



THE VARIOUS FACTORS INFLUENCING THE ATTRACTION OF FOREIGN TOURISTS: A CASE OF HO CHI MINH CITY

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ABSTRACT

The main objective of this paper was to conduct and to analyze the factors affecting the attraction of foreign tourists to Ho Chi Minh city (HCM) destination. The qualitative and quantitative research methods were combined on conducting 323 foreign visitors with 34 observed variables aimed at determining the factors affecting the attraction of foreign tourists to HCM destination. This paper conducted during the period from June 2014 to June 2015. The foreign tourists' responses measured through an adapted questionnaire on a 5-point Likert scale and hard copy.

The exploratory factor analysis (EFA) results showed that showed there were six components of the attraction of foreign tourists following: (1) Particular Attraction, (2) Service - Service Quality, (3) Material Conditions, (4) Natural Conditions - Natural Resources, (5) Tourism Environment and (6) Transportation. Besides, those components affecting the attraction of foreign tourists to Ho Chi Minh city (HCM) destination with significance level 5 %. At the same time, the results were also scientific evidence and important information for researchers, and policy makers who apply them for improving the attraction of foreign tourists to Ho Chi Minh city. The researcher had obtained the main objectives of this study were to:

1. The first objective, the researcher had to conduct a survey to find factors that are components affecting the attraction of foreign tourists to Ho Chi Minh city (HCM) destination.

2. The second objective, the researcher had to identify, analyze and test some factors that are components affecting the attraction of foreign tourists to Ho Chi Minh city (HCM) destination.

Keywords: Ho Chi Minh city, foreign tourists, components and HCM tourism.

Introduction

Ho Chi Minh City is the economic center of Vietnam and accounts for a large proportion of the economy of Vietnam. Although the city takes up just 0.6% of the country's land area, it contains 8.34% of the population of Vietnam, 20.2% of its GDP, 27.9% of industrial output and 34.9% of the FDI projects in the country in 2012. In 2012, the city had 5,344,000 laborers, of whom 130,000 are over the labor age norm (in Vietnam, 60 for male and 55 for female workers). In 2012, GDP per capita reached \$3,800, compared to the country's average level of \$1,042.

In 2013, GDP of the city grew 7.6% by Q1, 8.1% by Q2, and 10.3% by the end of Q3. By the end of 2013, the city's GDP grew 9.3%, with GDP per capital reach \$4500. Besides, Tourism is now one of the world's largest industries and one of its fastest growing economic sectors. The city tourism is seen as a main instrument for economic - sosial development, as it stimulates new economic activities. Tourism may have a positive economic impact on the balance of payments, on employment, on gross income and production, but it may also have negative effects, particularly on the environment. Combined with the practical requirements of the job, the researcher had chosen this title as a paper applying in Business Administration.

Literature Review

According to Harad (1988), Lee Young & Yang Dong (2002, 2003), Koteer Bunn (2011) suggested that to enhance the tourist attraction, the destination must emphasize the role of its factors such as: facilities - tourism infrastructure; service; quality of service; tourist environment and the specific differences of that destination. Particularly, Koteer Bunn (2011) argued that in order to improve the tourist attraction, that destination must have its "own charm." The main attraction is to highlight its particular attraction to tourists such as: the Statue of Liberty in New York; Eiffel Tower in Paris which is located in the south bank of the Seine; the road covered with full of Heerstrasse blossom in Japan, Korea and Bonn (Germany) that became special of those destinations.

Although Honey (2009) also agreed with that point of view, he also emphasized that there was another factor affecting the attractiveness to tourists at destinations. It was the superstructure or ideology (awareness of tourists and local people) to raise awareness of tourists and locals on sustainability, conservation, preservation and provement of the natural landscape values, tradition and culture at these destinations. The same to this view, David Halm (2000); Oliver, Zeithaml & Bitner (2000); Grend (2004); Mackoy and Spreng (2005); Murray (2007) hightlighted the factors affecting tourists' satisfaction to these destinations are quality products and services. It is said that to raise the level of satisfaction and the percentage of visitors to return that destination, production process and service; quality of management; risk management should be invested to ensure excellent service quality.

