

# **Potential Customers for Tailor-made Travel Service in Vietnamese Outbound Tourism Market**

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<p>Abstract:</p> <p>The purpose of this thesis is to identify the potential customers for the tailor-made travel service provided for Vietnamese traveling abroad. This serves as the pilot study for further feasibility study on the authors' business idea of establishing a tailor-made travel company. Hence, the finding of this study is expected to guide the startup's upcoming research and to fill in the gap of knowledge of the founder. Before the study, the startup expects its target customer groups to be (1) the struggling travelers in trip planning, (2) the busy workers and (3) those who seeking for special travel experience. Moreover, these customers should have a medium-level income to afford the service. In this study, the potential customers are defined primarily based on their purchase intention, purchase ability and attitude towards the tailor-mades service. An opinion survey was conducted on Facebook for data collection. The demographic information, travel habits and attitude toward tailor-made travel of 115 respondents were collected. 105 valid answers were used for the data analysis with SPSS. The result points out to an unexpected potential customer group, the Vietnamese young adults among 18 and 30 years old. They appear to be a potential customer group for the tailor-made travel service, due to their positive attitude toward the service and high purchase intention. However, their current purchase ability is relatively low. The groups' average annual income can afford limited choices of travel destination and a low annual travel frequency to foreign countries. The startup is recommended to focus its official market feasibility study on the original target customer groups, but not switching to the newly discovered one. As there are methodological limitations in this study, the survey result is homogenous and could not present the interest of the whole population. More reliability tests on its findings are thus needed in the future.</p>	
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# 1 INTRODUCTION

During its transitional stage, the Vietnamese economy experienced significant growth (Barker and Üngör, 2019) with a supportive setting for vibrant entrepreneurship development (Nguyen, Sullivan Mort and D'Souza, 2015). According to Topica Founder Institute (2017), there were 92 startup deals invested in Vietnam 2017, which was equivalent to a double in the number of deals accomplished in 2016. The increasing interest of investors towards startup projects is considerably encouraging to the local entrepreneur community. This has reached another level when the television show Shark Tank presented its Vietnamese version to the audience in the same year. The show has not only provided a fundraising, marketing and networking forum for innovative entrepreneurs but also draw the public attention to the entrepreneurship area. However, tourism startups are barely found either on Shark Tank broadcast nor in Topica Founder Institute's report, as most companies are operating in E-Commerce, Fintech, and Foodtech.

In 2017, excluding the indirect and induced contribution, Tourism and Travel directly contributed 12.97 million USD to Vietnam's gross domestics products (GDP), which was equivalent to 5.9% of the national GDP. Compared to 2013, the constant economic contribution of tourism and travel has grown for approximately 40%. (World Travel and Tourism Council 2018 p. 13) Due to the significant economic benefits brought by tourism export, most of the industry and media focuses are within the inbound sector. Meanwhile, the less noticed outbound sector was also gaining its market share. This was justified by the increasing number of Vietnamese residences traveling abroad as well as the expenditure on outbound travel between 2012 and 2016 (General Statistics Office of Vietnam 2016 and World Travel and Tourism Council 2018).

Recognizing the entrepreneurial opportunity in the outbound tourism sector, the author was inspired to establish a tour operating company to provide tailor-made tour package and service for Vietnamese outbound travelers. The mission of the company is to deliver a convenient, money worthy and high-quality travel experience for customers. In addition, the company pursues to become the leader of tailor-made tour service providers in Vietnam. Embracing this ambition, the author determined to build a solid foundation for her business establishment and

development. The very first step begins with an in-depth feasibility assessment of the idea implementation. This thesis serves as a pre-market study for further feasibility analysis.

## **1.1 Problem statement**

The feasibility study investigates all determinants to the outcome of the entrepreneurship project. Based on that, it is expected to answer the question: if the idea is viable in term of economic, finance, technology, and organizational structure. In order to produce an effective feasibility report, the need for market knowledge is crucial. However, the tailor-made travel in Vietnam is yet an unknown area, as no previous study has been conducted on the field. Hence, this thesis study aims to fill in the knowledge gap for further study facilitation.

## **1.2 Research aim**

The ultimate purpose of this thesis is to build a foundation for the further feasibility study of tailor-made travel service in Vietnamese outbound tourism market. It aims to discover if there are any potential customers for tailor-made travel in Vietnam. The expected outcome is to determine (1) if tailor-made travel service is desired by the local market, (2) who is interested in obtaining the tailor-made service, and (3) what is the market's attitude toward the tailor-made travel.

## **1.3 Research questions**

A research question “Are there any potential customers for the tailor-made travel service in Vietnamese outbound tourism market?” is established according to the study's aim. This is supported by three other sub-research questions of the thesis:

- Who is willing to pay for the tailor-made travel service in Vietnam?
- What are some characteristics of these potential customers?
- What is the potential customers' attitude toward tailor-made travel service?

## **1.4 Demarcation**

The scope of this pre-market study focuses on the desirability and attractiveness of the tailor-made travel service in Vietnam. Competitive analysis is not included. The survey mainly

investigates the Vietnamese travelers' demographic information, travel habits and attitude toward the tailor-made service. Based on the purchase intention and purchase ability, the study defines who are the potential customers.

## 1.5 Definition

**Outbound tourism** is a form of tourism, where residents of a country visit and stay in another country. This belongs to both national and international tourism. (Lickorish and Jenkins 2007 p. 36-37). According to Tilastokeskus (2019), the duration of an outbound trip is maximum 12 months in consecutive. The purpose of outbound travel could be leisure, business or other purposes.

**Packaged tour**, also known as the packaged holiday, refers to a pre-made holiday combo including various components and sold at an inclusive price (MOT Oxford English Dictionary 2019 and Collin Dictionary 2019). It usually includes transportation, accommodation, transfers, sightseeing tours, insurance and car rental (Syratt & Archer 2003, p.6). In addition to these components, the tour guide is also a fundamental element of a packaged tour. Customers tend to consider and evaluate all the component services as one product. Tour operators are the organizers of the packaged tour, who can either distribute the products themselves or outsource the distribution to travel agencies.

**Independent travel** is defined as a holiday where travelers arrange all trip's components by themselves (Macmillan Dictionary 2019). This means the role of travel companies is eliminated. Instead, the travelers are taking over the control of the trip content, such as accommodation, transportation and itinerary. Moreover, independent travelers tend to prefer defining themselves as travelers rather than tourists.

**Tailor-made travel** falls to the luxury holiday category, which is not common to the mass travelers. A tailor-made trip is specially personalized by travel companies to meet certain demands of the travelers. (Bakker and Martine 2005 p. 2) By definition, it can be understood as a specialized packaged tour for travelers with some specific expectations to their trip.



## **2 BACKGROUND INFORMATION**

There is a necessity to clarify the business idea before initiating the research. A business concept statement is used to visualize the entrepreneurial idea by word. In this case, the idea is to establish a travel company providing tailor-made travel service for outbound travelers in Vietnam. The following sections describe the core service, its target market, value proposition and differentiators based on the startup's assumption.

### **2.1 Description of tailor-made travel service**

The main idea of the startup's tailor-made service is to provide customers with a one-stop travel support experience. By adopting the service, the customers receive full support from the service provider in trip planning, travel necessities purchasing and post-sale online assistance. The aim is to reduce customers' stress before their vacation, since vacations mean to bring joy and relaxation instead of adding more anxiety. This places an emphasis on the quality of the whole tailor-made service process. The better the service quality is controlled, the more enjoyable tour package is produced. The final trip package that customers received acts as a reflection on the quality of previous service process.

The service process begins with a free of charge consultation session. During this very first stage, customers' problem, need, and want are intensively identified. Their information is filed with an identity number for further process. Customers place their orders by signing a contract and paying the deposit. This includes the service fee and a part of the purchasing cost. Such procedure aims to secure our effort in case of cancellation. Deposit refunding is not available thereafter. Once the deposit is received, the order is officially confirmed and processed. A detailed travel plan is provided in three working days after the deposit payment. Customers can modify their plan while not changing the general structure. For instance, neither changing of destination nor adding several days to travel duration are accepted without paying an additional fee. When customers are satisfied with the final plan, they receive the quotation of their plan and must shortly pay 50% of the package value. Then, the purchasing process is initiated in order to reserve all the needed items for their trips. After all the bookings are done, customers pay the rest of the package value. No later than two weeks before the trip begins, customers receive their customized travel handbook including all booking certification. Additionally,

customer care is also provided along the customers' trips to smoothen the whole travel experience.

## **2.2 Description of the target market**

The proposed business is targeting at the outbound travel market in Vietnam. It aims to solve the problem of time, effort and stress to the Vietnamese travelers struggling with ~~their~~ trip planning. These struggles may result from the language barrier, lack of knowledge on travel or destination, and low bargaining power toward foreign suppliers. Travelers with these problems are categorized into one target customer segment for the business. Another possible customer segment for the tailor-made tourism service is busy workers with little time for trip planning. In addition, travelers seeking creative travel experience to fulfill some particular demands are also considered as the business's potential customers. The price positioning of the business's service is "affordable luxury". This assigns a moderate yet acceptable price to the service with above average quality. The target customer, thus, should have a medium-level income to afford the offer.

