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Australia-Vietnam Tourism Joint Data Project Final Report

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Griffith Institute for Tourism | 31 July 2024

Photography : Balate Dorin

Make it matter

Photography : Aerial Film Studio

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Two-way visitor profiling:
Vietnam and Australia

Australian Visitors to Vietnam

- **Types of trips:** Holiday trips remain the primary purpose for travel to Vietnam. Melbourne and Sydney are the primary departure cities for trips to Vietnam.
- **Spending:** On average Vietnam's expenditure per trip was $5,069 pre COVID-19 (Year ending September 2015 to Year ending September 2020) and $5,678 post-COVID-19 (Year ending September 2022 to Year ending September 2023).
- **Market share:** Vietnam's market share of Australian outbound travel remains stable at around 3% but faces strong competition from other Asian destinations such as Indonesia, Thailand, and emerging competitors such as Laos and Cambodia.
- **Travel behaviour:** Australian travellers often enjoy cultural and historical experiences. The majority now prefer to book trips and accommodations directly, bypassing travel agents.
- **Key challenges:** The absence of targeted marketing communications, and a lack of sustainable tourism products and services.

Vietnamese Visitors to Australia

- **Demographics:** Visitors aged 45-59 years was the largest age group, accounted for 32% of the total in 2023. There's an increase in visitors aged 60 years or more, from 16% in 2018 to 19% in 2023.
- **Travel purposes and behaviour:** Visiting friends and relatives (VFR) (50% in 2023) is the most common travel purpose followed by holiday (31%) and education travel (8%) in 2023.
- **Spending:** In 2023, average spending per trip was $4,931 (surpassing the 2019 level) and spending per night was $96 (**still** lower than $97 in 2019, $105 in 2018, and $118 in 2017).
- **Return visit:** There is a significant tendency to revisit Australia in the earlier years (2017-2019), with the percentage of return visitors peaking at 70% in 2019. However, in 2023, there was an increase in first-time visitors reaching 47% in 2023 (compared to 30% in 2019).
- **Key challenges:** Perception of lacking variety and distinctive tourism products. The activities available, such as nature-based tourism, do not align well with Vietnamese leisure visitors' preferences for urban experiences and vibrant nightlife. Transport limitations and high overtime costs for drivers, coupled with a labour shortage post-COVID, further complicate travel experiences (e.g. increasing costs, and lower service quality). Main interests in Australian goods are generally limited to vitamins, cosmetics, and seasonal fresh produce. There is a lack of marketing communications tailored to the Vietnamese market.

1. Introduction

This report is a key deliverable of the Joint Data Project under the Strengthening Australia – Vietnam Tourism Cooperation (SAVTC). This project is led by Austrade in cooperation with the Vietnam National Authority of Tourism and funded by the Department of Foreign Affairs and Trade in support of the Australia Vietnam Enhanced Economic Engagement Strategy. The report offers comprehensive profiles of visitors travelling between Vietnam and Australia. These detailed profiles enable the identification of distinct needs and preferences among different visitor groups, facilitating tailored tourism offerings that enhance visitor satisfaction.

2. Data Sources

The two-way visitor profiling results in a Competitor Destination Analysis that articulates how Australia and Vietnam have performed as an international tourist destination was implemented by:

- **Desktop research** – we conducted extensive desktop analysis of English and Vietnamese language sources;
- **Quantitative analysis** – we identified and analysed a range of relevant secondary tourism data sources in Australia and Vietnam.
- **Stakeholder consultations** – we engaged a range of tourism data agencies, travel agents, and education agents in Australia and Vietnam to develop deeper insights into two-way visitor behaviour; and
- **Expert evaluation** – we engaged the tourism data expert agencies in Vietnam to evaluate and support analysis and findings.

In particular, insight on Vietnamese visitors to Australia were drawn from Tourism Research Australia (TRA) data. The data includes the incoming passenger card data for Short Term Visitor Arrivals (STVA) and estimated data based on a re-benchmarking process (creating a factor using the Australian Bureau of Statistics' Overseas Arrivals and Departures data). These data were used to upscale the International Visitor Survey (IVS) data.[1] This report uses Australian dollars (AUD) as the currency.

3. Australian visitors to Vietnam

Demographics

Age: Post COVID-19, the 15-34 years old age group has taken slightly more outbound trips than the 35+ group,[2] and consistently had longer stays (between 20 to 25 nights) than the 35+ age group (between 15 to 20 nights). This shift suggests an increasing interest in Vietnam among younger travellers, indicating that they are more inclined to travel and stay longer in the country post-pandemic.

[1] TRA have made Vietnam an IVS benchmarked country in 2024 and back cast their data for 2023. Therefore, data reported in this snapshot may vary from 2023 back cast estimates published by TRA. The back cast 2023 estimates have not been used because they are not directly comparable with data reported for 2017, 2018 and 2019 in this snapshot.

