

Research Article

Research on Factors Affecting the Sustainable Development of the Nighttime Economy in Hanoi

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Abstract: Hanoi is one of the cities with favorable conditions for developing the nighttime economy, but it has not yet fully leveraged this opportunity to recover its economy after the COVID-19 pandemic. This study examines the factors influencing the sustainable development of the nighttime economy in Hanoi. The study employs Partial Least Squares Structural Equation Modelling (PLS-SEM) with bootstrapping to evaluate and test the relationships using data from 442 interviewees who have used nighttime tourism products in Hanoi. The results show five factors have a positive relationship on sustainable development of the nighttime economy, including (1) infrastructure, (2) natural conditions, (3) human resources, (4) safety, (5) institutions and policies. The study helps nighttime tourism service providers design and implement effective and sustainable strategies to attract both domestic and international tourists.

Keywords: Sustainable development, Nighttime Economy, Hanoi.

I. INTRODUCTION

The concept of “Nighttime economy” currently has many definitions. However, the most common concept is understood as all service activities that take place after 5 pm the previous night until 6 am the next morning, including: Shopping at night markets, 24-hour convenience stores, cuisine, art, music, entertainment programs, festivals, events, and tourist attractions that are only open at night. According to experts, service activities and the nighttime economy offer numerous benefits to both tourists and residents. Specifically, alongside daytime service activities, tourists have the opportunity to have fun, exchange cultures, enjoy local cuisine, shop for souvenirs, and participate in traditional folk games. Nighttime economic activities have been developing in many countries around the world, in which these activities took place very early, typically in European cities such as Paris, Toulouse (France), Zurich (Switzerland) or Amsterdam (Netherlands) then this type of economy has developed rapidly for major cities in Asia such as Tokyo (Japan), Chongqing (China), Beijing (China), Bangkok (Thailand). The nighttime economy brings great benefits, contributes to economic development, stimulates growth, and improves residents' incomes in many countries around the world.

In Vietnam, the nighttime economy has recently emerged and developed in various forms, including walking areas, shopping districts, food courts, convenience stores, night markets, bars, and street art and entertainment venues. However, nighttime economic activities have only been exploited on a small scale, operating spontaneously and fragmentarily in some large urban areas and tourist centers such as Hanoi, Ho Chi Minh City, Da Nang, Hoi An, etc., so they have not become an economic model that has made important contributions to the country's economic growth in recent times. Apart from a few convenience store chains that are permitted to operate 24 hours a day, seven days a week, other businesses are subject to specific time restrictions.

Hanoi - The thousand-year-old capital with a rich system of tangible and intangible heritage, famous street foods, and friendly, hospitable people; at the same time, with a rapid urbanization rate, and deep integration with the world..., Hanoi has all the elements of "heavenly time, favorable location, and harmony" to develop the nighttime economy. However, to date, these potentials remain untapped. There are several limitations and shortcomings, including that some activities remain spontaneous, poorly organized, and not linked to the government apparatus or related regulations. In addition, the COVID-19 pandemic has recently had a significant impact on all aspects of global economic and social life, causing the tourism industry to face a severe crisis with substantial losses. This has led to a challenging situation for many businesses, including airlines, hotels, and travel agencies. Therefore, the development of night tourism products not only makes significant economic contributions but also brings about major changes to the domestic service and tourism industries, creating new momentum for economic recovery.

In Hanoi, comprehensive and in-depth studies evaluating the demand, potential, measurability, direction, and requirements for city-wide nighttime economic development across various industries, fields, and localities are lacking. Given



the initial stage of the legal framework and policies for nighttime economic development in Vietnam and Hanoi, and the growing number of countries implementing policies to promote the nighttime economy, research on nighttime economic development in Hanoi is imperative [1]. Additionally, Hanoi boasts the most developed infrastructure for sightseeing, accommodation, and dining in the country, which can cater to a large number of both domestic and foreign tourists. The number of international tourists to Hanoi accounts for approximately 30% of the total number of visitors to Vietnam. Besides, Hanoi is a densely populated city with many people from other provinces and cities coming to work and live, so security and social safety have also been a focus. Social security and safety issues also play an important role in the development of night tourism. Agencies and departments also focus on propaganda and promotion of tourism products in the capital through specific mechanisms and policies. For that reason, the factors affecting the development of night tourism products in Hanoi

II. LITERATURE REVIEW

A) *Concept of Nighttime Economy*

The nighttime economy is a concept with a multidimensional approach, varying from country to country, as the definition of the nighttime economy changes depending on trends and nighttime consumption behaviors, as well as the diversity and dynamism of the culture, economy, and society of each country [1].

