

Discussing Marketing Strategy in Hoi An Tourist Holding Company - A Case in Tourism Industry in Vietnam

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ABSTRACT

Over years, Hoi An Tourism Holding Company (HOT) is not only contributes to solving local labor, contributes to the state budget, but also actively takes care of social security issues. Marketing strategy for HOT can include: Creating a package product and creating a package travel program is one important stage in the operation of companies operating in the field of tourism industry today.

Fluctuation of stock price in tourism firms in developing countries such as Vietnam will reflect the business health of tourism system. The article analyzed and evaluated the impacts of multi macroeconomic factors on stock price of a tourism company, Hoi An tourism holding co. (HOT) in Vietnam in the period of 2014-2019, both positive and negative sides. The results of quantitative research, in a quantitative model, show that Sate Bank of Vietnam (SBV) and government agencies need to control inflation and GDP, not increasing too much inflation to favor of stock price.

Keywords: Hoi An stock price, GDP growth, Inflationary, Marketing strategy, Marketing mix.

1. Introduction

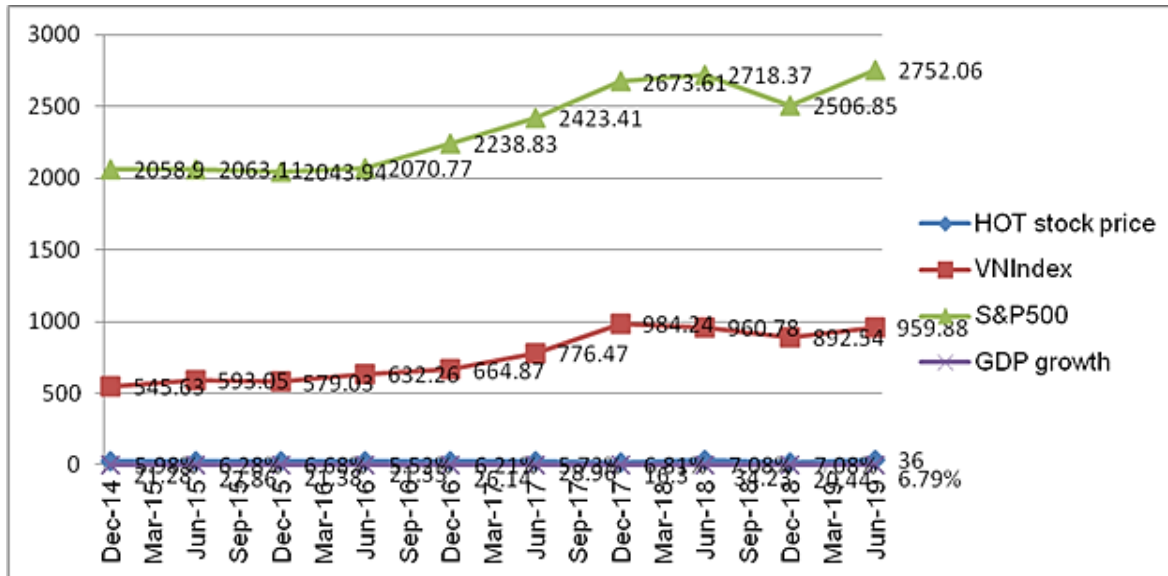
Hoi An (HOT) Tourism - Service Joint Stock Company has just been voted as "A listed company meeting 2016 information disclosure standards", a part of the voting program "Listed Enterprises with IR - Relationship", "Best Investor 2016". Understand the characteristics of tourism products that are created by the synthesis of business sources are different and interdependent, so to have the most effective strategy for An Bien tourism is constantly looking for partners to design forging strategic alliances to complement strengths and offset weaknesses for the company. Currently, the company has a system of partners all over the country, cooperating with many aspects and different fields of activity with the desire to bring the most perfect service with the lowest price and a good business performance as possible for the company.



(Source: author synthesis)

Fig.1. Ha noi Vietnam destinations

Looking at the below chart, we find out that HOT stock price moves in the same trend with VN Index and GDP growth, although it fluctuates in a smaller range.