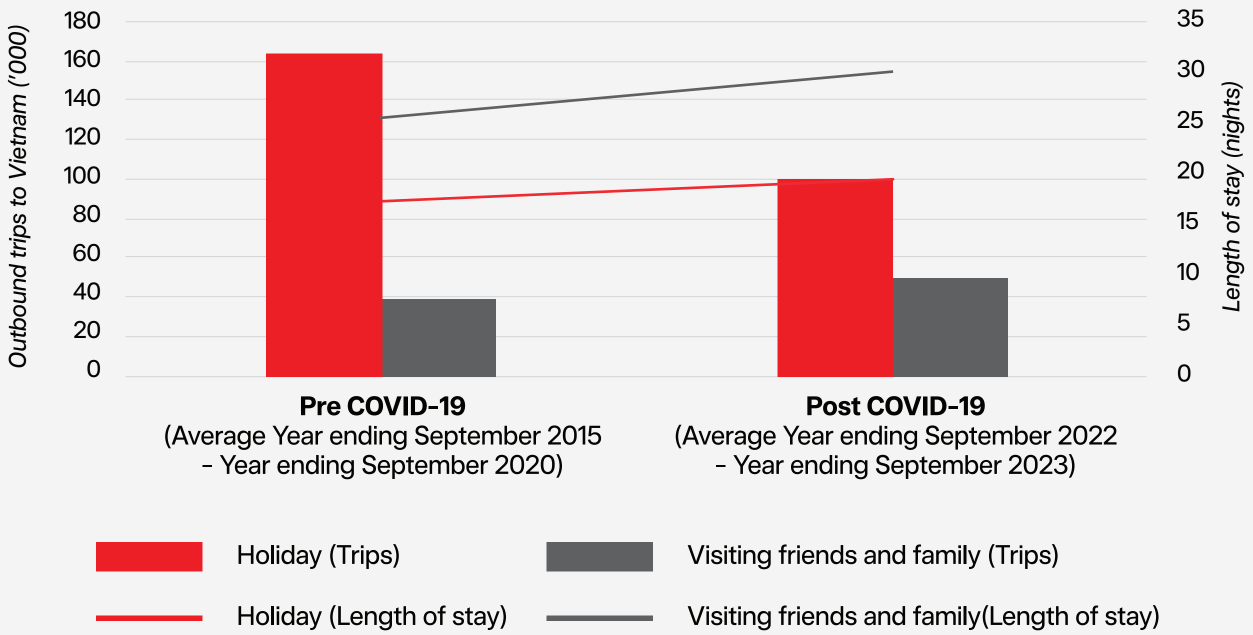
[2] The insights were generated using the NVS data, which is subject to sample error.

Gender: Females experienced a significant increase in the length of stay after COVID-19 (from 20 nights pre-COVID-19 to 26 nights in 2022).

Travel purposes

In both pre- and post-COVID-19 periods, the number of holiday trips was higher than trips for visiting friends and family, though the number of holiday trips reduced significantly after COVID-19 while trips for visiting friends and family increased slightly post-COVID-19 (see Figure 1). The length of stay for holidays is consistently lower than that for visiting friends and family, though there has been a slight increase after COVID-19 for both segments. *(Note: the sample size for businesses and others were less than 40; therefore, it was excluded from the analysis. The totals include the sample for all purposes).*

Figure 1: Number of Australian outbound travels to Vietnam and length of stay by travel purpose



(Source: TRA)[3]

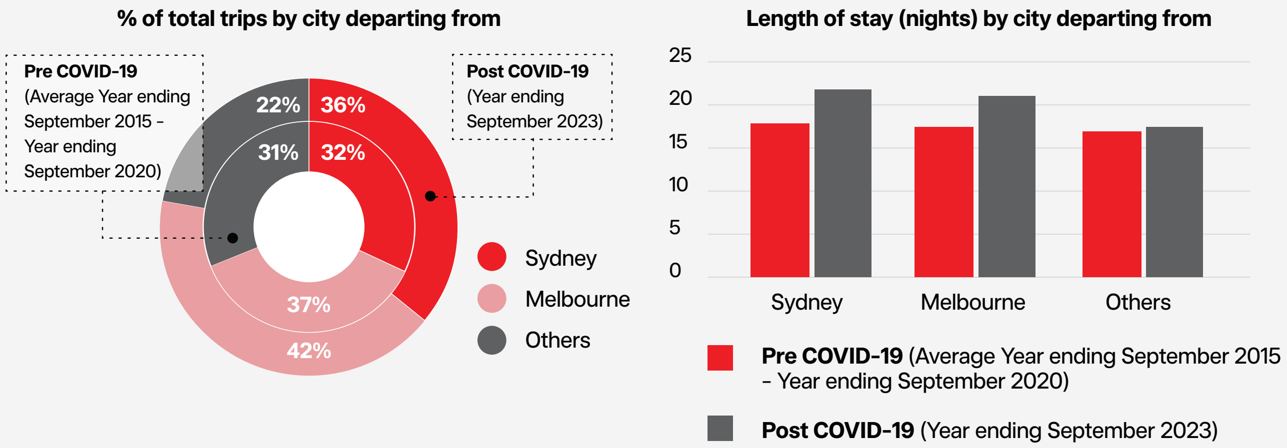
Travel behaviour

Duration: Both before and after COVID-19, trips 14 nights or less were more common than trips 15 nights or more.

City departed from: Melbourne and Sydney accounted for most trips. *(Note: the sample size for 2022 was less than 40; therefore, only 2023 was reported as the post COVID-19)*

[3] Tourism Research Australia, 2024, "Australian outbound visitors Year ending September 2015 - Year ending September 2023". Data are available on TRA Online Portal.

Figure 2: Number of Australian outbound travels to Vietnam and length of stay by city departing from



(Source: TRA)[4]

Spend: On average Vietnam's expenditure per trip COVID-19 (Year ending September 2015 - Year ending September 2020) was $5,069. After COVID-19, the average expenditure (Year ending September 2022 - Year ending September 2023) exceeded the pre-pandemic level, reaching $5,678 with the expenditure in 2023 at $6,241.

