

## Factors Affecting the Service Quality in Ba Ria - Vung Tau Tourism Destination, Vietnam

TRAN PHI HOANG

Industrial University of Ho Chi Minh City  
Ho Chi Minh City, Vietnam

NGUYEN THI HONG HANH

School of Management and Business  
Ba Ria Vung Tau University, Vung Tau City, Vietnam

NGUYEN DAI DUONG

School of Management and Business  
Ba Ria Vung Tau University, Vung Tau City, Vietnam

### Abstract:

*This research was conducted to analyze factors which had an influence on foreign tourists' satisfaction toward the quality of service in Ba Ria - Vung Tau destination. The author had combined qualitative and quantitative research methods to survey 333 tourists with 42 observed variables for the purpose of determining factors which had an influence on foreign tourists' satisfaction toward the quality of service in Ba Ria -Vung Tau destination. The research shown there were 5 impact factors: (1) Competence, (2) Responsiveness, (3) Access, (4) Tangibles, (5) Reliability. This research is the basis for local tourism to propose improvements for the enhancement of foreign tourists's satisfaction in years to come.*

**Key words:** service quality, Ba Ria – Vung Tau, Vietnam

## INTRODUCTION

Tourism has become an essential demand of man in the modern industrialize lifestyle and this demand is still on the rise.

Tourism also plays an important role in the structure of economic development and has turned into the spearhead of the economy in many nations and cities in the world. Because of the great benefits of tourism, competition between travel destination in Vietnam and others in Asean has become fiercer. Ba Ria-Vung Tau was once known as a famous tourist city, and was chosen by many for sightseeing and resorting, but for more than 20 years Ba Ria – Vung Tau has made no progress, and instead has taken a back seat for other emerging destinations, the number of foreign tourists is still modest, most come in the weekend, only stay within a day, domestic tourists is the majority so the revenue generated isn't high. There are many reasons which lead to this such as : travel products are still lacking, the service quality is quiet bad, the infrastructure needs improvement in many ways. The quality of personel is both bad and insufficient, marketing strategy isn't good enough, there still hasn't had any work done to carefully research on the psychology of tourists's demand, etc. According to the statistic, the average days of stay and the level of expenditure in Ba Ria-Vung Tau are much less than other destinations in Vietnam and Asean. On average a foreign tourist stays in Ba Ria- Vung Tau for 1.5 days, while in HCM is 3.45 days, Ha Noi is 3,18 days, Bangkok is 4.05 days, Kulalumpur is 3.95 days and Singapore is 4.38 days ( EU project in Vietnam). Because of the low days of stay, the level of expenditure also decreases. The level of expenditure of a foreign tourists in Ba Ria-Vung Tau is 61 USD/ day, TP.HCM is 83 USD/day, Bangkok is 139 USD/ngày, Kulalumpur is 120 USD/day and Singapore is 178 USD/day (Saigon Times Group, Vietnam, 2014). Tourists's spending in Ba Ria-Vung Tau destination is mostly accommodation fee, sightseeing and eating fee. Entertainment services fee only takes up a small proportion in tourists's spending. The percentage of tourists returning to VN is still low, this shows that the competitive capability of Ba Ria- Vung Tau tourist destination is very limited. Suffice to say, more

than ever, Ba Ria- Vung Tau destination needs radical changes to become an attractive tourist destination for foreign tourists in the future.

## **LITERATURE REVIEW & RESEARCH MODEL**

Tourists' satisfaction has an essential meaning and determines the success of any destination (Alegre & Garau, 2010). Destinations and businesses have increasingly grown aware of this, maintaining the relationship with customers and their profit have a tight connection (Butnaru, 2011; Cegielski et al, 2004, Coban, 2012). Many destinations and businesses have put their customers' satisfaction as their main target in their business operations. There are many interpretations of customers' satisfaction. Johnson and his team interpret it as customers' evaluation of the difference between their expectation before usage and their perception after using a product or a service. If it meets their expectation, they will be satisfied (Mohamad, Abdullah, & Mokhlis, 2012). Their satisfaction depends on the difference between their expectation and their perception. As satisfaction depends on the difference between the real result and the expectation, if the real result is worse than expected, customers won't be satisfied, if the real result is as expected, customers will be satisfied, if the real result is better than expected, customers will be very satisfied. Customers' expectation is formed from experience, friends, colleagues and the information of sellers and competitors (Oliani, Rossi, & Gervasoni, 2011).

