## **International Journal of Education, Business and Economics Research (IJEBER)**



ISSN: 2583-3006

Vol. 2, Issue.3, May - June 2022, pp. 14-37

To cite this article: Nguyen Phu Son, Phan Nguyen Pha Le, Tu Van Binh and Doan Hoai Nhan (2022). An analysis on foreign travel service of Vietnamese customer's repurchase intention. International Journal of Education, Business and Economics Research (IJEBER) 2 (3): 14-37

# AN ANALYSIS ON FOREIGN TRAVEL SERVICE OF VIETNAMESE CUSTOMER'S REPURCHASE INTENTION

Nguyen Phu Son, Phan Nguyen Pha Le, Tu Van Binh and Doan Hoai Nhan

<sup>1</sup>Can Tho University

<sup>2</sup>CFVG

<sup>3</sup>University of Economics Ho Chi Minh City and CFVG

<sup>4</sup>FPT University – Can Tho Campus

#### **ABSTRACT**

Based on the quantitative approach on 200 respondents interviewed, the finding confirms that factors of personnel, tourism package service, emotional value, and social value significantly impact on customer satisfaction, which found in model 1, while trust and customer satisfaction have significant effect on customers' repurchase intention in model 2. As a result, once a positive increase in labor's professional is occurred, or in tourism package service, or in emotional value, or in social value, it causes an increase in satisfaction of customer toward foreign travel service. However, there is not enough evidence to confirm a significant impact of installation and price on customer's satisfaction. This can be explained, the customers prefer to do all transaction on the internet. The price is not quite different with the same traveling programs in Vietnam, so the customers just care values of service, professional staff, emotion and social value.

**KEYWORDS**: Travel services, repurchase intention, satisfaction.

© The Authors 2022 Published Online: May 2022 Published by International Journal of Education, Business and Economics Research (IJEBER) (https://ijeber.com/) This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at: http://creativecommons.org/licences/by/4.0/legalcode

#### 1. INTRODUCTION

Based on Statistic of Vietnam National Administration of Tourism in 2019, in Vietnam, there are over 2000 tourism agencies supplying travel services for domestic and oversea trips. The renovation of business strategy in competing among Vietnamese travel businesses in order to attract domestic and international tourists is one of the priority issues of tourism executives. With the development and modernization of the economy, the travel of Vietnamese consumers, especially foreign tours, is no longer so difficult.

According to the World Economic Forum (WEF), Vietnam currently ranks 67/136 economies of tourism competitiveness, ranking 5th in ASEAN. In the context of Vietnam's accession in the

WTO, when foreign travel agencies "jump" into the Vietnam market, the competitiveness becomes more and more drastic. Therefore, Vietnam travel agencies may encounter with difficulties as well as challenges so that they can keep the competitive advantages and develop their business to outside market. The target of increasing new customers and returned clients can be a hard problem for travel agencies. The important thing is that how to improve the service quality which can satisfy customer requirements. Furthermore, travel services supplied to consumers are higher than their expectation.

Currently, Vietnam travel agencies face with disadvantages and challenges: (i) exploiting tourism resources not commensurate with potential; (ii) activities have not yet mobilized resources for tourism development; (iii) Infrastructure is lacking, less well-trained human resources and low professionalism; (iv) Less well-trained human resources and low professionalism; (v) Limitation in tourism market research; (vi) Limited resources for capital and technology

The importance for tourism business in the severe competition environment is that how to attach the close relationship between enterprise and customers. Many travel agencies encounter disadvantages in tourism business activities. The reasons are not only from the management of board of directors but also from marketing strategies. For potential service portfolio like foreign travel tendency, improving the service quality, increasing loyal customers and getting knowledge about the market are very essential for tourism enterprise's growth.

With rapid growth together with fierce competition, travel businesses are under pressure to improve the travel service quality for their customers. Furthermore, with the tendency of increasing foreign tourism, customers who had experience in booking foreign travel services may not return of booking the same travel agency if it doesn't invest and develop their tourism services. Based on problems above, aims of the current study are to investigate behavior inside of customers to repeat the purchasing of foreign tourism package service and think of comments for service providers to improve their business.

#### 2. LITERATURE REVIEW

World Tourist Organization (WTO) defined tourism is the social, cultural and economic phenomenon which entails the movement of people to countries or place outside their usual environment for personal or business/professional purpose. These people are called visitors which may be either tourist or excursionist, residents or non-residents and tourism has to do with their activities, some of which imply tourism expenditure.

According to the definition of Vietnam Travel Law, Article 4, "Travel services" are the provision of travel, transportation, accommodation, catering, entertainment, information, guidance and other services to meet the needs of tourists. Travel service can be similar to other services, be conceptualized as a composite offer, consisting of core services and supplement services (Gronoos, 1994). Based on the definition for "Travel program" of Vietnam Travel Law, Article 3.8, it is a document that shows the schedule, services and predetermined listed price for a tourism trip from

the departure point of start to the end of the trip. "Travel service business" is the construction, sale and implementation of a part or the entire tour program for tourists (Vietnam Travel Law, Article 3.9). Providing international travel services or foreign travel services is to supply travel services for international tourists coming to Vietnam and tourists traveling abroad. (Vietnam Travel Law, Article 30.2). Besides, in the tourism industry, there's also another word, "outbound tour" replacing for the foreign travel services. In this research, "foreign travel services" I would like to focus on is the foreign tourism package which included travel programs in foreign countries such as travel agenda (travel schedule), services (visa services, hotel and flight bookings, visiting programs, transportation, ...) and enclosed service price in the tour.

International travel service enterprises are allowed to provide international travel services and domestic travel services (Vietnam Travel Law, Article 30.3). The entrepreneur who does the travel service business are called "Travel service company" or "Tourism service company", sometimes with other names such as "travel agency" or "travel agent". However, there's difference between the travel agency and travel agent. On the tourism book written by Goeldner&Ritchie (2003), they defined a travel agency is a business that operates as the "intermediary" between the travel industry (supplier) and the traveler (purchaser). They prepackage travel tours and holidays to potential travelers. The agency can be a broker between the traveler and hotels, car rentals, and tour companies Travel agencies can be small and privately owned or part of a larger entity. And the travel agent was defined by Charles and Ritchie as a direct point of contact for a traveler who is researching and intending to purchase packages and experiences through an agency. In this research, travel agencies are objects specializing in supplying foreign travel services through the outbound tourism package for the travelers in Vietnam.

