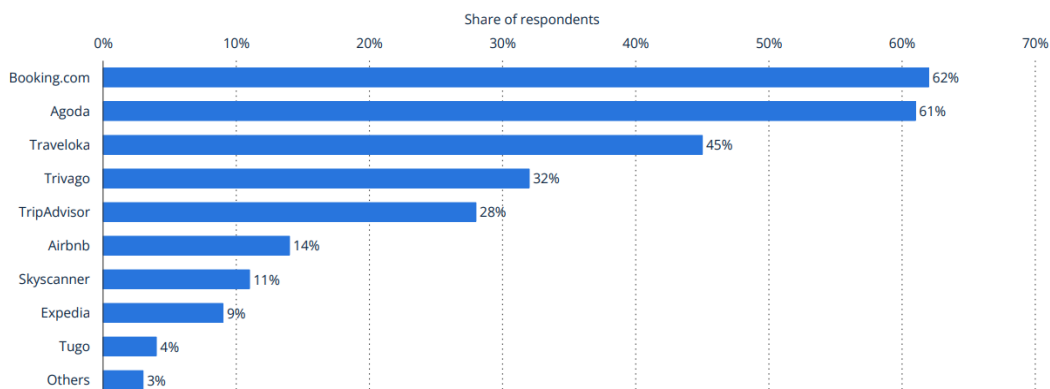


Figure 5. Leading online travel agencies in Vietnam as of November 2020<sup>1</sup>

As the country gradually reopens to international tourists, the government can provide financial incentives to businesses that invest in digital

<sup>1</sup> URL: <https://www.statista.com/topics/8152/online-travel-market-in-vietnam/>

technologies and online platforms to enhance their marketing and distribution capabilities. It is also important to facilitate partnerships between tourism businesses and technology firms, as well as between industry associations and educational institutions to provide training and skills development programs for tourism professionals in areas such as digital marketing, e-commerce, and data analytics. These measures would not only help to stimulate the recovery of the tourism industry but also foster long-term growth and competitiveness in the digital age [9].

Figure 6 represents the revenue in online sales regarding the travel & tourism market in Vietnam was forecast to continuously increase between 2023 and 2027 by in total 6.1 percentage points. After the fourth consecutive increasing year, the share is estimated to reach 63.13 percent and therefore a new peak in 2027. Notably, the revenue of online sales regarding the travel & tourism market was continuously increasing over the past years.

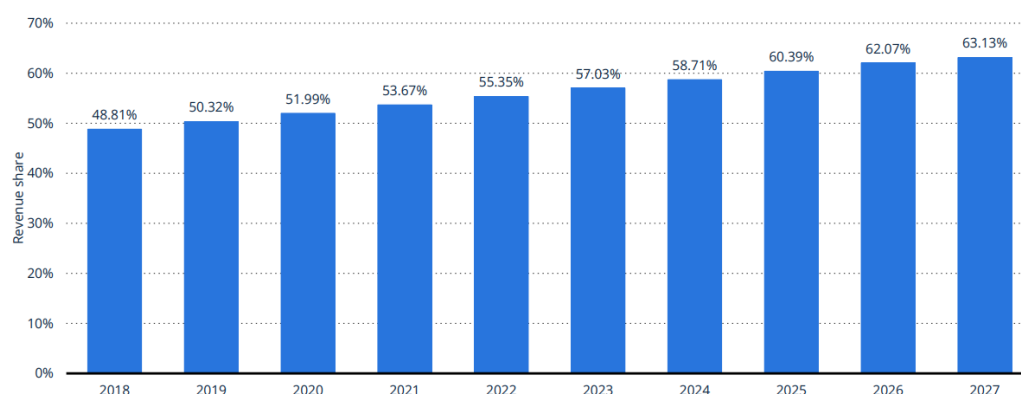


Figure 6. Online revenue share of the travel & tourism market in Vietnam from 2018 to 2027<sup>1</sup>

To support the trend of online tourism infrastructure development, some specific measures that the Vietnamese Government can apply may include:

- *Investment in network infrastructure and information technology:* The government can invest in network infrastructure and information technology to improve the speed and quality of the internet, so that online tourism businesses can provide service delivery more efficiently.
- *Building a common online platform for the tourism industry:* The government can assist in building a common online platform for the tourism industry, to help online travel businesses reach customers more easily and effectively.

