



## **TOURISM COMPETITIVENESS - INTERNATIONAL EXPERIENCE AND LESSONS APPLIED TO VIETNAM**

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### **Abstract**

*The environment, labor market, human resources, security, and political stability are highly appreciated indicators of Vietnam's tourism competitiveness. Although Vietnam's ranking has improved, it is still at an average level when compared to the tourism competitiveness of countries around the world. Japan, Switzerland, China, France and Thailand are among the world's leading countries in successfully improving tourism competitiveness and in recent years have ranked highly in the Competency Index rankings. World Economic Forum (WEF) World Tourism Development. The article reviews the experiences of these countries in improving tourism competitiveness and draws lessons applicable to Vietnam. Lessons learned from experiences in improving tourism competitiveness from other countries are: 1) Diversify and improve product quality, build tourism brands and promote tourism destination promotion; 2) Developing sustainable tourism, raising social awareness of tourism development; 3) Cooperation between the state and the private sector in implementing tourism policies; 4) Developing creative and cultural tourism.*

*Keywords: Competing capability, international experience, tourism, tourism development, Vietnam*

### **INTRODUCTION**

Tourism is a comprehensive economic sector, with deep cultural content, interdisciplinary, inter-regional and highly socialized, internationally integrated, playing an important role in the economies of many countries around the world and is the main driving force for socio-economic development. However, besides the continuous development of



science and technology, climate change, pollution, epidemics, the process of integration and globalization also cause negative impacts on the tourism industry. Therefore, countries should improve their competitiveness to attract tourists and develop tourism. The World Economic Forum (WEF) published the first Tourism Competitiveness Index report in 2007. Since then, Vietnam's tourism industry has increased its development and improved its position in the world competitiveness rankings, but this development is not commensurate with the country's tourism potential. In the WEF competitiveness rankings, Vietnam ranks in the middle position, behind its Asian competitors. Learning from experiences in improving the competitiveness of some countries with high tourism development indexes will help develop Vietnam's tourism competitiveness

## LITERATURE REVIEW

### Tourism competitiveness

According to (OECD, 2013), Competitiveness is the ability of companies, industries, regions, countries or transnational areas to create jobs and higher incomes, in economically competitive conditions, on a sustainable basis. (Dwyer, 1999) believes that tourism industry competitiveness is a concept that synthesizes many components, including price differences, exchange rate fluctuations, productivity of each different type in the tourism industry and Factors that create the attraction of a tourist destination.

Tourism competitiveness is approached from an industry perspective, which is the competitiveness of a specific tourist destination due to the diversity of tourism products. From the perspective of sustainable tourism development, tourism competitiveness is having diverse and rich tourism products, especially unique tourism products, to create a difference compared to other tourist destinations. and attractive competitive advantages, contributing to sustainable tourism development. Approaching from a national perspective, improving national competitiveness will create the best economic, social and environmental conditions for development, achieving sustainable growth and attracting investment, ensuring economic and social stability. (Larry,D & Chulwon,K, 2003) is of the view that to achieve the competitiveness of its tourism industry, any destination must ensure that the attractiveness and tourism experience offered, must be superior to alternative destinations for tourists, potential. According to (Ha,D.T.K et al, 2016), to measure the competitiveness of a tourist destination, it must be based on objective and subjective indicators. Objective indicators include indicators such as number of visitors, market share, tourist spending, tourism workforce and added value of the tourism industry. Subjective indicators include criteria such as richness and diversity of tourism

resources, natural attractiveness, cultural heritage, product quality and tourist satisfaction. (Leung, X.Y; Baloglu,S, 2013)

### Tourism competitiveness index

The Global Tourism Competitiveness Index was developed by WEF and first reported in 2007 (Kunst, I.; Ivandić, N, 2021). Since then, the global tourism industry has used this index to measure tourism competitiveness. However, the tourism industry has been affected by the COVID-19 pandemic since the end of 2019, causing great damage and WEF's approach to tourism competitiveness has also changed. WEF has a new approach to evaluate Tourism competitiveness index. The Tourism Development Capacity Index (TTDI) is an upgraded version of the Tourism Capacity Index (TTCI). The TTDI is considered the best available index of comprehensiveness and methodological development at the international level (Magrini, A. & Grassini, L., 2019) (Vidina T.D.P et al, 2023). The TTDI and TTDI index sets are gathered in Table 1.