Overall, Vietnam's expenditure per trip is on par with some Asian countries such as Malaysia, Philippines and Singapore, yet it remains lower than major destinations such as Japan, China, and European countries.

The post COVID-19 spend per night ($265) by Australian visitors in Vietnam was lower than the pre COVID-19 level ($282) (see Figure 3). In addition, Thailand and Indonesia consistently showed higher spending, indicating stronger appeal.

Overall, there exists potential for growth in increasing spend among Australian tourists to Vietnam, positioning the country competitively among Asian destinations.

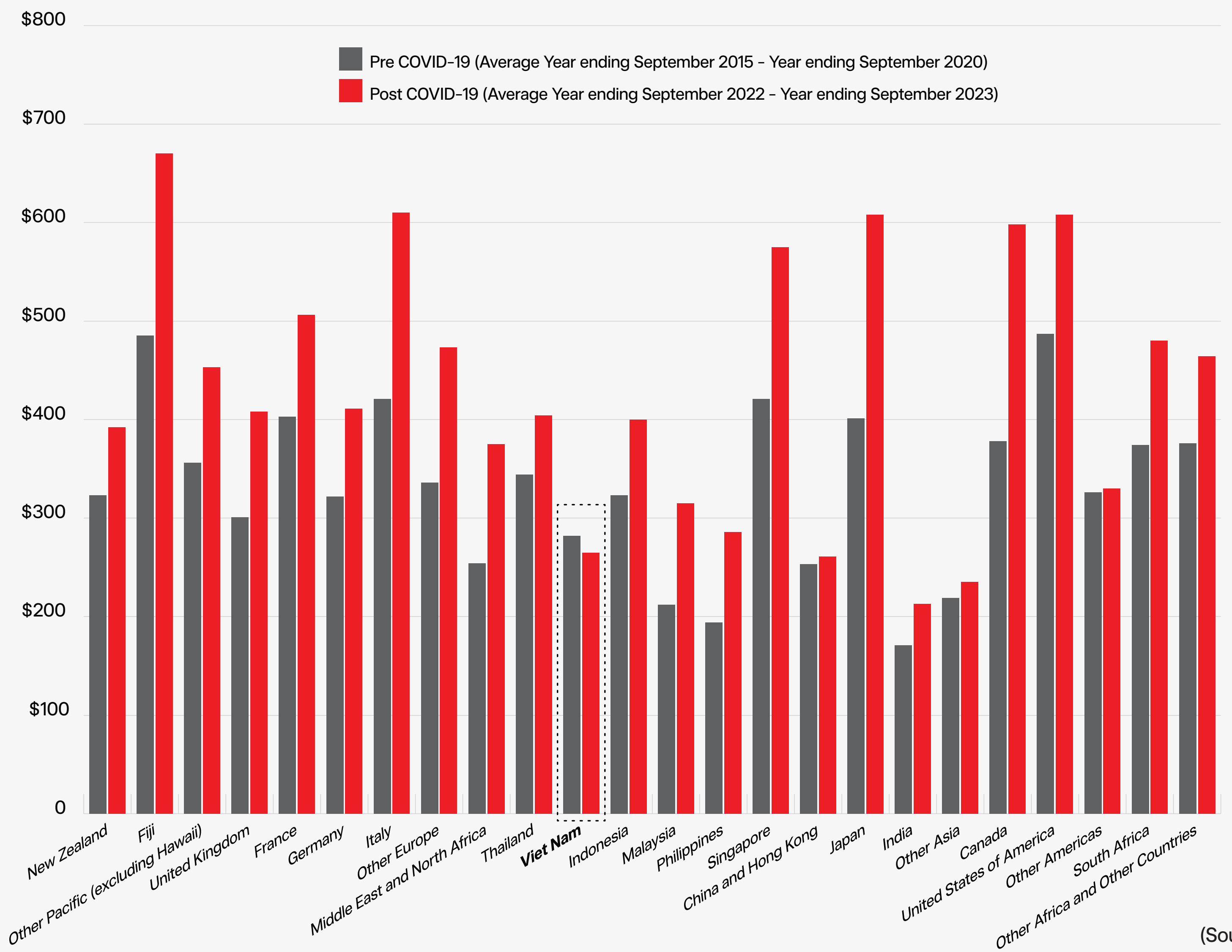
Australian Holidaymakers to Vietnam

The majority of Australian tourists now prefer to book trips and accommodations directly, bypassing travel agents. The tours previously popular among veterans have been cancelled, leading to a shift towards leisure seekers and adventure enthusiasts who generally have lower budgets.

The segment profiles are summarised in Table 1.

[4] Tourism Research Australia, 2024, "Australian outbound visitors Year ending September 2015 - Year ending September 2023". Data are available on TRA Online Portal.

Figure 3: Spending by Australians in outbound destinations (per night) (AUD)



(Source: TRA)[5]

[5] Tourism Research Australia, 2024, "Australian outbound visitors Year ending September 2015 – Year ending September 2023". Data are available on TRA Online Portal.

