IDENTIFICATION OF FACTORS INCLUDED IN THE CUSTOMER'S DECISION MAKING

Dushica Popova

Faculty of tourism and business logistics, R. N. Macedonia, <u>dusica.saneva@ugd.edu.mk</u> **Natasha Miteva** Faculty of tourism and business logistics, R. N. Macedonia, <u>natasa.miteva@ugd.edu.mk</u> **Martin Dzambaski**

Faculty of tourism and business logistics, R. N. Macedonia, martin.217175@student.ugd.edu.mk

Abstract: The characteristics of Berovo as a tourist destination include attractive perspectives and opportunities for the development of several tourism types, still, its branding and recognition is not significant enough. Prove for that is the data showing the tourist arrival showing the number of tourists and nights spend in relation of the total capacities of R. N. Macedonia. This paper analyses several factors that impact the decision-making process of the customers, their satisfaction, and their loyalties during their visit of Berovo as a tourist destination. Also, the main factors with which Berovo can be positively highlighted are identified. The research was conducted in March and April 2024 with the use of questionnaire both in printed form and electronically in the town of Berovo. Total of 108 questionnaires were analyzed. The questionnaire used in the research contains socio-demographic variables of the visitors including gender, age, education and work condition, and total of 16 questions from which 13 are for the characteristics of the accommodation and restaurant capacities such as location, hygiene, neatness, ambience, food, its quality and eco products, image as a whole and the price. The customers' loyalty and satisfaction were measured through three questions such as: 1. General satisfaction and impression of the town Berovo, 2. Returning visit, and 3. Recommendation of Berovo as a tourist destination. For the questions grading the Likert scale was used with five values, from 1 to 5 (1 for "do not agree at all" to 5 "I agree completely"). The validity of the questionnaire is confirmed with the Cronbach alfa coefficient for internal consistency of 0.915, according to which it represents great opportunity for further analysis of the research data. The adequacy of the research sample was tested according to the Kaiser-Meyer-Olkin (KMO) index, and it is a high 0.906. The data in this research is statistically processed with the SPSS software package.

Keywords: quality, satisfaction, loyalty, accommodation capacities, restaurants

1. INTRODUCTION

The position of Berovo as a municipality on the tourist market is still relatively small and that's mostly due to the undefined factors that impact the visibility, as well as the lack of financial resources of he municipality which are allocated for tourism promotion and its development, and the insufficient promotion as a tourist destination.

Berovo, even though it is a tourist destination that characterizes with attractive perspectives and opportunities for development of many types of tourism, its branding in the area of tourism and hospitality is not positive. That is indicated by the statistical data on the achieved tourist turnover by number of tourists and nights spent in the relation to the total capacities in R. N. Macedonia. That is why this research points out to the importance of recognizing the factors that impact and define the quality, satisfaction and loyalty in the tourism industry as a key factor for the promotion of Berovo. With the identification of the factors that impact the development of Berovo from customers' perspective, it is possible to fulfill and even exceed their needs, wants, and expectations. Sustainable success can be achieved when the consumers' trust is maintained.

Getting to know and understanding the current and future needs of the customers contributes to the greater success and development of the city. Part of the activities that have to be done are understanding the current and future needs and expectations of the customers, connecting the goals with the needs and expectations of the customers, planning, designing, developing, producing, delivering, and supporting products and services so that the customers' needs and expectations are fulfilled, measuring and following the customers' satisfaction, and undertaking appropriate activities, determining and taking activities for the needs and expectations of the interested parties that can affect the customers' satisfaction.

2. MATERIALS AND METHODS

The research in this paper is establishing the factors which the visitors point out as the most important for the improvement of the visibility and promotion of Berovo. For that reason, a questionnaire was created and distributed in Berovo during March and April 2024, in printed format, In order to have more data to be analyzed, electronical

form of the questionnaire was sent too. The 108 questionnaires were analyzed with the software SPSS version 19 and SPSS Amos version 22. Furthermore, the questionnaire included two parts: the first part consisted of sociodemographic variables of the visitors and the second part noted the factors that affect the visibility of Berovo through 13 questions for the characteristics of the accommodation capacities and the restaurants grouped into 6 elements such as "Location", "Cleanliness", "Ambient", "Food", "Image" and "Price".