The concept of "Nighttime economy" first appeared in the 1970s, when it was used to describe a series of nighttime cultural events in the "Estate Romana Summer Program" in Rome. Initially, with the primary target audience of nighttime business activities being workers and the working class, this concept encountered a bumpy start, often being labeled negatively as "the old economy" or "the chaotic economy." This has resulted from an increase in crime, violence, and vandalism associated with extended bar hours and increased consumption of cheap alcohol [2], [3]

Today, the nighttime economy reflects the economic importance and cultural value of activities that take place outside regular business hours (Sound & Andreina, 2018), and is considered an important part of the tourism sector and urban vibrancy, with tourism revenues accounting for at least 15% of total revenues in urban centres [2]. Over the past decades, this concept has become prominent in many European cities, such as Paris, Toulouse, Zurich, and Amsterdam. It has spread to major cities in Asia, such as Tokyo, Bangkok, and Beijing, as a trend to promote economic development and improve local residents' incomes [4],[5].

The nature and scope of the definition of the night economy may vary by jurisdiction, depending on local regulations, cultural norms, availability of nighttime activities, and consumption trends [6]. This concept includes all social, cultural, and production activities that take place from 6 pm the previous night to 6 am the next day [7], including entertainment venues such as bars, clubs, restaurants, and cinemas - collectively known as hospitality establishments and transportation services that operate at night [8]

B) *Conceptual Framework*

a. **Infrastructure**

To develop the night economy —or, more specifically, to effectively develop night tourism —a locality or country must have a system of facilities that fully serve and meet tourists' needs. This is considered a key factor to evaluate the success of a night economy. With high-quality technical facilities, a locality can attract tourists to stay longer and spend more, especially in the nighttime economy, where spending levels can be significantly higher than during the day. A synchronous, practical, and high-quality transportation system helps create conditions for tourists and residents to access the night economy efficiently and at low cost, and to reduce travel time between regions, thereby facilitating the effective attraction and development of the night economy. [6]

H1: Infrastructure has a positive influence on the sustainable development of the nighttime economy

b. **Natural Condition**

To develop the nighttime economy in general and the nighttime tourism industry in particular, the natural resource base is a key factor that creates the primary driving force for development. In which tourism resources, including natural tourism resources and cultural and humanistic tourism resources, have the most significant influence on the development level of the local nighttime economy? [5]

H2: Natural condition has a positive influence on the sustainable development of the nighttime economy

c. **Human Resources**

Human resources play a crucial role in the development of the nighttime economy by creating diverse labor demand across various industries, including services, entertainment, transportation, technology, and the arts, thereby creating stable jobs and promoting the growth of related service industries. Additionally, investing in training, developing high-quality human resources, and fostering innovation in this field is a key factor in enhancing competitiveness and attracting investment.

[8],[9]

H3: Human resources have a positive influence on the sustainable development of the nighttime economy

d. Safety

Political and social security factors play a significant role in shaping the local nighttime economy. This is the top concern of countries and localities with a relatively developed nighttime economy. In fact, it can be seen that the nighttime economy cannot be carried out smoothly and effectively in localities or countries with low political and social stability. [10]

H4: Safety has a positive influence on the sustainable development of the nighttime economy

e. Institutions and Policies

The role of the government in encouraging and facilitating is the most important decisive factor in building a thriving nighttime economy. The government's supporting role must first come from the agencies that plan local economic development strategies. The nighttime economy can only develop when there is a plan, policy, unified direction, well-planned investment in separate areas, long-term planning, and development of electricity and water infrastructure, as well as public transport connections and a network of security and safety service management. Nighttime entertainment areas need to be planned in a synchronized manner, selecting reputable and experienced businesses, and developing appropriate public transportation services. This should also involve legalizing and extending the opening hours of tourist attractions and performing arts venues [3]. The nighttime economy also requires an appropriate mechanism to manage infrastructure, meet the needs of electricity, water, gasoline, beer, alcohol, high-end drinks, and cigarettes, along with a management system for social evils, combating counterfeit goods, tax evasion, and ensuring urban security and safety [11].

