Tourists’ Satisfaction towards Bao Loc City, Vietnam

Ha Nam Khanh GIAO¹, Tran Dieu HANG², Le Thai SON³, Dinh KIEM⁴, Bui Nhat VUONG⁵

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Abstract

Bao Loc City is the new tourism destination in Lam Dong province, Vietnam, where more and more tourists have been drawn to pay a visit. This study aims to test the correlative impact of tourism service quality factors on satisfaction of the tourists who have visited Bao Loc City. The key theory used in this study is SERVQUAL scale. The survey sample consists of 350 tourists who stayed overnight in Bao Loc City in the last quarter of 2019; 315 valid survey questionnaires could be used for the analysis. The research applied Cronbach’s Alpha, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), structural equation modeling (SEM), and bootstrap test. The results show that the satisfaction of the tourists who have visited Bao Loc City has been affected statistically by three factors: (1) Responsiveness; (2) Reliability; and (3) Empathy, which were ranked by descending importance. Surprisingly, the research found that Tangibles and Assurance do not have an impact on tourists’ satisfaction towards Bao Loc City. The research formulates some suggestions to the city policy-makers and the tourism businesses management in Bao Loc City in order to enhance tourists’ satisfaction through improving the tourism service quality at Bao Loc City.

Keywords: Bao Loc City, Service Quality, Structural Equation Modelling (SEM), Tourists’ Satisfaction, Vietnam

JEL Classification Code: C12, C83, L83, Z32

1. Introduction

There are many studies on services and consumer behavior (Giao, 2004a, 2004b, Giao, 2018, 2018a, 2018b, 2018c, 2018d, 2018e, 2018f, 2018g, 2018h; Giao, 2019a, 2019b, 2019c, 2020; Giao, Hoai, & Vinh, 2019, Giao, Vuong & Quan, 2019; Vuong & Giao, 2020; Giao, Trung & Truong, 2019, Giao, Vuong, Huan, Tushar & Quan, 2020), on tourism and hospitality (Giao & Hao, 2011; Giao & Son, 2012, 2014; Giao, Kiem, Son, & Dung, 2018; Giao & Son, 2018; Son & Giao, 2018;), and on destination (Giao & Sang, 2018; Giao & Son, 2015). The research confirms that destinations that are attractive, not only for their natural landscapes, but also in terms of cultural differences, could draw many tourists. Bao Loc is one of two cities of Lam Dong province. When it comes to the Central Highlands province of Lam Dong, tourists will immediately think of Da Lat city, which has long been the most popular location in the region for hundreds of years. However, many tourists have discovered more beautiful places such as Dambri waterfall of Bao Loc City, tea plantation or Linh Quy Phap An, which is known as a pagoda in the clouds, a sunset for the soul. Dambri is the most imposing waterfall in the Central Highlands; the waterfall is attached to legends and unique cultural characteristics of ethnic people in the region such as Co Ho and Chau Ma, and Gong culture. It is a special characteristic on which to develop community tourism. Linh Quy Phap An pagoda was built in 2006, but it is only known since the past two years; the pagoda features breathtaking views from the mountaintop and offers a Sangri-
2. Literature Review

2.1. Travel Destinations

According to Medlik and Middleton (1973), tourism products are important to the overall experience, from the time people leave their homes until they return. Vietnam Tourism Law declares: “The tourism product is the set of services needed to satisfy the needs of tourists during the trip.” According to the United Nations World Tourism Organization (UNWTO), tourists include: international tourist; internal tourist; domestic tourist and national tourist, of which domestic tourists include internal tourists and international tourists. These concepts are also found in Giao (2011); Giao and Son (2014); Giao and Binh, (2011), (2014); Giao, Binh and Tung (2014); Giao, Hoan, Dung, Vinh and Anh (2014).

According to Rubies (2001), a travel destination is a geographic area which contains resources for tourism, attractions, infrastructure, equipment, service providers, other support and management organizations they interact with, that provide visitors with the experience they expect at the destination they have chosen. Giao (2011) argued that a destination for tourism is a point that we can perceive by geographic boundaries, politics or economy, and a place where tourism resources are attractive, capable of attracting and satisfying the needs of tourists.