Tribe & Snaith (1998) in Holsat model and "Tourism & the destination" book (2003) and Haiyan Song (2000), School of Hotel and Tourism Management of the Polytechnic Hong Kong University also concluded that the satisfaction of tourists to a destination are similar to HCM City such as Bangkok and Hong Kong that are the attraction and facilities - accomodation; transport; environment and service quality.

Thus, the factors affecting tourist attraction to a destination focus on the following key points: (1) Particular Attraction, (2) Service - Service Quality, (3) Material Conditions, (4) Natural Conditions - Natural Resources, (5) Tourism Environment and (6) Transportation.

Particular Attraction: It includes all values, with its own unique characteristics, aesthetic, art, architecture, culture, draws all tourists'senses that brings them much emotion, joy, excitement, high satisfaction and arouses the others' interests. (Koteer Bunn, 2011)

Service - Service Quality: It is a set of activities and results which one party (the seller) can provide the other party (the buyer) and mainly the intangible value (according to David Kopt, 1999); Service is the act, process, and way to perform a particular job in order to create value for customers to satisfy the needs and expectations of customers (Valarie Zeithaml and Mary J A Bitner, 2000). Quality is the degree to meet the requirements of a set which is available characteristic (According to 3.1.1 regulation of ISO 9000: 2005); Quality is satisfying market demands with the lowest cost compared to competitors (Ishikawa, 2005)

Material Conditions: It includes a system of facilities to cater to the demand such as accommodation, dining, entertainment, recreation, shopping, sports, recreation, therapy, communication and cultural exchange (Tribe and Snaith, 1998).

Natural Conditions - Natural Resources: It consists of a set of available values in nature and human values which are built, renovated, conserved, preserved and proved for example land, water, climate, biology, mineral and others. They are valuable source of material that people can exploit, process and use to serve their benefits. (Chann & Bunn, 2001)

Tourism Environment: It is a set of natural factors, cultural factors and material artificial factors which have close relationship with each other, surrounded by humans. It affects the lives, the production, the survival, the development of man and nature "(Honey, 2009)

Transportation: It is the movement of people, animals and goods from one place to another via methods such as roads, airways, railways, seaways, cable car, hot air balloon, pipelines and space (Haiyan Song, 2000).

Research model: Based on the theoretical framework and the results of scientific research of Tribe and Snaith (1998); David Halm (2000); Koteer Bunn (2011); Honey (2009) and many related findings as mentioned above, the author of this research consulted experts' opinions and conducted preliminary studies before proposing the following formal model:

Research model for the various factors influencing the attraction of foreign tourists