Satisfaction is the comparison between the real perceivable benefits and the expectations. If the actual benefits are not as expected, the customer will be disappointed. If the actual benefits meet expectations then the customer will be satisfied. If the actual benefits are better than expected, they will result in higher satisfaction or satisfaction exceeds that of expectations (Piewdang, Mekkamol, & Untachai, 2013).

According to Terrence Levesque and Gordon (1996) customers satisfaction is the state or what customers feel about the service provider after using the service. Oliver (1999) and Zineldin (2000) suggested that customer's satisfaction was an emotional response or an overall feeling of the customer for the service provider on the basis of comparing the differences to what they received from the previous expectations.

The Servqual scale model (Parasuraman et al., 1985) is one key tool in marketing activities used to evaluate the service quality. Many authors studied and tested Servqual scale with different theories that are evaluated Servqual scale reliability and high value. This scale can be applied in the different types of services such as banks, schools, retail sector, restaurants, hotels, hospitals, supermarkets, airlines and others. Servqual scale measures service quality based on the perception by customers using its service (Tran, 2016). Parasuraman et al (1985) said that in any services the quality of service perceived by customers could apply to the scale of the model including the 10 components. Cronin and Taylor (1992, 1995) systemarized Servqual model into Servperf model which had 05 factors according to flexibility depending on the service sector. The model applied for this research includes 05 key factors determining the quality of the service (Variable Y) including: reliability, responsiveness, competence, access, and tangibles (Variable X).

## **RESEARCH METHODS**

The research results were done through 02 qualitative and quantitative research methods which had three phases. Stage 1: Based on the doctrine, the theory and the results of scientific research concerning the above, the authors used qualitative research methods to conduct group discussions, consultation of experts aims to select the variables and variable observation group. Stage 2: Based on the factors affecting the choice

decision of foreign visitors to Ba Ria – Vung Tau destination, survey questionnaires were designed to collect comments from 333 visitors. The model consisted of 5 scales with 42 observed variables (research question), using 5- point Likert scale (Likert scale with a 5- point), Distance value = (Maximum - Minimum) / n = (5 -1) / 5 = 0.8: 1. Completely disagree; 2. Disagree; 3. No opinion / Normal; 4. Agree; 5. Totally agree. Survey results input was used SPSS 20.0 and Cronbach's alpha coefficient to test reliability of the scales. Stage 3, After testing the reliability using Cronbach's alpha coefficient, Exploratory Factor Analysis - EFA was analyzed to shrink and summarize the data of the scale. This method is based on extraction ratio factor (Eigenvalue), under which only those factors having ration (Eigenvalue) greater than 1 will be kept, those smaller than one will not show information better than origin variable because after standardizing, each original variance is 1. The method of extracting the main components (Principal components) and original method of factor rotation (Varimax Procedure) were used to minimize the number of variables that have large coefficients for the same factor, which increases explaining the factors. This result is used to analyze multiple linear regressions for testing assumptions of the model, which consider the impact level of factors, since then impact extent of these factors affecting the choice decision of foreign visitors to Ba Ria – Vung Tau destination is considered.

## RESEARCH RESULTS

### Statistics Summary

**Table 1: Survey information**

		Frequency	Percentage
C4	Company in Ba Ria-Vung Tau	66	19.8%
	Company in your country	74	22.2%
	Friend, relatives	53	15.9%
	Advertisement activities on your media	40	12.0%
	Your company's marketing and event organization activities in foreign country	22	6.6%
	Promotion activities	14	4.2%
	Others	64	19.2%
	Total	333	100.0%
C5	First time	118	35.4%
	Second time	99	29.7%
	Third time	59	17.7%
	Others	57	17.1%
	Total	333	100.0%

Among 333 tourists in the survey, 22.2% said that their travel information came from “service provided by their country”, people saying that it came from their acquaintances accounted for 15.9%, companies providing service in Ba Ria-Vung Tau accounted for 19.8%, promotion activities in their country in their country accounted for 12% , marketing activities from companies in their country accounted for 6.6%, VHTT & DL VN’s activities accounted for 4.2%, other sources accounted for 19.2%.

### Checking the reliability of scales

Criteria used when conducting the examination of scales: leaves out observed variables that has small Corrected Item-Total Correlation (smaller than 0.3). According to Nunnally & Burnstein (1994), variables which have Corrected Item-Total Correlation smaller than 0.3 are considered trash variables and will be eliminated out of the model, the standard of choosing

scale when having Alpha reliability bigger than 0.6. So, in this research the author used reliability coefficient of Cronbach's Alpha scale which is bigger than or equals to 0.6 and Corrected Item-Total Correlation is bigger than or equals to 0.3 then the scale will be reliable enough to execute following steps.

