STAKEHOLDER NETWORKS SUPPLYING RURAL TOURISM IN VIETNAM:
WITH REFERENCE TO A JAPANESE CASE

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For Dad
who is instilled me in my ambition of study and research
and my beloved family
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Abstract

Upon the limitation of the studies from tourism supply side, that is, from the perspective of stakeholder networks in rural tourism, and the importance of the local stakeholders participation for sustainable rural development, the thesis aims to assess stakeholder networks in the operation and supply of rural tourism with three case studies - Phu Quoc Island, Thoi Son Islet in Mekong Delta region, Vietnam and Shodoshima Island, Japan.

The results of Phu Quoc case study show that there are two different geographical dimensions, inter-regional networks and intra-regional networks in supplying rural tourism. For the inter-regional networks, the non-local stakeholders such as Ho Chi Minh travel agencies (HCMTAs) and non-locally owned accommodations, established the strong vertical networks due to their superiority over local stakeholders in the areas of power dominance in network and capital. In contrast, local travel agencies (LTAs) usually depend on HCMTAs in their networks and the local resident suppliers organize the businesses mainly based on the network with tour guides through the kickback competition, instead of increasing the quality of their services. As a result, the tour guide is key actor who connects these two divided dimensions, though most of them are unlicensed and not employed by any official tourism sectors. However, their income are mainly dependent on kickback, caused the price competition with low service quality among local resident suppliers.

For Thoi Son Islet, the results show that in the current model, HCMTAs and LTAs have played the role of connectors, working as hubs to shift tourists (demand) to match local resident suppliers (supply) by the formal networks. At the local destination, the networks between LTAs and local residents are both formal and informal. Inter- and intra-networks among local residents are dominated by informal networks. However, among the LTAs and owners of tourist sites, there are no cooperating networks but high competition in price. This causes the little or no negotiating power of the local stakeholders when conducting their business.
Therefore, for both Vietnamese cases, the results lead to the problems such as tourism revenue leakage out of the local region, the non-local stakeholders’ power dominance, and the high competition among the local stakeholders through kickback and price. Meanwhile, within the structure of Phu Quoc Tourism Association, the local resident suppliers have been recognized as unprivileged stakeholders and the Tien Giang Tourism Association is inefficient in fostering cooperation among local stakeholders to increase their negotiating power.

Then, the Shodoshima Island provides the broader view on how the local stakeholders network to supply rural tourism. The results show that model of associations such as Somen Association and Shodoshima Tourism Association (STA) has good mechanisms for all the local stakeholders building the strong intra-regional networks. These associations operated successful because they set up based on the will or suggestion of the local stakeholders, are self-organizations as well as the collective voice of the local stakeholders. In addition, within the tourism supplying network, STA plays the role as a main hub, helps diverse local stakeholders cooperate and together sharing common objectives such as PR the local destination’s image, free tourism information center, bridge between local suppliers and tourists, and so on. In order words, the well-organized networks among the local stakeholders help the agricultural products become the tourism product and strengthen the local empowerment. Therefore, this successful model can be hints for the immature rural tourism industries such as Vietnam.
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ABBREVIATIONS

DCST: Department of Culture, Sport and Tourism
HCMTA: Ho Chi Minh Travel Agency
ITTPC: Investment and Trade-Tourism Promotion Center
LTA: Local Travel Agency
MARD: Ministry of Agriculture and Rural Development
MCST: Ministry of Culture, Sport and Tourism
PC: People Committee
PQTA: Phu Quoc Tourism Association
SA: Somen Association
STA: Shodoshima Tourism Association
TA: Tourism Association
Tien Giang TA: Tien Giang Tourism Association
I. INTRODUCTION

Tourism industry in general is complex in nature. They are heterogeneous and compound, consisting of many different service components supplied by numerous stakeholders such as accommodations, tour operators, local residents, etc. (Zhang et al., 2009). Due to the complexity of the tourism supplied by the diverse stakeholders, the tourism sector involves more collaboration, partnerships, and networking than most other economic sectors. From this point of view, tourism needs to be analyzed from an integrated perspective—that is, as a network (Zhang et al., 2009).

Another important aspect is that the studies on the supply side of the tourism industry have largely been neglected (Sinclair et al., 1997). The lack of attention to supply networks is not unique to tourism research (Zhang et al., 2009); most service industry studies focus on the marketing rather than the supply side (Smith, 1994). Saloheimo (2008) pointed out that the network approach is suitable for analyzing the tourism supply side, maybe even to the extent that the term “tourism network” should be used instead of “tourism industry.” March et al. (2009) proved that network and stakeholder analyses in tourism studies typically offer schema, typologies, and frameworks that contribute to conceptual development.

In tourism studies, rural tourism has been a topic of concern for researchers because of its important role in rural development, including positive benefits in economic, quality of life issues and an enhancement of regional conservation efforts (Brown, 2013). Moreover, rural tourism may represent a sustainable form of rural development (Bramwell et al., 1994). Many rural communities have turned to tourism as a way to diversify their economic base (Briedenhann & Wickens, 2004). Tourism development in rural areas is characterized as a form of locally situated development that uses tourism to generate economic, social, and cultural benefits within a community. Therefore, rural tourism is often considered as important tool of planning for sustainable rural development because of the community
participation in decision making, compatibleness with the rural context, and sustainable development of both natural and cultural. Though the benefits of rural tourism are generally recognized, actual benefits to the community can be difficult to achieve. Its fails are presented in some situations such as (a) being too focused on industry development compared to community empowerment, (b) ignoring the internal dynamics of communities, and (c) ignoring the external barriers, such as inequality between developers and community members that affect the degree of local control (Johnson, 2010). These critiques are made with reference to a development context where external private investment is attempting to enter a rural community (Johnson, 2010) and in this way, the community is subjected to the outcome of a development, rather than being an equal partner in the process of developing rural tourism (Bahaire and Elliott-White, 1999).

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Upon the limitation of the studies from tourism supply side, that is, from the perspective of stakeholder networks in rural tourism, and the importance of the local
stakeholders participation for sustainable rural development, the thesis aims to assess stakeholder networks in the operation and supply of rural tourism with three case studies - Phu Quoc Island, Thoi Son Islet in Mekong Delta region, Vietnam and Shodoshima Island, Japan.

With the broader view from two countries and a systematic point of view from the stakeholder networks, the results provide the deep understanding on the tourism supplying structure for the two Vietnamese case studies, figure out strategic weaknesses in these structures that considered to be crucial challenges to sustainable rural development. Additionally, given the long history of tourism development in rural area in Japan and consider the mature rural tourism, the case in Shodoshima contributes some hints for applying to the countries which have the immature rural tourism such as Vietnam to consider for future development.

**Research questions**

- How do rural tourism supply and operate by the diverse stakeholders involved?
- How these stakeholder networks influence on the operation of rural tourism at the local destinations?
- What are main determining factors in establishing these stakeholder networks? And why?
- Which stakeholder is the most powerful player or dominant the tourism supplying networks? Who is the unprivileged stakeholder in the tourism supplying networks?

**Sub research questions:**

- Are there the leakages of tourism revenue out of the local destination and why?
- How about the role of Tourism Association in rural tourism operation at the local destinations? How does it operate?
II. THEORETICAL BACKGROUND

2.1. The concept of “rural tourism”

According to Keane et al. (1992), there are a variety of terms used to describe tourism activity in rural areas: agri-tourism, farm tourism, rural tourism, soft tourism, alternative tourism and many others which have different meanings from one country to another. In a simple way, based on Lane (1994) rural tourism is the one which takes place in the countryside or merely be located in a rural area. Therefore, research on the tourism in rural areas or rural tourism (hereafter) needs to recognize the essential qualities of what is ‘rural’. While national governments use specific criteria to define ‘rural’, often based on the population density of settlements, there is no universal agreement on the critical population threshold which distinguishes between urban and rural populations. According to Cloke (1992), rural places have been traditionally associated with specific rural functions: agriculture, sparsely populated areas, geographically dispersed settlement patterns, and rurality has been conceptualized in terms of peripherality, remoteness and dependence on rural economic activity.

Based on Lane (1994), rural tourism in its purest form should be:

- Located in rural areas;
- Functionally rural – built upon the rural world’s special features of small-scale enterprise, open space, contact with nature and the natural world, heritage, ‘traditional’ societies and ‘traditional’ practices;
- Rural in scale – both in terms of buildings and settlements – and, therefore, usually small-scale;
- Traditional in character, growing slowly and organically, and connected with local families. It will often be very largely controlled locally and developed for the long-term good of the area; and
- Of many different kind, representing the complex pattern of rural environment, economy, history and location.
More recently, according to Tribe (2000), the concept of rural tourism can be understood in three different ways: all tourism and recreation activities taking place in the countryside; a number of activities usually accepted by participants and providers as being rural; or any activities taking place in any setting that participants perceive as rural and within which they behave accordingly. Each region understands rural tourism differently according to its background and resources, with regions interpreting the practice as farm tourism, green tourism, agritourism, ecotourism, and so forth based on their types of activities (Tribe, 2000). Bramwell (1994) suggests that rural tourism is a small-scale and functional relationship between open space and nature-oriented, heritage, or traditional societies that makes them “rural.” Visits to museums and historical attractions, festivals, farmers’ markets, guided walks, and themed routes are examples of rural tourism activities (Bramwell, 1994).

2.2. The supply of tourism

According to Tshililo Nelwamondo (2009), tourism supply has to do with the provision of the key elements of the tourism industry by the host governments or destinations. Such provision should extend to maintenance, promotion and management of the tourism facilities and resources. Tourism resources that are necessary for tourism supply range from natural to man-made. Infrastructure required would include telecommunication, accommodation and transportation. Tourism reception services include travel agencies, tourist offices, hire companies and visitor managers. The one underlying characteristic of tourism supply that distinguishes it from other services is the way in which the mobile population who visit destination areas consume a tourism product, service or experience. In contrast, the supply elements are often fixed geographically at certain places (e.g. hotels, restaurants or visitor attractions). This means that businesses are required to sink considerable capital costs into different forms of tourism services and centres of production on the basis of the expectation that the destination will appeal to visitors and assist in the promotion of their individual product and service.
The “tourism supply chain” concept originated from economics. It has been used to explain how different businesses enter into contractual relationships to supply services, products and goods, and how these goods are assembled into products at different points in the supply chain. Tourism is well suited in the supply chain because the product, service or experience that is consumed us assembled and comprises a wide range of suppliers (Tshililo Nelwamondo, 2009).

The supply of tourism products basically involves how various components of the tourists product are placed at the disposal of tourists. Tourism suppliers can be classified under the following headings: hospitality, transport and attractions/products. As far as hospitality is concerned, this is where a tourist will look at the appropriate forms of accommodation, different types of food service provisioning, entertainment and leisure activities. Tourism supply can also be explained through the “distribution system” in tourism analysis. The distribution system makes the supply of tourism available and accessible to the demand side. There are four components in the tourism distribution, system namely, suppliers of tourism services, the distribution of information, travel intermediaries and consumers (Tshililo Nelwamondo, 2009). Gunn and Var (2002) suggest that tourism supply components can be classified according to the four different elements: natural or environmental resources, built or man-made resources, transportation, and hospitality and cultural resources.

Within most conventional texts on tourism, the issue of supply attracts comparatively little attention (Hall and Page, 1999). According to Sinclair and Stabler (1992), “past research on the tourism industry can be classified into three main categories: first, descriptions of the industry and its cooperation, management and marketing; second, the spatial development and interactions which characterize the industry on a local, national and international scale; and third, the effects which result from the development of the industry”.

However, Shaw and Williams (1994) prefer to view the issue in relation to two other concepts: production and consumption. Shaw and William (1994) acknowledge that the production and consumption of tourism are important
approaches to the analysis since Production is the method by which a complex array of businesses and industries are involved in the supply of tourism services and products, and how these are delivered to consumers, and Consumption is how, where, why and when the tourist actually consumes tourism services and products.

Sessa (1993), however, considers “tourism supply” is the result of all those productive activities that involve the provision of goods and services required to meet tourism demand and which are expressed to tourism consumption’ which comprises: resources for tourists, infrastructure, receptive facilities, entertainment, sports venues as well as tourism reception services. Urry (1990) describes concept of “spatial fixity”. Specifically, tourists are mobile consumers and able to consume at a global level. This contrasts with most forms of supply which are fixed at specific locations. Underlying the concept of spatial fixity is the nature of tourism entrepreneurs who are largely small scale in their operations and less able to access forms of capital to relocate to new sources of demand. Thus, supply is often unable to respond geographically to demand beyond a fixed point and this means that peaks and troughs in demand at particular locations need to be managed through differential forms of pricing (Seaton and Bennett, 1996) and the use of seasonal labour (Ball, 1989).

2.3. Stakeholder theory

[Based on manuscript of Seldjan (2003)]. Freeman (1984) who introduced the concept to strategic management defined ‘stakeholder’ in a management and organizational context to include any individual or group who can affect the firm's performance or who is affected by the achievement of the organization's objectives. The definition of stakeholders varies among scholars. Some define stakeholders broadly like Freeman (1984) did and some prefer to use a narrower definition. Clarkson (1995) argues that stakeholders are risk-bearers: They have financial or human capital at risk and therefore have something to lose or gain depending on the organization's behavior. Savage et al. defined stakeholders as groups or individuals who "have an interest in the actions of an organization and ... the ability to influence
it" (1991, p.61). Stakeholders are "those groups or individuals with whom the organization interacts or has interdependencies" and "any individual or group who can affect or is affected by the actions, decisions, policies, practices or goals of the organization" (Carroll 1993, p. 60). Thus, a stakeholder qualifies if it has either power to affect the firm or a stake in the firm’s performance. Based on these analyses, it could be argued that stakeholders have the potential to help or harm the company. Mitchell et al. (1997) reviewed stakeholder concept and analyzed how the widely cited broad definition of Freeman (1984) has been narrowed by scholars studying stakeholder theory. This review found that power and legitimacy are the core attributes of a stakeholder identification typology. They defined power in terms of the ability of a party that it has or can gain access to impose its will in the relationship (Mitchell et al 1997). To the authors, legitimacy is “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Mitchell et al 1997, p. 866). Another stakeholder identification study identified power as the core stakeholder attribute (Frooman 1999). Key stakeholders are defined as those who control resources critical to the survival of the organization. He argued that the nature of the relationship (between the stakeholder and the firm) in terms of who is dependent on whom and how much determines the power. The dependence of firms on stakeholders for resources determines the power of stakeholders.

In tourism sector, Pavlovich defined the tourism destination as "(destination) generally comprises different types of complementary and competing organizations, multiple sectors, infrastructure and an array of public/private linkages that create diverse and highly fragmented supply structure" (2003, p.203). The most manageable primary unit of study for tourism may be the “destination,” since this is where the totality of the cumulative interactions among tourists (demand), industry (suppliers), and hosts (including residents and environment) for a given destination, can be studied. Therefore, stakeholder theory – a theory borrowed from strategic
management literature for managing organizational stakeholders to achieve organizational objectives will be applied to tourism within a destination context.

The tourism destination must be considered as a whole. However, it is complex structure made of different types of organizations which are competing and collaborating in their operations. Probably the most important issue, will emphasized by the most parts of the literature on this topic, is the tension between different stakeholders’ interests. As Buhalis (2000) notes that “Perhaps, the most difficult problem is ensuring the rational use of zero-priced public goods, such as landscapes, mountains, and the sea for the benefit of all stakeholders and at the same time preserving the resources for future generations. Conflicts can easily develop, especially when some (perhaps greedy) stakeholders exploit resources for short-term benefits. A compromise encompassing all these interests is extremely difficult if not impossible, but is the key to long-term success”. It is a common theme in the tourism literature that a destination management problem exists. In other words, the achievement of the benefits generated by tourism in a particular region requires a process in which some entity takes the responsibility of guiding the activities of the different stakeholders.

2.4. Network perspective

Inter-stakeholder interactions can be analyzed from a network level of analysis. Gamm (1981) defines a network as a system or a field comprised of organizations and inter-organizational relationships. So, a network consists of a number of distinguishable organizations that could have a significant amount of interaction with each other. These interactions may include the exchanges of resources as well as intense hostility or conflict with each other.

A problem with much of the network literature is that it is undertaken in the manufacturing industries, with less attention to the service sector and tourism (Copp and Ivy, 2001). When considering tourism and networks in a destination, there are a lot of new areas and insights to be discovered. Relevant research in this area tends
to be of an indirect nature, and often the role of network has to be teased out from broader areas i.e. the tourism system and community research.

Points to bear in mind are the organic nature of inter-relationships within a network, and that in informal cases, actors may not see themselves as part of a network. In addition, recognition should be given to the non-spatially bound nature of networks within a spatially-bounded tourism destination but key network actors may be located outside the geographic boundaries. Another dynamic dimension to networks is that of time; networks may come together for, say, a specific period of time per annum, or for a period and then break-up.

The network can be seen as the lifeblood of the destination community, and those which cannot adapt successfully to the networking framework will be lost. The involved stakeholders, who have ability to create and adapt the networks, ultimately, their actions (whether good or bad) will determine how the network will be in the next phase. Those stakeholders which do not change their networks, or cannot find appropriate alternative networks to deal with the change, will not survive.

### 2.5. Dimensions of sustainable tourism development

Sustainable tourism development, as defined by the World Tourism Development (1998) is development that:

“meet the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems.”

Sustainable tourism development implies the need to secure the sustainability of tourism’s primary resources at the destination level, and is a way of obtaining a balance between the growth potential of tourism and the conservation needs of the resource base (Lane, 1994).
Sustainable tourism strategies have several general aims (Green and Hunter, 1992):

- To meet the needs and wants of the local host community in terms of improved living standards and quality of life;
- To satisfy the demands of tourists and the tourism industry; and
- To safeguard the environmental resource base for tourism, encompassing natural, built, and cultural components.

Because sustainable tourism development different issues and interests, and seeks balanced tourism development where no one actor (industry, hosts, or guests) predominates, the planning, development and practice of sustainable tourism development requires involvement of these interested parties. Stakeholder theory has potential to provide a framework within which sustainable tourism development can be delivered (Robson and Robson, 1996).

2.6. A community-oriented approach to tourism planning and management

Community involvement in planning is a fairly recent development and has been more of a feature of environmental planning than tourism planning, especially through the environmental assessment process (Page and Dowling, 2002). Proponents of community participation have contended that community participation, as an element of development, has been considered, promoted and woven into the development process in different ways since the 1950s and early 1960s under different terms and names (De Kadt, 1982). That is to say, the concept of community participation has been a component of political dynamics of the post-industrial era, which mirrored, in part, a longer term movement towards a new public administration.

The overall result is that, since the 1970s, community participation in many ways has become an umbrella term for a supposedly new genre of development intervention (Tosun, 2000) and an ideology in tourism planning, akin to the participatory planning ideologies of 1970s in urban and regional planning (Fagence,
However, Tosun (2000) claims that the practicality of a participatory tourism development approach in developing countries has not been considered in detail because the concept has emerged and been refined in the context of developed countries. Also, it has been popularized by advocates writing on developed countries such as Murphy (1985), Gunn (1988), Haywood (1988), Blank (1989), Keogh (1990), Simmons (1994), and Reed (1997).

It is argued by Woodley (1993) that a community-based approach to tourism development is a prerequisite to sustainability. Hence, Getz and Jamal (1994) refer to the “environment-community symbiosis” as the concept of community involvement moves nearer to the centre of sustainability debate. Notable among advocates of participatory planning in tourism development has been Murphy, who argued for an issues-oriented involvement of residents in decisions at an early stage in the decision process, before commitments are made. He has termed this process as a community approach (1985) and a community driven approach (1988).

Getz (1987, cited in Hall, 2000) also identifies a community-oriented approach as one of the four broad traditions of tourism planning. Getz claims that four traditions (boosterism, economic-industry, physical-spatial and community oriented approaches) are neither mutually exclusive, nor they are necessarily sequential. Nevertheless, this categorization is a convenient way to examine the different and sometimes overlapping ways in which tourism is planned, and the research and planning methods, problems and models associated with each (Getz, 1987, cited in Hall, 2000). Table 1 outlines the characteristics of a community-oriented approach.
A community approach emphasizes the social and political context within which tourism occurs and advocates greater local control over the development process. A community approach to tourism planning is as an attempt to formulate a ‘bottom-up’ form of planning, which emphasizes development in the community rather than development of the community. Under this approach, residents are regarded as the focal point of the tourism planning exercise not the tourists, and the community, which is often equated with a region of local government, is usually used as the basic planning unit.
One of the major difficulties in implementing a community approach to tourism planning is the political nature of the planning process. Community planning implies a high degree of public participation in the planning process. However, public participation implies that local community will have a degree of control over the planning and decision-making process. Therefore, a community approach to tourism planning implies that there will be a need for partnership in, or community control of, the tourism development process. Yet power is not evenly distributed within a community and some groups and individuals will therefore have the ability to exert greater influence over the planning process than others (Hall and Jenkins, 1995). Therefore, in some circumstances, the level of public involvement in tourism planning can be more accurately described by government. Communities rarely have the opportunities to say ‘no’ (Hall, 1995). Nevertheless, as Murphy (1985) argued: “If tourism is to become the successful and self-perpetuating industry many have advocated, it needs to be planned and managed as a renewable resource industry, based on local capacities and community decision making”, with an increased emphasis being given to the interrelated and evolutionary nature of tourist development.

2.7. The evolution of a tourism destination

A tourism destination is not a static system. It evolves over time passing through different evolutionary phases. The literature on this subject has been built, basically, around the idea of a tourism area life cycle (TATC), originally proposed by Butler (1980). This model is composed by applying to the development cycle of a destination the theories on the evolution of products (product life cycle model), dating from the 1950s, that were well established in consumer marketing studies by the time that Butler adapted the framework. A new product is launched, achieves acceptance and growth until competitors gain market share (Gardner, 1987). Then, innovation or repositioning is necessary to withstand declines in sales and profits. Butler applies these principles to dynamic, market-driven tourism development and
suggests that successful destinations pass through a sequence of growth stages that follow the *S-shaped* logistic curve shown in Figure 1.

The model of tourism area life cycle describes the overall changes in tourism areas over time. In the context of Butler’s model, the measurement of the stages and the S-shaped curve of the life cycle are mainly based on tourist arrivals.

![Figure 1. Hypothetical evolution of a tourism area (Butler, 1980)](image)

- **Exploration**: a small number of travelers independently explore a new location, either for personal adventure or to experience new cultures. At the location there is little or no tourist infrastructure;
- **Involvement**: as acceptance by the locals increases, the destination becomes more popular. Travel and accommodation facilities are improved, and there local investment in tourism related services and advertising begins;
- **Development**: the local community becomes involves in promotion, attracting more visitors, and the area turns into an established tourist destination, with a defined market. Visitors outnumber residents, external investment leads to loss of local control, man-made attractions emerge to replace natural or cultural ones;
Consolidation: tourism is an important economic and social activity affecting the traditional economies and lifestyles. Land is given over to resort building, without a simultaneous benefit in increased wealth or jobs. Resentment by the local population may occur. This stage is characterized by slowing tourist growth rates and extensive advertising to overcome seasonality and develop new markets;

Stagnation: increased local opposition to tourism and a growing awareness of environmental, social and economic problems results in opposition to further growth. Capacity limits are reached and a destination image unconnected with the environment makes the area no longer fashionable;

Rejuvenation: a secondary growth burst is initiated by some kind of renewal. New attractions replace the original facilities. New tourists may be of different socio-economic groups or different age groups than the original;

Decline: if nothing is done to react to a stagnation period, a final decline of the destination occurs, with partial or total abandonment of tourism as an economic activity, organized and supported by the community. Different degrees of “decline” or “rejuvenation” may given different patterns as outcomes.
III. BACKGROUND OF TOURISM IN VIETNAM AND RURAL TOURISM IN THE MEKONG DELTA REGION

3.1. Background of Vietnam tourism industry

Vietnam’s tourism industry is relatively young, with only about 40 years of significant development (VNTA, 1995). In Asia, Vietnam is but one of the most recent countries to declare the importance of tourism to their national economic development strategy (VNTA, 1995). In 1986, the 6th Party Congress of the Communist Party of Vietnam launched an economic reform program known as Doi Moi, or “Renovation”, opening the doors to foreign investment and tourism and setting Vietnam firmly on the path of free-market reform. However, it was not until 1992 that “Doi Moi” was actually started.

From 1960 to 1992, tourism management in Vietnam underwent 6 changes\(^1\) organizational structure (VNTA, 2010). In this state, the management system in tourism has not consolidated and lacking uniformity in managing between central and its provinces.

From 1992 to 2007, the Vietnam Administration of Tourism (VNTA) is a government agency directly under the central government, in charge of state management on tourism activities and other public services across the country. During this period of time, all fundamental law and policies were supplemented

such as the master plan for Vietnam's tourism development from 1995 - 2010 was approved by Prime Minister; shortly thereafter, tourism planning for over 50 provinces of the country was implemented. Besides, the Prime Minister approved both the tourism strategy from 2001-2010 and the national action plan from 1999-2009. Recently, in 2011, Prime Minister approved the tourism strategy to 2020 and its orientation to 2030 2).

In terms of law, the Tourism Ordinance of 1999 was the primary framework of Vietnam's tourism. In 2003, the VNTA was given the responsibility of drafting the nation’s first formal set of laws on tourism, aimed to ensure that future tourism development would address sustainable development objectives. In 2005, Congress granted the Tourism Law to adjust the policies, guidelines, and institutions related to tourism.

From 2007 on, the VNTA has been under the Ministry of Culture, Sport and Tourism 3) (MCST). At the local level, provincial Department of Culture, Sport and Tourism (DSCST) is dependent on two-way control between the Provincial People's Committee and the VNTA (Figure 2).

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2) Decision No. 2473/QĐ-TTg by Prime Minister dated on 30/12 2011.
3.2. **Rural tourism in Vietnam**

Since “Doi Moi”, Vietnamese tourism has shown great deal of tourists, from 250,000 foreign tourists in 1990, a number that quadrupled to 1,000,000 in 1994 and got the number of 5,200,000 in 2010. In addition, the number of domestic tourists has increased rapidly, from 11,700,000 tourists in 2001 to 28,000,000 tourists in 2010 (Figure 3).
Although the number of tourists has increased much, the sector of industry, service and trade has generally experienced slow development in rural regions (MARD, 2008) and the ratio of tourism’s relative contribution to Vietnam’s GDP comprised small ratio, only 3.52% in 2005 and 5.8% (2010) of Vietnam’s GDP (Figure 4). Besides, the fact of transferring the structure of labor to the sector of industry and service has increased slowly (Khich, 2010) showed that service sector, or tourism sector in rural areas has not yet developed so much.
In addition, some cases in operating rural tourism in Vietnam have shown that rural areas have not prepared well for tourism in terms of tourism facilities, knowledge and skill labors, etc. as well as more important, the local actors - the owner of rural areas - always put in disadvantage side, making harmful for sustainable development in the long term.

