



Ss. Cyril and Methodius University in Skopje
Faculty of Economics – Skopje



The New Normal in the Post-Covid Period in Two Areas: the Audit Profession and the Experience Economy

Monograph



Skopje, January 2025

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

Publisher

Ss. Cyril and Methodius University in Skopje
Faculty of Economics – Skopje

Authors:

Marina Trpeska, PhD,
Zorica Bozhinovska Lazarevska, PhD
Atanasko Atanasovski, PhD
Ivan Dionisijev, PhD
Bojan Malchev, MSc
Todor Tocev, MSc
Ezeni Brzovska, PhD
Snezana Ristevska-Jovanovska, PhD
Nikolina Palamidovska-Sterjadovska, PhD
Irena Bogoevska-Gavrilova, MSc

Editor:

Predrag Trpeski, PhD, Dean

Design and graphic editing:

Irena Bogoevska-Gavrilova, MSc
Bojan Malchev, MSc

Acknowledgment: This monograph results from the scientific research project titled “*The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy*,” funded by Ss. Cyril and Methodius University in Skopje. We gratefully acknowledge the financial support provided for this research through a scientific research project by the Ss. Cyril and Methodius University in Skopje. This assistance was granted in full compliance with the Regulations for the utilization of funds from the integrative functions of the University for scientific research projects. We extend our sincere appreciation to the University for its invaluable contribution, which played a pivotal role in the successful completion of this research endeavor.

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

CONTENT

PREFACE	4
PART I: ADAPTING THE AUDIT PROFESSION TO THE 'NEW NORMAL' IN POST-COVID PERIOD - A CASE STUDY OF THE REPUBLIC OF NORTH MACEDONIA	5
ABSTRACT	5
INTRODUCTION	6
ADAPTING AUDITING PRACTICES IN THE POST-COVID LANDSCAPE: A LITERATURE REVIEW	7
AUDITING IN THE WAKE OF PANDEMIC CHALLENGES: WORKPLACE WELL-BEING AND RESILIENCE.....	8
RESEARCH METHODOLOGY	9
RESULTS AND DISCUSSION	11
Reliability statistics	12
Descriptive Statistics.....	12
Analysis of Variance (ANOVA) and Nonparametric Tests on K Independent Samples Based on Professional Engagement Type.....	19
CONCLUSION	25
REFERENCES	26
Appendix A1: Case Summaries.....	29
PART II: THE INFLUENCE OF THE EXPERIENCE ECONOMY PARADIGM ON MEMORY, SATISFACTION AND LOYALTY WITHIN CULTURAL INSTITUTIONS	32
ABSTRACT	32
INTRODUCTION	33
LITERATURE REVIEW	34
METHODOLOGY	38
Measures	38
Sample.....	38
Methods for analysis.....	39
ANALYSIS AND RESULTS.....	39
Descriptive statistics	39
Measurement model 1	41
Structural model 1	42
Measurement model 2.....	43
Structural model 2	44
DISCUSSION	46
LIMITATIONS AND FUTURE RESEARCH.....	47
REFERENCES.....	48

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

PREFACE

The COVID-19 pandemic has left a lasting mark on global society, profoundly altering how individuals, organizations, and economies function. This unprecedented crisis has not only revealed vulnerabilities in existing systems but has also prompted innovation and adaptation across diverse fields. Against this backdrop, the project titled “The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy” was developed, and implemented by the Faculty of Economics – Skopje, Ss. Cyril and Methodius University in Skopje. This monograph is the outcome of that project, featuring two comprehensive studies that examine the profound effects of the pandemic in these two crucial areas exploring the pandemic's profound impacts

The first study, “*Adapting the Audit Profession to the ‘New Normal’ in Post-COVID Period: A Case Study of the Republic of North Macedonia*” investigates how auditors have adjusted to the challenges posed by the pandemic. The study highlights the heightened importance of professional skepticism, the integration of digital tools, and the redefinition of auditing practices in response to remote work requirements and evolving stakeholder expectations. By examining these transformations, the research provides a robust framework for understanding and enhancing the resilience of the auditing profession in a post-pandemic world.

The second study, “*The Influence of the Experience Economy Paradigm on Memory, Satisfaction and Loyalty Within Cultural Institutions*” delves into the experience economy, focusing on the critical role of cultural institutions in creating meaningful and lasting impressions on their audiences. Leveraging the experience economy model by Pine and Gilmore, this study evaluates how dimensions such as education, entertainment, escapism, and esthetics shape visitor memory, satisfaction, and loyalty. The findings offer actionable insights for cultural institutions striving to maintain relevance and engagement in an increasingly competitive landscape.

The results of these studies were presented at international conferences in Krakow, Poland, and Belgrade, Serbia, underscoring the global relevance and academic rigor of the research.

While the studies focus on distinct areas, they share a common theme: the necessity of adaptability and resilience in the face of disruptive changes. Together, they underscore the importance of leveraging innovation and strategic foresight to navigate the challenges of the “new normal.” The findings and recommendations presented herein aim to contribute to academic knowledge and provide practical guidance for professionals, policymakers, and institutions in their ongoing efforts to thrive in a rapidly evolving global context.

We express our deepest gratitude to all contributors, participants, and institutions whose support and collaboration were instrumental in the successful completion of this project. We hope that this monograph will serve as a valuable resource for understanding and addressing the complexities of the post-pandemic era.

The authors

*Ss. Cyril and Methodius University in Skopje, Faculty of Economics – Skopje
Skopje, January 2025*

PART I: ADAPTING THE AUDIT PROFESSION TO THE 'NEW NORMAL' IN POST-COVID PERIOD - A CASE STUDY OF THE REPUBLIC OF NORTH MACEDONIA

ABSTRACT

Throughout history, disease outbreaks have greatly impacted societies and workplaces, leading to the need for adaptability in various jobs. The accounting and auditing sector, which is crucial for giving reliable information during crises, has faced its own set of challenges during these difficult times. This study looks into how the Covid-19 pandemic affected auditors in the Republic of North Macedonia as they adjusted to the "new normal." We examine how they adapted to working remotely, created virtual strategies, overcame obstacles, and how all this affected their mental health. Our research shows that auditors went through major changes in their work roles during the pandemic. They showed resilience and flexibility, although their experiences varied. They faced increased expectations from stakeholders, changes in their client lists, and had to learn new skills. Despite these challenges, auditors managed to succeed, showing their ability to adapt to change. The experiences of auditors during the pandemic demonstrate their ability to handle disruptions and find new opportunities. These findings are important for those in the auditing field, organizations, and those who make decisions about policies, as they provide insights into how the auditing world is changing in the "new normal."

However, this study has some limitations, mainly because it is based on what auditors said about their own experiences, it only looks at one point in time, there might be a bias in who was chosen for the study, and there are limits to the survey used. Future research could look at how auditors' experiences change over time, compare different regions, consider what clients think, study the impact of new technology, look at changes in rules, and compare how auditors are doing with other professionals facing similar issues.

Keywords: *Post-covid, Auditors, Mental Health, North Macedonia*

Jel Classification: *M42, I10*

INTRODUCTION

Throughout history, disease outbreaks have caused great harm to people, sometimes leading to major changes in history and even the destruction of whole societies. Each crisis, with its specific features and situations, possesses the capacity to disrupt everyday life, how workplaces operate, and the general mindset of communities. The Covid-19 pandemic, with its distinct difficulties and disturbances, is a recent example of how such crises can affect every part of life, including the professional world. These disruptions, in turn, spread through the range of internal controls and processes, influencing both personal and professional behavior, as well as decision-making processes characterized by a dependence on information affected by uncertainty and incompleteness.

As explained by the International Federation of Accountants - IFAC (2020), these challenges affect the important services provided by professional accountants and can potentially disturb the foundation of relevant, reliable, and high-quality information. This information is crucial for governing boards, leaders in reporting organizations, government and regulatory policy makers, investors, and many other important players, and becomes even more important during such difficult times. During these tough times, the skills, trustworthiness, and wisdom of accountants are closely examined, requiring them to show their best qualities. Each crisis teaches important lessons in managing crises, including how to prepare well, reduce impact, and sometimes prevent issues. IFAC (2020) points out that these crises are crucial tests that improve the profession's ability to be a source of stability and reliability during uncertain times. The Covid-19 pandemic in 2020 proves that the world is still at risk of new viruses and diseases that can seriously affect different parts of society (GHRF Commission, 2016). The pandemic created unique challenges for many professions around the world, including accounting and auditing. Governments had to enforce lockdowns to control the virus, leading to a shift towards remote work. For auditors, this meant they couldn't visit the places they were auditing or even their own offices, forcing them to do audits remotely. The Association of Chartered Certified Accountants – ACCA (2020) notes that, despite these big challenges, there was a positive aspect. The audit profession was already moving towards more digital methods, and previous investments in digital tools helped many firms and professionals adjust quickly, better than some other industries. All professional accountants, whether they're on boards, audit committees, leading organizations, preparing reports, or auditing, need to maintain high levels of care, integrity, and professional decision-making. They have a crucial role in the financial reporting system (IFAC, 2020).

Our research delves into how the Covid-19 pandemic has reshaped the audit profession, focusing on the Republic of North Macedonia to understand how auditors have adapted to the “new normal” and to identify strategies for navigating future challenges. We explore the challenges faced by auditors, the strategies they have employed to adapt to remote working, and the impact of these changes on their professional and mental well-being. The insights garnered from this study aim to contribute to a deeper understanding of the profession's response to the pandemic and to offer practical guidance for auditors and stakeholders as they navigate the complexities of the post-covid era.

The study is organized to provide a comprehensive understanding of the audit profession's adaptation to the post-covid world. It begins with a literature review that sets the stage by exploring the historical impact of pandemics on professional fields and the specific challenges posed by Covid-19. This is followed by a detailed examination of the methods employed in our study, which

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

aims to capture the experiences and adaptations of auditors in North Macedonia. The subsequent section presents our findings, offering insights into the strategies that have been effective and the challenges that persist. Finally, the study concludes with a discussion of the implications of our research. Through this structured approach, we aim to provide readers with a clear and informative exploration of the audit profession's journey through the Covid-19 pandemic and beyond.

ADAPTING AUDITING PRACTICES IN THE POST-COVID LANDSCAPE: A LITERATURE REVIEW

In examining the historical and contemporary impacts of pandemics on the auditing field, it's evident that there has been a noticeable lack of research. This shortage is likely due to the rare nature of pandemics that have both a global reach and a profound societal impact, such as the unprecedented Covid-19 Pandemic. IFAC (2020) highlights the critical role of professional accountants in maintaining a sustainable and resilient global economy, emphasizing their ethical obligation to prioritize public interest, an obligation that becomes even more crucial during crises like pandemics. Moreover, IFAC (2020) also points out that accountants play a key role in accelerating recovery by maintaining trust and confidence.

Dohrer and Mayes (2020) addressed an immediate concern within the audit profession, i.e. the audit engagements for clients whose fiscal years ended in 2020, a period heavily affected by the Covid-19 Pandemic. This situation presents unique challenges for auditors, particularly in areas prone to significant misstatements. Brachio (2020) metaphorically interprets the Covid-19 crisis as a lesson on the potential and unpredictability of "black swan" events - unforeseen occurrences with severe consequences. The pandemic has underscored the need for auditors to always be prepared for the unexpected, especially in an interconnected global environment where such events can have worldwide implications.

The International Organization of Securities Commissions (IOSCO, 2020) emphasizes the auditors' essential role in addressing the heightened risk of fraud during the pandemic. They are responsible for ensuring clear, specific disclosures about the pandemic's effects on operational performance, financial health, liquidity, and future prospects. IOSCO (2020) stresses the importance of auditors in communicating effectively with management and audit committees to enhance financial statement transparency.

Albitar et al. (2021) explore the potential effects of the Covid-19 pandemic on audit quality, arguing that social distancing measures significantly impact various aspects of the audit profession, from audit fees and going concern assessments to audit procedures and overall effort. These impacts could significantly influence audit quality. Likewise, Kaka (2021) examines the pandemic's effects on financial statements and auditors' reports, highlighting the alertness required from auditors, management, and users of these reports. Professional associations and accounting bodies play a proactive role in monitoring these evolving issues.

The ACCA (2020) conducted a "COVID-19 Global Survey Report: Inside Business, Impacts, and Responses" in April 2020, collecting insights from thousands practitioners across the globe. This report discusses the unique challenges faced by audit firms during the pandemic, including increased pressure, difficulties in securing evidence, and the need for delicate judgments, suggesting a need to rethink traditional auditing approaches.

Many studies indicate that in response to heightened risks and concerns, auditors have had to adopt more extensive procedures and dedicate more resources when evaluating firms' going concern

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

assumptions (Ghosh and Pawlewicz, 2009; Noh et al., 2017; Zhang and Huang, 2013; Chen et al., 2019). This increased commitment is echoed in the works of Karim and Zijl (2013) and Yuen et al. (2013), who note the augmented effort and working hours required to meet these challenges. Rose et al. (2019) discuss the abundance of explanations in assessing fraud risks, noting that this does not always lead to critical thinking and can sometimes be counterproductive. The Covid-19 pandemic has seen a shift towards reliance on analytical procedures and less on detailed tests due to the prevalence of remote communication (KPMG, 2020). However, the quality of audit evidence, which is crucial for accurate conclusions, depends significantly on its source and form. The pandemic has led auditors to rely more on external sources, which are typically more reliable than client-provided information (PWC, 2020). Yet, the shift to remote work has posed challenges to the reliability and adequacy of audit evidence, potentially affecting audit quality (KPMG, 2020). Farghaly et al. (2023) found no significant association between certain pandemic outcomes like social distancing and stress on audit personnel with the quality of audit evidence. Additionally, Harjoto and Laksmana (2022) found that the Covid-19 lockdowns and health restrictions led to higher audit fees and longer delays in audits. However, firms outside the US faced even longer delays due to lockdowns than those in the US. Also, longer lockdowns and stricter restrictions caused a bigger increase in audit fees and delays for non-US firms with high audit risks compared to US firms. A year later, Harjoto and Laksmana (2023) explored how the length of lockdowns at auditors' locations affects important audit aspects. They noticed that longer lockdowns result in higher audit fees and more extended delays. Notably, this rise in fees and delays was more evident in clients handled by larger local offices than those with smaller ones. On the other hand, for financially significant clients of an auditor's office, the effect of lockdown duration on audit fees and delays was less noticeable than for smaller clients. During the pandemic, smaller clients often faced higher audit costs and longer delays.