Gartrell (1994) defined destinations as geographic regions that have attributes, features, attractions and services to attract potential users. In a strategic perspective, Buhalis (2000) argued that the destination is a mix of service products, providing an integrated experience for consumers. Page and Connell (2006) defined a destination as a mixture of pre-packaged products, services, accessibility, attraction, facilities, activities and support services. As such, a destination must have a certain range of facilities and services to offer visitors. Consequently, today, many cities and destinations are continually maintaining and improving their facilities to maintain competitive advantage, thereby allowing the destination to continue to maintain its market position.

2.2. Quality of Service and Customer Satisfaction

Service is the result of interactions between suppliers and customers, as well as by suppliers’ activities to meet consumer demand (ISO 9004-2: 1991E). According to Lovelock and Wirtz (2004), service is an economic activity that creates value and benefits the customer in a certain place and time by responding to the wishes of the receiver.

TCVN ISO 9000:2000 defined ‘Quality’ as “the level of a set of inherent characteristics of a product, system, or process to meet the requirements of customers and stakeholders.” When visitors travel, they must use the provider’s travel products and services, the results of the service provided through the interaction between the provider and the visitor, as well as by the activities of the supplier to meet the needs of the consumer (ISO 9004-2: 1991E). To measure visitor satisfaction, the quality of service is measured, as in the
consumption process, the quality of service is reflected in the interaction between suppliers and visitors (Svensson, 2002).

Many researchers agree with Parasuraman, Zeithaml and Berry (1985, 1988) who argued that service quality is determined by the difference between customer expectations of service and their evaluation of the service they receive. One of the primary theories on service quality is the theory of distance analysis (Zeithaml, Parasuraman, & Berry, 1990), which posits that consumers are satisfied when they evaluate the quality of service they receive equating or exceeding their expectations. Giao and Vu (2011) summarized simple customer satisfaction as a meeting point or area that overlaps between the ability of the business and the needs of the customer; or the level of a person’s sense of state begins with comparing the results obtained from the product/service with his or her expectations.

Giao and Son (2012) conducted a measure of service quality and customer satisfaction at the Dalat Flower Festival with the SERVQUAL scale (Cronin & Taylor, 1992) with five components using a 5-point likert scale: (1) Tangible; (2) Empathy; (3) Responsiveness; (4) Reliability; and (5) Assurance.

2.3. Research Models

The proposed model is based on the theoretical and practical premises of Bao Loc:

\[ f = \{\text{Assurance, Reliability, Empathy, Responsiveness, Tangible}\} \]

Hypotheses should be tested:

- \( H_1 \): Assurance has a positive effect on tourists’ satisfaction
- \( H_2 \): Reliability has positive effect on tourists’ satisfaction
- \( H_3 \): Empathy has a positive effect on tourists’ satisfaction
- \( H_4 \): Response has a positive effect on tourists’ satisfaction
- \( H_5 \): Tangibles has a positive effect on tourist’s satisfaction

3. Research Methodology

3.1. Qualitative Research

In the preliminary study, the author relied on a transformational scale from the SERVQUAL scale, and conducted a preliminary study with a focus group discussion to develop a preliminary scale and develop a questionnaire. From the preliminary questionnaire, the author interviewed 50 visitors, then consulted experts to adjust the wording for the questionnaire to understand and appropriate.

From the results of the preliminary study, after the adjustment, the official scale of research concepts was designed, preparing for quantitative research. Specific observations on measurements used 5-point Likert scale rating, from 1 = totally disagree to 5 = completely agree.

3.2. Survey

The survey was conducted in the last quarter of 2019 when 350 questionnaires were distributed in Bao Loc City with convenient sampling method. The interviewees are domestic and foreign visitors who are staying overnight in Bao Loc City. 325 copies were used for the analysis, 25 were rejected because of incomplete information. The sample characteristics are presented in Table 1.

