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STUDY ON THE MARKETING STRATEGY FOR MICE
INDUSTRY - CASE PEARL RIVER HOTEL IN VIETNAM

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The purpose of this thesis was to provide some key recommendations on the business development of the case hotel towards MICE industry. These suggestions would be based on the analysis of Vietnamese economy and MICE industry in Vietnam along with the study of hotel's marketing strategy. The target area is MICE industry – an integral part of business tourism which stands for Meetings, Incentives, Conferences and Exhibitions while the case company is Pearl River Hotel, a five-star hotel which is located in Haiphong City, Vietnam.

The theoretical background was comprised of three main elements including the general knowledge of marketing strategy, the outlook of Vietnamese and Haiphong City market as well as the key features of MICE industry in Vietnam. With regard to marketing strategy, the thesis mainly covered the knowledge of marketing mix together with segmentation, targeting and positioning strategy. Meanwhile, PEST defined as Political, Economic, Social and Technological factors and Porter's five forces model were utilized to give the audiences a thorough analysis of the local market environment and MICE industry in Vietnam.

Background information and practical data for the market analysis and marketing strategy were gathered from both primary and secondary data. Those can be found not only from official websites, online articles and reliable books but also through the interviews with the hotel's seniors and the author's observations during the internship period at the hotel.

The empirical part, first of all, made an overview of Pearl River Hotel followed by its business development strategy and its business situation analysis. In the second part, the marketing strategy of the case hotel aimed at making use of MICE industry's high growth in Vietnam was researched and analyzed in details. Were the existing marketing strategy of Pearl River Hotel and its capacities adequate to exploit the potentials of MICE industry in the local city? Was the local city ideal enough to attract a large number of MICE customers? Thanks to above in-depth study and critical analysis, the author produced several recommendations for the case hotel to make use of its resources and utilize all benefits that MICE industry creates.

TABLE OF CONTENTS

1	INTRODUCTION.....	5
2	PROBLEM SETTING AND CONCEPTUAL FRAME OF REFERENCE	6
2.1	Purpose and Objectives of the thesis	6
2.1.1	Purpose	6
2.1.2	Objectives	6
2.2	Conceptual framework.....	7
3	MARKETING STRATEGY	9
3.1	Market environment analysis.....	9
3.2	Marketing mix	10
3.2.1	Product	11
3.2.2	Price	12
3.2.3	Place	13
3.2.4	Promotion	14
3.3	Segmentation – Targeting – Positioning process.....	16
3.3.1	Segmentation	17
3.3.2	Targeting	19
3.3.3	Positioning	21
4	VIETNAMESE ECONOMY AND HAIPHONG MARKET ANALYSIS.....	23
4.1	Political analysis.....	24
4.2	Economic analysis	25
4.3	Social analysis	26
4.4	Technological analysis.....	27
5	HOTEL INDUSTRY’S OUTLOOK AND MICE INDUSTRY’S ANALYSIS IN VIETNAM	28
5.1	Overview of the hotel industry in Vietnam	28
5.2	MICE industry in Vietnam	30
5.2.1	General knowledge about MICE industry.....	30
5.2.2	Analysis of MICE industry in Vietnam.....	34
5.3	Porter’s Five Forces Analysis concerning MICE industry in Vietnam	36
6	RESEARCH METHODOLOGY	40
6.1	Qualitative research	40
6.2	Data collection and data analysis.....	41
6.3	Reliability and Validity.....	43
7	PEARL RIVER HOTEL	44
7.1	General information.....	44
7.2	Business model and Organizational structure.....	46

7.3	Current business situation.....	47
7.4	Hotel’s strengths and opportunities towards MICE industry	48
7.4.1	Strengths	48
7.4.2	Opportunities	49
8	MARKETING STRATEGY OF PEARL RIVER HOTEL IN RELATION TO MICE INDUSTRY.....	51
8.1	Weaknesses and Challenges	51
8.1.1	Weaknesses	51
8.1.2	Challenges	53
8.2	Marketing mix	56
8.2.1	Product	56
8.2.2	Price	58
8.2.3	Place	61
8.2.4	Promotion	62
8.3	Segmentation – Targeting – Positioning strategy.....	65
8.3.1	Segmentation	65
8.3.2	Targeting	68
8.3.3	Positioning	69
9	SUMMARY AND CONCLUSION.....	71
10	RECOMMENDATIONS	74
11	FINAL WORDS.....	78
	REFERENCES	79
	APPENDIX	

1 INTRODUCTION

Hospitality industry always comes parallel with the remarkable augmentation of tourism industry and is one of the strategic industries on the sustainable economic growth of Vietnam. It not only helps create a large number of jobs for the locals but also promotes the infrastructure development in the regional areas. However, in recent years, when the competition in the lodging sector has increased dramatically, each hotel has struggled to find out the way to exist and surpass its strong competitors. Therefore, a solid connection with MICE industry has become a good choice for a long-term progress of every hotel, especially for the four and five-star hotels.

Part of tourism industry, MICE sector constitutes a large proportion of sales revenues and profits in the hotels' whole business operation. In addition to making a great contribution to social and economic development in Vietnam, MICE industry also supports the hotels to create differentiation and generate unique services for their customers. Hence, Pearl River Hotel is not an exception when paying highly attention to this industry with the aim of developing entirely its sorts of products and services.

The case hotel, Pearl River Hotel has shown strong interests in the MICE industry and maintained a number of relationships with tourism operators which are specialized in this field. Nevertheless, the revenues gained from this vital field are still not as expected and quite unstable month over month. This requires bigger steps and more specific methods on the hotel's marketing strategy. Having determined the thesis' topic and figured out a proper plan, the author structured her thesis with six main parts from an introduction, conceptual framework and theoretical knowledge to research methodology, empirical application and the concluded recommendations.

During conducting this thesis, the writer received invaluable support from the hotel's management board in general and the seniors in sales and marketing department in particular through a private interview, short conversations and internal documents. Furthermore, the author had a golden chance to work within the hotel; therefore, she had a closer eye on the daily operation of the host organization and observed the real cases occurring in the hotel as a precious supplement to her thesis.

2 PROBLEM SETTING AND CONCEPTUAL FRAME OF REFERENCE

2.1 Purpose and Objectives of the thesis

2.1.1 Purpose

During a summer internship at Pearl River Hotel in Vietnam, the author had a great chance to dig deeper in sales and marketing area and to study the business operation of the host company. That period brought her new knowledge in which MICE industry became the most attractive one. She also found out how influential MICE industry refers to the hotel's development and determined to explore further this field. With the high attention paid to the influence of MICE industry on the case hotel, the writer felt inspired to point out the possible solutions which the case hotel can adopt to augment its transactions.

Therefore, the thesis was a combination of theoretical marketing knowledge during the author's studies and practical experience from her practical training in order to provide the readers with a comprehensive study about marketing strategy, hotel's operation and MICE industry. Thanks to the detailed research and profound analysis, the fundamental recommendations for the case hotel's sustainable growth with the focus on MICE sector would be synthesized and produced. Pearl River Hotel is an organization who benefits from the results of this thesis and has the right to apply the critical recommendations for its marketing strategy into practice. Indeed, the responsibility of the writer was to generate the vital suggestions for the case hotel's development regarding MICE industry and the role of the hotel was to consider their feasibility and their practical implementation.

2.1.2 Objectives

It is crucial that the objectives of a project be set clearly and be specifically relevant to the topic because they play a role as a general guideline and an ultimate goal for

the entire thesis. Hence, the objectives here were summarized into the research questions that would be answered throughout the thesis.

In the theoretical part, they were:

- What are the elements of a good market analysis?
- What are the main features of the marketing strategy and marketing mix?
- What are the general information about Vietnamese economy and local market which support or hinder the hotel industry's growth?
- What are the basic information concerning the hotel and MICE industry in Vietnamese market?

In the empirical part, the objectives would be as follows:

- What are the strengths and opportunities of Pearl River Hotel related to MICE industry in Vietnam?
- What are the existing problems and potential challenges which affect the case hotel's general business operation and its growth linked with MICE industry?
- What is the existing marketing strategy of Pearl River Hotel to make use of a tremendous growth of MICE industry in Vietnam?
- What are the recommendations for the case hotel to benefit from MICE industry in Vietnam?

2.2 Conceptual framework

The figure below is the conceptual framework that outlines the whole content of the thesis and was created based on the major objectives of the study. It would be most logical to structure a report from the broadest to the narrowest round as well as from a large cover to the core content.

Thus, the thesis started with an outlook of Vietnamese market to give the readers an overview of the current working environment where the hotel is operating. The next part was some key elements about the hotel industry and the MICE industry analysis in Vietnam which set the foundation for further research. A thorough study regarding the case hotel's business situation along with its marketing mix and marketing strate-

gy with regard to MICE industry was specified on the following part. The final section is the crucial recommendations for the case hotel to exploit MICE industry for its steady growth. These concluded suggestions were generated not only through the relevant theoretical foundation and an appropriate approach but also via thorough research, analysis and a profound synthesis of gathered data.

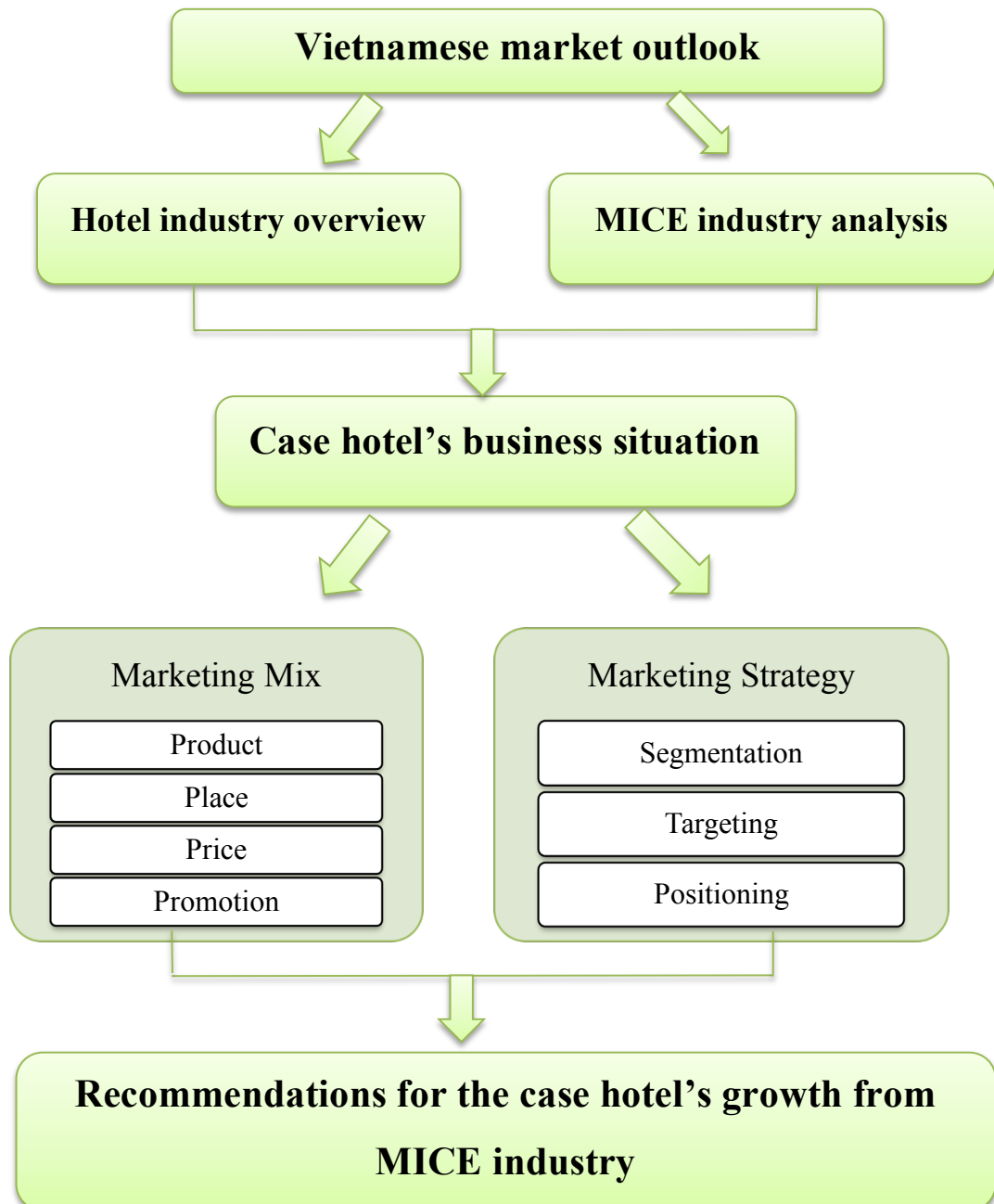


Figure 1: Conceptual framework – Research on the Marketing Strategy of the case hotel focusing on MICE industry

3 MARKETING STRATEGY

3.1 Market environment analysis

The starting point of any business strategies is the research and analysis of the market environment in which a company is operating. Macro environmental analysis is concerned with the key external elements which support the researchers to follow all the current situations and movement trends of the society. Among a large number of different ways for research, PEST method analyzing the Political, Economic, Social and Technological factors stands out as the most effective way to consider all angles of the matters that the writers aim to achieve.

Political and legal factors usually stand the first and foremost matter to be taken into consideration before producing any marketing strategies. Among an enormous number of legal regulations and government policies, what every company expects most is the unleashed competition and fair business transactions. Thus, both national and international governments produce public policies to encourage the business operation and adapt to the rapid changes of the era. In terms of political and legal analysis, the issues such as ensuring the fair trades, preserving the environment, protecting consumers from private attacks and false information are the ones that marketers should consider carefully before taking actions. (Kotler & Armstrong 2014, 107.)

International and national economic conditions must never be left out when the marketers want to carry out a new strategy. The economic scanning is comprised of different components which lead to the changes in the consumer's purchasing habits and enterprises' business plans. The economic factors are diverse ranging from economic growth, unemployment and interest rates to inflation figures, workers' annual wages and stock market trends. Based on a precise economic situation of the country, the government will make appropriate changes. For instance, a decrease in taxation will lead to an increase in customer's demand but affect the profitability and long-term economic development. By contrast, demand will plummet when taxation is raised. (Blythe 2012, 33-40 & Website of Academy 2014.)

Undoubtedly, people staying in the similar areas will bear some resemblances in their perspectives, buying patterns and personal interests. Considering the social issues influencing people's purchasing habits and preferences, analysts usually research them through these two major issues including demography and culture which will point out the society's basic values, beliefs and characteristics. In different societies, the factors about literacy, health perceptions, attitude towards products and services, lifestyles and income level are different. This requires the interaction and practical experience of marketers with certain environments to respond to them and decide the proper strategies. (McCabe 2009, 61-63.)

Today, environmental preservation issues have long been a heated topic for every human being all over the world from daily life to business activities. The ultimate goal of any business is to gain the highest level of profit at all time but this, finally, results in the over-exploration of natural resources and environmental damages such as air and water pollution, climate change and global warming effects. Therefore, the government has intervened more and more in the ecological protection and natural resources savings together with practicing the regulations about pollution problems. (Kotler & Armstrong 2014, 108-110.)

There is no doubt that technology plays a vital role in every corner of people's lives and in the human's civilization. The advancement of technology leads to a giant leap in the enterprises' operations and business performance along with creating new magnificent chances. On the contrary, the firms which are left behind in the digital era will become a loser soon in the race because their products no longer meet the customers' needs. The products such as smartphones, Internet, Facebook, credit cards and robotic surgery seem to be simple but support highly businessmen and bring about more convenience and efficiency to consumers. (Kotler & Armstrong 2014, 106.)

3.2 Marketing mix

Marketing mix including the most important elements of a sufficient marketing strategy is a helpful tool for the firms to promote their products and brands. It is usually

called 4 P's with four major factors including product, price, place and promotion. Though today 4 P's have been expanded to 7 P's, 4 P's are still the core for any marketers to figure out the most suitable marketing plan.

3.2.1 Product

According to Kotler & Armstrong (2014, 246-250), there is no short and specific definition for product but anything that can be put on sales for different purposes of usage and consumption. Meanwhile, service is normally intangible products such as hotel, transportation and cleaning services which also aim at meeting the customers' needs and desires. Both product and service exist simultaneously and support each other to bring the highest value to clients and gain profitability for the organizations.

In the past, while demand was usually higher than supply, the firms generally decided to adopt the product-driven strategy. However, the era has changed significantly to the time of customer-oriented schemes. This required today's companies to differentiate themselves by finding the ways to innovate their products, create the distinguished features and provide better customers' services rather than merely selling items and offering services. The best success of a company is to build the high brand awareness and loyalty. (Kotler & Armstrong 2014, 250-257.)