Butaka (2022) discusses the urgent need for auditors to adopt technological advancements in the wake of the pandemic, emphasizing that tools like data analytics and cloud-based technologies are crucial for conducting efficient, high-quality audits. Alareeni and Hamdan (2022) also highlight the increasing integration of artificial intelligence in accounting and auditing, stressing the importance of understanding its impact on these fields.

Hegazy et al. (2022) investigate the effect of auditor characteristics on Key Audit Matters reporting and audit quality decisions, finding that auditor position significantly influences the recognition of Key Audit Matters, particularly in certain industries, thereby enhancing audit quality and confidence in financial reporting.

This literature review underscores the multifaceted challenges and transformations in the auditing profession post-covid, highlighting the necessity for auditors to adapt to an increasingly complex and unpredictable environment while upholding their ethical duty to act in the public interest.

AUDITING IN THE WAKE OF PANDEMIC CHALLENGES: WORKPLACE WELL-BEING AND RESILIENCE

The well-being and happiness of employees in the workplace have garnered increasing attention recently, especially as mental health disorders have become a leading cause of work disability. These disorders have substantial economic implications, with a projected global cost of up to \$23 trillion by 2030 (Hawkes, 2020). Dr. Tyler Amell, an authority on workplace health, emphasizes the strong connection between poor mental health at work and subsequent physical health issues.

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

These issues often manifest in reduced productivity or “presenteeism,” where employees are physically present, but their productivity is compromised due to health issues. Regardless of the stressor, which in this instance is the pandemic, it's well-established that individuals generally experience greater satisfaction and psychological well-being from their work when they find it enjoyable and fulfilling (Hawkes, 2020). However, the rapidly changing work environments, increased pressures, extended hours, and interpersonal conflicts all demand a certain degree of resilience.

The Public Expenditure Management Peer Assisted Learning - Internal Audit Community of Practice (PEMPAL IACOP, 2020) emphasizes the crucial role of maintaining employee health and well-being during the pandemic. This concern is not just paramount but also a key aspect of managing other risk areas effectively. Their report offers several recommendations (PEMPAL IACOP, 2020):

- *Conducting and Regularly Reviewing Risk Assessments:* It's vital to conduct thorough risk assessments to maintain a safe working environment for all staff and contractors. This includes implementing strict hygiene practices and providing appropriate personal protective equipment.
- *Supporting Vulnerable Staff:* Special attention should be given to employees who are at higher risk due to pre-existing health conditions. Plans should be in place to minimize unnecessary travel and facilitate remote working arrangements, utilizing technology to maintain operational continuity without requiring physical presence.
- *Providing Clear Work Attendance Guidance:* Clear and unambiguous guidelines should be provided to employees regarding when they should attend the workplace and when to stay away. These guidelines need to be frequently updated to reflect the changing circumstances.

These recommendations underscore the importance of protecting employee health and safety as part of a comprehensive risk management strategy. Employers have the same responsibility for the health and safety of remote workers as they do for those on-site. The enforcement of social distancing and self-isolation by governments has increased potential risks to individuals' mental and physical well-being. Many organizations have rapidly transitioned to remote working arrangements to adhere to government mandates and ensure business continuity. However, this shift might not have undergone the usual health and safety evaluations. With the anticipated prolonged duration of government-enforced lockdowns, organizations are increasingly eager to ensure from their audit functions that they have implemented sufficient measures to support employee well-being, covering both physical and mental aspects (Mazars, 2020).

As the world navigates the challenges posed by the pandemic, the focus on employee well-being and resilience in the auditing profession has become more critical than ever. Organizations must adapt and continually reassess their strategies to ensure the health, satisfaction, and productivity of their workforce while meeting the new demands and complexities of a rapidly evolving work environment.

RESEARCH METHODOLOGY

In addition to an extensive review of relevant literature, our research employed a survey-based approach. We designed an online structured questionnaire specifically tailored for auditors in the Republic of North Macedonia. The questionnaire drew inspiration from our previous research

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

papers focusing on external audit (Bozhinovska-Lazarevska et al. 2020) and internal audit (Bozhinovska-Lazarevska et al., 2022), that were based on the ACCA's "COVID-19 Global Survey Report: Inside Business, Impacts, and Responses". According to the ACCA Survey Report, the Covid-19 crisis has specific implications for auditing firms. From increased pressure to complete audit work through to challenges in acquiring audit evidence, and very sensitive judgments in areas such as going concern, auditors will need to re-evaluate how they undertake normal auditing activities (ACCA, 2020). Therefore, although our research is quite different from the ACCA's comprehensive research and this study emphasizes the perception of the auditors in the Republic of North Macedonia regarding the post-covid period and the mental well-being, both studies cover the area of business impacts faced by auditors. Thus, an important aspect in our research is given to the possible change of the audit companies' clients portfolio, due to inability to work according to the going concern principle, which refers to the Business impact on the market of audit services in the Republic of North Macedonia.

The questionnaire was intentionally designed to meet three main research objectives:

- *Assessing the impact of the "new normal" on the audit profession.* This objective involves investigating how the Covid-19 pandemic and the ensuing "new normal" have collectively influenced the audit profession in North Macedonia. It encompasses changes in professional engagement, risk and opportunity dynamics, client portfolios, service offerings, and the application of professional skepticism.
- *Exploring the societal and organizational implications of post-covid changes.* This objective involves examining the broader effects of the post-covid period on both societal and organizational levels. It encompasses changes in stakeholder expectations, talent management, the need for new skills and knowledge, and the demand for updated audit standards.
- *Examining the well-being of professionals in the audit sector.* This objective centers on evaluating the impact of the Covid-19 pandemic and the post-pandemic period on the mental health and well-being of audit professionals in North Macedonia. It includes assessing the prevalence of mental health challenges and the measures taken by institutions to support employee well-being.

The research population includes all presently employed external and internal auditors within the private sector in the Republic of North Macedonia, totaling 296 individuals. The internal auditors are active members of the IIA - North Macedonia, a full member of The IIA – Global. The external auditors are registered in the Institute of Certified Auditors of the Republic of North Macedonia.

The survey primarily gathered responses through a Likert scale, providing a nuanced range from 1 (indicating "totally disagree") to 5 (signifying "totally agree"). The questionnaire was thoughtfully structured into two distinct sections. ***The first section***, including 21 questions, delved into the intricacies of navigating the challenges within the audit profession during the post-covid era and adapting to the "new normal." Among these questions, 7 were presented in a multiple-choice format, while the remaining 14 invited respondents to express their perspectives through the 1 to 5 Likert scale. ***The second section*** focused exclusively on the mental well-being of auditors, comprising a total of 20 questions. Each of these inquiries was thoughtfully positioned on the 1 to 5 Likert scale, enabling participants to articulate their sentiments regarding the crucial aspect of mental health.

To analyze the data obtained from respondents' answers, we applied the following statistical methods:

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

1. **Cronbach's Alpha:** This was used to assess the internal consistency of respondents' answers. A Cronbach's alpha coefficient greater than 0.7 ($\alpha \geq 0.7$) is considered essential for the answers to be considered reliable and suitable for further analysis.
2. **Descriptive Statistics:** Descriptive statistics were employed to quantitatively depict response characteristics.
3. **ANOVA Analysis:** An analysis of variance (ANOVA) was conducted to ascertain differences in mean response values between internal auditors in the public and private sectors. A significance level of 5% ($p < 0.05$) was utilized to determine statistical significance.
4. **The Kruskal-Wallis Test:** To assess the association between categorical variables, determining whether observed differences in responses across groups are statistically significant. A significance value less than 5% ($p\text{-value} < 0.05$) suggests a statistically significant difference.
5. **Case Summaries:** To calculate subgroup statistics for variables within categories of the grouping variables. Summary statistics for each variable across all categories are also displayed.

These research methods collectively provided insights into the experiences, challenges, and mental well-being of the auditors in the context of the post-covid period in North Macedonia.

RESULTS AND DISCUSSION

As previously outlined in this study, the primary aim of this research is to offer empirical insights into the perspectives of Macedonian auditors, concerning their experiences in a post-pandemic era, including an examination of their mental well-being. The survey was conducted online and made available to the entire population of active auditors, reaching a total of 296 individuals. This included both internal and external auditors. Participants were invited to participate via email, where they were provided with a direct link to access the questionnaire. Following a follow-up reminder email, we received a total of 63 responses, resulting in a response rate of 21.3%. The survey for this research was distributed in April 2023. To improve the response rate's acceptability, future research initiatives could investigate strategies like personalized follow-up communications, reminders, or incentives to encourage participation more effectively among the target audience. Moreover, Table 1 displays the descriptive statistics pertaining to the characteristics of the respondents.

Table 1: Descriptive statistics of characteristics of the respondents

Feature	Description	Number	Percent
Company Type	Audit Firm	41	65%
	Bank	10	16%
	Joint stock company	9	14.3%
	Limited Liability Company	3	4.7%
	Total	63	100%
Professional Engagement Type	Audit (statutory and contractual)	40	63.5%
	Internal Audit	20	31.8%
	Other	3	4.7%

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

	Total	63	100%
*Only for auditors in public practice. Type of audit firm	Big 4	6	15%
	International Network	5	12.5%
	National Audit Firm	20	50%
	Auditor – sole proprietor	9	22.5%
	Total	40	100%

Source: Authors' calculations

The table illustrates a predominant trend among respondents, with the majority (65%) employed in audit firms. Other sectors include banking (16%), joint-stock companies (14.3%), and limited liability companies (4.7%). In terms of professional engagements, a significant 63.5% actively participate in audit engagements (both statutory and contractual), while 20% are involved in internal audit. A smaller percentage, 4.7%, engage in other types of professional activities. For auditors in public practice, half of them work in domestic auditing firms (50%), while the remaining individuals are chartered auditors operating as sole proprietors (22.5%), than auditors employed by the BIG 4 (15%), or part of an international network (12.5%).

Reliability statistics

Prior to commencing the research analysis, a reliability analysis was conducted. This involved the calculation of Cronbach's alpha coefficient to assess the internal consistency and reliability of the questionnaire (see table 2).

Table 2: Cronbach's Alpha

Reliability Statistics	
Cronbach's Alpha	No. of Items
.906	33

Source: Authors' calculations

The Cronbach's alpha coefficient of 0.906 obtained in this study reflects a high level of internal consistency among the survey items. This statistic indicates that the questions or items included in the survey exhibit strong correlations with each other, suggesting that they effectively measure a common underlying construct or concept. In practical terms, this implies that the survey is a reliable tool for assessing the specific aspects or variables it was designed to investigate.

A Cronbach's alpha value exceeding 0.9 is generally considered very good and indicates a high degree of agreement among respondents' answers to the survey questions (Tuan, Chin and Shieh, 2005; George and Mallery, 2003). Such a high level of internal consistency boosts the reliability of the survey instrument, implying that it consistently and dependably measures the intended construct. While a high Cronbach's alpha is a positive indicator of the survey's internal reliability, it's important to complement this with other validation measures to ensure that the survey accurately measures the intended variables and constructs.

Descriptive Statistics

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

In this section, we present the results and discussion of the descriptive statistics, providing a comprehensive examination of the responses from our structured sample. Table 3 offers an in-depth look at the descriptive statistics pertaining to each question from the first part of the questionnaire, which refers only to challenges within the audit profession during the post-covid era and adapting to the "new normal", facilitating an understanding of the observed trends within our study.

Table 3: Descriptive statistics for the challenges within the audit profession during the post-covid era and adapting to the "new normal"

	N	Min.	Max.	Mean	Std. Deviation
The Covid-19 pandemic has significantly changed the approach to my professional engagement.	63	1.0	5.0	3.206	.8455
Working in the conditions of the Covid-19 pandemic and the new normal has meant facing new risks while simultaneously creating new opportunities.	63	2.0	5.0	3.698	.8732
Due to the health crisis in the post-covid period, our clients' portfolios have undergone adjustments because of disrupted assumptions regarding their going concern.	63	1.0	4.0	2.159	.9017
In the post-covid period, the spectrum of services that I can offer to existing and potential customers has expanded.	63	1.0	5.0	2.619	.9907
Working remotely in the conditions of the "new normal" has required me to apply a greater dose of professional skepticism.	63	1.0	5.0	3.714	.9576
Non-compliance with Law and Regulation (NOCLAR) has become a more frequent finding in my engagements in the post-covid period.	63	1.0	4.0	2.333	.8614
Operating under the conditions of the new normal has increased stakeholders' expectations for the presentation of quality financial statements and the implementation of quality audits.	63	1.0	5.0	3.127	1.0997
Under the influence of the pandemic, my organization in the post-covid period has shown readiness to digitize processes and facilitate remote work.	63	2.0	5.0	4.127	.8518
The post-covid period affect the need to acquire different skills and knowledge that should be incorporated into certification curriculum.	63	1.0	5.0	3.841	.9194
Working in the new normal has increased the risk of attracting and retaining talented employees.	63	1.0	5.0	3.921	.9887
Easier adaptation to the new normal (digitalization and automation of processes) imposes the need for new audit standards that will keep up with the changes.	63	2.0	5.0	3.794	.9531

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

The Covid-19 pandemic and the post-pandemic period have had a pronounced impact on the mental health of employees.	63	1.0	5.0	3.730	.8464
My institution takes care and implements measures to preserve the mental health of employees.	63	2.0	5.0	4.222	.9409

Source: Authors' calculations

The responses to the survey questions provide insights into how auditors have managed the challenges posed by the Covid-19 pandemic and the subsequent "new normal." It is evident that the pandemic has significantly altered their professional engagement (mean value of 3.206). This signifies a noteworthy shift in their approach to work, likely due to the pandemic's disruptive effects on business operations. The standard deviation of approximately 0.8455 indicates that while most auditors experienced this shift, there were variations in the extent to which it impacted them. In line with this, auditors also acknowledged the complexities of working in the conditions of the pandemic and the "new normal," as evidenced by mean value of the responses of 3.698. This suggests that they have had to struggle with a combination of new risks and opportunities.

The survey results do not offer clear perspectives into changes in client portfolios prompted by the health crisis (mean value of 2.159). This result implies that auditors observed some disruptions in their clients' going concern assumptions, but the observations lack substantial clarity or significant alterations.

Auditors also noted an expansion in the spectrum of services they could offer to clients in the post-covid period, although the mean value of 2.619 suggests a more measured shift. This reflects their continuous adjustment to evolving client needs and expectations, a response linked to the dynamic changes in the business environment.

