



Factors Affecting Night-Time Economic Development: Research in Hanoi, Vietnam

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Abstract

Purpose: The purpose of the study is to explore the factors which influence the night-time economic development in Hanoi, Vietnam. The results can help policymakers achieve a scientific basis to plan the development of night-time economy in Hanoi. **Research design, data and methodology:** The research model is developed from literature review with 7 independent variables, including natural conditions and resources, infrastructure, safety, environmental issues, promotion and international integration, development of sharing economy, and institution and policy. This model is then adjusted by exploratory factors analysis to have 4 new variables: Institution and environment, Infrastructure and safety, Promotion and sharing, and Nature and resources. The model is regressed based on the data of 463 observations of night-time economy in Hanoi, Vietnam. **Results:** Consistent with the current literature addressing night-time economy, the results show positive impacts of all of the independent variables studied. **Conclusions:** It is recommended for the local authorities to strengthen advertising and promoting investment for NTE development in Hanoi city and also enhance the role of state management in NTE activities by raising awareness of the state management apparatus towards a more open-minded multi-dimensional view of the NTE, developing the NTE to overcome the barrier of thinking "if it cannot be managed, it is forbidden" in state management agencies, and defining responsibilities and authority among state management agencies in the management of NTE activities and strengthening decentralization and decentralization of powers for localities in the management and development of NTE.

Keywords : Night-time economy, Business development, Vietnam

JEL Classification Code: E61, O11, O25

1. Introduction

In the last few decades, the notion of the “night-time economy” (NTE) has become prominent in the urban policy priorities of many cities around the world. Nightlife is increasingly enfolded within city imagery of urban culture

and ‘liveability’. The term NTE represents the dominant policy formulation of urban nightlife, typically referring to the expanded provision, interaction and consumption of leisure activities and experiences associated with patterns of collective night-time sociability and entertainment (Heath & Stickland 1997; Hannigan 1998). The night-time economy

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concept emerged in the early 1990s and emanated predominantly from Britain, registering the shift in the structures and rhythms of work, leisure and urban space, and signalling a significant move from nine-to-five industrial labour and weekend leisure to a more fluid context of task and service-oriented work articulating with 24-hour city leisure practices (Roberts & Eldridge 2007; Winlow & Hall 2006).

NTE refers to the mixture of social science studies of alcohol and social science studies of the night-time leisure industry that has come to dominate how we understand night-time cities. As a phrase for describing the alcohol and leisure industry in the night-time city, the term NTE has its origins in the work of the academics associated with the founder Charles Landry's creative cities research organisation named Comedia Consultancy in United Kingdom. This phrase is also emphasised by Franco Bianchini, one of the academics involved in Comedia Consultancy, and the Italian politician Renato Nicolini, who had been responsible for a series of cultural festivals, including night-time activities, in Rome called 'L'Estate Romana' between 1977 and 1985 (Bianchini, 1995). Furthermore, the phrase NTE was created in order to 'sell' cultural production at night to local and national authorities in the UK in the early 1990s (Hadfield, 2006). In overall, even though each city might have different ideas for the establishment of NTE, it still can be generalised as an alcohol and leisure industry, in which local authorities often had little power to influence the planning decisions (Hadfield et al., 2001; Vall, 2007).

The NTE is characterised by a (comparatively) extensive array of leisure options with a high degree of venue availability in terms of quantity and diversity. Large numbers of café's and restaurants are in operation, and cinemas, theatres and other cultural venues are well-attended. Indeed, much of the scheduling of entertainment, such as plays, performances and exhibition openings, is organised around the understanding that a night out in the city is underpinned by the popularity of social dining.

The NTE tends to close around 11 pm (certainly in the research site of Sydney, although, for example, in Iberia and Latin America, it is rather later), after which there emerges a different NTE (11 pm– 2 am), with the number and diversity of nightlife participants dropping dramatically and, consequently, services, particularly public transport, becoming less available. From about 2 am onwards, nightlife might be characterised as the late-night economy (2 – 5 am).