The paper is organized as follows: after the introduction it is the research issues, literature review and methodology. Next, section 3 will cover methodology and data and section 4 presents main research findings/results. Section 5 gives us some discussion and conclusion.

2. Body of Manuscript

2.1. Research issues

The scope of this study will cover:

Issue 1: What are the correlation and relationship among many economic factors on HOT stock price?

Issue 2: What are marketing mix analysis of HOT co.?

Issue 3: Based on above discussion, we recommend some solutions for tourism management in incoming period.

2.2. Literature review

In recent years, TTB Hang, DTH Nhung, DTN Huy, NM Hung, MD Pham. (2020) stated we need risk management activities in tourism sector.

Then, we summarize in below table

Table 1. Related studies

Authors	Year	Content, results
Llieska, K.	2008	Presents the relationship between the level of marketing organizing and program orientation of a tourist enterprise. The focus is on exploring marketing significance related to the selection of tourist enterprise's program orientation and competitive market position in the context of achieving planned goals. The role of marketing management and related new market concept supporting strategic tourist enterprise development in transition process of Balkan economies are of special importance. Marketing concept is the base of market-oriented business. In

		competitive economy customers may choose from whom and how to buy, while services program is constantly evolving in accordance with their demands. In order to be successful, the tourist enterprise must always provide superior value, better than competitors, when it comes to quality, price and services. Marketing combination of management activities should find the best way to fulfill customer's needs and follow new organizational changes. New organizational changes denote new internal and external dimensions of marketing. Internal are related to teamwork and creation of data basis about customers and business partners, and external with developing partnership relations, not only with the customers, but with the suppliers and distributors. In the wealthy process of the tourist and hotel management activities especially by the promotion, of the tourist offer, we face ourselves with lots of details which are details only at the first sight, in fact they are very important things from which resides that the very good reputation of the offer depends and it also influences the tourism development. The contemporary market is characterized by very sensitive diversification and the complexity of the relationship in the sphere of the offer and other. That is why the promoted activities become more essential.
N Van Dat et al.	2021	We need Improving Tourism Entrepreneur's Competition during the COVID 19 Pandemic.
LT Lan, NT Hang, DTN Huy	2021	We can promote Developing Local Cultural Features through Community Tourism Services in Ha Giang Province, Vietnam.
NT Hoa, DTN Huy	2021	Propose solutions for Vietnam Tourism Services Development During and after Covid 19 Pandemic.

(Source: author synthesis)

Next, Krishna (2015) investigated the nature of the causal relationships between stock prices and the key macro economic variables in BRIC countries. The empirical evidence shows that long-run and short-run relationship exists between macro economic variables and stock prices, but this relationship was not consistent for all of the BRIC countries. And Kulathunga (2015) suggested that all macroeconomic factors influence the stock market development. More precisely, volatile inflation rate and exchange rate together with higher deposit rate have curtailed the stock market development in Sri Lanka. Moreover, positive optimism created by the economic growth and the stock market performance during the previous periods tend to enhance stock market performance. Moreover, Duy (2015) mentioned through the evolution of interest rates and the VNI could see that the relationship between these two variables in the period 2005-2014 is the opposite. This relationship is shown in specific periods of the year the stock market proved quite sensitive to interest rates. When interest rates are low or high but the bearish stock market rally, and vice versa when the high interest rates the stock market decline. Last but not least, Quy and Loi (2016) found that 3 economic factors (inflation rate, GDP growth rate, and exchange rate) impact significantly on real estate stock prices; but the relationship between 10-year Government bond yield and trading

volume, and real estate stock prices was not found. Ahmad and Ramzan (2016) stated the macroeconomic factors have important concerns with stocks traded in the stock market and these factors make investors to choose the stock because investors are interested to know about the factors affecting the working of stock to manage their portfolios. Abrupt variations and unusual movements of macroeconomic variables cause the stock returns to fluctuate due to uncertainty of future gains. And Le, K., & Nguyen, M. (2021) said it is important to apply in education.