Moreover, the satisfaction and loyalty of the visitors were measured through 3 questions: 1. The general satisfaction and impression of Berovo; 2. Return for visit and 3. Recommendation to visit Berovo as a tourist destination. Likert scale was used with the five values in interval from 1 to 5 ("not agree at all =1" to "agree completely") to grade the questions. The validity of the queistionnaire was confirmed by the Cronback alfa coefficient with an internal consistency, and the adequacy of the sample was confirmed according to the Kaiser-Meyer-Olkin (KMO) index. With the application of modeling the structural equation (SEM) the factors for tourism and hospitality sector were determined, as well as the connection between satisfaction and loyalty of the visitors of Berovo.

3. RESULTS AND DISCUSSIONS

The reliability of the research questionnaire is proven based on the obtained value for Cronbach alpha $\alpha \ge 0.9$ is excellent (George et al., 2003). Kaiser-Meyer-Olkin (KMO) index of sampling adequacy was calculated for sampling adequacy. The obtained high Kaiser-Meyer –Olkin value of 0.906 is excellent (KMO ≥ 0.9) (Blbas et al., 2019). Structural equation modeling was applied to record the factors affecting the tourism and hospitality sector, as well as their impact on visitor satisfaction and loyalty. Table 1 shows the fit statistics results. According to the obtained results, the small value of X2/df and the value for GFI ≥ 0.95 is considered an excellent fit (Kline, 2005, Byrne 1994). Relative Fit Index is close to 1 indicating a good fit (0.898). Root Mean Square Error of Approximation (RMSEA) values between 0.08 and 0.1 are marginal, (Fabrigal et al., 1999). Tucker Lewis index (TLI) is preferable for smaller samples and should be >0.90 (Byrne, 1994). According to the TLI value the model is good. According to all the obtained values, it is possible to test the significant value of the factors that characterize the tourism and catering sector, but also what is their influence on the satisfaction and loyalty of visitors (Bentler, 1990; Browne et al., 1992; Noruzy et al., 2013).

noic 1.1 i Suusie Resuis of the quality mouel										
	X ²	X²/df	GFI	RFI	IFI	RMSEA	NFI	TLI		
Obtained values	39,163	1,958	0.962	0.898	0.963	0.09	0.927	0.947		
Recommended values	p > 0.05	≤3.00	≥0.90	≥0.85	≥0.90	≤0.08	≥0.90	≥0.90		

Table 1. Fit Statistic Results of the quality model

Source: Authors research





Source: Authors research

The model of the connection and influence of the determined factors in the tourism and hospitality sector, as well as their influence and connection with the satisfaction of visitors and their loyalty, is shown in Figure 1. The factors "Location", "Cleanliness", "Ambient", "Food", " Image" and "Price" have a great influence in the tourism and hospitality sector, as well as on the satisfaction and loyalty of visitors which has been confirmed by many researchers (Zeithaml et al., 1996; Ladhari et al., 2008; Tan, et al., 2014; Marinkovic, et al., 2014; Kukanja et al., 2018).

The results shown in Table 2 are standardized coefficient for regression (β) for the factors' dependence. The isolated factors "Location" (0.684), "Cleanliness" (0.848), "Ambient" (0.834), "Food" (0.794), "Image" (0.708) and "Price" (0.645) are strongly supported with their statistically significant regression coefficients, β at significance level p<0.00. Also, the factors determined in the tourism and hospitality sector that affect the quality of services significantly affect the satisfaction (β - 0.855***) of visitors, as well as their loyalty (β - 0.697***).