### Perceived value (PE) in tourism package

The true value of the brand comes from consumers, if they have good feelings; the brand is of high value. There are many studies defined about the perceived value of customer and role of these in the business benefit. The definition for the perceived value is consumers' assessment of products, services, employees and consumers receive the image of the company in order to satisfy their needs (Kotler et al., 2003). Perceived value was defined as the ratio of perceived benefits over the perceived sacrifice (Monroe, 1991). Based on the research of Schiffman & Kanuk (2007) defined that the value of customers as the ratio between the perceived benefits customers both in terms of economic, functional, and psychological and resources (money, time, energy) is used to obtain these benefits. Or perceived value was defined that it is a negative gap between customers' expectations and perceptions of service quality (Mensah, 2009). Customer perceived value is also experienced after their consumption (Gardial, et al., 1994). Another perspicuous definition of perceive value which is separated between "value" and "perceive". This concept was from Sweeney & Soutar (2001) in their research about consumer perceived value in Indian hospitals. Firstly, "value" is considered as characters in the service or product usage. Secondly, "perceive" is something perceived by consumers and subjectively determined. And lastly, "perceived value" is tradeoff between what the consumer receives and what he or she gives up acquiring and using a product or service (Sweeney & Soutar, 2001).

Perceived value significantly influences satisfaction, trust and behavioral intentions, exploring its dimensions can help organizations understand their consumers to maintain long-term relationship with them (Sweeney & Soutar, 2001). In the research of Boksberger & Melsen (2011) named "Perceived value: a critical examination of definitions, concepts and measures for the service industry", authors showed that the service quality had the positive and significant on the perceived value which will influence on the customer satisfaction. Sweeney & Soutar (2011) denoted dimensions related to perceived value concept including product or service quality, functional value, social value, emotional value and price which are significant in perceive value. Understanding the customer perceived value is one of the strategies in order to improve service quality value to the customers.

In order to measure the customer satisfaction about the foreign travel services, we need to know the customer's perception for service quality and related items such as: Price, Situation factors and personal factors (Zeithaml & Bitner, 2003). Therefore, in the perceived values the brand image can be an important element affect to the customer satisfaction and repurchase intention.

Dabholkar, et al. (2000) noted that satisfaction acts as a mediator between perceived quality and behavioral intentions, in further, that will be the trust and loyalty of reuse behaviors in services. The perceived service quality led to satisfaction, and that satisfaction, in turn, had a significant positive effect on repurchase intentions. Furthermore, values with co-creation and travel satisfaction can lead to customer loyalty to the service provider (Lončarić, 2017). Therefore, we can infer that the customer perceived value especially in foreign tourism can affect to the customer satisfaction then the consequence is the customer trust and ability of reuse the travel services.

#### **Customer Satisfaction**

Satisfaction was defined that it is the perception of product or service quality, price, situation factors, and personal factors (Zeithaml & Bitner, 2003). Satisfaction is the customer's judgment that a product or service provides a pleasurable consumption-related accomplishment (Zeithaml &Bitner, 2003). Or another definition, customer satisfaction is determined by comparing customers' expectations and perceptions of performance (Oliver, 1981). It means that the customer satisfaction is the gap between the customer expectation and product/service performance.

Customer satisfaction is understood in two concepts: transaction-specific satisfaction and cumulative satisfaction. Transaction-specific satisfaction describes a customer's judgment of a product or service at a particular point in time (Cronin & Taylor, 1992). Cumulative satisfaction is a customer's evaluation of the total consumption experience with a product or service over time, which has a direct effect on post-purchase intentions such as change in attitude, repeat purchase and brand loyalty (Johnson & Fornell, 1991). In this research, customers' overall satisfaction is a better indicator of satisfaction than transaction-specific measures (Jiang, and Rosenbloom, 2005) and satisfaction comprises of both cognitive and affective evaluations (Mensah & Mensah, 2018). Customer satisfaction is a major element of a company's long-term profitability, customer retention and loyalty (Zeithaml & Bitner, 2003).

The travel service sector is considered as one key factor in tourism industry. The quality of services of travel agencies is what distinguishes a successful travel company from others. The tourists from their perception of the quality of service of a travel agency before travel, during travel, during their stay at the destination and after return from trip. The customer satisfaction plays important which is affected by customer perceived value plays in important role deciding the reputation of company and also the main function in marketing activities (Mensah &Mensah, 2018).

Nowadays, the travel consumers have more choices in services then before. The travel agencies need to understand values with interactive co-creation between the firms and consumers. Co-creation is a shared value development between the business and the client (Aliman, et al. 2014). Along with the demand of liking to explore experience and find new tourist destinations of Vietnamese people, there're more and more travel service companies appearing included domestic and foreign companies with competitive tourism services. With over 2000 travel service companies in Vietnam tourism market, it's necessary for them to supply products/services categories with high quality from online channels to on desk hubs or travel offices and interesting travel programs which ensures that the customers will satisfy with the tourism package in their oversea trips.

#### **Trust**

Trust is the readiness of a customer and allows them to accept a transaction based on their favorable and negative expectations regarding future shopping behavior (Kazaka, et al. 2013). Travel agencies who can constantly meet the expectations and demands of tourists in terms of quality of services will be able to retain the existing and attract new tourists (Dragana and colleagues, 2016). Trust plays an important role in creating satisfaction and expected outcomes in customer loyalty (Pedraja, et al. 2004).

Indeed, building trust in travel services is not easy, especially doing the tourism package for outbound tours (foreign tours) is harder than which for inbound tours. Customer satisfaction depends on their experience and private evaluation criteria. In general, in order to meet all customer satisfaction, even for the most fastidious consumers. With the target that customers will return to continue using the services, tourism businesses need to identify their brand values and create brand trust for their customers.

### **Repurchase Intention**

Many reference researches explain the repurchase intention in many ways. In the study about "Understanding customers' satisfaction and repurchase intentions: an integration of IS success model, trust and Justice" of Fang, et al. (2011) confirm that repurchase intention is the probability that people will buy products or services continuously in the future and repurchase intention is an individual's judgment of rebuying specified products or services from the same business, taking into account his or her current position and probably consideration. Yi and Suna (2004) showed that repurchase behavior included two factors repeat purchase intention and repurchase probability. In this study, repurchase intention will be conducted for the research of factors affecting on purchase intention, showing the possibility of customer behaviors to continuously repurchase or rebooking the foreign travel services (foreign tour package) in future.