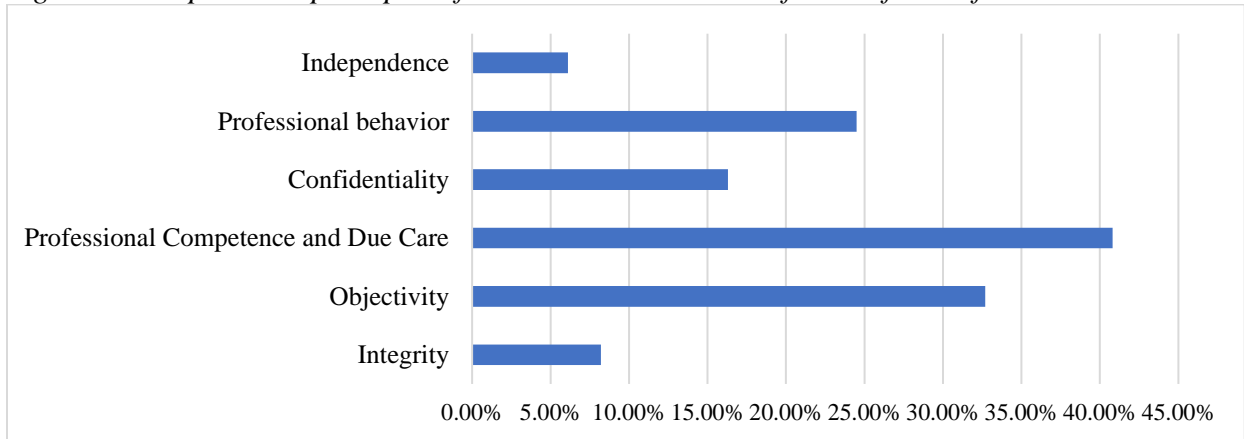
Working remotely in the conditions of the "new normal" has demanded a greater application of professional skepticism, as indicated by the mean value of the responses of 3.714. This suggests that auditors recognize the importance of alertness in their remote work settings, which have become more prevalent in response to the pandemic. Moreover, in response to the inquiry regarding whether instances of Non-Compliance with Law and Regulation (NOCLAR) have become more prevalent in post-covid engagements, auditors provided a mean value of 2.333. It's crucial to note that this mean value is relatively moderate, indicating that the observed rise in NOCLAR instances during post-covid engagements may not be as significant as initially expected. The impact of the pandemic on the auditing profession is evident, with stakeholders increasingly expecting the delivery of high-quality financial statements and the execution of rigorous audits. This heightened expectation is underscored by a mean value of 3.127, signifying that auditors perceive increased demands in this domain. The pandemic's influence is also manifest in organizations' readiness to embrace digitalization and facilitate remote work in the post-covid era. Auditors, on average, rated this readiness at 4.127, indicating a substantial shift toward digitalization and remote work. Survey respondents further acknowledged that the post-covid era necessitates the acquisition of new skills and knowledge to achieve professional titles, as indicated by a mean value of 3.841. This reflects auditors' recognition of the evolving skill set required in their field. Additionally, the "new normal" has heightened the risk associated with attracting and retaining talented employees, with a mean value of 3.921. This suggests that auditors are highly aware of the challenges linked to talent management in the current environment. The survey findings underscore that the smoother adaptation to the "new normal," characterized by digitalization and automation, necessitates the development of fresh audit standards that can adapt

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

to these evolving circumstances. Auditors, on average, have recognized this demand, with a mean value of the responses of 3.794.

In this research study, auditors answered seven multiple-choice questions to share their views on the challenges of conducting audits in the “new normal”. The primary question asked the participants to identify the basic principle most likely to be compromised when conducting audits in the “new normal” (see Figure 1).

Figure 1: Compromised principles of The International Code of Ethics for Professional Accountants.

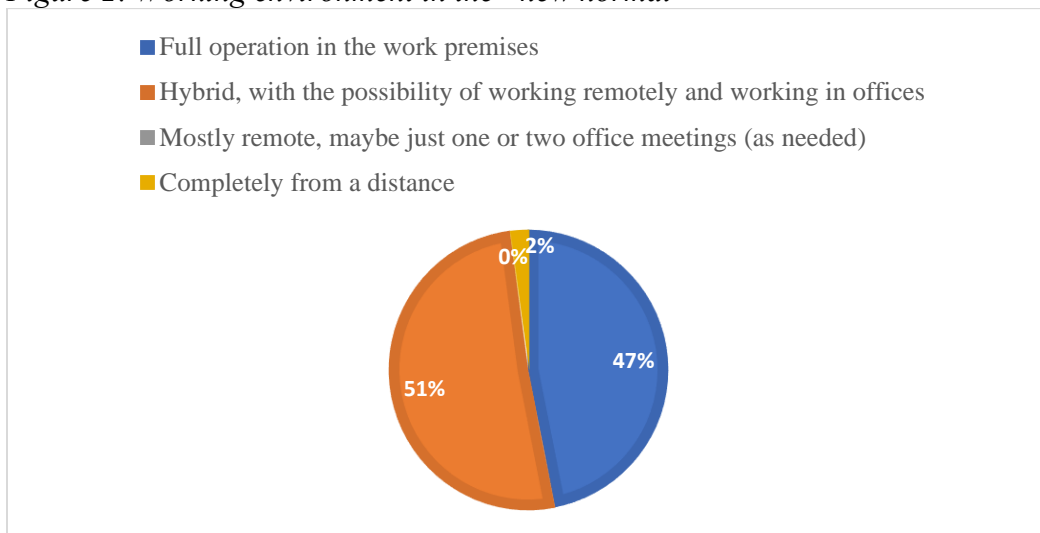


Source: Authors' calculations

A notable 41% of respondents articulated their belief that the principle of “*Professional Competence and Due Care*” stood as the most vulnerable in this context. In contrast, a mere 6% of those surveyed expressed concerns regarding the jeopardization of the “*Independence*”.

Regarding the working environment adopted by auditors in this “new normal” (see Figure 2), approximately 51% of auditors have adopted a hybrid work model, integrating both remote and office-based operations. Conversely, the remaining respondents exclusively adhere to in-office work arrangements.

Figure 2: Working environment in the “new normal”



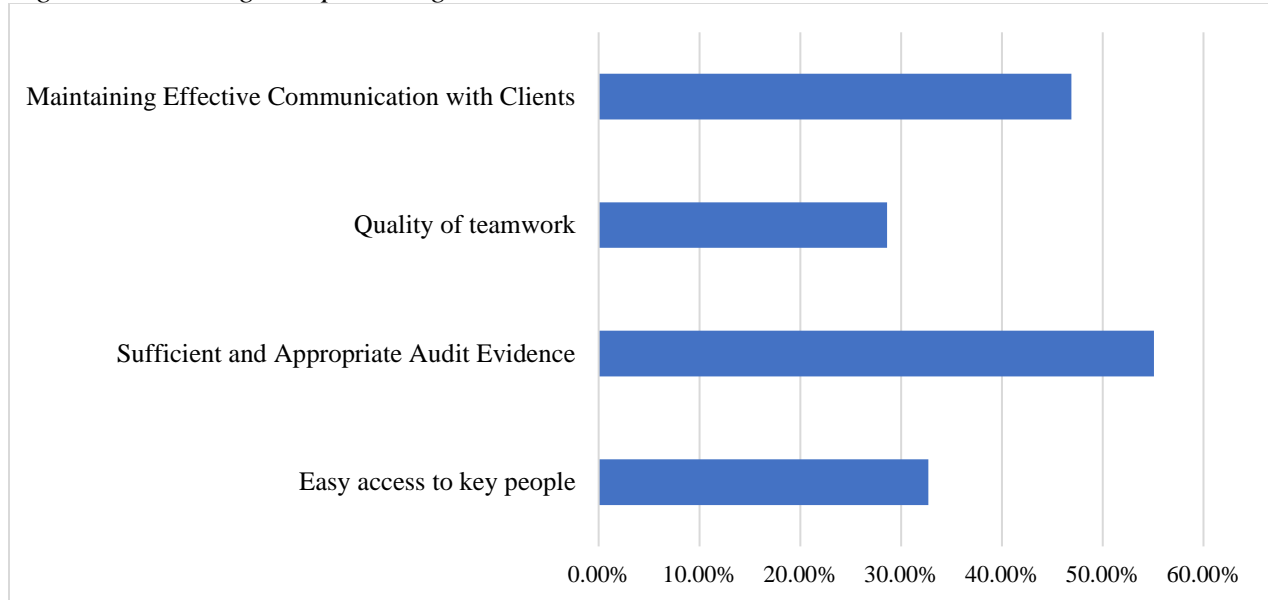
Source: Authors' calculations

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

Examining further the consequences of this hybrid working paradigm on the audit engagement process, a significant 65% of respondents agreed that the area most affected was “*Obtaining and Evaluating Audit Evidence*”.

At the same time, a considerable 55% identified the primary challenge in ensuring audit quality within a remote work environment as the accessibility to “*Sufficient and Appropriate Audit Evidence*”. Furthermore, 47% emphasized the challenge of “*Maintaining Effective Communication with Clients*” as a notable concern (see Figure 3)

Figure 3: Challenges in providing assurance in remote work conditions

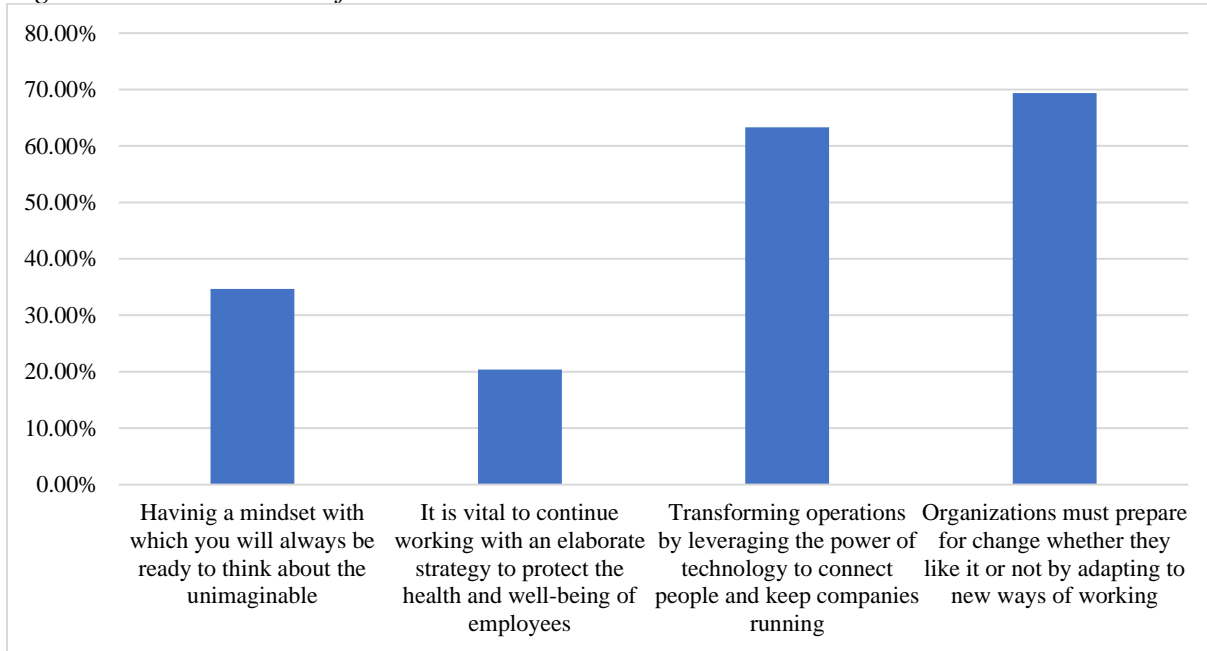


Source: Authors' calculations

In the concluding analysis, drawn from the empirical findings of this study, the auditing profession acquired a profound understanding resulting from the experience of the Covid-19 pandemic. It emphasized the sobering reality that unforeseeable events can have substantial consequences on both individual lives and professional work. Consequently, the research findings underscored the imperative for organizations to be prepared for transformative changes, whether they align with their preferences or not. This preparation requires the adoption of novel work methodologies, the embrace of innovative business models, and the promotion of information technology tools.

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

Figure 4: Lesson learned from the Pandemic

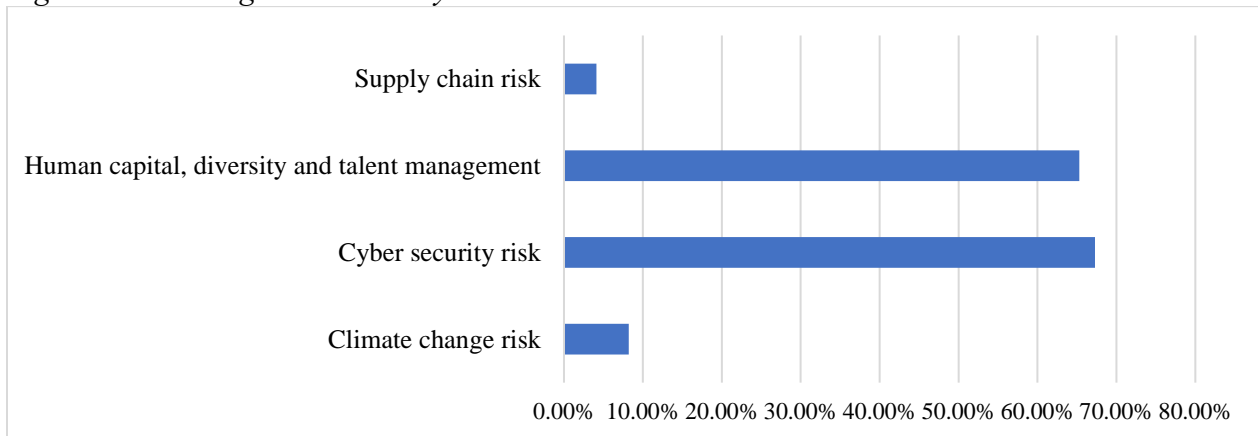


Source: Authors' calculations

This strategic shift was strongly advocated by a substantial 69.4% of respondents, with an additional 63.3% affirming the necessity for organizations to adapt and evolve regardless of their tendencies, further emphasizing the imperative of new work paradigms, business models, and the utilization of information technology tools.

Finally, as per auditors' perspectives, opinions diverge regarding the risks organizations may encounter in the new normal (see Figure 4). Cyber-security risk (67.3%) and human capital, diversity, and talent management (65.3%) stand out as areas of contention, while only a minority believes that risks associated with climate change and supply chain vulnerabilities will be significant for organizations.

