Exploring the Effects of Annual Income, History of Area and Natural Beauty on Loyalty to a Tourist Destination: The Case of Thessaloniki, Greece

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Abstract: In today’s competitive and globalized environment and in the midst of economic crisis, it is imperative for the Tourism Authorities to investigate thoroughly the factors that influence tourism visitors of the different cities of a country to visit repeatedly their destinations and to form a strong loyalty to them. The aim of this paper is the investigation of factors, which contribute to the loyalty of tourists travelling to the Greek City of Thessaloniki. A random sample of (1000) tourism visitors was surveyed for their impressions from Thessaloniki and their loyalty to this tourism destination. An Exploratory Factor Analysis has revealed two factors “history of Greece and Thessaloniki” and “natural beauty of Greece and Thessaloniki”. These factors constitute a factor named “Image of Greece”.

Multinomial Logistic Regression was applied with dependent variable “favour or not of a second visit to Thessaloniki” and dependent variables “image of Thessaloniki with respect to natural beauty and security”, “annual income of visitor” and “age of visitor”. From the Analysis of the model, it was concluded that the three independent variables are statistically significant predictors of loyalty of the tourists to the destination of Thessaloniki, at the level of significance =0.05. The authors argue that, due to the proximity of Thessaloniki to the Holy Mountain of Chalkidiki with the famous monasteries, the attractive scenery of the Coastline and the Strategic position in the Balkans, the Conference Tourism, the Religious Tourism and the Sun-Sea Tourism could be the three forms of tourism which could establish Thessaloniki as an International Centre of high quality Tourism.

Keywords: Loyalty of Tourists to Destination, Multinomial Logistic Regression
1. Introduction

The importance of Tourism for the economic development of Greece and the end of the economic crisis of the country is undisputable. Tourism is the so called “heavy industry” of Greece. In 2013, 17 million tourists have visited Greece. The 2013 Report of The Association of Greek Tourism Enterprises confirms that Greek Tourism contributes 16,4% to the GDP of Greece, covers 51,2% of the trade balance sheet, employs 1 in 5 residents or nearly 800.000 people and generates 34 billion Euro total demand [1]. According to the most recent data which were published by the World Tourist Organization (WTO), in 2012, Greece was in the 17th position regarding the number of International tourist arrivals and in the 23rd position regarding the International Tourist receipts. In 2013 Greece was in the 32nd position out of 140 countries included in the Travel and Tourism Competitiveness Index and in the 96th position in the global competitiveness Index. This proves that the sector of Tourism in the Economy of Greece is one of the few sectors that is competitive at a global level.

Customer satisfaction, Destination image and Tourism Marketing Information are important aspects in successful tourism management and destination marketing. An important portion of income from Tourism comes from the amount of money spent by the repeat tourists. Tourism destination loyalty is the tendency of a tourist to be a repeat visitor to a particular destination and to recommend this destination to others, according to Darnell and Johnson [2] and Jayraman et al., [3]. In this paper we shall examine empirically the predictive factors of tourist loyalty to a particular Greek destination, the city of Thessaloniki.

In section 2 we present a Literature Review on the subject of tourist destination loyalty. In section 3 we present the results of a sample survey among 1000 tourists visiting Thessaloniki. In sections 4, 5 and 6, we apply Descriptive Statistical techniques, Factor Analysis, Reliability Analysis, ANOVA One Way and Logistic Regression in order to analyse the results. Finally, in section 7 we discuss our findings and we draw the appropriate conclusions.

2. Literature Review

2.1.Customer satisfaction and tourist loyalty

The prerequisite for a tourist to develop destination loyalty for a particular place is satisfaction from its facilities, hotels and food, its climate, its history, its sightseeings and the friendliness of its people, according to Rajesh[4]; Coban [5]; Chi [6]. According to Howard and Sheth, [7] satisfaction is the buyers’ cognitive state of being adequately or inadequately rewarded for the sacrifices he has undergone. According to Kozak and Rimmington, [8] tourist satisfaction is considered one of the prime variables to sustain competitive business in the tourism industry because it affects the consumption of goods and services, the choice of destination and, generally, the loyalty to tourist destination. Other definitions of buyer’s satisfaction are contained in the research paper of Oliver [9]. According to Day [10] “buyer’s satisfaction is the evaluative response to the current consumption event, the consumer’s response in a particular consumption experience to the evaluation of the
perceived discrepancy between prior expectations (or some other norm of performance) and the actual performance of the product perceived after its acquisition. According to research papers [11], [12], [13] “Satisfaction is defined as the judgment that a product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under and over-fulfillment”. Hwang et al. [14] interpret Service Quality as an attribute which is characterized by reliability, responsiveness, assurance, empathy and tangibility. Oliver, [15] argues that visitor satisfaction has two important characteristics, the cognitive characteristic and the affective characteristic. The emotions of a tourist visitor are important determinants of tourism destination loyalty. The same opinions, with regard the destination loyalty are expressed in research papers [1, 16, 17]. The social media influence in tourism is an important determinant of tourism destination loyalty [18] but also their significance has been recorded in other sectors [19, 20]. Countries such as Greece, whose heavy industry is tourism, should take into consideration the way economic benefits may accrue for the country especially in times of economic crisis. In a European survey that took place in 2013, Greece, Portugal and Spain were found to be the worst affected by the economic crisis [21]. Tourism destinations need to examine the way they may effectively communicate their messages to the visitors.

