

# FACTORS INFLUENCING LOCAL TOURISTS' DECISION-MAKING ON CHOOSING A DESTINATION: A CASE OF AZERBAIJAN

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**Abstract.** *The purpose of the article is to analyse factors influencing the behaviour and decision-making of local tourists in choosing Azerbaijan as a destination. The main attributes, elements and types of tourism destinations are analysed. The understanding of consumer behaviour is defined and the peculiarities of decision-making process are presented. The main internal and external factors influencing tourist's behaviour and decision-making are summarised.*

*The current situation of tourism in Azerbaijan is examined. The analysis of social, cultural, personal and psychological factors influencing the decision-making of local Azerbaijani tourists to travel to various types of tourism destinations with different attributes like, attractions, available amenities, accessibility, image, price and human resources is done. The research includes both primary and secondary data. Secondary data is used to give insight to the topic and assess conclusions. Primary data is collected by surveying domestic travellers of Azerbaijan. Survey results are analysed by implying descriptive statistics, non-parametric tests and Factor analysis. The research results show that the age, monthly income and marital status of local Azerbaijani travellers affect their travel behaviour especially in the duration of their trip. Destination amenities, tourism infrastructure, environmental features, human resources and price are the important attributes for local tourists in choosing tourism destination.*

**Keywords:** *consumer behaviour, decision-making, tourism destination, tourism in Azerbaijan, Azerbaijani tourist*

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## 1. Introduction

Tourism is a significant sector for the development of any country's economy. The UNWTO defines tourism as a social, cultural and economic phenomenon which involves the motion of people to countries or destinations outside their typical surroundings for individual or business/occupational reasons (Tourism as..., 2010). An increasing number of destinations worldwide made tourism a key driver of socio-economic progress through the creation of jobs and enterprises, export revenues, and infrastructure development (UNWTO, 2015).

Despite international tourism being highlighted mostly and the development and research of domestic tourism rather neglected, the value of domestic tourism expendi-

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ture is significantly larger than that of inbound tourism (Huybers, 2003; Tourism as..., 2010; Pierret, 2011). The institutions and companies responsible for the development and promotion of domestic destination need to determine the factors influencing tourists' destination choices. It is recognised that destination is not only a tourism product, offering an integrated experience to customers, but it is a perceptual concept, which is interpreted subjectively by the consumers and is dependent on a wide range of factors (Buhalis, 2000). Social, cultural, personal and psychological factors, the number of tourists' attractions, available amenities, price, human resources and various types of tourism destinations are examples of the elements which can be considered in decision-making.

Aspects of consumer behaviour and consumer decision-making were analysed in different studies (Hawkins et al., 1995; Hsu et al., 2009; Baker and Crompton, 2000; Moutinho, 2005; Sirakaya and Woodside, 2005; Chen and Chen, 2010; Al-Tarawneh, 2012; Schiffman et al., 2014). However, researches regarding the decision-making in choosing Azerbaijan as a travel destination are missing. Tourism is a small but increasingly important contributor to the economy of Azerbaijan (Business Insight..., 2011; Mammadov, 2013) and authorities, relying on foreign experiences, identified the tourism industry as one of the best sources for long-term development. According to The State Statistical Committee of the Republic of Azerbaijan (SSCRA) (2015), foreign visitors with tourism purposes increased twice from 1279800 in 2010 to 2159700 in 2014. However, the rise in the number of accommodated local citizens by the purpose of tourism is not so high as compared to inbound tourism, but there is an improvement from 194720 to 263266 between 2010 and 2014 (The State Statistical..., 2015).

Even though Azerbaijan has a great potential for the development of tourism business, there are several problems related to this industry. The following can be cited as obstacles putting Azerbaijan behind in this sector in comparison with other countries: travelling in Azerbaijan is rather expensive, there is no high-level of quality service, necessary works are not carried out to attract tourists, the promotion of the country is not in a desired scale, etc. (Business Insight..., 2011; Center for..., 2011). The authors of this article noticed that there is a lack of researches analysing Azerbaijani tourists' behaviour and decision-making that would allow local government and business owners to overcome difficulties in fulfilling customers' needs and attracting them in a productive way.

**The purpose of this article** is to analyse factors influencing the behaviour and decision-making of local tourists in choosing Azerbaijan as a destination.