2. Literature Review

Economic activities at night have been formed and

developed diversely around the world. In Europe, night-time economy took place at an early stage. Those activities have become popular among cities such as Paris and Toulouse (France), Zurich (Switzerland), Amsterdam (Netherlands), etc. This type of economy has spread and developed rapidly in major cities in Asia such as Tokyo (Japan), Chongqing (China), Beijing (China), Bangkok (Thailand), etc. The concept of the NTE, has been initially associated with people who are engaged in drinking and nightlife activities.

NTE was generally limited to the "chaos economy". Over time, the term referred most commonly to the activities of bars and clubs (Talbot, 2004 and 2007). In addition, NTE can also be seen as "*festivals, cultural initiatives aimed at bringing people back to the city, developing office and residential activities, combining or homogenizing activities of cultural centre facilities, etc. to promote the city as a vibrant cultural habitat, the idea of the city's nightlife, an area of entertainment, socialization, meeting night*" (Lovatt & O'Connor, 1995).

Roberts and Turner (2005), in their study of Old Compton Street in Soho, London, have shown that the nightlife area is mainly pedestrian activities, traffic, noise types, different cultural behaviours and facilities open 24 hours a day. The NTE is a striking expression of the diversity and dynamics of a nation in culture, society and economy. In Vietnam, NTE is the consumption activities that serves the material and spiritual life of people and takes place at night. The scope of NTE in this study are mainly focused on the field of service that happens from 6 pm to 6 am the following day. It includes entertainment services (art activities, theatre, music, entertainment programs, festivals, events, etc.), food service (restaurants, bars, etc.), shopping (markets, shopping malls, etc.) and tourism (visiting tourist sites, cultural relics, architectural works, etc.).

Zmyslony and Pawlusinski (2020) show that NTE is an umbrella construct describing a range of activities, venues and consumer service providers clustered upon their nocturnal agenda. These activities are: (1) NTE core activities – operating only or intensifying their performance from the late evening into the early hours of the morning (concert halls, casinos, night markets, gaming centres, bars and coffee shops...); (2) NTE Complementary activities – extending their daytime performance into late evening hours (shops, museums galleries, sport and fitness centres, hotels...); and (3) NTE supporting activities – referring to the multi-industrial performance of a city (hospitals health care, goods delivery, shared services centres, cleaning services, police and public security, repair and maintenance, public and private transport, buildings illuminations and creative industrials).

Svet and Svet (2014) investigated the NTE in cities, identify the characteristics and differences in NTE development, especially cultural factors.

In Vietnam, there are relatively few studies on NTE. The research of Do (2015) introduced the concepts of night-time tourism activities and experiences of night-time tourism activities in several countries around the world. Indeed, Do (2015) examined the current status of infrastructure and social security conditions for developing night-time tourism activities in Ho Chi Minh City. In addition, advantages and limitations in developing night tourism for this locality are pointed out. The local authorities attempted to develop NTE as a pioneer feature of Ho Chi Minh City tourism industry by promoting the image of night-time activities, ensuring and enhancing the local security, connecting different tourism departments and agencies to diversify the economic activities in the night-time, etc. In the paper of Luu (2020) about the current situations of developing NTE in some countries around the world, some measures were proposed such as changing mindsets, creating a breakthrough mechanism, controlling and supporting the development of the NTE, offering specific planning, allowing large investors and high-quality services to operate. However, these solutions could not be widely developed without effective management measures from the local government and tourism management agency.

3. Research Data

The data source was collected from direct observation, specifically:

Survey subjects: residents, tourists, businesses and managers.

Survey scope: people, tourists, businesses and managers

in Hanoi. Due to the impact of the COVID-19 pandemic, the authors conducted an online survey through the Google Form platform.