Table 1. Summary of tourism competitiveness index and tourism development capacity

TTCI index	TTDI index
(1) Operating Environment group, including pillar indicators: Business environment; Safe security; Health and hygiene; Human resources and labor market; Information and communication technology readiness level	(1) Operating Environment group: keep the same index set as TTDI
(2) Group of Support Policies and Conditions, including pillar indicators: Priority level for the Tourism industry; Degree of international openness; Price competitiveness; Environmental sustainability; Price competitiveness	(2) Group of Support Policies and Conditions, including pillar indicators: Priority level for the Tourism industry; Degree of international openness
(3) Infrastructure Group, including pillar indicators: Aviation infrastructure; Ground and port infrastructure; Tourism service infrastructure;	(3) Infrastructure group: keep the same index set as TTDI
(4) Tourism resources, including pillar indicators: Natural resources; Cultural resources	(4) Group of Drivers driving tourism demand, including pillar indicators: Natural resources; Cultural resources; Non-entertainment resources
	(5) Tourism Sustainability group, including pillar indicators: Environmental sustainability; Socio-economic sustainability; Pressure and impact of tourism demand
Total: 4 groups and 14 pillar indicators	Total: 5 groups and 17 pillar indicators

*Source: Compiled by author (The World Economic Forum, 2021)*

## CURRENT STATUS OF COMPETITIVENESS OF VIETNAM TOURISM

Vietnam's tourism competitiveness ranking index from 2007 to 2021 shows a positive trend of the tourism industry, especially in 2021, among 117 economies, Vietnam's tourism ranked 52nd, had the third highest increase in the world, up 8 places compared to 2019.

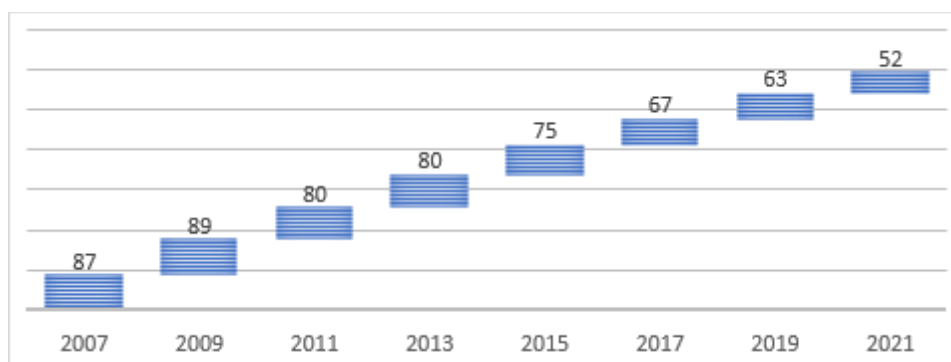


Figure 1. Vietnam's tourism competitiveness ranking index from 2007 - 2021

Source: Compiled by author (The World Economic Forum, 2021)

Table 2. Competitiveness ranking of Vietnam and some countries has high rankings in the world and Asia

2019			2021		
Ranking	Country	Point	Ranking	Country	Point
1	Spain	5.4	1	Japan	5.2
2	France	5.4	2	America	5.2
3	Germany	5.4	3	Spain	5.2
4	Japan	5.4	4	France	5.1
5	America	5.3	5	Germany	5.1
10	Switzerland	5.0	6	Switzerland	5.0
13	China	4.9	12	China	4.9
31	Thailand	4.5	36	Thailand	4.3
63	Vietnam	3.9	52	Vietnam	4.1

Source: Compiled by author (The World Economic Forum, 2021)

According to Table 2, Japan, America, Spain, France, Germany, and Switzerland are still the top countries in the rankings. China and Thailand are high-ranking countries in the Asian region.