H5: Institutions and policies have a positive influence on the sustainable development of the nighttime economy

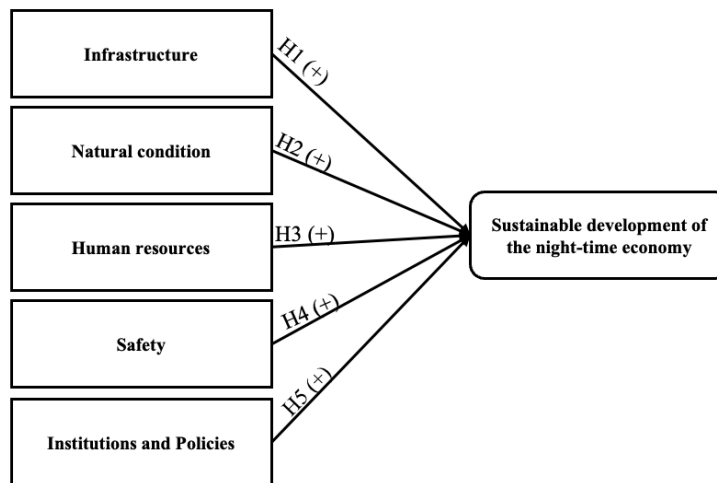


Fig. 1 Model research

III. RESULTS AND DISCUSSION

A) Research Sample

Hair et al. (2019) assert that the research sample is a critical component in guaranteeing the caliber of the study. Ten times the maximum number of arrows pointing to a latent variable anywhere in the PLS path model must be the minimum sample size. A total of 450 survey questionnaires were gathered from travelers who have used green tourism products. A total of 442 valid questionnaires, representing 95% of the total, were left for analysis after the questionnaires were processed and filtered. The information provided by the respondents is displayed in Table 1. According to the survey data, there was a slight variation in the percentage of male and female guests (53,85% and 46,15%, respectively). Most poll respondents fell within the age groups of 31-50 (40.05%) and those above 50 years old (29.19%).

Table 1. Characteristics of survey subjects

Criteria		Frequency	Percent
Gender	Male	238	53,85
	Female	204	46,15
Age	Under 18 years old	12	2,71
	18 – 30 year old	124	28,05

Criteria		Frequency	Percent
Occupation	31 – 50 year old	177	40,05
	Above 50 years old	129	29,19
	Tourists	303	68,55
	Nighttime Business Owners	109	24,66
	Experts, Scientists	30	6,79
Total		442	100

B) Data Analysis Techniques

Following survey questionnaire collection, the data were cleaned, encrypted, and then loaded into SPSS for EFA discovery factor analysis and reliability analysis. The collected data and the proposed hypothesis were then analyzed and verified using a thorough, valid, and reliable tool (SPSS 30 and SmartPLS 4.1 software) to assess rigorous statistical tests, including reliability, discriminant validity, convergent validity, and AVE.

C) Reliability and Validity of the Model

The constructs' reliability and validity were carefully examined using Cronbach's Alpha and composite reliability (CR), as recommended by academic literature on the use of PLS-SEM (Hair et al., 2019). Many academics prefer Cronbach's Alpha to CR because it analyzes dependability more accurately. In exploratory investigations, a CR of 0.6 is advised, whereas some claim a CR of at least 0.7. Table 3 shows the details of the composite reliability, with minimum and maximum CR of 0.845 and 0.908, meeting the fundamental composite reliability standards. To assess the index's dependability, all factor loadings in the structural model must be evaluated and must be larger than 0.6. The study findings reveal that all of the variables' factor loadings are more than 0.6, with the lowest factor loading being 0.651 and the highest factor loading being 0.857. Convergent validity may be assessed using the Average Variance Extracted (AVE) value. This index assesses the average variance shared by the concept and its constituent variables. AVE must be more than 0.5. The latent variables' average variance extracted (AVE) values ranged from 0.518 to 0.664, above the 0.5 criterion. As a result, all latent variables were kept for further study.