Sample selection: choosing a non-random convenience sample. With the sample size, the percentage of respondents to the survey may not reach 100%, so the study selected districts with potential for NTE development, including Hoan Kiem, Tay Ho Dong Da, Nam Tu, Ha Dong and Gia Lam District. Particularly, for households and businesses: 100 observations, for residents and tourists: 300 observations, randomly selected, for experts and scientists: 100 observations (subjects are experts and scientists in departments and research institutes of Hanoi city).

The data used in this study is generated from 463 observations including 147 tourists, 110 local citizens, 104 authorities' managers, and 102 local business owners.

4. Research results

4.1. Reliability test

By using collected data from questionnaire surveys, authors used Cronbach's Alpha coefficient (Reliability Statistics) to study the reliability of the variables scale. Results of Cronbach's Alpha analysis show that the factor "Natural conditions and resources" has one variable that needs to be eliminated, which is TN4 (Many eco-tourism spots) because it has a total correlation coefficient of 0.159. As for other factors, all variables ensure reliability. The specific results after removing the TN4 variable of factor 1 and other factors are as follows:

Table 1: Reliability Statistics

Factors	Number of observed variables	Cronbach's Alpha	Corrected Item-Total Correlation (min)	Cronbach's Alpha If Item Deleted (max)
Natural conditions and resources	4	0.877	0.641	0.877
The infrastructure	4	0.898	0.734	0.882
Safety when using services	8	0.940	0.357	0.965
Environmental issues at NTE business locations	4	0.923	0.804	0.906
Promotion of NTE services and international integration	5	0.923	0.761	0.914
The development of the sharing economy and the digital economy	5	0.908	0.736	0.894
Institutions and policies for NTE development	4	0.944	0.832	0.939
NTE development	8	0.932	0.666	0.930

4.2. Exploratory Factor Analysis

From the results of evaluating the scale's reliability by Cronbach's Alpha coefficient, the authors extracted 34 officially observed variables of 7 factors for the following study. Exploratory Factor Analysis is adopted for the next

step of data processing with all the observed variables are included into the test at the same time. Principal Axis Factoring and Promax Rotation methods are used to extract the data (Gerbing & Anderson, 1988). The analysis results are presented below:

Table 2: KMO Test Results of Observed Variables

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.958
Bartlett's Test of Sphericity	Approx. Chi-Square	17146.485
	df	561
	Sig.	0.000

To eliminate the scales that do not guarantee validity and reduce the set of observed variables into factors that accurately reflect the measurement components of each variable in the model, the authors performed exploratory factor analysis EFA.

The observed sample size was 463. To ensure the practical analysis results reflect the most meaningful results, the authors chose 0.55 for the Factor Loading factor. The results are summarized in detail in the appendix below where the authors present the conditions for EFA to satisfy the criteria:

Criterion 1: KMO coefficient (Kaiser-Meyer-Olkin) standard: $0.5 \leq \text{KMO} \leq 1$ considering the appropriateness of sample size (Kaiser, 1974; Kaiser and Rice, 1974). The above table results show that the KMO value of 0.958 is significant in the factor analysis model, which is very consistent with the collected data.

Criterion 2: Bartlett test is used to check whether the observed variables in the group of factors are correlated with each other in the population. If yes, then the level of statistical significance is satisfactory (Sig. < 0.050). The results show that Sig = 0.000 means that the factors in the research model are correlated with each other and have statistical significance.

Criterion 3: Factor loading > 0.5 is the indicator showing the correlation between the observed variables and the group of factors; the higher the load coefficient, the greater the correlation, and vice versa; loading factor greater than or equal to 0.5 shows that the observed variable has practical significance (Hair, 1998).