Products and services can be classified into two main categories which are consumer products and industrial products due to the kinds of consumers. Consumer products are products purchased for personal purposes by the final customers who directly use them in daily life while industrial products are the ones bought mainly for business objectives. In general, the product's quality is vital for the long-lasting existence of the firms influencing the rate of customer retention and brand loyalty. (Kotler & Armstrong 2014, 260-265.)

To overcome the competitors, the enterprises commonly strive to set them apart by a number of unique products, attractive delivery offers and impressive brand images. This differentiation can be implemented through a reasonable product strategy from stimulating ideas and evaluating them to analyzing the whole plan and officially put-

ting it into practice. The adaptation to the local preferences is essential as different regions have different culture, interests and perceptions. (Blythe 2012, 127-132.)

3.2.2 Price

There is no doubt that price always plays an important role in affecting people's purchasing decisions. The common activity of a buyer is to glance at the price tag to consider his or her purchasing capacity. However, it is not usual that customers determine to choose the cheapest products but purchase the items which can bring the highest value to them. Setting price is partly based on demand and supply of the current market but different product groups have different sensitive levels to price's up and down. Therefore, it is not an easy task for the marketers and business strategists to set the win-win price for both customers and firms. (Blythe 2012, 154-157.)

There are three main factors that have an enormous impact on the price-setting procedure which are product costs, attitude of customers towards the product's value and external factors coming from the competitors and the current market landscape. Once the price is set internally within the organization, the marketers will move to a new stage to showcase the price of products on the market. Normally, the firms tend to choose the "skimming" method which sets a high price of an item in every marketplace at the beginning of the product distribution in order to test the customers' perspectives and behaviors before making any proper changes. The companies also utilize the "second-market discounting" to set different prices in different market regions as a flexible and effective way. (Blythe 2012, 158-162.)

After a long time of consideration and evaluation, the most difficult but most important step for every business planner is to figure out the best pricing strategy for their enterprise. Although there are a large number of elements affecting pricing decisions, the pricing strategies can be categorized concisely into three major ones including cost-based pricing, customer value-based pricing and competition-based pricing scheme. If the cost-based pricing method puts the manufacturing costs and other operating costs in the first row to gain the firms' highest profit, the customer-driven pricing focuses on providing the products at the highest acceptable price for

the consumers and the competition-oriented pricing strategy cares about the competitors' pricing policies and marketing offerings. Indeed, pricing strategy is not only a matter of a company's costs, the competitors' ability and the product offerings but also relates to the different types of markets. (Kotler & Armstrong 2014, 313-320.)

3.2.3 Place

Place in marketing mix refers to the channel of distribution from which products are delivered to the final consumers. Theoretically, products are supposed to be dispatched directly from manufacturers to users but in the practical life, an item experiences many different agents to reach its buyer. Thus, "place" here might be wholesalers, retailers and other intermediaries which play a role as a product stop and help the products make a closer step to their final customers. The figure below will describe simply the distribution route in four main degrees from the most basic to the most sophisticated one with a certain number of wholesalers, retailers and middle agents. (Blythe 2012, 173-190.)

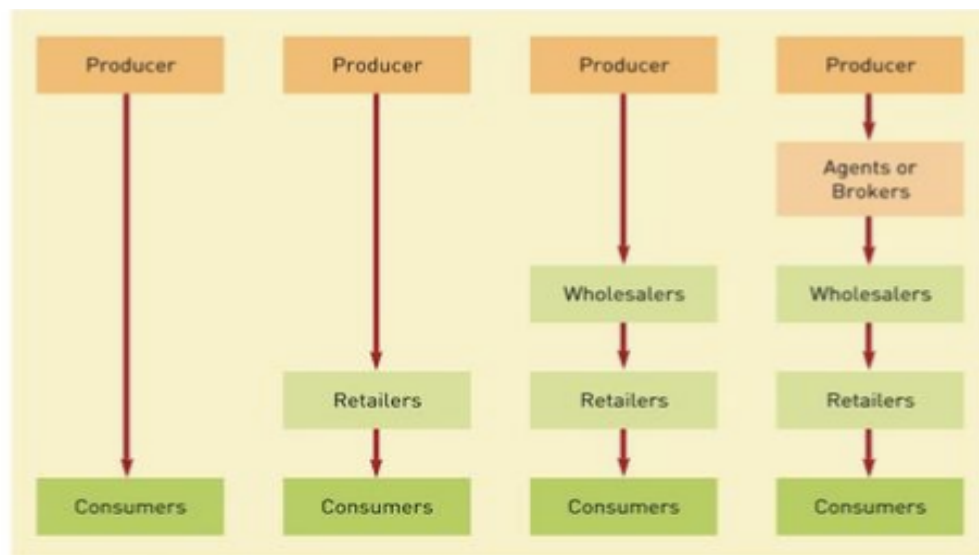


Figure 2: Channel of distribution (Blythe 2012, 175).

Each channel carries out the particular tasks and serves its part in the best way to gain the substantial benefits. Although the channels are interdependent, they still act separately aiming at obtaining the highest interests for themselves. Hence, it is essential for the firms to determine a number of their desired channels to make their distri-

bution process most effective. The aspects concerning the products' features, the customers' location, external costs and environmental influences need to be considered deeply when choosing distribution channels. (Kotler & Armstrong 2014, 363-375.)

In lieu of the traditional means of distribution with the independent operation of different agents including producers, wholesalers, retailers and other intermediaries within the delivery channel, a new era of supply chain management has emerged. This results in the higher level of cooperation among channel members and the better controlling of goods' flow along with ensuring the objectives' achievement and the improved customer services. Generally speaking, the fiercer competition is, the more incorporated attitude the partners need to share and the more flexible the operating systems need to be developed. (Kotler & Armstrong 2014, 376-388.)

3.2.4 Promotion

Without effective and feasible promotional campaigns, the existence and growth of the firms in today's fierce competition seem to be extremely difficult. The promotional tools are the ways at least to make the company's products and the company's name itself known to the consumers before attracting any further attention and interests. According to Blythe (2012), promotion mix helps transmit the messages and ideas from producers to their clients under a number of different forms. Thus, besides selecting the target group and determining the information to deliver, marketers highly pay attention to choosing the promotional tools to make their projects most successful.

The promotion mix is comprised of five main forms which are advertising, sales promotion, personal selling, public relations or PR and direct marketing. Nowadays, rather than utilizing each form separately, the corporations tend to make use of all of them in order to deliver the best messages to their clients in an effective way. This method is generally called "Integrated Marketing Communications" which turns five promotional tools into one.

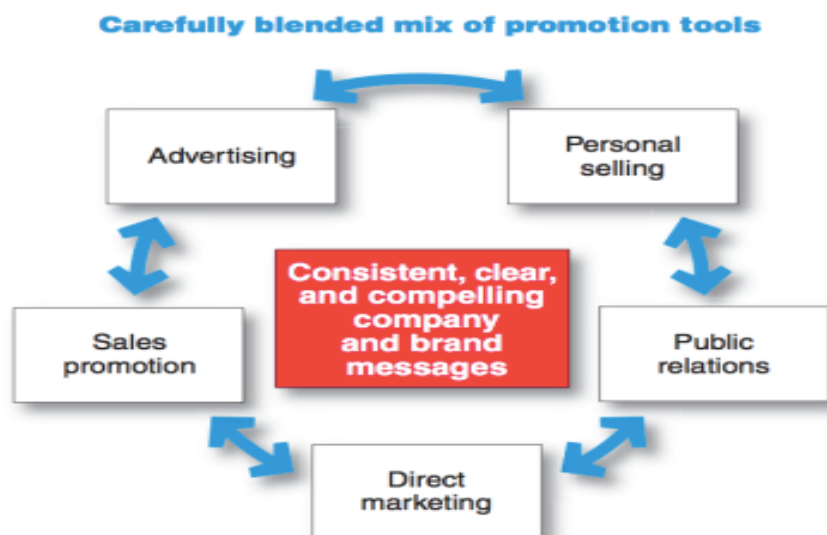


Figure 3: Integrated Marketing Communications (Kotler & Armstrong 2014, 431).

Advertising is always the first choice for any marketers when they plan to publicize their products. It is a rapid way to dispatch the messages about the products widely and boost the company's awareness in the eyes of customers. An advertisement not only promotes the company's image and introduces new products but also stimulates consumers' demand and reminds them of brands. Based on the different factors about culture, language, geography, people's preferences and lifestyles, there are several modifications in advertising contents and other attractive elements accordingly. (Kotler & Armstrong 2014, 456-572.)

In the mean time, sales promotion plays a vital role in increasing sales and arousing customers' interests at a certain point of time with some specific product categories. This helps eliminate out-of-date items in the stock and still gain little profit for the firms together with attracting a tremendous number of customers to buy their products and keeping their name inside the clients' minds. (Blythe 2012, 192.)

Managing personal selling is a difficult and expensive task for every salesman. This requires salesforce to identify the really potential target audience, persuade them to purchase the company's products and maintain these relationships sustainably by understanding the customers' needs deeply and providing the best after-sales services. (Kotler & Armstrong 2014, 484-486.)

The ultimate goal of public relations is always gaining high reputation and building a great image for the companies and organizations. The staff in public relations department are generally responsible for the sponsorship programs, press conferences and complaint handling for the purpose of maintaining the persistently favorable company's image. Once the mutual trust is created, the relationship between the enterprises and their stakeholders becomes more solid and stable, which lead to the significant advantages in the near future. (Kotler & Armstrong 2014, 472-473.)

Direct marketing shares many similar aspects with personal selling when also contacting directly with the final consumers to introduce and sell the products. However, there are some differences in the approaching manner of these two selling techniques. Direct marketing makes use of the modern digital marketing modes more while still using the conventional forms including face-to-face selling, direct-mail marketing, catalog marketing, telemarketing, kiosk and online marketing. Particularly, telemarketing that utilizes telephones to sell the products directly to the end customers is really a big leap in promotion mix. (Kotler & Armstrong 2014, 516-520.)

Online marketing – part of direct marketing is perhaps the most up-to date and effective form of today's promotional tools. The digital marketers place advertisements online and select online marketing websites more and more than ever before. Whenever internet users log into a website, the online advertisements appear and attract their attention. Simultaneously, the marketing videos and online messages are the impressive marketing ways and can be shared and sent easily from individual to individual. Online social networks such as Facebook, Twitter and Instagram play a big role in online marketing as a destination for people to socialize, exchange the information and express the opinions. (Kotler & Armstrong 2014, 525.)

3.3 Segmentation – Targeting – Positioning process

By and large, customers are always the core for the marketing field in particular and for the whole company's business development in general. However, possessing a tremendous quantity of customers is sometimes less profitable than obtaining the exactly valuable target audience, and undoubtedly, the former activity is too difficult to

carry out. Thus, a customer-driven marketing strategy becomes more and more indispensable for the enterprises during any development process. (Website of Marketing-insider 2015.)

The segmentation, targeting and positioning model, therefore, has been developed to support the marketers to figure out a proper marketing strategy. While segmentation allows marketers to evaluate the whole market and group it into smaller different segments based on their specific characteristics, targeting helps them select the most potential ones that are beneficial to their business. The next duty of the marketers is to identify the way to serve these segments and to supply suitable products to each selected segment. The graph below summarizes the principal idea of a marketing strategy in which customers' value is focused. (Kotler & Armstrong 2014, 212-213.)

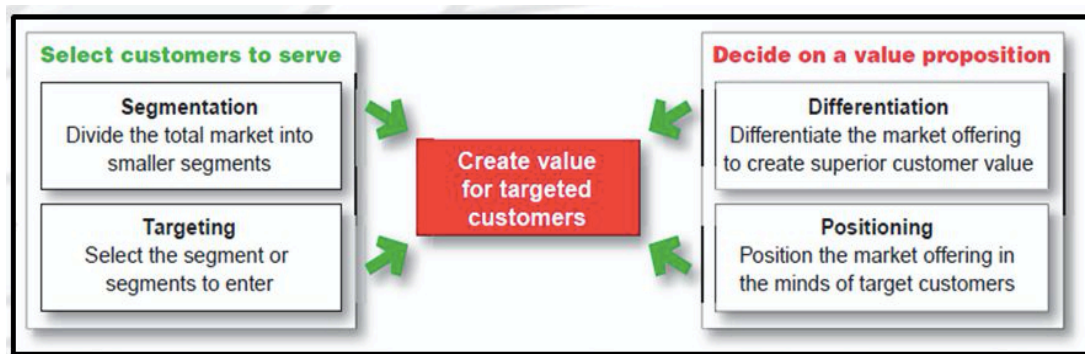


Figure 4: Designing a Customer-driven marketing strategy (Kotler & Armstrong 2014, 215).

3.3.1 Segmentation

Almost all of the companies today are aware that they cannot serve all kinds of customers because they are too broad, difficult and costly to handle. Each person has unique personal traits, behaviors, beliefs, needs and wants as well as each enterprise has distinct strengths and weaknesses. Hence, the majority of the firms in today's competitive marketplace replace mass marketing by target marketing which selects certain customer groups to satisfy. The division of the whole market into smaller segments is the first stage in creating a complete marketing strategy. (Kotler & Armstrong 2014, 215.)

In terms of customer analysis, segmentation aids the marketers to understand their customers more thoroughly so that they are able to meet their needs and desires. The companies find it less difficult to defeat their competitors within a small part of a big pie. They also produce an effective marketing strategy more easily because of the concentration on a small group of customers and understanding them deeply. Segmentation is helpful for any types of firms in preserving their resources. The big companies can spend their crucial resources for the vital projects rather than wasting them into other unprofitable segments. Similarly, the small and medium-sized enterprises can make use of their limited sources effectively on a few clients instead of scattering them to the overall market with hardly any profit. (Blythe 2012, 76-80.)

To perform the segmentation successfully, marketers set certain criteria to consider the groups of consumers. These variables can be categorized into demographic, geographic, psychographic and behavioral aspects. Due to the nature of business, the capacity of the company and the feature of products, the usefulness of each variable is different accordingly. (McCabe 2009, 149-152.)

Regarding demographic factors, analysts can put these elements on the scale which are age, gender, profession, education, income level, religion and cultural background. It is apparent that young generations tend to purchase the products different from the elder ones with different perspectives and assessment. Take mobile phones as an example, while young individuals prefer smart phones and the most advanced ones because of their features, functions and design, older people tend to select the telephones which serve their purposes best such as long battery lifespan, a wide screen and a good keyboard. (Kotler & Armstrong 2014, 216.)

Geographic factors are related to nations, regions, population density, climate and neighborhoods. In the crowded areas with extremely high population density and low infrastructure as Hanoi – the capital of Vietnam, motorbikes and bicycles are the most convenient modes of transport for the locals. Thus, the luxury car brands have to consider very carefully before determining to enter this market and sell their products. (Kotler & Armstrong 2014, 217.)

Psychographic aspects require acute observations and evaluations from the marketers and business analysts to have a clear picture of the customers they target. Social status, lifestyle and personality are the criteria which should be taken into account attentively. The introvert and extrovert people, generally, have different purchasing patterns as well as the upper, middle and lower class buy the same kind of products but at the different price. (McCabe 2009, 153.)

Behavioral components can be based on usage rate, loyalty degree, benefits and perceptions. The frequency of use on an item of a consumer will express partly his or her attitude, personal interests and buying trend. Thanks to the right judgment of these factors, the marketers will be able to generate a proper market segmentation and then a good marketing strategy. (Kotler & Armstrong 2014, 220.)

3.3.2 Targeting

Once the companies have completed the segmentation process, market targeting will be the next stage to carry out. It is the step where marketers will assess each separate segment to discover its attractiveness and development potentials and then select certain segments to access and penetrate. The best segments for the firms to aim is generally the target sector in which they gain the highest benefits. The target market is ordinarily a group of people with the similar characteristics and the same demand. Hence, the companies should concentrate on these common needs to develop their products and marketing strategy. (Blythe 2012, 84.)

The targeting process can be divided into two main parts including the evaluation of the market segments first and the selection of target segments along with the decision about targeting strategy second. The decision to choose the best segments is based on three following factors: segment size and growth, sector's structural appeal and company's set objectives and capacity. Choosing the right size segment to enter not only helps the firms make use of their resources but also avoid wasting costs and prevent overcapacity. Meanwhile, the factors regarding external market segments such as competition, power of suppliers and buyers and replacing products affect dramatically the companies' willingness to enter a sector. (Kotler & Armstrong 2014, 224-225.)