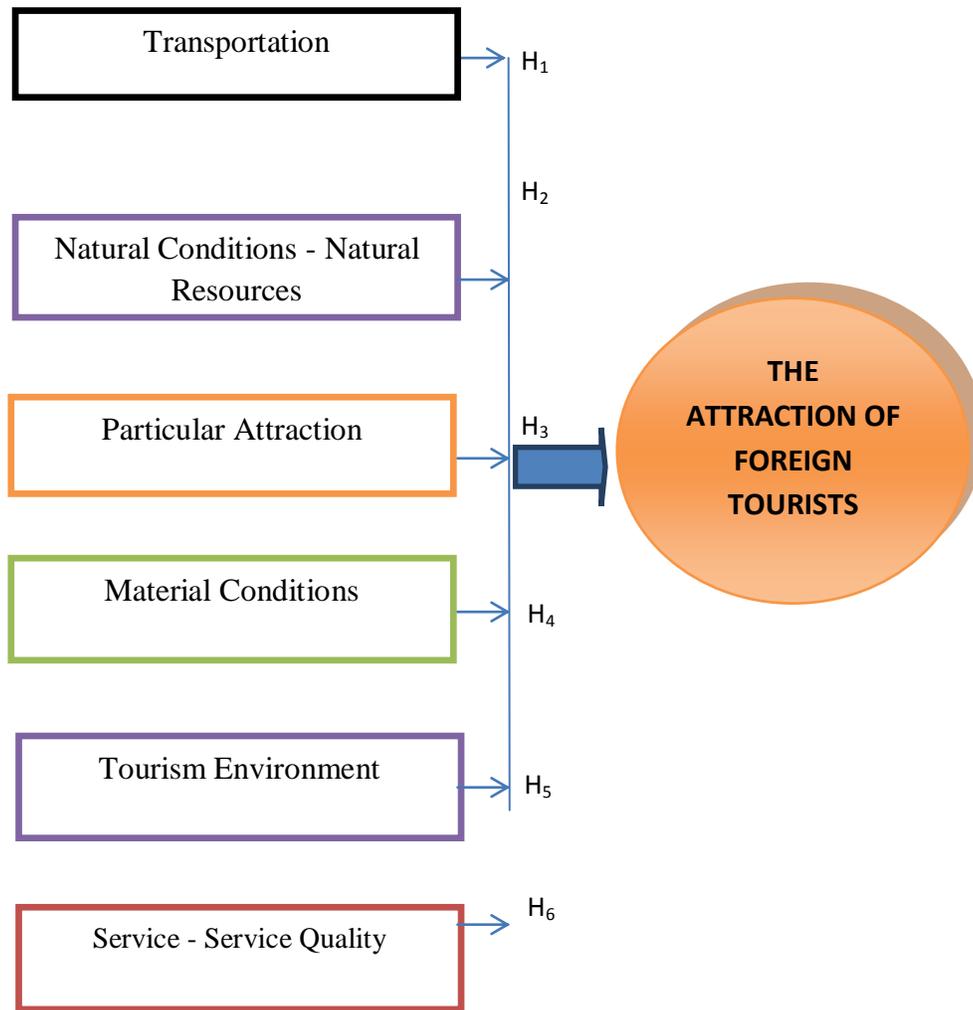


Figure 1: Research model for the various factors influencing the attraction of foreign tourists

Hypothesis:

- H₁:** There is a positive relationship between Transportation and the attraction of foreign tourists.
- H₂:** There is a positive relationship between Natural Conditions - Natural Resources and the attraction of foreign tourists.
- H₃:** There is a positive relationship between Particular Attraction and the attraction of foreign tourists.
- H₄:** There is a positive relationship between Material Conditions and the attraction of foreign tourists.
- H₅:** There is a positive relationship between Tourism Environment and the attraction of foreign tourists.

H₆: There is a positive relationship between S Service - Service Quality and the attraction of foreign tourists.

Methods of Research

This study used the two following major research methods that are focused qualitative (qualitative) and quantitative (quantitative), specifically, the research process has three stages following.

Stage 1: Based on theor and the related results of scientific research mentioned the above, qualitative research method was used for group discussing and leading experts consultating to select the variables and observed variable groups.

Stage 2: According to the factor groups affecting attractions of foreign tourists, survey questionnaires was designed for collecting suggestions of 323 visitors from 21 countries visiting many days in HCMC. The research model includes 6 scales, 34 observed variables (questions), using 5-point Likert scale, 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 were entered SPSS 20.0 and using Cronbach's alpha coefficient was to test reliability of the scale.

Finally, Exploratory Factor Analysis (EFA) is to shrink and summary data (according to Hoang Trong and Chu Nguyen Mong Ngoc, 2005 "Quantitative Research by applying SPSS 20.0 version") was analyzed. This method was based on the ratio withdrawing from the main components (Principal components) and factors original rotating method (Varimax Procedure) was used to minimize the number of variables having large coefficients at the same factors, to increase factor explanation. The above results were used to analyze multiple linear regressions to test the assumptions of the model, which was considered the impact of these factors on tourist satisfaction to Ho Chi Minh destination.