In the next stage, the VIF values were calculated to analyze the collinearity of the formative indicators (Sarstedt et al., 2021). VIF values of 5 or above indicate significant collinearity problems between the indicators of formatively assessed constructs (Hair et al., 2019). All of the VIF values in our study were below those listed in Table 2.

Table 2. Model analysis results

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Human resources	0,861	0,894	0,899	0,641
Infrastructure	0,872	0,888	0,907	0,662
Institutions and Policies	0,875	0,881	0,909	0,668
Natural condition	0,815	0,826	0,871	0,576
Safety	0,896	0,908	0,927	0,761
Sustainable development of the nighttime economy	0,846	0,851	0,891	0,621

The study then examined discriminant validity, which refers to the extent to which the latent variables differed in the structural model. To test this, the relationships' heterotrait-monotrait (HTMT) ratio was determined (see Table 3). According to Henseler et al. (2015), HTMT values of 0.85 or above suggest difficulties with discriminant validity. Nonetheless, our research did not uncover such a problem.

Table 3. Heterotrait –Monotrait Matrix

	Human resources	Infrastructure	Institutions and Policies	Natural condition	Safety	Sustainable development of the nighttime economy
Human resources						
Infrastructure	0,101					
Institutions and Policies	0,480	0,096				
Natural condition	0,268	0,207	0,310			
Safety	0,099	0,483	0,061	0,170		
Sustainable development of the nighttime economy	0,471	0,622	0,562	0,664	0,629	

D) PLS Structural model results

The structural model's overall explanatory ability was then investigated. By assigning each of our hypotheses to a distinct structural model route, we can explain variance in terms of the independent variables and the strength and magnitude of their effects. The explanatory strength of the model was measured using the R-squared adjusted, which was interpreted similarly to the R-squared value in regression analysis. Approximately 79% of the variance was explained by the structural model, as indicated in the analysis (see Table 4). This suggests that the structural model had sufficient explanatory power.

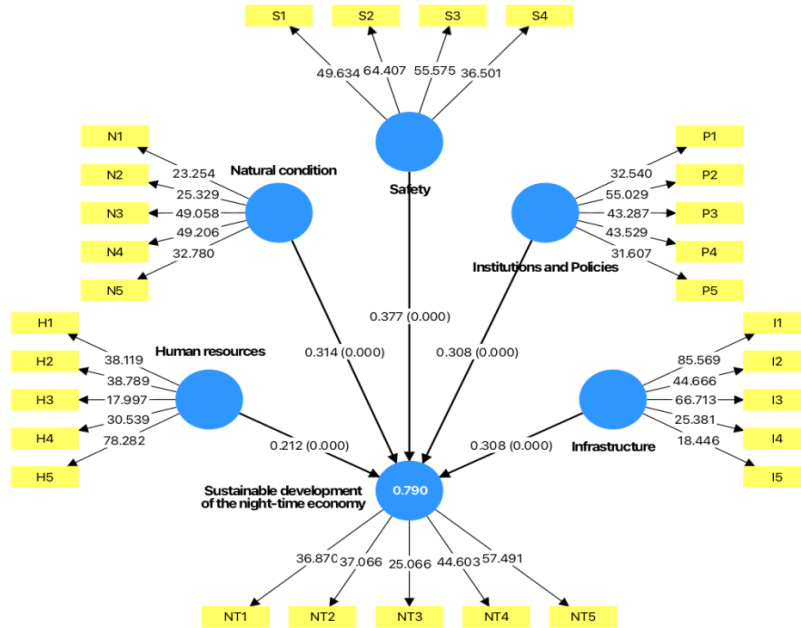


Fig 2. Research model result

To evaluate the route coefficient effects and the significant values for the direct and mediated associations, a 5000 bootstrapping technique was used in the final stage of the Smart PLS4 computations (see Table 5). Five direct hypotheses were tested in our study (see Figure 2). We may accept hypotheses H1, H2, H3, H4 and H5 since the Smart PLS results showed that infrastructure ($\beta = 0.308$, $t = 11,669$, $p = 0.000$), natural condition ($\beta = 0.314$, $t = 11,619$, $p = 0.000$), human resources ($\beta = 0.212$, $t = 8,829$, $p = 0.000$), safety ($\beta = 0.377$, $t = 14,273$, $p = 0.000$), institutions and policies ($\beta = 0.308$, $t = 11,806$, $p = 0.000$) have a positive and substantial influence on sustainable development of the nighttime economy.