The completion of segment evaluation is followed by the quantity of segments to target. The companies will select one or several segments due to their research and the promising advantages those segments can generate. Market targeting is explicitly summarized in four major strategies which are undifferentiated (mass) marketing, differentiated (segmented) marketing, concentrated (niche) marketing and finally micro-marketing. The chart following will illustrate the basic definition and main differences among these four targeting strategies. (Blythe 2012, 85-87.)



Figure 5: Market targeting strategies (Website of Marketing-insider 2016).

Undifferentiated marketing is defined as a marketing type attempting to serve as many customers in the overall market as possible. Therefore, businessmen selecting mass marketing have to create the products which are suitable for the majority of people regardless of their dissimilarities in demographic, geographic, psychographic and behavioral factors. However, it is still a question whether they are able to produce those commodities and whether they can make profits from this marketing method while there are too diverse kinds of people on earth and many specialized companies in some sectors. (Kotler & Armstrong 2014, 226.)

Targeting some certain segments and concentrating on offering the most suitable products to each separate segment is the aim of differentiated marketing. This method is more feasible, profitable and easier to conduct so it usually becomes the first choice for any marketers. The benefits this method brings are normally higher sales and a stronger position for the companies. Nevertheless, strategists should consider

some possible drawbacks such as high costs from research and development investment and from customized production. (Kotler & Armstrong 2014, 227.)

In addition, concentrated marketing also focuses on one or several small segments but only pays attention to the unique offerings to these target segments based on the distinct customers' needs. This means that this strategy is aimed at offering the most special items to the individuals who are very likely to purchase them. With this strategy, the firms find it easier to be a big player in the market, to identify potential consumers and provide better solutions. The most important matter for the enterprises when choosing this targeting strategy is to find out the niches that are really special but lack attention from competitors and sometimes even clients. (Kotler & Armstrong 2014, 228.)

Another targeting strategy is called "Micromarketing" which emphasizes on the extremely small of the market and one part of a segment. This method targets only the most profitable customers by means of local and individual marketing. Micromarketing requires salesforce and marketers to find out the most precious customers along with their needs and wants so that they manage to satisfy these valuable individuals at the highest level. (Kotler & Armstrong 2014, 229.)

According to Kotler & Armstrong (2014), there are five main factors having an impact on final decision of the firms regarding the targeting strategy. These aspects are company's resources, level of product diversity, product lifespan, market volatility and competitors' marketing schemes. The right strategy is only produced from a profound research and analysis of the market and company situation at that point.

3.3.3 Positioning

If the segmentation is the starting point of distinguishing each slice of the market pie, targeting is to evaluate the separated segments, select the best sectors and determine a right targeting strategy. Once the different categories of products are generated, positioning will answer the question how to allocate goods in the most efficient and

profitable way. In other words, positioning is the step to put the right commodities at the right place. (Kotler & Armstrong 2014, 232.)

To select and implement a good positioning strategy, it is vital for the marketers to identify the special points and competitive advantages through the firms' product, service, distribution channel, workforce and reputation. This advantage might stem from the innovation of product, better after-sales services, faster delivery in distribution system and good well-beings towards employees. The firms know how to make use of these competitive advantages are the ones occupying a better position. (Blythe 2012, 76.)

The following graph will illustrate five basic value positions which will guideline an overall positioning strategy of a company. They consist of “more for more”, “more for the same”, “more for less”, “the same for less” and “less for much less” method.

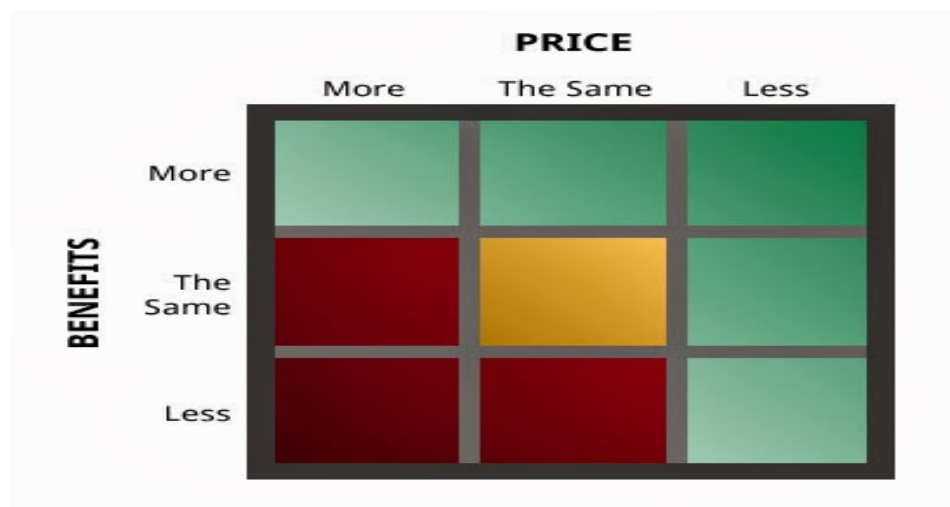


Figure 6: Possible value positions (Kotler & Armstrong 2014, 237)

The “more for more” way is aimed at selling products with a higher price to compensate the high costs. The more expensive items are; the higher quality they tend to have. Therefore, these products not only bring the guaranteed feeling to customers but also show off their social status. In the meantime, “more for the same” method seems more attractive to clients because companies choosing this strategy provide the customers with more benefits but keep the price unchanged. (Kotler & Armstrong 2014, 237.)

The most appealing proposition is clearly “more for less”. Nobody will refuse a product with higher quality but at a lower price. This is a desire for every client but an almost impossible mission for the firms. Another method is “the same for less” which offers the products with the similar quality and other equally additional services at a cheaper price compared with other companies on the market. The final one is “less for much less” model. This value position means less benefits offered but lower prices required. Price affects strongly customers’ buying decisions so the cheapest products might be the best-selling items. (Kotler & Armstrong 2014, 238.)

In short, it is essential for the companies to select the right competitive advantages to promote, have a good communication plan to deliver the selected positions and carry out the best positioning strategy. If segmentation is the first step to approach to the success of any corporations and targeting is a vital element in between, positioning is the final determinant for this successful journey.

4 VIETNAMESE ECONOMY AND HAIPHONG MARKET ANALYSIS

Vietnam or Socialist Republic of Vietnam is ruled by a single party called Communist party. The country is located in the Southeast Asia sharing the border lines with China, Laos and Cambodia. Vietnam now has 92 million people with a high density and uses Vietnamese Dong as an official currency for any trade transactions and daily deals. Vietnamese economy has experienced a dramatic change since the government determined to adopt the open market economy. Even though the government still executes the tight control over the business and social activities, democracy level has soared hundreds of times compared to the one in 1990s. (Website of CIA The world fact book 2016.)

Haiphong City, often called Harbor City or the city of red flamboyant, is situated in the North East of Vietnam around 120 km far from Hanoi capital. It has a convenient position for transportation both nationally and internationally via road, railway, sea

routes and air network. Generally, Haiphong ranks the third important and largest city of Vietnam based on the factors from population and areas to economic development and defense importance. (Official website of Haiphong City 2016.)



Picture 1: Haiphong City Map (Website of Wired Destinations)

4.1 Political analysis

Vietnam is communist single-party state and adopts the civil law system controlled totally by the National Assembly. The country's legal powers are in the hand of one supreme body and then passed on to lower authorities. In Vietnam, president is the head of state and prime minister is the head of government. Thus, even though the president of Vietnam is responsible for producing the guiding strategies for the country, in practice, his power is in name only and prime minister is the most powerful leader. (Official website of Vietnamese Government 2016.)

The Renovation "Doi Moi" in 1986 has marked a completely economic reform of Vietnam and led to other significant changes in political issues, especially the policies to open the economy and promote privately-owned enterprises. Becoming a member of World Trade Organization since 2007 helps bring more foreign investment to business sectors in Vietnam. However, Vietnamese people and the corporates operating in Vietnam have suffered from the limits on free speech and interference to political decisions. (Website of CIA The world fact book 2016.)

Regarding Haiphong City, the highest power in this city belongs to one person called Party Secretary and Peoples' Committee Chairman who will then delegate the duties and power to the lower body. The policies and decisions of the city follow tightly all the short-term and long-term strategies of the nation with the aim of bringing a better life for citizens and building a stronger economy. A new Chairman of Haiphong City elected in 2016 is expected to make the breakthroughs for the local economy and achieve more promising results. (Official website of Vietnamese Government 2016.)

4.2 Economic analysis

Vietnam has pursued a market-oriented economy and boosted highly its exportation industries. According to the General Statistics Office of Vietnam, the gross domestic product (GDP) growth of Vietnam was at 6% in 2014 followed by 6,7% in 2015 and experts still estimate that this circumstance will continue in the following years due to a strong exportation growth. In terms of each sector in the economy, Vietnam has turned from the agriculture-centered to industries and services-driven economy with around 44% occupied by services, 38% by industries and only 18% by agriculture. (General Statistics Office of Vietnam 2015.)

The stability of exchange rate and a decrease in inflation rate have highlighted the appeal of Vietnam's economy in the eyes of the investors. This was shown through 15,6 billion of Foreign Direct Investment (FDI) which Vietnam received in 2014 from the developed countries such as Korea, Japan and Hong Kong. Vietnam is full of opportunities for the companies which aim to seek low manufacturing costs and obtain the customers with high purchasing capacities. Meanwhile, the poverty rate in Vietnam has seen a bright future with a steady decline year by year and the residents have had more chances to get a good job in this competitive labor market. (Website of CIA The world fact book 2016.)

The strengths of Vietnamese economy can be easily recognized including an increasing competitiveness, poverty level downturn, potential opportunities for investors and sizeable workforce. Nevertheless, the weaknesses are unavoidable. The operating companies usually find it difficult to gain adequate financial resources and meet

all administrative requirements. Vietnamese economy is still faced with low-productive levels across sectors, little investment in innovation and poor information technology application. Therefore, the government has been trying to restructure the economy, simplify the administrative processes, stabilize its banking system and encourage the domestic enterprises at most. (Website of Global EDGE 2016.)

Following the same economic situation of the nation, Haiphong City during a period of ten years has witnessed a steady growth of GDP index up to 8,7% in 2015. Haiphong City has long been one of the leading business centers of Vietnam. The essential industries there are composed of food processing, textiles, ship building and cement. Besides, both fishing field and rice crop account for large parts in the agriculture area of Haiphong. As regards tourism sector, Haiphong possesses the beautiful natural landscapes and provides a good combination of working, relaxing and traveling. (Official website of Haiphong City 2016.)

4.3 Social analysis

While many developed countries are faced with the aging population such as Japan, Germany and Italy, Vietnam is becoming an attractive place with a pool of young citizens. The total number of Vietnamese residents at the working age reached 54 million people in 2014 with a low unemployment rate of 2%. Even though employees' wages are relatively low in Vietnam, the cost of living there is low accordingly so this income is still sufficient for their lives. However, media sector remains a big weakness in Vietnamese community due to the heavy control and interference from the government and politicians. (Website of Global EDGE 2016.)

Vietnamese is an official language of Vietnam which is spoken by around 90 million people throughout the nation. In terms of education, Vietnam has invested in schools more than any other countries at the same level of development. Thus, the national literacy rate is increasing annually and Vietnamese students stand the high position as their peer in developed nations regardless of the charged tuition fee. This all leads to a proficient workforce for Vietnam. (Website of Vietnamese Government.)

According to the research and analysis about cultural dimensions of professor Hofstede, Vietnamese people are subject to a high hierarchical system and accept being delegated to conduct the tasks. Similarly, Vietnamese prefer living in a group to staying individually and tend to maintain as many harmonious relationships as possible. Keeping the face for the other and reaching the consensus in every matter is the ultimate goal of Vietnamese society. People are quite practical for their future and trust more in intellectual evaluations than subjective feelings. Generally, Vietnamese citizens respect the laws, value the traditions and promote the solidarity. (Website of Hofstede 2016.)

Turning to the unique traits of Haiphong's society, the locals there share the common characteristics of the land of wind and waves. They are out-spoken, friendly, energetic and open to new issues. Haiphong's residents are in favor of the integration and cultural beauties from different lands all over the world. Education development and high investment in information technology field are the key priorities for the local officials. Indeed, a good society of Haiphong City has been a solid base for its entire growth in the future. (Official website of Haiphong City 2016.)

4.4 Technological analysis

In reality, technology and innovation capabilities in Vietnam are relatively weak but the constantly rapid technological improvement in Vietnamese community should be highly appreciated. The data indicated that Vietnam has had 32% of households connected to the Internet compared to less than 2% in 2005 according to Vietnam's Ministry of Information and Communications in 2015. The following chart will illustrate in details the quantity of Vietnamese's internet users since 2014 along with the expected number in the consecutive years. From 47,5 million people in 2014, internet users have totaled to 57,8 million and will increase rapidly throughout the years. The number of smartphone users shares a same result with a tremendous figure from 12,4 million in 2013 to 24,6 in 2016 and it is anticipated to escalate ceaselessly. (Website of Computer weekly 2016 and Website of Statistica 2015.)

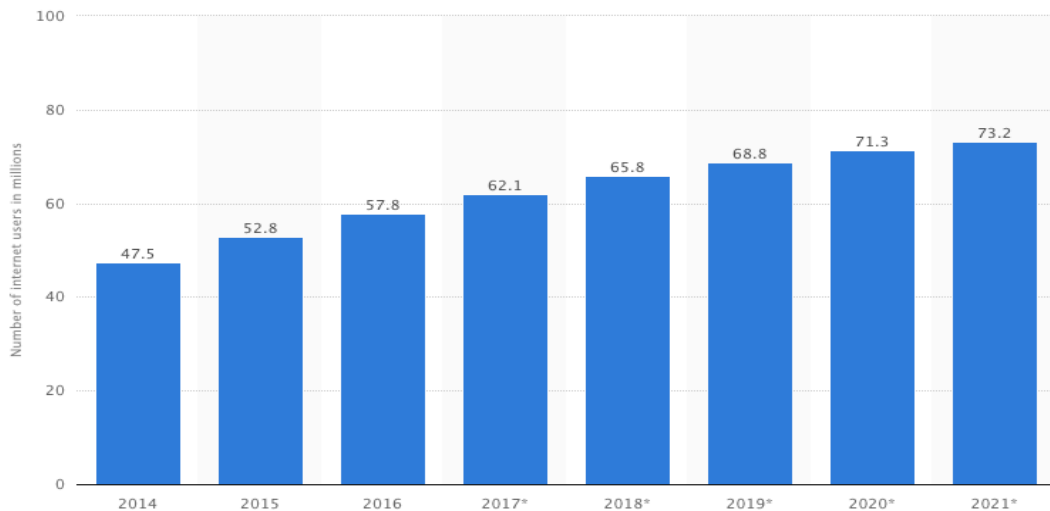


Figure 7: Number of internet users in Vietnam projected during a period from 2014 to 2021 (Website of Statista 2015).

Understanding the importance of information technology towards the economic and social development, Vietnamese government has invested an enormous amount of money in this field for the domestic enterprises and at the same time, welcomed all the foreign technological companies to exploit Vietnamese market. Likewise, Haiphong has created enormous benefits for the firms in the field of computer and system management. The target of Haiphong city in 2020 is to become one of the top cities in the region about advancing and applying information technology and internet system into operations. (Website of World bank 2014 & Official website of Haiphong City 2016.)

5 HOTEL INDUSTRY'S OUTLOOK AND MICE INDUSTRY'S ANALYSIS IN VIETNAM

5.1 Overview of the hotel industry in Vietnam

Thanks to the favor from Mother Nature, Vietnam has possessed a variety of beautiful beaches, islands, caves and other unique landscapes. These natural beauties not only make Vietnam become one of the top destinations in Asia for global tourists but also contribute highly to Vietnamese tourism industry in particular and to domestic

economy in general. It is clear that the higher number of tourists are, the higher demand of accommodations will be. Seizing this opportunity, Vietnamese government has invested strongly in its infrastructure development and the hotel industry. (Website of Jones Lang LaSalle Vietnam 2015.)

According to Vietnam National Administration of Tourism, in 2014, Vietnam welcomed nearly eight million international visitors and had around 1400 new rooms across all types of lodgings. The number of high-end hotels and resorts including mainly four and five star has increased dramatically in Vietnam, especially the internationally branded hotels such as Intercontinental, Hilton, JW Marriot and Mercure. The table below will illustrate the statistics over a period of seven years regarding Vietnamese hotel industry.