Research Results

Descriptive Statistics for the various factors influencing the attraction of foreign tourists

Table 1: Descriptive Statistics for the various factors influencing the attraction of foreign tourists

QUESTIONS	N	Mean	SD
SP1: Tourist products and services are plentiful and diversified	323	1.78	.658
SP2: There are many high-class entertainment centers of the region	323	2.48	.581
SP3: There are many high-class shopping centers of the region	323	2.00	.685
SP4: There are many traditional markets which have deep local culture	323	2.55	.574
SP5: Prices of services of sight-seeing and entertainments are reasonable	323	1.87	.687
SP6: Souvenirs are characteristics and unique	323	2.98	1.100
PA1: There are many featured destinations	323	3.30	1.002
PA2: There are many unique and attractive architectures	323	3.23	.924
PA3: There are many cultural characters, habits and customs and unique way of life	323	3.27	.874

Table 1: Continued

PA4: There are special travel carnivals	323	3.35	.894
PA5: The local people is friendly, gentle, joyful and hospitable	323	3.29	.938
PA6: Tourist products and services have particular characters	323	3.53	.842
MCI: Accommodations are good	323	3.27	.918
MC2: Traffic and drainage system has good improvement	323	3.25	.792
MC3: The accommodation facilities create space for interesting experience of visitors	323	3.31	.795
MC4: Foods are good, diversified and attractive	323	3.26	.866
MC5: Good and convenient public facilities	323	3.26	.901
NR1: There are plentiful and diversified natural resources	323	3.28	.888
NR2: Many rivers, canals around the city are beautiful and they are goods for river tourist types	323	3.31	.789
NR3: The geographical position of the city is easy to link attractive tourist destinations	323	3.37	.778
NR4: The weather and climate are beautiful and convenient	323	3.35	.803
NR5: There are world-class biological reserves recognized by Unesco	323	3.41	.889
NR6: The Ecosystem is diversified and suitable for natural tourist types	323	3.37	.866

TE1: The tourist security in HCMC is good	323	1.79	.653
TE2: Hochiminh city has green, clean and good environment	323	1.91	.648
TE3: There are many good tourist signboards, instructions	323	2.33	.678
TE4: Notifications and recommendations are clear enough for tourists	323	2.45	.635
TE5: Solid strategies in place to enhance tourism activities effectively	323	2.00	.809
TR1: Infrastructure supporting the transporting activities between HCM city and other provinces in the country is always available	323	3.18	.878
TR2: Transporting vehicles by road and by water are in a good condition	323	3.17	.733
TR3: Airports, tourism ports, train stations are continuously modernized	323	3.36	.785
TR4: Harbours and piers are continuously modernized	323	3.24	.761
TR5: Public transportation in the urban is established properly	323	3.18	.816
TR6: Public transportation in the urban is friendly for the disabled	323	3.27	.885
GT1: I am very pleased to visit HCM city as my destination	323	2.91	.862
GT2: I will visit HCM city in the future	323	2.89	.785
GT3: I will recommend my family and my friends to visit HCM city	323	2.90	.708

(Source: The researcher's collecting data and SPSS)

Table 1 showed that there were 34 items processed, the mean is around 3 point. This showed that the result of the descriptive statistics from items that had 323 visitors processed in Ho Chi Minh city interviewed from 6/2014 until 6/2015. Standard deviation (SD) value is around 1.0. This showed that the Data is very good for the testing of Cronbach's Alpha following.

The testing of Cronbach's Alpha for the various factors influencing the attraction of foreign tourists in Ho Chi Minh city

Table 2: The testing of Cronbach's Alpha for the various factors influencing the attraction of foreign tourists

Variable	Code	Factors	Items	Cronbach's Alpha
IDV	SP	Service - Service Quality	6	0,868
	PA	Particular Attraction	6	0,886
	MC	Material Conditions	5	0,882
	NR	Natural Conditions, Natural Resources	6	0,871
	TE	Tourism Environment	5	0,872
	TR	Transportation	6	0,879
DV	GT	The attraction of destinations	3	0,807

(Source: The researcher's collecting data and SPSS)

Table 2 showed that the test results of scales had pretty high accuracy on Cronbach's alpha coefficient were > 0.7 and the total correlation coefficients of the variables measurement met the standard (> 0.3). The scales were acceptable. There are 34 initial observed variables, two variables were eliminated. The variable "Souvenirs are characteristics and unique" (SP6) for the reliability of this factor increased to 0.868, and the variable "Tourist products and services have particular characters" (PA6) for the reliability of this factor increased to 0.886. Then, the scale would be better, there were 32 items observed left for analyzing factors explored in the next step.