## **2.3 Value proposition and differentiators**

Tailor-made travel service is expected to create gains and relieve pains for its customers. It helps to fulfill the particular demands of the customers in travel that conventional packaged tour cannot meet. These demands vary among different customers. It could be accommodation standard, catering quality, trip purpose, activity choice to schedule pace. These needs and wants cannot be simultaneously fulfilled in packaged tours, as it is generalized for the mass market and to roughly fit as many travelers as possible. Besides, the tailor-made service also aims to free the customer's from the pains in trip planning. By outsourcing the trip planning workload to the company, customers buy themselves time and energy for either work, relationship or relaxation. Moreover, they can also take advantage of the bargaining power of the company toward foreign suppliers.

To sum up, the tailor-made travel service shows great benefits for customers in comparison to the conventional package tour and the self-planning trip. Compared to the conventional package tour, the flexible tailor-made service is a better fit for customers with private demands. It also offers a higher level of benefit-cost ratio. Most of the outbound packaged tours in

Vietnam focus on sight-seeing within a short amount of time for operation cost reduction. This limits customers' experience in a foreign country. In fact, customers can actually enjoy more product and service for the amount of money that they paid. Compared to the self-planning trip, the tailor-made service is more convenient as well as time and effort saving, because all the trip planning work is taken care of by the company. A better price can also be offered to customers due to the company's contracted rates. Furthermore, the company provides online customer support to resolve customers' problems along the trip. This is considered as value adding service to free independent travelers. When unexpected incidents happen, travelers tend to panic due to the unfamiliar environment. The post-sale online support reduces this issue, resulting in a better experience as the whole.

## **2.4 Service distribution**

The startup plans to deliver the tailor-made travel service in two ways. Both physical representative office and company's online platform are available approaches the service. The online platform is the main distribution platform of the business's tailor-made travel service because customers in various geographic areas can be reached easier. Moreover, it facilitates the delivery of tickets and booking certificates at a faster pace, especially in case of urgent order. However, the business also understands that Vietnamese consumers consider vacation as an expensive item. Although online shopping has become more and more popular, trust-issue remains significant to Vietnamese consumers when buying high-value products online. Hence, a physical representative office is necessary to gain trust and serve customers with a traditional mindset.

## **3 THEORETICAL FRAMEWORK**

### **3.1 Feasibility study**

A feasibility study is a viability assessment tool used in project management and business venture (Investopedia, 2019 and Justis & Kreigsmann, 1979). It tests the practical level of an idea before implementation. A feasibility study rationally analyzes and evaluates all relevant factors of the study subject to determine if the subject is realistic (Investopedia, 2019). Some examples of factors that directly influence the outcome of a project are technical, economic,

legal, operational and schedule factors. By deeply examine these factors, a feasibility study demonstrates all the possibilities for the subject. This provides readers with an overview of how things work at the present and suggest how they will work in the future. As a result, the feasibility study is expected to conclude whether the proposed project is more likely to have either a positive or negative outcome. A negative success capability outcome should not be considered as a bad outcome. In fact, it helps avoid the waste of stakeholders' limited time, resources and effort on impracticable ideas. Due to its significant role, a feasibility study should be conducted in a non-bias and objective way to ensure the reliability of its recommendation.

Conceptual frameworks for feasibility studies in health care (Bowen, D., Kreuter, M., Spring, B., Cofta-Woerpel, L., Linnan, L., Weiner, D., Bakken, S., Kaplan, C., Squiers, L., Fabrizio, C. and Fernandez, M. 2009), information technology (Khoong, C.M ; Ku, Y.W. 1994) and real estate (Malizia E. 1992) was found in early scholar literature. However, few critical ones designed for application in tourism and hospitality was published and could be taken as reference. Nykiel (2007 pp. 131-140) suggested that a feasibility study's components are divided into three major sections. There are three major sections: market analysis, component assessment, and project financing assessment. The importance of the former is emphasized in this study because it affects all other sections in the study. A study by Starvos and Leticia (2018) presented a new model of the feasibility study for a business venture. In comparison to Nykiel's template, this work is more specific and was built based on more recent literature. Starvos and Leticia described five key components of a feasibility study: description, market feasibility, organizational feasibility, technical feasibility and financial feasibility. Below is the comprehensive explanation of each part's content.

The description section is an introduction to the company. It provides a detailed account of the business and its products or services. Most importantly, they should be stated according to the following questions: What is the business layout? What kind of products or services it offers? How is the offer delivered?

The market feasibility section is a market analysis and assessment, which portrays the business environment. This study generates knowledge of the industry, market competition, target market segmentation and sales estimation. The stakeholders are able to determine if their products or services are desired by the market based on those information.

The organizational feasibility section defines the business structure in term of corporate and legality. The information and profession background of the founders may be revealed in this section. The purpose is to assess their capability in running and maintaining the business.

The technical feasibility section describes the logistics flow of the company. This shows how products and services, in specific, are delivered. Some examples of the technical factors are transportation, site location, technology, materials and staff.

The financial feasibility section focuses on the cost and profit aspect of the business. It includes all financial items involved in the business. There is usually a projection of funding, capital, operation cost and sales.

*Table 1. An outline for the feasibility study report by Stavros and Leticia. (2018).*

- |   |
|---|
| <ol style="list-style-type: none"><li>1. Executive Summary and Description</li><li>2. Description of the Business</li><li>3. Market Feasibility: Market Analysis and Assessment</li><li>4. Description of Products or Service</li><li>5. Management Team and Staff Members</li><li>6. Technical Specification</li><li>7. Examination of Critical Risks and Problem</li><li>8. Marketing Plans</li><li>9. Financial Feasibility: Projection and Plan</li><li>10. Result, Evaluation, Conclusion/Recommendation</li></ol> |
|---|

All the components above are required to be included for an effective feasibility study. The result of all sub-studies is illustrated in the feasibility report. Table 1 outlines how the report template suggested by Stavros and Leticia (2018 p.109 – 129).

### **3.2 Market Feasibility Study**

Both Nykiel (2007 pp.131-140) and Stavros & Leticia (2018 p.109 – 129) considered the market feasibility study as the most crucial yet difficult part in a feasibility study. It involves thorough market analysis and assessment, whose findings directly influence most of the rest in the study. This thus requires a sufficient amount of time and effort to produce a high-quality market research. The main research question of this part is “if there is a potential market for the product or service”. If the answer is yes, the research should provide more information on how the business can acquire this market. Otherwise, the product or service is not attractive

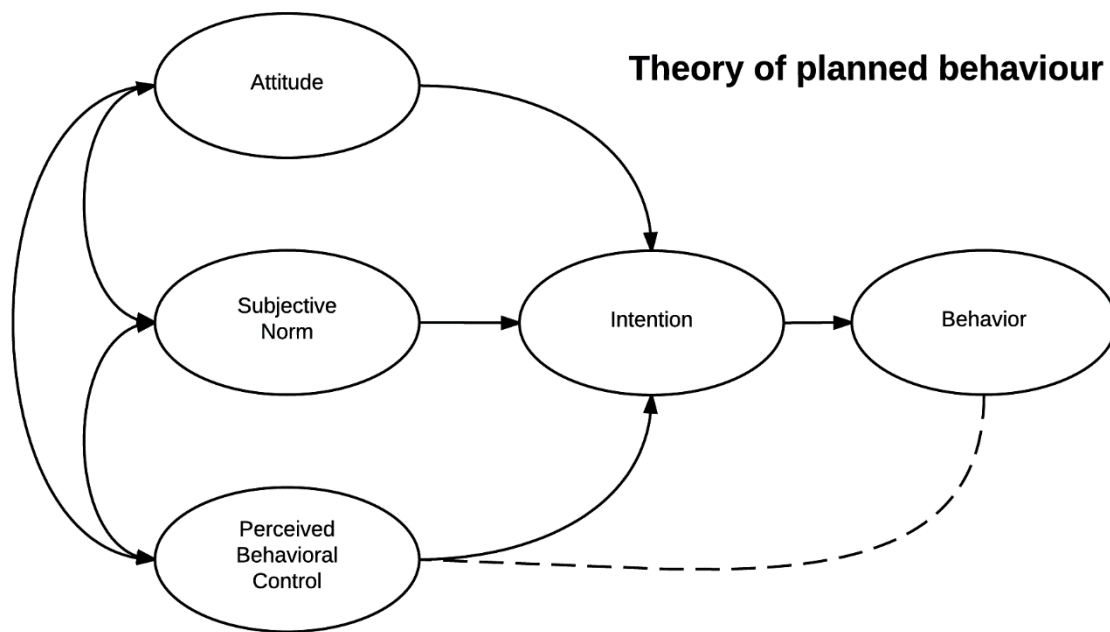
enough for a business venture. An effective market feasibility study should cover five factors, which are demand, market size, competitor analysis, offering as well as marketing policies and strategies (Stavros and Leticia 2018 p.109 – 129). Table 2 displays the research questions for each part of the market feasibility study.

*Table 2. The content of a market feasibility study by Stavros and Leticia. (2018).*

Factors	Research questions
Demand or market	What is the demand? Who is the customer for the proposed product or service? What are their characteristics?
The market size	What is the number of potential customers? Who are they? Where is their location? What are the factors affect market growth?
Competitor analysis	Who are the competitors? What are their weaknesses and strengths? How can the business take advantage of these weaknesses and strength?
Offering	What characteristics of the product or service appeals to the potential customers? What is the business's unique selling proposition?
Marketing policies and strategies	How will the company market its product or service?