Both the customer satisfaction and trust have positive significant relationship. The same with that result, the research of Mensah &Mensah (2018) by conducting Exploratory Factor Analysis (EFA), the authors showed that the repurchase intention variable is dependent of customer satisfaction and perceived service quality. The other researches about repurchase intention demonstrated the same positive relationship between repurchase intention and satisfaction and trust.

#### 2. RESEACRCH METHODOLOGY

#### **Data collection**

Because the study concerns foreign travel service, respondents are people who took new travel abroad. Initially, the survey plan is 250 questionnaires sent to respondents through online. The final sample is 200 sufficient questionnaires after data cleaned. The research was conducted from 23rd June to 31st July 2019, conducting the survey via social network (Facebook, Zalo, Facebook Messenger, Viber, and WhatsApp) and face-to-face survey. The final sample of 200 respondents qualified. The sampling of this study is convenient. Accordingly, the list of respondents is based on a support of Airline Company in Ho Chi Minh City, in which email address of respondents are provided. This is a reason respondents are asked through online. Because respondents are Vietnamese, the questionnaire is translated into Vietnamese which made the responders easy to answer.

### The research model and hypothesis

Following the theories of repurchase intention factor from previous academic articles, the author built the research model with the combination of former simply models. In this model, factors affecting to the repurchase intention is neither only the customer satisfaction nor the customer trust. The author believed that in order to create the return intention, satisfaction is not equivalent. It's necessary to supplement the factor of trust which could be positively influences on the repurchase intention in the foreign tourism package. Besides, the specific perceived value in tourism package service was used basing on their dimension which was studied by Sanchez, Callarisa, Rodriguez & Moliner (2006). The perceived value in tourism package included functional value (installation, personnel staff, service quality, and price), emotional value and social value.

#### The functional value – Installation

Installation includes dimension installed in the travel agency office: Space, Equipment, Location (Sanchez, 2006). The installation expressing in travel agency offices often focuses on the space arrangement freshly, modernly and clearly to create the highest convenience for customers when coming to the office. Well-organized equipment and facilities make the customer service process better. Moreover, the travel agencies' offices are always in a good position. It should be put in the center of the city so that customers can easily search and visit. To help customers easily search, often travel agencies will choose to set up offices in centers to facilitate travel. Therefore, the art of effective space arrangement is a factor that contributes to increase the customer satisfaction and increase the intention to re-buy the foreign tourism package service. Based on theory and previous empirical studies, the author proposes the following hypothesis:

H1: The Installation has the positive affect to the customer satisfaction.

### The functional value - Personnel

The personnel factor is shown though the professionalism of personnel in travel agency: knowledge, advice, professional Sánchez-García, et al. (2006). The service capacity of employees is expressed through the professional qualifications, courteous behavior and hospitable service with customers. With the good personnel factor, especially in specific in foreign travel services, the travel agencies can have the potential of increasing customer satisfaction and trust because in a corporation, human resource is the heart and the spirit to build brand position through its culture. Customers feel agreed when using travel services or when staff of travel agencies have good professional knowledge to answer customer questions in the best way. Thus, good staff is a factor contributing to increase customer satisfaction and the repurchase intention. Based on theory and previous empirical studies, the author proposes the following hypothesis:

H2: Personnel has the positive affect to the customer satisfaction.

#### The functional value – Tourism package service

Tourism package service is estimated by the satisfaction about the tourism package service: Organization, Competitive Advantage, Quality Result Sánchez-García, et al. (2006). The tourism package service element is reflected in the well-organized foreign tourism packages from Vietnam travel agencies. A good tourism package is in terms of programs ideal with reasonable price. In addition, the foreign tourism package may be maintained throughout the year, in order to create convenience and flexibility with the time of work and vacation of customers. Thus, a good travel service package is a contributing factor to increase customer satisfaction and the repurchase intention in future. Based on theory and previous empirical studies, the author proposes the following hypothesis.

*H3: Tourism package service has the positive affect to the customer satisfaction.* 

#### **Price**

Price is the element which is defined with the reasonable price, good purchase and the prior factor for the decision Sánchez-García, et al. (2006). Price is often thought to be a hindrance to making a buying decision. The study of Sweeney & Soutar (2001) expressed the priced has a negative influence on perceived value. However, according to Kotler et al. (2003), customers are psychologically convinced that high prices are indicative of high quality products. Thus, the more consistent with the quality, in accordance with the budget spending of the customer, the higher the buying decision and vice versa.

The price factor is shown by the travel agencies providing foreign tourism packages with reasonable prices. The price of foreign travel packages is a good price. Price is the main criterion for deciding to choose foreign travel services. Reasonable prices of foreign travel services are factors that help improve sales efficiency and stimulate consumer demand. Based on theory and previous empirical studies, the author proposes the following hypothesis:

*H4: The functional value (Price) has the negative affect to the customer satisfaction.* 

#### The emotional value

Emotional value is related with the feeling of customer about the company and brand such as being interested, satisfied, relax, comfortable(Ali & Ahliyya, 2012). The emotional value factor shows the fact that the company always cares and takes care of each individual customer. The emotional value factor is expressed by the customer satisfaction with the purchase of foreign tourism package service from travel agencies. Based on theory and previous empirical studies, the author proposes the following hypothesis:

*H5: The emotional value has the positive affect to the customer satisfaction.* 

#### The social value

The factor of social value is customer awareness under the influence of society on customers themselves. The pressure of social influence or opinions of surrounding reference groups will affect customers' decision to use or not use foreign travel services. The level of impact of social value factors depends on the level of support or opposition, and the motivation of customers to follow the wishes of the influential group (Ajzen, 1991). Vietnamese culture is considered a collectivist culture, this is different from the cultures in some Western countries. Collective culture is a place where personal freedom can be restricted and individuals must harmonize, merge with the vast community. Therefore, the psychology of customers in Vietnam is susceptible to the "herd effect" or "herd immunity" which is caused by the incomplete and inaccurate capture of information. The customers have the intention to observe the behaviors of experienced consumers. They learn and feel more secure when someone has used it (Ali & Ahliyya, 2012). Therefore, the decision to buy foreign tourism package can be influenced by others. Groups of relatives and friends have an impact on customers' decision to buy foreign travel services. Based on theory and previous empirical studies, the author proposes the following hypothesis:

*H6: The social value has the positive affect to the customer satisfaction.* 

#### The customer satisfaction

Regarding to the repurchase intention, we can see that the customer satisfaction contributed much. The importance of customer satisfaction affected over 70% to the repurchase intention (Mensal, 2018). The previous studies showed the influence of purchase satisfaction not only made customers willing to return but also to recommend to other Abbasi, et al. (2010). For the tourism business, it is the same. The motivation making the tourists have the repurchase intention to reuse the service is priorly their satisfaction and then is the customer trust (Auka, 2012). Based on arguments of previous empirical studies, the hypothesis is proposed the following hypothesis:

H7: Customer satisfaction has the positive effect on the repurchase intention.