Figure 5: Risks organizations may encounter in the "new normal"



Source: Authors' calculations

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

Table 4 displays the descriptive statistics pertaining to the responses of the second section of the questionnaire, regarding the present mental well-being of the auditors.

Table 4: Descriptive statistics – Mental well-being of the auditors

	N	Min.	Max.	Mean	Std. Deviation
I enjoy a good and varied social life	63	1.0	5.0	3.810	1.0451
I am happy with the achievements in my life	63	1.0	5.0	4.317	.8391
I'm good at doing good things for myself	63	1.0	5.0	3.778	.8880
In times of crisis, others seek solutions from me	63	1.0	5.0	3.873	.9754
I am confident in my ability to deal with life problems	63	1.0	5.0	4.175	.9595
Mostly I control my life	63	1.0	5.0	4.175	.9762
I am optimistic, even when things get tough	63	1.0	5.0	4.111	1.0335
I learn from life experiences and emerge stronger	63	1.0	5.0	4.333	.8424
I can see the happy side of most things, even in difficult situations	63	1.0	5.0	4.175	.9425
I take time to enjoy hobbies and non-work-related activities	63	1.0	5.0	3.825	.9425
I am good at avoiding distracting situations and completing tasks on time	63	1.0	5.0	3.937	1.0757
I believe I am important, and my life has meaning	63	1.0	5.0	4.254	.8608
When difficult, I will find a way to manage the situation calmly and effectively	63	1.0	5.0	4.222	.8121
I have enough patience and ambition	63	1.0	5.0	4.127	.9587
Usually, I can find a way to manage, no matter the situation	63	1.0	5.0	4.206	.8455
I am aware of the emotions I feel, and I understand what causes them	63	1.0	5.0	4.159	.8837
My health is	63	1.0	5.0	4.079	.8670
My sleep quality is	63	1.0	5.0	3.778	1.0071
My diet is	63	1.0	5.0	3.825	.9253
My ability to relax is	63	1.0	5.0	3.429	1.0733

Source: Authors' calculations

The responses to the statements related to the mental health and well-being of the auditors paint a positive picture. Across all these statements, the auditors consistently expressed a favorable outlook. The responses typically ranged from a minimum score of above 3.8 to a maximum score nearing 4.33, with most answers averaging above 4. These findings suggest that the auditors have shown resilience and adaptability in dealing with the challenges posed by the pandemic.

In particular, the auditors conveyed a notable sense of self-assuredness in their lives, as evidenced by their responses to statements like “*I am happy with the achievements in my life*” (mean value of 4.317), and “*I learn from life experiences and emerge stronger*” (mean value of 4.333). These statements consistently received high mean values, affirming auditors' perception of their competence in navigating life's trials.

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

Furthermore, auditors displayed optimism and a proactive mindset in their responses. Statements like “*I am optimistic, even when things get tough*” (mean value of 4.111), and “*I am confident in my ability to deal with life problems*” (mean value of 4.175) received positive feedback, reinforcing the idea that auditors have embraced opportunities for personal growth and resilience.

Additionally, the auditors' responses indicate a strong sense of purpose and importance, as illustrated by statements such as “*I believe I am important, and my life has meaning*” (mean value of 4.254). This suggests that the auditors continue to find purpose and value in their professional and personal lives.

In terms of their self-reported well-being, the auditors conveyed generally positive perceptions about their health, with a mean value of 4.079. This indicates that, on average, they view their health as quite satisfactory. However, auditors reported less favorable assessments in other areas of well-being. Sleep quality, with a mean value of 3.778, appeared to be a particular concern, suggesting that some auditors might have experienced challenges related to sleep. Their ability to relax received a relatively modest score, with a mean value of 3.429, implying that relaxation may be an area where some auditors encounter difficulties. Similarly, their satisfaction with diet yielded a moderate score, averaging 3.825, indicating a mixed perception of dietary habits. These aspects showed wider variability, as indicated by the higher standard deviations (e.g., 1.0071 for sleep quality), suggesting that experiences and perceptions varied significantly among the auditor group.

Analysis of Variance (ANOVA) and Nonparametric Tests on K Independent Samples Based on Professional Engagement Type

The examination of responses involved a carefully selected sample divided into three distinct groups according to their professional engagement type: *external auditors (40 respondents)*, *internal auditors (20 respondents)*, and *auditors engaged in other types of work (3 respondents)*. By using ANOVA and supported by nonparametric tests on groups, differences in responses were observed among these groups for three specific questions (at the 0.05 significance level), as shown in Tables 5 and 6.

Table 5: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
CHANGE_OF_APPROACH	Between Groups	.726	2	.363	.499	.609
	Within Groups	43.592	60	.727		
	Total	44.317	62			
NEW_RISKS	Between Groups	.495	2	.247	.317	.729
	Within Groups	46.775	60	.780		
	Total	47.270	62			
PORTFOLIO	Between Groups	7.863	2	3.931	5.544	<u>.006</u>

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

	Within Groups	42.550	60	.709		
	Total	50.413	62			
BRODER_SUPPLIES	Between Groups	4.615	2	2.308	2.462	.094
	Within Groups	56.242	60	.937		
	Total	60.857	62			
PROFESSIONAL_SCEPTICISM	Between Groups	4.290	2	2.145	2.449	.095
	Within Groups	52.567	60	.876		
	Total	56.857	62			
NOCLAR	Between Groups	2.133	2	1.067	1.459	.241
	Within Groups	43.867	60	.731		
	Total	46.000	62			
STAKEHOLDERS_EXPECTATIONS	Between Groups	4.392	2	2.196	1.867	.164
	Within Groups	70.592	60	1.177		
	Total	74.984	62			
DIGITIZATION	Between Groups	1.867	2	.934	1.299	.280
	Within Groups	43.117	60	.719		
	Total	44.984	62			
DIFFERENT_SKILLS	Between Groups	2.488	2	1.244	1.495	.233
	Within Groups	49.925	60	.832		
	Total	52.413	62			
RISK_TALENTED_EMPLOYEES	Between Groups	1.612	2	.806	.820	.446
	Within Groups	58.992	60	.983		
	Total	60.603	62			
NEW_STANDARDS	Between Groups	4.001	2	2.000	2.294	.110
	Within Groups	52.317	60	.872		
	Total	56.317	62			
MENTAL_HEALTH	Between Groups	3.196	2	1.598	2.326	.106

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

	Within Groups	41.217	60	.687		
	Total	44.413	62			
MEASURES_MENTAL_HEALTH	Between Groups	1.164	2	.582	.650	.526
	Within Groups	53.725	60	.895		
	Total	54.889	62			
GOOD_SOCIAL_LIFE	Between Groups	7.398	2	3.699	3.679	<u>.031</u>
	Within Groups	60.317	60	1.005		
	Total	67.714	62			
HAPPY_ACHIEVMENTS	Between Groups	3.184	2	1.592	2.361	.103
	Within Groups	40.467	60	.674		
	Total	43.651	62			
GOOD_STUFF	Between Groups	.697	2	.349	.434	.650
	Within Groups	48.192	60	.803		
	Total	48.889	62			
OTHER_LOOK_HELP	Between Groups	2.792	2	1.396	1.491	.233
	Within Groups	56.192	60	.937		
	Total	58.984	62			
LIFE_PROBLEMS	Between Groups	3.638	2	1.819	2.042	.139
	Within Groups	53.442	60	.891		
	Total	57.079	62			
CONTROLLING_LIFE	Between Groups	2.238	2	1.119	1.181	.314
	Within Groups	56.842	60	.947		
	Total	59.079	62			
OPTIMISM	Between Groups	2.206	2	1.103	1.034	.362
	Within Groups	64.017	60	1.067		
	Total	66.222	62			
LEARNING_FROM_EXPIRIENCES	Between Groups	3.683	2	1.842	2.741	.073

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

	Within Groups	40.317	60	.672		
	Total	44.000	62			
GOOD_SIDE_OF_LIFE	Between Groups	2.238	2	1.119	1.270	.288
	Within Groups	52.842	60	.881		
	Total	55.079	62			
HOBBIES	Between Groups	5.479	2	2.740	3.314	<u>.043</u>
	Within Groups	49.600	60	.827		
	Total	55.079	62			
TIME_MANAGEMENT	Between Groups	1.179	2	.590	.501	.608
	Within Groups	70.567	60	1.176		
	Total	71.746	62			
IAM_IMPORTANT	Between Groups	2.745	2	1.372	1.907	.157
	Within Groups	43.192	60	.720		
	Total	45.937	62			
EFFICIENT_MANGAMENT	Between Groups	2.622	2	1.311	2.056	.137
	Within Groups	38.267	60	.638		
	Total	40.889	62			
AMBICIOUS	Between Groups	1.992	2	.996	1.087	.344
	Within Groups	54.992	60	.917		
	Total	56.984	62			
CHALLENGE_MANAGEMENT	Between Groups	2.476	2	1.238	1.775	.178
	Within Groups	41.842	60	.697		
	Total	44.317	62			
EMOTIONS	Between Groups	2.146	2	1.073	1.392	.257
	Within Groups	46.267	60	.771		
	Total	48.413	62			
GOOD_HEALTH	Between Groups	2.287	2	1.143	1.548	.221

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

	Within Groups	44.317	60	.739		
	Total	46.603	62			
QUALITY_SLEEP	Between Groups	2.172	2	1.086	1.073	.348
	Within Groups	60.717	60	1.012		
	Total	62.889	62			
HEALTHY_DIET	Between Groups	3.088	2	1.544	1.853	.166
	Within Groups	49.992	60	.833		
	Total	53.079	62			
RELAX_SPORTS	Between Groups	5.812	2	2.906	2.657	.078
	Within Groups	65.617	60	1.094		
	Total	71.429	62			

Source: Authors' calculations

- The survey results do not adequately reveal the alterations in client portfolios (variable: PORTFOLIO) prompted by the health crisis, as indicated by a mean value of 2.159. It is crucial to underscore the statistical significance of these findings, as confirmed by the ANOVA analysis results, which highlight noticeable variations in responses among different respondent groups (see Table 5: ANOVA). A qualitative analysis of Case Summaries (see Appendix A1) further validates this observation, revealing subtle differences in mean values of responses among the defined groups. For the specific inquiry, the mean value among external auditors stands at 1.90, indicating a higher degree of certainty that the client portfolio remains unaffected by the pandemic. Conversely, internal auditors report a mean value of 2.55, signifying a comparatively lesser degree of certainty. The remaining three respondents engaged in other types of activities express a neutral stance, with a mean value of 3.00.
- The second question illustrating differences among respondent groups pertains to the domain of mental health, specifically focusing on the statement “*I enjoy a good and varied social life*”, (variable: GOOD_SOCIAL_LIFE) with a mean value of 3.81. Through an examination of the Case Summaries (see Appendix A1), noticeable distinctions in mean values become apparent, revealing that the most reliable responses for this particular inquiry come from external auditors, recording a mean value of 3.950. Subsequently, internal auditors express a slightly lower degree of support, with a mean value of 3.750. In contrast, the remaining three respondents exhibit a notably lower mean value of 2.333. This variation in mean values across distinct respondent groups underscores differing perspectives on the enjoyment of a rich and diverse social life, as captured by the respondents' mental health perceptions.
- The final question displaying a statistically significant difference concerns the statement “*I take time to enjoy hobbies and non-work-related activities*”, (variable: HOBBIES) with a mean value of 3.825. Specifically, upon a thorough examination of the Case Summaries, it

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

becomes apparent that internal auditors predominantly engage in and derive enjoyment from hobbies and non-work-related activities, registering a mean value of 4.20. Subsequently, external auditors express a slightly lower level of involvement, with a mean value of 3.70. Lastly, the remaining three respondents exhibit a mean value of 3.00, indicating a comparatively lower inclination toward investing time in such activities.

The diversity in responses across different groups has been reinforced through the application of nonparametric tests on K independent samples. Notably, as shown in Table 6, highlights the aforementioned significant variations in responses between the groups.

Table 6: Nonparametric tests on K independent samples

	Chi-Square	Df	Asymp. Sig.
CHANGE_OF_APPROACH	.679	2	.712
NEW_RISKS	.738	2	.692
PORTFOLIO	9.138	2	.010
BRODER_SUPPLIES	4.573	2	.102
PROFESSIONAL_SCEPTICISM	3.306	2	.191
NOCLAR	2.512	2	.285
STAKEHOLDERS_EXPECTATIONS	3.774	2	.152
DIGITIZATION	3.961	2	.138
DIFFERENT_SKILLS	2.265	2	.322
RISK_TALENTED_EMPLOYEES	1.309	2	.520
NEW_STANDARDS	4.430	2	.109
MENTAL_HEALTH	4.716	2	.095
MEASURES_MENTAL_HEALTH	1.636	2	.441
GOOD_SOCIAL_LIFE	4.112	2	.028
HAPPY_ACHIEVMENTS	1.905	2	.386
GOOD_STUFF	.012	2	.994
OTHER_LOOK_HELP	2.119	2	.347
LIFE_PROBLEMS	2.272	2	.321
CONTROLLING_LIFE	.669	2	.716
OPTIMISM	.521	2	.771
LEARNING_FROM_EXPIRIENCES	4.357	2	.113
GOOD_SIDE_OF_LIFE	1.087	2	.581
HOBBIES	4.517	2	.045
TIME_MANAGEMENT	.484	2	.785
IAM_IMPORTANT	.694	2	.707
EFFICIENT_MANGAMENT	.924	2	.630
AMBICIOUS	.516	2	.772
CHALLENGE_MANAGEMENT	.543	2	.762
EMOTIONS	.482	2	.786
GOOD_HEALTH	.649	2	.723
QUALITY_SLEEP	2.419	2	.298
HEALTHY_DIET	3.134	2	.209
RELAX_SPORTS	4.963	2	.084

Source: Authors' calculations

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

In conjunction with the findings, these results, particularly highlighted in the context of the questions on portfolio adjustments, social life and hobbies contribute valuable insights into the statistical significance of observed differences. By using this test, we strengthen our investigation into how defined respondents view things differently, making our analysis more reliable.