Year	2009	2010	2011	2012	2014	2015
No. of establishments	11 467	12 352	13 756	15 381	16 000	18 800
Growth rate	10,2%	7,7%	11,4%	11,8%	4%	17,5%
No. of rooms	216 675	237 111	256 739	277 661	332 000	355 000
Average room occupancy rate	56,9%	58,3%	59,7%	58,8%	60,7%	61%

Table 1: Number of tourism accommodation establishments during a period of 2009 to 2015 (Website of Vietnam National Administration of Tourism 2016).

Concerning the revenues and expenses of the hotels, they originate principally from room sales, food and beverages services and other products such as banquet, spa and conference sales. Among them, room sales still played the most important role with 57% of total sales, food and beverages accounted for 33% and others with 10%. In 2014, independent tourists and tour groups were the major source for the hotels and resorts in Vietnam with 35,3% and 26,3% respectively. The business travelers, meanwhile, contributed to 18,8% of total arrivals and witnessed a remarkable increase of 27,9% in 2014. Both international and national tourists in Vietnam were in favor of making the reservations through travel agents and tour operators with the

percentage up to 48%, followed by direct booking with 28% and internet reservations with 17%. (Website of Grant Thornton Vietnam 2015.)

Overall, the operating situation of the hotels in the Central and Highlands of Vietnam has been stable with the high growth rate while the hotels in the North and the South have experienced a tough period to attract the customers. This can be explained by a number of newly-built hotels and resorts along with the exploration of new appealing landscapes and geographical advantages in the center of Vietnam. A majority of hotels and resorts in Vietnam's Central and Highlands region are able to offer deluxe lodgings equipped by luxurious facilities with beach views and close proximity to nice mountains. Therefore, associated with the improvement in infrastructure and high investment in tourism marketing, the high growth rate of hotel industry in Vietnam is beyond questions. (Website of Savills Vietnam 2015.)

Briefly, the potentials of the lodging industry in Vietnam are visible but this promising sector also requires more attention from the national and local governments. In addition to developing and upgrading infrastructure across the nation, the authorities should concentrate on training skillful labor force and enacting the legal regulations which encourage more foreign tourists to select Vietnam as an ideal destination. With the advantages by nature and the efforts by human, the development of tourism and hotel industry is within the reach of Vietnamese residents.

5.2 MICE industry in Vietnam

5.2.1 General knowledge about MICE industry

The core knowledge of this thesis is related directly to MICE industry so understanding what MICE industry really means and covers is the vital starting point for both the author and the readers. In short, MICE industry which stands for Meetings, Incentives, Conferences and Exhibitions is an essential part of business tourism combining business travel and tourism at one time. This industry should be distinguished from leisure tourism that aims at personal relaxation as well as meetings or events industry which refer to normal meeting or event organization. The customers of this

industry do not concentrate on tourism only but conduct a list of busy activities during a short trip. Therefore, they spend high expenditures on accommodation, food and beverages services and other entertainment activities but also set high requirements for the quality of service and the perfect arrangement of their schedules.

Meeting is where a certain number of people participating in a discussion or information exchange and conference is where workshops and training sessions occur. For the important meetings and conferences with special purposes, most organizers look for the unique programs such as team-building and leisure travel. These activities are a component of MICE industry. Similarly, incentive travels are regarded as a reward for the companies' employees or customers to enjoy a short trip together but profoundly, to tighten the relationships and increase the profit. Exhibitions are expressed through the presentations about products and services towards a specific group of audiences with the aim of selling products. Thus, an exhibition along with a sightseeing tour will make a greater impression on the customers and help increase products' sales. (Website of Thailand Convention and Exhibition bureau 2015.)

Nowadays, MICE industry is no longer a new topic with tourists and tourism operators and it is considered promising at present and in the future. Despite the economic crisis since 2009, the industry has kept its position, made a notable recovery and witnessed a slight growth from the corporate meetings, international association conferences and global exhibitions. It is clear that the future of MICE industry will be more guaranteed if the global economy is more stable, service providers are more professional and associations have clearer strategies for their activities. (Website of Thailand Convention and Exhibition bureau 2015.)

By and large, the strong influences of MICE industry on the global economy and community are worth mentioning. The following graph will summarize the pros and cons of MICE industry to human world.

Positive Impact	Negative Impact
Direct Contribution	Environmental impact
Direct Revenue	Pollution and greenhouse gases emission
Seasonality control and employment	Waste from events
Indirect Contribution	Biodiversity
Foreign Direct Investment (FDI)	
Spurring of technology and innovation	
New idea, knowledge and insight	
Local business climate	

Figure 8: The positive and negative impacts of MICE industry on the economy and society (Website of Thailand Convention and Exhibition Bureau 2015).

The benefits of MICE industry can be pointed out through increasing the revenues for the tourism and hospitality industry, creating more jobs and avoiding the overcapacity at peak time of tourism because MICE activities usually occur during the off-season. Besides, the accompanying gains from higher foreign direct investment, technology and innovation advancement and local business development thanks to MICE industry are significant. However, the harms caused by MICE clients to the environment are visible, which include higher pollution, biodiversity loss and huge amount of waste after each event. In general, the pros outweigh the cons but the officials should pay more attention to solving the existing problems so that MICE industry can develop entirely without doing any harm to the community. (Website of Thailand Convention and Exhibition bureau 2015.)

Unlike many other sectors in which the service providers are able to reach their final customers by some means, MICE industry cannot operate without the intermediaries such as travel agents and tour operators. They are not only channels bringing in the service providers and the end clients under one roof but also take responsibility for planning, organizing and managing the whole business travel programs from choosing the event venue and lodging establishments to deciding means of transportation and other services. Therefore, there are four major factors for both the organizers and

MICE customers to consider when planning a MICE trip, which are destinations, service providers, event venues and transportation modes.

The proper selection about destination, service provider, event venue and types of transportation is the key resulting in the ultimate success within MICE industry. The destination of an event is normally fixed by the organization board but travel places are a question for the organizers and the intermediaries to discover. Besides, the places for entertainment activities and relaxation are essential for MICE customers to enjoy their free time as well as to get to know better their new travel destination. (Website of Thailand Convention and Exhibition bureau 2015.)

The most vital service providers of MICE industry are, undoubtedly, the hotels and resorts which offer accommodation and the catering companies which provide food and beverages for customers during their trip. These are two principal needs and requirements of any person to survive on the one hand and to enjoy their own life on the other hand. With up-scale MICE customers, these two elements also need to have an equal value to the payment they have spent. In addition, the insurance, logistics, security agents and even commercial banks are essential providers to support MICE industry. In the big and important MICE events, the organizers and the intermediaries really need help from the general service contractors which are in charge of floor planning, booths preparation, transportation arrangements and even human resources to work on-site. (Website of Thailand Convention and Exhibition bureau 2015.)

Meanwhile, event venue is divided into two main groups including convention centers and hotels and resorts. Due to the nature of MICE industry, meetings, conferences and exhibitions are the top priority and the key purpose of MICE customers. Thus, selecting the best event venue is the highest success of a MICE event. Depending on the event schedules, activities, quantity of participants and financial budget, the organizer will determine their most suitable venue at that time.

In terms of transportation modes, MICE customers can choose any logistics type they are in favor most but still ensure the convenience, punctuality and low costs. They might be air routes if the destination is far away from the customer's place, sea lines between two neighboring countries or rail and road way from city to city. Indeed, the

operation of MICE industry is based on the smooth running of different associations for a shared goal of providing the best services for the upscale customers.

5.2.2 Analysis of MICE industry in Vietnam

Having appeared in Vietnam since 1990s, MICE industry has shown its high potentiality. With the advantages from natural conditions, easily-integrated society and favorable tourism environment, Vietnam has been considered as a leading destination for MICE customers in the Southeast Asia. A long coastline from the North to the South along with the mountain ranges downward from the West to the East create a good condition for building big hotels and resorts for MICE industry. In addition, people ranging from individual tourists to national leaders can enjoy a peaceful, friendly and secure environment throughout their trip, which is becoming more and more important in this era of terror attack threats. Thus, compared to the results at the same period in 2014, MICE industry in 2015 has increased by 15% with domestic guests and 20 to 25% with international guests. (Anh 2015.)

Year over year, the cities including Ho Chi Minh, Hanoi, Danang and Nha Trang City stood out as the top destinations for MICE industry within Vietnam. Specially, Hanoi has been chosen to organize many big events of regional and international area such as APEC conference in 2006, the 18th Women's summit and ASEAN summit in 2010. There is no doubt that the development of MICE industry is really beneficial to the overall Vietnamese economy as it attracts a huge amount of investment from big overseas investors. Moreover, high revenues earned from MICE industry contribute to the total domestic economy's earnings, meanwhile, a large number of MICE guests with high purchasing power also lead to the growth for other service industries such as food and beverages, entertainment, aviation and hospitality. (Ha 2014.)

Under an objective evaluation, although MICE industry in Vietnam has many advantages and opportunities to grow in the near future, there are still several weak points and challenges left to take into account. The strengths for MICE industry's growth in Vietnam were mentioned above as Vietnam possesses an important inter-

national gate, a beautiful long coastline, an enormous number of attractions, unique culture and traditions as well as stable politics and high-level national security.

On the contrary, the low-quality infrastructure, a lack of proper facilities and the inconsistent prices between corporations have discouraged MICE customers to select Vietnam as their ideal destination. This can be easily recognized through the statistics of the hotels' guests based on their purpose of stay. Whilst the individual tourists, tour groups and business travelers account for nearly 85% of total guests staying at the hotels and resorts, the number for MICE participants is approximately 6%. This really requires an immediate attention and action from Vietnamese officials to avoid wasting this invaluable industry. (Website of Vietnam Tourism.)

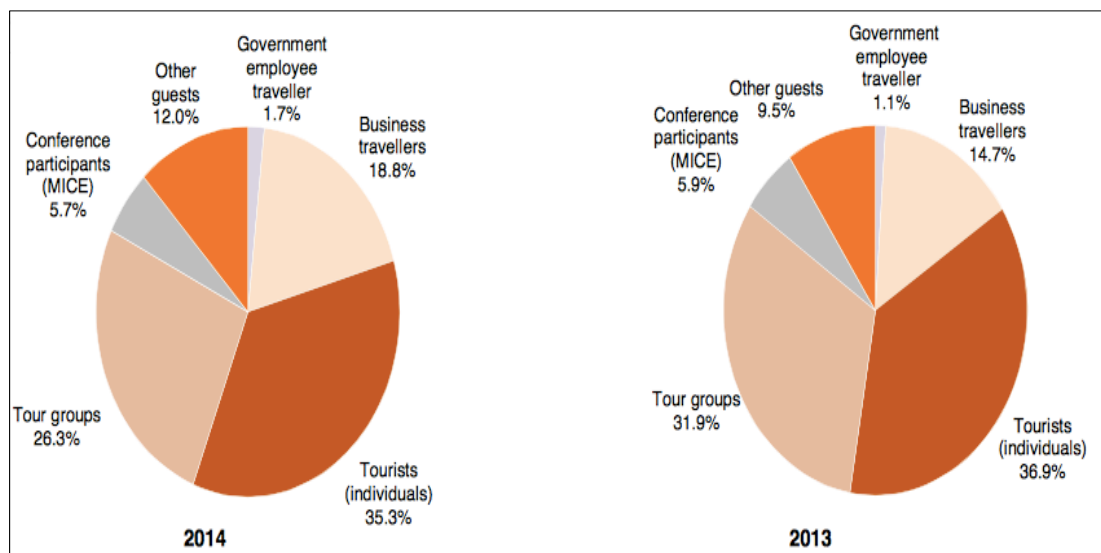


Figure 9: 'Purpose of stay' of customers at hotels and resorts in Vietnam between 2013 and 2014 (Website of Vietnam National Administration of Tourism 2015).

The recommendations for MICE industry have been figured out and concluded into four main aspects. The first and foremost solution is to invest highly in developing and upgrading the infrastructure in Vietnam, which ranges from hotels and resorts and transportation system to roads and bridges and power supplies. The second essential element is to have a skillful and professional human resource in order to provide high quality of service to the upscale customers of MICE industry. The tight connection among tourism operators, hospitality providers, aviation firms, event centers and local government is the next suggestion to support, manage and promote

MICE industry in the long run. Finally, Vietnamese authorities should produce a long-term strategy for marketing Vietnam's tourism and providing support for its development; thereby enhancing MICE segment to grow significantly. (Linh 2016.)

5.3 Porter's Five Forces Analysis concerning MICE industry in Vietnam

To overview the competitiveness and attraction of MICE industry in Vietnam, Porter's five forces model emerges as the most helpful tool to be utilized. This model is composed of the five macro-factors that have a direct impact on the industry's general operation including the abilities to gain profits, competences to satisfy the customers' expectations and the capabilities to compete with the fierce competitors in the overall marketplace. The firms adopt Porter's five forces analysis to find its position in the industry so as to figure out its strategy for existence and development. The chart below will be a foundation to analyze these components.

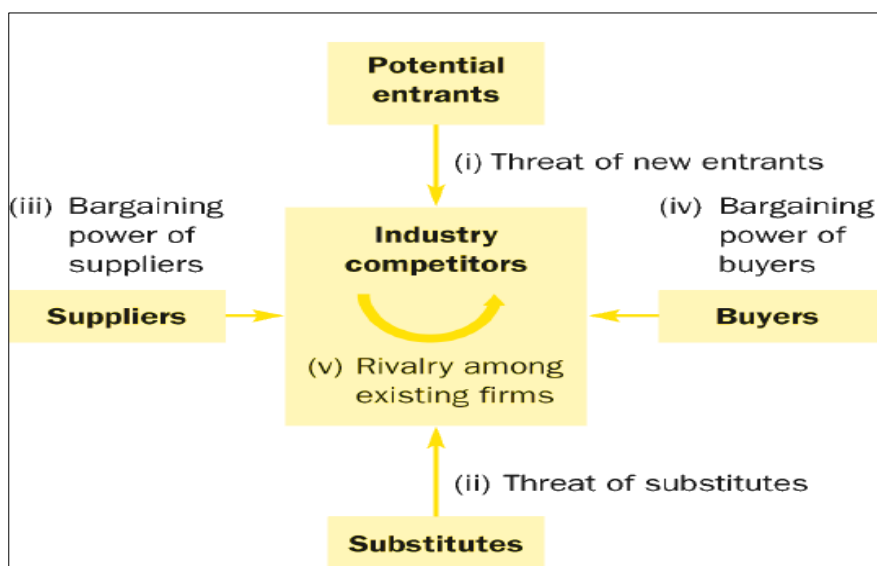


Figure 10: Porter's five forces model (Hollensen 2013, 102).

Threat of new entrants

New entrants are always the big threats for the existing firms in the marketplace. It not only brings about the higher competitiveness level for the enterprises on the market but also will occupy part of market shares of the current companies and decrease their expected profits. Hence, the barriers to entry have been established to prevent this circumstance and the existing firms strive to raise barriers as high as possible.

Clearly, the profitable market will become less appealing or too difficult for new rivals to make a footstep. The key elements influencing the entry decisions consist of economies of scale, product's uniqueness, capital resources, access to distribution channels and legislative intervention. (Hollensen 2013, 109.)

In Vietnam, the legal regulations are quite favorable and the capital requirement is rather low for new travel agents, tourism operators and even event centers. In addition, MICE industry in Vietnam has been undergone the path of exploration so there is much room left for new enterprises to develop and overcome the former organizations. The presence and expansion of the Internet also make it easier for new competitors to approach to the potential clients and help reduce their operating costs.

However, one factor which needs considering carefully by new entrants is that MICE industry requires a completely professional service offer. This can be only formed from a broad relationship network with other associates and a skillful and well-trained workforce. Some outstanding companies in the MICE industry in Vietnam are Saigontourists, Vietravel, Hanoitourist and Fiditour. Therefore, the highest barriers here would be expertise and reputation. In general, the degree of potential entrants to MICE industry in Vietnam is upper medium to rather high, especially for limited tour operators.

Threat of substitutes

Substitutes are the alternatives for original products which provide the customers with more purchasing options and more reasonable products' price. In the meantime, the competitors will make use of the substitutes to enter a new market segment and occupy more market shares in the marketplace. Concerning the firms offering the existing products, it is necessary for them to create distinctive product's features and build up a strong brand along with selling items at a price matched with perceived customer value. In terms of the companies with substitutes, they have to consider the switching costs thoroughly to avoid wasting time and efforts with this alternative product as well as ensure no possible disruption for the normal operations. (Hollensen 2013, 109.)