**Objectives** are mentioned below:

1. To reveal the essence of tourism destination;
2. To define insights to tourists' behaviour and analyse factors influencing tourists' destination choices;
3. To examine and study the current tourism situation in Azerbaijan;
4. To generalise the preferences of local Azerbaijani tourists regarding tourism destinations and the main factors influencing the decision-making to travel.

**Research methods** are such: analysis of scientific literature and secondary data, questionnaire-based survey, statistical data processing: descriptive statistical analysis, Cronbach's Alfa, Mann Whitney U and Kruskal Wallis H tests, Factor analysis.

## **2. Attributes of tourism destination**

Traditionally, destinations are well-defined geographical areas (Buhalis, 2000; Hsu et al., 2009; Blasco et al., 2016). There is another understanding about destination as a product or a brand (Hsu et al., 2009; Smallman and Moore, 2010; Blasco et al., 2016), and the authors accepting this view state that destination is a uniquely complex product or even a portfolio of products and services comprising an area's climate, infrastructure and superstructure as well as natural and cultural attributes. In customer-oriented studies, destination is a service environment facilitating the experience (Blasco et al., 2016). Holloway et al. (2009) use destination as a synonym for attraction, however acknowledging that the term of tourist attraction is not clear: any site which addresses to people reasonably to stimulate them to travel and visit it should be evaluated as a tourist attraction. Though it is hard to define the boundaries of destination (Blasco et al., 2016), it could be defined as a place where a tourist can rest, walk, spend his time in nature, see historical monuments, attend festivals, events, taste local cuisine and be part of unique features of a destination. Tourism destination should be considered as a whole, and all its features and parts should be examined and proposed according to tourists' needs.

Destination contains a number of key elements that attract visitors and meet their needs upon arrival. These elements are defined and categorised by many authors (Jansen-Verbeke, 1986; Mill and Morrison, 1992; Buhalis, 2000; Ritchie and Crouch, 2003; Holloway, et al., 2009). M. Jansen-Verbeke (1986) categorises elements of tourism destination into: primary (activities, physical settings and social/cultural attributes), secondary (catering and shopping), and additional elements (accessibility and touristic information). According to R. C. Mill and A. M. Morrison (1992), destinations are composed of many parts: attractions, facilities, infrastructure, transportation and hospitality. D. Buhalis (2000) suggests six important components of a destination, which include: attractions, accessibility, amenities, available packages, activities and ancillary services. However, C. Holloway et al. (2009) state that there are only three core elements in a successful destination which achievement in attracting tourists will rely on upon the quality of those crucial advantages that they offer them: attractions, amenities and accessibility. According to L. Moutinho (2005), these elements are: cost, attractions, amenities, travel opportunities, travel arrangements and travel information. All of these elements and attributes have the same purposes, but in a slightly different manner, which is to make destination suitable and available for tourists.

Types of tourism destinations attract tourists to leave their country of residence. These sources and gravitational forces are explaining why travellers choose any particular destination among others (Vareiro and Ribeiro, 2005). According to C. Holloway,

et al. (2009), tourism destinations could be categorised into cultural, religious, shopping, gastronomic, other attractions, events, sports tourism and dark tourism. V. L. Smith (1989) identifies five different forms of tourism which can be related to five various types of tourism destination: ethnic, cultural, historical, environmental and recreational tourism destinations. Moreover, visitors have various purposes and reasons to travel to a destination and they divide destination into different types, which relate to a geographical location, environment and nature or man-made structures of the tourism destination. D. Buhalis (2000), in accordance with the main features of attractiveness, classified destinations into several categories: urban, seaside, alpine and rural destinations. The above mentioned two categories made by V. L. Smith (1989) and D. Buhalis (2000) have common features in sections and divisions among each destination type, like ethnic tourism destination with rural and alpine destinations, recreational tourism destination with seaside destinations and others, which separates destinations by different purposes, forms and groups. Despite this generalisation, both of the definitions vary and ought to be categorised from each other. V. L. Smith's (1989) categorisation of tourism destination is based on the wide understanding of purposes, needs and reasons of tourists; on the other hand, D. Buhalis (2000) parted destinations according to their geographical location, environment and nature or man-made structures.