The concept of “rural tourism” can be understood in 3 different ways: all tourism and recreation activities taking place in the countryside, a number of activities usually accepted by participants and providers as being “rural”, or any activity taking place in any setting that participants perceive as rural and behave accordingly within (Tribe, 2000). Each region understands rural tourism differently according to their background and resources, with regions interpreting as farm tourism, green tourism, agritourism, ecotourism, and so forth based on their type of activities (Tribe, 2000). Bramwell (1994) suggests that rural tourism is a small-scale and functional relationship with open space and the nature, heritage, or traditional societies that makes them “rural”. Visits to museums and historical attractions, festivals, farmer markets, guided walks, and themed routes are examples of rural tourism activities (Bramwell and Lane, 1994).

In Vietnam, though the term “rural tourism” has not yet recognized officially in legal documents, there are many types of tourism being developed operated in rural areas throughout the country. Some famous destinations are such as Hoi An (Quang Nam); Nam Dong, Tam Giang, etc. in the Central region; Van Long (Ninh Binh), Sapa (Lao Cai) in the North region; and Tien Giang, Ben Tre, and Vinh Long in the South region. Recently, the concept of rural tourism has been mentioned in the Strategy of Agriculture and Rural Development, 2011-2020, issued by the Ministry of Agriculture and Rural Development (MARD) in 2009. Specifically, the tourism strategy in rural areas is “Based on the foundation of comparative advantages and traditional aspects of each province and forecasts for the future market, the plan is organized to attract all economic sectors to invest in the traditional villages, service villages in the North mountainous region, Mekong River Delta region, Red River Delta region, Central Coast region [...] bringing into play
the role of community and civil organizations to connect with agricultural regions, traditional villages, and both rural and cultural tourism” (Figure 5)

Figure 5. Main agricultural ecology regions of Vietnam
Source: MARD (2009)

Each agricultural ecology regions has the strategy for tourism development, as illustrating in Table 2.

Table 2. Some model for rural development for some agricultural ecology regions of Vietnam, in which is related to tourism
Table 2. Models of tourism development in the agricultural ecology regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Tourism development model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern, Midland, and Mountainous</td>
<td><em>Highland villages</em>, with connections to agriculture and forestry, to develop tourism</td>
</tr>
<tr>
<td>Red River Delta</td>
<td><em>Rural connection to tourism</em>—entertainment areas within a rural space that is filled with <em>local culture and environmental ecology</em>, and where one can relax and reside.</td>
</tr>
<tr>
<td>Central Coast</td>
<td>Rural model close to the sea […] developing <em>rural tourism</em> […] Model of luxury resorts associated with tourist villages in the planning areas with connections to rural villages that have handicraft, agricultural, and aquaculture activities, in order to serve tourists… <em>culture tourism, coastal ecology tourism</em> […]</td>
</tr>
<tr>
<td>Central Highland</td>
<td><em>Traditional rural villages associated with agriculture and ecological forestry, with tourism services in ethnic minority communities</em> highlighting the tradition, culture, and unique customs, […] increasing the livelihood of ethnic minority communities through <em>community-based tourism</em>.</td>
</tr>
<tr>
<td>Southeastern</td>
<td><em>Developing fruit gardens associated with ecotourism.</em> Protection of special-use forests combined with ecotourism and recovery of forests.</td>
</tr>
<tr>
<td>Mekong Delta</td>
<td><em>The rural model of orchards connected with rural tourism and urban centers.</em> Resident areas connected to agricultural activities such as orchard planting and <em>rural tourism</em>. This is the model for conserving the southern culture of orchard gardens.</td>
</tr>
</tbody>
</table>

Source: MARD (2009)
Through the reports of provincial DCST throughout the country, MCST has synthesized some famous and outstanding models of rural tourism operation for four main regions in Vietnam (Table 2). By means of this, the model of rural tourism in Vietnam is most outstanding with the model of eco-tourism, waterway tourism and culture tourism.

### 3.3. Rural tourism in Mekong Delta region

The Mekong Delta is a region in the Southwest of Vietnam comprised of 13 provinces, with a total area of about 39,734 km², 65% of which is used for agriculture and aquaculture, and a total population is 17,178,871 people (GSO, 2009). The Mekong Delta is a peninsula in which the East, South and West border the sea (700 km of seaside), with the West also bordering Cambodia, and the North bordering Economic Zone of the Southeast of Vietnam. This region has been known as “Vietnam’s rice basket”, providing more than half of the country’s total rice production and 90% of the country’s rice for export. Moreover, the Mekong Delta provides 70% and 60% of the country’s aquaculture products and fruits, respectively.

The Mekong River connects the Mekong Delta with two river branches of Tien and Hau River, and the tangled system of canals and channels has been naturally combined with mountains, forests, islands and beaches to form a diverse ecology within the region. Notable examples include the Ben Tre coconut forest, the Tam Nong Bird Sanctuary and Sa Dec flower village (Dong Thap); the floating markets of Can Tho and Tien Giang; the Ha Tien and Phu Quoc islands and beaches (Kien Giang), That Son Seven Mountain (An Giang), Nam Can Arenga Forest, and Ca Mau Cape. Following the national tourism planning for the Mekong Delta issued by MCST (2010), in order to promote the advantages of each region, the Mekong Delta has been divided into 4 clusters (Figure 6).

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Each of these clusters possesses their own desirable traits (Table 3). Specifically:
### Table 3. Four clusters in tourism planning development

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>This is the most important region of the Mekong Delta, with the central tourism areas of Can Tho City and Phu Quoc Island. The Central cluster has international borders that may have advantages in developing border tourism. At present, this cluster has three airports. The area’s key tourism products include waterway tourism, festival tourism, sea and resort tourism, and so on.</td>
</tr>
<tr>
<td>Ca Mau peninsula</td>
<td>This cluster covers two-thirds of the Ca Mau peninsula area. The cluster is famous for the Khmer culture, and its important tourism products are visits to the southernmost point of the country, ecotourism in the mangroves, cultural tourism, and so on.</td>
</tr>
<tr>
<td>East coastal</td>
<td>Including Tien Giang, Ben Tre, Vinh Long, and Tra Vinh, this cluster boasts the Mekong Delta region’s key tourism products. Most tourists come to this cluster to experience, firsthand, the rural life and cultural values of this region.</td>
</tr>
<tr>
<td>Dong Thap Muoi</td>
<td>This cluster is full of salt-marsh forests. The most common type of tourism in this area takes place around the submerged forests.</td>
</tr>
</tbody>
</table>

Source: MCST (2011)

The number of tourists has continued to grow (Figure 7). The growth rate of foreign tourists of Mekong Delta in 2001-2008 was 16.4% (ITDR, 2010). In 2008, the Mekong Delta attracted over 1.2 million international tourists, comprising 9.4% Vietnam’s foreign tourists; and over 8 million domestic tourists, comprising 13% country’s (ITDR, 2010).
The most outstanding model of rural tourism activities in Mekong Delta are such as hiring a motor-boat or row-boat for traveling along the river and canals; experiencing the production process of traditional villages such as coconut, pop rice, etc.; Visiting the floating markets; listening to traditional music such as Vong co (opera traditional music), country music, etc.; riding bicycles along country lanes and small roads of villages, etc.

However, tourism in this region has not yet been fully developed. This is due to the poor tourism facilities; low education standards; the fact that the region’s local labor force lacks the necessary knowledge and skills required in the tourism sector; and the repetitive and monotonous nature of the tourism activities in these areas.

The tourism facilities in this region have had little development. In 2007, the region had 696 lodging facilities, representing only around 8% of the total number of tourist lodgings in Vietnam. From among these, there were only a few one- to four-star hotels and there were no five-star hotels (Binh, 2008). In 2010, there were around 900 tourist accommodation facilities, with 17,000 rooms, with a total capacity to accommodate about 6.2 million tourists per year. In general, these are small-scale operations (averaging 20 rooms per accommodation facility), with only
19 tourist facilities being three- or four-star (around 1,248 rooms) and around 656 tourist accommodation facilities (11,334 rooms) having no star rating at all (Vuong, 2010).

The majority of the labor force in the tourism sector is unskilled or semi-skilled, and they possess a low level of formal education. According to the Ministry of Education and Training report, in 2010 in the Mekong Delta, 45% of people aged 15 years or above had never been to school; only 33% had been to primary school, 14% had passed the secondary level, and 5% had graduated from high school. Graduates and above accounted for just 4% of the population aged between 20–24 years. Only 17% of the workers are trained and, of these, only 25% are trained to the national average standard. This data helps to explain the conclusions of an NGO when it explored the model of agritourism in the Mekong Delta: “farmers are not yet prepared to compete in the international market, mainly due to their lack of general knowledge and skills to be compliant with international standards” (Agriterra, 2010).

The Mekong Delta’s model of rural tourism usually follows a pattern where tour operators and/or travel agencies assist local farmers to improve their lands so that they become attractive destinations for tourists. These tourism destinations are usually associated with the traditional cultures of local villages, such as the traditional music and manufacture of local goods. However, the tour operations are predominantly carried out in a sporadic and fragmented manner. Local residents engaged in tourism activities—the primary subject of rural tourism—are fully dependent on tour operators and/or travel agencies, and they hold almost no rights and receive only a small income from tourism activities (Tuan, 2009).

Together with the difficulties in coordinating with tour operators and the unbalanced profit sharing, the tourism activities of the Mekong Delta have been evaluated as being significantly repetitive. Some provinces have copied or imitated others in their choice of tourism activities, highlighting typical activities such as rowing boats, visiting orchards, listening to traditional music, and tasting fruits, and this has resulted in tourism activities becoming increasingly uniform across the
provinces. With regards to this issue, the ITDR (2010) and MCST (2010) have reached similar conclusions, documenting the tourism activities as having become “almost identical among provinces […] because of the same tourism activities being put in a similar natural context (in terms of geology and geomorphology, etc.) and the obvious commercial atmosphere in operation when doing traditional activities just for show, etc. Due to this, tourism in the Mekong Delta is considered to be monotonous and boring.”

To sum, rural tourism in the Mekong Delta, still immature in its development, is strongly dominated by travel agencies, allowing for limited participation by local residents.

In spite of the rapid increase in the number of tourists in Vietnam, rural tourism in the country is at the beginning stages of its development. The term “rural tourism” is still new and has not been fully understood by the locals, particularly the rural residents. Together with this vague conceptualization, the administrative system of tourism is not functioning well, resulting in inconsistencies in tourism development strategies among the different levels of administration. Moreover, tourism facilities and infrastructure in rural areas are poor and insufficient. Most of the labor force engaged in tourism is unskilled or semi-skilled. While all these factors contribute to the immature nature of rural tourism in Vietnam, the most important factor is that there are only a few opportunities for local residents to participate in tourism as stakeholders.
IV. METHODOLOGY

Three case studies were analysis in this thesis, two cases in the Mekong Delta region, Vietnam and another is the case of Shodoshima Island, Japan.

The Phu Quoc Island (Kien Giang province) and Thoi Son Islet (Tien Giang province) have some differentiations in the characteristics of their tour.

- Phu Quoc tour:
  - Large number of tourists visiting, over-night tour.
  - Accommodation sector develops, high profit
  - Special treatment policies of the local government in attracting capital investment.

- Thoi Son tour:
  - Day-trip tour (3-4 hours)
  - No accommodation service on the Islet.
  - No efficient for HCMTAs directly operating the tour. Thus, HCMTAs depend on LTAs for their tour.

In addition, based on the “Project of develop tourism in Mekong Delta region to 2020” by Ministry of Culture, Sport and Tourism; Mekong Delta is divided into four clusters in tourism development. The ratio of tourist arrivals to each cluster: Eastern coastal cluster (30.3%); Central cluster (29.3%); Peninsula Ca Mau cluster (21.9%); Dong Thap Muoi cluster (18.5%). In the eastern coastal cluster, Tien Giang province has the largest ratio of tourists visiting (12%). In the central cluster, Kien Giang has the largest number of tourists (13%).

Therefore, the Thoi Son Islet in Tien Giang province and Phu Quoc Island in Kien Giang province are the typical models for investigating rural tourism in Mekong Delta region. Besides, choosing two cases in two clusters, which are most developing in tourism in Mekong Delta - Eastern coastal cluster and central cluster – will cover diversity of types in rural tourism in Mekong Delta region.
Figure 8. Ratio of tourist arrivals in Mekong Delta region

Four clusters divided based on the “Project of tourism development in Mekong Delta to 2020” by Vietnamese Ministry of Culture, Sport and Tourism
Source: Data collecting from MDEC forum (2011)

With regards to the Shodoshima Island in Japan, there are some main reasons to explain why the Shodoshima case was chosen as the good case for this thesis:

- Long history period development in tourism, over 60 years since the 1950s.
- Good model of the supplying network where all involved stakeholders (both weak and strong, in tourism sector and in agricultural sector) participate in.
- Long history of the traditional agricultural industries such as somen, shoyu and tsukudani (over 400 years), and olive (100 years). These traditional agricultural industries are the core components of the rural tourism in Shodoshima.
These traditional agricultural industries were integrated and becoming the tourism products upon the well-organized and strong networks among the local stakeholders.

Because the Vietnam tourism industry has just developed recently and tourism in rural areas has developed more lately, the view of the long-term development will be vague within these Vietnam case studies even though the results provide the aggregate view on the stakeholders’ networks and the main problems as well. Therefore, given the long history of development and especially the well-organized model of cooperation among the local stakeholders, the Shodoshima will have significant contribution for the perspective of the stakeholders’ networks, the supply side studies as well as give some hints for Vietnam applying in future rural tourism development.
V. SUPPLIER NETWORKS IN RURAL TOURISM - THE CASE OF PHU QUOC ISLAND, KIEN GIANG PROVINCE, VIET NAM

5.1. Introduction

Rural tourism has been a topic of concern for researchers because of its important role in rural development, including positive benefits in economic and quality of life issues and an enhancement of regional conservation efforts (Brown, 2013). Moreover, rural tourism may represent a sustainable form of rural development (Bramwell et al., 1994). However, rural tourism in particular and the tourism industry in general are complex in nature. They are heterogeneous and compound, consisting of many different service components supplied by numerous stakeholders such as accommodation owners, tour operators, local residents, etc. (Zhang et al., 2009). Due to the complexity of the tourism supplied by the diverse stakeholders involved, the tourism sector involves more collaboration, partnerships, and networking than most other economic sectors. From this point of view, rural tourism needs to be analyzed from an integrated perspective—that is, as a network (Zhang et al., 2009).

Another important aspect is that studies on the supply side of the tourism industry have largely been neglected (Sinclair and Stabler, 1997). The lack of attention to supply networks is not unique to tourism research (Zhang et al., 2009); most service industry studies focus on the marketing rather than the supply side (Smith, 1994). Saloheimo (2008) pointed out that the network approach is suitable for analyzing the tourism supply side, maybe even to the extent that the term “tourism network” should be used instead of “tourism industry.” March and Wilkinson (2009) proved that network and stakeholder analyses in tourism studies typically offer schema, typologies, and frameworks that contribute to conceptual development.

From the viewpoint of the supply side, the concept of a tourism network is defined as a network of tourism organizations engaged in different activities, which include the supply of different components of tourism products/services and involve
a wide range of participants (Zhang et al., 2009). Tourism networks are an increasingly important tool for economic development. At a local level, such networks have a potentially significant contribution to make toward tourism by embracing both community and commercial interests (Gibson et al., 2005). Scott et al. (2008) used network analysis to examine the structural properties of inter-organizational networks within tourism destinations. Network analysis is particularly useful as it adopts a whole destination approach and provides a basis for analyzing a destination’s organizational structure and linkages, allowing for the identification of strategic weaknesses in the cohesiveness of the destination that can be addressed by policy and management approaches (Scott et al., 2008). Stokes (2006) examined the inter-organizational networks that influence events tourism strategy from three perspectives: 1) relationships, 2) actors and their positions, and 3) structures and processes. His results provide valuable insights into the public sector environment, institutional settings, and key relationships that impact events tourism strategies. Dredge (2006) presented different dimensions of networks: actors, functions, structure, institution, rules, power relations, and actor strategies. These dimensions should be taken into account with regard to the management of tourism networks.

Networks can be categorized as either vertical or horizontal. Based on this view, Salomäki (2009) viewed vertical networking as a hierarchical network in which the network foreman and suppliers are clearly recognizable. An alternative to vertical networking is a horizontal network, in which organizations working in the same or in a parallel production process or value chain are connected. Recently, in the tourism sector, Zhang et al. (2009) categorized tourism supply networks into vertical and horizontal relationships. Vertical relationships exist among heterogeneous players, which do not have overlap capabilities. An example is a travel agency’s relationship with its suppliers. In contrast, horizontal relationships exist among homogeneous players in the same echelon of the supply chain, which usually have overlapping capabilities. An example is the relationship between two hotels supplying similar types of accommodation (Zhang et al., 2009).
Moller et al. (2005) believed that the most important goal of vertical value nets is to increase operational efficiency. Horizontal networks have been given much attention by researchers, mainly regarding agri-food networks and the retail industry. For example, Ghisi et al. (2006) used network theory to study horizontal collaboration among small and medium-sized supermarkets in Brazil and found that the agricultural cooperative/association is another form of horizontal collaboration. This horizontal cooperation is one of the few tools available to strengthen their competitive position and thereby economic sustainability, as it allows for the strengthening of purchasing power and the obtaining of economics of scale without giving up independence (Ghisi et al. 2006). However, little attention has been paid to this issue in the rural tourism sector.

The present study applies the perspective of vertical and horizontal networks in order to assess stakeholders’ networking in the operation and supply of rural tourism. In addition, the relations among the stakeholders are analyzed based on both formal and informal links in order to investigate the relative positional power of each actor in the tourism network.

Freeman (1984) defined a stakeholder or actor as “any group or individual who can affect or is affected by the achievement of the organization’s objective.” The basic unit analysis of network studies is relationships, which are formal or informal links between two actors (Seldjan, 2003). Nee (1998) described formal rules as those produced and enforced by organizations, such as states or firms, in order to solve problems of collective action through third party sanctions. Inversely, informal networks can include the informal transfer of information or social norms (Šavriņa et al., 2008). Litwin (1997) describes one type of informal network, the friend-focused network of local actors, as one formed around trust relationships that shapes exchange configurations in ways that are fundamentally noncompetitive.

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4) According to Fehr and Fischbacher (2004), “third party” is often used to refer to a person or entity that is not involved in an interaction or relationship. For instance, one party in an exchange relationship may violate an implicit agreement, hurting the exchange partner. The cheated partner is the “second party” in this case, while an uninvolved outside party who happens to know that cheating occurred is the “third party”.

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Nee (1998) also describes informal norms that arise out of networks and are reinforced by means of ongoing social relationships, to the extent that members of networks have interests and preferences independent of what rulers and entrepreneurs want. Both the formal and informal approaches could be seen as complementary or alternative perspectives in discussions of cooperation within a network (Lee and Cavusgil, 2006). Previous research on institutions, organizations, and communities show that formal, contract-based and informal, relation-based cooperation occur jointly or in substitution depending on the context and the subject of research (Beritelli, 2011).

The concept of “rural tourism” can be understood in three different ways: all tourism and recreation activities taking place in the countryside; a number of activities usually accepted by participants and providers as being “rural”; or any activities taking place in any setting that participants perceive as rural and within which they behave accordingly (Tribe, 2000). Each region understands rural tourism differently according to its background and resources, with regions interpreting the practice as farm tourism, green tourism, agritourism, ecotourism, and so forth based on their types of activities (Tribe, 2000). Bramwell (1994) suggests that rural tourism is a small-scale and functional relationship between open space and nature-oriented, heritage, or traditional societies that makes them “rural.” Visits to museums and historical attractions, festivals, farmers’ markets, guided walks, and themed routes are examples of rural tourism activities (Bramwell, 1994).

The main reason of selecting Phu Quoc as a case for this paper is that this case demonstrates a high level of interaction between both local and non-local stakeholders in regards to the operation of rural tourism, which makes the island with an edge in networking when investigating the operation of rural tourism in this area.

The rural tourism in Phu Quoc consists of many components, such as visiting local producers, snorkeling, fishing or squid fishing, forest hiking, and so on. These rural tourism activities and services have been supplied by a network of many
involved stakeholders, such as Ho Chi Minh travel agencies (HCMTAs), local travel agencies (LTAs), accommodation providers, and local resident suppliers.

To get a deeper understanding of the networking that occurs among the key stakeholders in a tourism network, qualitative research centered on a case study of rural tourism in Phu Quoc Island was performed. Two steps were taken when conducting the survey. The first step was to identify a list of tourism stakeholders; this list was tested and revised following in-depth interviews with local government officials, tourism entrepreneurs, and residents. Next, all involved stakeholders were interviewed. They were asked to explain their tourism activities and services, resources, benefits, difficulties, and most importantly, their networking, both with other organizations and within their organizations, in supplying tourism activities and services. The interviews were conducted in March, August, and November 2012.

Of the 63 interviewed stakeholders, 30 are the local stakeholders including owners of pepper farms, dried fish shops, local tour guides, and LTAs. While 33 were the non-local stakeholders including the HCMTAs and non-locally owned accommodations. Besides the above 63 interviews, in-depth interviews were conducted with local government organizations, such as the Phu Quoc People’s Committee (PQPC); Division of Culture and Information of PQPC; Phu Quoc Center of Culture, Sport, and Tourism; Phu Quoc Statistics Office; Phu Quoc Tourism Association (PQTA); and Kien Giang Department of Culture, Sport and Tourism (KG DCST).
5.2. **General Background**

5.2.1. **Study area - Phu Quoc Island**

Phu Quoc Island, located in the Gulf of Thailand, belongs to the Phu Quoc district of Kien Giang province in the Mekong Delta region. The total area of the Phu Quoc parcel islands is 589 km$^2$, in which Phu Quoc Island has the biggest area at 561.17 km$^2$, roughly the size of Singapore. The total population is 90,670 as of 2009.\(^5\)

Phu Quoc Island is reachable by both air and road. Phu Quoc’s old airport was built by the French colonists in the 1930s. In December 2012, the new Phu Quoc International Airport opened, with a capacity of seven million passengers per year. Many flights go directly to Phu Quoc Island from the biggest cities in Vietnam, such as Ho Chi Minh, Ha Noi (Figure 9).

\(5\) Statistical yearbook of Phu Quoc District in 2010

![Map of Phu Quoc Island’s airways and seaways](image)

Figure 9. Map of Phu Quoc Island’s airways and seaways
In the interest of tourism development, Phu Quoc Island has received special preferential policies from the central government. These include tourism’s decisive role in the local economy; the potential for the island to become a special zone under the central government in 2020; the highest level of preferential treatment in Vietnam’s policy mechanisms; and a focus on developing Phu Quoc Island into

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6) Report No. 150/TB-VPCP dated 8/14/2007 by the office of the central government on “Conclusion of the Prime Minister on the plan towards establishing Phu Quoc as a special economic administration zone directly under the central government.”

7) Decision 38/2006/QĐ – TTg on “the highest level of preferential policies for all investment projects on Phu Quoc Island.”
the tourism and recreation center of the Mekong Delta region by 2020. Together, these policies have resulted in large changes to land planning; specifically, land zoned for tourism purposes will increase to over fifteen times its amount in 2007, from 243 ha to 3,861 ha.

Phu Quoc’s GDP structure is relatively equalized among its three sectors. In 2005, the proportions of agriculture/fishing, industry, and services were 31.1%, 33.3%, and 35.6%, respectively. By 2009, the proportion of the service sector had increased to 45.2%, indicating that the service sector, in which tourism is one of the major forces, had experienced a high growth rate.

![Figure 11. Number of tourists visiting Phu Quoc Island](source: Phu Quoc District Government)

The number of tourists visiting Phu Quoc Island increased (Figure 11) from 130,400 in 2005 to 217,850 in 2009, of which domestic tourists comprise over 70%.

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8) This data was synthesized from the statistical yearbook of Phu Quoc District in 2011 and Decision 633/QD-TTg dated 11/5/2010 by Prime Minister on “approval of the general planning amendment to building on Phu Quoc Island, Kien Giang province to 2030.”
This brought about an increase in tourism revenue from 136.5 billion VND \(^9\) to 450 billion VND. Along with the growth rate of tourists, the number of accommodation facilities has also increased, from 67 in 2005 to 96 in 2012.

Although tourism has experienced a high growth rate and received special considerations from the central government, Phu Quoc’s tourism industry has encountered obstacles to its development, such as unskilled local laborers and maladapted infrastructure. The majority of the labor force in Phu Quoc Island is unskilled or semi-skilled.

Along with tourism development, the number of local laborers working in the accommodations sector increased from 1,817 in 2000 to 2,571 in 2011. According to the data from the Phu Quoc Statistics Office, there are about 60 are working as tour guides, of whom only 50% are locals.

Another important issue is the island’s infrastructure. Although the development of infrastructure has shown growth, it has not yet caught up with the growth rate of tourism development. For instance, only two of the 10 communes have asphalt roads, with the other eight making use of basic paved roads to the central town in Phu Quoc district. In terms of electricity, only three communes are connected to the national power grid, three others use an alternative power supply, and the other four do not have electricity \(^10\). Currently, the price of electricity is very expensive, and revolving blackouts are commonplace on the island. According to the interview with the local officers, environmental issues have become more serious because Phu Quoc Island has not yet built waste treatment plants, so some garbage dumps are being stretched beyond their capacity.

\(^9\) According to the State Bank of Vietnam dated in November 2012, 1 USD = 20.828 VND. 
\(^10\) Statistical yearbook of Phu Quoc District in 2010.
5.2.2. Tourist behavior

In general, Phu Quoc tourism has a larger quantity of individual travelers and backpackers than package tourists. According to the interviews with the staff of the historical relic site of the Phu Quoc prison, a compulsory stop for packages tours in Phu Quoc, there were 736 package tours with a total of 84,283 tourists in 2010, a figure representing 36.6% of the total arrivals on the Phu Quoc Island in that year. Therefore, it can be said that Phu Quoc tourism have high ratio of individual travelers and backpackers, roughly 60% 11).

Domestic and foreign tourists have different behavior patterns within Phu Quoc tourism. According to the interviews with local stakeholders, domestic tourists usually visit during the summer, from June to September. They mostly come from Ho Chi Minh, Ha Noi, and the Mekong Delta region, and often stay less than one week. Their main activities are eating at local restaurants in fishing villages and shopping for traditional products such as wine, pepper, dried seafood, fish sauce, and pearls. Meanwhile, foreign tourists often visit from October to March in order to escape the winter seasons of their home countries. The majority comes from Europe and usually stays from one to three weeks. Their main activities are fishing, snorkeling, and enjoying the beach.

5.3. Stakeholder Identification

Rural tourism in Phu Quoc Island is supplied by many stakeholders, such as travel agencies, local resident suppliers, and accommodations. The stakeholders in this paper have been categorized into two main groups: local and non-local. Local stakeholders are organizations and individuals that live or are located in Kien Giang province and operate their businesses on Phu Quoc Island. They have full autonomy and local decision-making authority with respect to their business practices. In this case, the local actors are resident suppliers such as pepper farms, fishing boats, fish

11 The relatively smaller ratio of package tourists can be explained by the high transportation costs and time-consuming processes associated with travel to the island as compared to closer sites that are more accessible to larger groups.
sauce producers, dried seafood shops, and wine producers; local travel agencies; local tour guides; and locally owned accommodations. The non-local actors are HCMTAs, HCMTA-based agencies in Phu Quoc, pearl farms, and non-locally owned accommodations.