### 3.3 Purchase intention and potential customers

Throughout history, interdisciplinary studies have been conducted on the subject of purchase intention. Fishbein and Ajzen (1975) first introduced the Theory of Reasoned Action. It explained how purchase intention and buying behavior are controlled by a person's beliefs. The Fishbein model was continued developed to the Theory of Planned Behavior by Ajzen (1991). In this version, a new type of belief was added to the original framework as a determinant of the purchase decision process. There are thus three determinants influencing a human action in purchasing a product: behavioral belief, normative belief and control belief. These factors respectively affect the person's attitude toward the behavior, perceived norm and perceived behavioral control. Together, this set of perception influences the purchase intention. Both Theory of Reasoned Actions and Theory of Planned Behavior described intention as the closest stage to the actual buying action. Figure 1 demonstrates the complex relationship between the elements of planned behavior.



*Figure 1. Theory of Planned Behavior (Robert Orzanna, 2015).*

The work of Fishbein and Ajzen has inspired and guided several later studies on the correlation between purchase intention and buying behavior. Corner and Sparks (2005) discovered a positive relationship between these two variables. Their study stated that consumers are more likely to purchase encountered products if a strong buying intention was previously formed. The finding was reinforced with the same study results generated by Tirtiroglu & Elbeck (2008) and Schiffman & Kanuk (2012). Both groups agreed on the statement of high purchase intention linked with a high possibility of future buying. Hence, the purchase intention was attributed as “an effective tool to predict the buying process” (Gosh, 1990). In order to measure the purchase intention, Mathur (1998) proposed a framework to assess four types of purchase intention. Consumers have a purchase intention (1) when they know they will buy the product, (2) when they consider buying the product, (3) when they plan to buy the product, and (4) when they expect to buy the product.

Customers are a group of people who bring revenue to the company. Commonly, customers are understood as end-users in the business-to-consumer context. In the business-to-business context, customers also refer to the downstream company of the supply chain network, who make a purchase from the business. Pepper & Donner (2011 p. 37-39) defined customers as “more scared than any asset of a company”, “the sole source of a company’s all revenue” and

value creators. Based on this definition, potential customers are implied as those who are likely to purchase the company's product or service and generate revenue for the company.

### **3.4 Outbound tourism in Vietnam**

Significant growth in Vietnamese outbound tourism market was recognized domestically and internationally. However, there is a discrepancy between the number of Vietnamese international trips counted by Vietnam's General Statistics Office and foreign research organization, such as Euromonitor and Mastercards. Each organization proposed a different number. As these organizations did not clarify the scale and scope of their statistics, the reason leading to this variance is unknown. Despite the different given number, the growth of Vietnamese tourist traveling outside the country is undeniable. According to the most updated data from Euromonitor (2018a p. 28), Vietnam's outbound leisure travel achieved an 82% growth rate over the period from 2012 to 2017. Compared to 433,000 outbound visits counted in 2010, more than 3,000,000 outbound visits were recorded in 2016 (Vietnam's General Statistics Office, 2018). Travel and Tourism Intelligence Center (2015 p. 20) also reported a stable growth in the Vietnamese outbound travel market over a five year period from 2010 to 2014. At the same year, a study of future outbound travel in the Asia Pacific was conducted. Choong&Wong (2015 p. 20) predicted that the growth rate of the outbound trips will surpass the growth rate of the country's household number. In other word, Vietnamese households are traveling more frequently than they did in the past.

The growth of outbound travel in Vietnam was mostly attributed to the expansion of the Vietnamese middle class and the rise of disposable income. As more income is available for saving and spending, current Vietnamese consumers have become more and more confident in consuming modern products and services. This is one of the top five Vietnamese consumer trends reported by Euromonitor (2018a p. 1). Thus, outbound travel is also under the influence of this trend. In 2016, Vietnamese households earning more than USD 30,000 a year contributed 48% to the total outbound trips. At the same time, the households earning between USD 10,000 to USD 30,000 are forecast to grow in size and to participate more in outbound travel. Together, these two household groups are expected to boost the number of outbound trips taken by Vietnamese middle class to 57.2% in 2021. (Choong&Wong, 2015 p. 20) In response to the significant growth of the wealthy consumer group, several tourism companies have begun to develop better service. To provide high-class customers with a luxury experience



and to accommodate the busy customers, more attention is paid to the service details, such as the choice of product, and the reservation process to the onboard experience. (Euromonitor, 2018c p.2)

In addition to the middle class, young consumers are another growing customer group of Vietnam outbound travel. Instead of conventional saving for marriage, many young consumers are spending on themselves. This resulted in increasing number of young adults traveling abroad. (Euromonitor 2018a p. 7) Along with the busy middle class, they tend to do online research before buying as well as to book their trip's necessity through online travel agencies (Euromonitor 2018a p. 28 and Euromonitor, 2018c p. 1). Under the influence of consumers behavior change, tourism business, such as airlines and hotels, have focused on service digitalization. Mobile payment system was developed to deliver a more handy and seamless purchase experience. (Euromonitor 2018c p. 1-2)

### **3.5 Tailor-made travel**

According to Bakker and Martine (2005 p. 2), tailor-made travel refers to “trips that are specifically designed or altered by a tour operator/travel agent to cater to the specific needs of the client”. The authors classified tailor-made travel as a luxury holiday, which attracts four types of travelers with different travel motivations (see Table 3). Tailor-made travel is the most common among couples, while family guests are gaining interest in this type of travel. Many minors were taken on the trip by their parents and grandparents. Most of the tailor-made trips are premium holidays with luxury accommodation and expensive experience. However, this is not always true. Some tailor-made trips focus on the uniqueness rather than luxuries. For adventurous travelers, tailor-made travel is a suitable choice, as it can arrange accommodation, transportation and support in the most remote and unique areas. When seeking tailor-made travel experience, customers usually consider friends, acquaintances and magazine as a reliable reference for information gathering. (Bakker and Martine 2005 p. 15-30)

*Table 3. Four types of luxury travelers by Bakker and Martine. (2005).*

<b>Types of luxury travelers</b>	<b>Characteristics</b>
Traditional high-end travelers	<ul style="list-style-type: none"> <li>- Old and wealthy people</li> <li>- Loyal to individual properties and luxury brands</li> <li>- Looking for guaranteed standard of luxury and comfort</li> </ul>
Corporate travelers	<ul style="list-style-type: none"> <li>- High-ranked executive</li> <li>- Expenses paid by company</li> <li>- Expect to fly business class and stay at luxury hotels</li> </ul>
Lifestyle travelers	<ul style="list-style-type: none"> <li>- Looking for unique experience to enrich their life</li> <li>- Willing to pay for exclusive and individual experience</li> </ul>
Once-in-a-lifetime luxury travelers	<p>Willing to save and sacrifice other things in life to enjoy:</p> <ul style="list-style-type: none"> <li>- A unique and expensive holiday</li> <li>- A trip that they have looked forward to all their life</li> <li>- A trip regarding a clearly defined special interest</li> </ul>

## **4 METHODOLOGY**

### **4.1 Approach**

The thesis adopted a survey design to investigate the market feasibility of tailor-made travel in Vietnam. As a deductive research design that generates empirical findings with theoretical support (Bryman 2008 p. 9), a survey is defined as a quantitative research methodology involving systematical information collection from an individual sample of a population (Leeuw & Hox & Dillman 2008 p. 2-3). There are many criteria systems to determine if a survey perform its function. For example, Denim (1994) suggested a list of thirteen factors that affect the quality of a survey, while Biemer and Lyberg (2003) illustrated seven criteria for survey development introduced by Dalenius (1985).

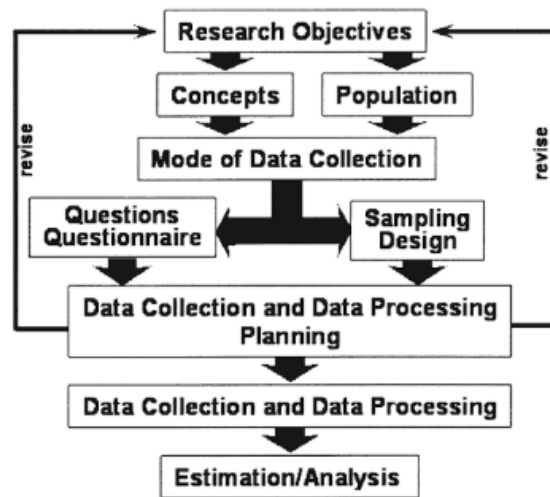


Figure 2. The survey process (Biemer and Lyberg, 2008)

Survey research has a similar process with the general research, which includes a complex set of stages. At the very beginning, a research objective is established. Based on the research objectives, the studied concepts and population are defined. These are the foundation of the study. Once the foundation is built, the research enters the data collection mode. Questionnaire design and sampling design are two critical steps determining the quality of the collected data. In term of questionnaire design, studied concepts are converted into measurable variables later presented as the form of questions. To gather the needed data to serve the research objectives, the questionnaire should be developed in a "logical, systematic and structured" way (Rattray and Jones, 2007). There are four consideration aspects for questionnaire design: the existing questionnaire framework, the respondents of the questionnaire, the response format, and the questions (Fallowfield, 1995).