Beside, in tourism industry, Factors influencing buying behavior:

Buying behavior of individual customers is influenced by many factors such as: cultural factors, social factors, personal factors and psychological factors. However, they can be divided into two large groups: communication factors and psychological personality factor.

- Communication factors (cultural factors) include: culture, branch, culture, social class, family, role and social status. Cultural factors have the greatest influence on consumer behavior. Buyer bears the photo profound influence of the culture, subculture, or social class in which they are classified into:
- Personal and psychological factors including: age and life cycle, occupation, economic situation, lifestyle, perception, learning knowledge, beliefs and attitudes degree, self-awareness. Buyers' purchasing decisions are also affected of these personal characteristics

3. Methodology

In the process of researching the topic, research methods have been applied to synthesize the most reliable information about the operating status of the industry and inadequacies in the company's marketing activities from which to propose feasible solutions in accordance with actual requirements.

- Methods of analysis, evaluation, comparison, forecasting This is the basic method used by many researchers on the basis of processed documents that compare with the performance of the regions from which to make their own comments and assessments on issues mentioned.

This research paper establishes correlation among macro economic factors by using an econometric model to analyze impacts of macro economic factors in Vietnam such as: GDP growth, inflation, etc., on HOT stock price.

4. Main results

4.1. Marketing mix strategy of Hoi An tourism co.

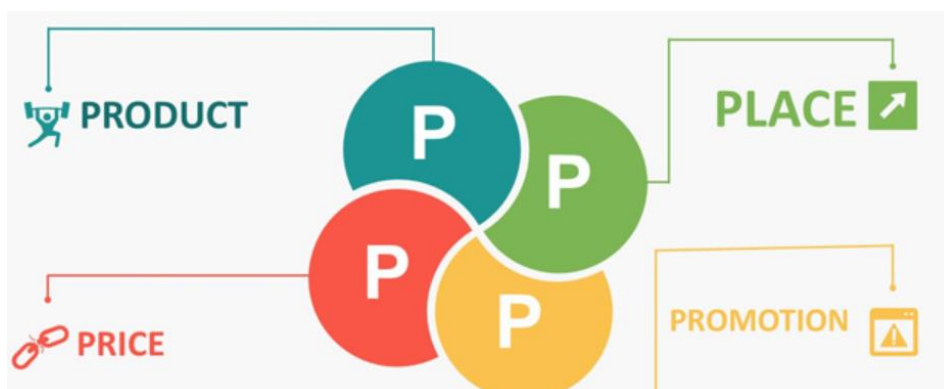


Fig.2. Marketing mix model

Then, we refer to below table:

Table 2. Marketing mix strategy of HOT

<p>Product</p> <p>Creating a package product and creating a package travel program is one important stage in the operation of companies operating in the field of tourism industry today, doing this job well helps to perfect and stabilize the government product book.</p> <p>Creating package products and creating the travel program is now assigned to the operating department in conjunction with construction marketing department.</p> <p>The formula for creating a package product of tourism is now included:</p> <p>Most variable costs are included in the price. Which includes: cost of transportation, accommodation, meals, entrance fees, insurance, other expenses.</p> <p>Charge additional personal expenses when guests use or guests request to include personal or entertainment expenses are included in the package.</p>	<p>Price</p> <p><i>Need to consider:</i></p> <p>Product cost: (including fixed and variable costs).</p> <p>Price of products of competitors.</p> <p>How much customers are willing to pay for your product: research your target market, determine what price range customers can spend.</p>
<p>Promotion</p> <p>As technology develops every day, bringing a lot of necessary information and certain convenience to customers, the combination of traditional product promotion and online promotion is a very effective trend. The forms of communication bring many potential customers such as: Google Ads, Email Marketing, Facebook Ads, Tourism Website, etc.</p> <p>Building a marketing strategy through communication will help to reach and exploit customer needs quickly, with great efficiency.</p>	<p>Place</p> <p>In addition to the traditional channel as a travel agent, technology is like a revolution that expands the product distribution market. Especially through online channels to bring tourism products to a wider customer market.</p> <p>Popular online channels: OTA (Online Travel Agent - online travel agency), Trip advisor (which is a review site and provides a lot of feedback from customers for reference), tourism website design has tour booking feature.</p> <p>OTA channels will receive a percentage of commission if they sell services to tourism businesses, this is also a radical customer acquisition strategy that many tourism businesses are applying.</p>