As specified above, MICE industry offers a package of products from transportation, accommodation and event venues to tourism attractions, food and beverages services and other entertainment activities. Thus, if the customers feel dissatisfied with the planned programs or offered prices, they can choose participating in the conferences and travelling around separately. For example, the customers can arrange the event's schedules by themselves and then spend a couple of days for leisure travel afterwards. The information regarding modes of transportation, tourism attractions and restaurants are diverse so they do not face many difficulties in planning a personal leisure trip. In case of important events such as summit conferences or training sessions, the participants, normally, cannot carry out a different schedule so the alternative choice is now infeasible. Therefore, the threat of substitute in Vietnam's MICE industry is evaluated at medium level.

Bargaining power of buyers

Customers are the core factor for any business firms in the marketplace. Without the customer's appearance, the existence of the enterprise seems to be meaningless and impossible. Hence, the buyers always have a certain degree of power to affect an industry and the companies strive to lower this power by increasing the number of clients they serve with unique and highly-valued products. There are also several aspects for the firms to evaluate their product's position and figure out their business strategy. These aspects are the degree of product's standardization, the importance of items to the buyers, the number of suppliers and sellers as well as the selling prices. (Hollensen 2013, 108.)

Due to the nature of MICE industry, the power of customers remains high. The MICE's clients are usually the high-class customers and willing to spend a lot of money to enjoy their trip. Therefore, the higher money customers pay and the higher revenues the organizations earn, the higher quality of service must be provided. There is no choice for MICE providers but to satisfy all the customers' schedules and even provide the special programs if required.

Bargaining power of suppliers

Every firm on the market maintains the relationship with a specific quantity of suppliers to support their operations. For instance, the car manufacturers need the spare-

parts suppliers, the shoe-makers need the supply of fabric materials and the restaurants need the fresh food for their dishes. Depending on each enterprise' business situation, the number of suppliers is different but they all try to obtain the lowest costs of raw materials and components in order to gain a higher profit. The advantages of the suppliers are considerable when the items they provide are differentiated and when supply is controlled and distributed by few suppliers. Meanwhile, the companies decline the supplier's power by searching for new supply resources. (Hollensen 2013, 108.)

As regards MICE industry, the venue, transportation and accommodation providers are various. There are many convention centers, hotels and resorts for selection with varying prices in most cities in Vietnam. Basically, the hotels and resorts are interested in obtaining this deal because of the high revenues and the potentially long-term relationship so some organizations are willing to offer lower prices. Nevertheless, "like money like quality", some reputational firms choose to provide the compatible quality rather than pursuing the 'price war'. Indeed, the power level of supplier is rather medium.

Rivalry among existing firms

The competitiveness degree is based on the factors related to the industry's growth rate, product differentiation, switching costs and the height of exit barrier. An attractive and profitable market is undoubtedly faced with a fierce rivalry among the operating companies in the marketplace as well as a new potential market will be torn apart by a pool of the firms. Hence, the rivalry among existing enterprises is inevitable in any industry but the companies have to both maintain its position and protect the industry's stability from short-term profits. (Hollensen 2013, 107.)

According to Vietnam national administration of tourism, the number of travel agents and tourism operators currently operating in Vietnam is over 1500 firms. This figure can infer that there are a large number of MICE providers across all categories from small regional agents to big international corporations throughout Vietnam. Although MICE industry is a good sector to exploit and develop but the firms should prepare themselves with thorough market research, an effective marketing plan and a reasonable price strategy to fight against fierce competition. Clearly, the rivalry level

among existing enterprises of MICE industry in Vietnam at this time is quite high but it shares the common opportunities and challenges for every firm. Therefore, targeting suitable segments and serving those customers at its best are the priority for the companies which want to have a long path with MICE industry in Vietnam.

6 RESEARCH METHODOLOGY

6.1 Qualitative research

Qualitative research is based on the qualitative data which cannot be counted but referred from the documents researched. Qualitative research methodology is normally represented in the form of interviews, observations and experiments to discover the issues and handle the targeted problems. While quantitative method utilizes numbers and statistics as sources to develop the ideas, qualitative research is based on words and conceptualization to show the aimed contents. Hence, the process of qualitative research requires an in-depth analysis. (Saunders & Lewis 2006, 470-475 & Website of Family Health International.)

A drawback of qualitative research methodology is a huge amount of information which expects students to shorten, get a gist from that and then identify main messages to deliver. However, the advantages outweigh the downside since writers obtain the valuable information from “human side” of the matters. Rather than focusing on analyzing the figures and numbers, this method allows researchers to dig deeply in people’s habits, behaviors, perceptions and other sophisticated feelings. (Adams 2007, 155-161.)

Due to the nature of this thesis which requires a tremendous amount of information through interviews, customers’ feedbacks and clients’ behaviors, qualitative method is the most suitable one. This research methodology reaches the deepest level of the issues which numeric method sometimes cannot do. Above all, it helps the author interpret and understand the data sources and the collected information more easily and more deeply.

6.2 Data collection and data analysis

There are two principal methods of gathering information: the one is primary and the other is secondary data collection. The difference between these two methods is the technique and data approach each method utilizes. While the primary procedure collects the information from direct occasions, the secondary data collection reaches its goal through the reliable and valuable research papers. (Adams 2007, 107-112.)

Primary data collection is the best choice to gain special and private information from the target subjects; however, not all the time can the researchers carry out this method because of its high expenditure, the space and time obstacles. The modes of primary information gathering are composed of the observations, the interviews and the surveys. Surveys are usually represented as a list of questions and responses like the questionnaires whilst interviews can be unstructured, structured, semi-structured, individual or in group.

Secondary data collection is through books and internet which have been researched and analyzed officially from the reliable scholars. This way makes it easier for students, researchers and even specialists to explore and utilize the information together with verifying its authenticity. Nevertheless, it also requires the high patience and consciousness from the researchers to select the relevant and reliable information among an ocean of knowledge and a bundle of the available research papers.

To gather an adequate amount of relevant and essential information for this thesis, the author utilized both primary and secondary data collection methods. For the theoretical parts, secondary data collection method played the most important role. The writer tried to use the academic books which were available in her university's library as the main source for this section. However, the published books concerning Vietnam's business situation and MICE industry were too little so she had to depend on the most reliable and up-to-date sources on the Internet to support the theoretical parts of her thesis. Specially, the author paid highly attention to citing the references about the origin of information which were concluded from the authorized books, internet websites and newspaper articles she utilized.

In the meantime, the gathered information of the empirical parts was mostly based on the primary data collection method. The information with regard to the case hotel's marketing strategy, business situation and future orientation has not been released to the public so the author asked for these data in privacy through the internal documents provided or the individual conversations. In addition, being part of the organization was a precious opportunity for the author to both conduct the interviews and observe the organizations' operation. This "participation observation" together with practical experience within the host organization was the most useful tool for the writer to complete this thesis.

More importantly, the author had a golden chance to conduct a structured group interview to gain more detailed information for the thesis's empirical part. The interviewees including the general manager, executive assistant manager, sales and marketing manager and restaurant manager participated in this private interview. They were invited for this interview due to their direct connection to the hotel's business orientation, sales and marketing strategy as well as customer's relationships and especially their activities and decisions influenced by MICE industry.

The writer carried out this group interview during her summer internship in the case hotel before having her second seminar. This was supposed to be out of the right procedure but her supervisor tried to give her permission because after the internship period, the writer would return to Finland to complete her studies and her bachelor's thesis. Therefore, it would be easier, faster and more efficient for her to conduct the face-to-face interview within the case hotel. When the interview questions were well-prepared and commented by the supervisor, the interview was held in the middle of July between the author and four important managers of the hotel.

The interview questions were divided into two groups. The first category was related to the general information about Pearl River Hotel with five main questions. The questions focused on the hotel's current business situation and its general analysis so that the writer obtained the adequate information to answer the first two questions in her research objectives. The second category was comprised of ten questions referring to the hotel's marketing mix and targeting process as well as its basic plan towards MICE industry. Based on these questions, the author would be able to analyze

the entire marketing strategy of Pearl River Hotel concerning MICE industry and provide some key recommendations for its development. The list of interview questions was put in the Appendix section.

Data of this thesis was analyzed profoundly through the thoroughly-researched and synthesized information. The marketing strategy of the case hotel regarding MICE industry and the recommendation parts are the two sectors requiring the highest level of data analysis, which originate from the interview's answers, the internal hotel's documents along with the writer's observations and practical experience. However, right from the parts concerning the business environment of Vietnam, MICE industry in Vietnam and the characteristics of the case hotel, the author utilized the analytical skills strongly and provided the readers with the most concise and properly-concluded information.

6.3 Reliability and Validity

Each research paper once published for review has to answer the questions regarding its reliability and validity. They are the first and foremost factors which any readers take into account when they evaluate the value and meaning of a study. Nobody is willing to spend time on reading and exploring the matters that are not trustworthy or become incompatible with the era.

Simply speaking, reliability is what people can believe in and can count on. However, to be specific, reliability is the quality which requires the highest degree of consistency of the measurement. If the answer for one matter stays the same all the time given that the conditions and the subjects remain unchanged, that result is considered dependable and the measurement is reliable as well. In the meantime, validity is concerned with the accuracy of the information. Researchers have to ensure that the data gathered during conducting a study is not only reliable and up-to-date but also logical and persuasive. (Adams 2007, 235-237.)

In this thesis, to provide readers with the most reliable and accurate information, the writer utilized all the professional and official data sources with an authentic origin.

The books, articles and other research papers were selected thoroughly from the verifiable websites and the university library to produce a well-researched theoretical part which sets a solid foundation for the empirical section.

In terms of the empirical part, the author received the consent of the host organization's manager and three heads of department to conduct the interview and gain further information to support thesis's writing. The interview questions totally match the set objectives and issues related to conducting the thesis. The list of questions was reviewed by this thesis' supervisor and the author got her permission to carry out the interview. In general, the practical part mainly relies on the answers and information gathered and summarized from the interview to develop. This thesis guarantees completely reliability and validity of all the information obtained through interview and observations.

7 PEARL RIVER HOTEL

7.1 General information

After a long path of researching and analyzing Vietnamese economy's situation, the hotel and MICE industry's operation in Vietnam, it is essential now to discover and understand thoroughly the case company of this thesis. That is Pearl River Hotel, located in Haiphong – a beach city in the north of Vietnam. It is a five-star private-owned hotel by a Vietnamese investor and has been running since 2008. Right from the establishment, the hotel selected franchising as an initial way for the future sustainable growth. During six years until 2014, the hotel was under the ultimate management of Best Western International, Inc. – one of the world's largest hotel chains.

In the early period, the hotel was named “Best Western Pearl River Hotel” and used the different logo compared to the one utilized today. The management board of Best Western in the Southeast Asia created a good foundation for Pearl River Hotel in the beginning by sending highly-skilled staff to conduct training for the hotel's workforce frequently and participating in the decision process of the hotel's general man-

ager. Thanks to the reputation of Best Western, the hotel attracted an enormous quantity of high-class customers both domestically and internationally when visiting the local city from the very first moment of establishment.



Picture 2: The brand logo of Pearl River Hotel over the years (Internal source)

However, Pearl River Hotel also had to return part of its revenues to the “mother” brand. Therefore, since 2014, when realizing the capacity for development on its own, the owner and the board of directors determined to manage the hotel independently and hired an experienced foreign managing director. During a period of eight years, the hotel has come from four to five-star rank, employed around 200 devoted young workers and obtained the steadily increasing revenues year over year. Pearl River Hotel has only one location in Haiphong city with 112 rooms and has not had any plan for opening a new branch in another city in Vietnam but instead, focused on providing the best customer service, earning the highest profits and obtaining as many loyal customers as possible at one place.

The hotel is specialized in room services and simultaneously offers the accompanying products including conference rooms, restaurant, spa and swimming pool services. With clear goals and appropriate operating policies, Pearl River Hotel has progressed significantly with the annual growth rate of 10 to 15%. Since founded, the hotel has maintained the solid relationships with certain partners, suppliers and customers. Thus, the hotel has continually invested in expanding the number of rooms as well as opening new internal outlets to meet the guest’s growing demand.



Picture 3: Corners of Pearl River Hotel (Website of Pearl River Hotel 2016).

7.2 Business model and Organizational structure

During a period between 2008 and 2014, Pearl River Hotel was under franchise agreements with Best Western International, Inc. The hotel benefited from the brand reputation of Best Western and received marketing support from this famous hotel chain. In the meantime, the owner had the total hotel ownership and full capacity to recruit the managing director and hotel's employees as he expected. Nevertheless, the indispensable rule was to pay the fees from the hotel's revenues back to the well-known Best Western Corporation.

Therefore, in the last quarter of 2014, the owner made a vital decision that Pearl River Hotel will operate independently with a new name and new logo. The experienced general manager has been hired to lead the hotel. Meanwhile, the total investment, brand ownership along with marketing and distribution duties were managed and supervised by the owner and the board of directors themselves. However, it cannot be denied that thanks to being a member hotel of Best Western for six years, the hotel has built up a firm position in the local area and obtained loyal customers.

The organizational structure of Pearl River Hotel has stayed the same from the "being-franchised" period till this independent operation era. The hotel's staff has been divided into eleven different departments with the separate head of departments and

different responsibilities. Meanwhile, the general manager and the executive assistant manager are the two highest leaders of the hotel who are in charge of guiding the overall business of the hotel, controlling its entire operation, encouraging the staff and stimulating the hotel's revenues on behalf of the owner. The business results of the hotel will be normally reported to the owner every two weeks or at anytime he wants.

There are five main departments linked directly to serve MICE customers within Pearl River Hotel. They consist of Sales and Marketing, Front Office, Food and Beverages, Security and Spa department. Sales and Marketing department, among them, will be responsible for managing an overall MICE event, seeking more opportunities and maintaining the built-up relationships with MICE clients.

7.3 Current business situation

Operating independently, Pearl River Hotel still proves its position and its reputation in the local city and in the surrounding provinces. There are no official statistics concerning the market shares of the hotel industry in the local city, therefore, it is not easy to make a comparison between the case hotel and other competitors. However, according to the figures provided by the general manager through the private interview, the average profit before tax of Pearl River Hotel is estimated from 38% to 41% per month while the annual growth rate is at the level between 10% and 15%. This partly expresses a prosperous business situation of the case hotel.

The proportion of hotel's guests is 25% from European customers, 65% from Asian clients and 10% from the other group. In the meantime, more than 90% of the overall guests at Pearl River Hotel are commercial guests who are the experts, managers and supervisors from the foreign-owned enterprises or from the industrial zones in the local area. Despite the fact that tourists and individual guests only account for 5% and 3% respectively, the average room occupancy rate at Pearl River Hotel is quite high and stable. By and large, the case hotel is running on the right track to concentrate on its core value and make use of its competitive advantage to grow and expand the business.

7.4 Hotel's strengths and opportunities towards MICE industry

After a thorough examination and consideration, the general manager and the owner were aware that Pearl River Hotel possesses the internal capacities and the external potentials which are suitable for serving MICE customers. Hence, this part will specify the strengths and opportunities of the case hotel related to MICE industry based on the information synthesized from a structured interview with the general manager and sales and marketing manager.

7.4.1 Strengths

To survive and develop, every hotel must possess certain strong points and unique features and Pearl River Hotel is not an exception. In Haiphong City, it is the first and only five-star hotel until now. With the location slightly far from city center, the hotel is blessed with a fresh and quiet atmosphere while still in the proximity with Cat Bi international airport, some industrial zones and especially Do Son beach, the express highway and other important tourist attractions of the city. Therefore, Pearl River Hotel is completely suitable for the high-class customers of MICE industry who will participate in the meetings and conferences as planned while they really need a quiet place to relax after a hard working day as well as to visit the well-known destinations of the local city.

Another reason for MICE customers to select Pearl River Hotel as a service provider originates from a wide range of products and services under one roof. In addition to offering the accommodation rooms, the hotel also possesses four different conference rooms built to organize the business events and provides high-quality and diverse catering services. The conference and meeting rooms of Pearl River Hotel usually stand in the first place for the corporation's important events and even the meetings of local officials. The additional services including spa services, an outdoor swimming pool and a gym room also provide the hotel guests more entertainment activities. Specially, the dishes made by the hotel chefs are diverse and delicious ranging from traditional Vietnamese food and other Asian kinds to Western flavors, which are highly likely to satisfy all the hotel customers. Thus, when staying at Pearl River

Hotel, MICE customers are provided with a complete package of services from accommodation and event rooms to leisure activities and unique cuisines of different lands. The high security level across all areas within Pearl River Hotel also make it more appealing in the eyes of customers. (Interview answers from Pearl River Hotel's general manager and Food and Beverages manager.)