CONCLUSION

In this study, we undertook a comprehensive exploration of the auditors' experiences during the Covid-19 pandemic and the subsequent transition into the “new normal”. The findings provide valuable insights into the profound shifts that have occurred within the auditing profession and how auditors have adapted to the challenges and opportunities presented by these changes. The pandemic has significantly transformed their professional engagement, leading to shifts in their approach to work. Auditors have displayed resilience and adaptability in navigating these changes, with variations in their experiences and perceptions. Moreover, stakeholders' expectations have raised, client portfolios have progressed, and the need for new skills and knowledge has emerged. Despite these challenges, auditors have demonstrated their ability to thrive in the face of adversity. The results underscore the adaptability and resilience of auditors in navigating the challenges posed by the pandemic and the subsequent changes in their profession. While the pandemic has introduced disruptions and complexities, auditors have demonstrated a capacity to develop and embrace new opportunities. Their positive mental well-being throughout this period further reflects their ability to thrive adversity. This study offers useful knowledge for auditing experts and companies to better grasp the changing nature of the audit field and adjust well to the requirements of the “new normal”.

However, it is essential to acknowledge certain inherent limitations in our research approach. Our reliance on self-reported perceptions introduces the potential for response bias and subjectivity. Additionally, the cross-sectional design of this study offers a snapshot of auditors' experiences, limiting our ability to capture the dynamic nature of their responses over time. Sampling bias may also be present, as our sample may not fully represent the diversity of auditors in North Macedonia. Furthermore, the constraints of the survey instrument, while carefully designed, may not cover all relevant nuances of auditors' experiences.

To better grasp how the audit field is changing after Covid-19, future studies should look into different areas. Tracking auditors' experiences and changes over time through ongoing studies could be insightful. Comparing how auditors in various regions respond to similar problems can highlight different regional approaches. Also, it's important to study the mental health of auditors, especially with remote work and ongoing uncertainty. Examining how the pandemic has led to changes in audit rules and what that means for auditing methods is another key area to investigate. These research paths could help us understand more about the audit profession's development and its ability to adapt after Covid-19.

REFERENCES

- [1] ACCA. (2020). "COVID-19 Global Survey: Inside Business impacts and responses", London: Association of Chartered Certified Accountants, available online at: https://www.accaglobal.com/gb/en/professional-insights/global-economics/Covid-19_A-Global-Survey.html
- [2] ACCA. (2020). "The impact of Covid-19 on Audit and Assurance – challenges and considerations", London: Association of Chartered Certified Accountants available online at: https://www.accaglobal.com/content/dam/ACCA_Global/img/respcam/Coronavirus/The%20im pact-of-Covid-19-on-Audit-and-Assurance-challenges-and-considerations.pdf
- [3] Alareeni, B. & Hamdan, A., (2022), "Artificial Intelligence and COVID Effect on Accounting: The Impact of Artificial Intelligence on Accounting and Auditing in Light of the COVID-19 Pandemic". *Accounting, Finance, Sustainability, Governance and Fraud*. pp. 3–7.
- [4] Albitar, K., Gerged, A. M., Kikhia, H., and Hussainey, K. (2021). "Auditing in times of social distancing: The effect of COVID-19 on auditing quality", *International Journal of Accounting and Information Management*, vol. 29, no. 1, pp. 169-178, <https://doi.org/10.1108/IJAIM-08-2020-0128>
- [5] Bozhinovska-Lazarevska, Z., Dionisijev, I.; Tocev, T.; Trpeska, M.; and Atanaskovski, A. (2022). "COVID-19 Black Swan's impact on the internal audit profession: the case of the Republic of North Macedonia" *Proceedings of FEB Zagreb 13th International Odyssey Conference on Economics and Business*, pp. 15-38, <https://doi.org/10.22598/odyssey/2022.4>
- [6] Bozhinovska-Lazarevska, Z.; Trpeska, M.; Atanasovski A.; and Dionisijev, I. (2020). "Audit profession in the shadow of the Covid-19 - A perception of auditors in the Republic of North Macedonia", *Proceedings of the 1st International Conference "Economic and Business Trends Shaping the Future, 2020, Skopje*; p: 73-90, <http://doi.org/10.47063/EBTSF.2020.0006>,
- [7] Brachio, A. (2020). "COVID-19: How to start looking forward with hope", available online at: https://www.ey.com/en_gl/consulting/covid-19-how-to-start-looking-forward-with-hope
- [8] Butaka, G., (2022), "The Evolution of Audit in the Wake of the Pandemic". [online] ISACA. Available at: <https://www.isaca.org/resources/isaca-journal/issues/2022/volume-1/the-evolution-of-audit-in-the-wake-of-the-pandemic> [Accessed 14 December 2023].
- [9] Chen, H., Hua, S., Liu, Z. and Zhang, M. (2019), "Audit fees, perceived audit risk, and the financial crisis of 2008", *Asian Review of Accounting*, vol. 27, no. 1, pp. 97-111. <https://doi.org/10.1108/ARA-01-2017-0007>
- [10] Dohrer, B., and Mayes, C. (2020). "4 key COVID-19 audit risks for 2020 year ends", available online at: <https://www.journalofaccountancy.com/news/2020/jun/key-coronavirus-audit-risks-for-2020-year-ends.html>
- [11] Farghaly, M., Basuony, M.A.K., Noureldin, N. and Hegazy, K. (2023), "The antecedents of COVID-19 contagion on quality of audit evidence in Egypt", *Journal of Accounting in Emerging Economies*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/JAEE-12-2022-0347>
- [12] George, D., and Mallery, P. (2003). "SPSS for Windows step by step: A simple guide and reference. 11.0 update (4th ed.)", Boston, MA: Allyn & Bacon, available at: <https://wps.ablongman.com/wps/media/objects/385/394732/george4answers.pdf>
- [13] Ghosh, A. and Pawlewicz, R. (2009), "The impact of regulation on auditor fees: evidence from the Sarbanes-Oxley Act", *Auditing: A Journal of Practice and Theory*, Vol. 28, pp. 171-197.

- [14] GHRF Commission. (2016). *The Neglected Dimension of Global Security: A Framework to Counter Infectious Disease Crises*. Commission on a Global Health Risk Framework for the Future.
- [15] Harjoto, M.A. and Laksmana, I. (2022), "The impact of COVID-19 lockdown on audit fees and audit delay: international evidence", *International Journal of Accounting & Information Management*, vol. 30, no. 4, pp. 526-545. <https://doi.org/10.1108/IJAIM-02-2022-0030>
- [16] Harjoto, M.A. and Laksmana, I. (2023), "The impact of COVID-19 restrictions on audit fees and audit delay: evidence from auditor local offices", *Managerial Auditing Journal*, vol. 38, no. 4, pp. 447-473. <https://doi.org/10.1108/MAJ-03-2022-3487>
- [17] Hawkes, H., (2020). "Get smart with mental health – Mental Health and Wellbeing INTHEBLACK Special Edition, CPA Journal
- [18] Hegazy, M.A.A., El-Haddad, R. and Kamareldawla, N.M. (2022). "Impact of auditor characteristics and Covid-19 Pandemic on KAMs reporting", *Managerial Auditing Journal*, vol. 37, no. 7, pp. 908-933. <https://doi.org/10.1108/MAJ-07-2021-3271>.
- [19] Hirt, E., F. Kardes, and K. Markman. (2004). "Activating a mental simulation mindset through the generation of alternatives: Implications for debiasing in related and unrelated domains". *Journal of Experimental Social Psychology*, vol. 40, no. 3, pp. 374–383, <https://doi.org/10.1016/j.jesp.2003.07.009>
- [20] IFAC. (2020). "Maintaining Trust & Confidence During a Crisis - Lessons Learned from the Global COVID-19 Pandemic", available online at: <https://www.ifac.org/what-we-do/speak-out-global-voice/points-view/maintaining-trust-confidence-during-crisis>
- [21] IFAC. (2020). "Public Interest Responsibilities Must Remain Paramount in an Age of COVID-19", available online at: <https://www.ifac.org/knowledge-gateway/building-trust-ethics/discussion/public-interest-responsibilities-must-remain-paramount-age-covid-19>
- [22] IOSCO. (2020). "Statement on Importance of Disclosure about COVID-19", available online at: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD655.pdf>
- [23] Kadous, K., S. Krische, and L. Sedor. (2006). "Using counter-explanation to limit analysts' forecast optimism". *The Accounting Review*, vol. 81, no. 2, pp. 377–397.
- [24] Kaka, E. J. (2021). "Covid-19 and Auditing", *Journal of Applied Accounting and Taxation*, vol. 6, no. 1, <https://doi.org/10.30871/jaat.v6i1.2311>
- [25] Karim, A.K.M.W. and Zijl, T.V. (2013), "Efficiency and opportunism in auditor quality choice in emerging audit services markets: the case of Bangladesh", *International Journal of Accounting and Information Management*, vol. 21, no. 3, pp. 241-256, <https://doi.org/10.1108/IJAIM-08-2011-0027>
- [26] KPMG. (2020). "COVID-19: Potential impact on financial reporting", available online at: <https://home.kpmg/xx/en/home/insights/2020/03/covid-19-financialreporting-resource-centre.html>
- [27] Mazars, (2020). "Internal audit during and beyond the Covid-19 crisis". Mazars, available at <https://www.mazars.com/Home/Services/Consulting/Insights/Internal-audit-during-beyond-the-Covid-19-crisis>
- [28] Noh, M., Park, H. and Cho, M. (2017), "The effect of the dependence on the work of other auditors on error in analysts' earnings forecasts", *International Journal of Accounting & Information Management*, vol. 25, no. 1, pp. 110-136, <https://doi.org/10.1108/IJAIM-11-2015-0077>
- [29] PEMPAL IACOP, (2020). "The impact of COVID-19 on the role and activities of internal audit", available at: <https://www.pempal.org/knowledge-product/impact-covid-19-role-and-activities-internal-audit>

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

- [30] Rose, A. M., Rose, J. M., Suh, I., & Thibodeau, J. C. (2019). “Analytical Procedures: Are More Good Ideas Always Better for Audit Quality?”. *Behavioral Research in Accounting*, vol. 32, no. 1, pp. 37-49, <https://doi.org/10.2308/bria-52512>
- [31] Rose, A., J. Rose, K. Sanderson, and J. Thibodeau. (2017). “When should audit firms introduce analyses of Big Data into the audit process?”, *Journal of Information Systems*, vol. 31 no. 3, pp. 81–99, doi: 10.2308/isys-51837
- [32] Tuan, H.L., Chin, C.C., and Shieh, S.H. (2005), “The development of a questionnaire to measure students’ motivation towards science learning”, *International Journal of Science Education*, vol. 27, no. 6, pp. 639–654. doi: <https://doi.org/10.1080/0950069042000323737>
- [33] Yuen, D.C.Y., Law, P.K.F., Lu, C. and Guan, J.Q. (2013), “Dysfunctional auditing behaviour: empirical evidence on auditors’ behaviour in Macau”, *International Journal of Accounting & Information Management*, vol. 21, no. 3, pp. 209-226, <https://doi.org/10.1108/IJAIM-12-2012-0075>
- [34] Zhang, T. and Huang, J. (2013), “The risk premium of audit fee: evidence from the 2008 financial crisis”, *China Journal of Accounting Studies*, vol. 1, no. 1, pp. 47-61, <https://doi.org/10.1080/21697221.2013.781766>

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

Appendix A1: Case Summaries

Case Summaries ^a													
		Change _of_ approa ch	New_ risks	Portfolio	Broder_ supplies	Professional _scepticism	NOCLAR	Stakeh olders_ expecta tions	Digitizati on	Different_ skills	Risk_talented_ employees	New_stan dards	
Profes sional Engag ement type	To tal	N	40	40	40	40	40	40	40	40	40	40	
		Mea n	3,125	3,725	1,9	2,425	3,85	2,2	3,025	4,25	3,975	3,825	3,65
		Min	1	2	1	1	2	1	1	2	2	1	2
		Max	5	5	3	4	5	4	5	5	5	5	5
		Std. Dev	0,853	0,8161	0,8102	0,9578	0,9753	0,8228	1,2087	0,8987	0,8317	1,1068	1,0266
	To tal	N	20	20	20	20	20	20	20	20	20	20	20
		Mea n	3,35	3,6	2,55	2,9	3,6	2,6	3,45	3,95	3,55	4,15	4,15
		Min	2	2	1	1	3	1	2	3	1	3	3
		Max	5	5	4	5	5	4	4	5	5	5	5
		Std. Dev	0,8751	0,9947	0,9445	1,0208	0,7539	0,8826	0,7592	0,6863	1,0501	0,6708	0,7452
	To tal	N	3	3	3	3	3	3	3	3	3	3	3
		Mea n	3,333	4	3	3,333	2,667	2,333	2,333	3,667	4	3,667	3,333
		Min	3	3	3	3	1	1	1	3	3	3	3
		Max	4	5	3	4	4	3	3	5	5	5	4
		Std. Dev	0,5774	1	0	0,5774	1,5275	1,1547	1,1547	1,1547	1	1,1547	0,5774
	To tal	N	63	63	63	63	63	63	63	63	63	63	63
		Mea n	3,206	3,698	2,159	2,619	3,714	2,333	3,127	4,127	3,841	3,921	3,794
		Mini mum	1	2	1	1	1	1	1	2	1	1	2
		Maxi mum	5	5	4	5	5	4	5	5	5	5	5

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

		Std. Deviation	0,8455	0,8732	0,9017	0,9907	0,9576	0,8614	1,0997	0,8518	0,9194	0,9887	0,9531
		Mental_health	Measures_mental_health	Good_social_life	Happy_achievements	Good_stuff	Other_look_help	Life_problems	Controlling_life	Optimism	Learning_from_experiences	Good_side_of_life	
Engagement type	Total	N	40	40	40	40	40	40	40	40	40	40	40
		Mean	3,6	4,325	3,95	4,4	3,775	4,025	4,325	4,225	4,1	4,45	4,225
		Min	1	2	2	2	2	1	2	1	1	2	2
		Max	5	5	5	5	5	5	5	5	5	5	5
		Std. Dev	0,9001	0,9443	0,9323	0,8102	0,8912	0,8619	0,8286	0,947	1,0573	0,8458	0,9737
	Total	N	20	20	20	20	20	20	20	20	20	20	20
		Mean	4,05	4,05	3,75	4,3	3,85	3,65	4	4,2	4,25	4,25	4,2
		Min	3	3	2	3	3	2	2	2	2	4	3
		Max	5	5	5	5	5	5	5	5	5	5	5
		Std. Dev	0,6863	0,9445	1,0699	0,5712	0,6708	0,9881	0,9733	0,8335	0,7864	0,4443	0,6156
	Total	N	3	3	3	3	3	3	3	3	3	3	3
		Mean	3,333	4	2,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333
		Min	3	3	1	1	1	1	1	1	1	1	1
		Max	4	5	4	5	5	5	5	5	5	5	5
		Std. Dev	0,5774	1	1,5275	2,0817	2,0817	2,0817	2,0817	2,0817	2,0817	2,0817	2,0817
	Total	N	63	63	63	63	63	63	63	63	63	63	63
		Mean	3,73	4,222	3,81	4,317	3,778	3,873	4,175	4,175	4,111	4,333	4,175
		Minimum	1	2	1	1	1	1	1	1	1	1	1
		Maximum	5	5	5	5	5	5	5	5	5	5	5
		Std. Deviation	0,8464	0,9409	1,0451	0,8391	0,888	0,9754	0,9595	0,9762	1,0335	0,8424	0,9425