### **3. Consumer behaviour and decision-making in tourism destination**

Different authors state that the understanding of tourist behaviour and travel motivation is important for tourism companies in order to create a demand and help tourists in decision-making (Djeri et al., 2007; Hsu et al., 2009; Van Vuuren and Slabbert, 2011; Decrop and Kozak, 2014; Blasco et al., 2016). Consumer behaviour is a difficult research topic, particularly in the tourism field, where emotional factors are significant (Swarbrooke and Horner, 2007).

A consumer's attitude, decisions, activities, ideas or experiences in using, purchasing, evaluating and searching of products and services that satisfy the needs is described as the consumer behaviour (Van Vuuren and Slabbert, 2011; Schiffman et al., 2014; Cohen et al., 2014). Consumer behaviour concentrates on how people formulate decisions to spend their accessible assets (time, money, effort) on buying things. Many researchers acknowledge that the tourist decision process is a very complex, multi-faceted course that includes different interrelated stages or sub-decisions, elements and concepts (Hsu et al., 2009; Smallman and Moore, 2010; Cohen et al., 2014). C. Van Vuuren and E. Slabbert (2011) state that tourist behaviour is the direct result of the interaction between certain personal and environmental variables on a continuous basis.

Decision-making is the procedure of recognising and choosing from among available solutions of a problem according to the demands of the circumstance (Al-Tarawneh,

2012). Choice set approach has been used to explain how this process happens (Sirakaya and Woodside, 2005), as the key problem of consumer behaviour is choice. Therefore, decision-making presupposes making a choice between two, or more than two options (Djeri et al., 2007). Choice deals with the change of motivation into buying process and it is the major stage directly related with activity (Moutinho, 1987). A decision happens when a solution to a problem is chosen for realisation. Generally, tourists follow a funnelling process of choices among different destinations.

Commonly, decision-making is divided into five stages: problem recognition, alternative information search, alternative evaluation and selection (choice), selection and purchase, and post purchase process (Hawkins et al., 1995; Moutinho, 1987; Sirakaya and Woodside, 2005). K. Djeri et al. (2007) propose four basic phases concerning decision-making about a tourist destination: introspective, retrospective, prospective and prescriptive. According to S. Um and J. L. Crompton (1990), there are three core stages in a tourism destination choice. The first stage is called the awareness set; the second is a disposing of some of those destinations to form a late consideration or evoked set; and the last destination chosen from those in the late consideration set. Tourists are exposed to the vast amount of information that they have to analyse and, consequently, consumers choose a destination they need (Crompton, 1992).

The process of tourist decision-making when selecting a destination is influenced by different changeable factors, depending to the influence of tourist needs and habits, as well as of the influence of external factors (Djeri et al., 2007). Internal factors influencing decision-making include desire for escape, rest, relaxation, prestige, health and fitness, adventure, and social interaction, while external factors are based on attractiveness of the destination, including tangible resources, and tourist's perceptions and expectations (Hsu et al., 2009). As P. Kotler et al. (2006) state, consumer purchasing processes remain highly influenced by social, cultural, personal, and psychological factors. Basically, these factors cannot be controlled by marketers, yet should be considered. Factors affecting consumer behaviour help identify what products and services on which situations are consumed by individuals. Cultural factors combine within themselves elements of culture, sub-culture and social class. Social factors refer to groups, family, roles and status. Age and life-cycle, occupation, economic situations, lifestyle and personality are used in formulating personal factors, and psychological factors could be divided into the categories of motivation, perception, learning, beliefs and attitudes.

Attitudes have been used as a valuable indicator of general inclinations, yet their achievement in anticipating behaviour has been less decisive (Um and Crompton, 1990). Nowadays, a tourist's motivation is considered as one of the most important psychological factors of tourist behaviour (Van Vuuren and Slabbert, 2011; Cohen et al., 2014). The push-pull approach is the most widely applied for explaining motivations. The push motivations explain the desire for travel while the pull motivations are useful for explaining

the actual choice of destination (Hsu et al., 2009). Tourists are pushed by different their needs to travel and pulled by different attributes of destination (Cohen et al., 2014). Tourists with a high level of satisfaction may recommend a certain destination to friends, visit again and leave positive feedback about the experience. However, dissatisfied tourists, apart from being displeased with the choice and not recommending it to others, may also criticise it (Chen and Chen, 2010).