2.2. Destination Image and tourist loyalty.

Destination Image has been one of the crucial areas of tourism research for more than half a three decades [22, 23, 24, 25, 26]. Destination Image is defined as an expression of knowledge, impressions, prejudices, imaginings and emotional thoughts an individual has of a specific place.

According to Charlotte and Ritchie [27], Crompton [28], Baloglu and Mangaloglu [29], Beerli and Martin [30], the following attributes are used to measure destination Image: Tours facilities or activities, national parks or wilderness activities, local infrastructure, transportation, historic sites, architectural style, museums, beaches, shopping facilities, accommodation facilities, cities fairs, festivals, facilities for information, economic development, political stability, different culture, different cuisine, food and drink, quality of service and fame or reputation. Socio-demographic information on visitors which influences destination image is gender, age, level of education, family life, social class, place of residence, occupation, income, marital status and country of origin [31, 32, 33].

2.3. Destination Loyalty

Oliver’s [34] definition of loyalty emphasizes two different aspects of loyalty, the attitudinal and the behavioural concept: “Loyalty is defined as a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand-set purchasing, despite marketing efforts to cause switching behaviour”. The determinants of customer loyalty are the following: customer satisfaction, customer experience, value, service quality or performance, product superiority, personal fortitude, social bonding and synergy, price, risk, brand name, demographics, habits and history of brand usage [17].
2.4. Sample surveys on the Effect of Destination Image on Destination Loyalty

Castro et al. [35], Baloglu and MacCleary [31] and Chi [6] have carried out sample surveys trying to determine the effect of Destination Image on Destination loyalty.

Using multidimensional Statistical techniques, such as Factor Analysis, Reliability Analysis and Multiple Regression Analysis, they found out that there is a strong link between destination image and destination loyalty.

Baloglou and Mangaloglou [29] explore the application and usefulness of destination loyalty by collecting and analysing data on tourist’s repeat visits to a tourist destination, pointing out that such analysis of data can facilitate the forecasting of future tourist inflows and estimation of future demand for tourist services such as accommodation.

2.5. Tourist Marketing and Destination Image Management

Barich and Kotler [26] stress the importance of Destination Marketing Organizations (DMOs) for the effective marketing of a particular tourist destination. In the marketing literature during the past decade, three areas have emerged, which could stimulate customer loyalty: branding, integrated marketing communications (IMC) and customer (or visitor) relationship management (CRM). Howard and Sheth [7] formulate and discuss future research for the marketing of tourism places. These areas are: consumer behaviour, branding, e-marketing and strategic marketing.

According to Svetlana and Mills [23], the information contained in brochures about a specific destination is an important means of promotion for the tourist industry and influences destination image and finally, destination loyalty. Most of the tourist behavior models, incorporated the search of external information as a crucial marketing element [7, 36].

2.6. Studies on the difference of opinions about a tourist destination. Case studies.

Chen and Kerstekker [37], Chi, [6] and Jayraman et al. [3] argue, citing examples of case studies, that there is a difference of opinions about a tourist destination between first-time and repeat visitors to this destination regarding the facilities, the cultural planning and the infrastructure.

2.7. Conceptual Models explaining the influence of Destination Image and Tourist Satisfaction on Destination Loyalty

The research papers of Chi [6] and Rajesh [4] contain conceptual models for expressing the influence of destination image and visitor satisfaction on destination loyalty. In this paper, we shall adopt the model of Rajesh [4] in formulating our research hypotheses, which is illustrated in the following figure:
3. Research Hypotheses

Our purpose is to investigate empirically in this paper the following Research Hypotheses (RH):

RH1: A significant factor of Destination Loyalty is the Destination Image regarding the City of Thessaloniki.

RH2: The Age of a tourist as well as the Service Quality of the facilities of destination (hotels, shops, prices, natural attractions, security, friendliness) is a significant predictor of Destination Loyalty.
4. Method of Investigation

4.1 Construction of a Questionnaire and sampling survey

In order to investigate empirically whether or not the research Hypotheses RH1 and RH2 are true, we have constructed a Questionnaire which has been distributed among 1000 randomly selected tourists visiting Thessaloniki and we have asked them to answer the questions of the Questionnaire.

