

Customer Satisfaction in the Tourism Industry of Mongolia

Agvaan Enhtsetseg¹, Baasanbat Bayarmaa¹, Erdenebaatar Ariuntuya^{2*},
Delgertsogt Sugarsuren³

¹Department of Business Administration, Dayeh University, Taiwan

²Department of Economics, University of Finance and Economics, Mongolia

³Graduate Institute of Professional Development in Education, Da-Yeh University, Taiwan

ABSTRACT: The purpose of this study is to investigate the antecedent attributes of customer satisfaction in the tourism industry of Mongolia. Based on the article, this study examines the atmosphere, the attitudes of employees, the IT service, and the quality of the journeys with satisfaction. A total of 154 observations were obtained from the data collected by the Travel Mongolian website. For analysis, confirmatory factor analyses and structural equation models were performed to examine the validity of the measurements and understand the fundamental relationship. The results showed that hypothetical background variables were statistically significant to explain satisfaction. The taste was showed as the most influential attribute that accounts for satisfaction.

KEYWORDS: Atmosphere; tourism quality; tour service; IT service; satisfaction

I. INTRODUCTION

The tourism industry is one of the largest industries in the world with a global economic contribution of more than 7.6\$ trillion in 2016. The direct economic impact of the tourism industry, which includes transportation, accommodation, attractions, and entertainment. It was 2.3\$ trillion in this year. Several countries, such as France and the US, are popular tourist destinations, but other lesser-known countries are rapidly emerging to obtain the economic benefits of the tourism industry [1].

Throughout the world, the tourism industry has experienced steady growth every year. International tourist arrivals increased from 528 million in 2005 to 1.1900 million in 2015 [1]. Figures are expected to surpass 1,800 million by 2030. Each year, Europe receives the most significant number of international tourist arrivals. Also, it produces most travelers: with 607 million outbound tourists in 2015, the region had more than double than the second largest tourist source, the Asia Pacific region [1].

In 2015, global revenues from international tourism reached 1.26\$ trillion, almost doubled since 2005. In that year, China had the most significant expense in international tourism, followed by the US and Germany. The leading city in spending international visitors was Dubai, where tourists spent more than 31.3\$ billion in 2016 [2].

This statistic showed the leading countries of Asia Pacific in the tourism competitiveness index in 2017. Singapore received a tourism competitiveness index score of 4.85 of the 2017 index [2].

This statistic shows the fastest emerging tourist destinations in the world from 2014 to 2024. The Gobi in Mongolia was the thirteenth fastest emerging tourist destination, with an annual growth rate of 6.3 percent in the direct contribution of tourism to projected for 2014-2024 [3].

In general, the main purpose of this study is to examine the background variables related to customer satisfaction with the tourist service. Three variables were selected (environment, online service, and tourism quality) that could affect the satisfaction of consumers based on a precious review. Besides, the relationship between satisfaction and loyalty was also examined due to the abundant evidence from the earlier study [4]. The Travel Mongolia website, a crowdsourcing internet market, was used for data collection. Factorial analyses were carried out with confirmatory and structural equations models to find the validity and internal consistency of the constructs used in the study and to verify the research hypotheses.

II. HYPOTHESIS DEVELOPMENT

The tourism industries and customer satisfaction.

The tourism industry is famous throughout the world because the tour has several purposes, such as talking, meeting, visiting, or studying [5]. Given its role as "provider of places," the travel industry continues to develop. According to a report, the tourism industry is characterized by being competitive and has a low entry

barrier. Given these characteristics, it is essential that tourism businesses make efforts to keep current customers and attract new customers. These companies must develop a deep understanding of customers. In addition, according to [6] reported on the satisfaction of coffee consumers using attributes related to corporate social responsibility. In addition, [7] reported an association between quality of service and customer satisfaction.

To analyze customer satisfaction, this study examines three main attributes that may reflect the characteristics of the route: the atmosphere, the IT service, and the taste. Earlier research has defined comfort as a state of physical ease in the atmosphere and noted that it provides clients with familiarity and comfort to produce satisfaction in the context of hospitality [8-10]. Based on the existing literature, the following hypothesis is proposed:

H1: The atmosphere positively affects customer satisfaction with the tourism industry.

H2: The IT service positively affects customer satisfaction with the tourism industry.

H3: The quality of tourism positively affects customer satisfaction with the tourism industry.

III. METHOD

a. Measurement model

In this study, schematizes the hypotheses and presents them in Figure-1. The explanatory variables are the atmosphere, the IT service, and the taste. The three attributes are satisfaction antecedents, and satisfaction is considered to explain the client's loyalty. Numerous studies on measurement tools were reviewed and changed in the context of the study: measurement of satisfaction, atmosphere, IT service and quality of tourism [11-13]. The items were presented on a Likert scale of 3 points (1 = strongly disagree, 3 = strongly agree) and were changed according to the content of the study.