<table>
<thead>
<tr>
<th>Table 1: Sample characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>From</td>
</tr>
<tr>
<td>North of Vietnam</td>
</tr>
<tr>
<td>Central of Vietnam</td>
</tr>
<tr>
<td>South of Vietnam</td>
</tr>
<tr>
<td>Foreign countries</td>
</tr>
<tr>
<td>Objective</td>
</tr>
<tr>
<td>Sight-seeing</td>
</tr>
<tr>
<td>Recreation</td>
</tr>
<tr>
<td>Visiting relatives</td>
</tr>
<tr>
<td>Business</td>
</tr>
<tr>
<td>Others</td>
</tr>
</tbody>
</table>
3.3. Quantitative Research

Cronbach’s Alpha testing is used to eliminate the rubbish before conducting factor analysis. Variables with a Corrected item total correlation less than 0.3 will be rejected. A reliability scale is good as it varies in the range [0.70-0.80]. If Cronbach’s Alpha ≥ 0.60, that is an acceptable scale of reliability (Giao & Vương, 2019).

Exploratory Factor Analysis (EFA) is used to identify groups of criteria for assessing service quality at Bao Loc tourism destinations. EFA is used to abbreviate a k set of observed variables into a set F (F < k) of the more significant factors. The basis of this reduction is based on the linear relationship of the factors with the observed variables.

The Confirmatory Factor Analysis (CFA) allows us to test how well we measure the measure variables representing constructs. The CFA method is used to confirm the univariate, multivariate, convergent and discriminant values of the scale of service quality.

4. Empirical Results

4.1. Scale Measurement and Measurement Model

Cronbach’s Alpha results for Bao Loc’s service quality scales are shown in Table 2, item total correlation is greater than 0.3. The scale meets the reliability, and is used in the EFA (Giao & Vương, 2019).

4.2. Exploratory Factor analysis

Exploratory Factor Analysis (EFA) results show that five factors were extracted at Eigenvalue 1.256 and the extraction variance was 59.351%. Observed variables are grouped into factors as the initial assumption, with reliability in Table 3.

<table>
<thead>
<tr>
<th>SCALE</th>
<th>NUMBER OF ITEMS</th>
<th>RELIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Assurance</td>
<td>3</td>
<td>0.758</td>
</tr>
<tr>
<td>2 Reliability</td>
<td>4</td>
<td>0.702</td>
</tr>
<tr>
<td>3 Responsiveness</td>
<td>4</td>
<td>0.828</td>
</tr>
<tr>
<td>4 Tangibles</td>
<td>5</td>
<td>0.695</td>
</tr>
<tr>
<td>5 Empathy</td>
<td>4</td>
<td>0.711</td>
</tr>
<tr>
<td>6 Satisfaction</td>
<td>4</td>
<td>0.747</td>
</tr>
</tbody>
</table>

Table 3: Factor Matrix

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASS.</td>
<td>0.853</td>
<td>0.856</td>
<td>0.681</td>
<td>0.787</td>
<td>0.728</td>
</tr>
<tr>
<td>REL.</td>
<td>0.727</td>
<td>0.724</td>
<td>0.711</td>
<td>0.716</td>
<td>0.623</td>
</tr>
<tr>
<td>RES.</td>
<td>0.756</td>
<td>0.667</td>
<td>0.792</td>
<td>0.732</td>
<td>0.623</td>
</tr>
<tr>
<td>TAN.</td>
<td>0.792</td>
<td>0.735</td>
<td>0.724</td>
<td>0.724</td>
<td>0.828</td>
</tr>
<tr>
<td>EMP.</td>
<td>0.713</td>
<td>0.713</td>
<td>0.713</td>
<td>0.713</td>
<td>0.713</td>
</tr>
</tbody>
</table>

Structural equation modeling (SEM) is used to test the proposed model. The structural model specifies the relationship between latent variables (a concept measured on many observable variables).
4.3. Confirmatory Factor Analysis (CFA)

CFA is used to measure the uniqueness and relevance of the model, and has Chi-squared results = 385.165 with 237 degrees of freedom statistically significant. GFI = 0.906; TLI = 0.931; CFI = 0.941 are > 0.9; CMIN/df = 1.625. The RMSEA = 0.046 (< 0.08). According to Giao and Vương (2019), with the four analytical indices mentioned above, the model of exploration is considered to be good fit and to achieve uni-directionality.