#### The customer trust

Consumer trust is effected by factors from brand characteristics, company characteristics and brand-customer characteristics. The customer trust is shown by the customers' trust in the brand of a Vietnam travel company that provides foreign travel services. Travel agencies provide foreign travel services to ensure quality and safety (Bowden, 2009). Customers who have high trust the

travel company can be advocacies or loyal customers in future. Based on the theory and previous empirical research models, the author put the hypothesis as follows:

H8: Customer trust has the positive effect on the repurchase intention.

Table 1. Hypothesis summary

Variables	Symbol	Expected Sign
Installation	Ins	+
Personnel	Per	+
Tourism Package	Tour	+
Price	Pri	-
Emotional Value	Emo	+
Social Value	Soci	+
Customer Satisfaction	Sat	+
Customer Trust	Tru	+

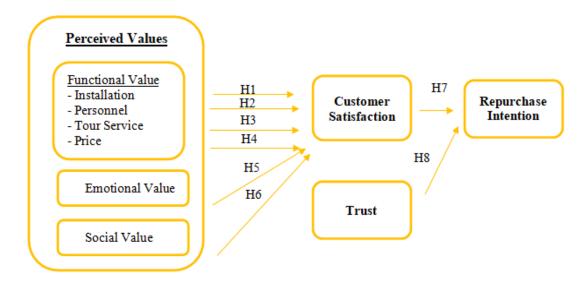


Figure 1: The research model proposed

The measures of scales of factor with items are summarized and presented in table 2.

**Table 2: Measure scale of factors** 

Variable	Variable Scale		Reference	
Installation (Ins)	Ins 1	The installations were spacious, modern and clean.	Sánchez-García, et al. (2006)	
	Ins 2	The establishment was neat and well organized.		
	Ins 3	The establishment was well located (easily found, central and/or with good transport links).		
Personnel (Per)	Per 1	They knew their job well.	Sánchez-García, et	
	Per 2	Their advice was valuable.	al. (2006)	
	Per 3	They knew the tourism package.		
	Per 4	They were a good professional and they were up-to-date about new items and trends.		
Tourism	Tour 1	The tourism package purchased was well organized.	Sánchez-García, et al. (2006)	
package Service (Tour)	Tour 2	Relative to other tourism packages purchased had an acceptable level of quality.		
	Tour 3	The quality of the tourism package was maintained throughout.		
Price (Pr)	Pr1	The tourism package purchased was reasonably priced.	Sánchez-García, et al. (2006), Pedraja & Jesus (2004).	
Pr2 It was a good purchase for		It was a good purchase for the price paid.	& Jesus (2004).	
	Pr3	The price was the main criterion for the decision.		
Emotional value	Emo 1	The tourist liked the travel agency.	Sánchez-García, et	
(Emo)	Emo)  Emo 2  The tourist felt relaxed in the travel agency.		al. (2006)	
	Emo 3	The tourist enjoyed purchasing in it.		
	Emo 4	The tourist was comfortable in it.		
Social value	many people that I know		Ali & Ahliyya, 2012, Sánchez-	
(Soci)	Soci2	Using its services has improved the way others perceive me.	García, et al. (2006)	
	Soci3	The people who use its services obtain		

		social approval.	
	Soci4	This tour operator's tourism packages are used by many people that the tourist knows.	
Customer	Sat 1	The tourist am satisfied with the service	Jiang & Rosenbloom
satisfaction (Sat)	Sat 2	The tourist am pleased with what this travel agency has done.	(2005), Abbasi, et al. (2010)
	Sat 3	The service has met my needs very well.	
Customer Trust	Tru1	The tourist trusts this travel agency brand.	Sánchez-García, et
(Tru) Tru2		This travel agency brand is reliable.	al. (2006)
	Tru3	This travel agency brand is safe.	
	Tru4	This is an honest travel agency brand.	
Repurchase Intention (Rep)	Rep1	The likelihood of repurchasing the travel agency's service is high.	Mensah&Mensah (2018), Fang, et al. (2011)
	Rep2	My willingness to repay for the travel agency's service is high.	(2011)
	to Rep3	If the tourist was going pay for a travel agency's service, the probability of buying at this travel agency is high.	

## 4. Empirical analysis

## Respondent's' profile

As resulted in figure 2, among 200 consumers, there were 89 men (accounted for 44.5%) and 111 women (accounted for 55.5%). Obviously, the percentage of females was higher than the male in this survey sample but it is still a balanced rate.

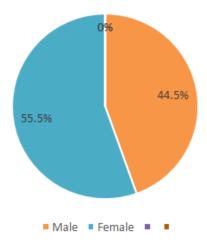


Figure 2: Gender Structure

Source: Own survey

https://ijeber.com ©IJEBER Page 24

Among 200 respondents, there were 25 consumers in the age from 18 to 25 years old (accounted for 12.5%), 132 consumers in the age from 26 to 35 years old (accounted for 66%), and 37 consumers in the age from 36 to 45 years old (accounted for 18.5%). There were 4 consumers in the age from 46 to 55 years old (accounted for 2%) and 2 consumers in the age from 65 years old and over (accounted for 1%) (Figure 3). Therefore, the age of respondents concentrated from 26 to 35 years old.