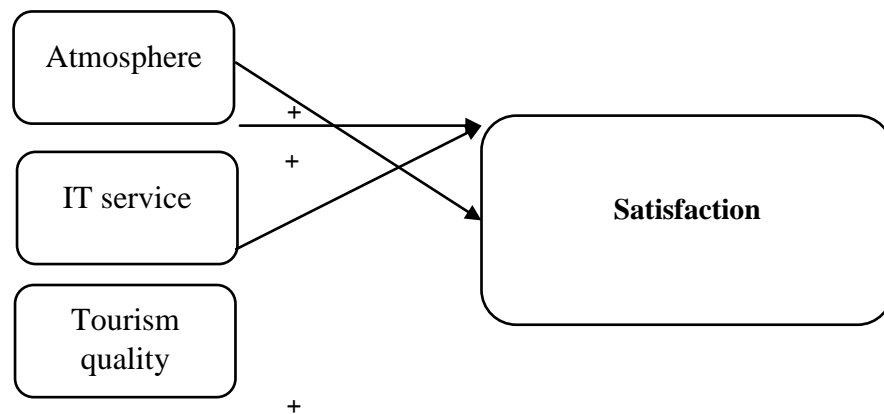


Figure-1. Proposed research hypotheses.

b. Data collection and analysis

The Travel Mongolia (TMS) website, an Internet crowdsourcing site, was used to collect the study data. The existing study has argued that the quality of the data collected through TMS can be reliable [14-16]. The total number of participants was 154. For data analysis, version 20.0 of SPSS was used. Initially, the mean, mode, median, and standard deviation were calculated to collect descriptive information. The structural equation model was the primary analytical tool. The Analysis of Moment Structures was also used to implement the confirmatory factor analysis and the modeling of fundamental equations. This study examined the goodness of fit indices for the validity and reliability of measurements and hypothesis testing.

IV. RESULTS

Sample profile and detailed statistics Table-1 shows the characteristics of the sample. Regarding gender, 61.03% of the respondents were men and 38.97% women. Around age, 34.41% of the participants were between 25 and 34 years old. Also, 63.64% of the participants were single, and 36.36% of the respondents were married.

Table-1. Sample characteristics (N = 154).

| Item | Frequency | Percentage |
|-----------------|-----------|------------|
| Male | 94 | 61.03% |
| Female | 60 | 38.97% |
| 12-18 years old | 16 | 10.38% |
| 25-34 years old | 53 | 34.41% |
| 35-44 years old | 46 | 29.87% |
| 45-54 years old | 21 | 13.63% |
| 55-64 years old | 16 | 10.38% |

| | | |
|-------------------------|----|-------|
| Older than 65 years old | 2 | 1.29% |
| Single | 98 | 63.64 |
| Married | 56 | 36.36 |

Table-2 presents descriptive information about the measurement items. A Likert scale of 3 points was used (1 = strongly disagree, 3 = strongly agree). The median and the mode for all the items in the constructions were 3, which shows that a more significant part of the participants reacted positively to all the items. The averages of the items were between 3.62 and 4.18, and the standard deviation for most of the variables was less than 1, which implies that the values in the statistical data set are close to the mean of the data set.

Table-2. Descriptive information on measurements.

| Construct | Item | Mean | SD |
|-----------------|--|------|------|
| Atmosphere | Mongolia has a beautiful country. | 4.03 | 0.77 |
| | The atmosphere of Mongolia is familiar to me. | 4.01 | 0.85 |
| | It is comfortable to spend my trip to Mongolia. | 3.67 | 0.94 |
| | Mongolia makes me relaxed. | 3.62 | 0.95 |
| IT service | The wireless Internet service in Mongolia is satisfactory. | 3.99 | 0.83 |
| | Mongolia tourism has good Internet service with a website. | 3.98 | 0.79 |
| | Mongolian tour company supplies wireless service in the car. | 3.91 | 0.83 |
| Tourism quality | The taste of traditional Mongolian food is excellent. | 3.91 | 1.00 |
| | Mongolian nature has a pleasant smell with fantastic. | 4.17 | 0.85 |
| | The history of Mongolia is pleasant. | 4.18 | 0.85 |
| | I like the nomad culture, desert, and nature of Mongolia. | 4.02 | 0.96 |

A confirmatory factorial analysis was carried out to verify the structure of a set of observed variables. As shown in Table-3, all the utility goodness indices reached the degree of agreement ($\chi^2 = 345.731$, $Q = 2.524$, $df = 137$, $p = 0.000$, $GFI = 0.884$, $NFI = 0.890$, $TLI = 0.912$, $CFI = 0.930$, $RMSEA = 0.075$). Therefore, the theoretical measurement model fits well with the real model. The general square root of the AVE was higher than the value of each construction. This result shows the discriminant validity of the developments in the model.