Convergence value measurement: The standardized weights of the scale are high (> 0.5), and the weights (unstandardized) are statistically significant because P values are <5% (Giao & Vương, 2019). The measurement of the satisfaction of visitors to the city of Bao Loc has reached convergence. The results also show that the correlation coefficient of the TAN concept with other concepts are statistically significant. Therefore, the authors abandon this concept and conduct a second CFA analysis.

Distinctive value: The results of differential validation of variables in the critical model are shown in Table 4. All estimates correlated with the standard error (SE) statistically significant, so the correlation coefficient of each pair of concept differs from the one at 95% reliability. Consequently, concepts gain distinctive values.

Though the results of CFA measurement scale of tourism services in Bao Loc, Reliability, Responsiveness, Empathy and Assurance are in good fit, reaching unidirectional, ensuring convergence, reliability and distinctiveness.

Table 4: Result of distinctive values between factors in the model

<table>
<thead>
<tr>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>REL &lt;--&gt; ASS</td>
<td>0.227</td>
<td>0.039</td>
<td>5.749</td>
<td>***</td>
</tr>
<tr>
<td>ASS &lt;--&gt; RES</td>
<td>0.267</td>
<td>0.044</td>
<td>6.107</td>
<td>***</td>
</tr>
<tr>
<td>REL &lt;--&gt; EMP</td>
<td>0.138</td>
<td>0.030</td>
<td>4.669</td>
<td>***</td>
</tr>
<tr>
<td>EMP &lt;--&gt; SAT</td>
<td>0.118</td>
<td>0.027</td>
<td>4.301</td>
<td>***</td>
</tr>
<tr>
<td>RES &lt;--&gt; SAT</td>
<td>0.184</td>
<td>0.037</td>
<td>5.034</td>
<td>***</td>
</tr>
<tr>
<td>EMP &lt;--&gt; RES</td>
<td>0.151</td>
<td>0.032</td>
<td>4.717</td>
<td>***</td>
</tr>
<tr>
<td>REL &lt;--&gt; RES</td>
<td>0.205</td>
<td>0.039</td>
<td>5.292</td>
<td>***</td>
</tr>
<tr>
<td>REL &lt;--&gt; SAT</td>
<td>0.157</td>
<td>0.033</td>
<td>4.783</td>
<td>***</td>
</tr>
<tr>
<td>EMP &lt;--&gt; ASS</td>
<td>0.192</td>
<td>0.035</td>
<td>5.423</td>
<td>***</td>
</tr>
<tr>
<td>ASS &lt;--&gt; SAT</td>
<td>0.164</td>
<td>0.036</td>
<td>4.537</td>
<td>***</td>
</tr>
</tbody>
</table>

(Source: Visitor survey in 2019)

4.4. Structural equation modeling (SEM)

4.4.1. Structural equation modeling (SEM)
The study uses the structural equation modeling (SEM) to assess the relevance of the research model and test relations in the model. The results of the SEM analysis with \( df = 142 \), Chi-square = 207,766 and Chi-square/df = 1.463 < 2, RMSEA = 0.04 should confirm that the overall model had a good fit.

However, the p value of Assurance concepts that affect Satisfaction is greater than 0.1. Thus, the relationship of concepts has not reached the theoretical expectation. In order to choose a more suitable model, relationships that are not statistically significant will be excluded from the model. Removing this group of factors from the model and running the SEM test again, we have: the final study model after eliminating relationships was not statistically significant for chi-square values = 142.044 with p value = 0.002, chi-square/df = 1.453 and RMSEA = 0.039 indicates that the overall model had a good fit.