5.3.1. Local stakeholders

Local resident suppliers are one of the main actors in the tourism network of Phu Quoc Island. Tourism activities supplied by these local residents vary; tours typically consist of visiting pearl farms, fish sauce factories, pepper farms, traditional “Sim” wine shops, and dried seafood shops, as well as booking boats for squid fishing and diving. These activities show that the traditional agricultural and village careers of local residents are mainly focused on the sea, including fishing and aquaculture.

Table 4. The interviewed local resident suppliers

<table>
<thead>
<tr>
<th>Type</th>
<th>Facilities</th>
<th>Year of participation in tourism</th>
<th>Ratio of domestic tourists</th>
<th>Ratio of tourist arrivals through the network with tour guides</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Garden: 6ha, shop 500m²</td>
<td>2000</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>A2</td>
<td>&gt;100 barrels (160 liter/barrel)</td>
<td>2000</td>
<td>90%</td>
<td>&gt;60%</td>
</tr>
<tr>
<td>B1</td>
<td>3ha</td>
<td>2000s</td>
<td>90%</td>
<td>&gt;70%</td>
</tr>
<tr>
<td>B2</td>
<td>4ha</td>
<td>2000s</td>
<td>90%</td>
<td>&gt;70%</td>
</tr>
<tr>
<td>C1</td>
<td>3000m²</td>
<td>2007</td>
<td>&gt;80%</td>
<td>80%</td>
</tr>
<tr>
<td>C2</td>
<td>120 barrels (7-13tons of fish/barrel)</td>
<td>2000s</td>
<td>&gt;80%</td>
<td>80%</td>
</tr>
<tr>
<td>D1</td>
<td>3 boats</td>
<td>2002</td>
<td>70%</td>
<td>60%</td>
</tr>
<tr>
<td>D2</td>
<td>9 boats</td>
<td>2001</td>
<td>&gt;60%</td>
<td>90%</td>
</tr>
<tr>
<td>E1</td>
<td>&gt;600m²</td>
<td>1999</td>
<td>70%</td>
<td>Large</td>
</tr>
<tr>
<td>E2</td>
<td>1000m²</td>
<td>2000</td>
<td>90%</td>
<td>70%</td>
</tr>
<tr>
<td>E3</td>
<td>&gt;1000m²</td>
<td>2002</td>
<td>90%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Note: A: Wine producer; B: Pepper farm; C: Fish sauce factory; D: Fishing boat; E: Dried-sea food shop
Source: field survey
(1) **Local resident suppliers**

a) **Pepper farms and wine producers**

Phu Quoc is famous for pepper, and the pepper tree is one of the main sources of income for its residents. In Phu Quoc, pepper trees have been cultivated for hundreds of years in the three communes of Cua Duong, Cua Can, and Duong To. In 2012, the total area of the region’s pepper farms was roughly 477 ha, and the average yield was 2,000-3,000 kg/ha. Each household typically cultivates 2,500-3,000 pepper plants per ha. From 1995 to 2000, pepper plants were grown at their highest acreage of over 1,000 ha, due to the high market price of pepper. Following local tour guides’ suggestions, some pepper farms were opened to welcome tourists as a tourist attraction upon the development of tourism in the area. Therefore, the main source of their tourists, mostly domestic, is derived from arrangements by local tour guides (Table 4).

Another traditional product is wine made from ripe myrtaceous fruits, *Sim* fruits in Vietnamese, which can be found nowhere in the Mekong Delta region except for Phu Quoc. In 2011, this local wine, referred to colloquially as “Sim wine,” was voted one of the top 10 most unique wines in Vietnam by the Vietnam record books. Some of the most popular local producers have over 20 years of development. Regarding the main networks for their business, as observed in Table 4, tour guides are the major source of tourist arrivals for these local wine producers.

b) **Fish sauce producers and dried seafood shops**

Phu Quoc Island is also famous throughout Vietnam for its fish sauce, produced from the rich anchovy fishing grounds offshore, and its production has been a long-held tradition among locals on Phu Quoc Island for over 200 years. Since 2001, the Industrial Property Department of the Vietnamese government has bestowed the name “Phu Quoc Fish Sauce” as a trademark. Today, the island is renowned as the fish sauce capital of the world. Currently, Phu Quoc has 117 fish sauce producers and over 400 dried seafood shops. Like other the local resident suppliers, most
tourists who visit their factories are domestic tourists, by way of their respective arrangements with tour guides (Table 4).

c) Fishing boats

For a long time, the livelihoods of Phu Quoc residents have been based on offshore fishing and other marine activities. Therefore, the island has traditionally hosted a large number of fishing boats and fishermen. In 2012, there were 2,585 fishing boats employing 11,280 local laborers. Since the development of tourism on the island, some local fishermen have begun to participate in the operation of tourism activities from their fishing boats, which have been refurbished for tourism purposes. According to the Phu Quoc Statistics Office, about 80 fishing boats were used exclusively for tourism purposes in 2012. Accounting for roughly 60% of their visiting tourists, tour guides seem to supply the bulk of visitors to these sites. (Table 4).

In general, all the local resident suppliers have relied upon the networks of tour guides for their main source of tourists. Majority of their tourists is domestic tourists. Importantly, all respondents indicate that at the beginning, the tour guides contact and propose the cooperation. They discussed on the percentage of kickback. After that, the tour guides take the tourists to these places.

(2) Local travel agencies

There are two types of travel agencies actively operating on Phu Quoc Island: local and non-local. LTAs are located on Phu Quoc Island and are fully owned and operated by local residents. According to the Phu Quoc Statistics Office, in 2011 there were over 20 LTAs on Phu Quoc Island.
Table 5. The interviewed LTAs

<table>
<thead>
<tr>
<th>LTA</th>
<th>Year of establishment</th>
<th>Number of employees</th>
<th>Ratio of tourist arrivals through the network with HCMTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2001</td>
<td>3</td>
<td>95%</td>
</tr>
<tr>
<td>2</td>
<td>2007</td>
<td>10</td>
<td>90%</td>
</tr>
<tr>
<td>3</td>
<td>2010</td>
<td>4</td>
<td>90%</td>
</tr>
<tr>
<td>4</td>
<td>2002</td>
<td>7</td>
<td>80%</td>
</tr>
<tr>
<td>5</td>
<td>2012</td>
<td>5</td>
<td>80%</td>
</tr>
<tr>
<td>6</td>
<td>2005</td>
<td>7</td>
<td>80%</td>
</tr>
<tr>
<td>7</td>
<td>2009</td>
<td>5</td>
<td>70%</td>
</tr>
<tr>
<td>8</td>
<td>1995</td>
<td>6</td>
<td>&gt;50%</td>
</tr>
<tr>
<td>9</td>
<td>2010</td>
<td>3</td>
<td>&gt;50%</td>
</tr>
</tbody>
</table>

Source: field survey

According to the interviews with on-site observation, almost all of LTAs are relatively small in terms of their offices and numbers of employees. It is revealed that some of them were originated from the local drivers, receptionists, and tour guides. In Table 5, it is important to figure out that 100% of LTAs network with HCMTAs and this type of network is the major source of tourist arrivals for LTAs.

The LTAs supply four main services: air ticket, boat/ferry ticket, accommodation, and car/coach. There is always shortage of these services during peak season. Therefore, the travel agents, both LTAs and HCMTAs, who have capability to supply these services will seize the tourism market. As shown in Table 5, the relatively bigger LTAs, having higher ratio in the networking with HCMTAs, can typically supply all or dominate some of these services while smaller LTAs just supply only one or two services such as car/coach and accommodation. All LTAs, on the one hand to try to maintain a close professional relationship with HCMTAs; on the other hand, they tend to attract the individual travelers / backpackers by means of directly sales, website, internet forum advertisements, and distributing brochure and posters in local accommodations, etc.
(3) Local tour guides

As mentioned earlier, there are about 60 tour guides in the island, of the majority of which are locals. The local tour guides, while knowledgeable, are often not good enough in foreign languages, nor having trained as a tour guide. From the interviews, it is revealed that the LTAs employ tour guides neither as regular staff, nor contractors; tour guides instead work on-call, and typically receive payment based on days worked. The average allowance for a tour guide is 150,000 VND or about 7 USD per day, with the bulk of their income sourced from kickbacks from the local resident suppliers or tips from tourists. Some tour guides that migrate to the island from other regions have good communicated skills with foreign tourists, also work as freelances.

Table 6. The interviewed local freelance tour guides

<table>
<thead>
<tr>
<th>Experienced years</th>
<th>Job before becoming a tour guide</th>
<th>Tour guide certificate</th>
<th>Education level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8</td>
<td>No</td>
<td>College</td>
</tr>
<tr>
<td>2</td>
<td>15</td>
<td>No</td>
<td>High school</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>No</td>
<td>High school</td>
</tr>
<tr>
<td>4</td>
<td>11</td>
<td>No</td>
<td>Secondary school</td>
</tr>
<tr>
<td>5</td>
<td>&gt;7</td>
<td>No</td>
<td>Secondary school</td>
</tr>
</tbody>
</table>

Source: field survey

Because of the large ratio of individual travelers visiting Phu Quoc, the tour guides both work for LTAs and directly approach these tourists to sell excursions for the daily tour. They distribute tourism brochures, leaflets and their business card to tourists at tourism hotspots such as Phu Quoc airport, Duong Dong harbor, the beaches, and the night market. Some of them build good relationships with the front desk staff at local hotels and accommodation providers, in order to approach tourists.
Tour guides with strong communication skills in one or more foreign languages will commonly target the foreign backpacker tourists.

When they get tourists, they have the choice of either transferring the tourists to LTAs, or operating the tour by themselves. If they transfer the tourists, they will earn a commission from LTAs. If they operate the tour, they typically require a car. In this sense, their operation is more akin to an unauthorized local travel agency, targeting individual travelers and backpackers. These operations are typically illegal, as being an unauthorized agency allows them to skip the costs of insurance, staffing, taxes, and other costs associated with operating a legitimate tour agency. As a result, they can offer tours at a very cheap price, making these services a favorite with the backpackers and individual travelers that make up a large part of their clientele.

Besides the tourists’ payment for the services, these tour guides also get a kickback from the local resident suppliers when they guide tourists on the island for shopping and eating.

(4) Locally owned accommodations

In 2010, Phu Quoc had 74 accommodation facilities; 32 resorts and hotels and 42 guesthouses. In 2012, the total grew to 96 facilities \(^{12}\), including 38 hotels and 58 guesthouses. Among these, 74 were locally owned stakeholders, businesses owned entirely by local residents. These accommodations are often small-scale with small number of rooms. Those accommodations, which are located in the town, are typically based out of residents’ homes, with owners often adding additional space or rooms to accommodate travelers. Their main sources of tourists are derived from arrangements with LTAs, local tour guides, and tourists contacting directly (Table 7). The price of these accommodations is usually cheaper than that of other types of accommodations on Phu Quoc Island.

\(^{12}\) Statistical yearbook of Phu Quoc District in 2011.
5.3.2. Non-local stakeholders

(1) Ho Chi Minh travel agencies

Another type of travel agency actively operating on Phu Quoc Island is HCMTAs. These are located in the central area of Ho Chi Minh City, home to the largest concentration of urban citizens and incoming international tourists to Vietnam. There are currently four HCMTAs with branch offices since the early 2000s in Phu Quoc Island.

As observed in Table 8, it is revealed that all of HCMTAs have networked with LTAs to organize the Phu Quoc tour. According to the interviews with HCMTAs, the type of networks in which HCMTAs choose for the Phu Quoc tour depend on the number of tourists of. In the case of less than three tourists, for instance, HCMTAs tend to transfer the tourists to other HCMTAs. If the number of tourists is less than 15, they use the networks with LTAs. With the number of tourists over 16, they operate the tour by themselves.

Table 7. The interviewed locally owned accommodations

<table>
<thead>
<tr>
<th>Location</th>
<th>Year of establishment</th>
<th>Number of rooms</th>
<th>Ratio of tourist arrivals through the networks with</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beach</td>
<td>2003</td>
<td>12*</td>
<td>55% HCMTA; 25% LTA; 20% Tourists contact directly.</td>
</tr>
<tr>
<td>Town</td>
<td>2011</td>
<td>12</td>
<td>70% LTA; 30% Tour guides; Tourists contact directly.</td>
</tr>
<tr>
<td>Town</td>
<td>2010</td>
<td>16</td>
<td>50% Tourists contact directly; 40% LTA; 10% Tour guides.</td>
</tr>
</tbody>
</table>

Note: * Bungalows style and big restaurant with over 50 straw huts on the beach.

Source: field survey
Table 8. The interviewed HCMTAs

<table>
<thead>
<tr>
<th>HCMTA</th>
<th>Type</th>
<th>Year of establishment</th>
<th>Ratio of tourists transfer to LTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>P</td>
<td>1999</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>P</td>
<td>2009</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>P</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>P</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>5</td>
<td>P</td>
<td>2005</td>
<td>90%</td>
</tr>
<tr>
<td>6</td>
<td>P</td>
<td>-</td>
<td>90%-80%</td>
</tr>
<tr>
<td>7</td>
<td>P</td>
<td>1995</td>
<td>80%</td>
</tr>
<tr>
<td>8</td>
<td>P</td>
<td>1993</td>
<td>80%</td>
</tr>
<tr>
<td>9</td>
<td>P</td>
<td>2009</td>
<td>80%</td>
</tr>
<tr>
<td>10</td>
<td>P</td>
<td>2008</td>
<td>80%</td>
</tr>
<tr>
<td>11</td>
<td>P</td>
<td>-</td>
<td>80%</td>
</tr>
<tr>
<td>12</td>
<td>P</td>
<td>2010</td>
<td>80%-70%</td>
</tr>
<tr>
<td>13</td>
<td>P</td>
<td>2006</td>
<td>80%</td>
</tr>
<tr>
<td>14</td>
<td>P</td>
<td>2008</td>
<td>70%</td>
</tr>
<tr>
<td>15</td>
<td>P</td>
<td>2007</td>
<td>&gt;70%</td>
</tr>
<tr>
<td>16</td>
<td>SO</td>
<td>1989</td>
<td>60%</td>
</tr>
<tr>
<td>17</td>
<td>SO</td>
<td>1990</td>
<td>50%</td>
</tr>
<tr>
<td>18</td>
<td>SO</td>
<td>1999</td>
<td>50%</td>
</tr>
<tr>
<td>19</td>
<td>P</td>
<td>1995</td>
<td>50%</td>
</tr>
<tr>
<td>20</td>
<td>P</td>
<td>1992</td>
<td>50%</td>
</tr>
<tr>
<td>21</td>
<td>SO*</td>
<td>1975</td>
<td>30%</td>
</tr>
<tr>
<td>22</td>
<td>SO*</td>
<td>1985</td>
<td>30%</td>
</tr>
<tr>
<td>23</td>
<td>P</td>
<td>1996</td>
<td>30%</td>
</tr>
<tr>
<td>24</td>
<td>P</td>
<td>2005</td>
<td>30%</td>
</tr>
<tr>
<td>25</td>
<td>P</td>
<td>-</td>
<td>30%</td>
</tr>
<tr>
<td>26</td>
<td>P</td>
<td>2000</td>
<td>20%</td>
</tr>
<tr>
<td>27</td>
<td>P</td>
<td>2002</td>
<td>20%</td>
</tr>
</tbody>
</table>

Note: P: Private; SO: State-owned; * Having branch office in Phu Quoc.

Besides having network with LTAs, HCMTAs will cooperate among themselves or self-organize the tour.

Source: field survey

By the way, as shown at Table 5, each HCMTA has different ratio in the networking with LTAs. For example, 55.6% HCMTA has the ratio of networking with LTA over 70%. These companies are small size and most of them were established recently. They indicate that among their services, the Phu Quoc tour is
not their major. Besides, the majority of their customers are individual travelers. Therefore, they tend to rely on the networking with the LTAs or transfer their tourists to other HCMTAs. They do not operate the Phu Quoc tour by themselves. Although HCMTAs transfer the tourists to LTAs, they already arranged the services of accommodations and air tickets which are the biggest part of the package tours and make a large profit margin.

Other HCMTAs have ratio of networking with LTAs from 20% to 60%. These companies are state-owned companies or competitive private companies, which have been established in the earlier stage. Due to their competitiveness, they also buy tourist packages from other HCMTAs and can make enough number of tourists for the Phu Quoc tour at each time. Usually, they organize tours by themselves to ensure the quality. In the case of small number of tourists, however, they utilize the network with LTAs to maximize profits.

Among these HCMTAs, four state-owned HCMTAs such as No. 21 and 22 in the Table 8 have their own branch offices in the Phu Quoc Island. They give priority to their branch offices in operating the tour. Besides, these offices also help them to have more advantages in booking accommodation in advance especially during the peak season.

(2) Non-locally owned accommodations

Based on statistical data from 2011, among the 96 accommodation facilities, 22 were non-local stakeholders, which, as their title suggests, are businesses owned in part or entirely by outsiders.
Table 9. The interviewed non-locally owned accommodations

<table>
<thead>
<tr>
<th>Location</th>
<th>Year of establishment</th>
<th>Number of rooms</th>
<th>Ratio of tourist arrivals through the networks with</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Beach</td>
<td>2000</td>
<td>100</td>
<td>65% HCMTA; 35% LTA; Tourists contact directly.</td>
</tr>
<tr>
<td>2 Beach</td>
<td>2010</td>
<td>64</td>
<td>60% HCMTA; 40% LTA; Tourists contact directly.</td>
</tr>
<tr>
<td>3 Beach</td>
<td>2010</td>
<td>32</td>
<td>80% Tourists contact directly; 20% LTA.</td>
</tr>
<tr>
<td>4 Beach</td>
<td>2002</td>
<td>72</td>
<td>50% LTA; 30% HCMTA; 20% Tourists contact directly.</td>
</tr>
<tr>
<td>5 Beach</td>
<td>2006</td>
<td>47</td>
<td>90% Tourists contact directly; 10% HCMTA.</td>
</tr>
<tr>
<td>6 Beach</td>
<td>1998</td>
<td>33</td>
<td>80% Tourists contact directly; 20% LTA.</td>
</tr>
</tbody>
</table>

Note: All of these accommodations are bar-restaurant-hotel complex and bungalow style.

Source: field survey

Non-locally owned accommodations have gradually developed in Phu Quoc since 2000s. As shown in Table 9, these accommodations are resort-bar-restaurant complex and bungalow style accommodation. Their number of rooms is larger than the locally owned accommodation. Their tourists are based on the networks with HCMTAs, LTAs, and tourists coming directly. In addition, almost all of the non-locally owned accommodations are located on the very beautiful beaches and limit the local residents’ access into their beaches, in other words, these accommodation owners have considered these public beaches as their own private beaches.
Figure 12. Total number of accommodations and rooms in Phu Quoc Island
Source: Phu Quoc District Government

Figure 13. Investment capital in Phu Quoc Island in 2012
Source: Phu Quoc District Government
As seen in Figure 13, the number of non-locally owned accommodations has gradually increased over the years. In 2012, the number of non-locally owned accommodations and rooms comprised a respective 22.6% and 38.7% of the total number of accommodations on the island. Although there are fewer non-locally owned accommodations than their local counterparts, they are typically better funded. For instance, according to data from the local government 13), of the total 96 accommodations, 62 accommodations having data of charter capital. Among these 62 accommodations, 17 are non-local stakeholders, which represent up to 2,217.9 billion VND or 95.7% of the total charter capital, while 45 are local stakeholders, which only represent 100.03 billion VND or 4.3% of the total charter capital. Additionally, these non-locally owned accommodation facilities are usually located in the most scenic parts of Phu Quoc Island, almost always along the seaside. These advantageous locations have attracted the most tourists, especially high-level and foreign tourists.

Another piece of evidence for this dominance in Phu Quoc Island can be seen from the total amounts of licenses investment projects by the non-local stakeholders. Figure 13 indicated that non-local stakeholders have stood out by holding a larger portion of investment capital than local stakeholders. Specifically, non-local stakeholders hold investment capital in 76.5% of implemented projects, 56.8% of ongoing projects, and 85.5% of future projects. This serves as further evidence of the dominance of non-locally owned businesses in the tourism sector, particularly in the accommodations sector.

13) The data on this charter capital was synthesized from the internal report of the Phu Quoc People Committee on “the monitoring situation of accommodation sector in the Phu Quoc Island in 2012” and the website of the Kien Giang Department of Investment and Planning, retrieved on October 20th, 2012: [http://www.kiengiangdpi.gov.vn/Default.aspx](http://www.kiengiangdpi.gov.vn/Default.aspx).
(3) **Pearl farms**

Pearl farms are non-local stakeholders in the Phu Quoc tourism network. The reason for this is that they are joint-stock companies with capital contributions from outsiders who do not live on the island or within Kien Giang province. Almost all of them were established in the 1990s with the express purpose of cultivating sea pearls for the local and international jewelry markets. Upon visiting these pearl farms, tourists can experience the pearl production process and admire a wide collection of cultured pearls. The pearls from this area are prized for their beauty and are used in jewelry such as necklaces and earrings, and most pearl farms have displays that describe to visitors how the oysters yield their pearls.

5.4. **Stakeholder’s Network Analysis**

This section analyzes the tourism network among the involved stakeholders. Main networks are analyzed such as the network between HCMTAs and LTAs; between HCMTAs and accommodations; between LTAs and accommodations; and the tour guides and the local resident suppliers. Moreover, the determinants that influence their networks as well as those advantages and disadvantages were asked to each stakeholder with the following line of questioning.

The first question was, “Do you network with [LTAs/HCMTAs/accommodations/local resident suppliers, or other] when operating Phu Quoc tours?” This was followed by, “What type of networking do you engage in; paper-based contracts, verbal contracts, or other?” The next question was, “What determining factors do you feel influence the network between your company and your partners?”. This was limited to a series of responses prepared prior to the interview; price, quality, experience, friends/relatives, long-standing partnerships, commissions/kickbacks, tour guide proposal, and others. These factors were tested in the pilot survey.

The respondents were asked to choose some main determinants from the prepared list. At this stage, they could freely choose any determinants, no need to choose all, or suggest other determinants that were not on the list. After that, the
respondents arranged these determinants in order of priority, from the strongest influence to the weakest influence.

Based on an evaluation of these networks, the tourism networks of Phu Quoc are illustrated in Figure 14 and each network will be explained below.

![Diagram of tourism networks in Phu Quoc Island](figure14.png)

Figure 14. Links among the rural tourism stakeholders in Phu Quoc Island

Source: field survey

5.4.1. Networks between HCMTAs and LTAs

Networking between HCMTAs and LTAs takes place on a land-tour arrangement. “Land-tour” in this context refers to the fact that a HCMTA transfers its tourists to a LTA on Phu Quoc Island. Upon the tourists’ arrival on Phu Quoc Island, the LTA bears all responsibilities related to the tour. However, in most cases, this land-tour package does not include accommodations, which are booked by a HCMTA or tourists themselves.

According to the interview, each LTA has cooperated with over 50 HCMTAs and each HCMTA has also networked with all LTAs. Besides, LTAs are requested to send their price quotation to HCMTAs. Based on these price quotations, a
HCMTA choose a LTA for its tour. In order for win this bidding for HCMTAs’ contract, a LTA competes with each other, offering the lowest price.

It was found that LTAs prefer to network with private HCMTAs as opposed to state-owned agencies. The reason most commonly given for this is the easier and more flexible negotiation and payment process in networks with private HCMTAs. State-owned agencies usually force complicated bureaucratic procedures to LTAs. Meanwhile, LTAs need money in advance for deposits on services such as transportation, meals and entertainment activities. The private HCMTAs have been proven to handle such problems flexibly than their state-owned counterparts.

As observed in Figure 15 and 16, each bar graph of determinant composes 100% and illustrates the respondents’ evaluation from the first to the seventh order and non-available value 14), about the determinant’s influence on their network. In analyzing these figures, even though all orders were calculated, only the first three orders are shown in the figures.

![Figure 15](image)

**Figure 15. Main influencing factors of networks between HCMTAs and LTAs, from LTAs’ point of view**

*Source: field survey*

14) The non-available value means that there are some orders that respondents did not choose or answer. As a result, these orders are left blank.
As shown in Figure 15, with regard to first order, of the nine total LTAs, 56% chose “price”. These LTAs usually compete each other in price. Offering the lowest price of land-tour for a HCMTA is their business strategy. The other LTAs, 11% chose “long-standing partner”, 22% chose “quality”, and 11% chose “experience” as their most important determinants. For these LTAs, besides “price”, they mobilize these determinants as their advantages than others to maintain business cooperation with HCMTAs. These LTAs have the high ratio of networking with HCMTAs from 80% to 90%.

Other parties of note are the aforementioned HCMTAs branch offices in Phu Quoc. These agents’ main priority is to serve tourists from their main office in Ho Chi Minh City. Specifically, their main customers are higher-income tourists, resort guests, and package tour groups from the main offices in Ho Chi Minh City.

![Figure 16. Main influencing factors of networks between HCMTAs and LTAs, from the HCMTAs’ point of view](image)

Source: field survey

These results reverse from HCMTAs’ point of view. As observed in Figure 16, in regards to the first order, of the 27 total HCMTAs, 55.6% chose “quality”, 25.9% chose “price”, 11.1% chose “long-standing partnerships”, and 7.4% chose “experience”. This means that “quality” and “price” are two most influence on their networks.
In general, the links between LTAs and HCMTAs have the same influential factors on both sides; both favored reasons for networking such as “quality,” “price,” and “long-standing partnerships” (Figures 15 and 16). However, each stakeholder prioritized these factors differently. It can be argued that from HCMTAs’ point of view, it is seen as risky to transfer their customers to a local partner; however, it is more inefficient if they organize the tours by themselves. In this sense, “quality” is the most important determinant, and “long-standing partnerships” are also highly prioritized in order to guarantee the tours’ quality. LTAs are concerned more with their profit margin than with other factors, so “price” is the most important factor in the networks between them and HCMTAs.

These results suggest that the networks between HCMTAs and LTAs have more advantages from both viewpoints in concurrence with the view that the present network is a “win-win” situation for both parties due to convenience in tour operations, a stable tourist source, relatively low operation costs, ensured revenue, and employment for local laborers. With regard to disadvantages, 66.7% of LTAs said there were “no disadvantages.” A few disadvantages include unsure procedures, impounding capital, and over-dependence on tour operators.

5.4.2. Networks between HCMTAs and accommodations

The survey results show that both HCMTAs and LTAs have formal contracts with locally and non-locally owned accommodation providers when arranging tours. In the interview, some accommodation providers indicate that at the beginning of the year, they make a contract with HCMTAs on supplying/purchasing rooms, including the conditions for the peak season. From the HCMTAs’ point of view, they do not want to rely exclusively on LTAs, and should thus establish their own network directly with accommodations as the form of a year-based contract.

As shown in Figure 17, of the 27 total HCMTAs, with regards to the most important determinant, 77.8% chose “quality”, 14.8% chose “price”, 3.7% chose “friends and relatives”, and 3.7% chose “experience”. The two HCMTAs who chose “long-standing partnerships” and “friends and relatives” are the small
HCMTAs and have the high ratio of networking with LTAs 80% and 70%, respectively. As observed in general, “quality,” “price” are the two main factors that influence on the network between HCMTAs and accommodations (Figure 17).