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

		Hobbies	Time_management	Iam_important	Efficient_mangement	Ambitious	Challenge_Management	Emotions	GOOD_HEALTH	QUALITY_SLEEP	HEALTHY_DIET	RELAX_SPORTS	
Engagement type	Total	N	40	40	40	40	40	40	40	40	40	40	
		Mean	3,7	3,95	4,275	4,3	4,175	4,225	4,2	4,05	3,65	3,675	3,2
		Min	2	1	2	2	1	2	2	2	1	1	1
		Max	5	5	5	5	5	5	5	5	5	5	5
		Std. Dev	0,9661	0,9594	0,8469	0,7232	0,9306	0,8002	0,8533	0,8756	1,0013	0,9711	1,0427
	Total	N	20	20	20	20	20	20	20	20	20	20	20
		Mean	4,2	4	4,35	4,2	4,15	4,3	4,2	4,25	4,05	4,15	3,85
		Min	3	1	3	3	2	3	3	3	2	3	2
		Max	5	5	5	5	5	5	5	5	5	5	5
		Std. Dev	0,6156	1,1698	0,5871	0,6959	0,8127	0,6569	0,6959	0,5501	0,9445	0,6708	0,9881
	Total	N	3	3	3	3	3	3	3	3	3	3	3
		Mean	3	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,667	3,667	3,667
		Min	1	1	1	1	1	1	1	1	2	2	2
		Max	4	5	5	5	5	5	5	5	5	5	5
		Std. Deviation	1,7321	2,0817	2,0817	2,0817	2,0817	2,0817	2,0817	2,0817	1,5275	1,5275	1,5275
	Total	N	63	63	63	63	63	63	63	63	63	63	63
		Mean	3,825	3,937	4,254	4,222	4,127	4,206	4,159	4,079	3,778	3,825	3,429
		Minimum	1	1	1	1	1	1	1	1	1	1	1
		Maximum	5	5	5	5	5	5	5	5	5	5	5
		Std. Deviation	0,9425	1,0757	0,8608	0,8121	0,9587	0,8455	0,8837	0,867	1,0071	0,9253	1,0733

PART II: THE INFLUENCE OF THE EXPERIENCE ECONOMY PARADIGM ON MEMORY, SATISFACTION AND LOYALTY WITHIN CULTURAL INSTITUTIONS

ABSTRACT

In the dynamic landscape of the experience-driven economy, consumers increasingly crave distinctive experiences beyond mere products and services. Drawing on Pine and Gilmore's paradigm of the four dimensions of the experience economy, this study aims to delve into the effects of these experiential dimensions on consumer loyalty while discerning any dimensions that notably shape consumer memory and satisfaction. Employing structural equation modeling on a dataset comprising of 224 respondents reveals a robust positive correlation between esthetics and memory, with the memory-loyalty connection following suit. Furthermore, entertainment emerges as a significant and positive influencer on memory. Regarding consumer satisfaction, satisfaction has the most potent positive association with loyalty. Escapism emerges as the dimension with the greatest impact on satisfaction, while esthetics and entertainment also notably influence satisfaction. These findings underscore the pivotal role of experiential dimensions in shaping consumer perceptions and behaviors in the contemporary marketplace.

Keywords: *Experience economy, memory, satisfaction, loyalty.*

Jel Classification: *M31*

INTRODUCTION

In today's rapidly evolving global economy, certain industries are experiencing significant growth, largely due to the increasing demand for experiential consumption (Oh et al., 2007). Customer experience has been a priority for businesses and consumers alike for some years. But the idea that experience is a source of value is initiated when James H. Gilmore and B. Joseph Pine II coined the term “The Experience Economy”. In the experience economy, experience is the repository of value — the property that commoditized products and services exploit to create genuine competitive advantage.

Economists have typically lumped experiences in with services, but experiences are a distinct economic offering, as different from services as services are from goods. Today we can identify and describe this fourth economic offering because consumers unquestionably desire experiences, and more and more businesses are responding by explicitly designing and promoting them. As services, like goods before them, increasingly become commoditized—think of long-distance telephone services sold solely on price—experiences have emerged as the next step in what we call the progression of economic value.

An experience is not an amorphous construct; it is as real an offering as any service, good, or commodity. In today's service economy, many companies simply wrap experiences around their traditional offerings to sell them better. To realize the full benefit of staging experiences, however, businesses must deliberately design engaging . This transition from selling services to selling experiences will be no easier for established companies to undertake and weather than the last great economic shift, from the industrial to the service economy. Unless companies want to be in a commoditized business, however, they will be compelled to upgrade their offerings to the next stage of economic value.

The growth of the industrial economy and the service economy came with the proliferation of goods and services that didn't exist before imaginative designers and marketers invented and developed them. That's also how the experience economy will grow: through the “gales of creative destruction,” as the economist Joseph Schumpeter termed it—that is, business innovation.

As we go deeper into the experience economy, more companies will try to monetize customer experience beyond the customized offers that are common today. The goal should be to make the deriving of experience value part of the organization's DNA within cultural institutions. This shift reflects a transition towards what Pine and Gilmore (1999) termed the experience-driven economy, where consumers prioritize unique experiences over traditional product and service consumption. It's no longer sufficient for offerings to merely boast high quality; they must offer something distinct and memorable (Pine and Gilmore, 1999; Oh et al., 2007).

Consumer culture theory emphasizes that individuals utilize various resources to enrich their social lives (Arnould and Thompson, 2005). Furthermore, Manthiou et al. (2011) suggest that attending events serves specific objectives and fulfills diverse needs, indicating that consumers are driven by various motivations in their participation. The quality of the event experience significantly influences satisfaction and is paramount for success and competitiveness in the event industry (Manthiou et al., 2011).

Given the growing desire for exceptional experiences, companies must add unique value to products and services that already meet high standards of functional quality (Oh et al., 2007). This consumer trend aligns with Vargo and Lusch's (2004) Service-Dominant (S-D) logic, highlighting

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

the increasing importance consumers place on value creation through interaction (Manthiou et al., 2014).

An experience, as defined by Schmitt (2010), encompasses sensory, emotional, cognitive, behavioral, relational, and functional significance. Pine and Gilmore (1999) distinguish experiences from commodities, goods, and services, noting that experiences reside in people's minds and involve four dimensions: Education, Entertainment, Escapism, and Esthetics.

These dimensions come to life when individuals engage emotionally, physically, mentally, or even spiritually (Manthiou et al., 2014). While previous research has primarily focused on the experience economy within tourism and wine tourism contexts, there's been limited exploration of its implications for cultural institutions or events (Oh et al., 2007; Kastenholz et al., 2017; Brzovska et al., 2020; Quadri-Felitti and Fiore, 2012; Mehmetoglu and Engen, 2011; Manthiou et al., 2011; Manthiou et al., 2014).

Despite the large volume of generic economy experience studies, the authenticity experience of cultural institutions has been surprisingly omitted by scholars. Therefore, this study contributes to the sharing economy literature through experience within cultural institutions by addressing the authenticity dimensions of the experience economy model.

This gap in the academic research base serves as the inspiration for the present research, which builds upon Pine and Gilmore's (1999) experience economy framework. The study aims to investigate the influence of experience dimensions on consumer loyalty and identify which dimensions, if any, significantly impact consumer memory. To achieve this, the paper conducts a thorough literature review to establish hypotheses, followed by an analysis and discussion of the findings. Finally, it acknowledges limitations, suggests areas for future research, and underscores its key contributions.

LITERATURE REVIEW

Emerging as the fastest-growing sector globally, experience-based consumption drives economic value. Marketing, crafting genuine value, meets evolving consumer demands adeptly.

Implementing the experience economy model within cultural institutions promises to enhance comprehension and application of its principles, strategies, and tactics, thereby boosting effectiveness and efficiency in engaging and retaining audiences. With notable shifts in contemporary lifestyles, behaviors, and preferences, capturing interest in cultural performances has become increasingly challenging. Amidst a plethora of events and performances, cultural institutions must adapt to evolving market conditions and competition, both within and outside the arts sector. Bernstein (2017) advocates for a thorough review of assumptions and the development of innovative marketing strategies to invigorate the performing arts business. This approach entails not only understanding the changing mindset of consumers but also embracing new initiatives to inject vitality into cultural offerings.

Cultural institutions exemplify the transformative power of performance when they embrace the four dimensions of the experience economy model (Pine and Gilmore, 1999). Amidst fierce competition, marketers face mounting pressure to attract audiences and cultivate lasting engagement and loyalty. To thrive in this dynamic landscape, cultural institutions must stay attuned to evolving trends and shifting consumer expectations.

Understanding each dimension of the experience economy model is paramount in navigating this changing environment and aligning with evolving customer values, ensuring the resilience and

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

prosperity of arts organizations both now and in the future. Consequently, arts marketers must remain vigilant and responsive to the diverse and ever-changing interests and needs of various audience segments.

There's a growing appetite for immersive and enriching learning experiences, highlighting the need for cultural institutions to evolve accordingly. In this climate of fluctuating demand, it's crucial for institutions to deeply grasp how consumers integrate culture into their lives. No cultural institution is immune to these shifting dynamics, underscoring the importance of continuous adaptation and a nuanced understanding of audience behaviors.

Cultural institutions possess a distinct advantage as they inherently offer genuine, unparalleled, high-quality experiences through their primary offerings of staged performances. These institutions must recognize that every interaction with the public, spanning from marketing endeavors to ticket purchases and lobby experiences, shapes and augments the performance encounter itself. Embracing the principles of the experience economy model entails prioritizing the creation of memorable experiences, ensuring patrons depart with positive and gratifying impressions, thus fostering enduring memories of their engagement with performances. By meticulously curating each touchpoint, cultural institutions can elevate the overall experience, leaving a lasting imprint on audiences and nurturing a sustained appreciation for their offerings.

Like all businesses, cultural institutions aim to fulfill customer needs. Levitt posits that the core tenet of the marketing concept is identifying and meeting consumer needs and desires, aligning with the institution's strategy and objectives (Levitt, 1986). This underscores the importance of customer-centric approaches tailored to the institution's overarching goals, ensuring a harmonious balance between meeting audience expectations and achieving organizational objectives.

Cultural institutions rely on the experience economy model to establish and maintain an organization that upholds its artistic mission amidst an unpredictable and evolving landscape. Embracing this model is vital for exploring emerging market prospects, understanding shifts in consumer behavior, and devising inventive strategies to ensure the institution and its offerings remain pertinent to both existing and prospective audiences in the long term. This proactive approach enables cultural institutions to adapt to changing dynamics and sustain relevance in an ever-evolving cultural landscape.

In a prior investigation, Oh et al. (2007) endeavor to incorporate pertinent theoretical constructs such as arousal, memories, overall quality, and customer satisfaction, aiming to evaluate the predictive capacity of guests' lodging experiences on critical business success factors. Their findings underscore the utility of Pine and Gilmore's four realms of experience, not only conceptually aligning but also providing a pragmatic measurement framework for understanding tourist experiences. They emphasize the significance of applying these findings practically, suggesting that destination marketers can enhance their offerings and better cater to visitors' needs by leveraging this comprehensive understanding of tourist experiences. This highlights the importance of integrating theoretical insights with practical applications to optimize business strategies and improve overall visitor satisfaction in the tourism industry.

As traditional marketing strategies evolve, there's a societal shift towards elevated expectations regarding customer service and experiences. Cultural institutions must heed customer feedback, understand their desires, and deliver attentive, top-tier experiences to meet these evolving expectations effectively, ensuring sustained customer satisfaction and loyalty. This customer-centric approach is paramount for cultural institutions to thrive in today's dynamic market landscape.

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

The current research operationalized and examined the experience economy model, specifically the esthetic, entertainment, escapism, and educational realms, within cultural institutions. It aimed to assess their impact on variables like memory, satisfaction, and loyalty, providing valuable insights into the dynamics of visitor experiences in these settings.

Education: Educational experiences involve event attendees absorbing the activities and actively engaging their minds and/or bodies (Pine and Gilmore, 1999) and certain events are specifically crafted to provide a focused educational encounter (Manthiou et al., 2011).

Entertainment: The entertainment experience occurs as visitors watch the activities and performances of others (Manthiou et al., 2011) and it is the oldest and most extensively developed form of experience within the business environment (Pine and Gilmore, 1999).

Esthetics: In esthetic experiences, attendees relish the event without causing any impact or alteration to the presented environment's nature (Manthiou et al., 2011).

Escapism: To acquire an escapism experience, event attendees engage in the event to temporarily break away from their daily routine and find an escape (Manthiou et al., 2011).

Loyalty: Previous research has extensively explored the significance of loyalty in the service industry, with loyalty defined as a commitment to consistently repurchase or patronize a preferred product or service (Oliver, 1999). Loyalty encompasses cognitive, affective, conative, and action dimensions (Oliver, 1999), and it's evaluated both attitudinally and behaviorally (Harris and Goode, 2004). Additional studies evaluate loyalty as an outcome of festival attendees' experiences, evidenced by repeat visits and positive word-of-mouth (Back, 2005; Lee et al., 2007; Lee, 2009). In the following part of the literature review behavioral intentions can be seen as an indicator of loyalty (Loureiro, 2014).