Table 3: Results of Rotation Matrix of Observed Variables

	Factors			
	1	2	3	4
TN1		0.564		
TN2				0.827
TN3				0.843
TN5				0.663
HT1		0.718		
HT2		0.733		
HT3		0.659		
HT4		0.736		
AT1		0.725		
AT2		0.739		
AT3		0.704		
AT4	0.579	0.650		

AT5		0.700		
AT6	0.670			
AT7	0.669	0.551		
AT8				
MT1	0.692			
MT2	0.753			
MT3	0.781			
MT4	0.765			
QB1				
QB2				
QB3				
QB4			0.683	
QB5	0.559			
CS1			0.696	
CS2			0.666	
CS3			0.785	
CS4			0.818	
CS5			0.745	
TC1	0.658			
TC2	0.687			
TC3	0.626			
TC4	0.626			

The table above shows that the scales AT8, QB1, QB2, and QB3 do not have sufficient factor loading value, so these scales continue to be removed in the first phase of EFA. In the 2nd phase of EFA, the remaining 30 observed variables were included in the analysis. Results show that the KMO value of 0.958 is significant in the factor analysis model, which is consistent with the collected data. Otherwise, the observed variables AT4 and AT7 have low factor loading value, which means they would be removed in this 2nd phase of EFA. The 3rd attempts of EFA results are shown in the following table:

Table 4: KMO Test Results of Observed Variables (3rd times)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.954
Bartlett's Test of Sphericity	Approx. Chi-Square	17146.485
	df	561
	Sig.	0.000

Factor 1: The above table results show that the KMO value of 0.954 is significant in the factor analysis model, which is very consistent with the collected data.

Factor 2: The results show that Sig = 0.000 means that the factors in the research model are correlated with each other and have statistical significance.

Factor 3: Results of the rotation matrix table above show that the observed variables of each factor group have convergent values, showing a high level of significance with loading coefficients all greater than 0.5.

Factor 4: Eigenvalue is the criterion to determine the

number of factor groups in EFA. The factor group condition is retained in the analytical model if there is an Eigenvalue ≥ 1 . Based on the results, 36 observed variables are extracted to 4 main factor groups with Eigenvalues > 1 .

Factor 5: Total Variance Explained shows how many percentages of the extracted factors groups and how many percentages of the observed variables are lost. If this coefficient is $\geq 50\%$, then the EFA model is suitable. It shows that the total variance extracted = $74.042\% \geq 50\%$ confirms that the EFA model is appropriate, and the extracted factor condenses 74.042% of the variation of the observed variables.

Table 5: Results of Rotation Matrix of Observed Variables

	Factors			
	1	2	3	4
TN1		0.565		
TN2				0.838
TN3				0.849
TN5				0.673
HT1		0.728		
HT2		0.743		
HT3		0.668		
HT4		0.751		
AT1		0.728		
AT2		0.743		
AT3		0.714		
AT5		0.691		
AT6	0.644			
MT1	0.714			
MT2	0.768			
MT3	0.794			
MT4	0.787			
QB4			0.626	
QB5	0.590			
CS1			0.667	
CS2			0.641	
CS3			0.804	
CS4			0.835	
CS5			0.744	
TC1	0.695			
TC2	0.717			
TC3	0.664			
TC4	0.665			

Summarizing the results of exploratory factor analysis, EFA achieved the following results: the observed variables satisfy the conditions, the selected scales have excellent reliability, and the variables are convergent. Therefore, the research model included in the next analysis includes:

Factor 1 (F1): Institution and environment include variables: AT6, MT1, MT2, MT3, MT4, QB5, TC1, TC2,

TC3, and TC4. This factor reflects supportive policies and environmental issues for NTE development.

Factor 2 (F2): Infrastructure and safety include the following variables: TN1, HT1, HT2, HT3, HT4, AT1, AT2, AT3, and AT5. This factor reflects on the infrastructure and conditions to ensure security for the development of the NTE.

Factor 3 (F3): Promotion and sharing includes variables: QB4, CS1, CS2, CS3, CS4, CS5. Reflects promotion and sharing economy in the context of the digital economy.

Factor 4 (F4): Nature and resources include variables: TN2, TN3 and TN4.