Table-3. The results of confirmatory factor analysis.

| Construct | Item | Mean | SD |
|---|--|-------|--------|
| Atmosphere ($\alpha = 0.856$) | Mongolia has a beautiful country. | 0.770 | |
| | The atmosphere of Mongolia is familiar to me. | 0.667 | 10.928 |
| | It is comfortable to spend my trip to Mongolia. | 0.843 | 14.166 |
| | Mongolia makes me relaxed. | 0.839 | 14.100 |
| IT service ($\alpha = 0.832$) | The wireless Internet service in Mongolia is satisfactory. | 0.613 | |
| | Mongolia tourism has good Internet service with a website. | 0.877 | 10.620 |
| | Mongolian tour company supplies wireless service in the car. | 0.890 | 10.628 |
| Tourism quality ($\alpha = 0.912$) | The taste of traditional Mongolian food is excellent. | 0.887 | |
| | Mongolian nature has a pleasant smell with fantastic. | 0.867 | 19.637 |
| | The history of Mongolia is pleasant. | 0.824 | 20.797 |
| | I like the nomad culture, desert, and nature of Mongolia. | 0.82 | 13.362 |

Notes: All factor loadings are significant at $p < .000$.

As shown in Table-4, the AVE of all variables was less than 0.8, which shows the validity of the construction of all constructions. The existing literature has suggested that discriminant validity is evaluated by comparing the square root of the AVE with the correlation (Cheung, Chiu, and Lee, 2011, Fornell&Larcker, 1981, Wynne, 1998). The general square root of the AVE was higher than the value of each construction. This result shows the discriminant validity of the constructions in the model.

Table-4. Correlation matrix.

| | 1 | 2 | 3 | 4 |
|-----------------|-----------------|-----------------|-----------------|------|
| Atmosphere | 1.00 | | | |
| IT service | 0.478 (0.17) | 0.481 (0.15) | 1.00 | |
| Tourism quality | 0.594 (0.25) | 0.589 (0.22) | 0.334 (0.15) | 1.00 |

Note: All correlations are significant at $p < .01$

Table-5 shows the estimates of the structural equation model. The adjustment of the model is according to the goodness indices of the adjustment ($\chi^2 = 816.532$, $df = 165$, $p = .000$, $GFI = 0.737$, $NFI = 0.799$, $TLI =$

0.806, CFI = 0.832, RMSEA = 0.125). For the path of the hypothesis, the atmosphere, the attitude of the employee and the quality of cooperation had statistically significant effects on satisfaction at the level of significance of .05. Also, the effect of the IT service is supported at the 0.1 level of significance, which shows that it is marginally admitted. A statistical support relationship was observed between satisfaction and loyalty. Specifically, an improved environment and the friendlier attitudes of employees significantly increased the level of customer satisfaction in the Gobi. Besides, the results suggest that the installation of the IT service and the quality of the service are necessary to increase customer satisfaction with the store's service.

Table 5. Results of the structural model.

| Hypothesis | Standard | <i>t</i> -value | <i>p</i> -value | Result |
|------------------------------------|----------|-----------------|-----------------|----------------------|
| H1: Atmosphere → Satisfaction | 0.381 | 6.211 | 0.000 | Supported |
| H2: IT service → Satisfaction | 0.098 | 1.874 | 0.061 | Marginally Supported |
| H3: Tourism quality → Satisfaction | 0.649 | 9.600 | 0.000 | Supported |

V. CONCLUSION

This study supplies practical information for industry professionals. First, tourism managers need to create an atmosphere in the tourism industry. Besides, management should invest in improving employee training, particularly about employee attitudes. Through these actions, customer satisfaction can increase, which can help keep or attract loyal customers. Such efforts could become a way to achieve higher sales and survive in the highly competitive conditions of the product market.

Concerning the size of the satisfaction coefficient, the quality of it showed the most substantial effect ($\beta = .649$) compared to the other three elements (Atmosphere ($\beta = .382$) and IT Service ($\beta = .098$)). Given the results, tour managers could prioritize resource allocation decision making. This approach could produce a more efficient allocation of resources by increasing the likelihood of obtaining more satisfied consumers.

This study is not without limitations. The sample was limited to tourism consumers who frequent Mongolian tourism. Given the limited subject and example, it would be valuable to conduct more study using larger samples and other travel companies. By doing so, a future study could confirm the results of this study, which would help to generalize the results of the study.

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