![Figure 17. Main influencing factors of networks between accommodations and HCMTAs](image)

Accommodations received tourists from all sources such as HCMTAs, LTAs, and tourists coming directly as shown in Table 7 and 9. In the depth interview, however, they prefer to network with professional partners who rarely cancel bookings without an advance notice and keep the payment procedure. It is worth noting that errors stemming from not following those practices are typically made by LTAs. Thus, these accommodation providers prefer networking with HCMTAs as opposed to LTAs. As a result, HCMTAs have been able to establish stronger network with these accommodations than LTAs despite of their remoteness. On the contrary, locally owned accommodations, which are usually small size, tend to network with LTAs and tour guides.

Non-locally owned accommodations have more advantages than locally owned accommodations in regards to the capacity for online booking, thereby providing a deeper pool of potential clients. A hotel online booking system (HOBS) is an
internet-based system that allows tourists to book by themselves in advance. In Phu Quoc, 37.3% of accommodations make use of these systems. 65.2% of non-locally owned accommodations use HOBS whereas only 20.6% of locally owned accommodations do. The reasoning behind this can be traced back to the short history of internet service in Phu Quoc. Lack of technological understanding and language barriers limit for locally owned accommodations to communicate with foreign tourists through websites or email, amongst other reasons. Additionally, as previously noted, a large number of Phu Quoc tourists are individual travelers and/or foreigners, who are more likely booking accommodation in advance via online.

5.4.3. Networks between LTAs and accommodations

When asked about networking associated with accommodations, 100% of the LTAs answered that both paper-based contracts and verbal contracts have been used. Generally speaking, local residents have lived together in the island for some time and have developed a sense of familiarity with each other, which provides the conditions conducive to a successful partnership based on verbal contracts. However, when there are many tourists or during the peak season, paper-based contracts are compulsory due to the shortage of accommodations.

Figure 18. Main influencing factors of networks between LTAs and accommodations

Source: field survey
As observed in Figure 18, among the nine LTAs, concerning the most important factor, 56% replied “quality”, 22% “Price”, 11% “Friends and Relatives”, and 11% “commissions / kickbacks”. Accommodation is an important service for travel agencies and usually scarce during the peak season. Therefore, some of them mobilize “friend and relationship” and “commission/kickback” competition in order to get the accommodations.

5.4.4. Networks between tour guides and local resident suppliers

All of the HCMTAs, LTAs and local resident suppliers answered that it is tour guides who decide the local resident suppliers tourists visit, not tour companies. Therefore, there are not direct network between HCMTAs and local resident suppliers nor between LTAs and local resident suppliers. The network between tour guides and local resident suppliers is based on face-to-face relationship and entirely on verbal negotiation.

![Figure 19. Main influencing factors of networks between tour guides and local resident suppliers – from the viewpoint of local resident suppliers](image)

Source: field survey
As observed in Figure 19, in regards to the first order, of the 11 local resident suppliers, 44% chose “tour guide proposals”, 18% chose “long-standing partnerships with tour guides”, 9% chose “friend and relative”, and 9% chose “experience”. This means that tour guides play the most important role in this network, representing the largest number of first priority choices by far.

Two suppliers who chose the factor of “long-standing partnerships with tour guides” are the fish sauce factory and the dried-sea food shop such as No. C1 and E2 in Table 4. These local houses are located in the main tourist route that almost tourist coaches pass through. Therefore, it is convenient for tour guides take their tourists to visit these places. As a result, the “long-standing partnership with tour guides” becomes the important factor of the network between these local suppliers and the tour guides. One supplier who answered “experience” was the local wine producer such as No. A2 in Table 4. This supplier is the most long-standing one with good reputation of high quality of its products. He complained that other wine producers have larger number of tourists due to the higher kickback for the tour guides.

According to the interviews, the majority of tour guides pointed the kickbacks as the main factor in choosing local suppliers for their tourists. The kickback system of Phu Quoc tourism includes two steps; “gate money” and a percentage of total sales. The “gate money” is a fee that local resident suppliers must pay for a tour guide who brings tourists to their shops/restaurants. It is obligatory, ranging from 50,000-100,000 VND per session, regardless of tourists’ purchasing products/services or not. Secondly, local resident suppliers pay a percentage of total sales from 10% to 15% of the gross. It depends on the total amounts of products/services that the tourists purchased. As a result, the higher the kickbacks they suggest, the more tourists local resident suppliers can have. Along with this kickback system, tour guides tend to neglect the quality touristic services when choosing local resident suppliers.
5.4.5. Networks among HCMTAs and networks among LTAs

Among 27 HCMTAs, 20 HCMTAs answered that they cooperate with other HCMTAs for operating Phu Quoc tours by formal contract. It is inefficient when they operate the tours with small numbers of tourists by themselves. Therefore, the networking among HCMTAs is popular even for state-owned travel agencies. In regards to the most influencing determinant, 40% chose “quality”, 30% “commissions”, 20% “price”, 5% “long-standing partnerships”, and 5% chose “experience” (Figure 20). It implies that HCMTAs give priorities to “quality” and “commissions” rather than “price” when they network with other HCMTAs, because their profits come from “commissions” not from “price” in the networking amongst HCMTAs.

Figure 20. Main influencing factors of networks among HCMTAs

Source: field survey

Contrary to the network amongst HCMTAs, the network amongst LTAs is based on verbal negotiation. In the interviews with LTAs, the cooperation among LTAs only occurs when they share a coach for operating a tour. When they share a coach, mainly for saving the costs, there is no official procedure for this. Among the multiple methods of communication, LTAs often exchange information via online forums with the other LTAs on each number of tourists. A LTA who has the largest number of tourists would be a volunteer to organize the tour. In regards to the most
influencing determinant, 67% chose “price”, “long-standing partnerships”, “experience” and “friends and relatives” are 11% each. No LTAs chose “quality” as the most influencing determinant. 44% chose “quality” as the second influencing determinant (Figure 21). It implies again that LTAs give a priority to “price” when they network with others.

Figure 21. Main influencing factors of networks among LTAs

Source: field survey

5.5. Conclusion

After investigating the stakeholders’ networks to understand the operation Phu Quoc tourism, the results show that the non-local stakeholders have established strong vertical networks, while the horizontal networks among local stakeholders are weak and they severely compete with each other. More specifically, the non-local stakeholders established the strong vertical networks because of their superiority over local stakeholders in the areas of capital, networking. This situation leads to the problem of tourism revenue leakage out of the local region, and considered to be one of the challenges to sustainable development in Phu Quoc tourism.
In contrast with the non-local stakeholders, LTAs usually depend on HCMTAs in their networks. LTAs are forced to offer the cheapest land-tour price in order to keep their competitiveness against other LTAs. As a result, the network between HCMTAs and LTAs has become vertical with HCMTAs’ power domination.

Surprisingly it was revealed that local resident suppliers who provide most of touristic destination and/or activities in Phu Quoc Island, do not have direct networks with HCMTAs nor LTAs. They organize their businesses mainly based on the network with tour guides through the kickback competition, instead of increasing the quality of their services. As a result, the tourism network in Phu Quoc Island is divided into two different geographical dimensions; inter-regional network among HCMTAs, LTAs, and accommodations vs. intra-regional network among local resident suppliers and tour guides. In this sense, tour guides in Phu Quoc Island can be said as the key actor who connects these two divided networks, though most of them are unlicensed and not employed by any official tourism sectors. However, unlicensed tour guides whose incomes are mainly dependent on kickback, caused the price competition with low service quality among local resident suppliers. These problems result in damages to the reputation of the Phu Quoc tourism and therefore it brings various difficulties in regards to developing local tourism in a sustainable manner in the long term.

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15) Phu Quoc Tourism Association (PQTA), which has been established in 2008 under the management of the KG DCST and the PQPC, has little contribution to connect local stakeholders. Some local resident suppliers said that they did not even know about this association. For the most of local stakeholders, it is regarded as a different form of a government organization. Within the structure of PQTA, local resident suppliers have been recognized as unprivileged stakeholders in the tourism network.
VI. STAKEHOLDER NETWORKS SUPPLYING RURAL TOURISM IN THE MEKONG DELTA, VIETNAM - THE CASE OF THOI SON ISLET, TIEN GIANG PROVINCE

6.1. Introduction

The decline of traditional rural industries such as agriculture, mining, and forestry has required rural communities to explore alternative means to strengthen their economic base (Long, et al., 1990). As a result, rural communities have investigated alternative industries to strengthen and diversify their economies (Byrd, et al., 2009), with tourism being identified as a primary industry with the potential to assist local communities in developing economic diversity (Long, et al., 1990). In these areas, rural tourism may represent a sustainable form of development (Bramwell, 1994; Lane, 1994). However, the sustainable development of rural tourism is not an easy task, requiring the involvement of different stakeholders (Joshi, 2012). Hardy and Beeton (2001) argue that without a full understanding of how sustainable tourism is perceived by the different stakeholders who live in, use, and manage the tourism resources, there is a risk that sustainable tourism will not occur. In other words, without stakeholder support in the community, it is nearly impossible to develop tourism in a sustainable manner (Gunn, 1994).

Vietnam is an agricultural country in which over 70% of the population lives in rural areas (the Ministry of Agriculture and Rural Development (MARD), 2008). Varieties of rural tourism such as ecotourism, community-based tourism, agritourism, and handicraft tourism have developed since the Doi Moi period of 1986. Recently, however, the term rural tourism has seen a resurgence of recognition in official documents, such as the Strategy of Agriculture and Rural Development, 2011–2020, issued by MARD(2009). This evidence suggests that the

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16 In 1986, the Vietnamese Communist Party and government started economic reform programs, which were called Doi Moi. Major contents of these programs included the replacement of the central planning economic mechanism (during the stage of 1975–1986) with market-oriented mechanisms, acknowledgment of private property, and international/regional economic integration.
Vietnamese government recognizes the necessity of rural tourism in the process of modernizing and industrializing rural areas.

Regarding the important roles played by all stakeholders involved, Vietnamese government officials and researchers have both shown great concern for sustainable rural development. Specifically, the Vietnamese state established policy in the 2000s on networking between four main types of stakeholders—“farmers, scientists, government, entrepreneurs” (Decision 80/2002/QĐ-TTg of the prime minister). However, this networking has concentrated mainly on agricultural products, ignoring rural tourism. Moreover, previous research has rarely focused on analyzing the stakeholders involved in tourism development in Vietnam’s rural areas. Along with these features, this paper aims to reveal how rural tourism in the Mekong Delta has been operated from the standpoint of stakeholder networking.

This paper applies the analytical framework of the stakeholder network. Freeman (1984) defines a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objective.” Regarding tourism, there are four main tourism stakeholder perspectives: local government officials, entrepreneurs, residents, and tourists (Goeldner and Ritchie, 2003). From the supply side, Hall and Page (1999) divide these groups into the private and public sectors. The private sector’s involvement in tourism is most likely to be motivated by profit, as in the case of tourism entrepreneurs (Shaw and Williams, 1994); the public sector involves the government at various levels and may become involved in tourism for a multitude of economic, political, social, and environmental reasons. This paper analyzes three main stakeholders from the supply side of rural tourism: local residents, entrepreneurs, and governmental institutes. The process of analyzing the stakeholder network involves three modules: stakeholder identification, stakeholder analysis, and stakeholder network analysis (Figure 22).
The two types of networks relevant to this analysis are formal and informal networks. Nee (1998) describes formal rules as those produced and enforced by organizations, such as the state and firms, to solve the problems of collective action through third-party sanctions. More specifically, formal networks are dyadic, as with ownership, interlocks, formal exchanges, subcontracting, and reciprocity; joint activities in production, sourcing, R&D, and promotion consortia; or investment in third parties, like joint-venture trade associations (Axelsson and Easton, 1994).

Informal networks, on the other hand, can include the informal transfer of information or social norms (Šavriņa, et al., 2008). Litwin (1997) describes one type of informal network—namely, a friend-focused network of local actors based on trust relationships—that shapes exchange configurations in ways that are fundamentally noncompetitive. Nee (1998) also describes the informal norms that arise from networks and are reinforced by means of ongoing social relationships to the extent that network members have interests and preferences independent of what rulers and entrepreneurs want.

Both formal and informal approaches can be seen as complementary or alternative perspectives in the discussion of cooperation within a network (Lee and Cavusgil, 2006). Some research in institutions, organizations, and communities has
shown that formal, contract-based cooperation, as well as informal, relation-based cooperation, occurs jointly or in substitution depending on the context and the subject of the research (Beritelli, 2011).

There are three primary reasons for selecting Thoi Son Islet, Tien Giang province, in this study. First, it is one of the long-standing models of rural tourism since 1990s in the Mekong Delta region. Second, Thoi Son Islet—which belongs to the Eastern cluster (Figure 7) in the tourism development strategy of the Ministry of Culture, Sport and Tourism (MCST)—provides an example of the typical model in use within the Mekong Delta region (MCST, 2010). Finally, this region’s proximity to Ho Chi Minh City, the largest city in Vietnam, makes it the closest to a major concentration of city dwellers and foreign tourists, giving the region an edge in networking between local and urban stakeholders in supplying rural tourism to the area.

The field survey was conducted in August and September 2011. Two steps were applied when conducting the survey. The first step involved identifying tourism stakeholders in which key stakeholders were identified and listed from reviewing the literature on tourism stakeholders. This list was tested and revised following in-depth interviews with local government officials, tourism entrepreneurs, and local residents. Next, all involved groups and subgroups of tourism stakeholders were interviewed to analyze their networking. The interviewees were asked to describe their tourism activities with regard to their resources, benefits, difficulties, and—most importantly—networking activities with other organizations and within their own organizations.

The in-depth interview was conducted with the governmental organizations such as Tien Giang Department of Culture, Sport and Tourism (Tien Giang DSCT), Thoi Son Culture & Information Office, Tien Giang Investment and Trade – Tourism Promotion Center (TienGiangITTPC), My Tho wharf Board Management, and Executive Managing Board of Tien Giang Tourism Association (Tien Giang TA).
Table 10. Methods for interviewing main actors

<table>
<thead>
<tr>
<th>Actor</th>
<th>Semi-structured questionnaire</th>
<th>Indepth interview</th>
<th>Group interview</th>
<th>Observation participation</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ho Chi Minh travel agencies</td>
<td>○</td>
<td>○</td>
<td>×</td>
<td>○</td>
<td>24 HCMTAs (8% state, 52% limited liability, 16% one-member limited liability, 8% joint venture, 16% joint stock)</td>
</tr>
<tr>
<td>Local travel agencies</td>
<td>×</td>
<td>○</td>
<td>×</td>
<td>○</td>
<td>2 state-owned LTAs and 2 private LTAs</td>
</tr>
<tr>
<td>Farm households who have operated tourist sites at Thoi Son Islet</td>
<td>○</td>
<td>○</td>
<td>×</td>
<td>○</td>
<td>8 tourist sites (total number of tourist sites at Thoi Son)</td>
</tr>
<tr>
<td>Rowboat team</td>
<td>×</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>1 group + in-depth personal interview</td>
</tr>
<tr>
<td>Motorboat team</td>
<td>×</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>1 group + in-depth personal interview</td>
</tr>
<tr>
<td>Traditional music team</td>
<td>×</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>1 group + in-depth personal interview</td>
</tr>
<tr>
<td>Small shop owners</td>
<td>×</td>
<td>○</td>
<td>×</td>
<td>○</td>
<td>In-depth personal interview</td>
</tr>
</tbody>
</table>

6.2. Outlines of Thoi Son Islet and tourist behavior

6.2.1. Outlines of Thoi Son Islet

Thoi Son Islet is located in the Tien Giang province, accessible by a 30-to-45-minute boat ride on the Tien River from My Tho City, which is 70 km from Ho Chi Minh City. The total area of this islet is 1,211.64 ha, and it’s about 1 km wide and 12 km long. It contains 1,513 households with 5,518 people \(^{17}\); this results in a density of 455 people per square kilometer. The islet is isolated and well concealed by the river; as a result, it has good conditions for developing agriculture while maintaining a daily lifestyle that reflects the typical characteristics of the rural culture of the Mekong Delta.

\(^{17}\) Commune People’s Committee, statistic dated July 1, 2010.
There is approximately 570 ha (47.1%) of orchard and garden land and 595 ha (49.1%) of waterway; the local residents primarily generate income from growing fruit. Hence, it is little surprise that agriculture remains the largest portion of the islet’s GDP. In 2010, the agricultural sector generated VND 344 billion, or 83.9% of the GDP; the commerce–tourism sector generated VND 66 billion (16.1%); and the industrial sector generated VND 54 million (0.02%) (Thoi Son PC, 2011).

In 2005, 44.7% of the population worked in the nonagricultural sector; that figure increased to 49.4% in 2010 (Thoi Son PC, 2011). Approximately 1,600 people, or 29% of the islet’s population, work in the tourism sector as tourist-site employees, souvenir sellers, sellers of local specialty products, drivers of motorboats and rowboats, and so on. (Thoi Son PC, 2010).

Tourism development in Thoi Son Islet can generally be divided into two periods. The first spans the 1986–2001 period after the Doi Moi program. During this period, Tien Giang had only one state-owned tourism company—the Tien Giang Tourism Company, which was directly under the Vietnam National Administration of Tourism (VNTA) and the Tien Giang People’s Committees (Tien Giang PC)—and this company functioned as the tourism managing board of Thoi Son Islet at the time. All tourism activities in Thoi Son Islet were exploited and managed by this company. The company set up networks with two local households, helping them to conduct repairs (countryseat, tables, chairs, plumbing, etc.) and maintain local country lanes. These two households, located in the Thoi Thuan hamlet, remain within the network to the present day. Since 2005, the Tien Giang Tourism Company has conducted equitization. In 2009 the company was equitized, and the tourist site of the company has since been renamed Thoi Son 1 at Thoi Thuan hamlet (Figure 23).

The second development period, spanning from 2001 to the present, has seen an increased number of tourists, many new local travel agencies, and new tourist sites. In 2005 there were 518,615 tourists; by 2010 there were 960,991 (Tien Giang DSCT, 2010). Twenty-six LTAs were established during this period according to
the Tien Giang Department of Culture, Sport, and Tourism (Tien Giang DCST). During the same period, many new tourist sites were founded and operated by local farm households, such as Chuong Duong, Cong Doan, Thoi Son 4, Thoi Son 5, Mien Tay, and so forth. These new sites are concentrated at Thoi Thanh hamlet (Figure 23).

![Figure 23. Location of the study area](image.png)

6.2.2. Tourists behavior

Interviews with the owners of tourist sites and with travel agencies showed that domestic tourists are usually from Ho Chi Minh City and other provinces in Central and North Vietnam, and they usually visit during the summer season and holidays (Tet holidays\(^\text{18}\)) and other national holidays). Most foreign tourists are from Asia (Taiwan, Hong Kong, South Korea, Malaysia, China, Philippines, etc.), Europe (UK, France, Germany, etc.), and the United States, usually visiting during the winter season (October to April). On average, these tourists are 30–50 years old.

\(^{18}\) Vietnamese Tet holiday, or Vietnamese Lunar New Year, is the most important and popular holiday and festival in Vietnam, which starts on the first day of the first lunar month and is the first season of the New Year.
All owners of tourist sites said that 90% of tourists follow tour packages operated by travel agencies. All respondents (100%) said that the first priority of tourists is “following their tour company,” the second is “following a group,” and the third is “following their partner/family.” At Thoi Son Islet, tourists can sample local fruit and honey tea, tour green orchards and traditional houses, listen to traditional music, and take rowboats down small canals and motorboats on the Tien River.

To get to Thoi Son Islet, tourists from Ho Chi Minh City buy a tour package from an HCMTA that covers all fees for the tour. Tourists, then, need not pay additional fees in Thoi Son Islet. From Ho Chi Minh City, tourists come to the My Tho wharf by bus, where the HCMTA will transfer tourists to an LTA to continue the tour. Because of the islet’s proximity to Ho Chi Minh City, most tourists opt for taking a day-trip tour, spending 3–4 hours in Thoi Son Islet; afterward, tourists typically return to Ho Chi Minh City or continue to another province. Therefore, all tours offered by LTAs are day trips, which explains the lack of accommodations on the islet; as of 2010, there was only one household providing this service, noted mainly for poor service and a lack of clientele.

6.3. Identifying the supplying stakeholders of tourism in Thoi Son Islet

Through the field survey, the supplying stakeholders in Thoi Son Islet were categorized into three groups: local residents, tourism entrepreneurs, and governmental institutes. The differences between public and private sectors were not significant in this specific tourist destination. Local and nonlocal dimensions were more important in terms of stakeholder networking and benefit sharing.
6.3.1. Local residents

Through in-depth interviews and field observation, five types of stakeholders were identified among the local residents: tourist-site owners, rowboat teams, motorboat teams, traditional music teams, and small shop owners. The characteristics of each stakeholder are as follows.

Tourist-site owners: The Mekong Delta features numerous waterways. Before the 1990s, every household had a boat as its primary mode of transportation, akin to bicycles or motorbikes in present-day mainland Vietnam. Thus, households located by rivers or canals boast beautiful traditional houses and have advantages in operating as tourist sites. In 2010, there were eight tourist sites in Thoi Son Islet. Among these, Thoi Son 1 has the largest area at 150,000 m² and was designed as an ecotourism/resort area. The others are farm households, the area of each ranging from 3,600 m² to 10,000 m². Two tourist sites, located very close to Thoi Son 1 at Thoi Thuan hamlet, have been established since 1988. Income from tourism accounts for 50% of their total household income, meaning that in addition to tourism operations, they have retained their traditional agricultural activities. Five other tourist sites, concentrated in the Thoi Thanh hamlet, were established in the 2000s. Three of these rely solely on tourism for their household income, no longer concerning themselves with agricultural activities.

These tourist sites cooperate with LTAs to operate tourism activities. Results from the field survey show that the average price an LTA offers the owner of a tourist site is VND 4,000–5,000 per tourist. Each month or quarter, the tourist-site owners come to the LTA office to receive money based on the total number of tourists they recorded during that period.

Rowboat teams: The rowboat is a traditional and familiar image, one of the symbols of the waterway culture of Southern Vietnam. This attraction is, therefore, considered an important service and typical characteristic of the Thoi Son tour, in addition to being an icon of the Mekong Delta region. To operate a rowboat, one must submit his or her application to the Thoi Son People’s Committee (Thoi Son
PC) since the Thoi Son PC gives priority to poor households for this job. This policy seeks to help solve the poverty problem on the islet by creating employment for poor households.

Rowboats are parked in the backyards of tourist sites, with each site having its own team of rowboats. Each team has a leader who makes a revolving schedule for each member, assigning and supervising drivers on clearing the canals and clearing rowboat parking every day. This leader is also the representative who works and negotiates with LTAs.

**Motorboat teams:** This is also one of the main services in the Thoi Son tour. Motorboats transfer tourists from My Tho wharf to Thoi Son Islet. Motorboat drivers are local residents who live in Tien Giang or other nearby provinces. The motorboats are parked at My Tho wharf, totaling about 17 teams. Like the rowboat teams, each motorboat team has a leader who schedules members and negotiates with LTAs.

**Traditional music teams:** The traditional music service, known as Vong Co in Vietnamese, which means “nostalgia for the past,” provides traditional music particular to Southern Vietnam. A traditional music team has six to nine members who play instruments and sing. Thoi Son currently has nine music teams with singers and players totaling approximately 100 people, over 80% of which are local residents (Thoi Son PC, 2011).

**Small shop owners:** These shops, located around countryside lanes, sell traditional handmade products and products made from coconut and bamboo trees, such as coconut candy, honey, and souvenir products. Coconut candy and honey are famed products of the traditional villages, and tourists can see the process of creating these products. These shops are typically found surrounding and/or in front of the tourist sites, with the highest concentration being in the Thoi Thanh hamlet.
6.3.2. Entrepreneurs: Ho Chi Minh travel agencies (HCMTAs) and local travel agencies (LTAs)

There are two types of tourism entrepreneurs in Thoi Son Islet: Ho Chi Minh travel agencies (HCMTAs) and local travel agencies (LTAs). HCMTAs are located in the central market of Ho Chi Minh City, which has the largest concentration of urban citizens and incoming international tourists in Vietnam.

LTAs are located at My Tho wharf. There are 26 LTAs. Fifteen LTAs located at My Tho wharf specialize in the tour to Thoi Son Islet and other islets on the Tien River. Two LTAs are under the state control—Cong Doan (trade union in English), under the Tien Giang Trade Union, and Chuong Duong, under the Tien Giang Committee of the Communist Party.

6.3.3. Governmental institutes

Four governmental institutes were identified in connection with Thoi Son tourism at the provincial level and below:

**Tien Giang Department of Culture, Sport, and Tourism**: The Tien Giang DCST is the stabilized agency of the People’s Committee, tasked with helping the Tien Giang PC control culture, sports, tourism, and advertisements (apart from press and Internet advertisements). In the area within its jurisdiction, the Tien Giang DCST carries out duties and authorities according to the commission of the People’s Committee and the regulations of law.

**Investment and Trade-Tourism Promotion Center**: The Tien Giang ITTPC belongs to the TienGiangPC and helps it organize and promote activities related to domestic and foreign investment, trade, and tourism. Among its many tasks, the Tien Giang ITTPC determines the tourism capacity of the province in order to promote and participate in programs and tourism projects. It also promotes infrastructural development and takes advantage of cultural festivals, tourism, and natural potential to create a reliable tourism product for the province.
**Culture and Information Office**: At the district and communal levels, the Culture and Information Office belongs to the Thoi Son PC and is in charge of culture and information management. Culture matters are managed by the Tien Giang DCST while information is managed by Tien Giang’s Department of Information and Communication.

**Tien Giang Tourism Association**: The Tien Giang TA was established in 2007. The Tien Giang TA is the occupational association for all individuals and organizations in the tourism domain within Tien Giang province. This organization operates as a nonprofit and is voluntary, self-funding, and managed by the Tien Giang DCST. The objective of Tien Giang TA is to create networking, cooperation, and support among members in the areas of economics, professional training, and educational skills to bolster the quality of tourism services in the province. According to the report of the Tien Giang TA (2011), there are 72 members, with one member serving as the Tien Giang DCST’s representative. The fee for membership is VND 800,000 per month; other funding comes from the Tien Giang ITTPC. The general membership meets once a year, and an executive board consisting of nine members meets once every three months. After the board meeting, a report or series of suggestions is made and sent to the Tien Giang DCST, Tien Giang PC, and Tien Giang ITTPC.

The Tien Giang TA allows members to participate in training activities at no charge. Training courses cover receptionist skills, tour guide training, customer service, food safety, and first aid for rowboat crews. Members can also visit other tourist destinations to gain invaluable experience. In 2010 the Tien Giang TA collaborated with the Tien Giang DCST to conduct tour guide classes for 27 people and reception/customer service courses for 32 people. In 2011, the Tien Giang TA collaborated with the Tien Giang ITTPC to operate training courses in souvenir

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19) Following decision 2728/QĐ-UBND, dated 2007 by the Tien Giang People’s Committee.
selling skills (28 participants) and first-aid skills for rowboat crewmen (134 participants).