#### **4. Azerbaijan as tourism destination**

Azerbaijan as a tourism destination is a marvellous country with its richness of natural resources, old culture, history and people, whose lifestyle represents uncommon and balanced combination of traditions and ceremonies of various cultures and civilisations.

Trade, religious and political purposes were main reasons of first travels to Azerbaijan in ancient and middle ages. The location of the country, situated on the Great Silk Road, made it an important stop, and caravans passing from old Azerbaijan were the first travellers (Ministry of Culture...; Azerbaijan's official tourism...). Starting from the 14<sup>th</sup> century, the capital city, Baku, had a great role in trade relations because of being located in a strategic location that connects water and ground routes from Russia to Iran and India between Europe and Asia (Ministry of Culture...; Azerbaijan's official tourism...). New caravanserais were built during that period, where travellers could rest and recover from their journey.

Nowadays, there are seven tourist routes in Azerbaijan: Baku and vicinities, Northern, North-western, Southern, Western, Nakhchivan and Garabagh (Azerbaijan's official tourism...). All regions of Azerbaijan are with natural resources and differ from each other with climate, nature and culture that make them possible to develop tourism on a local and international level (Mammadov, 2013). Sea-sun-sand tourism is more developed in seaside destinations, which are located on the shore of Caspian Sea, also in Baku and its vicinities as well as the Northern and Southern routes. Business tourism is especially important and more popular in Baku because of it being the capital, industrial and main port city of Azerbaijan. The Northern and North-western routes are famous in relation to winter tourism, particularly in Gusar and Gabala cities. Ecotourism is developed in rural destinations on the Northern, Southern and North-western routes.

The Eurovision contest in 2012, the First European Games in 2015 and other international events had a positive impact on the number of visitors coming to Azerbaijan, which will improve the flow of tourists by holding the European Grand Prix in 2016 and the Islamic Solidarity Games in 2017. According to 2015 data from the World Travel and Tourism Council (WTTC), in 2014, travel and tourism added to the GDP of Azerbaijan AZN 5081,3mn (about 4262mn Euros), which is 8,4 % of GDP, with an expectation to grow by 2,8 % to AZN 5223,5mn (about 4,381mn Euros) in 2015 (8,4 % of GDP), which shows constant improvement of tourism in the country.

Figure No. 1 describes the number of accommodated local and foreign citizens in the territory of Azerbaijan by tourism purposes which best represent the number of tourists. It is obvious that the improvement in the number of accommodated citizens with tourism purposes changed without the decrease in numbers between 2010 and 2014. Until 2012, local tourists (222070) were more than foreign travellers (203596) which changed starting from 2012, with 219051 locals and 301907 foreigners (The State Statistical..., 2015). Local tourists were mostly accommodated in 2014 with 263266, but foreigner tourists in 2013 with 312639 citizens (The State Statistical..., 2015).

Presently, there is a slow improving process in tourism flows to distant destinations from Baku. Nevertheless, a demand for domestic tourism is developing on short-breaks, on the Northern and North-western parts of the country. As a result of a variety of climates and landscapes, the tourism product of Azerbaijan aims to offer long-term tourism solutions for leisure and recreational experiences of its citizens and also foreign travellers. A combination of a variety of mountain and forest accommodations as well as beaches near the Caspian Sea and other regions represent the country's domestic tourism for visitors who are interested on visiting inland destinations. Sea-sun-sand tourism is still undeveloped on the most of the shores of the Caspian Sea. Regarding sea-sun-sand tourism in Azerbaijan, the infrastructure for resort hotel business is more accustomed for the middle-market and the Jumeirah Bilgah Beach Hotel, which is part of a Jumeirah international hotel chain, is the only luxury-level operator (Ministry of Culture...; Azerbaijan's official tourism...).