Table 1: Segment profiles[6]

Segment	Characteristics	Travel preferences	Behavioural insights
Leisure seekers	▪ Age: 40+ ▪ Couples or a small group of friends and family ▪ Slightly budget-conscious	▪ Historical experiences and attractions ▪ Indochina connections (Vietnam, Laos, Cambodia) ▪ Relax and explore cultures and nature	▪ Prefer independent travel over packaged tours ▪ Tend to book directly with small businesses ▪ Tend to have a moderate length of stay
Adventure enthusiasts	▪ Age: under 40 ▪ Travel alone or with friends ▪ More budget-conscious	▪ Historical and cultural experiences ▪ Sightseeing ▪ Adventure activities such as hiking and exploring nature	▪ Enjoy exploring independently ▪ Prefer booking trips and accommodations by themselves ▪ Tend to have longer stays ▪ Low expenditure per trip ▪ Tend to move from one country to another e.g. Vietnam and other Asian destinations
Veterans	▪ Previously a significant segment ▪ Fewer budget constraints	▪ Visits to war sites and historical landmarks	▪ Preference for packaged tours ▪ Tend to have shorter stays ▪ Previously a significant segment; however, the number has reduced significantly post-COVID-19.

While Vietnam's tourism products are generally perceived favourably by Australian tourists, several factors hinder repeat visits. Issues such as poor services, a tendency to overcharge foreign tourists, seeing them as targets for profit, solicitation behaviour, and a lack of focus on sustainable tourism in Vietnam contribute to this disparity.

Additionally, there is a lack of targeted marketing communications tailored to each segment. A lot of current communications are primarily aimed at young people. Australian holidaymakers often enjoy good food and pleasant experiences.

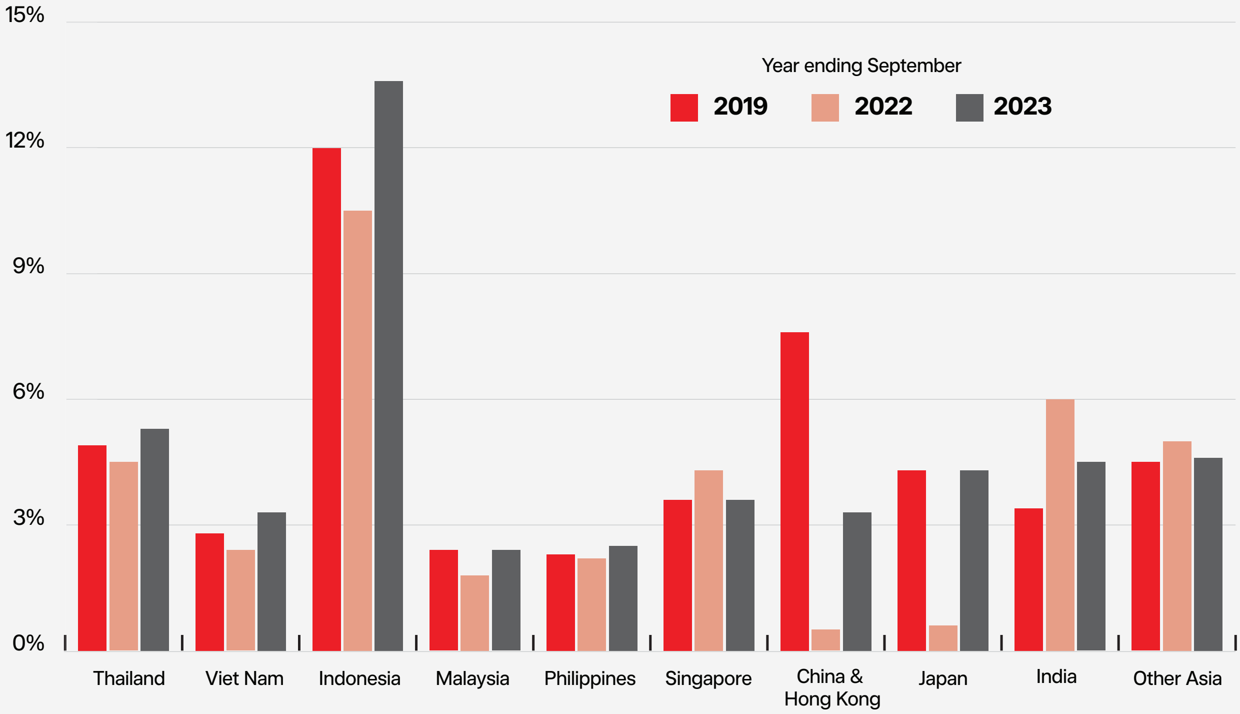
Moreover, adventure tourism is not particularly appealing to Australian leisure seekers, who prefer more leisurely and comfortable travel experiences.

[6] Based on stakeholder consultations.

Competitor Destination Analysis

Vietnam's market share (3% in Year ending September 2023) has remained relatively stable (see Figure 4).

Figure 4: Market share of Asian destinations for Australian visitors



(Source: TRA)[7]

Australians' length of stay in Vietnam averages 15-20 nights, similar to the Philippines, China, and Japan, but shorter than India (25-30 nights) and longer than Thailand, Malaysia, Indonesia, and Singapore (10-15 nights). Although Australians visit Indonesia and Singapore more frequently, their stays there are shorter (10-13 nights) due to Singapore being a main transit hub and Bali a short holiday spot.

Vietnam's post-COVID-19 recovery in tourist expenditure has been less robust than for other Asian countries. Thailand, Indonesia and Singapore showed significant increases in spending per night, while Vietnam's expenditure remained lower than its pre COVID-19 level. European destinations saw much higher expenditures per trip compared to Vietnam. Asia remains the most popular destination for Australian outbound travel, but Vietnam faces strong competition in market share, length of stay, and expenditure. Emerging competitors like Laos and Cambodia are attracting more Australian tourists.