6.4. Stakeholder network analysis

Tourism activities have created through networking among key stakeholders such as Ho Chi Minh travel agencies, local travel agencies, and local residents. Because local travel agencies are incapable in attracting directly tourists, they usually cooperate through to partners in Ho Chi Minh City with the manner of land-tour mode. The other networking is cooperation and complement together among local residents such as networking among owner of tourist-site and rowing-boat, other tour services such as coconut shops, traditional music team, and honey shops. From investigating this network, it is important to highlight the severe competition among LTAs and among owners of tourist-site in tourism activities (see table 11).

Table 11. Network matrix in supplying tourism among stakeholders in Thoi Son islet

<table>
<thead>
<tr>
<th></th>
<th>HCMTA</th>
<th>LTA</th>
<th>Owner of tourist-site</th>
<th>Motorboats</th>
<th>Rowing boats</th>
<th>Other shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCMTA</td>
<td>Cooperation</td>
<td>Cooperation &amp; Competition</td>
<td>Cooperation</td>
<td>Cooperation</td>
<td>Competition</td>
<td>Competition</td>
</tr>
<tr>
<td>LTA</td>
<td>Cooperation</td>
<td>“Land-tour”</td>
<td>Severe Competition</td>
<td>Cooperation</td>
<td>Complement</td>
<td>Cooperation</td>
</tr>
<tr>
<td>Owner of tourist-site</td>
<td>Cooperation</td>
<td>Severe Competition</td>
<td>Competition</td>
<td>Cooperation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorboats</td>
<td>Cooperation</td>
<td>Cooperation</td>
<td>Complement</td>
<td>Cooperation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rowing boats</td>
<td>Cooperation</td>
<td>Complement</td>
<td>Cooperation</td>
<td>Competition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other shops</td>
<td>Complement</td>
<td>Competition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field survey
6.4.1. Cooperation among Ho Chi Minh travel agencies (HCMTAs)

In the interviews, 24 HCMTAs were asked, “Has your company cooperated with another HCMTA in operating the tour to Thoi Son Islet, Tien Giang province?”; 22 of the 24 agencies responded. Of those 22, 10 answered that they “had cooperated with other HCMTAs for conducting tours to Thoi Son Islet.” The cooperation between them is based on signed contracts on an annual basis. Almost all of these HCMTAs are private enterprises (limited liability enterprises).

Next, the same 10 HCMTAs were asked, “Which factors influence on cooperation between your company and your partner?” The answers were designed beforehand such as; quality, price, experience, enthusiasm/attitude, relation/friendship, depends on tour guide, other. These determinants were listed and then tested by in-depth interviews before conducting interviews with all 24 HCMTAs. And the interviewees were asked to choose all determinants. The results are shown in Figure 24.

![Figure 24. Key factors influencing cooperation networking between HCMTAs](image)

Source: field survey
It is clear from the result that price is the most important determinant in considering cooperation with a partner. The other significant determinants after price are quality and long-standing relation.

This kind of cooperation network has advantages and disadvantages (Table 12). Among the 10 HCMTAs, all of them experienced the advantages listed in Table 12. As for disadvantages, four HCMTAs answered that there are no disadvantages in cooperation. The others experienced disadvantages as listed in Table 12.

Table 12. Advantages and disadvantages of cooperation networking among HCMTAs

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages/challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Win-win strategy</td>
<td>• Customer buys tour package from one tour company but experiences the tour through another company</td>
</tr>
<tr>
<td>• Having an order beforehand</td>
<td>• It is easy to lose customers</td>
</tr>
<tr>
<td>• Partnership prestige; customers do not complain</td>
<td>• Rivals will understand your business strategy</td>
</tr>
<tr>
<td>• Retaining a certain of number of tourists</td>
<td>• Brand influence</td>
</tr>
<tr>
<td>• Quality of service is good</td>
<td>• Must pay commission</td>
</tr>
<tr>
<td>• Do not need to operate, but have a profit</td>
<td>• Risk for reducing prestige due to poor-quality services from partners</td>
</tr>
<tr>
<td>• Suitable tour program for customers</td>
<td></td>
</tr>
<tr>
<td>• Reasonable prices</td>
<td></td>
</tr>
<tr>
<td>• Having market share</td>
<td></td>
</tr>
</tbody>
</table>

Source: field survey

Among the 24 HCMTAs, some prefer not to connect with other partners because they are large, state-owned enterprises with their own agencies throughout the country; they provide many services—such as transportation, logistics, hotels,
restaurants, and travel agencies—leaving them to typically work within their own systems. These HCMTAs all agreed (100%) that this cooperation has no disadvantages, declaring it to be easier due to the use of similar systems.

In summary, in investigating cooperation networks among HCMTAs, we found that even though there are some disadvantages in networking, the cooperative network is popular for the Thoi Son Islet tour. One reason is that the market share of tourists coming to Thoi Son Islet is low compared to other famous destinations in Vietnam. With the small quantity of tourists for each HCMTA, it is difficult to build their own teams of motorboats and tourist sites in the local region because the quantity of tourists is neither stable nor consistent; thus, HCMTAs rarely exert significant effort for the Thoi Son Islet tour.

6.4.2. Between HCMTAs and LTAs

Networking between HCMTAs and LTAs includes signed contracts (formal cooperation) following the land-tour manner. The land-tour manner is a method of cooperation that involves an HCMTA transferring all its tourists to an LTA at My Tho wharf (Tien Giang province). After the transfer, the LTA takes over all tour responsibilities in the local region, and the HCMTA finishes its duties or just plays the role of observer.

In Tien Giang, because of strong and frequent connections between LTAs and local services (motorboats, tourist sites, etc.), HCMTAs would have difficulty conducting their own tours from My Tho wharf to Thoi Son Islet, especially during the peak season.

When the 24 HCMTAs were asked, “Has your company cooperated with local travel agencies in Tien Giang province to conduct the Thoi Son tour?” all confirmed that they had land-tour contracts with LTAs. Respondents were then asked, “What are the key factors influencing cooperation between your company and LTAs?” The answers were designed as explained above. The results are shown in Figure 25.
Price and quality are clearly the two main influencing factors. The other two important factors are experience and long-standing relationship. Indeed, these factors—experience and long-standing relationship—are both required for HCMTAs to guarantee the quality of the tour. For example, a state-owned HCMTA said, “Long-standing relationships help us to believe in quality of tourism services,” and a private HCMTA said, “Experiences help us to believe each other.” A similar question posed to LTAs showed that they felt the same.

Besides these factors, certain norms are also followed. State-owned enterprises usually work mainly with state-owned enterprises, and private enterprises usually work with other private companies. For example, Chuong Duong LTA (belonging to the Provincial Party Committee) usually has a large quantity of tourists from other provincial committees of the Party. Cong Doan LTA (held by the Provincial Trade Union) also has tourists from other provincial trade
unions. In addition, these two LTAs have been known to cooperate with state-owned HCMTAs, such as Saigon Tourists and Viet Travel.

This cooperation network also has advantages and disadvantages (Table 13). The win-win strategy had the highest percentage for advantages. When interviewed about disadvantages, 36.36% answered no disadvantages. It is clear that the cooperation network between HCMTAs and LTAs is important, with the ultimate goal of a mutually beneficial relationship, or win-win relationship, between them.

Table 13. Advantages and disadvantages of networking between HCMTAs and LTAs (N = 28)

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Respondents citing (%)</th>
<th>Disadvantages/challenges</th>
<th>Respondents citing (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Win-win</td>
<td>42.85</td>
<td>No disadvantages</td>
<td>36.36</td>
</tr>
<tr>
<td>Longstanding relationship; therefore, it is easy to cooperate</td>
<td>23.80</td>
<td>Sometimes the quality is not good</td>
<td>27.27</td>
</tr>
<tr>
<td>Reasonable tour prices</td>
<td>14.28</td>
<td>Passive; depends on partners</td>
<td>13.63</td>
</tr>
<tr>
<td>Guaranteed good quality</td>
<td>4.76</td>
<td>A few of LTAs are good and each LTA supply only good one part of tour package but all HCMTAs do not have many choices.</td>
<td>13.63</td>
</tr>
<tr>
<td>Tours are frequent</td>
<td>4.76</td>
<td>Middlemen increase prices; could be harmful for tourists</td>
<td>4.50</td>
</tr>
<tr>
<td>Initiative in mobilizing motorboats</td>
<td>4.76</td>
<td>Sometimes partners do not have enough enthusiasm</td>
<td>4.50</td>
</tr>
<tr>
<td>Having characteristics of the locality, ensuring the cultural characteristics of the South</td>
<td>4.76</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: field survey
A survey on the prices of Thoi Son tours from 14 LTAs at My Tho City showed that the land-tour price offered by LTAs ranges from VND 25,000 to VND 150,000 per tourist. The price of a Thoi Son tour from an HCMTA usually fluctuates between VND 300,000 and VND 650,000 per tourist.

In addition, among HCMTAs there are joint-venture HCMTAs (between foreign and domestic investors). Such an HCMTA charges higher prices. For example, if a tour operates for two tourists, the price is USD 70 per tourist; if the tour operates for four tourists, the price is USD 50 per tourist. In our sample, the foreign-owned HCMTAs had not cooperated with other HCMTAs; however, their methods of conducting tours to Thoi Son Islet were similar to that of other HCMTAs. These firms boast high prices, only focus on high-class tourists, and mostly provide services for small groups of tourists (usually less than five people). Therefore, they must spend a great deal for transportation.

An HCMTA’s fees for operating a tour include transportation and other fees, such as car parking, insurance, water, tour guide, and LTA land-tour price. Transportation (car) fees make up the biggest portion of the tour operation, and the tour price differs greatly depending on the type of car (4, 7, 16, 24, 29, 35 seats).

The difference in profit between LTAs and HCMTAs, which was calculated based on the following equation, are shown in Figures 26:

\[
\text{HCMTA (selling price)} = \text{LTA land-tour price} + \text{transportation} + \text{fee/tax} + \%\text{profit} \\
\text{LTA} = \text{price from (motorboats + rowboats + tourist sites)} + \text{fee/tax} + \%\text{profit}
\]

20\] Following circular 89/2008/TT-BVHTTDL of MCST, which gives detailed guidance on Government Decree 92/2007/ND-CP for the Tourism Law for the travel sector, “capital of foreign-local joint venture travel companies will not be limited by the government.” According to the commitments of Vietnam as a member of the WTO, Vietnam has not undertaken to permit the establishment of 100% foreign-owned capital travel agencies and tour operators yet. Foreign service suppliers are permitted to provide travel agency and tour operator services in the form of joint ventures with Vietnamese partners with no limitation on foreign capital contribution.
Figure 26 shows the differentiation in profit margins between LTAs and HCMTAs. These figures are based on calculation of the detailed accountant statement of one HCMTA and the land-tour price of one state-owned LTA. The profit per tourist was calculated according to the difference between net price and total cost. In Ho Chi Minh City, an example of one HCMTA’s selling price for tourists is VND 450,000. The comparison between LTAs and HCMTAs in profit per tourist shows that LTAs hold a tiny amount of profit compared with their HCMTA counterparts. LTAs were shown to hold on average only 1%–4% in total profits.

Figure 26. Differentiation in profit margins between LTAs and HCMTAs

Source: calculated based on the results of the interview.
6.4.3. Among LTAs

There is no cooperative networking among LTAs but, rather, high-level competition. There are three reasons for this. First, there is the problem of competition between state-owned and private LTAs. The state-owned LTAs have good infrastructure, powerful position, systems of accommodations and restaurants, and beautiful travel offices; in addition, they have an advantage in the origin of tourists from their lineage organizations, such as other provincial parties, unions, and state-owned enterprises. One state-owned LTA set up its own wharf next to My Tho wharf, while the Tien Giang DCST requires all LTAs to set up their offices and operate their motorboat crews at My Tho wharf. Other LTAs have complained that “this LTA should play by the same rules as the other companies.” Enterprise laws are in place to “ensure equality of enterprises before law regardless of form of ownership and economic sector,” but in the case of Tien Giang, it seems that the unfair rule remains. Second, all LTAs—state-owned and private—generate the majority of their tourism revenue from domestic tourists. LTAs make money almost exclusively from operating tours within and nearby their provinces. However, the domestic tourism revenues of the LTAs are not very high. There are not enough resources or support for local residents to operate tours outside the province. Therefore, the LTAs’ tourism revenues come mainly from cooperation with HCMTAs for Thoi Son tours and for other islets around the Tien River (near Thoi Son Islet). For these reasons, having the cheapest price is the LTA’s business strategy. Third, there is the problem of copied tourism activities and services, which is one of the reasons for severe competition among LTAs as well as among tourist sites. Because of similar tourism services and activities, LTAs can move on to a different tourist site if they do not feel their current partnership is working out. Similarly, HCMTAs may also want to take their business to a different LTA if their

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21) For example, one local resident living in Tien Giang province said, “When our family wants to have a Nha Trang or Da Lat tour (central of Vietnam), we usually contact HCMTA, then, they will operate all tours for us. On the day tour happen, their car will pick up us here. I choose HCMTA because I have thought that HCMTA will operate tour better then local one, since they are more professional.”
price was met or beaten. The situation has arisen not only on this islet, but also in other nearby provinces (Vinh Long, BenTre, etc.).

6.4.4. Between LTAs and tourist-site owners

There are formal and informal networks between LTAs and tourist sites. Each LTA connects with one major tourist site based on a written contract (formal network) and a verbal contract (informal network) with other tourist sites. The formal network guarantees that this tourist site will focus on serving a particular LTA’s tourists, especially during peak season.

The tourist-site owners cooperate at ease with LTAs because the more tourists their sites receive, the more income they will get. Moreover, the tourism revenue per tourist is the same for both formal and informal networks. From the site owner’s point of view, there is no differentiation between network types. From the LTA’s point of view, however, they have more choices and can aggressively pursue contracts because they have a formal agreement with one tourist-site owner who is ready to serve them at any time. In other words, LTAs have more negotiating power than tourist-site owners.

Because tourist sites take similar approaches and constantly overlap in supplying tourism services, tourist sites have little negotiating power when conducting business with LTAs; they cannot negotiate higher prices for their services. The same price is also the lowest price that tourist sites have offered for LTAs—VND 3,000–4,000 per tourist.

6.4.5. Between LTAs and motorboats

To reach Thoi Son Islet from My Tho wharf, a LTA must find, build, and contract its own motorboat crew. Based on the survey of the managing board of My Tho wharf, the table below clearly shows each LTA having its own team of motorboats.
Table 14. Number of motorboats (at My Tho wharf) for some LTAs at My Tho wharf

<table>
<thead>
<tr>
<th>Name of LTA</th>
<th>Number of motorboats</th>
<th>Name of LTA</th>
<th>Number of motorboats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ben Tre</td>
<td>18</td>
<td>Viet Nhat</td>
<td>23</td>
</tr>
<tr>
<td>Green Trail</td>
<td>11</td>
<td>An Khanh</td>
<td>17</td>
</tr>
<tr>
<td>Tien Giang</td>
<td>15</td>
<td>Nam Bo</td>
<td>17</td>
</tr>
<tr>
<td>Sinh Thai Tien Giang</td>
<td>31</td>
<td>Cong Doan</td>
<td>22</td>
</tr>
<tr>
<td>Mien Tay</td>
<td>36</td>
<td>Song Tien</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: field survey

This is one major negotiating strength LTAs have that HCMTAs lack. However, this power cannot help increase the negotiating power or tour price of LTAs since all LTAs do not cooperate to establish a floor price, which functions as the lowest price an LTA is permitted to offer. This problem is expanded to the Tourism Association, which will be explained in the next section.

6.4.6. Tourist-site owners networking with traditional music teams and rowboat teams

Informal networking is prevalent among tourist-site owners and traditional music teams as well as rowboat crews. Negotiations between tourist-site owners and rowboat teams are almost without exception carried out by verbal agreement, which is a win-win strategy. Since the prerequisite for establishing a tourist site is that it is a good location for launching boats, each tourist site cooperates with a team of rowboats. For example, the Viet Nhat tourist site has a team of 10 rowboats, Chuong Duong’s tourist site boasts 40 rowboats, the Cong Doan tourist site has contracts with 38 rowboats, and Thoi Son 4 has 60 rowboats. These rowboat crews
also help tourist sites in cleaning the canal by collecting garbage and cleaning the parking place for welcoming tourists.

Another informal network exists between tourist-site owners and traditional music teams. Each music team connects with site owners to work at the site from 9:00 a.m. to 3:00 p.m. every day. The music teams also help owners serve tourists by welcoming them, serving tea and fruits, talking to them, and so forth. They do not, however, receive payment from the owners or from local travel agencies but rely mainly on tips from tourists. One such musician said, “Tourists can spend whatever amount of commission/tip they want. After that, we divide equally the total amount of commission/tip among all members, including the owner of the tourist-site.” The interesting point here is that the music team distributes its income to the tourist-site owner as well. This illustrates the mutual relationship between the two.

Among local residents, close ties are usually formed from living near one another, as with the ties formed among neighbors, friends, and relatives. This friend-focused and family-based method of networking is most popular among rowboat, motorboat, and music teams. For example, a motorboat driver said during the interview, “When a person wants to join us, they have been usually referred by someone already with our team, and typically other family members or neighbors.”

In summary, the stakeholder network analysis shows that, in the current model, HCMTAs and LTAs have played the role of connectors, working as hubs to shift tourists (demand) to match local residents (supply), with the networking between these connectors dominated by signed contracts (formal networks). The networks between connectors and local residents are both formal and informal. Inter- and intra-networks among local residents are dominated by informal networks.

More specifically, the network between HCMTAs is one of cooperation, which is the formal type based on contracts between them. Among HCMTAs, private enterprises have usually cooperated with each other. Price, quality, and long-standing relationship are the three main determinants that influence their network. Other types of enterprises—such as state-owned enterprises—usually
cooperate within their lineage organizations since they have branches throughout the country.

Second, the network between HCMTAs and LTAs is also a cooperative network via the land-tour process. All HCMTAs have such a cooperative network with LTAs. The most important determinants affecting their network are also price and quality. Other important factors include experience and long-standing relationship.

Because of the strengths and weaknesses of each stakeholder, upward and downward mobility for each stakeholder is not easy. For instance, LTAs find it difficult to move upward—like setting up offices in Ho Chi Minh City. HCMTAs’ perceived inefficiencies are not conducive to moving downward into the local regions. Therefore, the land-tour process is one of the best strategies for both HCMTAs and LTAs.

Third, networking between LTAs and local residents is both formal and informal. However, this does not reflect much change in price for local residents. With both types of networks, LTAs have more options in choosing local residents’ services, and they are not in passive positions, especially during peak season. Another network exists among local residents, which is dominated by informal networks that establish working relationships based on the network of family, friends, neighbors, and so on. Moreover, there is neither a cooperative network among LTAs nor among owners of tourist sites for operating rural tourism. Among LTAs, as well as owners of tourist sites, the primary motivating factor is price competition; this has also led to a disproportionately small share of revenue for local stakeholders, with most tourism revenue going to the HCMTAs that coordinate it.
6.5. Conclusion

Tourism in Thoi Son Islet has been the original and advanced model of rural tourism in the Mekong Delta region since the 1990s. Nearing two decades of operation, the continuously rising tourism industry has also created problems affecting rural sustainable development. To understand these problems, this research analyzed how rural tourism has operated on the islet through the methodology of a stakeholder network. After investigating the network among key stakeholders (HCMTAs, LTAs, and local residents), the result showed that in the current model, HCMTAs and LTAs have played the role of connectors, working as hubs to shift tourists (demand) to match local residents (supply), with the networking between these connectors dominated by signed contracts (formal networks). The network between connectors and local residents is both formal and informal. The networks among local residents are primarily informal. Moreover, this research has found that there is neither a cooperating network among LTAs nor among owners of tourist sites for operating rural tourism.

Promoting and advertising tourism of tourist sites rests fully with LTAs and HCMTAs. When asked about types of advertising or promotion, 100% of tourist-site owners said that “travel agencies have advertised their tour, in which they have information about this place.” Therefore, tourist sites do not perform any advertising or promotion activities, which are typically conducted by LTAs. Regarding the LTAs, they depend on land-tour cooperation with HCMTAs and focus on price competition to retain this trade link, paying little heed to the promotion efforts of HCMTAs. Hence, tourism promotion for Tien Giang province is dependent on the HCMTAs, the outsider stakeholders.

This may be one explanation for the weak negotiating power of local stakeholders, especially LTAs, when negotiating with HCMTAs. The negotiation power of HCMTAs stems from their ability to directly attract tourists from urban areas such as Ho Chi Minh City. LTAs lack the capital to establish representative offices in Ho Chi Minh City. Local government could play a role in advertising and promoting tourism activities in Ho Chi Minh City, which in turn could contribute
toward increasing the negotiation capabilities of locals. However, this has not yet become a reality.

Currently, the Tien Giang Tourism Association (Tien Giang TA) faces some big challenges. First, some members are consistently late in paying dues. Second, and more importantly, some concerns raised by the Tien Giang TA to the Tien Giang DCST have not been solved in a satisfactory manner. These concerns include low revenues for rowboat operators, conflicts between members inside and outside of the Tien Giang TA that lead to severe competition among LTAs, and the injustice of one state-owned LTA engaging in unfair business practices.

To cope with the severe competition in the region, the Tien Giang TA has conducted many meetings to call for cooperation to improve the negotiation power and tourism profits of local actors. One of many proposed suggestions is the establishment of a floor price for land-tour and tourism services. The popular opinion among stakeholders is that with floor-price regulation, local actors could offer their services to HCMTAs from this floor price or higher. Local profits could then increase, and tourism service quality would be improved. However, this suggestion has been dismissed as not currently feasible.

When interviewing LTAs about their attitudes on this matter, the consensus pointed toward mistrust among local actors. Most are afraid that the others will surely break the rules. They ask, “Even through setting up the floor price, how do we manage the commission/tip or equivalent compensation that some local actors offer for Ho Chi Minh-based partners when they want to get a contract with Ho Chi Minh and compete with other local actors?” For these reasons, price competition among local actors will likely remain in place, and there is the very real possibility that it will become more complicated, forcing involved parties to operate illegally.

One reason LTAs cannot cooperate is the simple fact that not all LTAs participate in the Tien Giang TA. Only seven LTAs currently hold membership. Notably, one state-owned LTA run by the Provincial Party—the strongest and most powerful LTA (they were mentioned earlier as having a wharf next to My Tho wharf)—has yet to become a member. The leader of the ecotourism branch of the
Tien Giang TA stated, “This LTA is the most complicated problem in this region. When we call them to engage in tourism association meetings, they have promised that they will show. However, even many years later, they try to delay or avoid engaging in dialogues. In actuality, participating in the Tourism Association is voluntary. By law, we cannot force them to join. Because of this, there is strong conflict brewing between members of this association and non-members.” He also had this to say about competition among LTAs: “Indeed, it is not by price pressure from HCMTAs; the LTAs have severe price competition within themselves. As of this writing, however, the issue of one state-owned LTA’s passive refusal to participate has all but neutralized the Tien Giang TA.

With regard to the scope of the study, this paper focused on analysis how the involving stakeholders have networked to operate and to supply rural tourism in Vietnam as the case of Thoi Son Islet. Although the results were achieved and the structure of tourism network were thoroughly understood, far-reaching implications for future research are on the issues relating to the relationship between these different stakeholders’ network and sustainable development of the local region.
VII. THE NETWORKS AMONG LOCAL STAKEHOLDERS IN SUPPLYING RURAL TOURISM - THE CASE OF SHODOSHIMA ISLAND, KAGAWA PREFECTURE, JAPAN

7.1. Introduction

Many rural communities have turned to tourism as a way to diversify their economic base (Briedenhann & Wickens, 2004). Tourism development in rural areas is characterized as a form of locally situated development that uses tourism to generate economic, social, and cultural benefits within a community. Therefore, rural tourism is often considered as important tool of planning for sustainable rural development because of the community participation in decision making, compatibleness with the rural context, and sustainable development of both natural and cultural.

Though the benefits of rural tourism are generally recognized, actual benefits to the community can be difficult to achieve. Its fails are presented such as (a) being too focused on industry development compared to community empowerment, (b) ignoring the internal dynamics of communities, and (c) ignoring the external barriers, such as inequality between developers and local stakeholders that affect the degree of local control.

The importance and need for the community participation or the local stakeholders in building strong capacity communities for tourism development cannot be ignored (Aref et al., 2010). Its goal is to improve communication between stakeholders in the interest of facilitating better decision-making and sustainable development (Nampila, 2005). Hence, lack of participation of the local community stakeholders in decision making to implement tourism development can lead to failure in the community development (Miranda, 2007). Therefore, the collaboration among local community stakeholders, ranging from individual citizens to tourism business owners and from stakeholders of agricultural sector to tourism sector, considered one of the main factors for the successful of rural tourism development as well as empowerment the local community.
Rural areas in Japan have faced many problems such as ageing, depopulation, and decline in agricultural employment. Hence, tourism in rural areas is gaining attention as a tool for revitalization of rural regions and the rural policy making as well. For example, Ministry of Land, Infrastructure and Transport (MLIT) conducted a research of the best successful models for drawing up the vision for regional development. One of the major results is that sustainable development of the entire community can be attained through integrated community development in which community serves as the principal player in tourism promotion.

Based on the importance of the involvement of the local stakeholders in developing rural tourism, this paper tries to understand how local stakeholders have network together in order to operating and supplying rural tourism. With the many successful models in Japan, Shodoshima Island was selected as a case study. There are three main reasons for explaining why Shodoshima Island selecting. Firstly, Shodoshima is famous in island tourism for a long time in the South of Japan. This place is one of the priority places or the place of “tourists want to go” in regard to sea or beach for their vacation in Japan. Secondly, Shodoshima has long history of agriculture products which being become the strong foundation for rural tourism development. Finally, like other rural regions in Japan, Shodoshima have models of associations such as Shodoshima Tourism Association, Somen Association, etc. which can be the interest models for examining the networking among the local stakeholders.

This paper attempts to understand the network among the local stakeholders in supplying and operating rural tourism, with the case of Shodoshima Island, Japan. The field survey was conducted during May and June 2013. The in-depth interviews were used as the main method with all involved stakeholders such as accommodations, local residents, associations, and local government (Table 15). Every interview took from 1.5 to 2 hours with the translator from Japanese to Vietnamese.
Table 15. List of interviewees

<table>
<thead>
<tr>
<th>Government agencies</th>
<th>Olive Department, Shodoshima local government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association</td>
<td>Shodoshima Tourism Association (STA),</td>
</tr>
<tr>
<td></td>
<td>Somen association (SA)</td>
</tr>
<tr>
<td>Accommodation</td>
<td>Furusato Mura National Hostel (Public);</td>
</tr>
<tr>
<td></td>
<td>Youth Hostel (Public);</td>
</tr>
<tr>
<td></td>
<td>Maruse Guesthouse (Private);</td>
</tr>
<tr>
<td></td>
<td>Bay resort and Kokusai Hotel (Private)</td>
</tr>
<tr>
<td>Antenna shops /</td>
<td>Olive Park Shopping Center; Soy sauce</td>
</tr>
<tr>
<td>Shopping center /</td>
<td>Museum - Marukin soy sauce company; Soy</td>
</tr>
<tr>
<td>local traditional</td>
<td>sauce factory – (Yamaroku soy company);</td>
</tr>
<tr>
<td>suppliers</td>
<td>Somen factory (Masago Atsushi); Takesan</td>
</tr>
<tr>
<td></td>
<td>tsukudani shopping center (Takesen Group);</td>
</tr>
<tr>
<td></td>
<td>Somen factory (Takahashi Keiko)</td>
</tr>
<tr>
<td>Other</td>
<td>Movie studio; The Early bird coffee shop; The</td>
</tr>
<tr>
<td></td>
<td>Italian restaurant; and other local restaurants.</td>
</tr>
</tbody>
</table>

### 7.2. Study area - the Shodoshima island

Shodoshima is part of Kagawa prefecture, in the southern part of Japan. Shodoshima covers 153.5km² and a coastline of 126 km. It is the 19th largest island in Japan and the second largest in the Island Sea. Literally, Shodoshima means “small bean island”. According to the interview local government, Shodoshima has population about 29,000 people in 2012.