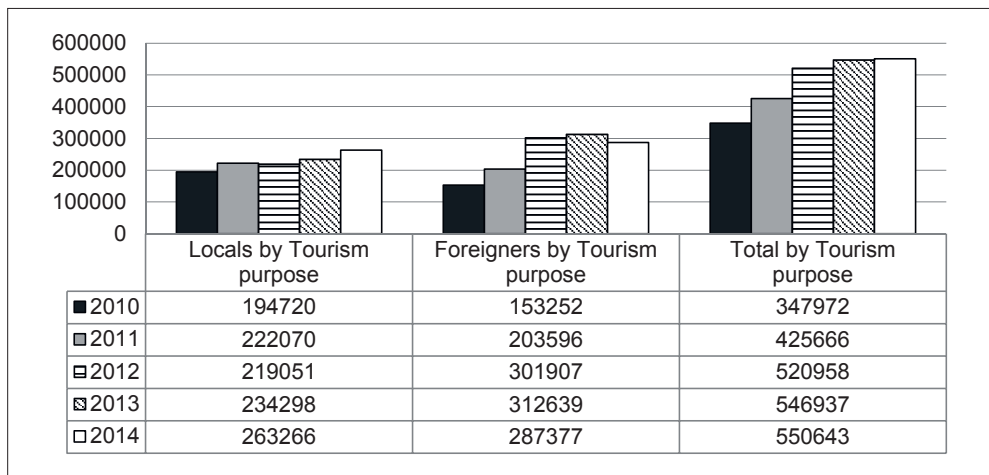


FIG. No. 1. Number of accommodated local and foreign citizens by tourism purposes

Source: The State Statistical..., 2015, p. 90-91

The study of the Business Insight International Research Group (2011) revealed that 65,9 % of Baku residents travelled in summer months, especially to seaside destinations, in order to rest and restore their psychological and physical strength. 55,6 % of respond-

ents have chosen to travel within Azerbaijan, 25,8 % – to foreign countries and 18,6 % of locals have taken their holidays both in the country and abroad for various of reasons: income, living condition, formation of cultural and aesthetic taste, price of services and products, discounts, temperature, number of sunny days, geographical condition, natural and cultural resources, medical tourism and others.

Turkey was the most favourable foreign country for 42,3 % of Azerbaijani tourists (Business Insight..., 2011). Apart from having a very high level of improvement in tourism and being one of the best tourism destinations in the world, the respondents picked this country because of similarities in language, religion, culture, and having local relatives and friends living in Turkey. Russia was the second tourism country for Baku residents (19,6 %) and Georgia has got the third rank (10 %) (Business Insight..., 2011). Despite the low international tourism improvement as compared to Turkey, Russia was chosen because of business and shopping issues, and because it has a close relationship with Azerbaijan. Close location, work, training, education, suitable prices, a lack of language barrier and other reasons were pointed out by the respondents who has chosen Georgia as a tourism destination (Business Insight..., 2011). Other countries were Italy, United Arab Emirates, Germany, France, etc. 20,6 % of respondents travelled to foreign countries because of the high level of service. Visiting friends and relatives is an essential point, since more than 50mn Azerbaijanis live abroad.

Generally, an Azerbaijani tourist gives priority to destinations with an unpolluted environment, beautiful nature, resorts and sandy seaside. The foreign countries with similar languages (Azerbaijani, Russian and Turkish) that are spoken in the country, culture and religion and local destinations with good infrastructure, nature and cultural/historical heritage are important factors in choosing tourism destination. Furthermore, the level of service and price are among other features that depend on management, marketing and human resources of the tourism destination which affect tourists' decision. The results of secondary data analysis show that one of the main problems of tourism in Azerbaijan is a low number of tourism days. Consequently, new ideas and projects need to be implemented in order to increase domestic tourism all year around. The country has a lot of potential for improvement: advances in level of service, making of durable and competitive tourism products and services alongside with comfortable transportation, suitable/appropriate price and human resources are among other factors for improvement (Business Insight..., 2011; Mammadov, 2013; The State Statistical..., 2015).

## **5. The research methodology**

The quantitative method was used in the study of this paper as this method has been used by other researchers in tourism science (Um and Crompton, 1990; Mutinda and Mayaka, 2012; Hsu et al., 2009; Yoon and Uysal, 2005; Chen and Chen, 2010) and helped explain facts, count outcomes and numerically analyse results. A descriptive



approach was implemented and this allowed to analyse different variables and establish relations between them.