Thirdly, the hotel is full of skillful employees with professional, dynamic and helpful attitude. Staffs of Pearl River Hotel, by and large, perform their tasks at best and share high team spirit when working together towards a project. They are always well-prepared to bring the best service to customers and try to meet all of their requirements at any time and in any circumstances. This is typically essential to MICE clients because of their busy schedule and fast-changing plans. In addition, the hotel's managers also concentrate on providing further training for their employees so that they are able to perfect their expertise and skills along with satisfying high expectations of hotel guests in general and MICE clients in particular.

Last but not least, the sales and marketing manager expressed that the favorable policies of local authority highly support Pearl River Hotel's business operation. On the one hand, the local officials aid the hotel to comply with legal regulations, ensure the required standards for a five-star hotel and operate on the right track. On the other hand, for the important events held in Haiphong City, the local government and Vietnamese tourism ministry usually introduce the tour groups and luxurious customers to regard Pearl River Hotel as an ideal destination. With the mass marketing strategy and weak marketing competencies of Vietnamese tourism at the moment, this recommendation plays a vital role to bring Pearl River's name and reputation to the final customers. The flexible price for the big and important groups is a plus for Pearl River Hotel in order to build up and maintain the strong relationships in the long run.

7.4.2 Opportunities

Considering the opportunities for Pearl River Hotel related to MICE industry, the expansion and upgrade of the local airport into an international airport with an increase in the directly domestic and international flights are the first and foremost de-

terminant. Many road-expansion, highway and bridge constructing projects have been carried out with the aim of opening a more connecting path between Haiphong City and other neighboring provinces. In practice, many companies desire to organize a business trip combined with leisure travelling for their employees but have to cancel eventually because there are no proper transportation modes to arrive in the destination or because it will lead to too huge expenditure on transportation. Thus, a better transportation system will strongly contribute to the higher demand of tourism in Haiphong City and appeal to MICE groups. (Interview answers from the executive assistant manager.)

There is no doubt that the growth of tourism will result in a comparable development of hospitality industry. Nowadays, the local authorities have paid special attention to marketing the city's tourism so that in the near future, the regional tour operators and local hotels can expect a bright side. MICE industry will, therefore, witness a shining period. Regarded as the best hotel in the local city, Pearl River Hotel will be certainly beneficial from this glowing situation.

Finally, according to the interview answers of the executive assistant manager, the opening of a new industrial zone and the establishment of various new foreign companies in Haiphong City will lead to a higher number of employees and accommodations needed. In addition, the demand concerning the incentive trips for the workforce or the meetings and conferences combined with leisure travelling for the board of directors is expected to escalate accordingly in the local city. Indeed, Pearl River Hotel not only might gain higher revenues from a growing demand of accommodations but also can serve more potential MICE customers.

8 MARKETING STRATEGY OF PEARL RIVER HOTEL IN RELATION TO MICE INDUSTRY

8.1 Weaknesses and Challenges

If the previous section pointed out the strong points and the chances of Pearl River Hotel to develop based on the growth of MICE industry in the local city, this part would illustrate the weaknesses and challenges which the case hotel encounters. The key contents of this section were based on not only the interview answers of hotel managers but also the author's observations and research with regard to the current situation of the local city. It is obvious that this part will be essential for the evaluation of Pearl River Hotel's marketing strategy and the recommendations for its future development.

8.1.1 Weaknesses

Pearl River Hotel has been faced with four major drawbacks to develop its business in general and to become an ideal service provider for MICE industry in particular. In the first place, the scale of hotel is quite small with only 112 rooms, four small and medium-sized function rooms and a limited parking lot. In the peak season or in the big events with more than 100 guests, the hotel was already met with many difficulties to handle the situation. Furthermore, the current occupancy rate of Pearl River Hotel is fairly stable thanks to long-stay guests from multinational companies in the local city and a new contract with VietJet Air to host their flight crew and attendants daily. Needless to say, serving a large quantity of high-class MICE customers will become tougher. The size of hotel at present is only suitable for the small and medium-sized MICE groups.

In the second place, the facilities and infrastructure of Pearl River Hotel are not specialized in MICE events so the function rooms there might not be compared to the especially-designed convention centers. Sometimes, the hotel lacks certain equipment required for a specific conference. This can be solved by hiring the items from

the external provider but to some extent, it still causes the disorder and confusion for the hotel's staff during the preparation process.

Thirdly, the sales and marketing manager of Pearl River Hotel acknowledged that the hotel has not come up with a clear plan for engaging sustainably with MICE industry. Sales and Marketing's executives of the hotel have encountered a number of big problems to discover and grab the MICE events in the local city, Haiphong. On the one hand, the matter originates from the poor reputation and low attractiveness of the local city as a MICE destination. As mentioned in the analysis of MICE industry, the leading destinations for MICE customers within Vietnam are Hanoi capital, Ho Chi Minh City, Danang, Nha Trang and Phu Quoc province. Therefore, except for the mandatory corporate meetings along with team-building activities or market expansion trips in Haiphong City, very few of the companies would think about this city as one of the desirable MICE destinations.

On the other hand, the hotel has made little use of the digital marketing and internet advancement for its marketing strategy. The official website is not updated frequently and lacks the important information concerning "About us" – a short introduction about the hotel's history and achievements. Besides, the news, photos and events are not arranged neatly or described briefly in each website's section. In addition, Pearl River Hotel's page on Facebook has not been in operation for almost two years right after running independently out of the Best Western brand. Nobody is in charge now of monitoring and managing the customer reviews and feedbacks on travel sites such as Agoda.com, Booking.com and Tripadvisor.com. All of these result in unprofessional customer service as well as slow improvement of service quality.

Lastly, the inconsistent personnel have become a serious problem for the general operation of Pearl River Hotel. Due to the quite low wage, the hotel has suffered from a high staff turnover. This causes a loss of certain documents and improper hand-over of the job from leaving employees to the new ones. Moreover, it is difficult in employing the high-qualified and well-trained staff quickly. Thus, the hotel sometimes hires new inexperienced workers and then provide them with the essential training sessions. However, these training sessions are planned temporarily and infrequently. Therefore, the hotel staff at the moment are able to serve the small and medium-sized

groups well but find it hard to serve the high-end and large groups like MICE customers. (Interview answers from executive assistant manager.)

In practice, although the owner hands over most of the management power to the general manager in running the hotel, he has interfered in many managing directors' decisions and set the out-of-reach goals. Thus, for three years, the hotel has changed two general managers and caused some confusion among the hotel staff. Additionally, it takes time for a new general director to understand all the hotel operations, get familiar with the personnel and produce any appropriate strategy. Indeed, the hotel has not currently figured out and implemented any noticeable projects as well as produced a long-term strategy for its business development.

8.1.2 Challenges

The challenges for Pearl River Hotel to depend on MICE industry for further development are quite considerable. The first challenge stems from the intense competition with other luxurious hotels in the local city. The three and four-star hotels under the management of well-known multinational groups in Haiphong City are becoming more and more attractive choices for customers in general. They all have specific competitive advantages to appeal a certain number of guests ranging from individual tourists and tour groups to business travelers and MICE customers. (Interview answers from sales and marketing manager.)

Avani Haiphong Harbour View Hotel and Somerset Central TD Haiphong City are the two typical examples in this competition race. Avani Harbour View Hotel, a member of Thailand's Minor Hotel Group is a four-star hotel located right in the city center. It has been running for over ten years with a strong reputation for the overseas guests, especially the European clients. In addition, Avani Harbour View Hotel has organized many important events so it is really a big competitor for Pearl River Hotel in the direction to targeting MICE industry.

Meanwhile, Somerset Central TD is a newly-built hotel and possesses the unique benefits from an international brand of Ascott Group. This hotel is situated within

one of the most renowned shopping centers in Haiphong City. Hence, it is equipped with every essential facility under one roof from the shopping mall to the restaurants and spa areas. A high level of security and safety along with a high commission for bookers would turn Somerset Central TD into a desirable accommodation provider for MICE customers.

Secondly, climate change and the humidity of tropical climate does harm to the quality of facilities and infrastructures of Pearl River Hotel. Although the hotel has carried out a constant maintenance, many corners and equipment of the hotel have deteriorated. Therefore, it is not easy for the hotel to carry out a MICE event smoothly and professionally with a high customer's satisfaction. In addition, the environmental pollution is increasing in Haiphong City, which causes a loss of tourism interest in this city and then decreases the revenues of hospitality industry in total.

Thirdly, Pearl River Hotel's managers all agreed that the potential of Haiphong City as an ideal MICE destination is not high, not to mention a shortage of marketing materials. In reality, Haiphong is not in the list of top destinations for MICE customers in Vietnam due to a fewer of tourism attractions, commercial and entertainment centers than the leading cities for MICE events. Moreover, the local authorities have not provided the adequate assistance for marketing its tourism as well as protected the companies in hospitality and tourism sector from unfair competition. When the number of individual tourists to Haiphong City is fairly small, that of MICE customers will be even smaller.

The final and biggest challenge Pearl River Hotel faces is the new lodging projects in Haiphong City which are expected to come into operation in 2017 onwards according to the assessment of the hotel's general manager. At this moment, there are three most remarkable launched projects including Waterfront City, Vinhomes Riverside Haiphong and Hilton Haiphong Hotel Project. Waterfront Project has been invested with 375 million dollars by Agape Holding Pte, Singapore. This project is regarded as the largest and most modern urban area within Haiphong City. The area is comprised of a five-star hotel with the apartments featuring modern international trends, a multi-level international school, a shopping mall and a trade center. The green park

and large playground space will be a highlight for this area compared to other existing buildings with limited open space. (Duy 2011.)



Picture 4: Model of Waterfront City (in the left) and Vinhomes Riverside Haiphong (in the right) (Duy 2011 & Thanh 2016).

Another promising project posing a big threat to Pearl River Hotel is Vinhomes Riverside Haiphong. This project is invested and implemented by Vin Group which is the biggest Vietnamese corporation in real estate and tourism industry. Sharing some common traits with Waterfront City, Vinhomes Riverside Haiphong is also a complex urban area including a commercial center, a luxurious hotel and a recreation center. This is the highest building in the northern coast of Vietnam and highly expected to boost the tourism and business activities of Haiphong City. (Thanh 2016.)

Hilton Haiphong Hotel, undoubtedly, will become the chief competitor of Pear River Hotel in terms of MICE industry. Right from the beginning, the goal of Hilton Hotel was to become an “international-standard” center for tourism and conferences as well as to create a complete product for MICE industry. This can be recognized from a high focus on ball rooms with a large capacity of guests, the entertainment facilities such as gym, spa and cinema areas together with a small supermarket and food centers. In general, these three projects will not only hinder Pearl River Hotel from obtaining more market shares from MICE industry but also put it in jeopardy unless there are proper modifications in its business strategy. (Hilton Hotel for Haiphong 2015.)

8.2 Marketing mix

This part is related to the product, price, place and promotion of Pearl River Hotel concentrating on MICE industry. It will discuss what kinds of products and services the hotel can offer to MICE customers along with its set price as well as the promotional programs. These research findings, definitely, are a good foundation for the evaluations and recommendations in the following parts. All the information written below were synthesized and summarized from the interview answers with Pearl River Hotel's managers, the published data on the official website of the hotel and the author's real experience during the summer internship there.

8.2.1 Product

Like most of the high-end hotels and resorts in Vietnam, Pearl River Hotel also offers a variety of products and services ranging from accommodation products, food and beverages services to function rooms, spa and other entertaining services. With regard to MICE customers, all of these products and services play an essential role to meet their needs during their stay at the hotel.

Pearl River Hotel, a nine-floor hotel, has 112 fully-equipped rooms in total with 50 apartments equipped with a small kitchen which are suitable for long-stay guests and the families having small children. The hotel's accommodation system is categorized into seven different types including superior, deluxe, deluxe premier, junior suite, premium suites, grand pearl suites and pearl river suite. This classification is based on the hotel room's areas, facilities, view and decoration. Pearl River Hotel rarely receives bad feedbacks from the in-house guests about its rooms but instead, most of the clients agree that hotel rooms are modern, new and high quality. Therefore, the hotel is confident to satisfy high-class MICE customers and prove its leading position in the hotel industry in Haiphong city.



Picture 5: Pearl River Hotel's rooms (Website of Pearl River Hotel 2015).

In addition, Food and Beverages products are really a strong point of Pearl River Hotel. Despite the fierce competition from the local restaurants, two restaurants within Pearl River Hotel still become well-known to the upscale customers thanks to the diverse dishes, unique flavors and distinct atmosphere of a five-star hotel. While a team of the skillful international chefs create the finest Western and Asian specialties in Jade restaurant on the second floor of the hotel, the Chinese chefs are always ready to bring the best Chinese cuisine to the customers in Chau Giang restaurant. Moreover, the restaurants also serve the meals to the in-house guests right at their rooms. This might be a need for MICE customers because of their tight schedule and long-hour meetings or conferences.

The second floor of Pearl River Hotel is intended for two restaurants, a lobby bar and a piano bar as well as function rooms. There are four conference rooms totally divided into three types including Diamond, Ruby and Sapphire. The specification of each kind of conference room will be illustrated in the table below:

Name of Ball-room	Room dimensions	Theater	Banquet	Classroom	U-shape
Diamond	10,5 x 20 = 210 m ²	300	150-180	150	130
Ruby	7 x 15 = 105 m ²	130	60-100	70	50
Sapphire (1 or 2)	5 x 15 = 75 m ²	40	30	25	20

Table 2: Information about Conference rooms of Pearl River Hotel

According to these figures, the maximum number of conference participants the hotel is able to host is approximately 500 people in total. However, in practice, the organizers are looking for the only one function room for their events so the highest number of audiences here is around 300 persons. Depending on different diagrams, the quantity is different. Indeed, Pearl River Hotel's conference rooms suite best the events with a number of clients from 50 to 150.

The additional entertaining services such as spa, an out-door swimming pool and a gym room are another plus for Pearl River Hotel in attracting customers and creating added value for them. In addition to the essential amenities such as free Wi-fi connection, complementary breakfast and various TV channels, the in-house guests also receive the complementary services from utilizing the swimming pool and gym room along with obtaining the promotional packages for spa services. Pearl Gaming Club, situated in the first floor of Pearl River Hotel, is another entertaining activity in which in-house guests and local residents might be interested. With the modern and amusing games, customers can remove their daily stress and hardship. Clearly, the hotel is capable of offering its customers a complete combination of products and services under one roof.



Picture 6: Entertaining services (Website of Pearl River Hotel 2015).

8.2.2 Price

Price-setting is always a difficult and complex task for the managers of Pearl River Hotel. Although the costs of raw materials for food and beverages services, hotel personnel and other operating supplies change rapidly and usually in an increasing mode, the hotel is not able to adjust its price immediately or sell its products and ser-

vices at a higher price. Any price increase will then cause a negative reaction from customers in general. Therefore, the hotel has a fixed price list for its products and services which have been discussed and set carefully.

The price's changes in accommodation, function rooms and other entertaining services of the hotel are only raised annually due to the inflation rate and the increasing operating costs. When the costs of raw food and beverages change, the hotel will be forced to make the proper alteration. This adjustment is normally determined by purchasing manager but also considered by general manager and a relevant head of department. By and large, Pearl River Hotel strives to maintain a stable price for their customers after considering thoroughly the total costs and competitor's price. (Interview answers from general manager of Pearl River Hotel.)

Since establishment, Pearl River Hotel has adopted the cost-based pricing strategy to set its proper price. Due to the nature of hospitality industry, the customer value-based pricing method will be too broad, indefinite and difficult to figure out the final price. In the meantime, because of the only five-star hotel along with the specific competitive advantages in the local city, Pearl River Hotel has paid little attention to its competitors' price. It does not mean the hotel sets the price totally as it wants but the set price has experienced a deep examination and consideration. The price of hotel rooms, conference rooms and spa services is published in details on the website of the hotel.