Beside questionnaire, sampling methods are decided to ensure reaching the right sample representing the population and minimizing the survey errors. The survey errors are divided into two categories: sampling errors, and non-sampling errors. Sampling errors are unavoidable when the characteristics of a group of the population are generalized as the characteristics of the population. As the sample cannot contain all the members of the populations, its characteristics deviate from the parameter. One of the possible reasons leading to sampling errors is sampling bias. This refers to the situation where some individuals of the population are left out of the data collection process due to the sampling method. The other type of survey errors is non-sampling errors, which consist of all other mistakes not resulted from how the

sample is taken. These are the coverage, nonresponse, measurement, and coding errors. Effective survey research should aim to diminish the possibility of errors (Biemer and Lyberg, 2003). After complete designing the questionnaire and sampling method, data collection and data processing are planned before implementation. The survey materials should be revised carefully to ensure these fit the research objectives. At the last stage, the processed data is analyzed.

## **4.2 Sampling**

According to the characteristics of the tailor-made travel service, the ideal population of this survey is the Vietnamese residences above 25 years old with at least one year of full-time working experience and a medium-level income. However, this group was difficult to reach online. In addition, the geographical distance and the lack of study resource did not allow a supervised or postal questionnaire survey mode. Thus, this survey switched to collect data from a minimum of 100 Vietnamese Facebook users above 18 years old who have traveled abroad or are intending to travel abroad. The sampling method was convenience sampling. This is a non-probability sampling method, in which reachable samples are selected (Bryman 2008 p. 183). The non-probability methods do not offer an equal chance to be selected for every population. As a result, the data generated by non-probability methods are applied to the sample group only and is not valid to generalize to the population parameter. (Nardi 2018 p. 142-143) Therefore, the thesis plans to compare the survey result with the population, instead of making a statement about the population based on the survey result.

## **4.3 Questionnaire design**

Based on the suggestion of the literature review, the survey questionnaire was developed with 24 questions divided into three sections (see Appendix 1). Section A (question 1-6) involves the demographic information of the respondents. Section B (question 7-14) investigates the respondents' travel habit. Section C (question 15-22) surveys how respondents react to the concept of tailor-made travel. In term of demographic information, the survey concerned the respondents' gender, age, place of residence, income and education qualification. In term of traveling habit, the travel frequency, travel budget, travel intention and travel difficulties of the respondents were investigated. Furthermore, the survey also concentrated on how the respondents respond to the tailor-made travel service concept. Some crucial measurements are

the awareness of the service concept, the respondents' perceived value, the price acceptance and the purchase intention. These collected data was expected to help identify the potential customer and create a customer profile.

The order of the questions was organized in a logical flow. It begins with questions about the personal information of the respondents. These fact-related questions are easiest to answer, as respondents know certainly the answer for them. Then the survey moves on to questions regarding habits. This is a little bit more difficult than the demographic questions. These questions still investigate fact, yet it takes respondents time to recall their action in the past. This section brings back the respondents' memory about their previous travel experience and prepares them to answer the later questions regarding attitude. The attitude section is the most difficult to answer. Respondents have to revise their perception towards three appointed modes of travel and make an evaluation on each. The focus is more on tailor-made travel, but the survey also expects the respondents to take packaged tours and independent travel into consideration when evaluating tailor-made travel. The question regarding purchase intention is placed at the last position. The purpose is to ensure that the respondents understand the tailor-made travel concept as well as perceive the advantages and disadvantages of the service before predicting their future purchase behavior.

The design of the questionnaire highly considered the respondent-friendliness and the efficiency in data analysis. For the respondents' convenience, the survey language was Vietnamese and the survey tool was Google Form. Most questionnaires were structured as multiple-choice questions. The use of closed questions was to accelerate the data analysis process and to generate comparable results (Bryman 2008 p. 235). Only questions regarding money value, such as monthly income and travel budget, were designed as open questions. This resulted from the study interest in the actual value of these variables. Besides, written instruction was provided throughout the whole survey. At the beginning of the questionnaire, there was a brief introduction to the survey purpose. The definition of three types of traveling mentioned in the questionnaire was included in the introduction, due to the feedback from the question pilot. The participants of the pilot session reflect that this would help them answer the questions in section C more easily. The open questions were followed with the instruction of the correct format for numeric response. The answer should be written in the form of number with a thousand separating comma. As Vietnam Dong values are usually big numbers, the use of thousand separators was to help the respondents record their answer more accurately.

Moreover, it ensured the consistent format of the answers. Guiding was also embedded in the closed questions allowing more than one answer selected. To the questions regarding future plan and prediction, the alternative “I don’t know” or “I’m not sure” is used. Its purpose was to reduce the inaccurate choice of answer due to uncertainty (Dolnicar & Grün 2014).

#### 4.4 Data collection

The self-completion questionnaire was distributed through three channels on the Facebook social media network. These were the author’s friend network, a travel blog and community groups for office workers and housewives. In fact, the data collected from the office worker community group was insignificant, because most group members were not willing to take the survey. Meanwhile, the questionnaire distributed through a prize drawing event on the Facebook travel blog received a relative amount of answers due to the respondents’ interest in the incentives. Most data was equally gathered from the author’s friend network and the public travel page. Below is the timeline of the data collection process.

*Table 4. The data collection of timeline.*

March 18 <sup>th</sup> 2019 – March 19 <sup>th</sup> 2019	The survey questionnaire was developed.
March 20 <sup>th</sup> 2019	The survey questionnaire was pilot.
March 21 <sup>st</sup> 2019 – March 22 <sup>nd</sup> 2019	The survey questionnaire was revised.
March 23 <sup>rd</sup> 2019	The survey questionnaire was finalized.
March 24 <sup>th</sup> 2019	The survey questionnaire was translated into Vietnamese.
March 25 <sup>th</sup> 2019	The survey was distributed within the community groups for office workers and housewives on Facebook.
March 28 <sup>th</sup> 2019	The survey was distributed within the author’s friend network on Facebook.
March 30 <sup>th</sup> 2019	The survey was distributed through prize drawing event on Facebook travel blog.
April 1 <sup>st</sup> 2019	All responses were collected.

## **4.5 Data analysis:**

The survey received 110 answers in total. 95% of the samples are between 18 and 30 years old. The other 5% falls into other age groups. As the group of respondents between 18 and 30 years old is tremendously significant comparing to other groups, the data analysis focus on it. By eliminating the invalid samples, the sample size shrunk to 105 respondents.

The answers of 105 samples were arranged and coded with the number before input to the statistical analysis tool, SPSS. SPSS offers a wide range of transformed and analyzed functions, which allows generating descriptive and inference data. The descriptive data, such as frequencies, means and standard deviation, were presented as tables and bar charts in the later section. Besides, the inference findings from Pearson correlation coefficient analysis were also illustrated. This analysis method was adopted to measure the bivariate correlation among variables. The analysis accepted only the correlation that is statistically significant at 0.01 and 0.05 level. In addition, the data analysis also drew an error bar graph to investigate the variance among sample groups.

The composite variables in this dataset were the attitude index of tailor-made travel, independent travel and package tour. In specific, the attitude index combined the level of convenience, flexibility and value for money perceived by the respondents. The Cronbach alpha index of the component variables was calculated in order to test the feasibility of variable composition (see Table 7).

## **4.6 Results:**

### **4.6.1 Samples demography**

Among the 105 samples, there was a higher participation rate in women than men. In fact, female respondents account for 85.7% while male respondents account for 13.6%. The respondents reside in mainly big cities, such as Ho Chi Minh City (54.3%) and Hanoi (17.1%). The remaining lives in other provinces (12.4%) or abroad (16.2%). In term of employment status, only one business owner and four unemployed were recorded. Most of the respondents are either employed (40.8%) or full-time students (58.2). More than 60% of the students are

working part-time during their study. This means 74% of the respondents earn a monthly income.

*Table 5. Respondent's Demographic Data.*

Variable	Alternative	Frequency	Valid percent	Number of respondents
Gender	Male	15	14.3	105
	Female	90	85.7	
Place of residence	Ho Chi Minh city	57	54.3	105
	Hanoi	18	17.1	
	Other provinces	13	12.4	
	Abroad	17	16.2	
Employment status	Employed	38	34.3	105
	Full time student	64	61	
	Business owner	2	1	
	Unemployed	1	3.8	
Education qualification	High school	48	45.7	105
	Undergraduate	57	54.3	
Income	1,000,000-5,000,000	37	35.2	77
	5,000,001-10,000,000	24	22.9	
	10,000,001-15,000,000	4	3.8	
	15,000,001-20,000,000	4	3.8	
	Above 20,000,000	8	7.6	

The average of their monthly income is approximately VND 9,000,000 per month with a standard deviation of VND 10,572,516. This reflects a big income gap between respondents. The highest income could reach VND 75,000,000 per month while the lowest one is VND 1,000,000 per months. 45.7% of them have finished high school and 54.3% of them have completed the undergraduate education. The majority of respondents have graduated from a university. More descriptive data of the sample can be found in Table 5.

#### **4.6.2 Travel habit**

On average, the obtained travel frequency was 2 times per year. 74.8% of respondents travel once or twice a year. Only three respondents have never traveled before. However, only half of the samples have some experiences in traveling outside Vietnam before and during the past six months. Independent travel, accounting for 50% over 52 respondents who have international travel experience, is the most popular travel mode for outbound young Vietnamese travelers. Not only during the past but independent travel is also the top choice of 73 respondents who are likely to take a trip abroad during the next six months. The average



maximum budget for one trip is approximately VND 8,000,000, which is equivalent to 90% of the average monthly income.