A probability sampling technique was used for calculating the needed research sample size. The number of local citizens accommodated by tourism purposes in 2014 in the territory of Azerbaijan was determined (see figure No. 1) (The State Statistical..., 2015). Sample size was calculated using the following formula:  $\text{Sample Size} = (Z\text{-score})^2 * \text{StdDev} * (1\text{-StdDev}) / (\text{margin of error})$  (Smith, 2013). With the confidence level of 95 %, margin of error at 6,5 % and standard deviation being 0,5, it was insured that the sample would be large enough and this resulted in a number of 227 required respondents.

The research instrument – a questionnaire with 33 questions – was developed with reference to decision-making aspects from R. Mutinda and M. Makaya (2012) and T. K. Hsu et al. (2009). The questionnaire provided information about local tourists regarding several criteria: preferences, behaviour, motivations and attitudes. The first part of the questionnaire with closed questions concerned demographic characteristics and travel behaviour. Demographic characteristics determined the age, gender, marital status, income, education and occupation of respondents. Travel behaviour questions showed trip length, information source, travel partner, the reason for traveling in the country and the route respondents prefer to travel which is overall affected by cultural, social and personal factors. The second part of questionnaire with the Likert scale was related to destination preference questions and concerned the level of importance of each indicated factor affecting decision-making. 22 Likert scale questions about destination preferences were divided into 4 categories: personal traits, destination amenities, environmental features and destination attractions. These destination preferences directly relate to destination decision-making and were affected by psychological factors influencing consumer behaviour.

The survey was conducted from August to September, 2015. The questionnaire was distributed both on a site (street) and online.

Data received from the survey was processed by using the IBM SPSS. A Mann Whitney U test was used to compare statistically significant differences between two independent groups and a Kruskal Wallis H test was applied to determine statistically significant differences between more than two groups of an independent variable with dependent variables. Cronbach's Alpha test was applied to test reliability of the Likert scale questions. Such questions were analysed by using Factor analysis (PCA method) too. The factor analysis method helped find loadings with similar components among Likert scale questions to make groups.

## **6. The research results**

The distribution according to the gender of respondents showed that 58,1 % were males and 41,9 % were females. A half of respondents (49,8 %) were 26-40 years old, 33,5 % were 18-25 years old and 16,7 % of respondents had 41 year and above. The results of

respondents' marital status indicated that 66 % of them were single, 34 % were married. 52,4 % of respondents earned 500 Euros and less every month, 33 % of respondents pointed the answer 501-1000 Euros and 14,5 % of respondents – 1001 Euro and above. Occupation is a part of cultural, social and personal factors which directly affect the choice and behaviour of a consumer. As the survey results showed, 45,4 % of respondents were workers, 18,5 % of them were students, 13,7 % of respondents were government workers, 9,7 % – self-dependents and 12,8 % – unemployed respondents.

By analysing the length of trip in the territory of Azerbaijan it was determined that 37,9 % and 33,5 % of respondents visited destinations for 1-3 and 4-7 days accordingly. 19,8 % of respondents travelled 8-14 days, and 8,4 % of respondents travelled 15 days and more, which makes them the least picked options.

Internet media and friends are famous sources for information among respondents with 35,2 % and 38,8 % accordingly. Tour agency (8,4 %) and social websites (10,1 %) are almost identical with the usage percentage.

Almost half (41,9 %) of the respondents have travelled with their family. Friends and colleagues were the second most travelled partner (33,5 %). The spouse (12,3 %) and alone (9,3 %) were the least chosen options.

By analysing the reasons of travel in Azerbaijan, it was determined that the respondents choose the country because of closeness (33,6 %), natural beauty (22,1 %), and rest and relaxation (21,6 %). Only 8,8 % of respondents travelled because of the reasonable price and 7,9 % of respondents because of the sun-sea-sand factor.

The respondents' most preferred route for travelling was the Northwestern with 48,9 % and the least ones were the Western and Nakhchivan routes with 7,5 %. The Northern route was the second most chosen route (23,8 %) followed by Baku and vicinities (11 %) and 8,4 % of respondents travelled to the Southern route.

Demographic characteristics of respondents have a great role in formulating and affecting consumer behaviour. They directly affect cultural, social and personal factors which are the three main elements influencing consumer behaviour. By using the Mann Whitney U and Kruskal Wallis H tests, demographic characteristics mentioned above were analysed with questions from the travel behaviour section. Outcomes of the tests showed statistically significant differences only between trip length and some demographic characteristics: age, marital status and monthly income (see Table No. 1).