### **Exploratory Factor Analysis**

The result of analyzing factors shows that there are 38 observed variables divided into 5 factors. Variables that have factor loading are bigger than 0.5 so variables are more important than factors, they have practical meaning. KMO coefficient= 0.95>0.5 so EFA analysis is suitable with the data. Bartlett's test inspection has meaning level of 0.000<0.05, so observed variables are related to each other within the overall scope. Eigenvalue = 1.077 > 1 is qualified, 38 observed variables are grouped into five factors. Variance extracted equals to 65.709%, which shows that the 5 factors can explain 65.709% variability of the research data. 5 factors are created after analyzing EFA which has Cronbach's Alpha>0.6 so these 5 scales are qualified when analyzed in the following steps.

The result of analyzing factors shows that there are 3 observed variables divided into 1 factor. Variables that have factor loading are bigger than 0.5 so variables are more important than dependent variable factors, they have practical meaning. KMO coefficient= 0.676>0.5 so EFA analysis is suitable with the data. Bartlett's test inspection has meaning level of 0.000<0.05, so observed variables are related to each other within the overall scope. Eigenvalue = 2.230 > 1 is qualified, 3 observed variables are grouped into 1 factor. Variance extracted equals to 74.327%, which shows that the dependent variable factors can explain 74.327% variability of the research data. The factor is created after analyzing EFA giving dependent variable which has Cronbach's Alpha>0.6 so this scale is qualified when analyzed in the following steps

## Pearson correlation analysis

**Table 2: Pearson correlation analysis's table**

		SAT	REL	RES	ACC	TAN	COM
SAT	Correlation coefficients	1	.730**	.779**	.724**	.467**	.728**
	Level of meaning Sig.		.000	.000	.000	.000	.000
	Total number of survey	333	333	333	333	333	333
REL	Correlation coefficients	.730**	1	.712**	.629**	.385**	.566**
	Level of meaning Sig.	.000		.000	.000	.000	.000
	Total number of survey	333	333	333	333	333	333
RES	Correlation coefficients	.779**	.712**	1	.721**	.375**	.585**
	Level of meaning Sig.	.000	.000		.000	.000	.000
	Total number of survey	333	333	333	333	333	333
ACC	Correlation coefficients	.724**	.629**	.721**	1	.378**	.576**
	Level of meaning Sig.	.000	.000	.000		.000	.000
	Total number of survey	333	333	333	333	333	333
TAN	Correlation coefficients	.467**	.385**	.375**	.378**	1	.382**
	Level of meaning Sig.	.000	.000	.000	.000		.000
	Total number of survey	333	333	333	333	333	333
COM	Correlation coefficients	.728**	.566**	.585**	.576**	.382**	1
	Level of meaning Sig.	.000	.000	.000	.000	.000	
	Total number of survey	333	333	333	333	333	333

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Results in the Pearson correlation analysis in Table 2 reveal that all independent variables correlate with dependent variables at 1% meaning and 99% reliability. SAT dependent variables have strongest correlation with RES independent variables (Pearson coefficient= 0.779) and have weakest correlation with TAN independent variables (Pearson coefficient=0.467). This strong correlation is ideal because of strong, linear relationships between variables which can explain the effect on model results. For that reason, these independent variables can be put into regression analysis to explain the effect on model results. Among some independent variables , there is a strong correlation at 1% meaning and 99% reliability. Therefore, in multivariable regression analysis, be careful with multi-collinear case that can happen in the model as they can affect the analysis result.



**Table 3. Result of multivariate regression analysis by Enter method**

Model	Unstandardized coefficient		standardized coefficient	t	Sig.	Collinear statistics	
	B	Standard deviation	Beta			Acceptance	Variance Multipliers coefficient
	-.062	.121		-.516	.607		
REL (Reliability)	.206	.041	.200	4.979	.000	.439	2.280
RES (Responsiveness)	.302	.045	.299	6.734	.000	.358	2.796
ACC (Access)	.169	.041	.170	4.184	.000	.426	2.347
TAN (Tangibles)	.092	.028	.097	3.257	.001	.798	1.253
COM (Competence)	.262	.030	.305	8.658	.000	.567	1.762
R	0.877						
R Square	0.769						
Adjusted R Square	0.766						
Durbin Wastson	1.855						
F (218,168)	Sig. = 0.000						
Regression	SAT = 0.206*REL + 0.302*RES + 0.169*ACC + 0.092*TAN + 0.262*COM						