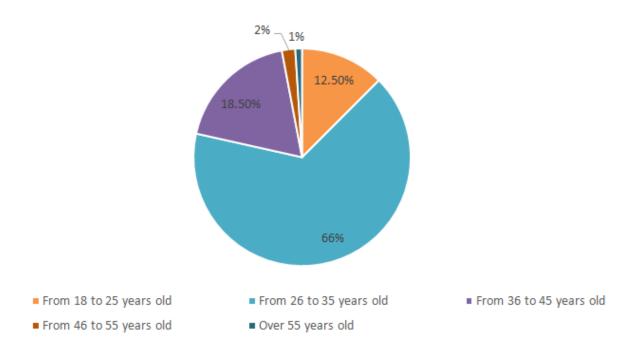


Figure 3: Age Structure

Source: Own survey

To job of respondents, figure 4 depicts that, there were 25 students (accounted for 12.5%), 16 teachers or professors (accounted for 8%), 118 office workers (accounted for 59), 20 consumers in their own business (accounted for 10%), 2 tired people (1%) and 19 consumers working other jobs except the list included doctors, nurses, drivers, journalist, ... Therefore, most of the participants were office workers, there was no workers/labors joining in the survey.

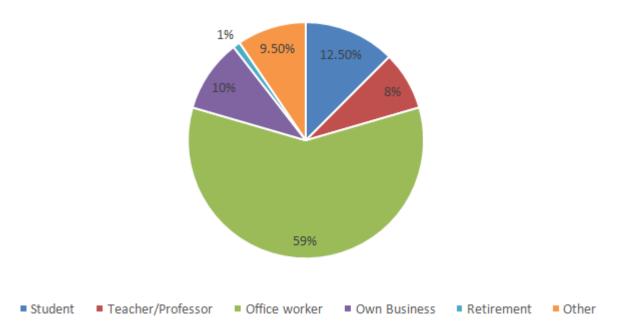
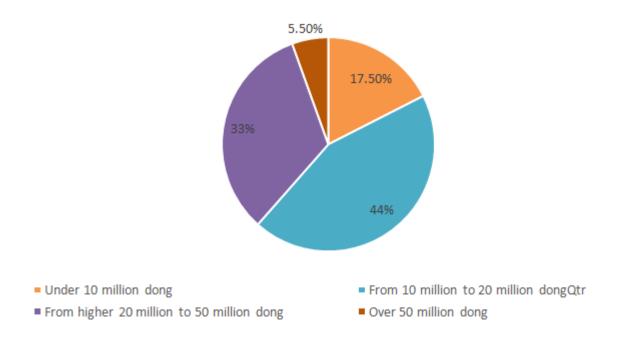


Figure 4: Job Structure

Source: Own survey

To monthly income, figure 5 results that, the income under 10 million dongs per month accounts for 17.5%, the monthly income from 10 million dongs to 20 million dong account for 44%, and the monthly from 20 million dongs to 50 million dongs accounts for 33% and the income over 50 million dongs per month occupies 5.5%.



**Figure 5: Income Structure** 

Source: Own survey

### Respondents' traveling behavior

To time of traveling abroad, most of respondents traveled oversea once with 46% or twice with 26.5%, and the more times of traveling from 3 times is less tourist's number under 15% (figure 5).

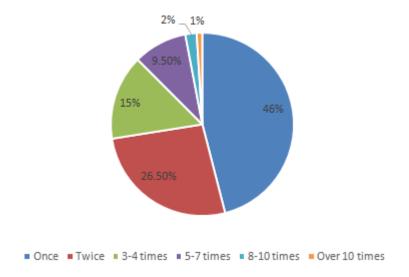


Figure 6: Times of traveling abroad

Source: Own survey

As a result, the sample is appropriate to serve the objectives of study, because no one did not take a travel. Once asked why the respondent took a travel between once and two times, three main reasons are provided: (i): They were not affordable for paying many oversea trips — Finance; (ii) They have no time for many outbound trips or time; (iii) There is no many destinations attracted tourists for traveling many times - Inspiration.

When asked which country did the respondent travel to? Answers are resulted in figure 6, which most of tourists the respondent's mostly concerned Thailand and Singapore most, afterward such as Japan, South Korea and France. Accordingly, we can know that most of tourists they prefer to travel countries near Vietnam in priority because it is unnecessary to register for a visa procedure. Moreover, countries in Asia are very beautiful and deserved to discover.

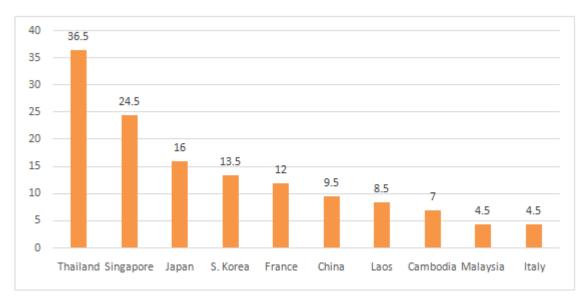


Figure 7: Top 10 countries of traveling tendency

Source: Own survey

Viettravel is the top choice for Vietnamese people when choosing a travel service. This fact can be explained that Viettravel has provided customers with the best service and they have many offices/agencies spreading along the country from the North to the South which created the convenience for customers. Fiditour and Saigontourist were kept the second and the third position for the customer experience with the foreign travel service, typically the foreign tourism package service. If the users in the survey were the market, Viettravel would occupy 34% market share, Fiditour - 22.5% and Saigontourist -21%, the others occupied under 10% (figure 7).

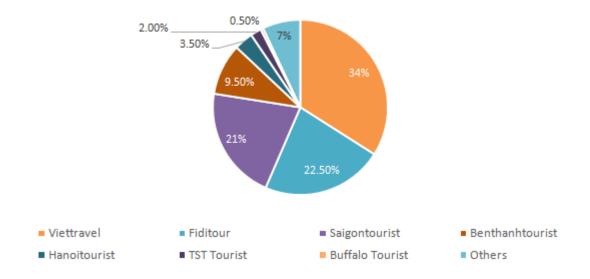


Figure 8: Top travel agencies in survey

Source: Own survey

The times using travel services from agencies: Most of respondents had the experience once of using the service from travel agencies. The table below will show the result of repurchase intention of customers (over 2 times) (table 3). According to this, Viettravel is the travel agency who has the most competitive advantage.