*Table 6. Respondents' Travel Habits.*

Variable	Alternative	Frequency	Valid percent	Number of respondents
Travel frequency	Once a year	39	37.1	105
	Twice a year	38	36.2	
	3 times a year	16	15.2	
	4 times a year	5	4.8	
	More than 4 times a year	4	3.8	
	Never traveled	3	2.9	
Experience in travel abroad	Have traveled abroad	55	52.4	105
	Have not traveled abroad	50	47.6	
How do you usually travel abroad?	By package tour	14	25.9	54
	By independent	29	53.7	
	Both	11	20.4	
How will you travel abroad in next 6 months?	By package tour	12	15.8	76
	By independent	64	84.2	

A Pearson's test among four variables including monthly income, travel budget, travel frequency and travel abroad experience was conducted (see table7). A positive relationship and three negative relationships between four pairs of variables was found. Specifically, monthly income, travel budget and travel frequency of the respondents are related to each other in a positive direction. This means respondents with higher income tend to travel more frequently during a year with a higher travel budget for a trip. On the other hand, there were three pairs of variables in a negative correlation, which all were the respondents' experience in travel abroad. This is a nominal variable with two alternatives (1=yes, 2=no). Thus, a negative relationship between experience in travel abroad and the other three variables means consumers who have traveled abroad tend to have higher monthly income, higher travel budget and to travel more often throughout a year.

Table 7. Pearson Correlation Coefficients 1.

	Travel budget	Monthly income	Travel frequency
Travel budget			
Monthly income	0.432**		
Travel frequency	0.073	0.306**	
Travel abroad experience	-0.421**	-0.374**	-0.224*
**. Correlation is significant at the 0.01 level (2-tailed).			
*. Correlation is significant at the 0.05 level (2-tailed)			

#### 4.6.3 Attitude towards tailor-made travel service

More than half of the samples (58.1%) were not aware of the tailor-made travel service. The concept was first introduced to the respondents during this survey. Among the rest 41.9% of respondents who have heard about tailor-made travel before, only three respondents experienced the service. These groups shared a different attitude toward tailor-made travel (see Figure 3). The respondents who were aware of the concept showed significantly more appreciation of the tailor-made service than those who have no awareness of the concept.

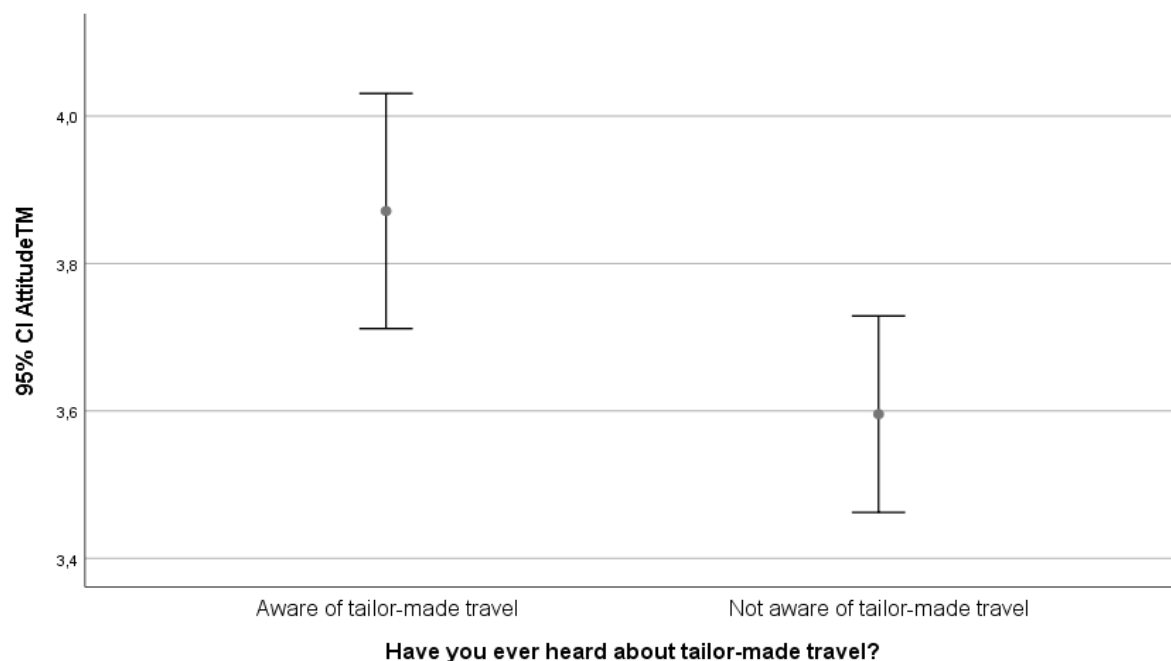


Figure 3. The variant attitude towards tailor-made travel between two awareness groups.

\*Note: 95% CI Attitude TM =95% Confidence Interval of respondents towards tailor-made travel

Among three travel modes, independent travel received the highest attitude score of 3.9, followed closely by tailor-made travel with the attitude score of 3.7. Package tour ranked last with 2.6 score, due to the below average score in term of convenience, flexibility and value for money. This means the respondents have a better impression with independent travel and tailor-made travel than the conventional package tour. More data are available in Table 9.

*Table 8. Respondents attitude towards tailor-made travel, packaged tour and independent travel*

	Tailor-made travel	Package tour	Independent travel
Convenience	3.81	2.71	3.61
Flexibility	3.79	2.13	4.31
Value for money	3.53	2.91	3.78
Cronbach's alpha	0.7	0.66	0.65
Total impression	3.71	2.59	3.9

In addition, a Pearson's r test was conducted to test the assumption about the correlation among the respondents' attitude toward three travel modes. According to the test result, a positive relationship was recorded between respondents' attitude toward tailor-made travel and independent travel. Consumers with a positive attitude toward independent travel also perceived the high value of tailor-made travel.

*Table 9. Pearson correlation coefficients 2.*

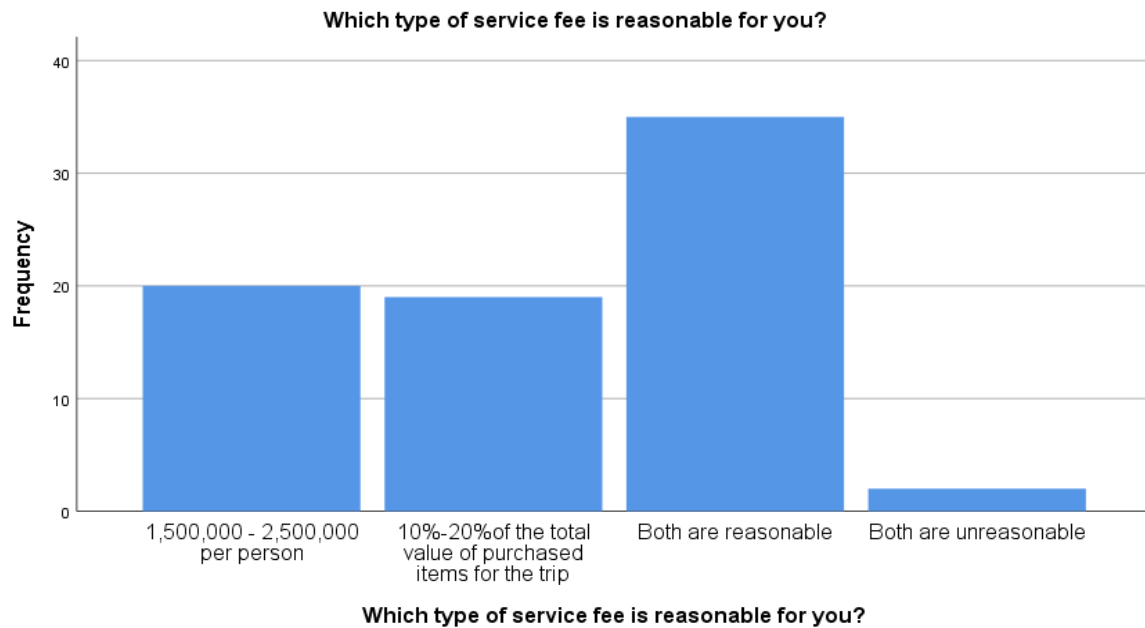
	Attitude toward tailor-made travel	Attitude toward package tour	Attitude toward independent travel
Attitude toward tailor-made travel			
Attitude toward package tour	0.161		
Attitude toward independent travel	0.342**	-0.102	
Awareness of tailor-made tour	-0.254**	-0.205*	-0.128

Furthermore, the survey also investigates how respondents evaluate different aspects of the tailor-made travel service. The frequency of each alternative and the average important index of each variance are included in Table 11. Five over six characteristics of the tailor-made travel service were considered as important by respondents. The after-trip souvenir was considered as the least important. Meanwhile, others share an approximate average score. The top three important aspects of the service were respectively professional planning, customer support and content control.