Of the 17 pillar indexes, 13 of Vietnam's indexes are classified as medium-high or higher. Indicators such as: Business environment; Human resources and labor market; Price competitiveness; Safety and security; Ground and port infrastructure are the indexes that increased the most. However, Vietnamese tourism still has some index groups that need to be improved such as: Health and hygiene; Tourism service infrastructure; Priority level for the tourism industry; Environmental sustainability.

## **EXPERIENCE IN IMPROVING TOURISM COMPETITIVENESS IN SOME COUNTRIES AROUND THE WORLD**

Vietnam has many potentials and advantages for tourism development and is determined to develop tourism into a key economic sector. To achieve the set goal, it is impossible not to improve tourism competitiveness. To do so, it is necessary to learn from the experiences of leading countries in the world and continent in tourism competitiveness such as Japan, France, Switzerland, China and Thailand.

### **Japan's experience**

Japan has been the leading country in Asia continuously for many years, especially in 2021 ranked first in the world in the WEF tourism development capacity index (The World Economic Forum, 2021). Hygiene, cultural resources and the rapidly increasing number of tourists in Japan are highly appreciated criteria. The geographical regions of Japan have different characteristics, geography, population, and history, associated with famous products bearing the region's brands. To link production and consumption, Japan has created links with regions through trade promotion centers. Rich world cultural heritage and modern transportation infrastructure are attractions for tourists, especially international tourists, and have been promoted as best as possible. With advantages in science and technology and the number of internet and social network users, Japan has established digital marketing strategies, improving the business performance of tourism businesses in Japan, high when applying internet marketing to carry out business activities. Japan focuses on developing community tourism, tourist attractions that attract local tourists, closely linking the Government and localities, between localities and regions, between local governments and the community, between the legal system and the consciousness and actions of the people.

### **France's experience**

France is a leading tourist destination in the world, each year attracting many tourists from all over the globe. France has always ranked first among countries with high indexes of

tourism capacity for many years. France's tourism resources have helped the country become the most popular destination in the world for international tourists. France cares and manages well the risks related to climate change through prudent measures related to planning permits and raising awareness of tourists. State management and tourism support conditions in France are emphasized, and tourism statistics are publicly announced. Conditions to support tourism, especially infrastructure, cultural and entertainment facilities, museums, historical sites, and architectural works, are all of good quality. Complete and standardize the passenger transport network, introduce additional bus routes and charter transport services linked to multimodal transit hubs, and strengthen inter-urban connectivity, especially rail. Develop multimodal, multilingual instant information services at major stations and multimodal stations. Encourage the development of multi-use green cycle routes and cycling in urban areas, develop local public transport networks and promote soft mobility in towns and cities..

### **Swiss's experience**

In 2019 and 2021, Switzerland always ranked in the top 10 countries with the highest tourism capacity index in the world. Tourism is the country's key economic sector and many other sectors benefit from tourism. Service quality is the leading factor affirming Switzerland's competitive advantage in tourism. Switzerland is one of the countries with the most pristine natural environment in the world, so the most prominent Swiss tourism promotion strategy is the policy of protecting the tourism environment, attracting many businesses focus on developing ecotourism. To create a brand, Switzerland has different tourism development policies, aiming for sustainable development and focusing on quality. Transport infrastructure, tourism human resources and environment are high-ranking indicators in the Swiss Tourism Competency Index. This result is due to the companionship and close coordination between the Government and the private sector in tourism development and improving tourism competitiveness.

### **China's experience**

China is a high-ranking country, just behind Japan in terms of tourism capacity in Asia, always ranked 12th and 13th in the world. Tourism is one of the key economic sectors that needs to be prioritized for development, so China has issued many tourism development policies with the orientation of promoting tourism development to attract tourists and bring tourists out of the country. Every year, China has policies to develop tourism products based on themes and issue policies to improve service quality. Transport infrastructure and diversification of tourism products are areas that China focuses on investment and development. In particular, China builds a master plan for tourism development in each period, manages tourism

development, promotes and facilitates cooperation between the state sector and other economic sectors, focusing on attract the participation of the private sector. At the same time, tourism development is based on a state-oriented model, business development policies, market management, and promoting the government's initiative in developing local strengths.