The Questionnaire includes the following Sections:
- Tourist Perception regarding Thessaloniki
- Destination image regarding Thessaloniki
- Destination image regarding Greece
- Tourist satisfaction from visiting Thessaloniki
- Destination Loyalty

The respondents were 473 men and 520 women, 436 respondents were 18 - 35 years of age and 560 were 36 - 65 years of age.

The tourists were residing mainly in Germany, France, England, United States and Italy.

4.2 Statistical Analysis of results

4.2.1. Descriptive Statistics and T-TESTS about the equality of the mean scores of opinions for men and women tourists, regarding the City of Thessaloniki.

All the statistical investigations have been carried out, using the Software Package: Statistical Package for the Social Science, Version 18.0 and according to the guidelines of Pallant [38] and Frangos [39].

The respondents were 473 men and 527 women. The age of 436 respondents was between 19 to 35 years and the age of 524 respondents was 36 to 65 years and the age of the remaining 40 respondents was more than 65 years. Hence, from this sample, we conclude that Thessaloniki is the tourist destination of young people, mainly. The countries of origin were England (110), France (230), Germany (340), United States (150) and Italy (170).

A significant percentage (39%) of the tourists stay in Thessaloniki (1-2) days and a (30%) percentage of them stay for (3-7) days. A percentage (31%) stay in Thessaloniki for a period of (8-10) days.

The following Figure (Figure 2) shows the percentage of Tourists who are loyal to the Tourist Destination of Thessaloniki.
We perform t-tests with two independent samples consisting of men and women tourists about the following characteristics: (b1) equality of the mean scores of satisfaction from visiting Thessaloniki, $t$-test statistic=1,708, degrees of freedom=952, $p$-value=0.001. (b2) equality of mean scores of opinions about Greece, $t$-test=-3,855, degrees of freedom=936, $p$-value=0.0001,(b3) equality of annual income, $t$-test=3,327, degrees of freedom=954, $p$-value=0.0001. The conclusion is that the above characteristics of the tourists are dependent on their gender.

4.2.2. Factor analysis regarding factors which influence the opinion of a tourist regarding Greece and Thessaloniki

A. We perform Exploratory Factor Analysis (EFA), described in detail in Frangos[16], for the investigation of the main factors which determine the image of Thessaloniki to the Tourist.

The Test KMO (Kaiser-Meyer-Olkin) of Sampling Adequacy is 0.838. The test Bartlett for Sphericity is statistically significant.

The magnitude of the sample is sufficient (1000).

Hence, the assumptions of EFA are satisfied. We conclude from this EFA that there are two factors which determine the image of Thessaloniki to the Tourist. The 1st Factor is called:

Natural attractions and Municipal services (Natural Beauty, Architectural Style, Sightseeing, Security in the City, Cleanness, Friendliness of local people). The 2nd Factor is called: Entertainment and Greek Cuisine.(Nightlife and Greek food).
We perform Exploratory Factor Analysis (EFA) for the investigation of the main factors which determine the image of Greece to the Tourist.

The Test KMO (Kaiser-Meyer-Olkin) of Sampling Adequacy is 0.827. The test of Bartlett for Sphericity is statistically significant.

The magnitude of the sample is sufficient (1000).

Hence, the assumptions of EFA are satisfied. We conclude from this EFA that there are two factors which determine the image of Greece to the Tourist. The 1st Factor is called: Natural attractions and History (Natural Beauty, Historical Monuments, Exploring Nature, Security-Safety) and the 2nd Factor is called: Cultural Characteristics (Popular Art, Greek music, Entertainment).

4.2.3. Reliability Analysis

We found that the Cronbach’s alpha coefficients for the two groups of constructs about the Image of Thessaloniki and Greece were 0.80 and 0.79, respectively, which is a satisfactory result showing that the questionnaire was complete.

4.2.4. Logistic Regression with dependent variable the degree of Loyalty towards Thessaloniki and independent variables the image of Thessaloniki regarding the Safety and the natural attractions of the City, the Age and the Annual Income of the Tourists

The results are presented as follows:

Binary logistic regression was performed to assess the impact of a number of factors on the likelihood that respondents would report that they have favored a second visit to Thessaloniki. The statistical procedures of Logistic Regression are described in Frangos [17]. The model contained three independent variables (age, annual income and satisfaction from the image of Thessaloniki regarding the safety and the natural attractions of the City). The full model containing all predictors was statistically significant, $^2(11,N=1000)=37.96, p<0.001$, indicating that the model was able to distinguish between respondents who reported and did not report an attitude to revisit Thessaloniki. The model as a whole explained between (18.0%) (Cox and Snell Chi-Squared) and (23.6%) (Nagelkerke R Squared) of the variance in the attitude about a revisit to Thessaloniki, and correctly classified (61.5%) of the cases. All three independent variables made a unique statistically significant contribution to the model. The strongest predictor of reporting a favorable attitude towards a revisit to the tourist destination of Thessaloniki was image satisfaction from the City, recording an odds ratio of (3.9) and confirming the first and second research hypotheses, RH1 and RH2 respectively. This indicated that respondents who have been satisfied with the image of the City regarding safety and natural attractions, were four times more likely to report an attitude to revisit Thessaloniki, than those who have not been satisfied with the image of this City. The following figures summarizes the results of the logistic Regression:

**Variables in the Equation**

<table>
<thead>
<tr>
<th>Variables in the Equation</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
<th>95% C.I.for EXP(B)</th>
</tr>
</thead>
</table>


EXPLORING THE EFFECTS OF ANNUAL INCOME, HISTORY OF AREA AND NATURAL BEAUTY ON LOYALTY TO A TOURIST DESTINATION: THE CASE OF THESSALONIKI, GREECE

<table>
<thead>
<tr>
<th>Step 1</th>
<th>D8</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8,699</td>
<td>4,069</td>
<td></td>
</tr>
<tr>
<td>D8(1)</td>
<td>1,363</td>
<td>3,908</td>
<td>15,334</td>
</tr>
<tr>
<td>D8(2)</td>
<td>1,262</td>
<td>3,533</td>
<td>12,858</td>
</tr>
<tr>
<td>D8(3)</td>
<td>1,207</td>
<td>3,344</td>
<td>12,016</td>
</tr>
<tr>
<td>D8(4)</td>
<td>1,557</td>
<td>4,746</td>
<td>17,239</td>
</tr>
<tr>
<td>H3</td>
<td>14,121</td>
<td>3,820</td>
<td>1,046</td>
</tr>
<tr>
<td>H3(1)</td>
<td>1,363</td>
<td>1,015</td>
<td>3,174</td>
</tr>
<tr>
<td>H3(2)</td>
<td>1,262</td>
<td>1,205</td>
<td>4,042</td>
</tr>
<tr>
<td>H3(3)</td>
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<td>2,243</td>
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<tr>
<td>H3(4)</td>
<td>1,557</td>
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<td>2,739</td>
</tr>
<tr>
<td>H4</td>
<td>15,587</td>
<td>3,820</td>
<td>1,046</td>
</tr>
<tr>
<td>H4(1)</td>
<td>-1,859</td>
<td>1,356</td>
<td>2,279</td>
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<tr>
<td>H4(2)</td>
<td>-1,859</td>
<td>1,356</td>
<td>2,279</td>
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<tr>
<td>H4(3)</td>
<td>-1,859</td>
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<td>2,279</td>
</tr>
<tr>
<td>Const</td>
<td>-1,859</td>
<td>1,356</td>
<td>2,279</td>
</tr>
</tbody>
</table>

a. Variable(s) entered on step 1: D8, H3, H4.

Table 1: Summary of Logistic Regression Results

<table>
<thead>
<tr>
<th>Observed</th>
<th>Predicted</th>
<th>What are your plans for a future visit to Thessaloniki?</th>
<th>Percentage Correct</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Step 1</td>
<td>What are your plans for a future visit to Thessaloniki?</td>
<td>352</td>
<td>152</td>
</tr>
<tr>
<td></td>
<td>Overall Percentage</td>
<td>240</td>
<td>198</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

4. Conclusions
The purpose of this study is to apply the theoretical model of destination loyalty [4] by using tourist perception, destination image, tourist satisfaction and its attributes. Its effects and antecedents may serve as a theoretical background designing measurement instrument for destination managers.

The results of our investigation confirm the truth of the two research hypotheses RH1 and RH2. The destination image and the destination satisfaction regarding Thessaloniki, influence the Destination Loyalty. The study determined that there is a strong positive relationship between destination image and destination loyalty.

In addition, it has been revealed that the “recommend” factor of destination image and sub-dimensions is affected more in comparison to the “revisit” factor of destination loyalty. An important research question is whether or not a second time visitor to Thessaloniki, has the same opinion about the city and its services, as a first time visitor to the same city. An important research topic is the investigation of the possibility for the creation of touristic attractions and cultural planning activities like festivals, exhibitions or excursions by sea to the Holy Mountain in order to increase the flow of tourists to Thessaloniki.

The findings in this paper could also facilitate destination managers to carry out market segmentation, using such statistical techniques as Cluster Analysis, which is an essential marketing tool in today’s increasingly competitive business world and has become part of the everyday thinking of tourism managers in their efforts to improve planning and productivity. By dividing the broad categories of the market into more specific component parts, managers are able to gain strategic marketing insights. This in turn allows them to direct their marketing efforts to attract and satisfy tourists more efficiently.

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References