*Table 10. The importance of six tailor-made travel service aspects to respondents*

	1=not important at all, 2=not important, 3=neutral, 4=important, 5=very important					
Importance	1	2	3	4	5	Average
Time saving	0	7	29	50	19	3.77
Professional planning	0	2	24	53	26	3.98
Customer support	1	2	25	54	24	3.94
Content control	1	4	26	46	28	3.91
Online service	0	5	37	38	25	3.79
Souvenir	9	14	56	21	5	2.99

Another important concern of the survey is the respondents' attitude toward the service price. Two alternatives of service fee were presented to the samples: a fixed rate and a percentage rate. 27.6% of the samples could not evaluate the suitability of both alternatives. The result points out that both types of service fee charging are reasonable to the respondents. More detailed data could be found in Figure 4.



*Figure 4. Respondents attitude towards two types of service fee charging.*

The most crucial finding of the survey is that all the samples show some intention to purchase the tailor-made travel service in Vietnam. Specifically, 40 respondents are certain with their purchase intention, while 65 respondents are uncertain of their future decision. The error bar graphs and Pearson's  $r$  test revealed no relationship among the certainty of respondents' purchase intention and other variables.

## 5 DISCUSSION

Combining literature review and empirical study, the thesis provides answers to three sub-research questions noted above: Who are the potential customers for tailor-made travel service? What are some of their characteristics? And What is their attitude toward tailor-made travel service? Accordingly, each section below respectively focuses on one sub-research question. By interpreting the findings of three sub-questions, the study generates a response to the main research question: if there are any potential customers for tailor-made travel service.

### 5.1 Potential Customers

The study discovered that one of the potential customer groups for tailor-made travel service is the young Vietnamese adults aged between 18 years old and 30 years old. This finding was

inferred based on their purchase intention shown in the survey. According to aforementioned consumer behavior literature (see sub-chapter 3.3), there is a positive relationship between purchase intention and actual buying. The stronger purchase intention a consumer holds, the more likely the actual buying decision is made in the future. The entire sample indicated an absolute willingness to use the service when it is available in Vietnam. However, not every respondent can assure their purchase intention. This divided the samples into two groups: the certain potential buyers (answering “yes”) and the uncertain potential buyers (answering “maybe”). The latter makes up for the majority (62%) while the former showed more certainty in their purchase intention (38%).

Two questions should be addressed: (1) which factors determine the certainty of the purchase intention and (2) how the certainty of the purchase intention varies. Answering these two questions helps build up a more specific marketing plan to increase the purchase intention and actual buying of the consumers. In term of question (1), no correlation was found between purchase intention and other variables. Thus, the survey did not identify the factors influencing respondents’ purchase intention. Several possibilities could be considered. Positively, the purchase intention is independent to other variables. Negatively, the determinants might not have been measured in the survey. Besides, the samples size was relatively small, leading to the possible omission of relevant population members. In term of question (2), the variance in the certainty of purchase intention could not be measured in this study, due to the questionnaire design. It is recommended to use the Likert scale instead of nominal alternatives in the question regarding purchase intention (Morwitz 2017 p. 11-16). This will measure the likelihood level of the respondents’ purchase intention in a quantitative way, where the correlation between purchase intention and other variables can be examined more easily. Overall, the answers to these two questions remain unknown.

Nevertheless, the discovered potential customer group is unexpected. Based on the characteristics and price positioning of the tailor-made travel service, the startup previously assumed their demographic target market as Vietnamese above 25 years old with few years of working experience and a medium level income (see sub-chapter 2.1.2). In fact, the survey samples do cover some members of the estimated target market. However, most of the respondents are under 25-year-old college students and new entrants to the job market. The concern whether this potential customer group, at the moment, could afford the tailor-made travel service is raised. As Pepper and Donner (2011 p. 37-39) defined customers as the sole

revenue creators of a company, respondents' purchase ability should be taken into consideration as a crucial factor in determining the potential customers.

## **5.2 Characteristics of the potential customer group: size and purchase ability**

According to Euromonitor (2018a), the Vietnamese among 18 and 30 years old belong to the young adult group with a forecasted population of more than 19 million in 2018. Though the group has been experiencing a sharp decline in population, there will be still 16,500 million young adults at the lowest point (Euromonitor, 2018b). This is considered as a huge market size for the tailor-made travel service startup, not to mention the population will be growing back after 2025 (Euromonitor, 2018b).

Along with the market size, the financial ability of the potential consumer group was also analyzed through their monthly income. The survey results indicated that the average monthly income of the respondents was approximately VND 9,000,000, which is equivalent to VND 108,000,000 a year. This approximately doubled the total gross income of the young adult group in Vietnam reported by Euromonitor (2018b). The variance might result from more than 80% of respondents living in big cities and abroad where income is significantly higher than less developed areas. Moreover, the deviation among the respondents' income was enormous. This inequality in respondents' wage may lift the average income to a higher level than reality. As noted above, consumers' monthly income has no relationship with consumers' buying intention or attitude toward tailor-made travel. In fact, the income was associated with young consumers' travel budget, travel frequency as well as their experience in travel abroad. The higher income young adults earn, the more often they travel with a higher travel budget for a trip. Euromonitor (2018a & 2018c) and Nielsen (2018 p. 26-27) also reported similar findings. Both research organization stated that consumers are spending more on expensive items and vacation due to the increasing disposable income. Moreover, the disposable income of Vietnamese households was predicted to grow steadily during the next five years. The travel demand could also be expected to rise in the overall tourism market.

The cost of the tailor-made travel service is comprised of the service fee and the cost of travel necessities purchased for the particular trip. During the survey, 72% of the respondents perceived either a fixed rate service fee or percentage base service fee as reasonable. Though more reliability test on this finding is needed, this shows a good sign of the group's purchase ability. One remaining question is whether the cost of travel necessities for an outbound trip is affordable to the group. As this cost is not fixed in tailor-made travel yet varies from case to case, a general analysis of the group's purchase ability is conducted. The analysis is based on the comparison between the group's annual income and the current market price of the packaged tours to some foreign destination. As noted above, there is a big gap between the average annual gross income calculated Euromonitor (2018a) and the one measured by the survey. For the result validity, the Euromonitor data (VND 49,779,291) was used as it was generated from a larger sample size. The larger the sample size is, the more accurate the result is (Bryman, 2008).

Another data used in this comparison is the average annual expenditure. According to Vietnam General Statistics Office (2017), the average monthly expenditure of Vietnamese citizen is VND 3,059,000. Based on this, the average annual expenditure is calculated as VND 36,708,000. Furthermore, four destinations, Thailand, Singapore, Japan and China are selected, because they are respectively the four most wanted countries to visit among the respondents (see Appendix 2). The market price of the packaged tours to these destinations is derived from the price list of Saigontourist, the second most reliable travel company (Vietnam Report 2018). Viettravel, the most reliable travel company, does not disclose its price on the website. Thus, Saigontourist is chosen instead. Its website provides a specific price range of the package tours to Thailand (VND 6,000,000 – VND 28,000,000 per person), Singapore (VND 10,000,000 - VND 28,000,000 per person), Japan (VND 18,000,000 - VND 36,000,000 per person), and China (VND 12,000,000 - VND 20,000,000 per person).

With approximately VND 50,000,000 annual income and VND 36,708,000 annual living expenditure, the potential customer group can afford traveling twice a year to Thailand and once a year to China and Singapore. For Japan, it requires several years of income saving. Therefore, the potential customer group can comfortably travel to Thailand. The trips to slightly more expensive countries such as Singapore and China are roughly affordable to the young Vietnamese adults. Overall, the purchase ability of the group is weak, because its annual income can afford traveling to a limited number of countries in a low annual frequency.



### **5.3 Potential customers' attitude toward tailor-made travel**

In term of attitude, the respondents showed a good impression of tailor-made travel. Compared to packaged tour and independent travel, tailor-made travel was highly appreciated by its convenience, flexibility and value for money. The overall attitude score of the tailor-made travel was significantly higher than the conventional package tours ( $3.71 > 2.59$ ), yet slightly lower than independent travel ( $3.71 < 3.9$ ). The rank fits the startup's expectation when designing the business concept. It proved that the consumers recognize the differentiation of tailor-made travel as a hybrid of two other travel modes. Furthermore, there is a positive relationship between respondents' impression of independent travel and tailor-made travel. In other words, a consumer who appreciates independent travel is likely to appreciate tailor-made travel. This finding suggests that the startup should indicate their tailor-made travel service as service for independent travelers rather than a customized packaged tour during their marketing campaign if they aim to attract young travelers under 30 years old.

The attitude score of three travel modes was made up by the respondents' attitude toward the convenience, flexibility and value for money of each travel mode. Thus, the positive correlation between tailor-made travel's total attitude score and three other variables found in the Pearson test is reasonable. This means to maintain and develop these characteristics of the tailor-made travel service is to maintain the potential customers' good attitude toward the service. According to the Theory of Planned Behavior, customers' attitude is crucial to their purchase decision (Aijen 1991). Hence, the startup should take these characteristics into consideration when implementing and developing the service. This requires a better understanding on how potential customers perceive these characteristics as benefits. The survey specifically inspected the importance of different aspects in tailor-made travel service to the respondents. Time saving, professional trip planning, reachable customer support and service digitalization are four important elements that respondents highly appreciated (see Table 11). However, the quantitative approach of the study could not reveal how the customers evaluate these characteristics of the tailor-made travel service. It is recommended to conduct a qualitative study to learn more about the customers' thoughts on this issue.