Based on our stakeholder consultations, many Australians view Vietnam as a stopover, preferring longer stays in the more cost-effective Laos and Cambodia. Issues with visa policy and a lack of diverse and novel tourism services hinder Vietnam's appeal, despite advantages like direct flights and reasonable ticket prices.

[7] Tourism Research Australia, 2024, "Australian outbound visitors Year ending September 2015 - Year ending September 2023". Data are available on TRA Online Portal.

*There exists **potential for growth** in increasing spend among Australian tourists to Vietnam, positioning the country competitively among Asian destinations.*

Photography : Cloudyew

4. Vietnamese visitors to Australia[8]

Demographics

Age: The largest age group of Vietnamese visitors to Australia in recent years is visitors aged 45 to 59 years, making up 32% of the total visitors by 2023. The share of older visitors (60 years or more) has increased slightly from 16% in 2018 to 19% in 2023.

Gender: Overall, there were more female Vietnamese visitors (about 57%) to Australia compared to males.

Travel purposes

Visiting friends and relatives (VFR)[9] is the most common travel purpose (50% of total visitors from Vietnam in 2023) followed by holiday (31% in 2023) and education-related travel (8% in 2023).

Travel behaviour

Length of stay: There is an increasing trend for tourists of all ages staying for one month to less than three months, from 16% in 2019 to 21% in 2023. It is estimated that among visitors aged 15 and above, those arriving for holidays had an average stay of 60 days in 2023, up from 38 days in 2019 whereas the average stay of VFR visitors was 25 days in 2023, the same as in 2019.[10]

Travel companions: According to the estimated data from OAD and IVS, the majority of Vietnamese visitors are solo travellers. Their number has increased from 60% in 2017 to 64% in 2019 and 67% in 2023 whereas the number of family group (parents with children) visitors reduced from 18% in 2017, 15% in 2019 to 12% in 2023.

State dispersal: According to Figure 5, New South Wales and Victoria are dominant destinations for Vietnamese visitors, witnessing a significant increase in the number of Vietnamese visitors post COVID-19.

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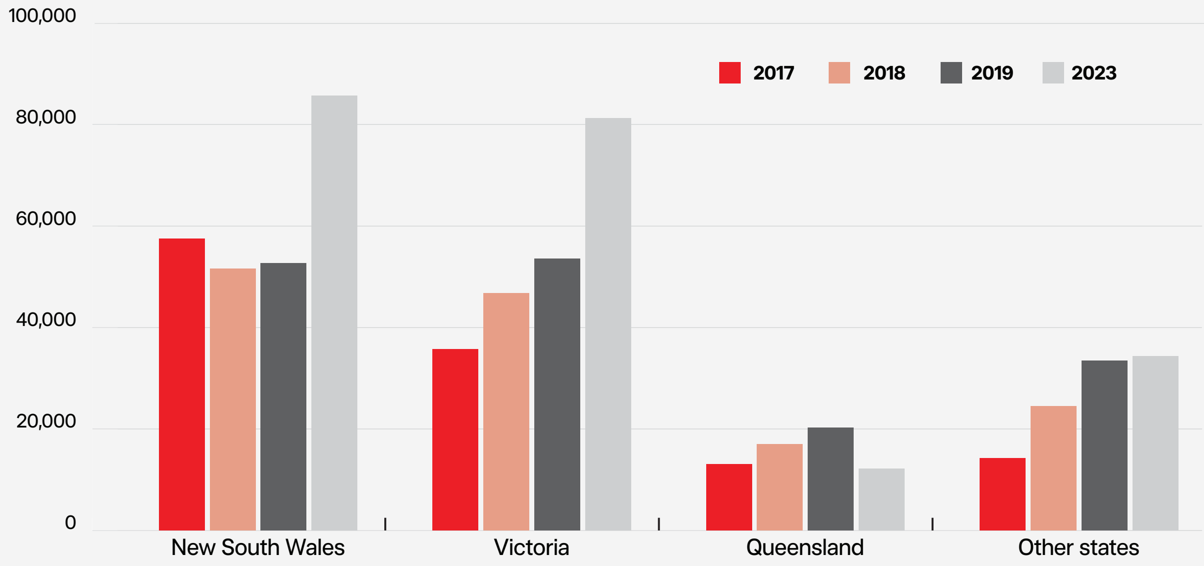
8 TRA have made Vietnam an IVS benchmarked country in 2024 and back cast their data for 2023. Therefore, data reported in this snapshot may vary from 2023 back cast estimates published by TRA. The back cast 2023 estimates have not been used because they are not directly comparable with data reported for 2017, 2018 and 2019 in this snapshot.

9 As of 2022, 281,810 Vietnamese-born people were living in Australia (source: Home Affairs).

10 Data provided are estimated based on a re benchmarking process (creating a factor using overseas arrivals and departures data - OAD) to upscale the IVS data. This is needed as inbound data is not a directly benchmarked for the Vietnam market.