Memory and loyalty: Significant studies have investigated the memory formation of event attendees or in the context of destination marketing and its implications for loyalty within the experience economy. The first one was the study of Pine and Gilmore (1999) who proposed the concept of the experience economy, highlighting the importance of memorable experiences in driving consumer engagement and loyalty. Furthermore, Manthiou et al. (2014) emphasize the significance of comprehending the experiences of festival participants for festival organizers, highlighting that these experiences serve as indicators of future behavior. Their findings underscore that positive experiences contribute to strong memory, subsequently fostering loyalty among attendees. Zaki and Abuzied (2017) aim to enhance comprehension of the „experience economy“ concept and investigate the impact of four dimensions of tourist service experience (4Es) — educational, esthetic, escapist, and entertainment experiences — on memories and subsequent loyalty intentions from the perspective of travel consumers. Their findings indicate that all four dimensions of tourists' experiences influence both their memories and loyalty. In their study, Yang et al. (2021) explored how tourists' sensory encounters shape their loyalty to destinations, while also investigating how tourists' emotions and memory of their experiences mediate this relationship. The findings indicate that sensory experiences have a beneficial effect on emotions, memories, and loyalty. Furthermore, emotions play a significant role in influencing both memories and loyalty. Additionally, the memories of past experiences also positively impact tourists' loyalty to a destination. Prior research indicates that engaging in experience economy activities enhances consumer memory retention. A satisfying experience serves as a significant incentive for revisiting a destination (Andereck and Caldwell, 1993; Tung and Ritchie, 2011). This highlights the pivotal role of memorable experiences in driving repeat visitation behavior. According to Bourdieu (2000), novel experiences offer a platform for acquiring fresh skills and insights. Visitors derive satisfaction from authentic and distinctive encounters, often sharing them

on social platforms. As tourists actively pursue enriching experiences, companies offering memorable value beyond product functionality stand to secure stronger market footholds (Yeoman and McMahon-Beattie, 2019). This underscores the importance of delivering unique and meaningful experiences to cater to the demands of experience-seeking consumers, thereby enhancing brand reputation and market competitiveness. According to Manthiou et al. (2014) in terms of festival marketing, experiences create a positive impact on vivid memories, which in turn affect loyalty. Every aspect of the experience economy notably affects the vividness of memories. Nevertheless, only the entertainment and esthetics dimensions have an impact on loyalty. In the work of Kim (2018), in which a theoretical framework exploring the impact of memorable tourism experiences (MTEs) on behavioral intentions is constructed, the outcomes reveal that MTEs exert a direct influence on future behavioral intentions. Notably, MTEs emerge as the most significant factor influencing behavioral intentions. The results of Loureiro (2014) illustrated how memory can act as an intermediary linking experience to behavioral intentions.

These findings underscore the interconnectedness of memory formation, the experience economy, and loyalty within the context of events and destination marketing, suggesting that crafting memorable experiences is crucial for enhancing visitor retention and loyalty.

Satisfaction and loyalty: Consumer satisfaction refers to a favorable emotional response stemming from a positive evaluation of a shopping or consumption encounter (Babin and Griffin, 1998). Customer satisfaction plays a crucial role in fostering enduring client connections and securing repeat patronage. Moreover, the likelihood of customers intending to use a service in the future is contingent upon their satisfaction in the past. Customers who exhibit higher satisfaction levels at a given time are more inclined to increase their usage at a subsequent time compared to those with lower satisfaction levels (Lee et al., 2008). Researchers seek to understand how various experience dimensions impact outcome variables such as satisfaction and behavioral intention (Schmitt, 2010). Satisfaction, whether at the attribute or overall level, significantly influences overall satisfaction and captures variation therein (Oliver, 1993; Spreng et al., 1996; Chi & Qu, 2008). The relationship between experience and loyalty is well-documented in service marketing literature, where satisfactory experiences drive revisitation and positive word-of-mouth responses (Andereck and Caldwell, 1993; Ferguson et al., 2010; Tung and Ritchie, 2011). Mehmetoglu and Engen (2011) investigated the museum experience, finding that among the four dimensions, only education and esthetics significantly impact overall satisfaction. Contrarily, escapism and entertainment show no notable influence on satisfaction levels. This suggests that the cognitive and sensory aspects of an experience, such as learning opportunities and aesthetic appeal, play pivotal roles in shaping visitor satisfaction within museum settings. Quadri-Felitti and Fiore (2013) employed structural modeling to unveil the primacy of the esthetic dimension in forecasting favorable memories and loyalty to destinations within wine tourism. The education dimension only contributed significantly to crafting memories and satisfaction. However, its impact on destination loyalty was comparatively minor. As anticipated from earlier research (Yuksel et al., 2010), the satisfaction derived from choosing one location over another notably and positively influences intentions to revisit or recommend. The affirmative impact of consumer satisfaction on behavioral intentions has garnered extensive support across the marketing literature (Lee et al., 2008; Appiah-Adu et al., 2000; Bigné et al., 2001; Cronin and Taylor, 1992; Fornell, 1992; Lee et al., 2005; Oliver, 1980; Oliver and Swan, 1989).

Since Pine and Gilmore (1999; Gilmore and Pine 2002a, 2002b) introduced the experience economy as a growing concept to improve business performance in various industries, and based

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

on previous research by various authors given in the extensive literature review we propose the following hypotheses:

H1a: Education has a positive influence on the memory of the visitors of cultural institution events.

H1b: Education has a positive influence on the satisfaction of the visitors of cultural institution events.

H2a: Entertainment has a positive influence on the memory of the visitors of cultural institution events.

H2b: Entertainment has a positive influence on the satisfaction of the visitors of cultural institution events.

H3a: Esthetics has a positive influence on the memory of the visitors of cultural institution events.

H3b: Esthetics has a positive influence on the satisfaction of the visitors of cultural institution events.

H4a: Escapism has a positive influence on the memory of the visitors of cultural institution events.

H4b: Escapism has a positive influence on the satisfaction of the visitors of cultural institution events.

H5a: Memory of the visitors of cultural institution events has a positive influence on their loyalty toward the institution.

H5b: Satisfaction of the visitors of cultural institution events has a positive influence on their loyalty toward the institution.

METHODOLOGY

Measures

In this research endeavor, an online questionnaire was designed and distributed to individuals who had attended a cultural event within the preceding year. Upon identifying the cultural institution that had left the most significant impression on each respondent, a set of Likert-scale items, consisting of 18 constructs, was presented, encompassing the four dimensions of the experience economy (education, entertainment, escapism, and esthetics), as well as constructs related to memory, satisfaction, and loyalty, drawn from Mathieu et al. (2014) and Oh et al. (2007). Additionally, respondents were queried about their frequency of cultural event attendance and the medium through which they received event information. Demographic information was also gathered in the questionnaire's concluding section. This comprehensive approach aims to unravel the intricate relationship between experiential dimensions and consumer perceptions in cultural event consumption.

Sample

Utilizing snowball sampling, we gathered 224 responses through an online survey, of which 222 were deemed valid. Among these, 70.72% identified as female. Respondents spanned an age range of 18 to 67 years, with the highest representation observed among 22-year-olds (22.97%). A majority of participants had completed undergraduate studies (80.18%), while 18.01% reported a monthly household income ranging from 60.001 to 80.000 denars (1 euro = 61.5 denars). Predominantly, respondents resided in Skopje (75.22%), with 72.07% identifying as Macedonian.

Methods for analysis

The descriptive statistics of the data were performed initially, as presented in Table 1. Subsequently, the data underwent analysis using the structural equation modeling (SEM) technique, a statistical method aimed at testing hypotheses concerning the associations between latent variables. SEM integrates factor analysis and multiple regression, examining both the measurement and structural components of the model (Hair et al., 2006). Following a two-stage approach (Anderson and Gerbing, 1988), confirmatory factor analysis (CFA) was conducted to evaluate the measurement model's validity. Subsequently, the structural model was assessed to scrutinize the hypothesized relationships within the model. This systematic procedure allows for a comprehensive examination of the underlying constructs and their interrelationships.

ANALYSIS AND RESULTS

Descriptive statistics

Table 1: Descriptive statistics

	N	Min.	Max.	Mean	Std. Deviation
The experience in the cultural institution contributed to my gaining more knowledge. - EDU	222	1.00	7.00	5.3108	1.33785
I gained new insights during my visit to the cultural institution.- EDU	222	1.00	7.00	5.3604	1.34058
The visit to the cultural institution stimulated my curiosity to gain new knowledge.- EDU	222	1.00	7.00	5.6577	1.46139
Visiting the cultural institution was a completely educational experience for me. - EDU	222	1.00	7.00	5.0901	1.48324
The activities within the cultural institution were really fun to watch. - ENT	222	1.00	7.00	6.0766	1.19520
Following the event itself was interesting. - ENT	219	1.00	7.00	6.2603	1.21188
I really enjoyed the performance of the participants of the event within the cultural institution. - ENT	219	1.00	7.00	6.1918	1.17689
The whole event was fun to watch. - ENT	222	1.00	7.00	6.1847	1.20600
During the event, I felt as if I were in another place and time. - ESC	222	1.00	7.00	5.1937	1.71323
During the event, I felt as if I were someone else. - ESC	219	1.00	7.00	4.1598	2.17935
The event itself helped me imagine that I am a different person. – ESC	219	1.00	7.00	3.3333	2.01902

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

During the performance in the cultural institution, I had a feeling as if I had escaped from reality. – ESC	222	1.00	7.00	4.2477	1.93254
During the performance in the cultural institution, I felt like I was part of an imaginary world. - ESC	222	1.00	7.00	4.0676	1.99772
The venue where the event took place was appealing to me. - EST	222	1.00	7.00	5.6847	1.30770
During the performance within the cultural institution, I had a sense of harmony. - EST	222	1.00	7.00	5.5450	1.32680
The presence in the cultural institution is very appealing and pleasant to me. - EST	222	1.00	7.00	6.0586	1.16944
The space within the cultural institution is attractive and pleasant to me. - EST	222	1.00	7.00	5.8288	1.19481
The visit to the cultural institution will remain a beautiful memory for me. - MEM	222	1.00	7.00	6.2973	1.06439
I will remember my visit to the cultural institution with positive associations. - MEM	222	1.00	7.00	6.1892	1.18447
I will not forget my experience within the cultural institution. - MEM	222	1.00	7.00	5.6441	1.39632
I felt complete satisfaction during the performance within the cultural institution. - SAT	219	1.00	7.00	5.7489	1.27284
The overall experience during the performance within the cultural institution was excellent. - SAT	222	1.00	7.00	5.9955	1.11549
I would like to be part of an event within the cultural institution again. - LOY	222	1.00	7.00	6.1802	1.25628
I will strive to visit an event at the given cultural institution again. - LOY	221	1.00	7.00	6.1448	1.19348
I want to visit an event at the given cultural institution again. - LOY	216	1.00	7.00	6.2037	1.14737
Valid N (listwise)	209				

Source: Authors' calculations

This descriptive statistics table (Table 1) presents the central tendencies and variability measures for various items related to education (EDU), entertainment (ENT), escapism (ESC), esthetics (EST), memory (MEM), satisfaction (SAT), and loyalty (LOY) aspects. The table includes counts (N), minimum and maximum values, means, and standard deviations for each item. The sample size ranges from 216 to 222 respondents across different items. Overall, the mean scores indicate the average level of each item, while the standard deviations reflect the degree of dispersion or variability around the mean. For instance, items like „Following the event itself was interesting“ and „I really enjoyed the performance of the participants of the event within the cultural institution“ have higher mean scores, suggesting a generally positive perception, while items like „During the event, I felt as if I were someone else“ and „The event itself helped me imagine that I am a different person“ exhibit lower means, indicating lower levels of escapist experiences.

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

Measurement model 1

Confirmatory factor analysis yielded model fit indices (NFI = 0.891, CFI = 0.918, RMSEA = 0.107) close to the recommended thresholds (Hair et al., 2006), suggesting a good fit of the model to the data. Internal consistency of measurement items was assessed through standardized loadings, resulting in the removal of five items with standardized loadings below 0.7. All retained measurement items demonstrated significance and standardized loadings above 0.7, affirming a robust representation of their respective constructs (refer to Table 2). This meticulous evaluation ensures the reliability and validity of the measurement model in capturing the underlying constructs accurately.

Table 2: Standardized Regression Weights

		Estimate
The experience in the cultural institution contributed to my gaining more knowledge.	<--- EDU	.805
The visit to the cultural institution stimulated my curiosity to gain new knowledge.	<--- EDU	.824
Visiting the cultural institution was a completely educational experience for me.	<--- EDU	.820
The activities within the cultural institution were really fun to watch.	<--- ENT	.870
Following the event itself was interesting.	<--- ENT	.900
I really enjoyed the performance of the participants of the event within the cultural institution.	<--- ENT	.914
The whole event was fun to watch.	<--- ENT	.943
The event itself helped me imagine that I am a different person.	<--- ESC	.757
During the performance in the cultural institution, I had a feeling as if I had escaped from reality.	<--- ESC	.850
During the performance in the cultural institution, I felt like I was part of an imaginary world.	<--- ESC	.872
The presence in the cultural institution is very appealing and pleasant to me.	<--- EST	.918
The space within the cultural institution is attractive and pleasant to me.	<--- EST	.777
The visit to the cultural institution will remain a beautiful memory for me.	<--- MEM	.977
I will remember my visit to the cultural institution with positive associations.	<--- MEM	.880
I will not forget my experience within the cultural institution.	<--- MEM	1.009
I would like to be part of an event within the cultural institution again.	<--- LOY	.835
I will strive to visit an event at the given cultural institution again.	<--- LOY	.941
I want to visit an event at the given cultural institution again.	<--- LOY	.908

Source: Authors' calculations

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

Convergent and discriminant validity were rigorously evaluated, revealing a satisfactory level of both types of validity (Table 3). The Composite Reliability (CR) and Average Variance Extracted (AVE) surpassed the recommended threshold of 0.7 (Fornell and Larcker, 1981), indicating robust convergent validity. Additionally, following the Fornell-Larcker criterion (Fornell and Larcker, 1981), discriminant validity was established as the square roots of AVE exceeded the correlations between the corresponding latent variables (highlighted in bold within diagonal cells) in Table 3. These findings underscore the model's ability to accurately distinguish between constructs, ensuring the reliability and validity of the measurement model.