Room category	Pax/ room	Rack rate		Best Available Rates 2016	
		USD	VND	USD	VND
Superior	1 pax	130	2,730,000 ++	90	1,890,000 ++
	2 pax	130	2,730,000 ++	102	2,140,000 ++
Deluxe	1 pax	130	2,730,000 ++	96	2,020,000 ++
	2 pax	130	2,730,000 ++	108	2,270,000 ++
Deluxe Premier	1 pax	155	3,255,000 ++	120	2,520,000 ++
	2 pax	155	3,255,000 ++	132	2,770,000 ++
Junior Suites	1 pax	180	3,780,000 ++	144	3,020,000 ++
	2 pax	180	3,780,000 ++	156	3,280,000 ++
Premium Suites	1 pax	199	4,179,000 ++	179	3,760,000 ++
	2 pax	199	4,179,000 ++	191	4,010,000 ++
Grand Pearl Suite	1 pax	209	4,389,000 ++	189	3,970,000 ++
	2 pax	209	4,389,000 ++	201	4,220,000 ++
Pearl River Suite	1 pax	227	4,767,000 ++	192	4,030,000 ++
	2 pax	227	4,767,000 ++	204	4,280,000 ++

Figure 11: Room price of Pearl River Hotel (Website of Pearl River Hotel 2015).

Room category (comparable)	Best Available Rates (USD)	
	Avani Harbour View Hotel	Pearl River Hotel
Superior	80	90
Deluxe	92	96
Executive	116	120
Apartment	140	144
Royal Suite	180	189

Table 3: Room price comparison between Avani Harbour View Hotel and Pearl River Hotel (Website of Avani Hotel & Website of Pearl River Hotel 2015).

Conference rooms	Full-day price	
	Avani Harbour View Hotel	Pearl River Hotel
Big one	VND 18 000 000 = USD \$850	VND 15 000 000 = USD \$720
Medium one	VND 9 500 000 = USD \$450	VND 9 000 000 = USD \$430
Tea Break	VND 200 000 / person = USD \$9,5 / person	VND 130 000 / person = USD \$6 / person

Table 4: Conference rooms' price comparison between Avani Harbour View and Pearl River Hotel (Website of Avani Hotel & Website of Pearl River Hotel 2015).

The tables above have shown the price comparison between Avani Harbour View Hotel and Pearl River Hotel concerning accommodation and function rooms. Avani Hotel, a four-star hotel is regarded as a chief competitor of Pearl River Hotel in the local city so it is reasonable to make a comparison between these two hotels. Apparently, the room price of Pearl River Hotel is higher than that of Avani Hotel across all categories but the difference is just little. Meanwhile, the conference rooms of Pearl River Hotel with the same size and facilities provided are cheaper than those of Avani. Indeed, Pearl River Hotel is not faced with any disadvantages about price-setting compared to its competitors.

Furthermore, Pearl River Hotel has utilized a flexible pricing strategy in a certain number of special cases. Depending on the long-term promising relationships, the important customers and the big tour groups, the hotel will adjust its pricing policy and offer the cheapest possible price. The hotel also highlights that the published

price is just for reference so it is willing to negotiate and provide the customers with the best price. To avoid the conflicts and litigation at most, the hotel is proactive to make a contract or the written documents to the customers. This helps ensure the smooth operation in case of any unexpected circumstances.

8.2.3 Place

Pearl River Hotel takes advantage of both direct and indirect distribution channels. Nevertheless, the direct channels still dominate so the hotel earns the higher margins and rarely has to share the commission with the third party. This does not mean that the final customers accept the proposed price right from the beginning but instead, the two parties usually conduct the negotiation and agree on the best possible price.

At the interview, the sales and marketing manager indicated that the direct distribution channels here include direct reservations, online bookings and business-to-business contracts. The tourists and individual guests at Pearl River Hotel only occupy for approximately 5% and 3% respectively of the total guests. In the meantime, more than 90% are commercial guests from the foreign-invested enterprises in the local city. Therefore, around only 2% of total guests at Pearl River Hotel book online through the websites such as pearlriverhotel.vn, Agoda.com, Booking.com and Tripadvisor.com. Similarly, the number of direct room reservations via email, telephone and even in person is quite small.

The main distribution channel of Pearl River Hotel is business-to-business contracts. Basically, the local corporations that are seeking the luxurious accommodations for their temporary experts will make a direct phone call or send an email to sales staff to inquire the proposal price at first. Then, if they are still interested in the offered products, they will suggest a face-to-face meeting to inspect the hotel rooms and discuss more in details the relevant matters. After the discussion and negotiation sessions, they will determine whether accept the hotel services by signing a contract or refuse the offer. Since then, the room reservations will become easier and faster for those companies. They will inform the hotels about a quantity of guests during a cer-

tain period of time with a desirable room type. (Interview answers from the sales and marketing manager of Pearl River Hotel.)

This procedure is also applicable to other services such as conference rooms, spa and restaurant services. The customers are able to contact the sales staff in advance for the price and then discuss the case more carefully before deciding to select the hotel products. Besides, the clients of spa and restaurant outlets often go directly to the hotel and choose the products they want.

Meanwhile, the indirect distribution channel is normally through a third party such as tour groups, travel agents and event planning companies. These intermediaries are proactive to contact the hotel staff to inquire the proposal price for their tour groups or the incoming events. They also sign a contract with Pearl River Hotel within a year to gain more benefits and simultaneously, they require commission and higher discounts as well. This situation is quite undesirable and unprofitable to Pearl River Hotel so it is trying its utmost to boost the direct distribution channels and decrease the indirect ones as much as possible.

8.2.4 Promotion

There are four major promotional tools Pearl River Hotel has been utilizing for its marketing strategy. They are composed of sales calls, personal selling, advertising and sales promotion. Among them, sales calls and personal selling play the most important role to establish, maintain and expand customer network of the hotel along with generating sales. Advertising and sales promotion tools are used only when the hotel launches any new promotional programs so they are barely the short-term and temporary marketing solutions. This part was chiefly based on the empirical observations and the real experience of the writer when working at Sales and Marketing department along with the additional information provided by sales staff of the hotel.

Sales Calls

Sales calls are basically face-to-face meetings which are arranged beforehand between sales staff of Pearl River Hotel and a new potential customer which is usually

promising corporations in the local city. Sales staffs are dynamic to search for the information of these enterprises and then contact for a possible appointment. During a meeting, sales staff will introduce the hotel's products, services and the special offers at that time as well as obtain more essential information about those firms. In practice, sales staffs of Pearl River Hotel conduct sales calls twice per week on average. Depending on the current situation of those companies and the offerings of the hotel, the relationship can be established or not but at least, this method is a beneficial marketing tool to raise the brand awareness for Pearl River Hotel.

Personal selling

If sales calls are executed towards totally new customers to seek more chances, personal selling is generally made for existing clients to maintain the valuable built-up relationships. Sales staffs of Pearl River Hotel are responsible for registering and updating customer data base and then keeping in touch with the top clients via emails, phone calls and small gifts in the special occasions. The hotel has a list of 200 top bookers and customers synthesized; thus, in order to promote any new special offers, these important clients will be the first group to target.

Advertising

The advertising costs are fairly high so Pearl River Hotel only utilizes the simplest and cheapest ways such as billboards, leaflets and posters on the crowded streets to show its new promotional programs. In addition, all the information concerning any special offers or promotional campaigns of the hotel are published and updated frequently on its official website. Thus, if the customers are browsing the website of Pearl River Hotel, they will easily find out the news and choose a program satisfying their needs and interests.

Sales promotion

Sales promotion in the form of product and service discount is an indispensable method to increase a number of clients, generate sales and raise customer awareness for Pearl River Hotel. The sales promotion programs here are divided into two different types: the one is for all kinds of customers and the other is for the top existing customers and in-house guests of the hotel only. From the beginning of summer until now, Pearl River Hotel has proceeded five sales-promotion programs in total.

The summer at Pearl River Hotel began with a 20% discount on the swimming tickets for every people with two different prices for children and adults. This discount was followed by a BBQ buffet every Saturday evening on the pool side together with a swimming ticket at a quite cheap price. These two special offers in summer attracted a number of new customers for the hotel and earned further revenues besides steady turnovers from accommodations, banquet and restaurants.



Picture 7: Promotional Programs (Website of Pearl River Hotel 2016).

Meanwhile, 20% and 25% discount on spa services and on the “à-la-carte” dishes of the new Chinese restaurant at Pearl River Hotel respectively were only valid for existing customers or in-house guests. They might receive these vouchers from sales staff, front-office as well as spa executives. The purpose of this program was to encourage the existing customers to try other hotel services and provided their feedbacks to improve the quality of hotel service. Most recently, Pearl River Hotel organized a mid-autumn party to welcome all possible customers with a combination of a buffet, traditional games and other exciting entertainment activities at a reasonable price. Overall, Pearl River Hotel has reached its set objectives and still strived to produce more appealing promotional programs. (Interview answers from sales and marketing manager of Pearl River Hotel.)

8.3 Segmentation – Targeting – Positioning strategy

Being a five-star hotel, Pearl River Hotel pays strong attention to segmentation, targeting and positioning process to serve the most potential and profitable customers rather than spreading its resources and capacities. Especially, the target group of the hotel with regard to MICE industry is even smaller. Hence, the hotel requires more profound research and analysis so that its segmentation, targeting and positioning strategy are effective and viable.

8.3.1 Segmentation

The segmentation variables are divided into four different categories and Pearl River Hotel has used three in these four groups. They consist of Demographic, Psychographic and Benefits sought variables. Geographic segmentation was not considered because customer range by region and nationality of Pearl River Hotel is quite diverse. Additionally, the hotel has no desire to limit these multinational guests or merely concentrate on specific regional customers. To serve the ultimate purposes, not all criteria were covered and analyzed but Pearl River Hotel selected the most relevant and supportive factors for its segmentation process. (Interview answers from general manager and sales / marketing manager.)

Demographic Segmentation

Based on the demographic elements to divide the whole market into smaller segments, Pearl River Hotel has not focused on the most common features like age and gender but selected the aspects including income level and social class. Due to the nature of business, the classification relying on age and gender is not really meaningful to the hotels and cannot support their marketing strategy. Therefore, Pearl River Hotel has determined to split the overall market based on the clients' affordability factors.

In terms of income, there are three separate levels comprising high, medium and low degree. The statistics show that the average income of a Vietnamese worker is just around USD \$150. Hence, as a five-star hotel with upscale amenities and expensive

products and services, Pearl River Hotel is nearly suitable for purely high-income Vietnamese people as well as the foreign guests who generally receive the much higher salary than those in Vietnam. Vietnamese residents with medium wage degree prefer selecting the two or three-star hotels meanwhile the individuals in the low-income category are going to choose the cheap hostels and other low-priced service providers.

Likewise, social class is composed of the upper, middle and lower classes. The lower class in Vietnam are still struggling with daily expenditures, not to mention the luxurious products of a five-star hotel. The middle class including the educated people and white collar workers might not be lavish to utilize the upscale hotels' services frequently but they are a potential source. The upper class comprising wealthy and extremely wealthy individuals along with the prestigious professionals are definitely the vital clients of Pearl River Hotel.

Psychographic Segmentation

The customers with high purchasing power are largely interested in trying the high-end products and services. This interest stems from their perceived feelings of prestige and their pursuit of luxury lifestyles. Staying in a five-star hotel like Pearl River Hotel as well as organizing the events there will satisfy these concealed cravings of the guests. High-class and wealthy MICE customers are willing to spend a lot of money on their events in order to obtain the perceived high quality service and the complete satisfaction. From the thorough evaluation, Pearl River Hotel's managers concluded that people taking up the luxurious interests such as tennis, golf and sailing would be a lucrative source for the hotel. (Interview answers from general manager and sales / marketing manager.)

Benefits Sought Segmentation

Part of behavioral segmentation, benefits sought segmentation divides and combines people due to the benefits they are searching for. These benefits originate from the customers' demand and purposes. Pearl River Hotel, therefore, separates its guests into three categories which consist of commercial customers, meeting and conference groups and leisure ones based on their specific needs. (Interview answers from general manager and sales / marketing manager.)

According to the sales and marketing manager, commercial guests are divided into two groups – the one is business travelers and the other is corporate accounts. From the interview with Pearl River Hotel's managers, more than 90% of total guests belong to this category. The business travelers tend to select the most suitable hotel which can meet their requirements from location and in-house atmosphere to service quality and the additional complementary services. In the meantime, the offices and enterprises in close proximity to Pearl River Hotel often send their overseas professionals to the hotel. When these companies and the hotel already negotiated a favorable rate, the number of long-stay guests will be quite constant throughout the year.

The government officials and airline crew are other corporate accounts. They often go with a large quantity of people so each occasion will earn the high revenues for the hotel. Especially, recently Pearl River Hotel has signed a contract with Vietjet Air – one of the largest airlines of Vietnam to accommodate all of their flight crew in the local city. This deal stabilizes the occupancy room rate and gains the steady turnover for the hotel.

With the advantages from new, modern and fully-equipped function rooms at a reasonable price, Pearl River Hotel stands out as the best choice for organizing the meetings and conferences in the local city. Although the meetings, conferences or exhibitions are usually held in spring, in autumn or at the end of the year, the likelihood to organize the events annually or frequently is not high. Based on the corporate budget at that point, the companies will determine whether to organize the events or not. Depending heavily on this customer group is not recommended but the revenues gained from one MICE event or even the normal meetings and conferences are very appealing. Hence, Pearl River Hotel is still seeking more chances to serve MICE customers as well as organize the big banquets.

The statistics concerning customer type at Pearl River Hotel have shown that tourists and individual guests only contribute to around 5% and 3% respectively. It is apparent that this figure is too small but it is a common situation for most of the luxurious hotels and resorts in the urban area of Haiphong City. The reason is a lack of the attractive tourist destinations in the city center. Haiphong is famous for Do Son beach

and Cat Ba island but they are located far away from the city center so only the hotels nearby those places are full of tour groups and individual tourists.

8.3.2 Targeting

The vision of Pearl River Hotel is to serve a diversity of customers and to create the really best products and services for them. However, the hotel recognized that mass marketing might be helpful to raise customer awareness but totally futile to increase customers' interests and generate sales. Meanwhile, the concentrated targeting strategy and micromarketing are quite narrow so the hotel is likely to lose some promising clients. Therefore, Pearl River Hotel has defined segmented marketing as its long-term targeting strategy. This method stimulates the hotel to segment their markets thoroughly and then select the most potential sectors to serve. The segmentation process above along with the critical evaluations will set a good foundation for this targeting procedure.

The first target group of Pearl River Hotel is people belonging to the upper class with high income level. It is apparent that almost all of products and services provided by a five-star hotel are expensive, therefore, only wealthy individuals are capable of and willing to spend a huge amount of money on those products. In general, the professionals in the upper class play the most critical role in this group. They not only possess a steady and abundant financial resource to afford the costly services at Pearl River Hotel but also pay highly attention to 'keeping their face'. This means that they will utilize the products and services showing off their class regardless of the prices. Indeed, the offerings of the only five-star hotel in the local city like Pearl River Hotel will definitely match the upper-class customers most. (Interview answers from general manager and sales / marketing manager.)

The second segment which Pearl River Hotel targets includes the customers pursuing the high-end lifestyles. The hotel is able to define this group based on the customers' luxurious interests and activities. The golf and tennis players are the typical examples of this category. It is judged that people who take on the upscale interests will be generous to their daily expenditures. Thus, a solid relationship between Pearl River

Hotel and Haiphong golf club has led to a large quantity of loyal customers for the hotel and contributed to its revenues.

Commercial customers including corporate guests and business travelers are the third target group and the most important segments Pearl River Hotel has defined within five years. According to the figures provided by the hotel's general manager, commercial customers occupy more than 90% of total guests at Pearl River Hotel. This situation is becoming more and more favorable when the hotel signs the contracts with Vietjet Air and a number of foreign-owned enterprises in the local city to host their employees. Hence, targeting this segment is obvious to Pearl River Hotel.

Finally, because Pearl River Hotel has possessed a stable and large quantity of commercial customers and loyal upper-class clients, it wants to invest in other potential groups to generate sales. MICE customers are the hotel's choice at the moment and the fourth target segment. This decision results from the high potentiality of MICE industry in Vietnam and in the local city together with the sufficient internal resources of the hotel to serve this group. Pearl River Hotel is confident about its offerings for MICE customers ranging from luxurious accommodations and modern conference rooms to unique restaurants and appealing spa services. Especially, the good relationships with travel agents, tour operators and event planning companies are promising to bring more MICE events to the hotel. In addition, MICE customers share many common features with the three targets above. They are generally the individuals with high income and they are eager to experience the lavish life. MICE clients are the short-stay business travelers which are the principal source of accommodation sales at Pearl River Hotel. Indeed, MICE groups cannot be left out from the target market of the hotel at present and in the future. (Interview answers from general manager and sales / marketing manager.)