**TABLE No. 1. Mann Whitney U and Kruskal Wallis H tests analysing demographic characteristics and travel behaviour questions**

<b>Travel Behaviour</b>	<b>Demographic Characteristics</b>	<b>P</b>
Length of trip	Age	<b>0,007</b>
	Marital status	<b>0,029</b>
	Monthly income	<b>0,019</b>

In order to determine the reliability of the Likert scale questions, Cronbach's Alpha was calculated (0,873) and it indicated that items were reliable for analysis.

Likert scale questions about destination preferences helped rate the level of importance of each factor on travel decision-making within the territory of Azerbaijan. Figure No. 2 shows the ranking of Likert scale questions from the highest mean to the lowest one.

Nice/unpolluted environment, relaxation, safety and visiting new places were the most rated factors (see Figure No. 2). There were no questions with mean rated below than 3 points, however, meeting new people, variety of hotels and F & B's, local festivals/events have got the lowest mean scores. As a result, environmental features were the most important factors and destination attraction factors were the least important factors among local travellers.

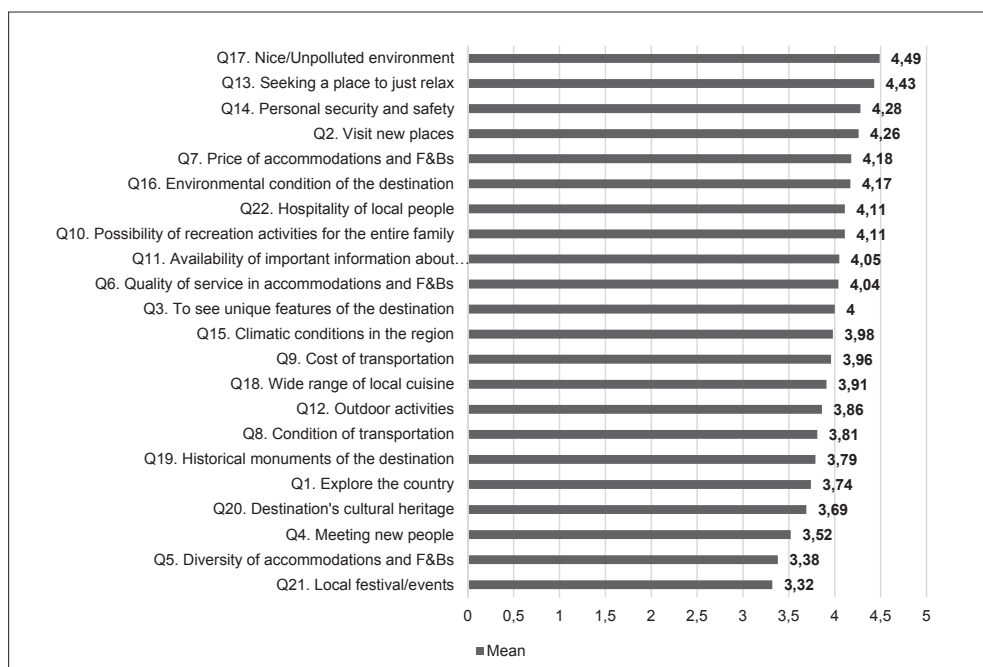


FIG. No. 2. Ranking of destination preferences by mean

A factor analysis using the PCA method revealed 3 groups of factors affecting decision-making and they were named according to the meanings and purposes of the questions (see Table No. 2). In order to explain the arrangement of the components, it is important to notice that they follow some psychological factors which affect their behaviour in choosing each component in these sequences. The relationship between the components can be explained according to the overall analyses of literature review, behaviour and decision-making of local travellers:

- Group 1. Destination amenities and environmental features. This group of factors defines destination attributes like amenities and image. The relationship between destination amenities and environmental features can be seen in the importance of each factor in choosing destination because destination offers are related to the environmental conditions, such as alpine, seaside and rural tourism destinations.