### 4.4.2. Research Hypotheses Testing

The standardized weightings are positive so it really affects the satisfaction of visitors to Bao Loc City. Responsiveness had the greatest impact on satisfaction (\( \beta = 0.260 \)), next is Reliability (\( \beta = 0.239 \)) and finally Empathy (\( \beta = 0.204 \)). The unstandardized results of the parameters show that the relationships are statistically significant (\( p < 0.1 \)), that is, the hypotheses \( H_2, H_3, \) and \( H_4 \) in the model are acceptable.

### 4.4.3. Bootstrap

The study uses the Bootstrap method with a repeated sample size of \( N = 600 \). The results of the estimation shown in Table 5 show that, although there is a deviation but a very small and stable value, in the research model is reliable.

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Estimates</th>
<th>SE</th>
<th>SE-SE</th>
<th>Mean</th>
<th>Bias</th>
<th>SE-Bias</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAT &lt;-- REL</td>
<td>0.207</td>
<td>0.119</td>
<td>0.003</td>
<td>0.202</td>
<td>-0.005</td>
<td>0.005</td>
<td>-1</td>
</tr>
<tr>
<td>SAT &lt;-- EMP</td>
<td>0.152</td>
<td>0.115</td>
<td>0.003</td>
<td>0.146</td>
<td>-0.005</td>
<td>0.005</td>
<td>-1</td>
</tr>
<tr>
<td>SAT &lt;-- RES</td>
<td>0.257</td>
<td>0.109</td>
<td>0.003</td>
<td>0.261</td>
<td>0.005</td>
<td>0.005</td>
<td>1</td>
</tr>
</tbody>
</table>

According to the results of test hypothesis studies for the destination of Bao Loc City, hypothesis \( H_2 \) which has the positive relationship between Reliability and Satisfaction of tourists and hypothesis \( H_3 \) which has the positive relationship between Empathy and Satisfaction are all accepted and hypothesis \( H_4 \) has the positive relationship between Responsiveness and Satisfaction. These three pairs are of theoretical value.

From the theoretical model, the study identified the actual model:

\[
f = \{ \text{Reliability}, \text{Empathy}, \text{Responsiveness} \}
\]

### 5. Discussion

The quality of service provided is one of the factors that affect customer satisfaction. A well-provisioned service will increase customer satisfaction and vice versa. Improved service quality will lead to improved customer service and customer satisfaction.

Research models may show practical applications that affect visitor satisfaction as follows:

First, Responsiveness: this factor has the strongest impact on the model, and is highly dependent on the organizers providing products/services at attractions, resorts, fun points entertainment, etc. Diversified products and services which meet the expectations of visitors will contribute to tourists satisfaction.

Second, Reliability: it demonstrates the ability to provide timely, appropriate services, ie, food and lodging providers, convenient communication system, and provision of transportation between destinations and resorts. Visitors also pay attention to the security and safety when traveling and visiting the tourist sites; should management organizations and tourism business do well, this will build visitors' trust, ensuring peace of mind when traveling to Bao Loc. In this study, Reliability is the second most trusted component of the study after Responsiveness.

Third, Empathy: it refers to the style of professional service, courtesy of the staff through attention to visitors, quick to understand and meet the needs of visitors, and create a sense of safety for visitors. Frequent staff training, especially professional style, courtesy, experience and deep understanding of the front line towards the needs of visitors will help visitors be more satisfied.

Amazingly, the research found that Tangibles and Assurance do not affect tourists' satisfaction towards Bao Loc City. It may come from the situation in which Bao Loc City develop tourism rapidly in recent years. Also, all the natural landscapes and cultural attractions are around the city, so tourists can explore and enjoy settings without
any support from the local tourism organizations such as convenient hotels, tour guides, food instructions, etc. However, in the coming years, local tourism management need to pay attention to these important points to cover full service packages to visitors.