## 5.4 Limitation

There are two main methodological limitations that affect the reliability and validity of this study. The first limitation is the sampling method and sample size. The second limitation is the measurement of the purchase intention concept. Both are explained clearly in the following section.

Firstly, the survey is limited by its sample. As mentioned in the chapter 4, samples selected by the convenience sampling methods cannot represent the whole population. Though all 105 respondents of the survey showed high purchase intention and positive attitude toward tailor-made travel, it does not mean that all young Vietnamese among 18 and 30 years old have similar interest. Besides, the small sample size of 105 respondents leads to more sampling-errors and the homogeneity of the dataset (Bryman 2008 p. 179). The high data homogeneity results in only one potential customer group found in this study. Hence, it is recommended to replicate the study with a larger number of respondents. This will decrease the sampling errors and enhance the sample heterogeneity (Bryman 2008 p. 179). Furthermore, more study should be conducted on other segmentations, especially on the older and richer demographic group. When collecting sufficient information about the market, the startup can make a comparison among these potential customer groups and decide on which segment to focus at the beginning of entrepreneurship.

Secondly, there was a data collection error in this study. The survey used the nominal scale but not the Likert scale to measure the purchase intention of the samples. The variance level of the purchase intention certainty thus could not be defined, causing difficulties in testing the correlation between purchase intention and other variables. To avoid the same mistake, the replicate study should deploy the Likert scale in the measurement of purchase intention.

## 6 CONCLUSION

Overall, the thesis did not directly determine the potential customers for tailor-made travel in Vietnam. However, the study result could serve as the clue for the continued study to answer the thesis question. According to the study, the young adults aged between 18 and 30 years old, especially those living in urban areas and abroad, appear to be one of the potential customer group for the tailor-made service. The word “appear” is used because such implication on the

whole population cannot be made due to small sample size and the study method.. Despite this fact, the survey showed an absolute frequency of respondents' purchase intention and a positive attitude toward the tailor-made travel. Currently, the group's annual average income is insufficient to meet their demand in traveling abroad and adopting the tailor-made travel service. The weak purchase ability has led to their low annual frequency of outbound travel and limited choices of travel destination for young Vietnamese adults. There is an inequality in the distribution of the group's income. Some members may earn more annually and obtain greater purchase ability. Identifying these unknown wealthy individuals could narrow down the huge market size of over 19 million young adults to a more significant segment.

This thesis can serve as a pilot study for the startup's further market feasibility research. The official market study should focus on the original target market, Vietnamese above 25 years old with a few years of working experience and at least a medium level income. Although the young adults show high purchase intention and positive attitude, its low purchase ability makes it an insignificant customers group to target at the moment. Hence, sticking to the original market could be a good start over for the market feasibility study. Besides, a probability sampling method that fit the startup's cost and time is suggested in the official research. The size of the sample should also be increased to collect more heterogeneous data. In term of purchase intention measurement, the Likert scale is suggested for quantitatively measurable and comparable data. Moreover, the official study could combine both quantitative and qualitative study approaches. This allows researchers to understand the respondents' philosophy in evaluating the benefits of tailor-made travel as well as to draw conclusion representing the population. The combined study approach thus delivers more comprehensive knowledge of the potential customer group. The startup can apply it to the later implementation of their business idea.

Additionally, the study can also serve as an insight for researchers who are interested in Vietnamese outbound tourism and tailor-made travel. Though the reliability of these findings was not high due to methodological limitation, it could be improved with replicate studies. If replicate studies show the same result, these findings will be useful for tourism marketing, tourism consumer behavior, and tourism service design. In term of marketing, the study revealed the link between young respondents' attitude toward independent travel and tailor-made travel. Hence, it might be more effective to promote the tailor-made travel as service for

independent travel rather than premium tour package when aiming at the Vietnamese young adults. In term of consumer behavior, the study discovered young respondents' travel habit and attitude toward different forms of travel, which may be useful for the study of travel behavior. In term of service design, how respondents perceived the benefits of tailor-made travel could be applied to improve service performance.

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## **APPENDICES**

### **Appendix 1. The survey questionnaire**

Dear respondents,

This is a market survey of tailor-made travel in Vietnam. The collected data will be used for the researcher's bachelor thesis presenting. There are three forms of traveling mentioned in the following questionnaire: by package tour, by independent travel and by tailor-made travel service.

1. By package tour: purchase a pre-made combo of accommodation, transportation and activities offered by the tour operating companies.
2. By independent travel: plan your trip and purchase the accommodation, transportation and activities by yourself.
3. By tailor-made travel service: private trips with the support of holiday-making service. In specific, the service includes:
  - Selection of travel destinations and activities by request
  - Itinerary planning
  - Purchase of accommodation, transportation and activities according to the itinerary.
  - Online customer care along the trip

#### **SECTION A: INFORMATION ABOUT YOU**

Question 1: What is your gender?

1. Male
2. Female

Question 2: What is your age?

1. Below 18 years old
2. Between 18 and 24 years old
3. Between 25 and 29 years old
4. Between 30 and 44 years old
5. Between 45 and 64 years old
6. Above 64 years old

Question 3: What is your current employment status?

1. Employed
2. Full time student working part-time
3. Full time student without working
4. Unemployed



5. Housewife/househusband
6. Business owner

Question 4: What is your education qualification?

1. Primary Education
2. Secondary High School
3. High School
4. Undergraduate education – College
5. Undergraduate education – University
6. Post-secondary education

Question 5: What is your current place of residence?

(Please choose abroad if you live outside Vietnam)

1. An Giang
2. Ba Ria - Vung Tau
3. Bac Giang
4. Bac Kan
5. Bac Lieu
6. Bac Ninh
7. Ben Tre
8. Binh Dinh
9. Binh Duong
10. Binh Phuoc
11. Binh Thuan
12. Ca Mau
13. Can Tho
14. Cao Bang
15. Da Nang
16. Dak Lak
17. Dak Nong
18. Dien Bien
19. Dong Nai
20. Dong Thap
21. Gia Lai
22. Ha Giang
23. Ha Nam
24. Ha Noi
25. Ha Tinh
26. Hai Duong
27. Hai Phong
28. Hau Giang
29. Hoa Binh
30. Hung Yen
31. Khanh Hoa
32. Kien Giang
33. Kon Tum
34. Lai Chau
35. Lam Dong
36. Lang Son
37. Lao Cai

38. Long An
39. Nam Dinh
40. Nghe An
41. Ninh Binh
42. Ninh Thuan
43. Phu Tho
44. Phu Yen
45. Quang Binh
46. Quang Nam
47. Quang Ngai
48. Quang Nih
49. Quang Tri
50. Soc Trang
51. Son La
52. Tay Ninh
53. Thai Binh
54. Thai Nguyen
55. Thanh Hoa
56. Thua Thien Hue
57. Tien Giang
58. Thanh pho Ho Chi Minh
59. Tra Vinh
60. Tuyen Quang
61. Vinh Long
62. Vinh Phuc
63. Yen Bai
64. Abroad

Question 6: What is your estimated net income per month in VND?

*Please write your answer in number with a thousand separator. For example: if your answer is five million VND, please write 5,000,000.*

## **SECTION B: YOUR TRAVEL HABBITS**

Question 7: How often do you travel per year?

1. 1 time
2. 2 times
3. 3 times
4. 4 times
5. More than 4 times

Question 8: What is your maximum budget for a trip by estimated?

*Please write your answer in number with a thousand separator. For example: if your answer is five million VND, please write 5,000,000.*

Question 9: Have you ever traveled outside Vietnam?

1. Yes
2. No

Question 10: How do you usually travel outside Vietnam?

*More than one answer can be selected*

1. By package tour
2. By independent
3. Other, please specify

Question 11: Did you traveled outside Vietnam during the past 6 months?

1. Yes
2. No

Question 12: What kind of problems did you have when planning your international trip?

1. Lack of time to plan your trip
2. Language barriers
3. Overload of information processing
4. Inefficient itinerary planning
5. Ineffective budget control
6. Lack of professional knowledge in trip planning and the destination
7. Stressed of deals hunting
8. I have no difficulties in trip planning.
9. Others, please specify

Question 11: Are you planning to travel outside Vietnam in the next six months?

1. Yes
2. No
3. Maybe
4. I don't know

Question 12: Which countries are you planning to visit in the next six months?

Question 13: How are you planning travel outside Vietnam in the next six months?

*More than one answer can be selected.*

1. By package tour
2. By independent
3. Other, please specify

### **SECTION C: YOUR OPINION OF TAILOR-MADE TRAVEL SERVICE**

Question 14: Have you ever heard about the tailor-made tour concept?

1. Yes but not used
2. Yes and used
3. No, never heard
4. I am not sure

Question 15: How do you evaluate the **convenience** of tailor-made tour, package tour and independent travel?

	Very inconvenient	Inonvenient	Neither convenient nor convenient	Convenient	Very Convenient
Tailor-made tour	1	2	3	4	5

Package tour	1	2	3	4	5
Independent tour	1	2	3	4	5

Question 16: How do you evaluate the **flexibility** of tailor-made tour, package tour and independent travel?

	Very inflexible	Inflexible	Neither inflexible nor flexible	Flexible	Very flexible
Tailor-made tour	1	2	3	4	5
Package tour	1	2	3	4	5
Independent tour	1	2	3	4	5

Question 17: How do you evaluate the **value for money** of tailor-made tour, package tour and independent travel?