<sup>1</sup> URL: <https://www.statista.com/forecasts/1245521/share-sales-online-channels-travel-tourism-segment-vietnam>

– *Promoting Vietnam's tourism image online*: The government can promote Vietnam's tourism image online through communication and marketing campaigns, helping to increase accessibility and attract more customers.

The Industry 4.0 technologies allow constructing facilities and models for Big Data collection and analysis, helping to greatly optimize Vietnam's government efforts for tourist industry revitalization. For example, collecting customer feedback data from above mentioned Booking.com, Agoda.com, and Phuot.vn can aid users easily extract information, thereby supporting governmental administrators in making more precise and timely decisions. Such services are actively in use in marketing, as they help identify clients discussion trends and identify potential latent topics of interest. In one study empirical results showed that tourists frequently complain about low quality facilities. A vast system like this could be the basis for pin-point stimulating measures from the Vietnam government in planning to upgrade facilities in the long term. Based on that information, government managers will be able to make decisions and strategies to develop regional tourism, propose price levels, and support innovative programs [5].

Another adjacent area of possible qualitative development for Vietnam tourism is the application of human-machine interactive (HMI) technologies. Such devices are integrating AI and VR and could have a significant effect on overall service quality. The usage of physical self-service points, service robots and applications are widely used examples. The government can promote HMI room service, service robots in hotels and tourist sites, check-in and check-out, service chatbots for more standardized multilanguage service provision, making the international tourism in larger cities like Ho Chi Min or Hanoi in Vietnam easier. In tourism and hospitality services, these devices can increase responsiveness through keyword identification, as well as identify tourist's feedback. It is possible to search for information about destinations or order food through digital voice assistants, as well as implement automated pricing of products based on sets of rules and real-time data on customers' buyer behavior.

Certainly, there is still a psychological desire to deal with employees, and the latter usually are perceived at the symbol of empathy. However, the lack of trained employees can provide a serious incentive to incorporate the strategic plan of developing a digital tourist environment in Vietnam, or at least start research on the potential areas of HMI application [23].

It is important to focus these online efforts on China and South Korea as the main markets for Vietnam tourism – in 2019 there were more than 5.8 million Chinese tourist visits to Vietnam, which alone accounts for about 30% of the total number of international arrivals. Currently as have seen above, Vietnam is reestablishing its place as one of the favorite destinations for Chinese people [2]. Therefore, the Vietnamese Government digitalization



efforts should aimed predominantly at attracting Chinese tourists even more, as the country is slowly regaining the market share in the competition with neighboring Thailand and Malaysia. Specific activities that the Government of Vietnam can apply are:

- Strengthen the promotion of Vietnam on social networking sites and media channels of China.
- Strengthen cooperation between Vietnam and China tourism businesses, especially with the online platforms, to jointly develop new and better quality tourism products, at the same time offer the customers more convenient ways to approach the products. By the end of 2022, around 423 million internet users in China used online travel booking services (Figure 7), accounting for around 39.6 percent of the Chinese internet user base.

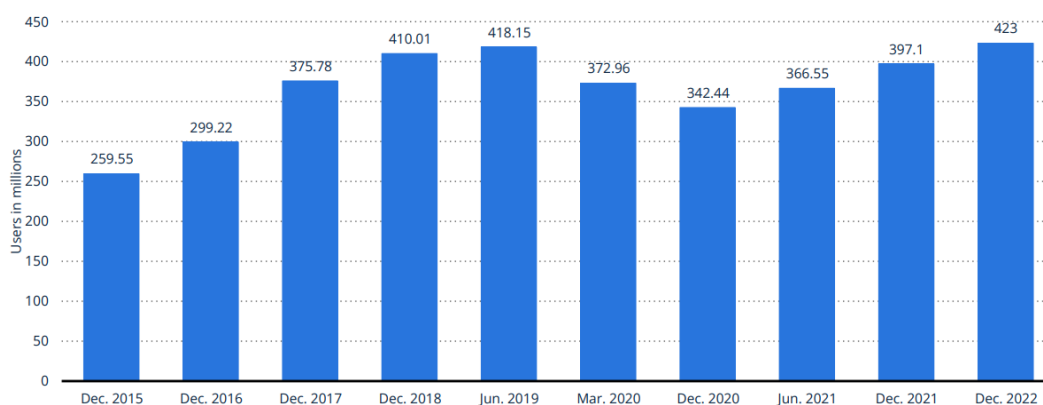


Figure 7. Number of online travel booking users in China from December 2015 to December 2022 (in millions)<sup>1</sup>

Ctrip.com was the largest online holiday booking platform in the country. This is a potential approach to Chinese tourists.