The result in table 3 shows that, R coefficient which is 0.877, there is a strong relationship between variables in the model. Report on regression results shows that R<sup>2</sup> result (R square) is equal to 0.769, this means the model's appropriate level is 76.9% or in other words 76.9% of the variability of job satisfaction is explained by five factors. Adjusted R square reflects more accurately the suitability of the model compared to the overall, we have R value adjusted to 0.766 (or 76.6%) by F Change accreditation, Sig <=0.05 means that there is a linear regression model between satisfaction and the five factors of influence.

F accreditation used in the analysis of variance is a hypothesis test about the suitability of the overall linear regression model to examine dependent variable if it has linear connection to the whole set of independent variables. Looking at the table (ANOVA) we see that F statistician is counted from full R<sup>2</sup> result which is different from 0, has Sig. value= 0.0000(<0.05) which is very small shows that the model used is suitable with data sets and all variables meet acceptable standards (Tolerance > 0.0001)

**Testing autocorrelation of residuals**

According to the analysis in table 3, with the number of observations of  $n = 333$ , parameter number of  $\beta - 1 = 5$  ( $k_2 = 5$ ), meaning level of 0.01 (99%) according to Durbin - Watson statistics  $dL$  (Statistical values lower) = 1.623 and  $dU$  (Statistical values upper) = 1.725, Durbin-Watson coefficient ( $d$ ) = 1.855 is between (1.725; 2.275), so there is no self-correlation phenomenon between residuals in the model, the research model has statistical significance.

**Testing Multiple Collinearity**

According to the analysis in table 3, Variance Inflation Factor coefficient VIF of variables in the model is very small, ranging from 1.253 to 2.796 smaller than 10 proves that the regression model does not violate the hypothesis of multi-collinearity, the research model has statistical significance.

**Table 4. Determine the variance of the constant error**

			ABSZRE	REL	RES	ACC	TAN	COM
Spearman's rho	ABSZRE	Correlation coefficients	1.000	.002	-.044	-.020	-.107	-.002
		Level of meaning Sig.	.	.968	.428	.715	.052	.969
		Total number of survey	333	333	333	333	333	333
	REL	Correlation coefficients	.002	1.000	.631**	.560**	.359**	.487**
		Level of meaning Sig.	.968	.	.000	.000	.000	.000
		Total number of survey	333	333	333	333	333	333
	RES	Correlation coefficients	-.044	.631**	1.000	.633**	.374**	.529**
		Level of meaning Sig.	.428	.000	.	.000	.000	.000
		Total number of survey	333	333	333	333	333	333
	ACC	Correlation coefficients	-.020	.560**	.633**	1.000	.379**	.524**
		Level of meaning Sig.	.715	.000	.000	.	.000	.000
		Total number of survey	333	333	333	333	333	333
	TAN	Correlation coefficients	-.107	.359**	.374**	.379**	1.000	.382**
		Level of meaning Sig.	.052	.000	.000	.000	.	.000
		Total number of survey	333	333	333	333	333	333
	COM	Correlation coefficients	-.002	.487**	.529**	.524**	.382**	1.000
		Level of meaning Sig.	.969	.000	.000	.000	.000	.
		Total number of survey	333	333	333	333	333	333

Analysis results from table 4 shows that Spearman correlation coefficients between independent variables and absolute value of standardized residual which has meaning level Sig. <0.05 so we can conclude that variables ensure that there is no variance

of changing residual, the model has statistical significance. The relationship between the dependent variable and 5 independent variables is shown in this equation  $SAT = 0.200*REL + 0.299*RES + 0.170*ACC + 0.097*TAN + 0.305*COM$ . This coefficient locates the effect of independent variables to dependent variables in the regression model. Standardized regression coefficients can be converted to percentage like this. REL factor (Reliability) contributes 18.7%, RES factor (Responsiveness) contributes 27.9%, ACC factor (Access) contributes 15.9%, TAN factor (Tangibles) contributes 9.1%, COM factor (Competence) contributes 28.5%. So, the order of influence to satisfaction (SAT): first is “Competence”; second is “Responsiveness”; third is “Reliability”; fourth is “Access” and finally “Reliability”.