Table 3: Times of using service from agency

Times of using service from agency	Name of agencies
Once	Viettravel, Saigontourist, Fiditour, Benthanhtourist, Hanoitourist, TST tourist, Buffalo tourist, Others,
Twice	Viettravel, Saigontourist, Fiditour, Benthanhtourist
Three times	Viettravel, Benthanhtourist

Source: Own survey

In the foreign trips which using the tourism package service, most of tourist choose to purchase when they want enjoy good time with family (31.1%), or with colleagues (14.2%), after that it is travel with friends, lack of people traveling alone using the tourism package (1.6%) (Figure 8).

This general description analysis has given us an overview of Vietnamese consumer behavior and trends when traveling abroad.

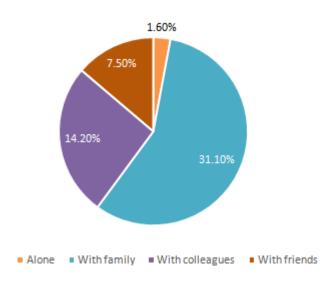


Figure 9: Companions in foreign tourism trips

Source: Own survey

## **Testing hypotheses**

As resulted in table 4, the value of factors' Cronbach's Alpha are larger 0.7, they are concluded as reliability.

Table 4: Result of testing Cronbach's Alpha for factors

Factors	Cronbach's Alpha
Installation (Ins) (3 items)	0.755
Personnel staff (Per) (4 items)	0.842
Tourism package (Tour) (3 items)	0.728
Price (Pr) (3 items)	0.713
Emotional value (Emo) (4 items)	0.840
Social value (Soci) (4 items)	0.770
Satisfaction (Sat) (3 items)	0.832
Trust (Tru) (3 items)	0.722
Repurchase intension (Rep) (3 items)	0.792

Based on proposed model, two regression models are concerned in the study, these two are summarized in table 5 and their results estimated are presented in table 7.

**Table 5: Models concerned to test** 

Model 1			
Independent variables (IV):	Dependent variable (DV):		
<ul> <li>Installation (Ins)</li> <li>Personnel (Per)</li> <li>Tour Service (Tour)</li> <li>Price (Pr)</li> <li>Emotional Value (Emo)</li> <li>Social Value (Soci)</li> </ul>	Satisfaction (Sat)		
Mod	lel 2		
Independent variables (IV): Dependent variable (DV):			
<ul><li>Satisfaction (Sat)</li><li>Trust (Tru)</li></ul>	Repurchase Intention (Rep)		

As resulted in table 6, the regression shows that personnel (Per), tourism package service (Tour), emotional value (Emo), and social value (Soci) are significant impacts on customer satisfaction (Sat). There is not enough evidence to conclude a significant relationship between the customer satisfaction and the installation (Ins) and price (Pr).

As resulted in table 7, the regression of model 2 depicts that satisfaction and trust significantly impact on the repurchase intention of customer.

Table 6: The regression analysis of model 1

Model 1	Unstandard	Unstandardized Coefficients		t	Sig
	В	Std. Error	Beta	=	
(Constant)	-0.121	0.571		-0.212	0.832
Ins	0.099	0.097	0.069	1.022	0.308
Per	0.144	0.066	0.147	2.200	0.029
Tour	0.284	0.091	0.204	3.139	0.002
Pri	0.056	0.090	0.040	0.617	0.538
Emo	0.338	0.101	0.238	3.355	0.001
Soci	0.226	0.084	0.179	2.700	0.008

Table 7: The regression analysis of model 2

Model 2	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	В	Std. Error	Beta		
(Constant)	1.244	0.266		4.672	0.000
Sat	0.387	0.046	0.504	8.411	0.000
Tru	0.189	0.060	0.188	3.132	0.002

With results found, the hypotheses are confirmed and resulted in table 8, which two factors of Ins and Pri are not enough evidence to conclude their existing influences in the model. This means, we accept the hypothesis of H2, H3, H5, H6, H7 and H8, while the hypotheses of H1 and H4 are conversed.

**Table 8: Confirmation of hypotheses** 

Indonandant Variable	Dependent V	Dependent Variable: Customer Satisfaction			
Independent Variable	Hypothesis	Research Re	esult		
Ins	+	0.099	Rejected		
Per	+	0.144*	Accepted		
Tour	+	0.284**	Accepted		
Pri	-	0.056	Rejected		
Emo	+	0.338**	Accepted		
Soci	+	0.226**	Accepted		
Sat	+	0.387**	Accepted		
Tru	+	0.189**	Accepted		

Note: \*, \*\* are significant at 5% and 1%

### 4. Discussion and implication

To the personnel factor, it has a positive impact on the customer satisfaction with travel agencies in Vietnam. The regression coefficient, 0.144 showed that when the service quality from staff increases by 1%, in condition that other factors remain constant, customer satisfaction may increase by 0.144%. This result is in accordance with the initial hypothesis.

The personnel factor showed by the performance staff increasingly created the customer satisfaction when buying foreign tours. The good performance is that employees in travel agencies are always polite and courteous. They give customers a sense of intimacy and comfort. With professional knowledge and skills, the staff of travel agencies can confidently answer all customer questions, help customers to choose the best services. Currently, all employees of the travel agencies are well-trained on working style, service attitude, professional ethics and especially professional qualifications to best serve customers. Thanks to well-trained classes, employees of travel agencies are not only courteous and polite with their customers, but also having good affection, commitment and concern to customers in every time. That is the target all travel agencies want their employees to become. Nowadays, the staff of the travel agencies has undergone many competitions, examinations and regular training, so they have a relatively good knowledge of foreign travel services which help them have knowledge and skill to offer customer with reliable advices and good guidance. Therefore, good staff is a factor that contributes to increase customer satisfaction and thereby enhance the intention to use tourism package service, not only in outbound countries but inbound trips as well.

To tourism package service factor, it also confirms that the tourism package service has a positive impact on the customer satisfaction. The regression coefficient, 0.284 showed that when the tourism package service increases by 1%, in condition that other factors remain constant, the customer satisfaction may increase by 0.284%. The results of this study are in accordance with the initial hypothesis.

Vietnam tourism companies are providing well-organized, high-quality foreign travel packages at reasonable costs. Foreign tourism packages are constantly organized throughout the year to create the convenience and suitability for customers' working and leisure time. In addition, Vietnam tourism companies are providing a diverse list of foreign tourism packages, including many new and convenient tours along with reasonable costs. Travel companies are constantly striving to design products that meet the needs of each customer segment, specific customers. Therefore, almost all travel agencies in Vietnam highly meet the customers' needs for foreign tourism package services. In some Vietnam tourism companies, there are a number of foreign travel services that have become the company's strengths, helping to increase competitiveness with foreign travel companies. This is because a good travel service package is a factor that contributes to increase the customer satisfaction and the intention to re-buy the foreign tourism packages.