Figure 5: Estimate of stopovers by Vietnamese visitors

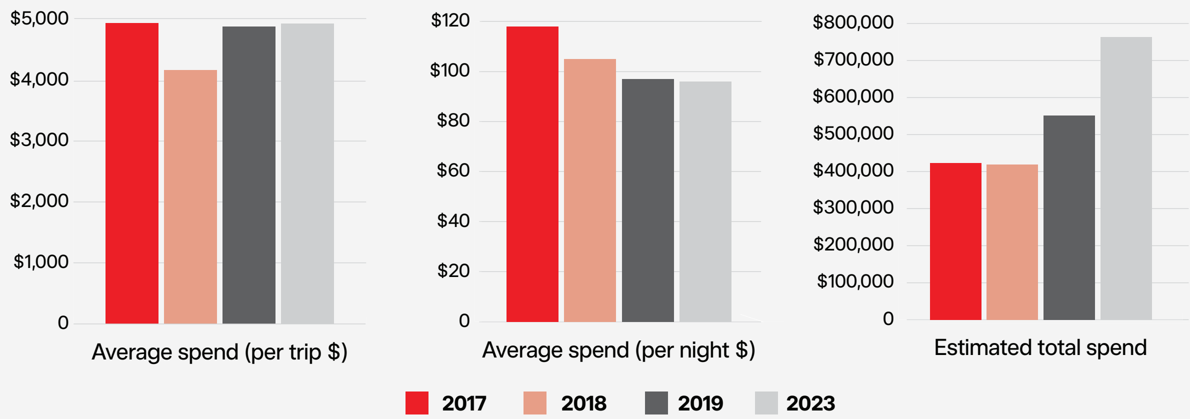


(Source: OAD; IVS; data is estimated)[11]

Spend: The spending behaviour of Vietnamese visitors to Australia indicates a recovery post-pandemic (see Figure 6). However, the spending levels remain relatively modest, with an estimated spending per trip of $4,931 (surpassing the 2019 level of $4,885) and per night of $96 in 2023 (**still** lower than $97 in 2019, $105 in 2018, and $118 in 2017). This aligns with findings from stakeholder consultations, which suggest that shopping expenditure in Australia is limited. They also mentioned that Australia is not renowned for luxury shopping (in comparison with other destinations such as Singapore).

According to Figure 7, education-related spending remains the highest, indicating these are the primary purposes for travel. Spending on holidays and visiting friends and relatives also saw increases in spending, highlighting the importance of these segments.

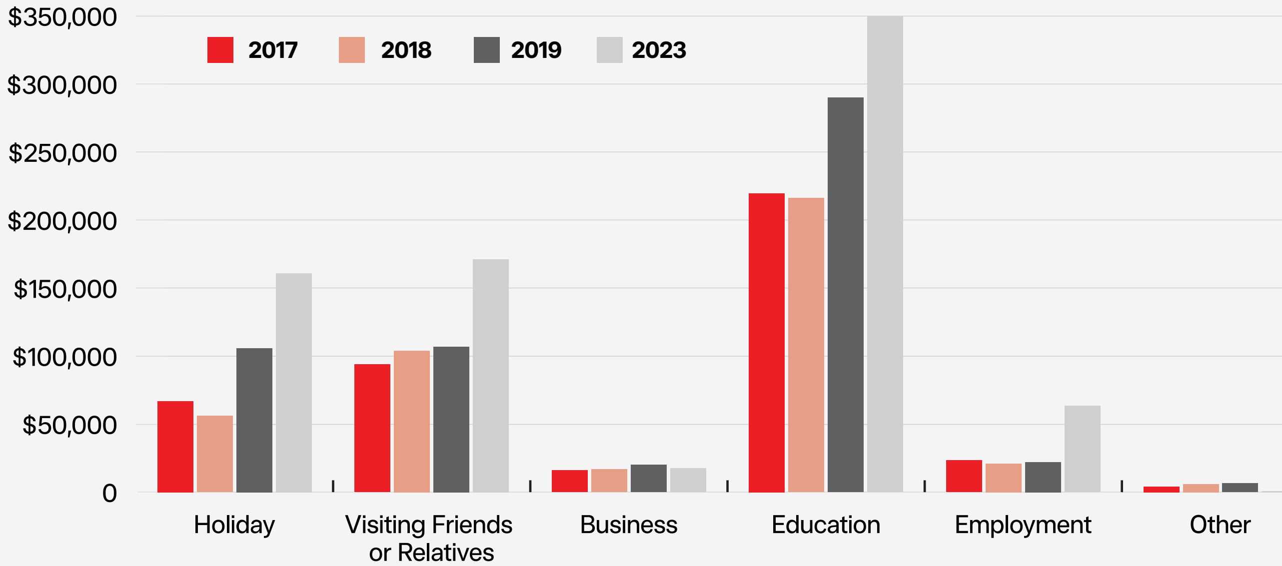
Figure 6: Estimate of spending by Vietnamese visitors (AUD)



(Source: OAD; IVS; data is estimated)[12]

[11, 12] Data provided are estimated based on a re benchmarking process (creating a factor using overseas arrivals and departures data - OAD) to upscale the IVS data. This is needed as inbound data is not a directly benchmarked for the Vietnam market.