This island is famous destination for domestic tourists with its Mediterranean atmosphere, offering beaches, resorts, coastal sceneries and a mountainous interior considering one of Japan’s most celebrated gorges. Historically, among Japanese tourists, this island is also well known by the famous movie “Twenty-Four Eyes”, which based on the novel written by Shodoshima native, Sakae Tsuboi. Besides, Shodoshima is known as the places of soy sauce, tsukudani, and somen noodles.
production with over 400 years of history; the first place of planting the Olive tree in Japan with over 100 years.

Based on the in-depth interview of the local residents, the tourism history of Shodoshima was figured out. Briefly, there are two main types of tourism in Shodoshima, religious pilgrimage tourism and modern tourism. Firstly, pilgrimage tourism has very long-standing history, more than 250 years ago since the Edo era (around the 1600s) and it continues until now. Every year, many people come here for visiting shrines and temples and their objective is to walk around all temples for praying good health, lucky and all the best things. It takes nearly over one month for this walk.

The second one is modern tourism that first signals can be traced back to the art exhibition about Shodoshima Island in Tokyo around the 1900s, since Meiji era. In Tokyo, at Gingia area, the artists showed their pictures about the sightseeing of Kankakei Gorge destination of Shodoshima. After that, the outsiders knew about Shodoshima.

![Figure 27. Kagawa prefecture and Shodoshima Island](image-url)
Figure 28. Location of the study area - Shodoshima Island

Figure 29. Number of passengers getting on the Shodoshima by years
Source: Statistic office of Shodoshima Tourism Association
In Shodoshima, however, tourism actually started to develop since the 1950s when the three main ports - Tonosho, Sakaide and Fusakae were built. These important ports created the convenient transportation and help Shodoshima attract more tourists visiting (Figure 29).

During the 1950s-1970s, three other ports were built such as Fukuda port in 1959, Obe and Ikeda ports in 1970. Therefore, around the 1970s, it marked the developing stage of Shodoshima tourism as observed in Figure 29.

7.2.1. History of growing Olive tree in Shodoshima and the Olive Image

In promoting Shodoshima as the tourist destination, besides the very strong background of agricultural products, it must be mentioned the role of Olive tree. Olive is the image of Shodoshima. The story of olive as the good example for the participation together among government, research institute, local residents and sellers in growing and branding the olive trees – the image of Shodoshima

In Japan, annual production of Olive oil is only 30 tonnes less than 1 per cent of the amount imported. Production is confined to Shodoshima Island in Kagawa Prefecture. However, Olive production has become more a tourist attraction than an agricultural activity.

In 1908, the starting time of planting olive trees in Japan which some samplings were imported from the United States. There places, Mie, Kagoshima and Kagawa prefectures, were selected to experimentally grow the Olive trees by the designation of the Ministry of Agriculture, Forestry and Fisheries. After that, only Shodoshima in Kagawa prefecture was successfully. The year of 2008 was the 100th anniversary of the olive plantation in Shodoshima.

In Shodoshima, the area of olive plantation was 72 ha in 1956. In the period 1959-1964, it was the heyday of olive with 130ha. However, around the 1980s, olive plummeted to 34 ha by liberalizing imports of agricultural products, the depopulation and aging, etc. After that, because the boom of using olive good for
health, the consumers’ need about food safety, and the olive promotion for development of agriculture, food and tourism industry, then, the olive increased to 45ha.

Strategies of growing and branding olive tree and olive image receive the supporting and following of central government and local authorities. In the stage of 2002 – 2005, Central government launched a special program in Japan “permission from the central government to extend olive plantation”. Along with this major policies, more specifically, the prime minister Mr. Kozumi made a supported policy that “people can do things without rules or licenses” in the areas of growing olive trees. As a result, the area of Olive was tripled (120 – 130 ha).

In Shodoshima, recently local government continued launched the strategy of 2011-2013 named “Olive Top One strategy” with encouraging the participation of many stakeholders such as producers, farmers, distributors, research organizations, and government. This strategy aims to protect the areas of olive plantation and marketing the image of Shodoshima as the “Island of Olive trees”. Hence, many activities have implemented such as investigated and compared the different types of olive oil produced; degraded test; new technology; Opening lectures for local residents to get close to olive in 2011; dietetics investigation; Oxidation examinations; and Market research in 2012; market research to establish: “Traceability” and “Quality standard” of Olive products (production → processing → sale → consumption) in 2013.

Regarding the advertising and branding the image of Shodoshima, Shodoshima Tourism Association (STA) is one of the organizations participated in. There are two strategies, advertising to outside region and toward inside the island. Firstly, regarding the advertising to spread out the image of Olive to the outside, there are some activities and events such as exhibiting in Tokyo for Olive, donating Olive crown for the marathon events, organizing international art festivals, and shooting the movies or filming that famous actors and actresses come here for making films. Some movies were shooting in Shodoshima and on TV or media, then creating very
good word of mouth advertising which strongly influences and effectively for advertising and branding the Shodoshima image.

Another type is advertisement towards inside. Because local residents may not believe in “Olive” as their-own, then, this type of advertising tried to make local people to use and believe more in Olive. Some activities are implemented. For example, local government organized the contest “How to make food using olive”, or at the public meeting halls, the Department of Olive encouraged local people to cook using the Olive.

The Olive Park is a complex area, established in 1990 with 8ha in total area. This park is public organization and its objectives are PR, advertisement and development tourism for Shodoshima. Located in the central of Shodoshima, next the STA, and being the most crowded concentration of tourists, this park has many functions such as research institute, accommodation, shopping centre, park, olive garden, tour guide volunteer, and so on. Local residents grow, develop and design their products with supporting by research institutes; after that, they send their products to the shopping center for selling to tourists. Research institute is private company, focusing on investigating technology, product development. They have tried to develop and diversify many kinds of products from Olive such as special products using for cosmetic and medical purposes.

In Shodoshima, in history there was one big tour bus company which established around the 1950s. After many years later, this company was collapsed. Now, there is no travel agency or tour operator. However, there are many volunteer tour guides who are retired persons. These persons had to take the examination organized by the local government and who passed the examination they received the certificate. Therefore, they have some knowledge about the history of the island, the Olive and they can explain to the tourists. The manager of STA stated that through these events, local government wants to focus to “relation between People and People”, or the directly relationship between tour guides and tourists is very important for developing rural tourism in this island.
7.2.2. **Tourist behavior**

According to the interview of the local government and the local stakeholders, the result shows that over 50% of tourists are package tourists, which are operated by outside tour operators. The popular Shodoshima tour is the package of “2 days 1 night” and “3 days 2 nights” tour. Tourists mostly come from the South of Japan such as Osaka (access Shodoshima from Sakate port), Himeji (from Fukuda port), Okayama (from Tonosho port), Kagawa (from Takamatsu port), etc. (Figures 27 and 28). Regarding individual tourists, they usually live in some prefectures near Kagawa and can use their car for visiting Shodoshima within a day. Some most famous places for tourists visiting Shodoshima are Olive museum, Movie village, the Kankake, etc. Besides, tourists usually visit shopping centers and local households who produce traditional local products such as shoyu, somen, tsukudani, and olive.

7.3. **Identifying Stakeholders In Shodoshima Island**

Based on the in-depth interviews and field observations, the stakeholders have involved in the tourism supplying networks are accommodations, tourism associations, and local resident suppliers. These local resident suppliers are divided into two categories, strong local suppliers who have strong capability to establish shopping centre to welcome tourists; and weak/small local suppliers who have cooperated within their own occupational associations such as somen association and soy sauce association.

7.3.1. **Local resident suppliers**

The traditional agricultural industry in Shodoshima has long history. Shodoshima is a thriving for the food industry. Since the end of the 16th century, the island has made use its strategic position on regular shipping lanes to become a center for production of that most famous of Japanese staples – soy sauce. The shoyu, somen, and tsukudani products have over 400 years of history; and olive has over 100 years of history.
Along the tourism development, these agricultural products, on the one hand, have been one of the core components of tourism in the process of developing rural tourism, help to attract a lot of tourists visiting the Island; on the other hand, become special gifts that tourists can buy for their trip. As a result, there have opportunities for the local resident suppliers participating in the tourism supplying networks.

**a. Strong local resident suppliers: models of shopping centers**

Some producers are very strong, they have their own company and/or shopping center to welcome tourists and sell their local products. There are a lot of shopping centres in Shodoshima such as soy sauce shopping centres of Yamaroku company, tsukudani shopping center of Takesen Group, soy sauce museum of Marukin Group, and so on.

**b. Weak/ small local resident suppliers: model of somen association (SA)**

In Shodoshima, beside the strong companies have their own shopping centre, the small/weak local resident suppliers also have another mechanism to participate in the tourism supplying networks. This mechanism is the model of their occupational associations such somen association or soy sauce association. These associations help these small local producers to continue their traditional career of island and participate in the tourism networks.

**c. Public shopping center: model of Olive Museum**

Beside the private shopping centre as explained above, there is the model of public shopping centre such as Olive Museum in Shodoshima. This museum is public organization; it objectives is to attract tourists, advertise and protect the Olive
image in Shodoshima because the main message of this Island is “the Island of Olive tree”.

Shodoshima Olive Museum is complex area with Greek style of design, have many functions such as park, museum, olive garden, herb garden, and shopping center. This museum is located in the central of Shodoshima, next the STA. This museum is public organization. Inside in this museum, it is all explanations and pictures about olive culture, development history of olive trees in Japan, and shopping centre where to sell all local products made from olive and other traditional local products of Shodoshima Island.

7.3.2. Accommodation sector in Shodoshima

Accommodations have two main types, public sector and private sector. The public sector is usually the manner of cooperation between public and private. For instance, in the case of Furusato Mura National Hostel, the government supplied the land and the private (company) have run the accommodation. Regarding the private accommodations, these hotels are owned and run by the local residents such as styles of guesthouse or resort inn, for example, the cases of Maruse guesthouse and Bay resort and Kokusai hotel.

According to the statistic of STA, in 2012 there are 29 public accommodations in total 65 accommodations in Shodoshima including all types such as hotels, guesthouse, Japanese style, lodge camping, etc.

7.3.3. Shodoshima Tourism Association (STA)

STA was established in 1955 when Shodoshima tourism just started. At the beginning of establishment, this association was established by the suggestion the local residents, is a private and independent organization.

“The 1950s is starting period of tourism in Shodoshima. At that time, there was one big tour company named Shodoshima Bus company. Mr. Holimoto was the president of this company. He recognized the need for cooperation among involved stakeholders to operate a good tour, then he called for setting up STA. As a result, the STA established in 1955, operated as a private company.”

(interview 2012)
Until now, STA has 155 members which are main stakeholders involved in tourism in Shodoshima.

7.4. The Networks Among Local Stakeholders

Rural tourism in Shodoshima have been supplied by the networks of all involved stakeholders such as accommodations, strong local resident suppliers (shopping centres), public shopping centre (Olive museum), small/weak local resident suppliers (SA), and STA.

Figure 30 illustrated the networks among these stakeholders as well as their connection with tour operator, tourists, or final market to supply their products and services.

![Networks Among Local Stakeholders](image)

Figure 30. The local networks among the involved stakeholders in supplying tourism in Shodoshima

Source: Survey by the author
7.4.1. **Shopping center: both private and public shopping**

These shopping centers have connected with outside tour operators a lot. According to the interview, it is usually about 20% - 50% their customers from the networks with outside tour operators. This also means that the large remaining rate of tourist arrivals, from 50% to 80%, is the percentage of individual tourists.

Regarding the networks between shopping centres and tour operators, there are three main points figured out. Firstly, there is 100% formal contract between company and company. Second, shopping centres do not pay a kickback/tipping for individuals (tour guide, bus driver) to ask them taking their tourists to the shop. The percent of commission is always formal negotiation between company and company (shopping centers and tour operators) and is one of the clauses showing in the formal signed contract. Finally, in case of same kind of shopping centres, for example soy sauce shopping centre, one tour operator often has the formal contract with one shopping centre (Figure 31). All these things help to prevent the negative competition in price and encourage the clear environment in doing business for the involved stakeholders.

Figure 31. Example on the networking between shopping centers and tour operators

Source: Field survey
Regarding to the kickback system or tipping system, which became popular in both developed and developing countries, however, there was no tipping system or kickback system in Japan. Specifically, in 1962, the Transport Ministry instructs tourism industry to adopt a “no tipping” system. Now, in Japan, there is no tip or kickback in tourism industry such as for tour guide or drivers. This “no tipping system” can help to improve the quality of services or products due to two main reasons. Firstly, the no tipping rule means that guests do not have to worry about inferior service because they are not able to offer big tips and can predict that every guest is equal at least as far as their ability to reward service (Turner & Troiano, 1987). Secondly, visitors to an all-inclusive also know exactly what they will be getting and how much it will cost before they get there. According to Turner & Troiano (1987), elimination of tipping has two advantages. First, guests are not always facing an outstretched hand. Second, all guests will gain equal attention from employees in the absence of heavy tippers.

In addition, according to the interview, the another main point here is that these suppliers have thought that their main objective is to increase the “quality of local products” in selling at their traditional products and tourism just plays the role of instrument or mean for advertising and PR their products. This explained the reasons why among these local stakeholders, there is no severe competition when establishing the network with outside tour operators. Among them, they just focus on compete in increasing the quality of their products.

### 7.4.2. Accommodation sector

Concerning the networks relating to accommodations, the main points are figured out that there is not severe competition between public sector and private sector in supplying lodgings. Each type of hotel, they focus on their own target customers/ tourists. Regarding to public sector, even though they located in very good position with nice view and supply cheap price, but their main aims are to create employments for local region (Furusato Mura case), branding local regions
(accommodation of Olive museum) and they strongly believe that customers automatically choose their accommodations instead of the others. Therefore, they did not connect to outside tour operators. In the case of strong private hotel with a high-class standard of service, they are very dynamic and try to network with many tour operators for increasing their customers. Below is an example of networks that strong private hotel build.

Table 16. The interviewed accommodation about their networks

<table>
<thead>
<tr>
<th>% of tourist arrivals</th>
<th>Reasons</th>
<th>% of commission that the shop owners paid:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through the networks with</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Online booking</td>
<td>35% Popular, common, mainstream, everybody can do.</td>
<td>6%</td>
</tr>
<tr>
<td>Outside tour operators / tour bus</td>
<td>55%  Because of Japanese aged society, these elders have money and want to go somewhere for visiting. This type is convenient for them.</td>
<td>15%</td>
</tr>
<tr>
<td>Tourists contact directly through telephone</td>
<td>10%  When compare with Booking online, the type will have higher price. Because the hotel must spend costs for staff and office in order to receive the call from customers.</td>
<td>no</td>
</tr>
</tbody>
</table>

Source: field trip survey

Commission is the percent of payment that the local stakeholders pay to their partners in establishment their cooperative networks. There are two ways for paying the percent of discount, one is calculation based on number of tourists, e.g. 100 yen/tourist, and another based on the total amount of money that tourists spend the
services (stay at accommodation or buy local products at shopping centres), then deduct the percent discount for paying the tour operator or other partners.

7.4.3. **Somen association (SA)**

The strong local agricultural producers have their own shopping centre and then it is very easy to build the connection with the outside tour operators or become the attractive tourist sites for visitors visiting. Then, question raises relating to how about the small and weak local agricultural producers? Is there any network that can they be involved in the supply chain of tourism activities or have they become underprivileged stakeholders in the tourism network? The answer is that there is the mechanism for them to participate in and supply their product. This mechanism is through the operation of association such as SA or shoyu association. In this session, the SA will deeply analyzed to understand how small and weak stakeholders participate and how SA has managed the quality of their product, marketing and selling to tourists or customer.

The SA established very long time, roughly 50 years ago. This association is private organization, operated like a private company. It means that it is not NPO or government agent.

“Formerly, local residents usually do business by themselves. Therefore, they competed together so much. This problem leaded to situation that all of them decrease price due to severe competition. Then, the local people observation experience from many associations in many places in Japan and knew that “together buy materials and together selling would be better”. Therefore, they agreed that it should “buy together, sell together and sell at the same price”. Based on this reason, the SA was established.” (interview in 2012)

The somen in Shodoshima has 400 years of history. In the old days, local producers had highly competed together and often decrease their price due to this competition. Then, all of them suffered losses. Later, after observation experience from many associations in many places in Japan local people knew that together buy materials and together selling would be better. Therefore, this SA is one of the
practical models for networking all local producers, particularly small farmers who do not enough capability to directly accessing market or tourists.

In Shodoshima, totally there are 127 somen producers, in which 117 producers are members of this association. The other 10 producers did not become members because they are strong and they have enough capability in assessing market, operating shopping center and selling directly their products to customers.

SA is the collective voice of all the involved stakeholders. For example, in Shodoshima, there are nine places of somen producing.

“Each area will choose one person for representative and this person will become one of nine people in the committee board of the SA. Besides committee board, there are many units/divisions in the operational structure of the SA such as clerical work, sell, check, packing, account, etc. Currently, total employees are 20 people.” (interview in 2012)

“Every year, SA has meeting of year-end summation for reporting all activities for all members. Besides, each area (in 9 areas) also has meeting more often, for solving detail problem and guide the technical of producing, etc.” (interview in 2012)

Regarding the advantages of becoming their member, this association can buy raw material with cheap price due to large quantity. Besides, the SA help to advertise, marketing, deliver their products to the final markets and tourists. Therefore, the local producers just only focus on producing. The production capability is 130,000 boxes per year. Each box is 18 kg.

This association built one brand name of local product named “Shimanohikari” with many kinds of somen products. Shimanohikari means that The Light of Shodo Island (Image).
One of important problems of SA is how to guarantee the quality of the members’ products in order to ensure the good quality for selling to tourists and the market. Hence, it is worth to examine the process of producing and checking the members’ products.

First, SA buys raw materials and transfers these materials to local producers. After that, these small producers had to pack their products into big boxes and sent them to SA office. Here, SA has employees in charge testing and checking quality of these boxes by random test. If the quality satisfies the quality standard, association will continue for packing process in order to have the finished products for selling. During the period of final product packing, the checking and testing always continue and will eliminate the somen unqualified. Besides the quality test and check as above, frequently the employment of somen association come to households and observe their producing process as well as guide them how to make a good quality somen as association required.
In the case of products do not enough standardization of quality, local producers will be blamed and SA will send their employees to these households’ local producers for guide and remain the stable of product quality.

In order to become the member of the SA, the local producers had to pay the member fee. There are two kinds of member fee. First, at the beginning, all members pay same amount of money for become the member of SA. After that, it is the remaining fee, which is based on the somen boxes that local producers produce by year. Therefore, who sell more products and get more benefit, they will pay more remaining fee.

7.4.4. **Shodoshima Tourism Association (STA)**

The STA established since 1955 when tourism in Shodoshima just started. Their members are from many fields, which have relation with tourism industry such as accommodation, local food producers, transportation, banks, post offices, temples, restaurants and café shops, sightseeing facilities, association and cooperatives, and others. The below table illustrates the members of each town (or “Cho” in Japanese) as well as of Shodoshima as whole.
The operational budget of STA is from subsidy of Tonosho town and Shodoshima town, members’ fee and their STA website from selling banners’ advertising on this website.

The main STA’s objective is to PR and advertising Shodoshima Island, building the network among the local stakeholders in tourism sector, and exchange and supply information for these stakeholders and for tourists as well.

This association plays the role as a main gate /hub to welcome tourists visiting Shodoshima. This association has an information center which is located in the central of Shodoshima where most concentration of tourists. Tourists can get all tourism information at here for free. The local traditional products and some typical tours also show here for tourists’ reference.

Based on this, the STA became the first place tourists visited when they come to island for getting all information related to tourism activities and services of the
island. All traditional products have exhibited here and tourists easy to get the address of tourist site they want to visit and shopping.

According to the interview, all the local stakeholders indicated that there are no disadvantages in joining in this association and all of them are members of the STA.

As explained earlier, about 50% tourists visiting Shodoshima is individual tourists. They can go by themselves, not need to by tour package of the outside tour operators. One of the reasons maybe tourists easy get the tourist destinations because they have all tourism information from the STA; and transportation is convenient (they can use bus or their car).

Total memberships of the STA are 155 companies in 2013. As observed in Figure 32, it was found that there are many types of stakeholders’ participation in the STA such as accommodation, local food producers, traditional occupational associations (somen, shoyu), local government, transportation, banks, etc. The local food producers hold high ratio (25%), almost similarity to the accommodation sectors. This point indicates that the local traditional agricultural industries play the very important role as well as consider as one of the core components of the rural tourism development in the supplying network in Shodoshima.

Because this STA is independent association, the local government jointed here as other normal members or as individuals. In other words, these government officers have equally voices with the other sectors. Actually, in the interview the mayor of Shodoshima town, it was found that the STA operated under the management of the Shodoshima town and Tonosho town. However, the manner of management is indirectly. For example and the two mayors of two towns always and naturally are the STA members within his term of office (4 years). Specifically, the president of the STA is one mayor and other vice president is another mayor. Many other important persons like chairman of assembly also join to this association. Besides, STA annually received the subsidy from these two towns for supporting its operational activities (5 million yen from each town every year). Because of the independence of the STA, all their operational activities and expenditures did not control and managed under the towns. Instead of that, they had
to report and approve from the general meeting where all the local stakeholders appear and raise their voices. The mayors of two towns just play the biggest donor for the STA, so, they have very close network.

Regarding the operational activities of STA, the STA have the decided based on the consensus of all the involvement stakeholders. Every year they have the general meeting to report all their activities to all members and send their reports with transparency in finance and activities to all members in order for receiving comments and feedbacks as well as all members are clear what STA do for them or the local destination.

**Figure 33. Involved stakeholders participated in Shodoshima Tourism Association**

Source: Shodoshima Tourism Association (2013)

\[22\] In the Figure 33, before 2006, Shodoshima has three towns including Tonosho town, Uchinomi town and Ikeda town. Shodoshima town is located in the central and eastern portion of Shodoshima Island, was formed on March 21, 2006 as a result of the merging of the municipalities of Uchinomi and Ikeda. Since then, Tonosho Cho Tourism Association (TCTA) and Shodoshima Cho Tourism Association (SCTA) are government agents, has been established, in charge all works relating to their-own town.
It is considered that the case of Shodoshima is a successful model of tourism association because it helps many stakeholders together share common objectives towards sustainable development such as marketing the local image, encourage all small/weak stakeholders participation in tourism and they can find a place to show their product as well as representative the voices of all local stakeholders, etc.

7.5. Conclusion

The importance and need for the community participation in building strong capacity communities for tourism development cannot be ignored (Aref et al., 2010). The goal of community participation is to improve communication between stakeholders in the interest of facilitating better decision-making and sustainable development (Nampila, 2005). Hence, lack of community participation in decision making to implement tourism development can lead to failure in the community development (Miranda, 2007). However, it is little attention on the analysis of the networks among the local stakeholders in supplying and operating rural tourism. This paper focuses on understanding on how the local stakeholders have participated in the process of rural tourism development at the local destination with the case of Shodoshima Island, Japan.

Shodoshima rural tourism is supplied by the local suppliers such as local resident suppliers of shoyu, somen, olive, tsukudani and accommodation providers. The case of Shodoshima shows that the local stakeholders have built both efficient inter-regional networks (networks between the local stakeholders and the outside tour operators) and strong intra-regional networks (networks among the local stakeholders within the Island).

The efficient inter-regional networks help to improve the efficient bridge between the supply (local stakeholders) and demand (tourists). Besides, there is no situation of kickback competition like Vietnamese cases. Among the local stakeholders, they have focused on quality of their products and services as their competitiveness when negotiation with the tour operators.
Besides the efficient inter-regional networks with the outside tour operators, the local stakeholders involved, both strong and small/weak stakeholders, have established a strong intra-regional networks, which are due to the successful operation models of associations such as SA and STA. These associations have operated successfully because of main reasons such as setting up based on the will or suggestion of the local stakeholders, being self-organizations and being the collective voice of the local stakeholders. In addition, within the tourism supplying network, STA plays the role as a main hub, helps diverse local stakeholders together share common objectives such as PR, marketing the local image, free tourism information center, playing the role of bridge between local destination and tourists, the local traditional products showing here as tourists attractions, and so on. In order words, these well-organized intra-regional networks among the local stakeholders helps the agricultural products become the tourism product and strengthen the local empowerment on the local destination, one of the prerequisite for sustainable rural development.
VIII. DISCUSSION & CONCLUSION

8.1. The involvement of all stakeholders in sustainable tourism development – model of associations – Comparison among three case studies (Vietnam and Japan)

Each stakeholder has their own objectives influencing on the sustainable tourism development of local region. Arnaboldi et al. (2001) presents that the network among local stakeholders as with the form of association or cooperative, if it operates effectively, it could quite possibly bring forth a successful outcome for sustainable tourism development because it helped re-balance the unequal power distribution among actors and to safeguard neglected dimensions that could otherwise thwart the sustained creation of value.

Theoretically, the organization of the association is a notable model for investigating the stakeholders’ cooperation because this association's workings provide much in determining the level of representation and legitimacy of the involving actors in the local region. Thus, the model of association is one of important mechanism for illustrating an indicator of strength or weakness of the horizontal network.
Table 17. Comparison of the tourism association among three cases

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<th>Form</th>
<th>Objectives</th>
<th>Location of Tourism Association Office</th>
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<tbody>
<tr>
<td>Tien Giang Tourism</td>
<td>- Voluntary</td>
<td>- Cooperate and mutual help for all involved stakeholders in</td>
<td>- Located in municipal building / local gov. headquarters</td>
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<tr>
<td>Association (Tien Giang TA)</td>
<td>- Self-financing</td>
<td>tourism sector</td>
<td>- Not welcome tourists</td>
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<td></td>
<td>- Established</td>
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<td>- Only serve official administrative formalities</td>
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<td>by suggestion</td>
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<td></td>
<td>of local gov.</td>
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<tr>
<td>Phu Quoc Tourism</td>
<td>- Voluntary</td>
<td>- Cooperate and mutual help for all involved stakeholders in</td>
<td>- Locate at the center of tourism concentration of local region</td>
</tr>
<tr>
<td>Association (PQTA)</td>
<td>- Self-financing</td>
<td>tourism sector</td>
<td>- Hub to welcome tourists</td>
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<tr>
<td></td>
<td>- Established</td>
<td></td>
<td>- Tourists can contact and get information for free</td>
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<tr>
<td>Shodoshima Tourism</td>
<td>- Voluntary</td>
<td>- PR/Marketing outside (to the market, tourists) and inside</td>
<td></td>
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<tr>
<td>Association (STA)</td>
<td>- Self-</td>
<td>(to the local stakeholders)</td>
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<td>organization</td>
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<td>of local residents.</td>
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<td>- Introduce</td>
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8.1.1. Form

In Vietnam, the tourism association (PQTA, Tien Giang TA) is occupational, nonprofit, and voluntary organization. It is under the management of the provincial Department of Tourism, Sport, and Culture, the provincial/commune People’s
Committee. Thus, there are representatives of government officers on the executive committee who supervise the operation of this association.