Table 3: KMO and Bartlett's Test for the various factors (Independent variables)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.907
Bartlett's Test of Sphericity	Approx. Chi-Square	6496.851
	df	496
	Sig.	.000

(Source: The researcher's collecting data and SPSS)

Table 3 showed that the KMO coefficient value = 0907 > 0.5 \Rightarrow logical factor analysis. Therefore, factor analysis reached the standard. Also worth sig. (Bartlett's test) = 0.000 < 0.05 \Rightarrow The variables are correlated in general. This Data is very good for regression analysis.

Table 4: Total Variance Explained for the various factors (Independent variables)

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	10.888	34.024	34.024
2	3.461	10.816	44.840
3	2.105	6.579	51.419
4	2.067	6.460	57.880
5	1.640	5.124	63.004
6	1.275	3.983	66.987

(Source: The researcher's collecting data and SPSS)

Table 4 showed that Eigenvalues value = 1.275 > 1 represents the fraction of variation explained by each factor, the drawn factors have the best meaningful summary. The total variance extracted of cumulative % = 66.987% > 50%. This proves that 66.987% of the variance data is explained by 6 factors, the remaining 33.013% is explained by other factors.

Table 5: The results of Rotated Component Matrix for the various factors

Code	Component					
	1	2	3	4	5	6
TR6	.801					
TR1	.787					
TR5	.735					
TR3	.707					
TR4	.701					
TR2	.532					
NR2		.793				
NR1		.741				
NR6		.684				
NR5		.652				
NR4		.646				
NR3		.567				
PA3			.779			
PA5			.769			
PA1			.726			
PA2			.717			

PA4			.716			
MC5				.768		
MC3				.762		
MC1				.745		
MC4				.717		
MC2				.680		
TE2					.873	
TE1					.837	
TE5					.790	
TE4					.745	
TE3					.666	
SP4						.850
SP1						.780
SP5						.771
SP2						.755
SP3						.694

(Source: The researcher's collecting data and SPSS)

Table 5 showed that 32 observed items can be divided into six groups of factors; all items are Loading Factor coefficient > 0.5 . This showed that the analytical data are consistent and can be conducted multiple regression analysis with 6 independent variables respectively: Transportation (TR: X1), natural conditions and natural resources (NR: X2), Particular Attraction (PA: X3), material condition (MC: X4), the tourism environment (TE: X5), service - service quality (SP: X6).

In addition, KMO and Bartlett's Test for dependent variables following:

The results of inspection, KMO coefficient has value = $0.618 > 0.5$ and sig = 0.000 value < 0.05 => Analysis factors are suitable. Therefore, coefficient analysis meets the standard. Besides, the Total Variance Explained table, we have: Eigenvalues = $2,200 > 1$ represents the fraction of variation explained by each factor, the drawn factors have the best meaningful summary. Rotation Sum of Square Loadings (Cumulative%) = $73.331\% > 50\%$ that meet the standard.