Figure 7: Estimate of spend by trip purpose (AUD)

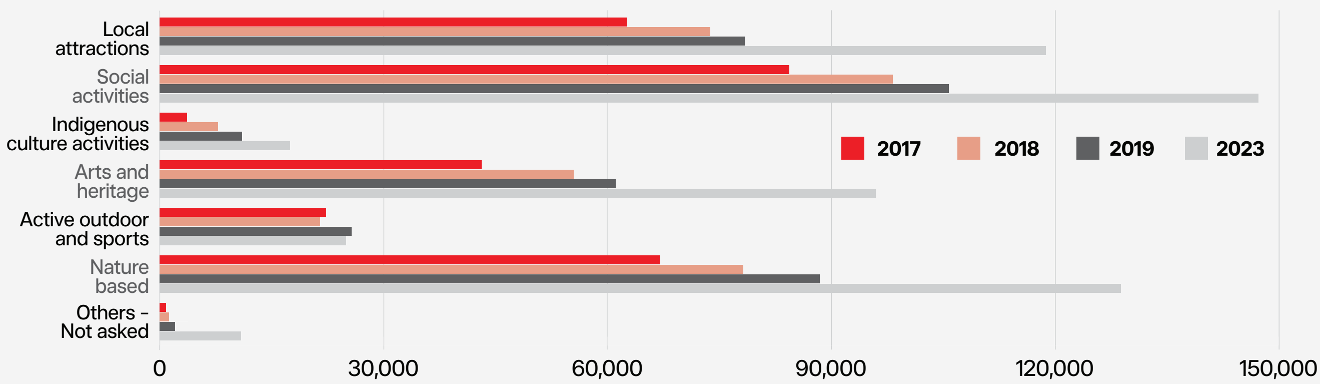


(Source: OAD; IVS; data is estimated)[13]

Activities: As demonstrated by Figure 8, Vietnamese visitors are primarily interested in social activities like shopping, visiting pubs, culinary tourism (including seafood like oysters and lobster, and kangaroo), and sightseeing.

They enjoy taking photos, city tours of landmarks like the Sydney Opera House and Harbour Bridge and visiting zoos to see iconic Australian animals. They also engage in nature-based tourism and local attractions. They often avoid museums due to limited time and high entry costs to museums, focusing on photo opportunities instead. While there is some interest in skiing during the winter, overall interest in outdoor sports and indigenous experiences remains limited. Niche markets for extreme sports like bungee jumping and car racing in the desert exist, but demand is currently low.

Figure 8: Estimate of activities by Vietnamese visitors



(Source: OAD; IVS; data is estimated)[14]

[13, 14] Data provided are estimated based on a re benchmarking process (creating a factor using overseas arrivals and departures data - OAD) to upscale the IVS data. This is needed as inbound data is not a directly benchmarked for the Vietnam market.

Return visit: Vietnamese tourists showed a significant tendency to revisit Australia pre-pandemic (2017-2019), with the percentage of return visitors peaking at 70% in 2019. However, by 2023, there was a notable increase in first-time visitors (47%). According to travel agents, popular destinations for repeat visitors include the Gold Coast and Brisbane, driven by the desire for peacefulness, business engagements, or familial ties.

Visitor segmentation

Key segments of Vietnamese visitors to Australia include leisure visitors and VFRs. A notable difference between these two segments is that Vietnamese leisure visitors returning from Australian tours often find the activities lacking in excitement. They believe that to fully experience Australia, they need to spend a longer time in the country. In contrast, VFR visitors are more familiar with local spots and spend more time with locals, allowing them to better understand the country and be open to a wider variety of experiences. VFR visitors also make up the majority of return visitors.

Segment: Leisure visitors

Table 2: Profile of Vietnamese leisure visitors[15]

Leisure visitors profile	
Motivations	▪ The majority of this group aims to enhance their passport strengths and explore immigration opportunities. These tourists primarily focus on major cities such as Sydney, Melbourne, and Canberra, with Brisbane emerging as a new destination. ▪ They prefer shorter and more affordable tours. Sydney is the most popular tour option with visits typically about 4-5 days. ▪ Another major motivation to visit is to combine a holiday with exploring investment opportunities and considering universities for their children. ▪ Many of these visitors have friends or family in Australia.
Tourism product perception	▪ Australian tourism products are perceived as limited, lacking variety, and not having a distinctive "wow" factor. ▪ Australian tourism heavily promotes nature-based activities, which do not align well with Vietnamese visitors' preferences and physiques. ▪ There is a perception there is a lack of nightlife activities. ▪ Perceptions about the distances between destinations/experiences and inadequate transportation options were cited. The high overtime labour costs[16] and language barriers due to drivers mainly being Asian with limited English proficiency.[17]

[15] Based on stakeholder consultations.

[16] Transportation companies limit their services to within 10 hours per day. Any overtime beyond this limit incurs a substantial fee of 100 AUD per hour.

[17] Australian tours usually offer a guide/driver, but current transport companies are unable to provide good quality services due to post-COVID labour shortages. Finding qualified drivers has become particularly challenging.

Shopping in Australia

- Australia is known for having good options to purchase vitamins and cosmetics but otherwise it is perceived that there is not much else to buy in Australia.
- Depending on the season, they may also purchase fresh fruits, raisins, Australian beef (including wagyu), and kangaroo meat.
- Shopping for clothing is not popular due to the contrasting seasons and a perceived lack of fashionable options.
- Local brands are generally not popular among Vietnamese holidaymakers, who typically prefer to buy souvenirs.

Challenges

- Stricter visa regulations have decreased the volume of Vietnamese visitors.
- Post-COVID, the quality of services has deteriorated potentially due to workforce shortages. Costs have also increased due to inflation.
- Vietnamese holidaymakers often perceive Australian activities lacking excitement and feel they need more time to fully experience the country.
- There is a perception that nightlife activities are limited.