8.3.3 Positioning

Pearl River Hotel has long positioned itself as a deluxe full-service hotel with a diversity of products and services at premium prices. To become a five-star hotel and maintain its class, Pearl River Hotel has to possess specific unique characteristics

making it stand out from other luxurious hotels in the local areas. The two most distinct features of the hotel are comprised of the regular maintenance and the banquet rooms' atmosphere. Pearl River Hotel has realized that all people on earth including the hotel guests are interested in new and modern amenities. Therefore, the hotel pays strong attention to always keeping its facilities in good condition and tries to renovate its facilities frequently without making noise as well as disturbing the in-house guests. This has been proved through the feedbacks of the hotel's customers which Pearl River Hotel collected during the first quarter of 2016. (Interview answers from general manager.)

Besides, the banquet rooms are really strong point of Pearl River Hotel. All four conference rooms from the smallest to the largest create the warm but formal atmosphere together with the splendid decoration of a high-end hotel for the clients. As a result, Pearl River Hotel is becoming the first destination for the meetings and conferences in the local city. This has set a foundation for the hotel to position itself as a venue for MICE events rather than purely offering accommodations to MICE customers. Thanks to these two noticeable competitive advantages, Pearl River Hotel has obtained a certain quantity of loyal customers and promoted its reputation while parting from Best Western brand. (Interview answers from sales and marketing manager.)

In the hospitality industry, product differentiation is difficult because every hotel and resort strive to provide a complete package of products and services. Even when the hotels are able to create the certain features setting them apart, these qualities are not always clear to the customers. Thus, rather than focusing on figuring out the distinguished products, Pearl River Hotel has made greater efforts on positioning value from its possessions.

Due to the fierce competition of the industry and the nature of business, Pearl River Hotel has selected two methods including more benefits at the same price and the same benefits at lower price as its possible value positions. Take the additional services as an instance for the former method. Recently, Pearl River Hotel has signed a very important contract to accommodate the flight crew of Vietjet Air daily. Normally, the hotel is not responsible for the transportation modes of its guests but in this

case, the hotel is in charge of providing the vehicles for those customers with the charges included in the usual accommodation prices.

Similarly, the long-term corporate accounts or tour groups from a partnered tour operator will receive the lower rate than the ordinary one at Pearl River Hotel. This encourages the sustainable relationships and creates a win-win situation in conducting business among the involved parties. With the philosophy “Hospitality with personal touch”, Pearl River Hotel expresses explicitly that it will generate the products and services based on customers’ personal interests as well as bring the enjoyment to every client it has a chance to serve. This is also partially displayed through its personal promotion and the gifts in the special occasions of its customers. (Interview answers from executive assistant manager.)

9 SUMMARY AND CONCLUSION

In a nutshell, the thesis was based on the knowledge of marketing strategy to set the foundation for the empirical part. PEST method was utilized to figure out the favorable conditions and the restricted aspects of Vietnamese market environment. In the meantime, marketing mix covering four P elements became a helpful tool for the writer to evaluate the case hotel’s possessions, its direction and its promoting tactics. The knowledge concerning segmentation, targeting and positioning played a vital role to help the author understand and analyze the hotel’s marketing strategy more easily and more efficiently.

The research and analysis of Pearl River Hotel’s marketing strategy in relation to MICE industry was the core of the whole thesis but getting the gist of Vietnamese market outlook, Vietnamese hotel industry and Vietnamese MICE industry was essential accordingly. They all created a complete picture of the case hotel’s position, business decisions and marketing strategy. The economy and business environment in Vietnam were considered open and competitive but in need of a long-term orientation and the proper development plans. Therefore, the operating hotels including

Pearl River Hotel not only had to produce an effective strategy for their business activities but also adapt to the rapid changes of the market.

The high potentiality from tourism industry with the spectacular attractions led to a very promising hospitality and MICE industry in Vietnam. The attention and investment put on these sectors have increased sharply and so it is not surprising that Vietnam has emerged as one of the leading MICE destinations for business travelers in the Southeast Asia. However, the weaknesses from the inconsistent development, short-term growth plans and poor marketing strategies in Vietnamese tourism and hospitality industry must be considered thoroughly so that the invaluable resources will not be wasted.

Overall, there are four major factors influencing the success of MICE events. They include the choice of destination, service providers, event venue and means of transportation. As regards Haiphong City, it is not regarded as a top destination within Vietnam for leisure tourists, not to mention MICE groups. Hence, the quantity of MICE events in Haiphong are quite low and the local tour operators are not professional in controlling, planning and predicting these events. Despite a variety of accommodation and conference venue providers, there is a shortage of shopping centers and recreation areas in the local city. Haiphong City has strengthened highly its infrastructure and improved its transportation system by upgrading its domestic to international airport and carrying out a number of new urban transport development projects. Nevertheless, there is much room left for the local city and the local service providers to improve in order to appeal MICE customers.

It can be said that the current business situation of Pearl River Hotel is fairly stable due to the long-standing relationships with the key customers and the newly-gained contracts with the prospective clients. The hotel has provided diverse luxurious offerings at premium prices but it is also eager to negotiate with the customers to provide them with the best possible prices. Sales staff at the hotel are quite proactive to seek new potential customers and grab the opportunities. However, the chances and challenges for Pearl River Hotel regarding MICE industry both exist at the same time. The internal threats consist of a small hotel scale, the inconsistent personnel, a lack of certain facilities for MICE events and the temporary marketing plans. Simultane-

ously, the external issues including strong competition among existing hotels, climate change and new big-scale urban area projects pose a serious threat to Pearl River Hotel. The higher competition will normally lead to the fiercer price war and the smaller market shares. Above all, the hotel's revenues and profits will be decreased accordingly, which might drive it to the verge of crisis in the long run.

To evaluate the effectiveness of Pearl River Hotel's marketing strategy, it is necessary to trace back to its marketing mix. The four components comprising product, price, place and promotion of the hotel have both pros and cons. Pearl River Hotel nearly offers all kinds of products and services that every existing hotel provides ranging from accommodation and banquet to food and beverages and spa services. Besides concentrating on these luxurious offerings, the hotel has carried out some projects such as opening a new Chinese restaurant inside the hotel and diversifying the entertaining services. In reality, the hotel's products and services have increased in size but not in depth and they are not really differentiated as well as create the competitive advantages for the hotel.

Fortunately, the weakness in product differentiation of Pearl River Hotel is offset by its proper pricing strategy. The price set is almost in the same level as four-star hotels in the local area meanwhile the quality of services is considered at a higher degree. The hotel pursues a flexible pricing method and in some cases, it is willing to offer products and services with lower prices according to the size and importance of the customers. By and large, Pearl River Hotel has implemented its segmentation, targeting and positioning process in the right way. It has defined a suitable target group and made the feasible plans to serve them well and maintain the relationships tightly.

However, the threats from the third party and the weakness in promotion, to some extent, cause harm to Pearl River Hotel. The hotel is aimed at distributing its offerings directly to the final customers and maintaining a certain number of relationships with the travel agents, event planning companies and tour operators. These third parties always require the discounted price due to their big customer groups and the potential partnership. On the one hand, this has helped Pearl River Hotel gain enormous revenues at one time from the large events. On the other hand, this reduces the long-run profits and the direct clients of the hotel because the prices Pearl River Hotel of-

fers for these third parties are generally lower than those for the individual guests. When the customers are aware of this issue, they will turn to these agents to obtain these advantageous discrepancies.

In this digital era, Pearl River Hotel has not taken advantage of the internet's advancement for its promotion strategy. The online, social media and digital marketing have not been utilized but instead, the hotel has paid attention to the face-to-face marketing. This current promotion method is good but quite costly and time-consuming. For the new promotional campaigns and the special offers, the advanced marketing such as online and social media marketing will spread the information rapidly as well as raise customers' awareness effectively.

To summarize, Pearl River Hotel has recognized the increasing importance of MICE industry towards its business and strived to exploit this industry for its sustainable development. It is apparent that the hotel, at the moment, is able to serve only small and medium-sized MICE customers and it also has many restraints and challenges left to overcome so as to become an ideal destination for MICE events. Notwithstanding, Pearl River Hotel has encountered the difficulties but not the impossible missions in this race. There are a number of matters which can be taken into account to turn the hotel into an attractive MICE provider in the near future.

10 RECOMMENDATIONS

According to the above profound research and analysis, MICE is a very promising sector contributing to the sustainable growth of hospitality industry in Vietnam. It is expected that the quantity of MICE customers will escalate in the near future if Vietnamese tourism ministry can produce the appropriate plans for this industry. Being aware of the potentiality of MICE sector ahead of time, Pearl River Hotel has taken steps to approach to this customer group. However, in addition to the high rank and valuable possessions at present, the hotel encounters a number of big challenges on the way to reach its goal. Therefore, the author analyzed and came up with five prin-

cial recommendations to support the hotel's general business development with a strong focus on MICE industry. These recommendations were the writer's reflection on her research and her objective evaluations from the interview answers, her real experiments and the internal documents provided.

Promoting local tourism industry

The steady growth of hospitality industry might not assist the prosperity of tourism industry but tourism industry's growth definitely will lead to lodging industry' development. Hence, it is vital to bolster the tourism industry in Haiphong City at the moment. The responsibility for this promotion is not only limited to the local tourism department but also belongs to local people and the private firms like Pearl River Hotel. Thus, when the tourism planning committees have already worked out a marketing plan, it is essential for Pearl River Hotel's staff to take part in these advertising activities. When a person follows a fashion style, it is just a personal style but when a group of individuals adopt the same style, it is called a trend. Similarly, the voice of local residents is stronger than any other weapons to promote their home town and advertise its beauties.

The starting point of any tourism marketing plan is to understand what makes a city or a destination special. These unique features mainly derive from the distinct traditional activities and the appealing attractions in the local area. In addition to exploiting the spectacular natural landscapes to attract tourists, Haiphong's officials also organize many cultural festivals and special events throughout the year. This has encouraged a larger number of tourists to visit Haiphong City in recent years. However, the advertising methods and promotional materials for these special occasions should be considered more thoroughly.

Not only press releases and newspapers articles have a great impact on raising awareness of people these days but social media marketing is also an effective way to advertise the upcoming events. Particularly, the announcements on personal Facebook accounts or the updates of city's Facebook page are useful to catch the eyes of people and transmit the messages. Posting the status on Facebook is the daily activity of young generation in Vietnam so the staffs at Pearl River Hotel can do this task

easily to give a hand for marketing the local city's tourism. There has been a suggestion to establish an organization specialized in MICE industry to conduct market research and produce the feasible marketing plans. Nonetheless, at present, the local tourism authorities and private enterprises in tourism and hospitality industry are supposed to lean on each other to gain mutual benefits.

Increasing the size of Pearl River Hotel

Currently, Pearl River Hotel is a nine-floor hotel with 112 rooms in total with a high occupancy room rate. It is comprised of four conference rooms with the maximum capacity around 250 people for one event, which are evaluated merely fitting for the small and medium-sized events. Therefore, if the owner determines to increase the number of hotel rooms and extend the banquet rooms in the future, the hotel will be able to serve MICE groups without suffering from overcapacity. In 2014, the owner decided to build more 50 rooms on the 7th, 8th and 9th floor as well as opened a new Chinese restaurant inside the hotel in 2016 so there is likelihood that he will invest more in building new accommodation rooms and enlarging the conference rooms.

Fostering the relationships with tour operators and event planning companies

Unlike other sectors which can need the intermediaries or conduct the transactions directly with the clients, the intermediaries play an indispensable role in MICE industry. They not only connect the final customers with the service providers but also shape the whole travel programs, arrange the clients' schedules and control all happening activities. Thus, although Pearl River Hotel might gain less profits when working with these go-between agents, it is nearly the only way for the hotel to reach MICE customers. The important matter here is the terms and conditions in the contracts negotiated and signed between two parties which lead to the mutual advantages for both sides eventually.

Meanwhile, Pearl River Hotel is willing to offer discounted prices and the lowest possible prices for the tour operators, they should be loyal to the hotel in the long run. The hotel was faced with several adverse circumstances when the mediate agents turned to another hotel in the last minute because of better prices offered. This is not only a matter of revenue and profit but also a matter of planning efforts and time waste. Reversely, the hotel has to ensure a sufficient number of accommodation

rooms for the customers of tour operators rather than selling them to other guests at higher prices. Clearly, the lasting relationship is based on the mutual trust and smooth operation in any cases of the involved firms.

Enhancing the quality of hotel staff

Pearl River Hotel is confident to possess the skillful and professional personnel compared to other local hotels. Notwithstanding, in practice, hotel staffs still find it difficult to handle the big and complex groups of guests. This issue is fairly acceptable in the normal business activities of the hotel but in case of MICE clients, this will become a serious problem. Generally, MICE customers stay in a huge group but some of them might have other plans due to their personal desires. Thus, hotel's employees need to participate in the frequent training sessions with the possibly practical cases so that they will be well-prepared for solving the complicated circumstances.

Installing the adequate equipment for the conference rooms

Undoubtedly, the facilities equipped in Pearl River Hotel's conference rooms are not designed specially to serve the MICE events. Sometimes, they might lack a certain number of required amenities, which will then result in the equipment rental from other agents and an increase in the organizing event's costs. Hence, it is necessary for the functions manager and purchasing manager of the hotel to consider buying new crucial devices to be more cost-effective and professional in organizing the events. Particularly, the high-technology appliances such as a software for the virtual conferences and a modern light and sound system are the necessities for today's meetings and workshops.

To compete with the strong competitors in the local city and to be successful in attracting MICE customers, Pearl River Hotel needs to be filled with the favorable internal and external conditions. These elements are created largely by the hotel itself. If Pearl River Hotel is full of proficient employees, is equipped with high-quality facilities adequately and establishes the stable relationships with the MICE planning companies, a viable marketing strategy will be the only missing piece for its overall business development. Another favorable factor from national economic situation and local tourism will also affect positively the business activities of Pearl River Hotel in general and its business deals with MICE customers in particular.

11 FINAL WORDS

Finding an interesting topic for the thesis is not an easy task and coming along with it requires the greater courage, efforts and consistency. This topic came to me during my summer internship at Pearl River Hotel. I first approached to MICE industry's knowledge in the middle of May, then made the project plan and organized my first seminar at the beginning of June.

During summer time, I worked hard to collect all the essential relevant data for my thesis. Especially, with the supervisor's permission, I was able to conduct an interview with the hotel's managers to obtain the valuable information before hosting my second seminar. This not only supported me to gain the useful information more easily and effectively but also speeded up my thesis writing. I would like to express my gratitude to my thesis supervisor for her support and her kindness in this special matter. I made a detailed plan from the theoretical to empirical part so I managed to accomplish my thesis quite quickly.

Conducting this project both helped me learn new interesting knowledge like MICE industry and revise the invaluable knowledge gained from my studies at SAMK as well as improve my research and analytical skills sharply. The changes of the economy and business market will lead to the justified modifications of the hotel but at the moment, I feel satisfied with the thesis result. I strongly hope that the case hotel feels the same and finds the valuable points from my report.

My nearly final words are my deepest thanks to my thesis's supervisor and my opponent, Chi who went together with me in this long journey and provided me with the helpful advice and constructive comments. The enormous support from the case hotel played a crucial role to assist me to complete my thesis. Lastly, my family and my best friends who shared the stressful moments and encouraged me to accomplish this project are my greatest motivation during writing this thesis. A story ends and a new chapter will begin. I am now confident to take the very first steps on my career ladder and feel eager to experience a real working life.

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APPENDIX

INTERVIEW QUESTIONS**General information about Pearl River Hotel**

1. Can you please describe the hotel's current business situation? (To elaborate: market shares, profits and business growth)
2. What are the hotel's strengths, weaknesses, opportunities and threats from your point of view? (For instance: price, place, service, customer range and product range)
3. What are the policies of local authority that support the hotel's business operation?
4. What are the internal & external challenges which the hotel has been faced with?
5. Who are the main competitors of Pearl River Hotel in the local area?

More details about Sales / Marketing operations related to MICE industry

1. What is the importance of MICE industry in Pearl River Hotel's business operation?
2. Who are the target groups of MICE industry at Pearl River Hotel?
3. Which methods has the hotel utilized as the efficient marketing communication channels for MICE industry? (Advertising, Direct Marketing, Sales Promotion, Personal selling or Public relations)
4. What factors affect the success of MICE industry at Pearl River Hotel?
5. What are the existing problems and potential challenges in MICE industry of Pearl River hotel?
6. How do you evaluate the abilities and commitment of hotel staff in organizing the events?
7. By which means do you improve the staff's competences in MICE industry?
8. What are the essential improvements or changes that should be made immediately within the hotel to enhance the performance of MICE industry?
9. At present, does the hotel have any specific MICE industry's development plan?
10. What is your expectation on the development of Pearl River Hotel and MICE industry within one and two years?