### **Thailand's experience**

Tourism is one of the pillar industries, playing a key role in Thailand's economic growth. After COVID-19 is controlled, Thailand focuses on promoting sustainable tourism, prioritizing environmental protection. To improve the competitiveness of tourist destinations, Thailand closely coordinates between the state and the private sector in providing tourism services; Make the most of the country's resources through focusing on investment in transportation infrastructure. Thailand aims to develop international-class tourism with people's ability to speak English fluently and at most tourist attractions there are signs in English. Waterway tourism development in Thailand is also being promoted. Unique tourism products, night time economic models, cultural identities, tourism, and cuisine introduced in international media have helped Thailand become one of the destinations welcoming international visitors. the world's largest. Thailand focuses on improving service quality, protecting the environment, natural landscape, national cultural history, ensuring national defense and security, and developing key tourism technical facilities with tourist sites modern equipments. The telecommunications system in Thailand is interconnected, with nationwide network coverage in major cities.

### **LESSONS TO IMPROVE TOURISM DESTINATION COMPETITIVENESS FOR VIETNAM**

From the experiences of improving the competitiveness of tourist destinations of some countries mentioned above, some valuable suggestive lessons can be drawn for Vietnam as follows:

*Firstly*, diversify and improve product quality, build tourism brands, and promote tourism destination promotion. From the experience of countries such as Japan, Thailand, and China, Vietnamese tourism needs to focus on developing products with unique cultural values to meet the needs and tastes of tourists. It is necessary to clearly identify the tourism potential and unique tourism products of each locality, each region and country to focus on building, developing and exploiting effectively, creating a difference in attracting tourists. Diversify tourism products, manage tourism service quality, apply information technology to promote tourism on digital technology platforms.

*Second*, develop sustainable tourism, raise social awareness about tourism development. From the experiences of France, Switzerland and Thailand, Vietnam needs to

continue to strengthen communication, raise social awareness for tourism development, protect the environment when developing tourism, and value civilization in tourism tourism activities, cultural behavior and promoting the hospitality of local people at tourist destinations. Aim for sustainable tourism development with solutions such as: having effective incentive mechanisms in attracting investment, protecting and promoting the value of tourism resources, and encouraging the development of eco-friendly tourism forms. Environmentally friendly such as: green tourism, ecotourism, adventure tourism, stopping the activities of destinations that pollute the natural environment and impact the social environment.

*Third*, cooperation between the state and the private sector (public-private partnership) in implementing tourism policies. Switzerland, China, Japan and Thailand are countries with many successes in public-private cooperation to develop tourism. Strictly comply with tourism policies, have strategies, directional planning, invest in tourism development, promote advantages and comparative advantages, seize opportunities to build a stable tourism development strategy , Castle. Take advantage of private sector capital to build tourism infrastructure, prioritize planning, training, fostering, developing tourism human resources and allocating capital for tourism promotion. Invest in developing traffic infrastructure, especially in key areas, improving traffic connections to and from tourist destinations, managing service quality, ensuring traffic safety for tourists calendar.

*Fourth*, develop creative and cultural tourism. Vietnam has invaluable tourism resources with unique cultural features, populations of historical and cultural relics, scenic spots, festival systems, craft villages, and traditional culture. Local specialties, cultural and artistic heritage, folk art, museums... are the main resources that create the strength and difference of Vietnamese tourism products. Learning from the successful experiences of Thailand, China and France in developing cultural tourism can help Vietnamese tourism diversify the tourism product system and add value to tourism products. Take advantage of traditional culture to develop unique tourism brands and improve the competitiveness of Vietnamese tourism.

## CONCLUSION

Improving the competitiveness of Vietnam's tourism is an urgent concern of the tourism industry, especially in the context of increasingly fierce competition among tourist destinations around the world due to global changes, affecting effects of economic recession, terrorism, climate change, natural disasters, and epidemics. The article focuses on a general overview of good experiences in improving tourism competitiveness of some of the world's leading countries and regions, drawing lessons for the next breakthrough in Vietnam's tourism.



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