Table 5. Path coefficients and impact dimensions

Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
H1: Infrastructure -> Sustainable development of the nighttime economy	0,308	0,308	0,026	11,769	0,000
H2: Natural condition -> Sustainable development of the nighttime economy	0,314	0,313	0,027	11,619	0,000
H3: Human resources -> Sustainable development of the nighttime economy	0,212	0,212	0,024	8,829	0,000
H4: Safety -> Sustainable development of the nighttime economy	0,377	0,376	0,026	14,273	0,000
H5: Institutions and Policies -> Sustainable development of the nighttime economy	0,308	0,308	0,026	11,806	0,000

IV. CONCLUSION

A) Diversify and Expand Nighttime Economic Activities.

The nighttime activities not only focus on dining and shopping but also expand to areas such as tourism, entertainment, and culture, contributing to promoting urban consumption. One of the successes that the district has achieved in developing nighttime is implementing the walking space around Hoan Kiem Lake and its vicinity since 2016, to build and maintain a community space, preserving, honoring, and introducing the history, culture, and people of Hanoi, and programs such as street

art performances, exhibitions, and other interactive activities. Up to now, the walking space around Hoan Kiem Lake and its vicinity has become a brand, a "highlight" of the capital, providing entertainment and relaxation for the community and domestic and foreign tourists [1]. To promote tangible and intangible cultural values, since 2022, Hanoi has renovated and embellished many relics and urban spaces in the Old Quarter to create places for cultural activities and artistic exchanges, introducing the profession. Traditions associated with craft streets and craft villages such as: Heritage House - 87 Ma May, Kim Ngan Communal House - 42 Hang Bac, Hanoi Old Quarter Cultural Exchange Center - 50 Dao Duy Tu, Quan De Temple - 28 Hang Buom, Dong Lac Communal House - 38 Hang Dao, Nam Huong Communal House - 75 Hang Trong, Cultural and Art Center - 22 Hang Buom. In 2023, Hanoi Department of Tourism will focus on developing 15 attractive night tourism products, such as: (1) Night tour of Hoa Lo Prison with three different themes; (2) Walking space in Hoan Kiem Lake area and vicinity; (3) Thang Long and Hang Trong water puppetry; (4) Dong Xuan tram route; (5) Cycle service. Diversifying and expanding the space for economic and trade activities has helped Hanoi continue to become a destination for many domestic and foreign tourists, attracting investors and supporting small traders to increase sales revenue.

B) Solutions for infrastructure investment for nighttime economic development in Hanoi

To develop the nighttime economy, infrastructure needs to be one step ahead. Some specific proposals for the capital Hanoi: (1) Prioritize public investment resources to invest and focus on completing infrastructure items in areas/projects planned for nighttime economic development, taking advantage of the current low tourism season to create favorable conditions for anticipation, putting into operation, and serving promptly when the epidemic situation is controlled, tourism activities are restored, and at the same time creating momentum for accelerating the development of the nighttime economy of Hanoi; (2) Plan and invest in the construction of works to create night highlights in squares, central parks, landscapes on both sides of the Red River, and enhance underground spaces; (3) Call for investment in upgrading Hanoi Port to serve tourism development inland waterways, and develop nighttime tourism routes on the Red River; (4) Decorate and form artistic lighting routes to create differences and appeal to attract people and tourists at night. Initially, select suitable locations along the routes, such as the Old Quarter and Trinh Cong Son.

C) Social order and safety for nighttime economic development

To ensure social order and safety for nighttime economic development in Hanoi, the following solutions need to be implemented: Improve the effectiveness of ensuring traffic order and safety, urban safety and order, in which direct departments, branches and organizations to thoughtfully and effectively implement the Directives, Resolutions, Programs and plans of the Central and the city related to traffic order and safety, urban order for nighttime economic development in Hanoi. Strengthening the propaganda and dissemination of legal education to raise awareness, vigilance and sense of responsibility of cadres, party members, people and tourists in performing the task of ensuring traffic safety and order, urban order and urban civilization in the capital, considering this a key solution that needs to be implemented regularly and continuously to ensure the necessary conditions for the development of the nighttime economy. Strictly enforce violations on sidewalks and roads in the business.

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