In Shodoshima, in the interview, the manager of Shodoshima tourism association (STA) said that in the 1950s when the first local tour operator was established, this company recognized the need for cooperation among involved stakeholders to operate a good tour, then he call for setting up STA. Based on the suggestion of this company and the need of the local stakeholders involved, then, the STA established in 1955, at the beginning stage of tourism development in Shodoshima.

The model of STA organized independently, like a private company. The government offices participated in like other normal member and did not play the role of supervisor or monitor. Arguably, the model of STA has higher level of independence than PQTA and Tien Giang TA.

8.1.2. Objectives and Location of Tourism Association Office

The PQTA objectives are cooperation and mutual assistance in the tourism industry, contribution to market stability, improvement of the quality of tourism products, and an increase in the competitive advantages of local stakeholders.

The objective of Tien Giang TA is to create the networking, cooperation, and support amongst members in areas of economic, professional, training, and educational skills in order to bolster the quality of tourism services in the province.

Main objective of STA is not only cooperating the local stakeholders but also PR/Marketing the local destination. These objectives are the mechanisms to strengthen the vertical network based on the involvement of the local stakeholders. Based on these objectives, all involved stakeholders clearly recognize the advantages / benefits when becoming members.

There is a differentiation in objectives between Japan and Vietnam. This differentiation may be explained why there is differentiation of the location of the TA office of each country. In Vietnam, TA located within the municipal building
and only solves the administrative works. In contrast, for the Shodoshima case, their office located right the center of tourism concentration and it is the place that tourists visit first in case they want to get any information about local tourism region. All tourist destinations, the local traditional suppliers show here with their address and the staffs of STA will help and explain tourists in case having questions.

In addition, based on in-depth interview of local residents, this association receives all tourists’ comments about all destinations, tourists-sites that they visit. Therefore, in order to have good appearance or image, these local tourists-sites have to improve their quality and service because they do not want their tourists have negative comments on them for the STA.

8.1.3. Membership

The right of participation in tourism association is voluntary and all the stakeholders involved can pay member to participate in. In the context of Phu Quoc tourism in 2008, despite strong development and the encouraged participation of local resident suppliers, almost all members of the PQTA were from the accommodation sector and travel agencies, with no members from the network of local resident suppliers. In other words, within the structure of the tourism association, local resident suppliers have been recognized as unprivileged stakeholders in the tourism network. Additionally, some local resident suppliers said in their interviews that they did not even know about this association. Therefore, it is clearly an issue that the local resident suppliers hold little to no power in Phu Quoc’s tourism network. Additionally, the absent their legitimacy in the tourism association also have same meaning that there is not any mechanism for them to participate in tourism network as well as tourism planning and management of the local destination.

There is another problem in the Thoi Son case. This case shows the higher level of participation of local residents in Tien Giang TA in comparison with PQTA. All the local residents participate in the Tien Giang TA but there is one state-owned who most powerful stakeholder has not yet joined. In this case, the legitimacy and
power of local residents have recognized and their voices are considered under the management of local government. However, one most powerful actor who is state-owned enterprise has not yet became Tien Giang TA’s member. The evidence showed that state-owned have more power than, and they can operate their business based on their will or the efforts of Tien Giang TA to cooperate all the local stakeholders. Therefore, the case of Thoi Son islet showed that there are severely conflict between member and non-member of Tien Giang TA and it becomes the most important reason to explain the ineffective operation of Tien Giang TA.

In Shodoshima, as observed in the above figure, all the local stakeholders participate in the STA. There are large ratio of local traditional products’ suppliers participated in the STA (25%) and their occupational associations (somen association, shoyu association) also are the STA’s membership. The government participates in as the normal member like others, not for supervising or monitoring. Besides, other supported sectors also join in such as banks, post office, transportation, etc. Therefore, the STA represents the voices of all local stakeholders and their activities manifest the consensus among these stakeholders.

After investigation the Shodoshima case, it considers as a successful model of well-organized tourism association because it helps many stakeholders together sharing common objectives towards sustainable development such as PR, marketing the local image, free tourism information center, playing the role of bridge between the local destination and tourists, all the local traditional products showing here as tourists attractions, etc.
8.2. Integrated discussion in terms of “inter-regional networks” and “intra-regional networks” among three case studies

Figure 34. The inter- and intra- regional networks of three case studies
8.2.1. Comparison between Phu Quoc Island and Thoi Son Islet

- Characteristics of the tour
  - Phu Quoc tour:
    - Large number of tourists visiting, over-night tour.
    - Accommodation sector develops, high profit
    - Special treatment policies of the local government in attracting capital investment.
  - Thoi Son tour:
    - Day-trip tour (3-4 hours)
    - No accommodation service on the Islet.
    - No efficient for HCMTAs directly operating the tour. Thus, HCMTAs depend on LTAs for their tour.

- Inter-regional networks: strong
  - Phu Quoc: HCMTAs’ power dominance over the LTAs (HCMTAs force LTAs to offer lowest price)
  - Thoi Son: There is one powerful LTA which is state-owned LTA, owned their own wharf, located in the beautiful position. They have a lot of advantages and thus they can offer the low land-tour price with HCMTAs. For Thoi Son tour, the network between HCMTA and LTA is very important. As a result, among LTAs, they are severely competed each other.
    [Because of one state-owned LTA has not member of TienGiangTA, the objective of TienGiang TA cannot successful achieve.]
  - Both cases: Formal links (signed contract) for all the inter-regional networks (HCMTAs-LTAs, HCMTAs-Accommodations).

- Intra-regional networks:
  - Phu Quoc:
    - No network between LTAs and the local resident suppliers.
    - Tour guides have more power in the network between Tour guides – Local resident suppliers.
o Thoi Son:

- Having the formal and informal networks between the LTA and the local resident suppliers (LTAs – motorboats; LTAs-owner of tourist sites; LTAs-rowboats)
- LTAs is more power in the network between LTAs - Local resident suppliers. Because of competition among LTAs, LTAs take more pressure in price on the local resident suppliers.

o Tourism Association:

- PQTA: Participation of the local residents: no/weak (only travel agency and accommodation; no participation of the local resident suppliers)
- Tien Giang TA: Participation of the local residents: Yes, but all. One strong state-owned LTA not be member => strong conflict and cause the competition among LTAs.

In sum, both Vietnamese case studies reveal that

- The participation of the local residents in the tourism supplying networks: Thoi Son > (stronger) than Phu Quoc. But still have problems!
- The high competition among the local stakeholders.
- Both cases, PQTA and Tien Giang TA not effective in cooperate all local stakeholders, improve their negotiation power.

8.2.2. Shodoshima case: strong inter-regional networks and strong intra-regional networks

A. Strong intra-regional networks: because of the success model of associations such as Shodoshima Tourism Association and Somen Association

1. STA and SA established based on the will / idea of the local residents:

SA: “Formerly, local residents usually had done business by themselves. Therefore, they competed together so much. This problem lead to situation that all of them decrease price due to severe competition. Then, the local people
observation experience from many associations in many places in Japan and knew that “together buy materials and together selling would be better”. Therefore, they agreed that it should “buy together, sell together and sell at the same price”. Based on this reason, the SA was established.” (interview 2012)

2. Self-organized organization
   - STA operated under the management of the Shodoshima town and Tonosho town. However, the manner of management is indirectly.
     a. Two mayors are the member of the managing board of the STA.
     b. STA received subsidy from these two towns.
     c. However, all the STA’s operational activities and expenditures are not control and managed under the local authorities. They decided based on the consensus of all the involvement stakeholders.

   [The Tien Giang TA, Thoi Son Islet: suggestions had to send to the DCST and the DCST will be in charge to solve the problem. The Tien Giang TA just collect the opinion, cannot directly solve the problems]

3. STA and SA is the collective voice of the local stakeholders

   Shodoshima Tourism Association:

   - STA have the decided based on the consensus of all the involvement stakeholders: every year they have the general meeting to report all their activities to all members and send their reports with transparence in finance and activities to all members in order for receiving comments and feedbacks as well as all members are clear what STA do for them or the local destination.
Somen Association:

- “In Shodoshima, there are nine places of somen producing. Each area will choose one person for representative and this person will become one of nine people in the committee board of the SA” (interview in 2012)
- “Every year, SA has meeting of year-end summation for reporting all activities for all members. Besides, each area (in 9 areas) also has meeting more often, for solving detail problem and guide the technical of producing” (interview in 2012)

B. Inter-regional networks:

1. Shopping center: formal networks with outside tour operators (negotiation and signed contract between organization and organization)
2. Accommodation: formal networks with outside tour operators (negotiation and signed contract between organization and organization)
3. STA: Marketing / PR the local destination
   - main gate /hub to welcome tourists visiting Shodoshima. Tourists can get all tourism information at here.
   - objectives of this association are PR/ advertise, and branding Shodoshima to outside
4. SA:
   - operate like a private company, establishing their distribute channels for selling the local product, advertising to outside/market
   - participate in the STA

8.2.3. Comparison between the Vietnam and Japan

This part shows the main results of stakeholders’ networks in supplying rural tourism of three case studies. Three figures below illustrate the links among the involved stakeholders and the structure of the supplying tourism network for each destination. Based on these structures, the interdependent role of each stakeholder
as well as how strong or weakness of their position in the structure are analyzed and understood.

The big differentiation between Vietnam and Japan is that in the Shodoshima case, the role of Tourism Association plays very important role in the supplying network. They play the role of hub or centre of the network, making the bridge between tourists to the local destination, PR/ marketing the local destination directly to the market, and networking all the local stakeholders involved to the network. In Shodoshima, the manner of establishment and operation of the associations such as tourism association, somen association, etc. create the good mechanism or the strong intra-regional network where all the small/weak and strong local stakeholders participate in and supply their products and services. For Phu Quoc and Thoi Son case, the network among the local stakeholders is very weak due to the inefficiency of the tourism associations and/ or no other cooperative mechanisms.

Regarding the situation of competition, three case studies show different pattern between Vietnam and Japan which in turn become this weakness and strength of the local destination. For example, for the Shodoshima case, the suppliers did not build any networks with individuals and they formalize the commission (kickback) becoming the formal indicator in the formal contract. The negotiation is always between organization and organization, company and company. In other words, there is only the competition at the level of companies and intermediate organizations such as associations in supplying networks. As a result, this competition force for these organizations and companies try to improve themselves in quality, services, diversify their local products, etc. to satisfy the customers’ need. Therefore, the comparative advantages of the local stakeholders always strengthen and improve. This is one of the important foundations for developing rural tourism sustainability.

For Vietnam (Phu Quoc and Thoi Son), there exists both the formal links (organization – organization) and the informal links (individual-based). Two cases result that regarding the local residents’ suppliers, there is severely competition at
the level of individuals, verbal negotiation (informal), and compete in kickback. These individual verbal contract is like secret negotiation between persons and who have ability to build a good relationships (pay more kickback/ tip, gifts, etc.) will have more chance to get more tourists and more profit. Thus this problem did not help to reinforce and improve the quality of the local agricultural industries. As the results, the local stakeholders cannot generate large ratio from tourism revenue (Thoi Son case) and they cannot empower the comparative advantages (Phu Quoc case) for the sustainable development in the long run.

Comparative advantage is one way for local stakeholders increasing their power and also contributes to the local sustainable development. Rural tourism is where local residents participate in and diversify their own traditional careers such as rowboat, traditional music, etc. (Thoi Son case), and fish sauce, fishing boats, etc. (Phu Quoc case) to become the tourist product. The rural tourism develop sustainable manner should encourage their participation and simultaneously preserve and improve the local traditional products. However, in both Vietnam case studies, there are many obstacles for the local residents strengthen their comparative advantages as well as it is difficult for the agricultural products becoming the tourism products, one of the main reasons that it is caused by the weak or ineffective of the horizontal network among the local stakeholders or the informal competition among them.

With regards to the inter-regional network, Phu Quoc and Shodoshima have strong inter-regional network but it has different in its nature. For example, the Phu Quoc case results the strong inter-regional network due to the dominance of the non-local stakeholders in the supplying network and as a result it leads to the tourism revenue leakage out of the local region.

The Shodoshima case shows that there strong inter-regional network were built based on not only the link between outside tour operators & the local stakeholders but also the PR/marketing role of the Shodoshima tourism association as well as their free information office to directly contact with tourists. Additionally, the Shodoshima case did not have the situation of the non-local capital investment.
and thus there is not situation of tourism revenue leakages. For both Thoi Son case
and Phu Quoc case, it is problem in the PR/marketing for the local destination.
Currently, the role of PR/marketing of the local destination rests fully with the
outside tour operators and this becomes one of the main reasons for the weak
negotiation power of the local stakeholders.

With regards to the intra-regional networks, Thoi Son Islet and Shodoshima
Island have both intra-regional networks. However, in the Thoi Son case, among the
local stakeholders, they cannot cooperate together. Instead of that, they are conflict
together within the Tien Giang Association. For the Shodoshima Island, the STA
and SA are successfully in cooperating among the local stakeholders. The main
reasons can be explained that: STA and STA had established based on the will of
the local stakeholders. Besides, all the decisions of STA and SA are based on the
consensus of them. STA and SA are the collective voice of all local stakeholders. In
order words, STA and SA are built based on the trust and mutual belief among the
local stakeholders, bottom-up mechanism (approach from the foundation of local
residents). In this sense, they will be easy to cooperated together. However, in the
case of Tien Giang TA (and also PQTA), these tourism associations are established
by the local authorities, based on the main policy and tendency of the central
government. In order words, this is the top-down mechanism, approach from the
government and imposing their policies the local residents. Besides, with the
dominance or being hegemony of one powerful state-owned LTA but not a member
of Tien Giang TA, Tien Giang TA are not successful in cooperating all the local
stakeholders.

Last but not least, for the Phu Quoc case, with regards to the occupancy of
natural resource for their business, almost the non-locally owned accommodation
located in the very beautiful beaches while local-owned accommodations are based
on their dwelling location and usually not located on beaches or beautiful places.
The problem here is relating to the issues of formal economic instruments such as
fees and taxes relating to the environment and the exploiting natural resources. For
both cases of Phu Quoc and Thoi Son, local government asserted that there has not
yet been an environmental tax or any special fee to impose on them for what they get from local region. Meanwhile, more clearly as field survey’s observation, the accommodations have appropriated beautiful beaches discharged domestic sewage directly to the sea. For the Thoi Son case, while non-local stakeholders operate the tour and generate the large ratio of tourism revenue, they not pay fee and tax relating to exploiting natural resources. Therefore, non-local stakeholders dominate in tourism revenue and capital investment, but their responsibility in exploiting natural resource is ignored.

In sum, the following figure illustrates how strong of the inter-regional networks and intra-regional networks among three case studies:

![Diagram](image)

**Figure35.** The inter-region and intra-region networks in supplying rural tourism

### 8.3. The tourism destination life cycle and the structure changes of stakeholders’ networks

This part uses the concept of tourism destination life cycle to review the changes of the tourism stakeholders’ structures during the time development. The following graphs illustrate a practical application of the model with the examples of the three case studies, Phu Quoc Island, Thoi Son Islet, and Shodoshima Island.
For both Phu Quoc Island and Thoi Son Islet, based on these graphs below and young history of tourism industry in Vietnam, these destinations can be considered at the “development” stage in the evolution of these tourism areas.

For the Shodoshima case, based on graph below with very brief history sketched, Shodoshima can be considered a “mature” tourism destination (based on the concept of Butler’ model). It has a long history and has gone through a number of different expansion and reorganization cycles.

Figure 36. Phu Quoc tourist arrivals for the period 2001-2012. The evolution phases are illustrated and local authority control is discussed.

Source: analysis by authors
Like other tourism destinations within Vietnam, tourism in Phu Quoc has developed since the 1990s after Doi Moi period. It is around 20 years until now. The dash line indicates the point of time that new types of stakeholder entry to the supplying network or the expansion of these stakeholders during the time development.

Before 2003, it is the beginning stage of development. At this time, there are only accommodation sector developed based in their owner’s home and few local residents’ suppliers due to the demand of the market. After 2003, all types of stakeholders developed strongly, especially, the non-locally owned accommodations. It leads to the current status.

During the time, regarding the local authority control, it is found that along the tourism development, the non-local stakeholders have dominated and taken the control. The local control is weakened. In 2008: The PQTA was established. However, the power position between the local and non-local has not yet improved.

As observed in Figure 37, after 1986, just after “Doi Moi” rural tourism in Thoi Son islet started. This period indicates the harmonious cooperation between the private sector and state-owned sector in operating rural tourism. After 2005, the tourism developed strongly, all types of stakeholders expanded and developed. However, the tourism revenue for the local residents’ suppliers is small ratio in comparison with others. Then, the Tien Giang TA was established in 2007 with its objective to improve the local negotiation with others. However, currently, it remains the conflict among them.
Figure 37. Thoi Son tourist arrivals for the period 1995-2010. The evolution phases are illustrated and local authority control is discussed.

Source: analysis by authors
SHODOSHIMA ISLAND, KAGAWA KEN

Figure 38. Shodoshima tourist arrivals for the period 1950-2012. The evolution phases are illustrated and local authority control is discussed.

Source: analysis by authors

The birth of Japan’s modern tourism industry was in the 1950s, after the chaos of the immediate post-war years. In Shodoshima, at this pioneer stage since the 1950s, when tourism just started, the Shodoshima tourism association
established based on the suggestion the private local tour operator. The other occupational associations like somen association also established in this period.

In order to revitalization of rural regions, Japan has implemented many programs such as “rural nostalgia boom” in the 1970s, mass commercial tourism in the way of built many resorts in rural areas. In Shodoshima, the public resort / accommodations were built during this time with objectives to revitalize the rural region, not for competition with other private sector. Therefore, since the 1970s: given the high demand of tourist arrival, considering the development stage of tourism in Shodoshima, all types of stakeholders expanded and developed: public accommodation, shopping center developed by local residents (shoyu, tsukudani), private accommodation, movie studio, Olive park, museum (olive, shoyu), etc.

Important result is that during the time development, the local authority control always remains, strengthens and is compatible among sectors (public and private).

8.4. Challenges to sustainable development for the local destinations

- Economic growth:

Both Vietnamese cases reveal the problem that large share of tourism revenue dominating by the non-local stakeholders. This important problem lead to the tourism revenue leaks out the local destination. In order words, during the tourism development, the most benefit stakeholders are not the local stakeholders and thus it is not benefit the economic growth for the local destinations.

- Community participation for sustainable tourism development

It is argued that the participation of the local community to tourism development is a prerequisite to sustainability (Woodley, 1993; Getz and Jamal, 1994; Hall, 1995). However, both Vietnamese cases show weaknesses reveal some strategic weaknesses in the structure of tourism supplying networks, in which the local stakeholders:

  - considers as unprivileged stakeholder (Phu Quoc case)
o increase the conflict among them (Thoi Son case)

o not yet have the effective mechanisms for building their strong capability or the community empowerment in order to strengthen the rural tourism operation in the local destinations (both cases)

- The local control authority at the local destinations

  o during the time, it is found that along the tourism development, the non-local stakeholders have entered to the local destinations and dominated in terms capital investment, possess the beautiful public land/beaches, thereby treating these public land/beaches as their own private assets.

  o Therefore, the local stakeholders or the community is dependent on the non-local stakeholders, subjected to the outcome of a development, rather than being an equal stakeholder in the process of developing rural tourism. As a result, their local control authority become weaker over tourism development → prevent the local authority and the local community into the collaboration and policy decision making process.

- Responsibility regarding the common resource:

  Importantly, there has not yet been an environmental tax or any special fee to impose on the involved stakeholders for what they get from local region. Especially, the non-local stakeholders who temperate locate in the local destinations for short term due to their business and generate most tourism revenue, but their responsibility on the in exploiting natural resource is ignored.
8.5. Conclusion

The tourism destination bases its success according to its interdependent relationships among the diverse stakeholders. In order to attain the sustainable development, the destination must be taken into consideration through the aggregated perspective of stakeholders’ networks.

Upon the limitation of the studies from tourism supply side, that is, from the perspective of stakeholder networks in rural tourism, and the importance of the local stakeholders participation for sustainable rural development, the thesis aims to assess stakeholder networks in the operation and supply of rural tourism with three case studies - Phu Quoc Island, Thoi Son Islet in Mekong Delta region, Vietnam and Shodoshima Island, Japan.

Firstly, the case of Phu Quoc Island, belonging to Kien Giang province was selected as the first study area in this thesis. The typical characteristic of Phu Quoc tour is overnight tour (often over 3days-trip). Based on this, the accommodations have high developed in this island. Phu Quoc rural tourism has been established by networks of key stakeholders such as Ho Chi Minh travel agencies (HCMTA), local travel agencies (LTA), accommodations, tour guides, and local resident suppliers. The results show that the non-local stakeholders have established strong vertical networks because of their superiority to local stakeholders in terms of capital and networking, while the horizontal networks among local stakeholders are weak and they severely compete with each other. This situation leads to the problem of tourism revenue leakage out of the local region. In contrast with the non-local stakeholders, LTAs usually depend on HCMTAs in their networks. LTAs are forced to offer the cheapest land-tour price in order to maintain their competitiveness. As a result, the network between HCMTAs and LTAs has become vertical, with HCMTAs in a dominant position of power domination. Surprisingly, it was revealed that local resident suppliers, who provide most of the tourist destinations and activities on Phu Quoc Island, do not have direct networks with either HCMTAs or LTAs. They organize their businesses mainly based on networks with tour guides, which are facilitated through kickback competition instead of service
quality improvement. As a result, the tourism network on Phu Quoc Island is divided into two different geographical dimensions: inter-regional networks among HCMTAs, LTAs, and accommodations vs. intra-regional networks among local resident suppliers and tour guides. In this sense, tour guides on Phu Quoc Island can be said to be the key actors who connect these two divided networks, although most of them are unlicensed and not employed by the official tourism sector. These unlicensed tour guides, whose incomes are mainly dependent on kickbacks, cause the price competition among, and low service quality of local resident suppliers. These problems result in damage to the reputation of Phu Quoc tourism and create various difficulties with regard to developing local tourism in a sustainable manner in the long term. Another important point is that Phu Quoc Tourism Association (PQTA) has little contribution to the cooperation among the local stakeholders. Some local stakeholders did not even know about this association. Thus, within the structure of PQTA, the local resident suppliers have been recognized as unprivileged stakeholders.

Secondly, the Thoi Son Islet belonging to Tien Giang province, considered one of the long-standing models of rural tourism since the 1990s in the Mekong Delta region. The continuously rising number of tourists, however, has also created problems that affect sustainable rural development. The Thoi Son tour is typically the day-trip tour (about 3 to 4 hours). Thus, there is no accommodation service in this islet. After investigating the network among key stakeholders (Ho Chi Minh travel agencies (HCMTAs), local travel agencies (LTAs), and local residents, the results show that in the current model, HCMTAs and LTAs have played the role of connectors, working as hubs to shift tourists (demand) to match local residents (supply), with the networking being dominated by signed contracts (formal networks). In contrast with Phu Quoc case, at the Thoi Son Islet, there is the network between LTAs and local residents based on both formal and informal negotiation. Besides, inter- and intra-networks among local residents are dominated by informal networks of established working relationships based on networks of family, friends, and neighbors. Moreover, this research has found that there is no
cooperating network among LTAs. Among owners of tourist sites was not also found cooperating network. The primary motivating factor for these stakeholders is price competition; this has led to a disproportionately small share of revenue for local stakeholders, with most tourism revenue going to HCMTAs. Additionally, because of the high competition among local stakeholders, this results in local stakeholders having little or no negotiating power when conducting business with HCMTAs. Meanwhile the Tien Giang Tourism Association is inefficient in fostering cooperation among local stakeholders to increase their negotiating power.

Therefore, for both Vietnamese cases, the results lead to the problems such as tourism revenue leakage out of the local region, the non-local stakeholders’ power dominance, and the high competition among the local stakeholders through kickback and price. Meanwhile, within the structure of Phu Quoc Tourism Association, the local resident suppliers have been recognized as unprivileged stakeholders and the Tien Giang Tourism Association is inefficient in fostering cooperation among local stakeholders to increase their negotiating power.

Thirdly, with the long development history, the Shodoshima case provides the broader view on how the local stakeholders integrated to supply rural tourism. Shodoshima rural tourism is supplied by the local suppliers such as local producers of shoyu, somen, olive, tsukudani and accommodation providers. The main results show that besides the efficient inter-regional networks with the outside tour operators, the local stakeholders involved, both strong and small/weak stakeholders, have established a strong intra-regional networks, which are due to the successful operation models of associations such as Somen Association and Shodoshima Tourism Association (STA). These associations have operated successfully because of main reasons such as setting up based on the will or suggestion of the local stakeholders, being self-organizations and being the collective voice of the local stakeholders. In addition, within the tourism supplying network, STA plays the role as a main hub, helps diverse local stakeholders together sharing common objectives such as PR, marketing the local image, free tourism information center, playing the role of bridge between local destination and tourists, the local traditional products
showing here as tourists attractions, and so on. In order words, these well-organized intra-regional networks among the local stakeholders helps the agricultural products becoming the tourism product and strengthen the local empowerment on the local destination, considered one of the prerequisite for sustainable rural development.

In conclusion, with the two Vietnam case studies, it is found that the inter-regional networks make the supplying network possible, creating the bridge between supply and demand. Once based on the perspective of stakeholders’ networks, however, the crucial problems reveal such as unbalanced sharing in tourism revenue among the local and non-local stakeholders, dominance of the non-local stakeholders in the whole processes of tourism operation. Again these problems can be said to be caused by the weak intra-regional networks among the local stakeholders due to their high competition and conflict with each other. Weakness of these intra-regional networks do not contribute to improve the local empowerment and/or to reinforce their negotiating power for the local stakeholders. The tourism associations are not effectively in cooperating and balancing the unequal power among the stakeholders. Therefore, during the developing rural tourism it is importantly to aware that the local empowerment become weaker in the local destinations.

As a result, the two Vietnamese case studies reveal some strategic weaknesses in the structure of tourism supplying networks, in which the local stakeholders have not yet had the effective mechanisms for building their strong capability in order to strengthen the rural tourism operation in the local destinations. For the Shodoshima case, in contrast with Vietnam, the strong intra-regional regional networks consider strength of the tourism supplying networks as well as of the local destinations. In this sense, it can be one of hints for the immature rural tourism industries such as Vietnam to consider for future development.