To emotional value factor, the findings prove that the emotional value has a positive impact on the customer satisfaction. The regression coefficient, 0.338 showed that when the emotional value increases by 1%, in the condition that other factors remain constant, the customer satisfaction may increase by 0.338%. The result of this study was in accordance with the initial hypothesis.

With the fierce competition between Vietnam tourism companies, in order to survive and develop, tourism companies have to show the sympathy with customers. Travel companies always need to concern for each individual customer. Companies always try to help their customers enjoy their travel abroad well so that customers, after using foreign travel services, will feel really relaxed and happy with the trips. Moreover, the travel companies arranged the convenient time for customers during the trips. The emotion during the trips is very important to decide whether the customers will return to use the service or not. Employees showed the interest in individual customers, especially the difficult problems that customers are facing with, for example: foreign translation, different culture guide, and other foreign travel services. In addition, travel companies always have policies to take care of customers on birthdays, holidays, regularly call or meet and connect with loyal customers, VIP customers. When customers have questions that need to be answered, the travel companies are always available to answer and guide enthusiastically through the company's hotline phone numbers. This positive result showed that travel agencies have good performances and have good emotion in customer perspective are always interested in caring for each individual and customer perception.

To social value factor, the research result showed that the social value has a positive impact on the customer satisfaction. The regression coefficient, 0.226 showed that when the emotional value

increases by 1%, in the condition that other factors remain constant, the customer satisfaction may increase by 0.226%. The result of this study was in accordance with the initial hypothesis.

Tourism companies have provided foreign travel services to a diverse range of Vietnamese customers. The more number of oversea trips the travel agencies offer, the more customer awareness of company's brand. Choosing a travel agency for a foreign trip also show the individual value in society. With the company have high ranking and good position in market, the evaluation for travel service quality is also higher than other lower ranking companies. Customers who use foreign tourism package service of Vietnam tourism companies are obtained social approval. Thus, the factor of high social value contributes to increase the customer satisfaction and repurchase intention for the foreign tourism package service. The purchasing behaviors much affected by the mass psychology. In another way, the decision to buy a foreign tourism package can be influenced by friends or relatives. Therefore, by knowing the culture and characteristics Vietnamese consumers are collectivist culture and majority influence, thus, most of travel companies often use celebrities to represent and convey experience of service experience, on behalf of the company brand ... It had a huge impact on the customers' decision to buy foreign travel services. In addition, through the experience of using family members such as parents, brothers, sisters, friends; and colleagues or neighbors also increase the customer's decision to buy and use foreign travel services.

To customer satisfaction factor, the research result showed that customer satisfaction had a positive impact on the repurchase intention to use the foreign tourism packages of travel agencies in Vietnam. The regression coefficient, 0.387 showed that when customer satisfaction increases by 1%, in condition that other factors remain constant, repurchase intention may increase by 0.387%. This result is in accordance with the initial hypothesis. The customer satisfaction factor is depended by the perceived values above. Therefore, in order to increase the score of customer satisfaction, the company should increase all factors installation, personnel, service quality, price, emotional value and social value. In this result we can see that travel agencies have good performance matching with the customer requirements and expectations.

To customer trust, the finding confirms that the customer trust had a positive impact on the repurchase intention to use the foreign tourism packages of travel agencies in Vietnam. The regression coefficient, 0.189 showed that when customer trust increases by 1%, in condition that other factors remain constant, repurchase intention may increase by 0.189%. This result is in accordance with the initial hypothesis.

Travel companies have created high trust with customers by always complying with all claims committed in the contract. When customers have difficulties, travel companies are always willing to support. They created the peace of mind and feeling of being cared in customer mind. Travel companies provided foreign travel services in promised time. Vietnam tourism companies also gradually assert their names and large development in business operations. All these things increase the confidence of customers. As the consequence, the increase of the repurchase intention to buy foreign travel services. In addition, customers can register foreign travel services at tourism

companies by online registration which helps customers save time and also provide all necessary information and minimize the level of errors that may occur. Creating high trust in customers' mind is increasing chances of the customer intention to re-buy of foreign tourism packages.

#### 5. CONCLUSIONS

Based on the quantitative approach on 200 respondents interviewed, the finding confirms that factors of personnel, tourism package service, emotional value, and social value significantly impact on customer satisfaction, which found in model 1, while trust and customer satisfaction have significant effect on customers' repurchase intention in model 2. As a result, once a positive increase in labor's professional is occurred, or in tourism package service, or in emotional value, or in social value, it causes an increase in satisfaction of customer toward foreign travel service. However, there is not enough evidence to confirm a significant impact of installation and price on customer's satisfaction

As found, the price and installation are not main factors to significantly contribute into the customer satisfaction. Because for the modern customers, they prefer to do all transaction on the internet. And price is not quite different with the same traveling programs. Therefore, travel agencies should innovate the technique and digital system to enhance more the competitive advantages. It is not only investment in website, but in the mobile applications as well with the innovation of e-payment, e-documents, e-signature, e-bill and e-tickets, Although the price is not the main factor affect to the customer satisfaction, it is also one criterion for the decision. Hence, the pricing research in the market plays an important role in offering price. The most significant target is always improving the service quality from the diverse traveling programs to high competent personnel ability.

Nowadays, with the technology innovation, there are more and more people they can organize by themselves for foreign trips. This is also a big challenge for travel agencies. Therefore, the company should review the target customers and market segment in all the time. The research only focused on the foreign travel service or outbound travel service, especially the foreign tourism package service because of its potential development. However, with this research model all travel agencies can refer and apply for domestic travel packages. The travel companies can do the same survey with their own customers to estimate how much the customer satisfy with their service. The study was conducted during the year 2019 which doesn't ensure that research result will be the same in further future.

#### REFERENCE

Abbasi, S., Khalid, W., Azam, M. & Riaz, A. (2010). Determinants of Customer Satisfaction in Hotel Industry of Pakistan. *European Journal of Scientific Research*. 48 (1). 97-105

Ali, J. A. & Ahliyya, A. (2012). The Impact of Service Quality on Tourist Satisfaction in Jerash, *Interdisciplinary Journal of Contemporary Research in Business*. 3 (12), 64-187.