(Source: author analysis)

4.2. General data analysis

First of all, the below chart 1 shows us that Y has a positive correlation with GDP growth:

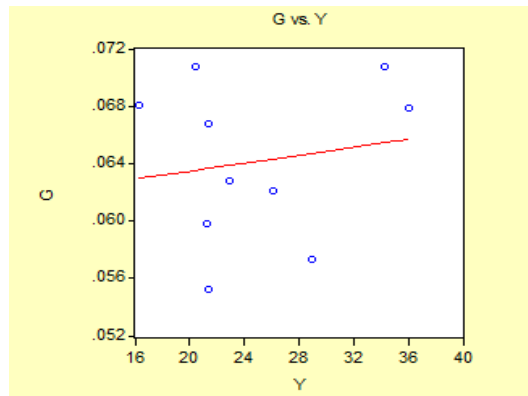


Chart 1. HOT stock price (Y) vs. GDP growth in Vietnam (G)

Next we find out that, based on the below scatter chart, Y (HOT stock price) has slightly negative correlation with inflation (CPI).

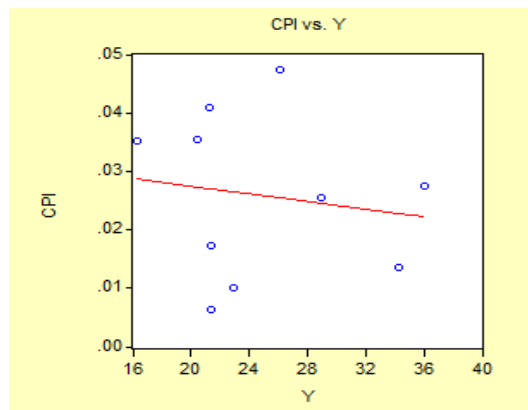


Chart 2. HOT stock price (Y) vs. Inflation (CPI)

Looking at the below chart 3, we also recognize that HOT stock price (Y) and VNIndex have positive correlationship.

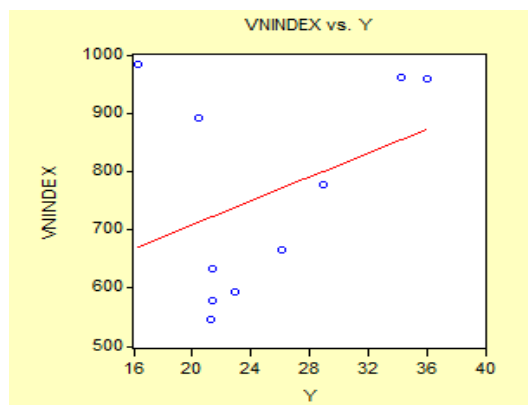


Chart 3. Y vs. VNIndex

We see that, HOT stock price (Y) and lending rate have positive correlation:

4.3. Regression model and main findings

In this section, we will find out the relationship between eight macro economic factors and public debt.

4.3.1 Scenario 1 - Regression model with single variable: analyzing impact of GDP growth (G) on stock price (Y)

Note: C: constant

Using Eview gives us the below results:

Dependent Variable: Y
Method: Least Squares
Date: 01/31/20 Time: 16:01
Sample: 1 10
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
G	182.7242	400.2509	0.456524	0.6602
C	13.17042	25.76639	0.511147	0.6231
R-squared	0.025390	Mean dependent var		24.89400
Adjusted R-squared	-0.096436	S.D. dependent var		6.363003
S.E. of regression	6.662753	Akaike info criterion		6.807799
Sum squared resid	355.1383	Schwarz criterion		6.868316
Log likelihood	-32.03900	F-statistic		0.208414
Durbin-Watson stat	2.826126	Prob(F-statistic)		0.660152

Hence, $Y = 182.7 * g + 13.1, R^2 = 0.02, SER = 6.6$

(6900.2) (25.7)

Within the range of 10 observations (2014-2019) as described in the above scatter chart 1, coefficient 182, when GDP growth increases, H0T stock price will increase.