	Very bad value for money	Bad value for money	Neither bad nor good value for money	Good value for money	Very good value for money
Tailor-made tour	1	2	3	4	5
Package tour	1	2	3	4	5
Independent tour	1	2	3	4	5

Question 18: How are these service aspects important to you?

	Not important at all	Not important	Neutral	Important	Very important
Time saving	1	2	3	4	5
Professional trip planning	1	2	3	4	5
Reachable advice and help	1	2	3	4	5
Ability to control the tour content	1	2	3	4	5
Services available online	1	2	3	4	5
Souvenir after the trip	1	2	3	4	5

Question 19: Does tailor-made travel service ease any of your trip planning difficulties?

1. Yes
2. No
3. Maybe
4. I don't know

Question 20: Which difficulties in trip planning do you think tailor-made travel service can solve ?

1. Lack of time and effort to plan your trip
2. Lack of professional knowledge in trip planning and the destination
3. Language barriers
4. Overload information processing
5. Inefficient itinerary planning
6. Ineffective budget control
7. Stressed of seeking good deal and products with reasonable price
8. I have no difficulties in trip planning.
9. Others, please specify

#### **SECTION D: BUYING ATTENTION**

Question 21: Suppose that the total cost of the tailor-made tour sharing the same contents with the conventional package tour is 30% lower, which one of the following service fees is reasonable for you?

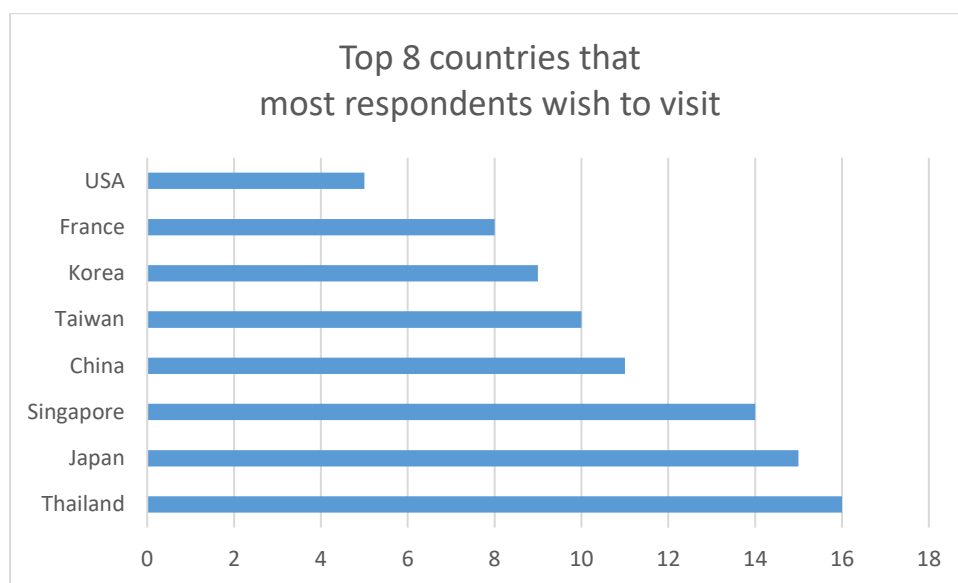
1. 1,500,000-2,500,000 VND/per person
2. 10%-20% the total cost of purchased items for the tailor-made trip
3. Both are reasonable
4. Both are unreasonable
5. I don't know

Question 22: If the tailor-made tour service is available in Vietnam, are you going to use it?

1. Yes
2. No
3. Maybe
4. I don't know

## Appendix 2. Most wanted countries to visit among the respondents

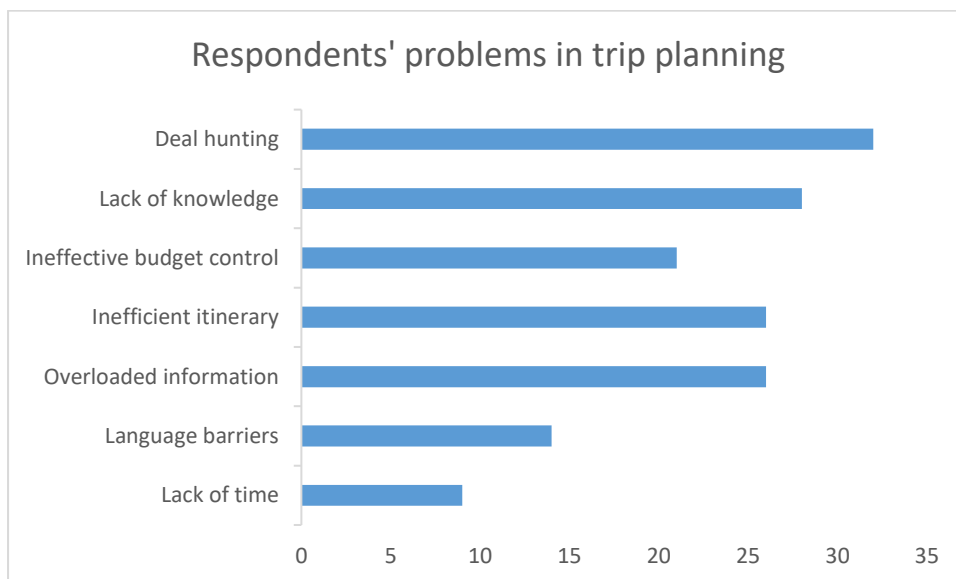
In the question number 12, the respondents was asked which countries they are planning to visit during the next six months. The respondents were allow to give more than one answer. Totally, 125 answers was collected and 29 countries were mentioned. The answers are relatively dispersed. Thus, each country received less than 20 votes. Figure 5 shows the eight countries that most respondents wish to visit in the near future. Thailand, Japan, Singapore and China are among the first choice of the respondents, which is reasonable. These countries are familiar to Vietnamese' travelers and in a short distance to Vietnam.



*Figure 5. Top 8 most wanted countries to visit among the respondents*

### Appendix 3. Respondents' travel problem and tailor-made travel as a solution

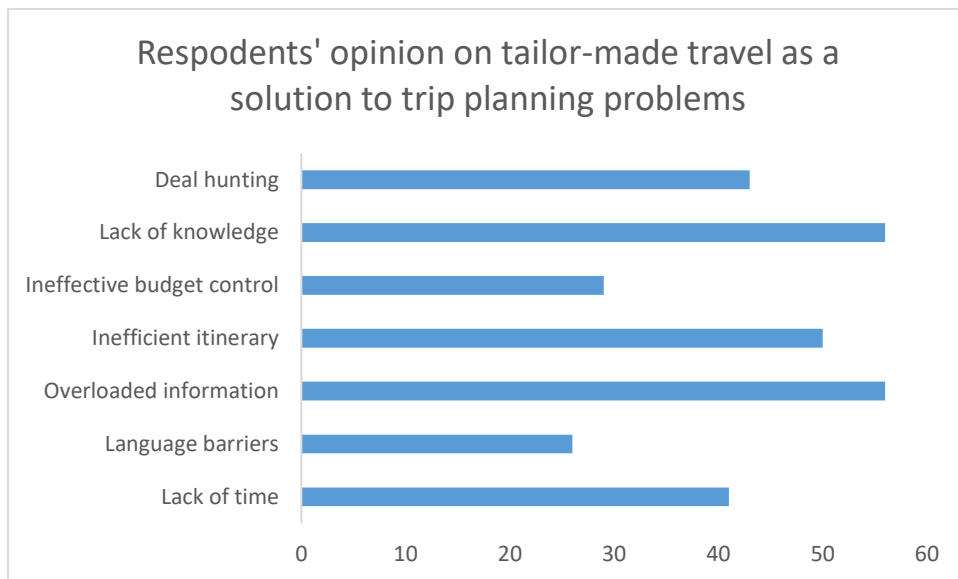
Question 12 asked what problems respondents usually confront when planning their trip. Among seven fixed alternatives provided, four problems received the highest votes from the respondents. The most faced problems in trip planning is related to deal hunting. As traveling abroad is a big ticket item comparing to Vietnamese income, Vietnamese traveler usually try to save money by seeking for good travel deals of flights and hotels. Deal hunting is time and effort consuming yet the result of finding a good deal is not guaranteed. The second most common problem of the respondents originated from lacking knowledge in trip planning and in the destination. This may lead to another problem, inefficient itinerary planning. On the other hand, the respondents are also overwhelmed of the overloaded information on the internet. Moreover, it is difficult to distinguish the reliable source online. Figure 6 illustrates all the respondents problems mentioned in the survey.



*Figure 6. Respondents' problems in trip planning.*

Accordingly, question 20 asked the respondents if they consider tailor-made travel as a solution for the problems noted above. More than 50 respondents agreed that tailor-made travel can solve the problems of lacking knowledge and overloaded information, followed closely by the inefficient itinerary planning. At the beginning of the survey, the service concept of tailor-made travel was introduced to the respondents. It defines tailor-made travel as private trips organized by professional holiday makers. The respondents' perception may be under influence of this introduction. Furthermore, it is surprising that tailor-made travel as a solution to time

consuming problems ranked only number 4. This is apart from the startup's previous assumption.



*Figure 7. Respondents' opinion on tailor-made travel as a solution to trip planning problems.*