TABLE No. 2. Factor Analysis (PCA) of destination preferences

Questions	G1. Destination amenities and environmental features	G2. Destination attractions and tourists' personal traits	G3. Destination tourism infrastructure
Q17. Nice/Unpolluted environment	0,777		
Q16. Environmental condition of the destination	0,748		
Q13. Seeking a place to just relax	0,709		
Q14. Personal security and safety	0,651		
Q10. Possibility of recreation activities for the entire family	0,640		
Q15. Climatic conditions in the region	0,485		
Q12. Outdoor activities	0,351		
Q4. Meeting new people		0,697	
Q21. Local festival/events		0,688	
Q19. Historical monuments of the destination		0,666	
Q20. Destination's cultural heritage		0,626	
Q1. Explore the country		0,587	
Q3. To see unique features of the destination		0,566	
Q2. Visit new places		0,566	
Q18. Wide range of local cuisine		0,566	
Q22. Hospitality of local people		0,565	
Q9. Cost of transportation			0,726
Q7. Price of accommodations and F&Bs			0,629
Q8. Condition of transportation			0,618
Q11. Availability of important information about accommodations and F&Bs			0,442
Q6. Quality of service in accommodations and F&Bs			0,418
Q5. Diversity of accommodations and F&Bs			0,384

- Group 2. Destination attractions and tourists' personal traits. This group of factors characterises an individuals internal factors for traveling and attractions available in tourism destination. Destination attractions are elements of destination with history, people, entertainment, atmosphere of a destination and image which are related with tourists' internal factors that directly affect their destination choice.
- Group 3. Destination tourism infrastructure. This group of factors determines destination attributes like accessibility, price and human resources.

The mean scores of three groups demonstrate that Group No. 1, meaning amenities and environmental features of the destination, is more important for travellers because the mean score is 4,19. However, the mean score of other two groups, tourism infrastructure of destination (3,91) and attractions of destination and tourists' personal traits (3,82) are almost the same with numbers making them equally important. Kruskal Wallis H test statistics of travel behaviour variables (length of trip, reasons of travel in Azerbaijan, and travel routes) with three groups of destination preferences showed that there were no statistically significant differences among questions meaning that the variances between the groups were equal.

## **7. Conclusions**

Analysis of the essence of consumer behaviour showed that it concentrates on how people formulate decisions. A tourist's decision-making process is a complex, multi-faceted course influenced by different internal and external factors. Factors affecting consumer behaviour help identify what products and services on which situations are consumed by individuals. Mostly four main elements influencing consumer behaviour: cultural, social factors, personal and psychological factors are analysed.

Tourism destinations with certain attributes (attractions, amenities, accessibility, image, price, and human resources) make them appropriate and available for tourists. The types of tourism destinations (ethnic, cultural, historical, environmental and recreational tourism destinations) serve the goal to meet tourists' needs and purposes according to geographical location, environment and nature or man-made structures (urban, seaside, alpine and rural destinations).

The analysis of secondary resources showed that outbound and inbound tourism in Azerbaijan is more popular than domestic tourism. Locals give priority to foreign destinations with unpolluted environment, beautiful nature, resorts and sandy seaside; to foreign countries with similar languages, culture and religion.

By summarising the analysis of tourism infrastructure in Azerbaijan, it was observed that the country aims to offer long-term tourism solutions for leisure and recreational experiences. However, the demand for domestic tourism is still developing. The country needs to implement new ideas and projects to promote domestic tourism all year around, raise the level of services, produce durable and competitive tourism products and services alongside with comfortable transportation suitable/appropriate price.

The study showed considerable results which are substantial for future development of tourism in Azerbaijan. Local tourism companies and governmental institutions of Azerbaijan should pay attention to creating appropriate activities for people on groups differentiated by age, marital status and monthly income; also, the companies and institutions should aim at making people's holidays last more than at least 4 days. Azerbaijani tourists largely choose to travel with family members, friends and colleagues; therefore,

improvements of infrastructure, renovating and making targeted advertisements and promotions for various kinds of travellers to visit different types of destinations should be realised.

Closeness, natural beauty, rest and relaxation are the main reasons for locals to choose Azerbaijan as a tourism destination. Almost a half of the respondents choose the North-western route as their most travelled destination. Environmental features were the most rated factors of destination preferences. Factor analysis revealed 3 groups of factors affecting decision-making: Destination amenities and environmental features, Destination attractions and tourists' personal traits and Destination tourism infrastructure. Therefore, tourism companies and governmental institutions of Azerbaijan need to pay more attention on destination choices which are mainly affected by external factors.

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