

# Measures to Enhance Competitiveness of Đồng Nai's Golf Service

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## 1. SOME FACTS OF ĐỒNG NAI GOLF SERVICE

Đồng Nai currently has two operational golf projects with total realized capital of US\$29.436.000, accounting for 57% of total registered capital. Their size is rather large, one has 27 holes and another 36 holes, and the capital has been realized over years as follows:

Although Taiwan is the biggest investor in Đồng Nai province and neighboring ones, South Korean players are leading in the number, followed by Taiwanese and Japanese. They accounted for 58% in 2004, Taiwanese 25%, Japanese 8%, Vietnamese 7% and others 2%.

At present, the Đồng Nai golf service is facing harsh competition of

other rivals including golf courses of Thủ Đức, Sông Bé, and Vũng Tàu. The competition matrix is indicated in the Table 2.

## 2. MEASURES TO BOOST UP THE SERVICE

The above analysis shows Thủ Đức golf course has the highest mark, thus ranking first, behind are Sông Bé and Long Thành golf courses, Bochang and Vũng Tàu golf courses are at the bottom of the list. This ranking has reflected proper competitive strength of each enterprise in the South Focal Economic Region. Due to the geographical area and market share, Đồng Nai golf courses have total importance mark lower than those of Thủ Đức và Sông Bé golf courses. Therefore, the Đồng

Nai golf service is required to implement the following measures to enhance its competitiveness.

(1) Implementing the strategy of market penetration and development:

Đồng Nai province has favorable features such as location in the South Focal Economic Region, high GDP growth, high per capita income and high FDI. It is also the place where a lot of foreigners live and work. Nevertheless, the number of visitors to Đồng Nai courses is not compatible with their potentials; their market share remains modest and markets not expanded. With its advantages of service quality, landscape, and increasing demand, the Đồng Nai golf service has to expand markets by launching strong marketing campaigns to allure more golf players, thus increasing its market share.

The Đồng Nai's golf service should aim at local and foreign players in HCMC, and foreigners working in industrial parks and export processing zones in Bình Dương. To fulfill this strategy, the Đồng Nai golf service needs to carry out the following measures:

-Strengthening the marketing research department to identify opportunities, dangers, and competitive advantages, therefore suggesting relevant policies for development.

-Setting up the customer service department to receive and answer all comments, questions and proposals.

-Prices must be competitive and flexible in according to seasons. In addition, the service should give more price incentives to Vietnamese players to exploit this potential market.

-The courses need to organize regular golf contests with 150 candidates and attractive prizes from sponsors. These contests will attract new customers to golf courses and display their pictures to everybody. This is an effective and low-cost ad-

Figure 1: Shares of golf players in Đồng Nai Province

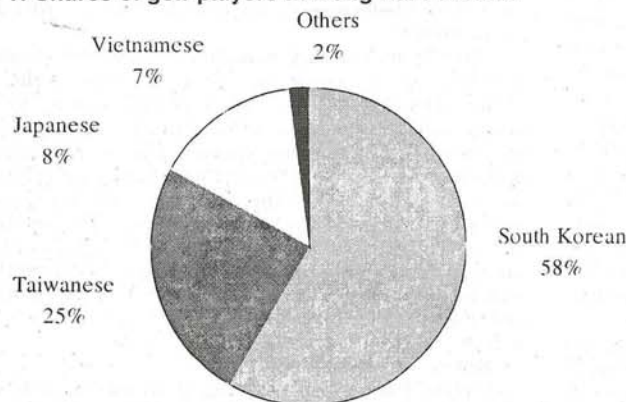


Table 1: Investment in Đồng Nai's golf projects over years (US\$)

|                        | 1997      | 1998      | 1999      | 2000      | 2001      | 2002      | 2003    | 2004    | Total      |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|------------|
| Bochang golf course    | 2,300,000 | 1,270,000 | 421,000   | 106,600   | 50,400    | 1,140,000 |         |         | 19,236,000 |
| Long Thành golf course |           |           | 4,455,000 | 2,000,000 | 1,000,000 | 1,300,000 | 850,000 | 595,000 | 10,200,000 |
| Total                  | 2,300,000 | 1,270,000 | 4,876,000 | 2,106,600 | 1,050,400 | 2,440,000 | 850,000 | 595,000 | 29,436,000 |

vertisement. Nevertheless, to succeed, the courses must make good preparations and impressions to customers by their service quality.