		JJ J G (1/J		
			β	P
Price	<		0.645	***
Image	<		0.708	***
Food	<		0.794	***
Ambient	<	Factors Decision Making	0.834	***
Cleanliness	<		0.848	***
Location	<		0.684	***
Satisfaction	<		0.855	***
Loyalty	<		0.697	***

Table 2. Standardized coefficients of regression (B) for dependability

Source: Authors research

4. CONCLUSION

Determining the factors in the tourism and hospitality industry is of vital importance for creating a positive experience, greater satisfaction and loyalty of the visitors in Berovo. The determined factors directly affect the promotion of positive experiences from the visited places. A high level of visitor satisfaction creates long-term retention of users and long-term competitiveness, that is, it increases loyalty and this depends on the way the service is delivered. Visitors' satisfaction and loyalty play a crucial role in the development of a municipality as a tourist destination and represent a basic principles for the management of the relationship with the visitors in order to attract and keep them. The improvement of factors' quality both in tourism and hospitality sector must be a priority in every municipality in R.N. Macedonia. The investment in tools, methods and models should not be only in the present, but also continuously improved in future too.

REFERENCES

Bentler, P. (1990). Comparative fit indexes in structural models.Psychological Bulletin, 107(2), 238-246.

Blbas, H. & Kadir, D. (2019). An Application of Factor Analysis to Identify the Most Effective Reasons that University Students Hate to Read Books, 251-265.

Bollen, K. A. (1989). Structural equations with latent variables, John Wiley & Sons.

- Browne, M. W. & Gudeck, R. (1992). Alternative ways of assessing model fit. In: Bollen, K. A., Long, J. S. (Eds.), Testing Structural Equation Models, Sage, Beverly Hills, CA.
- Byrne, B. M. (1994). Structural equation modeling with EQS and EQS/Windows. Thousand Oaks, CA: Sage Publications.

Database MakStat, Toruism and hospitality

https://makstat.stat.gov.mk/PXWeb/pxweb/mk/MakStat/MakStat_TirizamUgostitel_Turizam_TuristiNokevanja/ 375_Turizam_RM_TurNokMes_ml.px/table/tableViewLayout2/?rxid=46ee0f64-2992-4b45-a2d9cb4e5f7ec5ef. Retreived on: April, 2024.

Fabrigar L. R., MacCallum R. C., Wegener D. T. & Strahan E. J. (1999). Evaluating the use of exploratory factor analysis in psychological research. Psychological Methods, 4(3), 272–299.

George, D., & Mallery, P. (2003). SPSS for Windows Step by Step: A Simple Guide and Reference. 11.0 Update (4th ed.). Boston: Allyn & Bacon.

Kline, R. B. (2015). Principles and practice of structural equation modeling. Guilford publications.

- Kukanja, M. & Planinc, T. (2018). Influence of managers' perceptions of quality on restaurant operational profitability: Evidence from Slovenian SMEs, Tourism, 66 (2), 115-129.
- Ladhari, R., Brun, I. & Morales, M. (2008). Determinants of dining satisfaction and postdining behavioral intentions, International Journal of Hospitality Management, 27(2), 563–573.
- Marinkovic, V., Senic, V., Ivkov, D., Dimitrovski, D. & Bjelic, M. (2014). The Antecedents of Satisfaction and Revisit Intentions for Full-Service Restaurants. Marketing Intelligence & Planning, 32(3), 311-327.
- Noruzy, A., Dalfard, V.M. & Azhdari, B. (2013). Relations between transformational leadership, organizational learning, knowledge management, organizational innovation, and organizational performance: an empirical investigation of manufacturing firms. Int J Adv Manuf Technol, 64, 1073-1085.
- Quality Management Principles, QMPs. https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/en/pub100080.pdf. Retrieved on: April, 2024.
- Saneva, D. & Chortoseva, S. (2018). Service quality model for restaurants. Economic Development, Journal of the Institute of Economics, 20 (8), 153-166.
- Saneva, D. & Chortoseva, S. (2020). Service Quality, Customer Satisfaction and Customer Loyalty: Testing a Structural Equation Model, Quality Access to Success, 21(179), 124-128.
- Tat, H. H., Sook-Min, S., Ai-Chin, T., Rasli, A. & Hamid, A. B. A. (2011). Consumers' Purchase Intentions in Fast Food Restaurants: An Empirical Study on Undergraduate Students. The Special Issue on Contemporary Issues in Business and Economics, 2(5), 214-221.
- Zeithaml, V.A., Berry, L.L., Parasuraman, A. (1996). The Behavioral Consequences of Service Quality, Journal of Marketing, 31-46.