4.3. Analysis of Regression Model

To identify the factors affecting the development of NTE in Hanoi city, the authors built an overall correlation model of the form:

$$ND=f(F1.F2.F3.F4)$$

ND: Night-time economic development. F1, F2, F3, and F4 are the factors determined after running the EFA test. The linear regression equation is expressed as below:

$$ND = b_0 + b_1F_1+b_2F_2+b_3F_3+b_4F_4$$

The regression coefficients and test significance are shown in the following table:

Table 6: Regression Coefficients

Factors	Standardized Coefficients	t	Sig.
	Beta		
(Constant)		0.000	1
Institution and environment	0.152	3.449	0.001
Infrastructure and safety	0.157	3.571	0.000
Promotion and sharing	0.238	5.400	0.000
Nature and resources	0.099	2.243	0.025

Authors tested the model's suitability and the results showed that R2 reached the value of 0.337 and the tested coefficient was statistically significant. The model is confirmed to be suitable. and the variables are significant through the constant residual variance test (Spearman test):

$$ND = b_0 + 0.152F_1+0.157F_2+0.238F_3+0.099F_4$$

All factors positively impact NTE development in Hanoi city but there will be differences in the level of impact. Among the four factors proposed from the research model,

factor 3 (F3) “Promotion and sharing” have the strongest impact on NTE development, followed by Factor 2 (F2) “Infrastructure and safety”, Factor 1 (F1) “Institutions and environment”, and finally Factor 4 (F4) “Nature and resources”

In summary, the importance of the factors ranked in order of priority and descending are promotion and sharing, infrastructure and safety, institutions and Environment, and nature and Resources.

5. Discussion and Conclusions

Based on the results of the research findings, the NTE is strongly important to enhance the local economy. These activities are affected by four different factors including Institution and environment, Infrastructure and safety, Promotion and sharing, and Nature and resources. It is necessary to focus on the following contents:

Strengthening advertising and promoting investment for NTE development in Hanoi city:

(1) Build communication campaigns and promote NTE development with the brand "Night Hanoi". It is necessary to effectively convey the message to residents and visitors to position the tourist image of the city.

(2) Develop reportage, promotional articles, and videos on NTE; enhance information about nightlife activities and services in Hanoi on media channels and social networks of the city, national and international; develop a promotional video “Discovering Hanoi Tourism at Night” in many different languages.

(3) Strengthen the application of information technology in the propaganda, promotion of tourism, and implementing the project of digital transformation in the tourism industry. Smart tourism application should be developed to widely promote the images of destination, tourism product introduction, and travel guide.

(4) Mobilize resources for synchronous investment in a significant strategic and highly interconnected urban infrastructure system for socio-economic development and tourism.

(5) Prioritize the City's budget for programs to support investment in essential tourism infrastructure (main roads, internal traffic, reception centres combined with parking lots, standard public toilets....) at key tourist areas and tourist spots.

(6) Re-planning the static traffic infrastructure system; plans to separate traffic after 6p.m to 6a.m to reserve walking space for tourists at night in service business areas and locations.

Enhance the role of state management in NTE activities:

(1) Raising awareness of the state management apparatus towards a more open-minded multi-dimensional

view and assessment of the role, opportunities, and risks of the NTE.

(2) Developing the NTE to overcome the barrier of thinking "if it cannot be managed, it is forbidden" in state management agencies.

(3) Clearly defining responsibilities and authority among state management agencies in the management of NTE activities and strengthening decentralization and decentralization of powers for localities in the management and development of NTE.

The NTE in Hanoi includes specific business activities in terms of trade, services, and tourism: food, art, music, festivals, and events... Most of them starts from 9p.m to 12a.m. Some services are piloted until 2a.m. NTE activities contribute to diversify entertainment and commercial activities for the locality, create jobs, generate income for businesses, attract investment in the tourism industry, and increase revenue for the state budget. For the society, night economic activities aim to promote the culture of behaviour of local community, create a new face for urban architecture, connect local authorities with residents and tourists, and create more jobs for employees.

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