### **Testing the hypotheses of the research model**

*H1 hypothesis: Reliability (REL) impacts on the same way to tourists’s satisfaction.*

Estimated result shows that the relationship between reliability (REL) and visitor satisfaction is 0.200 on level of statistical significance of  $Sig.=0.000<0.05$  so H1 hypothesis is supported with sample survey data. Therefore, Reliability (REL) is one of the factors which influence tourists’s satisfaction.

*H2 hypothesis: Responsiveness (RES) impacts on the same way to tourists’s satisfaction.*

Estimated result shows that the relationship between reliability (REL) and visitor satisfaction is 0.299 on level of statistical significance of  $Sig.=0.000<0.05$  so H2 hypothesis is supported with sample survey data. Therefore, Responsiveness (RES) is one of the factors which influence tourists’s satisfaction.

*H3 hypothesis: Access (ACC) impacts on the same way to tourists's satisfaction.*

Estimated result shows that the relationship between Access (ACC) and visitor satisfaction is 0.170 on level of statistical significance of  $\text{Sig.}=0.000<0.05$  so H3 hypothesis is supported with sample survey data. Therefore, Access (ACC) is one of the factors which influence tourists's satisfaction.

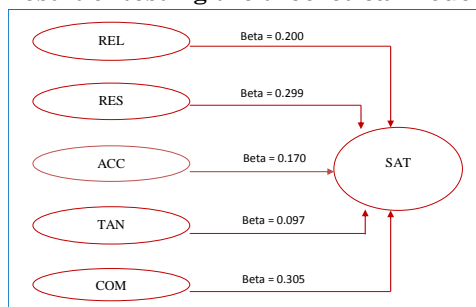
*H4 hypothesis: Tangibles (TAN) impacts on the same way to tourists's satisfaction.*

Estimated result shows that the relationship between Tangibles (TAN) and visitor satisfaction is 0.097 on level of statistical significance of  $\text{Sig.}=0.001<0.05$  so H4 hypothesis is supported with sample survey data. Therefore, Tangibles (TAN) is one of the factors which influence tourists's satisfaction.

*H5 hypothesis: Competence (COM) impacts on the same way to tourists's satisfaction.*

Estimated result shows that the relationship between Competence (COM) and visitor satisfaction is 0.305 on level of statistical significance of  $\text{Sig.}=0.000<0.05$  so H5 hypothesis is supported with sample survey data. Therefore, Competence (COM) is one of the factors which influence tourists's satisfaction.

**Figure 1. The result of testing the theoretical model**



From the analyses above, we can conclude that the theoretical model which is suitable with the research data, has 5 factors that influence tourists's satisfaction: Reliability (REL), Responsiveness (RES), Access (ACC), Tangibles (TAN), Competence (COM). Hypotheses which have been accepted are: H1, H2, H3, H4, H5.

## **CONCLUSIONS AND SOLUTIONS**

The research reveals that there are 5 factors which influence tourists's satisfaction toward service quality in Ba Ria-Vung Tau destination and with varying effect, in the order of: first is "Competence"; second is "Responsiveness"; third is "Reliability"; fourth is "Access" and finally "Reliability". This is an important basis for Ba Ria-Vung Tau destination to examine their strategy of development in years to come. Based on these research, our group would like to suggest some administrative implications such as:

Firstly, it is necessary to improve service ability of our human resources in the tourism industry. Factors that influence service ability is evaluated to be mainly related to: knowledge, professionalism, service attitude, enthusiasm and willingness to serve of the staff in the tourism industry through the perception of customers.

Secondly, we should improve the ability to meet the constantly rising demand of tourists. The assurance of service quality and quantity of goods, the assurance of time and delivery schedule, the assurance of service process and transportation process inspection etc. These activities will prove the professionalism of service providers.

Thirdly, the trustworthiness of a brand of a related destination is extremely important. Tourism authorities need to strengthen the surveillance of travel agencies, accommodation establishments, restaurants, entertainment attractions, shopping centers, service management agencies at the beach

etc to make sure that enterprises have registered to report price list, service process to ensure professional service, quality and right in the first time. Authorities need to strengthen monitoring and may even resort to sanctioning to ensure quality service. This operation is maintained to create a fair and healthy competition for businesses and also to build Ba Ria - Vung Tau into an ideal destination for all tourists.

Fourthly, enterprises need to set up a plan to change the facilities and equipment to ensure the quality as committed. It is necessary to build and develop souvenir production facilities with many products which are indigenous of the Ba Ria - Vung Tau destination and to consider them as one of the tourist attractions.

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