4.3.2 Scenario 2 - Regression model with 2 variables: analyzing impact of GDP growth (G) and Inflation (CPI) on stock price (Y):

Running Eview gives us below results:

Dependent Variable: Y
Method: Least Squares
Date: 01/31/20 Time: 16:01
Sample: 1 10
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
G	174.4516	423.9425	0.411498	0.6930
CPI	-65.42503	169.4364	-0.386133	0.7109
C	15.39438	27.85856	0.552591	0.5977
R-squared	0.045716	Mean dependent var		24.89400
Adjusted R-squared	-0.226936	S.D. dependent var		6.363003
S.E. of regression	7.048117	Akaike info criterion		6.986723
Sum squared resid	347.7316	Schwarz criterion		7.077498
Log likelihood	-31.93361	F-statistic		0.167673
Durbin-Watson stat	2.572091	Prob(F-statistic)		0.848928

Therefore, $Y = 174 * g - 65.4 * CPI + 15.3, R^2 = 0.04, SER = 7.04$

Hence, this equation shows us H0T stock price has a positive correlation with GDP growth and negative correlation with inflation in Vietnam. Esp., it is highly positively affected by GDP growth rate.

5. Discussion and Conclusion

Through the regression equation with above macroeconomic variables, this research paper used updated data from 2014-2019 to analyze the regression equation via Eview in order to show that HOT stock price has a positive correlation with GDP growth and negative correlation with inflation in Vietnam. Esp., it is highly positively affected by GDP growth rate.

This study generate results showing us that Sate Bank of Vietnam and government agencies need to control inflation and GDP, not increasing too much to favor of stock price. They also need to set up risk models in company management system. Today, tourism is becoming a spearhead economic sector, an industry highly profitable “chimneyless” industry worldwide. Through tourism, a country can locally export resources that it available, and at the same time can introduce their own culture to visitors from Countries around the world.

However, in order to develop the tourism industry and attract more tourists, Customers require a country to invest a lot, not only in tourism but also in other complementary areas, especially transportation infrastructure. Comprehensive and correct marketing strategy in both the tourism industry in general and establishments business in particular will be the key to bring the tourism industry to success.

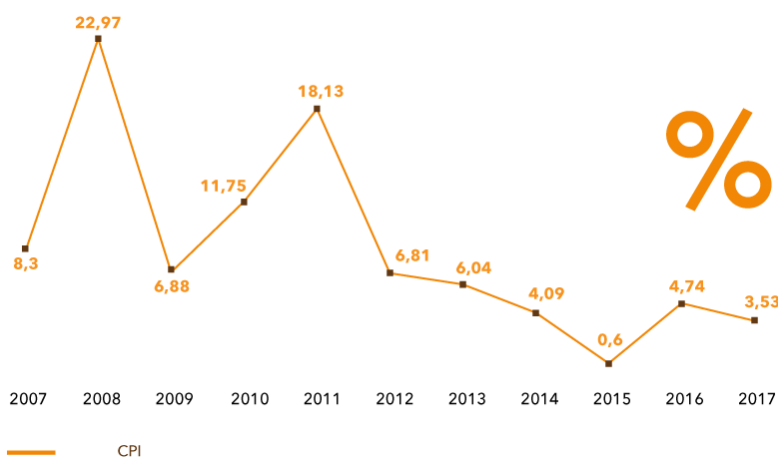


(Source: author synthesis)

Fig.3. Tuyen Quang - Vietnam tourism today

Exhibit

Exhibit 1. Inflation, CPI over past 10 years (2007-2017) in Vietnam



Declarations

Source of Funding

This research did not receive any grant from funding agencies in the public, commercial, or not-for-profit sectors.

Competing Interests Statement

The authors declare no competing financial, professional and personal interests.

Consent for publication

Authors declare that they consented for the publication of this research work.

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