*For foreign visitors, the courses must pay attention to the following tasks:*

- Advertising their pictures worldwide on foreign websites and tourism journals...and cooperating with local and foreign travel agents to include golf playing in their tours, and focusing on special markets such as Taiwan, South Korea, Japan, the US...

- Establishing package golf price including sea tours to avoid customers' boredom.

*For Vietnamese customers, golf courses in Đồng Nai should concentrate their efforts on the following activities:*

- Advertising benefits of the golf game such as: good health, good environment for business contact and cooperation, and superior entertainment.

- Training how to play golf for potential customers, especially the upper class.

- Building golf courses near the Biên Hòa downtown, and industrial parks to create favorable conditions for playing and training.

- Fixing special prices for Vietnamese from low to high due to their

playing level, for example, lower costs for the learning period.

- Establishing Đồng Nai Golf Club which will regularly held contests to cement ties between members.

(2) Developing and differentiating new products:

To restrict disadvantages, golf courses in Đồng Nai should implement the strategy of new product development in the two categories: diversification of support services for golf players and building villas next to the golf for sale to Vietnamese or lease to foreigners.

In addition, they should create more competitive advantages than other courses by product differentiation as follows:

- Building golf courses up to international standard, and designing impressive golf lines and charming landscape.

- Providing support services such as: accommodation, massage, family entertainment, swimming, tennis...

- Providing MICE tour service in golf courses.

(3) Implementing the strategy of partnership and cooperation:

Partnership will help overcome shortcomings of Đồng Nai golf courses in capital, market and market share, at the same time courses will make the best use of their strengths to best satisfy customers

and increase their incomes. Attention should be given to:

- Cooperation with travel agents in HCMC, and tourist companies in South Korea, Taiwan, and Japan to attract golf playing tourists.

- Cooperation with golf associations in neighboring countries to expand customers and organize golf contests.

(4) Training human resources:

- Cooperating with vocational training schools inside and outside the provinces to open training courses in golf services to provide labor for Đồng Nai courses.

- Sending Vietnamese managers in departments of caddies, maintenance, marketing to foreign golf training schools and famous golf clubs abroad to learn skills and experience.

- Recruiting part-time workers from universities and colleges in the province because they can easily meet high requirements of the job.

- Standardizing the army of managers and workers by offering regular on-the-job training to workers.

The above analysis reveals many shortcomings of Đồng Nai's golf courses as compared to their rivals. As a result, the provincial service should devise appropriate strategies and implement a series of measures at the same time to enhance its competitiveness and expand its service in the time to come. ■

**Table 2: Competition matrix**

| SUCCESS FACTORS          | IMPORTANCE  | BOCHANG |                 | LONG THANH |                 | THỦ ĐỨC |                 | VŨNG TÁU |                 | SÔNG BÉ |                 |
|--------------------------|-------------|---------|-----------------|------------|-----------------|---------|-----------------|----------|-----------------|---------|-----------------|
|                          |             | Rank    | Importance mark | Rank       | Importance mark | Rank    | Importance mark | Rank     | Importance mark | Rank    | Importance mark |
| Service quality          | 0.12        | 3       | 0.36            | 3          | 0.36            | 3       | 0.36            | 2        | 0.24            | 2       | 0.24            |
| Market share             | 0.15        | 2       | 0.30            | 2          | 0.3             | 4       | 0.60            | 2        | 0.30            | 4       | 0.60            |
| Finance                  | 0.15        | 3       | 0.45            | 2          | 0.3             | 4       | 0.60            | 3        | 0.45            | 2       | 0.30            |
| Geographical area        | 0.18        | 1       | 0.18            | 2          | 0.36            | 4       | 0.72            | 2        | 0.36            | 4       | 0.72            |
| Competitiveness in price | 0.10        | 3       | 0.30            | 3          | 0.3             | 2       | 0.20            | 2        | 0.20            | 2       | 0.20            |
| Facility and equipment   | 0.12        | 2       | 0.24            | 3          | 0.36            | 3       | 0.36            | 1        | 0.12            | 3       | 0.36            |
| Marketing and research   | 0.08        | 2       | 0.16            | 3          | 0.24            | 3       | 0.24            | 2        | 0.16            | 3       | 0.24            |
| Management               | 0.10        | 2       | 0.20            | 2          | 0.2             | 3       | 0.30            | 2        | 0.20            | 3       | 0.30            |
| <b>Total</b>             | <b>1.00</b> |         | <b>2.19</b>     |            | <b>2.42</b>     |         | <b>3.38</b>     |          | <b>2.03</b>     |         | <b>2.96</b>     |