Finally, based on the life cycle model, the development path of three case studies is reviewed from the perspective of stakeholders’ involvement. The result shows that the structure of stakeholders’ involvement changes during the time. It is
more importantly to aware that for two Vietnam case studies, the local stakeholders gradually lose their control on their homeland or the conflicts among them. Then, the broader view from the case of Shodoshima, it shows that during the time development, involvement of local stakeholders become stronger and the local stakeholders always maintain their control the rural tourism development.

In order to assist in planning, implementing and supervising a sustainable tourism development in rural areas, one of the important principles is the cooperation and network among the involved stakeholders. Both the inter-regional and intra-regional networks are important and all stakeholders without exception must be incorporated. Importantly, for the local destinations, the well-organized and strong intra-regional networks have benefits not only in the rural tourism development but also in the traditional agricultural industries development, helps the destinations strengthen their local competitive advantages, empowerment, and maintain local control authority over the tourism development.

Therefore, the problems of the stakeholders’ networks such as tourism revenue leakage out of the local region, the non-local stakeholders’ power dominance, and the high competition among the local stakeholders through kickback and price, the privileged / unprivileged stakeholders, etc. should be taken into consideration and managed properly.
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V: Vietnamese
ANNEXS

QUESTIONNAIRE FOR LOCAL RESIDENTS’ SUPPLIER IN PHU QUOC TOURISM

I. GENERAL INFORMATION

1. Name

Address: 

Year of establishment: 

Type: □ Liability; □ State-owned; □ Joint-stock □ Joint venture; □ Other

Accommodation: Number of rooms: ………;

Capacity: ………………….; Star standard: …………….

2. Reason for start-up

3. Describe all services that you supply for tourists?

4. Description carefully and deeply your process of tourism development: from beginning, business registration, building more tourism infrastructure, connecting with travel agencies, etc.

5. Total land area: …………

The total area for business purpose holding about …… ? % in your total land area?

II. TOURISTS

5. What is your peak season? (for domestic and foreign tourists) ? Why?

<table>
<thead>
<tr>
<th>Normal season</th>
<th>Peak season</th>
<th>Province/Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>……</td>
<td>- Provinces:</td>
</tr>
<tr>
<td>Foreigners</td>
<td>……</td>
<td>- Countries:</td>
</tr>
</tbody>
</table>

6. In 2011, in average, each month or by season, how many tourists visiting your destination? ……………

| Domestic      | …… |
| Foreigners    | …… |

7. Comparison with same time of last year (2010), total number of tourists increases / decreases? +/- How many …… ?%? Why?

8. Origin of tourists: your tourists often come from:

<table>
<thead>
<tr>
<th>By themselves</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>By travel agencies</td>
<td>%</td>
</tr>
</tbody>
</table>

9. What are benefits that you have from your tourism business?

10. What are obstacles when operating tourism business?

11. What are regulations relating to your business?

| - Fire protection | □ Yes □ No |
| - Food safety     | □ Yes □ No |
| - Other regulations: |

12. What type of advertising have you used?
13. Have you participated in any association relating to tourism? □ Yes □ No.
Name of these association: .................................................................
Do you know Phu Quoc truism association? □ Yes □ No □ No Idea
14. What are your main agricultural activities? .................................................................
15. In total income of your household:

<table>
<thead>
<tr>
<th>Income from tourism activities</th>
<th>%</th>
<th>Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>In come from agricultural activities / others</td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>

**III. NETWORK WITH PARTNERS IN SUPPLYING TOURISM**

16. Types of Network that your company has applied to operate tourism activities in Phu (ranking priority of these types and estimating percent of each type)

<table>
<thead>
<tr>
<th>Network with Phu Quoc LTA</th>
<th>[ ] [..... %]</th>
<th>Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network with outside travel agencies (HCMTA)</td>
<td>[ ] [..... %]</td>
<td></td>
</tr>
<tr>
<td>Network with local accommodation, restaurants</td>
<td>[ ] [..... %]</td>
<td></td>
</tr>
<tr>
<td>Network with Individuals who work in tourism activities (tour guide, local drivers, receptionists, etc.)</td>
<td>[ ] [..... %]</td>
<td></td>
</tr>
<tr>
<td>By tourists themselves</td>
<td>[ ] [..... %]</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>[ ] [..... %]</td>
<td></td>
</tr>
</tbody>
</table>

**DETAIL:**

17. Network with Phu Quoc LTA:

17A. Type of network:

<table>
<thead>
<tr>
<th>Paper-based contract</th>
<th>□ Yes □ No</th>
<th>Describe process of transaction (contact, information exchange, negotiation, contract)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verbal negotiation</td>
<td>□ Yes □ No</td>
<td></td>
</tr>
</tbody>
</table>

17B. Influencing factors on network (ranking priority of these factors).

<table>
<thead>
<tr>
<th>Price</th>
<th>Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td></td>
</tr>
<tr>
<td>Long-standing partner</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td></td>
</tr>
<tr>
<td>Friends/ Relative</td>
<td></td>
</tr>
<tr>
<td>Suggestion by tour guide</td>
<td></td>
</tr>
<tr>
<td>Others:</td>
<td></td>
</tr>
</tbody>
</table>

17C. Advantages and disadvantages of the network between you and Phu Quoc LTA?

| Advantages | Disadvantages |
18. Network with outside travel agencies (HCMTA):

18A. Type of network:

<table>
<thead>
<tr>
<th>Type of Contract</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper-based contract □</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Verbal negotiation □</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Describe process of transaction (contact, information exchange, negotiation, contract):

Network with Company or Individuals who work in this company? ( )

18B. Influencing factors on network (ranking priority of these factors):

<table>
<thead>
<tr>
<th>Factor</th>
<th>Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
</tr>
<tr>
<td>Long-standing partner</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td></td>
</tr>
<tr>
<td>Friends/ Relative</td>
<td></td>
</tr>
<tr>
<td>Suggestion by tour guide</td>
<td></td>
</tr>
<tr>
<td>Others:</td>
<td></td>
</tr>
</tbody>
</table>

18C. Advantages and disadvantages of the network between you and outside travel agencies

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

19. Network with Local Accommodation – Restaurants

19A. Type of network:

<table>
<thead>
<tr>
<th>Type of Contract</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper-based contract □</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Verbal negotiation □</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Describe process of transaction (contact, information exchange, negotiation, contract):

Network with Company or Individuals who work in this accommodation, restaurants? ( )

19B. Influencing factors on network (ranking priority of these factors):

<table>
<thead>
<tr>
<th>Factor</th>
<th>Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
</tr>
<tr>
<td>Long-standing partner</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td></td>
</tr>
<tr>
<td>Friends/ Relative</td>
<td></td>
</tr>
<tr>
<td>Suggestion by tour guide</td>
<td></td>
</tr>
<tr>
<td>Others:</td>
<td></td>
</tr>
</tbody>
</table>

19C. Advantages and disadvantages of the network between you and Local Accommodation – Restaurants?

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
20. **Network with Individuals who work in tourism activities (tour guide, local drivers, receptionists, etc.)**

| Employees work in hotels, restaurants | □ Yes □ No | Other note: |
| Employees work in Phu Quoc LTA | □ Yes □ No |
| Employees work in outside travel agencies (HCMTA) | □ Yes □ No |

**Others:**
- Taxi driver | □ Yes □ No |
- Motorbike taxi | □ Yes □ No |
- Souvenir sellers | □ Yes □ No |
- Local government officers | □ Yes □ No |
- Employees at air flight agency | □ Yes □ No |
- Employees at speedboats | □ Yes □ No |

20A. **Type of network:**

| Paper-based contract | □ Yes □ No | Describe process of transaction (contact, information exchange, negotiation, contract) |
| Verbal negotiation | □ Yes □ No |
| Other |

20B. **Influencing factors on network (ranking priority of these factors)**

| Price | Quality | Long-standing partner | Experience | Friends/ Relative | Suggestion by tour guide | Others: |

20C. **Advantages and disadvantages of this network?**

| Advantages | Disadvantages |

21. **What are your competitive advantages?**

22. **Regarding to other local residents’ suppliers, how have you appraised them? Have you:**

| Networked together | □ Yes □ No | Why? |
| Not networked | □ Yes □ No |
| Other ( ) |

23. **What do you want local government support to your business?**

**Interviewee Information:**

Name:…………………………… Address: ……………………………Tel: ……………………………

**Thanks you very much!**
## QUESTIONNAIRE FOR LOCAL TRAVEL AGENCIES

### I. COMPANY INFORMATION

<table>
<thead>
<tr>
<th>Name:</th>
<th>Address:</th>
<th>Type of company?</th>
<th>Before: used to be state-owned company?</th>
<th>Year of establishment:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>□ Liability; □ State-owned; □ Joint-stock</td>
<td>□ Yes □ No</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>□ Joint venture; □ Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Describe all services that your company supplies?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of organization Phu Quoc tour (ranking priority of these types and estimate percent of each type)</th>
<th>Explain why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Have a network with outside tour operators</td>
<td>[ ] ..........? %</td>
</tr>
<tr>
<td>- In traduced by Phu Quoc accommodations, taxi, receptionists</td>
<td>[ ] ..........? %</td>
</tr>
<tr>
<td>- By tourists themselves (tourists contact directly to your company)</td>
<td>[ ] ..........?%</td>
</tr>
<tr>
<td>- Other (specific)</td>
<td>[ ] ..........?%</td>
</tr>
</tbody>
</table>

### II. TOURISTS (2011)

Please give us detail information your Phu Quoc tour and its price list (Price for package tour and price for backpacker tourists)

<table>
<thead>
<tr>
<th>Peak season</th>
<th>In 2011, averagely total numbers of your tourists/ customers?</th>
<th>Domestic tourists, which provinces they often come from?</th>
<th>Foreign tourists, which countries they often come from?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic tourists</td>
<td>From …. To ….</td>
<td>… % / total number</td>
<td></td>
</tr>
<tr>
<td>Foreigners</td>
<td>From …. To ….</td>
<td>… % / total number</td>
<td></td>
</tr>
</tbody>
</table>
### III. NETWORK WITH PARTNERS TO OPERATE PHU QUOC TOUR

#### A. NETWORK WITH HCMTA OR HANOI TA TO OPERATE PHU QUOC TOUR

<table>
<thead>
<tr>
<th></th>
<th>With HCMTA</th>
<th>With Individuals who work in HCMTAs</th>
<th>With Ha Noi travel agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Network:</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
</tr>
<tr>
<td>Ratio</td>
<td>□ A lot / □ Few; About ...%</td>
<td>□ A lot / □ Few; About ...%</td>
<td>□ A lot / □ Few; About ...%</td>
</tr>
<tr>
<td>Why?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Type of network:**
1. Verbal negotiation
2. Paper-based contract
3. Both: verbal and paper-based
4. Other [ ]

- Type of network:
  - □ 1 □ 2 □ 3 □ 4:
    - Describe process of transaction (contact, information exchange, negotiation, contract)

**Influencing factors on network (ranking priority of these factors):**

A. depend on tour guide;
B. commission / kickback;
C. long-standing partner;
D. experience;
E. having friends/ relative;
F. quality;
G. price;
H. other: [………]

1. [ ] (eg. G) (explain why?)
2. [ ]
3. [ ]
4. [ ]
5. [ ]
6. [ ]
7. [ ]
8. [ ]

1. [ ] (eg. G) (explain why?)
2. [ ]
3. [ ]
4. [ ]
5. [ ]
6. [ ]
7. [ ]
8. [ ]

1. [ ] (eg. G) (explain why?)
2. [ ]
3. [ ]
4. [ ]
5. [ ]
6. [ ]
7. [ ]
8. [ ]

**Please list some main partners that your company has often networked?**

List:

List ADVANTAGES of network

List DISADVANTAGES of network
## NETWORK WITH LOCAL TRAVEL AGENCIES IN PHU QUOC ISLAND AND KIEN GIANG PROVINCE

<table>
<thead>
<tr>
<th>LOCAL TRAVEL AGENCIES IN PHU QUOC ISLAND</th>
<th>INDIVIDUALS who work in these LTAs in Phu Quoc Island</th>
<th>CÔNG TY LƯ HANH TẠI KIÊN GIANG</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Network with:</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
</tr>
<tr>
<td></td>
<td>Ratio □ A lot / □ Few; About ...? % Why?</td>
<td>Ratio □ A lot / □ Few; About ...? % Why?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Why?</td>
</tr>
<tr>
<td>Type of network:</td>
<td>-Type of network: □1 □2 □3 □4:</td>
<td>-Type of network: □1 □2 □3 □4:</td>
</tr>
<tr>
<td>1. Verbal negotiation</td>
<td>-Describe process of transaction (contact, information exchange, negotiation, contract)</td>
<td>-Describe process of transaction (contact, information exchange, negotiation, contract)</td>
</tr>
<tr>
<td>2. Paper-based contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Both: verbal and paper-based</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Other [ ]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influencing factors on network (ranking priority of these factors).</td>
<td>1. [ ] (eg. G) (explain why?)</td>
<td>1. [ ] (eg. G) (explain why?)</td>
</tr>
<tr>
<td>A. depend on tour guide;</td>
<td>2. [ ]</td>
<td>2. [ ]</td>
</tr>
<tr>
<td>B. commission / kickback;</td>
<td>3. [ ]</td>
<td>3. [ ]</td>
</tr>
<tr>
<td>C. long-standing partner;</td>
<td>4. [ ]</td>
<td>4. [ ]</td>
</tr>
<tr>
<td>D. experience;</td>
<td>5. [ ]</td>
<td>5. [ ]</td>
</tr>
<tr>
<td>E. having friends/ relative;</td>
<td>6. [ ]</td>
<td>6. [ ]</td>
</tr>
<tr>
<td>F. quality;</td>
<td>7. [ ]</td>
<td>7. [ ]</td>
</tr>
<tr>
<td>G. price;</td>
<td>8. [ ]</td>
<td>8. [ ]</td>
</tr>
<tr>
<td>H. other: [..........]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Please list some main partners that your company has often networked?</td>
<td>List:</td>
<td>List:</td>
</tr>
</tbody>
</table>

### List ADVANTAGES of network

### List DISADVANTAGES of network

---

**Please note:** The table and its contents are part of a structured exercise or questionnaire designed to evaluate the network dynamics and influencing factors among local travel agencies in Phu Quoc Island and in Kien Giang Province. The table facilitates understanding and analyzing the relationships and transaction processes among local travel agencies, highlighting the advantages and disadvantages of network connections.
## C. NETWORK WITH ACCOMMODATION – RESTAURANTS IN PHU QUOC

<table>
<thead>
<tr>
<th></th>
<th>ACCOMMODATION</th>
<th>RESTAURANTS</th>
<th>OTHERS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Network with:</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ratio □ A lot / □ Few; About ...? %</td>
<td>Ratio □ A lot / □ Few; About ...? %</td>
<td>Why?</td>
</tr>
<tr>
<td>Type of network:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Verbal negotiation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Paper-based contract</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Both: verbal and paper-based</td>
<td>□□□□□□</td>
<td>□□□□□□</td>
<td></td>
</tr>
<tr>
<td>4. Other [□□□□□□□□□□□□]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Type of network:</td>
<td>□□□□□□□□□□□□□□□□□□</td>
<td>□□□□□□□□□□□□□□□□□□</td>
<td></td>
</tr>
<tr>
<td>- Describe process of transaction (contact, information exchange, negotiation, contract)</td>
<td>- Describe process of transaction (contact, information exchange, negotiation, contract)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influencing factors on network (ranking priority of these factors).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. depend on tour guide;</td>
<td>1. [□□□□□□] (Why?)</td>
<td>1. [□□□□□□] (Why?)</td>
<td></td>
</tr>
<tr>
<td>B. commission / kickback ;</td>
<td>2. [□□□□□□]</td>
<td>2. [□□□□□□]</td>
<td></td>
</tr>
<tr>
<td>C. long-standing partner;</td>
<td>3. [□□□□□□]</td>
<td>3. [□□□□□□]</td>
<td></td>
</tr>
<tr>
<td>D. experience;</td>
<td>4. [□□□□□□]</td>
<td>4. [□□□□□□]</td>
<td></td>
</tr>
<tr>
<td>E. having friends/ relative;</td>
<td>5. [□□□□□□]</td>
<td>5. [□□□□□□]</td>
<td></td>
</tr>
<tr>
<td>F. quality;</td>
<td>6. [□□□□□□]</td>
<td>6. [□□□□□□]</td>
<td></td>
</tr>
<tr>
<td>G. price;</td>
<td>7. [□□□□□□]</td>
<td>7. [□□□□□□]</td>
<td></td>
</tr>
<tr>
<td>H. other: [□□□□□□□□]</td>
<td>8. [□□□□□□]</td>
<td>8. [□□□□□□]</td>
<td></td>
</tr>
<tr>
<td>Please list some main partners that your company has often networked?</td>
<td>List:</td>
<td>List:</td>
<td>List:</td>
</tr>
<tr>
<td>List ADVANTAGES of network</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>List DISADVANTAGES of network</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### D. NETWORK WITH LOCAL RESIDENTS / LOCAL HOUSEHOLDS IN PHU QUOC

<table>
<thead>
<tr>
<th>Local drivers</th>
<th>Pepper farms</th>
<th>Local wine</th>
<th>Fish sauce factories</th>
<th>Pearl farms</th>
<th>Fish sauce factories</th>
<th>Local restaurant</th>
<th>Dried sea food shops</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tour guide of LTA decided by themselves</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Local drivers decided by themselves</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>LTA have formal network with these local residents</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
<th>□ Yes □ No</th>
</tr>
</thead>
</table>

1. Verbal negotiation
2. Paper-based contract
3. Both:
4. 4. Other [ … ]

Influencing factors on network (ranking priority of these factors).
A. depend on tour guide of HCMTA
B. depend on tour guide of LTA
C. depend on local drivers
D. commission / kickback
E. long-standing partner
F. experience
G. having friends/relative
H. quality
I. price
J. other: [………]

| 1. | 1. | 1. | 1. | 1. | 1. | 1. | 1. | 1. |
| 2. | 2. | 2. | 2. | 2. | 2. | 2. | 2. | 2. |
| 3. | 3. | 3. | 3. | 3. | 3. | 3. | 3. | 3. |
| 4. | 4. | 4. | 4. | 4. | 4. | 4. | 4. | 4. |
| 5. | 5. | 5. | 5. | 5. | 5. | 5. | 5. | 5. |
| 6. | 6. | 6. | 6. | 6. | 6. | 6. | 6. | 6. |
| 7. | 7. | 7. | 7. | 7. | 7. | 7. | 7. | 7. |
| 9. | 9. | 9. | 9. | 9. | 9. | 9. | 9. | 9. |

**ADVANTAGES**

**DISADVANTAGES**

Thank you very much!
QUESTIONNAIRE FOR HO CHI MINH TRAVEL AGENCIES

I. COMPANY INFORMATION

<table>
<thead>
<tr>
<th>Name:</th>
<th>Address:</th>
<th>Type of company?</th>
<th>Before: used to be state-owned company?</th>
<th>.When did company change into current type?</th>
<th>Having representative office/ branch in Phu Quoc:</th>
<th>Year of establishment of this office: [... ]</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>□ Liability; □ State-owned; □ Joint-stock</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>[ … ]</td>
</tr>
<tr>
<td></td>
<td></td>
<td>□ Joint venture; □ Other</td>
<td></td>
<td></td>
<td>□ Yes □ No</td>
<td></td>
</tr>
</tbody>
</table>

Describe all services that your company supplies?

II. TOURISTS (2011)

1. Please let us know: the ratio of total number of tourists visiting Mekong Delta hold ........ % in total number of tourists of your company?

2. In total number of tourists visiting Mekong Delta of your company, about ........ % is the ratio of tourists visiting Phu Quoc Island?

3. The total number of tourists in 2011:

<table>
<thead>
<tr>
<th></th>
<th>Mekong Delta</th>
<th>Phu Quoc Island</th>
<th>Domestic tourists, which provinces they often come from?</th>
<th>Foreign tourists, which countries they often come from?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic tourists</td>
<td>%</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreigners</td>
<td>%</td>
<td>%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.

Please give us detail information your Phu Quoc tour and its price list (Price for package tour and price for backpacker tourists)

Types of tourists often visiting Phu Quoc (ranking priority of these types): □ company □ family □ group □ couple □ individual □ other ...........

Type of organization Phu Quoc tour (ranking priority of these types and estimate percent of each type)

- Have a network with LTA (Land-tour) [ ] ....... %
- Self organize by your company [ ] ....... %
- Transfer for the representative office / branch in Phu Quoc Island [ ] ....... %
- Other (specific) ......................... [ ] ....... %

Explain why?
### III. NETWORK WITH PARTNERS TO OPERATE PHU QUOC TOUR

#### A. NETWORK WITH HCMTA OR HANOI TA TO OPERATE PHU QUOC TOUR

<table>
<thead>
<tr>
<th>- Network:</th>
<th>With HCMTA</th>
<th>With Individuals who work in HCMTAs</th>
<th>With Ha Noi travel agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Type of network:</td>
<td>□ 1 □ 2 □ 3 □ 4:</td>
<td>-Type of network: □ 1 □ 2 □ 3 □ 4:</td>
<td>-Type of network: □ 1 □ 2 □ 3 □ 4:</td>
</tr>
<tr>
<td>5. Verbal negotiation</td>
<td>□□□□</td>
<td>□□□□</td>
<td>□□□□</td>
</tr>
<tr>
<td>6. Paper-based contract</td>
<td>□□□□</td>
<td>□□□□</td>
<td>□□□□</td>
</tr>
<tr>
<td>7. Both: verbal and paper-based</td>
<td>□□□□</td>
<td>□□□□</td>
<td>□□□□</td>
</tr>
<tr>
<td>8. Other [ ]</td>
<td>□□□□</td>
<td>□□□□</td>
<td>□□□□</td>
</tr>
</tbody>
</table>

**Influencing factors on network (ranking priority of these factors).**

- A. depend on tour guide;
- B. commission / kickback;
- C. long-standing partner;
- D. experience;
- E. having friends/relative;
- F. quality;
- G. price;
- H. other: [………]

1. [ ] (eg. G) (explain why?)
2. [ ]
3. [ ]
4. [ ]
5. [ ]
6. [ ]
7. [ ]
8. [ ]

**Please list some main partners that your company has often networked?**

List: List: List:

List ADVANTAGES of network

List DISADVANTAGES of network
B. NETWORK WITH LOCAL TRAVEL AGENCIES IN PHU QUOC ISLAND AND KIEN GIANG PROVINCE

<table>
<thead>
<tr>
<th>LOCAL TRAVEL AGENCIES IN PHU QUOC ISLAND</th>
<th>INDIVIDUALS who work in these LTAs in Phu Quoc Island</th>
<th>LTA at KIEN GIANG</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Network with: □ Yes □ No Ratio □ A lot / □ Few; About ...? % Why?</td>
<td>□ Yes □ No Ratio □ A lot / □ Few; About ...? % Why?</td>
<td>□ Yes □ No Ratio □ A lot / □ Few; About ...? % Why?</td>
</tr>
</tbody>
</table>

Type of network:
5. Verbal negotiation
6. Paper-based contract
7. Both: verbal and paper-based
8. Other [ ]

- Type of network: □1 □2 □3 □4:
  - Type 1
  - Type 2
  - Type 3
  - Type 4
- Describe process of transaction (contact, information exchange, negotiation, contract)
- Type of network: □1 □2 □3 □4:
  - Type 1
  - Type 2
  - Type 3
  - Type 4
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- Describe process of transaction (contact, information exchange, negotiation, contract)

Influencing factors on network (ranking priority of these factors).
A. depend on tour guide;
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1. [ ] (eg. G) (explain why?)
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Please list some main partners that your company has often networked?

List:

List ADVANTAGES of network

List DISADVANTAGES of network

List:

List:

List:

163
### C. NETWORK WITH ACCOMMODATION – RESTAURANTS IN PHU QUOC

<table>
<thead>
<tr>
<th>ACCOMMODATION</th>
<th>RESTAURANTS</th>
<th>OTHERS:</th>
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</thead>
<tbody>
<tr>
<td>- Network with:</td>
<td>☐ Yes ☐ No</td>
<td>☐ Yes ☐ No</td>
</tr>
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<td>Ratio ☐ A lot / ☐Few; About ...? %</td>
<td>Ratio ☐ A lot / ☐Few; About ...? %</td>
<td>Why?</td>
</tr>
<tr>
<td>Why?</td>
<td>Why?</td>
<td></td>
</tr>
</tbody>
</table>

**Type of network:**

5. Verbal negotiation
6. Paper-based contract
7. Both: verbal and paper-based
8. Other [ ]

- Type of network: ☐1 ☐2 ☐3 ☐4:
  - Describe process of transaction (contact, information exchange, negotiation, contract)

- Type of network: ☐1 ☐2 ☐3 ☐4: …………….. ………………..
  - Describe process of transaction (contact, information exchange, negotiation, contract)

Influencing factors on network (ranking priority of these factors).

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C. long-standing partner;
D. experience;
E. having friends/ relative;
F. quality;
G. price;
H. other: [………..]

1. [ ] (Why?)
2. [ ]
3. [ ]
4. [ ]
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Please list some main partners that your company has often networked?

List: List: List:

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List DISADVANTAGES of network
## D. NETWORK WITH LOCAL RESIDENTS / LOCAL HOUSEHOLDS IN PHU QUOC

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<thead>
<tr>
<th>Local drivers</th>
<th>Peper farms</th>
<th>Local wine</th>
<th>Fish sauce factorie s</th>
<th>Pearl farms</th>
<th>Fishi ng boats</th>
<th>Local restaura nt</th>
<th>Dried-sea food shops</th>
<th>Others:</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Yes</td>
<td>□ No</td>
<td>□ Yes</td>
<td>□ Yes</td>
<td>□ No</td>
<td>□ Yes</td>
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<td>□ No</td>
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<td>□ Yes</td>
<td>□ No</td>
<td>□ Yes</td>
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<td>□ Yes</td>
<td>□ No</td>
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</table>

<table>
<thead>
<tr>
<th>Tour guide of HCMTA decided by themselves</th>
<th>□ Yes</th>
<th>□ No</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Yes</td>
<td>□ No</td>
<td>□ Yes</td>
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<tr>
<td>□ No</td>
<td>□ Yes</td>
<td>□ No</td>
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</table>

<table>
<thead>
<tr>
<th>Local drivers decided by themselves</th>
<th>□ Yes</th>
<th>□ No</th>
</tr>
</thead>
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<td>□ Yes</td>
</tr>
<tr>
<td>□ No</td>
<td>□ Yes</td>
<td>□ No</td>
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<table>
<thead>
<tr>
<th>HCMTA have formal network with these local residents</th>
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<th>□ No</th>
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<tbody>
<tr>
<td>□ Yes</td>
<td>□ No</td>
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</tr>
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<th>□ 3</th>
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<table>
<thead>
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<th>□ 1</th>
<th>□ 2</th>
<th>□ 3</th>
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<tbody>
<tr>
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### Influencing factors on network (ranking priority of these factors):

- A. depend on tour guide of HCMTA
- B. depend on tour guide of LTA
- C. depend on local drivers
- D. commission / kickback
- E. long-standing partner
- F. experience
- G. having friends/relative
- H. quality; I. price; J. other: [………]

### ADVANTAGES of network

### DISADVANTAGES of network

Thank you very much!