Overall preferences of leisure visitors

- Enjoy the food and beverage experiences in Australia.
- Prefer staying in the central tourism hubs and city locations.
- Love taking photos, particularly of popular local attractions and landmarks
- Prefer budget tours and often look for more small businesses that offer budget-friendly options.
- Prefer short tours, leaving little time for in-depth experiences. Consequently, there is a tendency towards shorter, more superficial tour experiences.
- Many packaged tour holidaymakers are aged 40 and above and face difficulties in getting extended leave from work.
- Australian winter tours are very popular among families (school holidays in Vietnam).

Segment: VFR (Visiting Friends and Relatives)

Table 3: Vietnamese VFR visitor profile[18]

VFR visitor profile	
Regional dispersal	▪ Mainly concentrated in cities with large student populations such as Sydney, Melbourne, and Brisbane, followed by Adelaide and Perth.
Age	▪ The majority of visitors are under 50 years old, representing around 80% of the total visitors.
Activities	▪ Popular activities include visiting shopping centres, tourist attractions like the Sydney Opera House, major universities, and areas with Vietnamese and Chinese food districts.
Shopping in Australia	▪ Popular shopping products are medicines, supplements, beef, fruits, and milk.
Time and length	▪ Typically visit during the Vietnamese summer (June to August) and at the end of the year in December, coinciding with long breaks in private schools.
Visitor spend	▪ Visitors usually spend about 30-50 million VND (~1,700 to 3,000 AUD) per person, covering visa and paperwork, airfare, accommodation, transportation, and experiences. ▪ Accommodation costs in Australia are higher than in other countries, but airfares are cheaper compared to medium-haul destinations thanks to low-cost airlines such as Vietjet.
Perception of Australia	▪ Australia is considered a friendly destination with advantages such as cheap and direct flights. ▪ VFR visitors are more open to experiencing local lifestyles and places due to their existing relationships with friends and family in Australia.

18 Based on stakeholder consultations.

Competitor Destination Analysis

According to TRA projections, Australia's market share of outbound travel from Vietnam is expected to reach 0.91% (from 0.87% in 2019) by 2027.[19]

Competitor analysis reveals that countries such as Japan, the United States, New Zealand, Singapore, Thailand, South Korea, and China offer unique attractions that better align with Vietnamese leisure visitors' preferences. Japan is favoured for its high-value shopping and vibrant nightlife, while New Zealand attracts tourists with its natural beauty. Singapore is known for luxury shopping, and South Korea appeals to younger travellers with its pop culture and seasonal attractions. Thailand is popular due to its proximity, affordability, and diverse experiences, and China offers rich cultural and historical experiences.

5. Recommendations

5.1. Australia

To enhance Australia's appeal to Vietnamese tourists, we recommend the following:

1. **Diversification of tourism offerings:** develop more urban and cultural experiences that provide a "wow" factor. Promoting local goods more effectively, particularly supplements and authentic local brands, can also increase shopping interest among Vietnamese visitors. Improving the visitor experience by extending tour durations and offering more flexible itineraries can help tourists fully experience what Australia has to offer.
2. **Logistics:** Addressing transport issues by reducing costs and improving logistics, as well as hiring bilingual guides and drivers, will further accommodate Vietnamese tourists' needs.
3. **Marketing communications:** Strengthening marketing efforts through targeted campaigns that highlight Australia's unique attractions and promote it as a friendly and accessible destination is essential. Key information should be made publicly available in Vietnamese, including details on key attractions, entertainment options, dining, and recreational activities.
4. **Focus on VFR visitors:** developing programs that facilitate connections with local communities and offering special packages for family visits can enhance their experience. Promoting cultural exchange programs can also allow VFR visitors to experience Australian culture more deeply.

To compete with other popular destinations, Australia should emphasise its unique features, such as its natural landscapes, wildlife, and multicultural cities. Improving service quality post-COVID by investing in staff training and enhancing overall service standards will help address current service issues. By implementing these recommendations, Australia can improve its appeal to Vietnamese tourists and VFR visitors, increasing two-way visitation and solidifying its position as a desirable travel destination.

[19] Tourism Research Australia, 2024. Data were provided by Grant Keys via email on Tuesday May 16, 2024, in the "Vietnam focus" Excel file.

5.2. Vietnam

To enhance Vietnam's appeal to Australian tourists and improve their travel experience, the following recommendations are proposed:

1. **Service quality:** It is important to implement comprehensive training programs for tourism service providers to improve customer service skills and promote a more welcoming attitude towards tourists, especially foreigners. Sustainable tourism practices should be encouraged to enhance the overall quality of the tourist experience.

2. **Marketing communications:** Targeted marketing campaigns that highlight Vietnam's unique cultural and natural attractions can be developed, for example, emphasising the diverse experiences available, from urban adventures to rural retreats. Travel influencers can be engaged to reach a wider audience and attract more Australian tourists.

3. **Logistical challenges:** English-speaking guides and language support should be provided in key tourist areas to help Australian tourists navigate more easily.

By addressing these areas, Vietnam can enhance its attractiveness as a destination for Australian tourists, ensuring they have a memorable and satisfying experience. This, in turn, can increase repeat visits and strengthen the overall tourism relationship between Australia and Vietnam.

Photography : Martin Valigursky

Sustainable tourism practices *should be encouraged to enhance the overall quality of the tourist experience.*

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