6. Managerial Implications and Conclusion

6.1. Managerial Implications

Based on the results of the research, the above discussion, and results by Giao and Anh (2014), the study could contribute some key recommendations to managers and tour operators in Bao Loc City. From the results, in general, tourists just assess the service quality of Bao Loc City tourism rather highly. This, in turn, helps tourism managers to better manage their accommodations, and increase the number and quality of accommodations at affordable prices. In addition, there should be more transportation, communication and guidance to meet the needs of visitors when visiting the city. Besides, around the sights, it is necessary to create more convenient services for visitors such as seats, public toilets, cashpoints, green space, landscape, etc.

Tourism managers and organizations also need to pay attention to investing more in art performances bearing bold Bao Loc culture to visitors, not only in Bao Loc, but also in the specialized villages in Bao Loc. This is a way for visitors to be in harmony with the people of Bao Loc; visitors will be more satisfied because their needs are to see and participate in the activities. In addition, it is necessary to develop more specific products as souvenirs of Bao Loc; these products only appear in Bao Loc, having a unique souvenir gift will make visitors more satisfied.

The Empathy is underestimated, so it is necessary to increase the training of tourism staff at tourist sites of Bao Loc, Bao Lam. The provision of food, drink and other services such as safety, communication with customers should be given special attention. As this team will contribute to improving the quality of service, making visitors more satisfied when they come to Bao Loc is important.

6.1.1. Responsiveness

The visitors’ assessment of the Responsiveness is close to the needs of the travelers (mean of 3.5 to 3.8). To increase tourists’ satisfaction with the service provider’s responsiveness, regular training is required so that staff can know and quickly understand tourists’ needs and respond to them promptly (Giao & Phuc, 2015; Giao & Quang, 2018). The training and training staff closely relate to the professional service style, but also indirectly affect the sense of hospitality when tourists travel in Bao Loc (Giao & Loc, 2016). When the needs of visitors are met timely, visitors will feel more satisfied.

6.1.2. Reliability

The visitors’ assessment for Reliability is not high with the visitors’ needs for trust (the mean of about 3.5). To increase the tourists’ satisfaction about the reliability of the tourism businesses, the price should be adjusted to suit room quality, which means that for different types of rooms, the price should be the most appropriate for the room type. As the same time, enhancing other facilities, ensuring the cleanliness of guests’ rest, leisure, and entertainment will help to improve the satisfaction.

6.1.3. Empathy

The observed variables in the Empathy scale were not highly evaluated (mean, from 3.3 to 3.5). Increasing value of the galleries through ancient artifacts, myths, specialties, and souvenirs bearing the characteristics of the city will attract more tourists; the visit to Bao Loc will, thus, leave a deep impression on visitors, the forms of trade and commerce that refer to the past will create more emotions, and that will build visitor’s satisfaction and motivate them to return to find other interesting emotions in Bao Loc.

6.2. Conclusion

This research has identified the factors that affect tourists satisfaction towards Bao Loc City as follows: The most influential one is Responsiveness, followed by Reliability and finally, Empathy. Based on the results of the study, the SEM linear structure model shows visitors’ perceptions about each element of the components that affect their satisfaction. It has suggested some ideas for managers and tourism business organizations to improve service quality to maximize tourists satisfaction. When tourists satisfaction is high, the likelihood they will return to Bao Loc City is high (Giao, Phuc & Ngan, 2018). Bao Loc City brand is increasingly popular, not only in the country, but also internationally, which contributes to developing tourism activities of the city. Finally, the research has applied an experiment of service quality to a tourism destination, typically Bao Loc City in the present context.

6.3. Limitation and Suggestions for Further Studies

The research has made a number of contributions in understanding the factors that affect tourists’ satisfaction towards Bao Loc City. However, the research still has some the following limitations: (1) the sample size is rather modest; (2) the convenient sampling method may reduce the generalization. Future studies will increase the level of representation, increase the sample size and expand the scope of the survey to other tourist sites in Bao Loc City and contribute to the completion of this study.
References