- Aliman, K., Hashim, S., Wahid, S., & Harudin, S. (2014). Tourist Expectations, Perceived Quality and Destination Image: Effects on Perceived Value and Satisfaction of Tourists Visiting Langkawi Island, Malaysia, *Asian Journal of Business and Management*. 2 (3), 212 222
- Auka, D. (2012). Service Quality, Satisfaction, Perceived Value and Loyalty among Customers in Commercial Banking in Nakuru Municipality, Kenya, *African Journal of Marketing Management*. 4, (5), 185-203
- Boksberger, P. E., & Melsen, L. (2011). Perceived value: a critical examination of definitions, concepts and measures for the service industry, *Journal of services marketing*, 25(3),229-240
- Bowden, J. (2009). Customer engagement: A framework for assessing customer brand relationships: The case of the restaurant industry. *Journal of Hospitality Marketing & Management*, 18, 574–596.
- Brady, M.K., & Cronin, J.J. (2001). Some new thoughts on conceptualizing perceived service quality: ahierarchical approach, *Journal of Marketing*, 65, 34–49.
- Chang, K. (2000). The impact of perceived physical environments on customers' satisfaction and return intentions, *Journal of Professional Services Marketing*, 21(2), 75-85
- Charles R. Goeldner, J. R. Brent Ritchie (2003). *Tourism: Principles, Practices, Philosophies Book*, Ninth Edition, 2003.
- Chen, C. & Tsai, D. (2007). How Destination Image and Evaluative Factors Affect Behavioral Intentions? *Journal of Tourism Management*. 28, 1115–1122.
- Cronin, JJ. & Taylor, S.A. (1992). Measuring service quality: a reexamination and extension, *Journal of Marketing*, 56, 55-68
- Dabholkar, P. A., Shepherd, C. D., & Thorpe, D. I. (2000). A comprehensive framework for service quality: An investigation of critical conceptual and measurement issues through a longitudinal study, *Journal of Retailing*, 76(2), 139-173
- Fang, Y.H., Chui, Y.M. and Wang, E.T.G. (2011). Understanding customers' satisfaction and repurchase intentions: an integration of IS success model, trust and Justice, *Internet Research*, 21 (4), 479-503.
- Gardial, S. F., Clemons, D. S., Woodruff, R. B., Schumann, D. W., & Burns, M. J. (1994). Comparing consumers' recall of prepurchase and postpurchase product evaluation experiences, *Journal of consumer research*, 20(4), 548-560
  - Gronoos, C. (1994). From marketing mix to relationship marketing, Management Decision, 32, pp. 4-17
- Jiang, P. J., & Rosenbloom, B. (2005). Customer intention to return online: Price perception, attribute-level performance, and satisfaction unfolding over time, *European Journal of Marketing*, 39, 150-175
- Johnson, D., & Grayson, K. (2005). *Cognitive and affective trust in service relationships Journal of Business Research*, 58 (4), 500-507.
- Johnson, M. D., & Fornell, C. (1991). A framework for comparing customer satisfaction across individuals and product categories, *Journal of Economic Psychology*, 12(2), 267-286.

Kim, W. G., Ng, C. Y. N. & Kim, Y. S. (2009), Influence of institutional DINESERV on customer satisfaction, return intention, and word-of-mouth, *International Journal of Hospitality Management*, ler28(1), 10-17

Kotler, P., Bowen, J. & Makens, J. (2003) *Marketing for Hospitality and Tourism,* 3rd Edition, Upper Saddle River: Person Education.

Lončarić, D., Prodan, Marina Perišić Prodan, and Dlačić, Jasmina (2017). Co-creating tourist experiences to enhance customer loyalty and travel satisfaction, *Tourism in Southern and Eastern Europe*, 4, 321-334.

Mensah, I. (2009). Customers' perception of food service quality, the case of Cape Coast, *Journal of Business and Enterprise Development*, 1(1), 138-154.

Mensah, Ishmael & Mensah, Rebecca Dei (2018), Effects of Service Quality and Customer Satisfaction on Repurchase Intention in Restaurants on University of Cape Coast Campus, *Journal of Tourism, Heritage & Services Marketing*, 4(1), 27-36.

Monroe, K.B. (1991). "Pricing – Making Profitable Decisions", McGraw-Hill, New York

Nunnally, J. C. (1978). "Psychometric Theory(2nd ed.)", New York: McGraw-Hill.

Oliver, R. L. (1981). Measurement and evaluation of satisfaction processes in retail settings, *Journal of Retailing*, 57(3), 25-48.

Pedraja, Iglesias, M., & Jesus, Yagüe Guillén, M. (2004). Perceived quality and price: their impact on the satisfaction of restaurant customers, *International Journal of Contemporary Hospitality Management*, 16(6), 373-379

Prahald, C.K. and Ramaswamy, V. (2004). Co-creation experiences: The next practice in value-creation, *Journal of Interactive Marketing*, 13(3), 5-1.

Razaka, Nurhanan Syafiah Abdul, Malliga Marimuthub, Azizah Omarc, Mazlina Mamat (2014). Trust and Repurchase Intention on Online Tourism Services among Malaysian Consumers, *Procedia - Social and Behavioral Sciences* 130, 577 – 582

Sánchez-García, J., Luis J. Callarisa Fiol, Rosa María Rodríguez-Artola, and Miguel Angel Moliner (2006), Perceived value of the purchase of a tourism product. *Tourism Management*, 27(3), 394-409.

Schiffman, L. & Kanuk, L. (2007). *Customer Behavior*, (2nd Edition). Jakarta – Indeks.

Sweeney, J. C., & Soutar, G. N. (2001). Consumer perceived value: The development of a multiple item scale, *Journal of retailing*, 77(2), 203-220

Sweeney, Jillian C & Soutar (2001). Consumer perceived value: The development of a multiple item scale. *Journal of Retailing*, 77, 203–220.

Yi, Y., & Suna, L. (2004). What Influences the Relationship between Customer Satisfaction and Repurchase Intention? Investigating the Effects of Adjusted Expectations and Customer Loyalty, *Psychology and marketing*, 21(5), 351-373.