

Vietnam

Market Summary

There is strong growth in arrivals, although the global financial crisis and H1N1 influenza concerns have dented overall leisure arrivals and incentive travel. Most leisure travel consists of visiting friends and relatives as the purpose of visit. This segment remains largely unaffected by both financial and flu concerns, and continues to contribute to the arrivals growth.

1. Market News

- **65 more people tested positive for H1N1 influenza on August 18, bringing the total of confirmed cases in the country to 1,576.**

According to the Ministry of Health, most cases are mild with many recovering unaided, following treatment in district medical clinics. Some are local transmissions, as with the case from a group of teachers and students who traveled to the north Vietnamese town of Sa Pa recently.

- **Exports are struggling to hit target**

Exports for the first half of 2009 stand at US\$27.6 billion, meeting 42 per cent of 2009's target of US\$64.68 billion. Exports need to average \$6.2 billion per month for the remaining half year to achieve the target for 2009. Indications by both Permanent Deputy Minister Bui Xuan Khu and business associations show that this would be difficult to reach as export orders for the second half are sharply down.

Source: Saigon Gaipon Newspaper 19 August 2009.

2. Consumer Insights

The differences in values and attitudes of consumers in Ho Chi Minh City and Hanoi mean different ways of decision making in consumer purchases. This can impact the way travel packages or offers are marketed as consumers in Ho Chi Minh City are

likely to try new destinations or new experiences as opposed to the more conservative consumer in Hanoi.

These findings from the Nielsen Company's Vietnam study, "Ho Chi Minh City versus Hanoi: Regional Differences" show that these different attitudes and values in life are due to the diverse historical, cultural and economic backgrounds found in Vietnam. The impact on brand choice, decision-making, shopping habits and confidence levels can be vast and translate to varied behaviors and attitudes affecting consumers' decision-making process and how they cope with tougher economic times.

Saigonese (Ho Chi Minh City people) were found to be individualistic, more open to change and likely to try new things. As a result, they are a mixed consumer group. People care less about other's opinions so when it comes to making purchasing decisions, their own desires and needs are the biggest influence.

Hanoians on the other hand, are collective in thought and are influenced by their peers' opinions and recommendations, with social conformity a high priority. They are complex consumers: saying they want to be noticed and impress their friends, but want to do so without breaking social norms.

Source: The Nielsen Company (Vietnam), 26 June 2009.

For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- Trade partners report incentive travel is down due to the flu pandemic in June. However in July and August, bookings have started to pick up. The leisure market has slowed down.
- The Vietnam National Administrative Tourism is promoting domestic travel as an alternative to overseas travel, in light of the economic downturn and H1N1 influenza. This will also help stimulate domestic spending.
- As of 31 August 2009, there were 37 Aussie Specialist agents from 11 agencies, of which 65 per cent were fully qualified.

4. Competitor News

- Vietnam Airlines and Korean Airlines are offering promotional fares for Saigon/Seoul/Saigon at US\$250-400 for a return fare. The Korean package price used to be in the range of US\$1000 and above, and has since been reduced to as low as US\$900.

6. Key Campaigns and Activities in Market

Current Campaigns and Activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
12 October	16 October	Market Visit and Product Update in Hanoi and Ho Chi Minh. Immigration will conduct a briefing on visa processes including applications in both cities.	Travel Agents in Hanoi and Ho Chi Minh	Tourism Victoria Gold Coast Tourism Bureau Tourism Northern Territory DIAC