Regression analysis for various factors influencing the attraction of foreign tourists

Table 6: the results of Regression analysis for various factors influencing the attraction of foreign tourists

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.891 ^a	.794	.790	.307	1.960

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	114.453	6	19.076	202.585	.000 ^b
1 Residual	29.755	316	.094		
Total	144.208	322			

Coefficients

Variables	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
X1	0,213	0,036	0,204	5,942	0,000	0,556	1,798
X2	0,174	0,037	0,169	4,644	0,000	0,492	2,034
X3	0,199	0,030	0,229	6,680	0,000	0,557	1,795
X4	0,189	0,033	0,200	5,719	0,000	0,536	1,865
X5	0,264	0,035	0,220	7,591	0,000	0,776	1,289
X6	0,303	0,039	0,234	7,855	0,000	0,737	1,375

(Source: The researcher's collecting data and SPSS)

Table 6 showed the coefficient of adjustment: $R^2 = 0.790$ (verification $F = 202.585$, significance < 0.05); which means 79% of the variable Y shift is explained by six independent variables (X_i). Coefficient Durbin - Watson (d) = 1.960; some observers $n = 323$, parameter $k = 6$, the significance. So we have: $(dL = 1.613) < (d = 1.960) < [4 - (dU = 1.735)] = 2.265$ proved the model has no autocorrelation. In addition, the multiple regressions model that satisfied the evaluating conditions and tested the suitability for the drawing of the research results. F coefficient and variance analysis table was inspected. This accreditation examines the relationship among the dependent variable and all the independent variables. Results showed that all variables are satisfying the demands. Verifying the conformity of the model showed multicollinearity did not violate ($VIF < 10$).

Conclusions and recommendations

Conclusions

The research results showed that all t value > 2 was statistically significant and high data reliability. Besides, the regression coefficients were positive. This showed that the effects of independent variables in the same direction with the attraction of foreign tourists.

In this research, the results had the Variance Inflation Factor (VIF) and Tolerance shown to be the following VIF < 10 . ($1 < \text{Tolerance} < 10$). This showed that there was not Multicollinearity.

We had the component 1 (X1): The Transportation affecting on the attraction of foreign tourists with significance level of 5%.

We had the component 2 (X2): The natural conditions and natural resources affecting on the attraction of foreign tourists with significance level of 5%.

We had the component 3 (X3): The particular attraction affecting on the attraction of foreign tourists with significance level 5 %.

We had the component 4 (X4): The material condition affecting on the attraction of foreign tourists with significance level 5 %.

We had the component 5 (X5): The tourism environment affecting on the attraction of foreign tourists with significance level 5 %.

We had the component 6 (X6): The service - service quality affecting the attraction of foreign tourists with significance level 5 %.

Recommendations

Recommendation for Service - Service Quality

Ho Chi Minh city needs to have strategies diversifying tourism products and services and enhance the quality of tourism services to meet international standards; Construction of shopping spot for entertainment which is civilized - a modern; Preservation and provement the traditional market, shopping points with unique souvenirs with friendly, civilized – modern salespeople.

Recommendation for Particular Attraction

Ho Chi Minh city is advised to concentrate mainly on this solution. Some unique architecture with international stature should be invested to aims at being highlighted in Ho Chi Minh City Destination. Besides, the buildings and historical sites need preserving, restoring and promoting for further value.

Recommendation for *Tourism Environment*

Ho Chi Minh city should continue to raise awareness of people in preserving and protecting the environment; strengthening the propaganda to preserve and protect the

environment; building tourism security environment.

Recommendations for Transportation

Ho Chi Minh city should continue to improve the transport infrastructure and tourism; urban transport systems; building friendly transport system for disabilities; upgrading systems of railways, ports, docks with international standards; building more subway routes to minimize traffic in inner city need investing.

Recommendation for Material Conditions

Ho Chi Minh city needs becoming a civilized city - modern; facilities, supermarkets, shopping centers, world-class entertainment need constructing and upgrading of accommodation facilities to international standards and others.

Recommendation for Natural Conditions - Natural Resources

Ho Chi Minh city should develop plans to exploit natural resources logically and sustainably in Ho Chi Minh City Destination. It should take advantage of a variety of existing natural landscape as Can Gio mangrove ecosystems to develop ecotourism; combining with the neighborhood as Bien Hoa, Binh Duong, Tien Giang, Ben Tre, Cu Chi to develop community ecotourism. It should take advantage of canal systems in the city center to develop river tourism routes and others.

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