- Create attractive, diversified and medically safe tour packages to attract Chinese tourists. In addition, the Government also needs to ensure that tourism services and products in Vietnam meet the needs and requirements of Chinese tourists.
- Improve the quality and operational efficiency of accommodation facilities, restaurants, attractions and other tourism services in Vietnam to create the best travel experience for Chinese tourists.
- Apply preferential policies and special promotions for Chinese tourists when coming to Vietnam, especially those with high tourism demand.

<sup>1</sup> URL: <https://www.statista.com/statistics/1117733/china-number-of-internet-travel-booking-users/> (accessed 10.08.2023).

In general, coming up with options to attract Chinese tourists after the country reopens group tours to Vietnam is an urgent task for the Vietnamese Government in the context of the difficult situation due to the impact of the COVID-19 pandemic. However, in order to attract a large number of tourists from China, the Vietnamese Government needs to come up with synchronous solutions, suitable to the actual situation of both countries. Specifically, the promotion and introduction of typical tourism products and services of Vietnam in China; promote cooperation between tourism businesses of the two countries to create attractive and safe tours; while improving the quality of tourism infrastructure and services at popular destinations of Chinese tourists in Vietnam. If these solutions are implemented synchronously and effectively, it will help Vietnam's tourism industry recover and develop sustainably in the coming time.

### **Conclusion**

In conclusion, Vietnam's tourism industry has been significantly impacted by the COVID-19 pandemic. The industry has experienced a slow recovery due to various factors, including travel restrictions, fear of infection, and reduced demand. It is essential for the government to play a crucial role in promoting the country's tourism image to attract more visitors and support the industry's recovery. The government has taken several initiatives, such as promoting domestic tourism, supporting businesses through financial assistance and policy adjustments, and implementing safety measures to restore confidence in visitors. However, there are still challenges that need to be addressed, including improving the quality and diversity of tourism products and services, developing sustainable tourism, and addressing the skills gap in the industry's workforce. Overall, Vietnam's tourism industry has great potential for growth, and with the right strategies and actions, it can recover and thrive in the post-pandemic era.

In this difficult time, it is necessary to have breakthrough solutions to restore Vietnam's tourism market. Supporting and developing the online tourism infrastructure is one of the ways the Government of Vietnam can do to accelerate the market recovery. By promoting online travel services, Big Data and HMI application, the Government can help the tourism industry adapt to the new situation and meet the needs of customers in the 4.0 technology age. The promotion of communication activities, promoting the image of Vietnam to Chinese customers will help raise their awareness of Vietnam's tourism and they will feel more secure when booking a tour to Vietnam. The government needs to improve the investment and business environment, reduce airfares, improve service quality and ensure medical safety to increase the confidence of Chinese tourists. In addition, the Government also needs to promote cooperation with Chinese partners to jointly develop unique tourism products and attract the attention of customers. These proposals and solutions will help

the Vietnamese government play an important part in bringing Vietnam's tourism industry back to recovery and sustainable development in the future.

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#### Сведения об авторах

**Сергей Юрьевич Черников**

кандидат экономических наук,  
доцент кафедры маркетинга РУДН.  
Адрес: ФАБОУ ВО «Российский  
университет дружбы народов»,  
117198, Москва, ул. Миклухо-Маклая,  
д. 6.  
E-mail: chernikov\_syu@pfur.ru

**Фунг Тхи Тхань Хиен**

магистрант кафедры маркетинга  
РУДН.  
Адрес: ФАБОУ ВО «Российский  
университет дружбы народов», 117198,  
Москва, ул. Миклухо-Маклая, д. 6.  
E-mail: hienphungtt@gmail.com

#### Information about the authors

**Sergey U. Chernikov**

PhD, Associate Professor  
of Marketing Department  
of RUDN University.  
Address: FABOU VO "Peoples' Friendship  
University of Russia", 6 Miklukho-Maklaya  
Street, Moscow, 117198, Russian Federation.  
E-mail: chernikov\_syu@pfur.ru

**Phung Thi Thanh Hien**

Master's Student of Marketing Department  
of RUDN University.  
Address: FABOU VO "Peoples' Friendship  
University of Russia", 6 Miklukho-Maklaya  
Street, Moscow, 117198, Russian Federation.  
E-mail: hienphungtt@gmail.com