Table 3: Convergent and discriminant validity

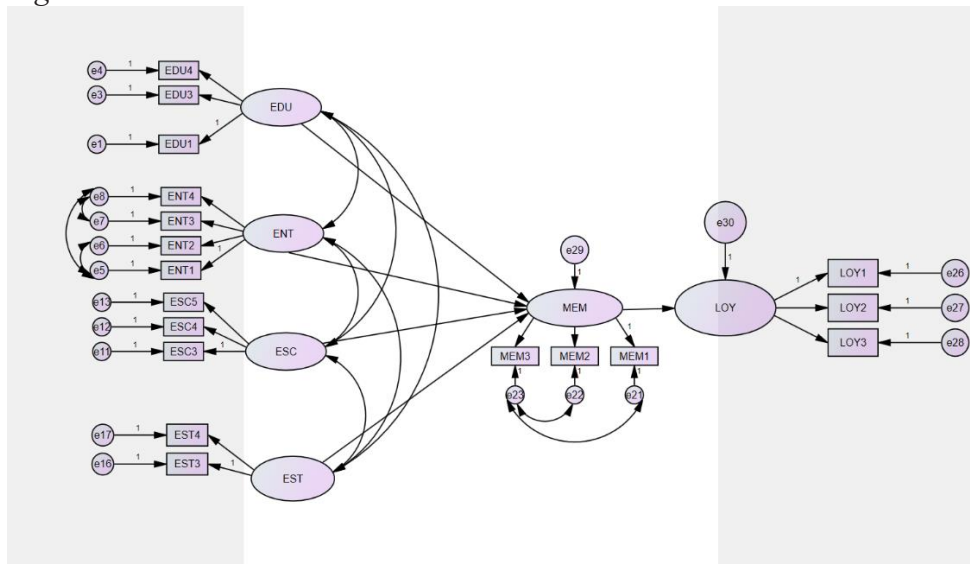
	CR	AVE	MSV	MaxR (H)	MEM	EDU	ENT	ESC	EST	LOY
MEM	0.970	0.916	0.578	1.032	0.957					
EDU	0.857	0.666	0.445	0.857	0.452	0.816				
ENT	0.949	0.823	0.566	0.953	0.697	0.472	0.907			
ESC	0.867	0.685	0.078	0.877	0.216	0.200	0.191	0.828		
EST	0.838	0.723	0.578	0.873	0.760	0.667	0.752	0.249	0.850	
LOY	0.924	0.802	0.526	0.936	0.624	0.507	0.553	0.280	0.725	0.896

Source: Authors' calculations

Structural model 1

Following the confirmation of the measurement model's validity, the structural model underwent evaluation. The model fit indices (GFI = 0.829, NFI = 0.891, CFI = 0.918, RMSEA = 0.108) indicated an acceptable fit. Table 4 displays the standardized regression coefficients of the hypothesized relationships. Notably, three out of five hypotheses garnered support, with statistical significance observed at a significance level of 0.05. These results offer insights into the relationships among the examined constructs within the structural model (Figure 1).

Figure 1: Structural model 1



Source: Authors' design

Table 4: Structural model estimates

	Estimates
H1: Education → Memory	-0.133 ^{ns}
H2: Entertainment → Memory	0.289 ^{***}
H3: Esthetics → Memory	0.668 ^{***}
H4: Escapism → Memory	-0.017 ^{ns}
H5: Memory → Loyalty	0.641 ^{***}
Notes: The estimates are standardized, and the level of significance is p<0.05	

Source: Authors' calculations

The study reveals a robust positive association between esthetics and memory, endorsing H3, followed by the memory-loyalty link (H5). Furthermore, entertainment significantly and positively impacts memory, corroborating H2. Conversely, education and escapism exhibit no significant relationship with memory resulting in the rejection of H1 and H4. The coefficient of determination (R²) for memory and loyalty stands at 0.678 and 0.411, respectively. These values signify that a substantial portion of the variances in memory and loyalty is accounted for by the independent variables included in the model, underscoring their explanatory power.

Measurement model 2

The confirmatory factor analysis indicated that the model fits the data well, as suggested by the model fit indices (NFI = 0.896, CFI = 0.926, RMSEA = 0.098) closely aligning with the recommended thresholds (Hair et al., 2006). Additionally, the internal consistency of the measurement items was examined by evaluating the standardized loadings. Five items were eliminated from the analysis as their standardized loadings were below 0.7. The remaining measurement items demonstrated a strong reflection of their respective constructs, with all being significant and having standardized loadings above 0.7 (Table 5).

Table 5: Standardized Regression Weights

		Estimate
The experience in the cultural institution contributed to my gaining more knowledge.	<--- EDU	.815
I gained new insights during my visit to the cultural institution.	<--- EDU	.777
The visit to the cultural institution stimulated my curiosity to gain new knowledge.	<--- EDU	.822
Visiting the cultural institution was a completely educational experience for me.	<--- EDU	.818
The activities within the cultural institution were really fun to watch.	<--- ENT	.849
Following the event itself was interesting.	<--- ENT	.899
I really enjoyed the performance of the participants of the event within the cultural institution.	<--- ENT	.935
The whole event was fun to watch.	<--- ENT	.941
The event itself helped me imagine that I am a different person.	<--- ESC	.751

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

			Estimate
During the performance in the cultural institution, I had a feeling as if I had escaped from reality.	<---	ESC	.847
During the performance in the cultural institution, I felt like I was part of an imaginary world.	<---	ESC	.880
The presence in the cultural institution is very appealing and pleasant to me.	<---	EST	.921
The space within the cultural institution is attractive and pleasant to me.	<---	EST	.775
I felt complete satisfaction during the performance within the cultural institution.	<---	SAT	.775
The overall experience during the performance within the cultural institution was excellent.	<---	SAT	.902
I would like to be part of an event within the cultural institution again.	<---	LOY	.835
I will strive to visit an event at the given cultural institution again.	<---	LOY	.949
I want to visit an event at the given cultural institution again.	<---	LOY	.898

Source: Authors' calculations

Convergent and discriminant validity underwent scrutiny, revealing a satisfactory level of both types. Notably, CR and AVE values surpass the threshold of 0.7, indicating robust convergent validity (Fornell and Larcker, 1981). Moreover, according to the Fornell-Larcker criterion, discriminant validity is affirmed as the square roots of AVE values exceed the correlation between respective latent variables (highlighted by bold numbers in diagonal cells) (see Table 6). These results affirm the accuracy of measurement and the ability of the model to distinguish between constructs effectively. There is an exception in the correlation between the variables esthetics and satisfaction which is slightly higher, suggesting that these variables should be differentiated more in future measurement.

Table 6: Convergent and discriminant validity

	CR	AVE	MSV	MaxR(H)	LOY	EDU	ENT	ESC	EST	SAT
LOY	0.924	0.801	0.605	0.939	0.895					
EDU	0.883	0.653	0.433	0.884	0.480	0.808				
ENT	0.949	0.822	0.570	0.956	0.548	0.459	0.907			
ESC	0.867	0.685	0.138	0.879	0.279	0.192	0.185	0.828		
EST	0.839	0.724	0.738	0.876	0.720	0.658	0.736	0.247	0.851	
SAT	0.828	0.707	0.738	0.854	0.778	0.530	0.755	0.372	0.859	0.841

Source: Authors' calculations

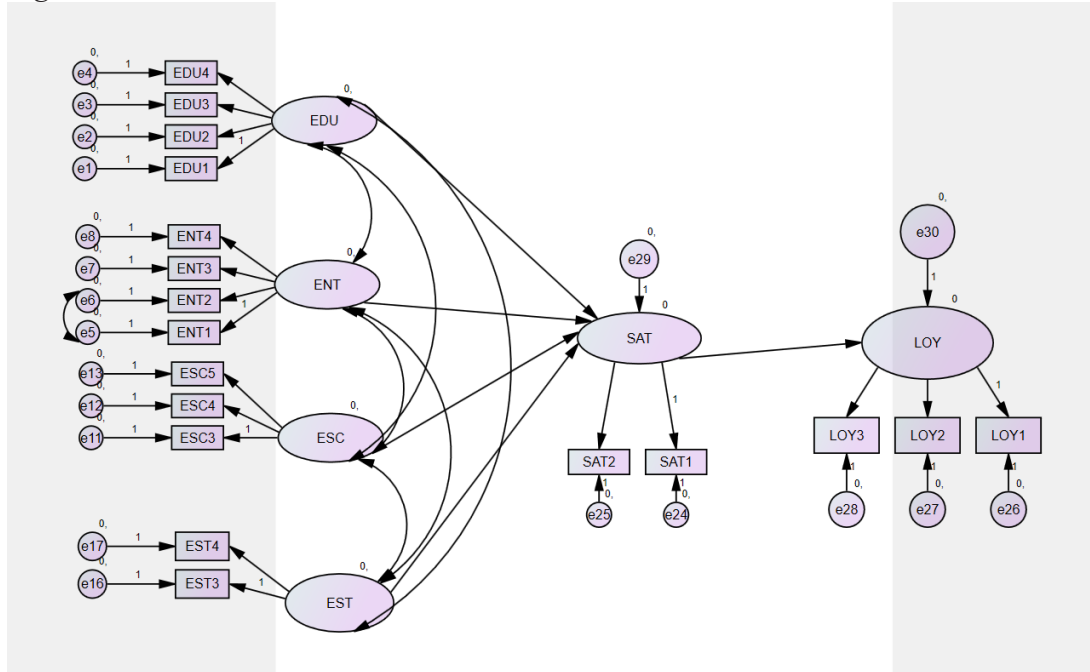
Structural model 2

After validating the measurement model, the structural model was assessed (Figure 2). The model fit indices indicated a quite acceptable level (NFI=0.894, CFI=0.925, RMSEA=0.097). The standardized regression coefficients of the hypothesized relationships are presented in Table 7.

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

Four out of five hypotheses are supported, as indicated by the p-value at a level of significance of 0.05.

Figure 2: Structural model 2



Source: Authors' design

Table 7: Structural model estimates

	Estimates
H1: Education → Satisfaction	-0.0048 ^{ns}
H2: Entertainment → Satisfaction	0.220 ^{**}
H3: Esthetics → Satisfaction	0.164 ^{***}
H4: Escapism → Satisfaction	0.703 ^{***}
H5: Satisfaction → Loyalty	0.785 ^{***}

Notes: The estimates are standardized, and the level of significance is $p < 0.05$

Source: Authors' calculations

Our findings strongly support the hypothesis that satisfaction has the strongest positive relationship with loyalty (H5). Additionally, regarding the dimensions of the experience model, escapism has the greatest influence on satisfaction (H4). Esthetics (H3) and entertainment (H2) also play significant roles in influencing satisfaction. However, education was found to have no significant impact on satisfaction. The coefficient of determination for satisfaction is 0.813, indicating that a large portion of the variance in satisfaction can be explained by the independent variables in our model. Similarly, the coefficient of determination for loyalty is 0.617, suggesting that a significant amount of the variance in loyalty can also be explained by the independent variables.

DISCUSSION

Pine and Gilmore (1999; Gilmore and Pine 2002a, 2002b) introduced the concept of the experience economy as a burgeoning framework aimed at enhancing business performance across diverse industries. Aligned with consumer culture theory, individuals employ various resources to enrich their social experiences, including their participation in events (Arnould and Thompson, 2005), as highlighted by Manthiou et al. (2011). Attendees of these events are driven by a myriad of motivations, with the quality of the event experience significantly influencing visitor satisfaction, as underscored by Manthiou et al. (2011). Therefore, a comprehensive examination of every facet of the experience economy within the context of cultural institutions and events is imperative for achieving success and gaining a competitive advantage in the event industry.

The findings of this study unveiled that two pivotal dimensions of the experience economy, namely entertainment, and esthetics, exert significant influence on the memories formed by visitors during cultural institution events. This is primarily attributed to the fact that individuals often attend events for entertainment. Pine and Gilmore (1999) also assert that entertainment experience represents one of the oldest and most extensively cultivated forms of experience within the business domain.

Furthermore, these results substantiate the notion that visitor memory plays a pivotal role in shaping their loyalty toward the cultural institution. These findings are partially in line with the research conducted by Manthiou et al. (2014), which also demonstrated the noteworthy impact of the entertainment and esthetics dimensions of the experience economy on the vividness of memory. Concerning the esthetic dimension, identified as having the strongest impact on memory, Kastenholz et al. (2017) also emphasize its significance as a memorable experience realm. Additionally, the clear linkage established between the vividness of memory and visitor loyalty echoes the findings of this study, as highlighted by Manthiou et al. (2014).

As stated earlier, in the investigation of the second structural model regarding the effect of satisfaction on loyalty, our findings posit satisfaction as the primary driver of loyalty. Escapism stands out as the dimension exerting the most substantial influence on satisfaction, while esthetics and entertainment also wield considerable impact. Conversely, education fails to demonstrate any significant effect on satisfaction. The results underscore the nuanced interplay between experiential dimensions and consumer satisfaction within the framework of the experience economy. These findings are consistent with prior research in service marketing literature, which emphasizes the significant impact of satisfactory experiences on revisitation and positive word-of-mouth responses (Andereck and Caldwell, 1993; Ferguson et al., 2010; Tung and Ritchie, 2011). Moreover, our findings align with previous studies examining the relationship between experiential dimensions and satisfaction levels within various contexts. For instance, Mehmetoglu and Engen (2011) found that in the museum setting, education and esthetics significantly influence overall satisfaction, while escapism and entertainment have minimal impact. Similarly, Quadri-Felitti and Fiore (2013) demonstrated the dominant role of the aesthetic dimension in shaping favorable memories and loyalty in wine tourism destinations.

Furthermore, our study confirms the well-established relationship between satisfaction and behavioral intentions, as evidenced by prior research across marketing literature (Lee et al., 2008; Appiah-Adu et al., 2000; Bigné et al., 2001; Cronin and Taylor, 1992; Fornell, 1992; Lee et al., 2005; Oliver, 1980; Oliver and Swan, 1989). These collective findings highlight the consistent pattern of satisfaction serving as a significant predictor of intentions to revisit or recommend, underscoring its pivotal role in shaping consumer behavior across diverse industries and contexts.

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

The question isn't whether, but when and how cultural institutions should employ the emerging experience economy. An early look at the characteristics of experiences and the design principles of pioneering experience staggers suggests how companies can begin to answer this question. Therefore, cultural institutions will find that the next competitive battleground lies in staging experiences.

Theoretical contributions: This research significantly contributes to the scientific discourse by delving into the experience economy within the realm of cultural events and institutions, a domain that has received comparatively less attention compared to industries like wine and tourism (Brzovska et al., 2020; Oh et al., 2007; Kastenholz et al., 2017; Quadri-Felitti and Fiore, 2012; Mehmetoglu and Engen, 2011). Notably, few studies have specifically explored the impact of experience economy dimensions on events (Manthiou et al., 2011; Manthiou et al., 2014). Furthermore, by examining three dependent variables - memory, satisfaction, and loyalty - this study sheds light on how various aspects of the experience economy influence visitors' memory, satisfaction levels, and ultimately, their loyalty toward cultural institutions. Such insights are pivotal for understanding and enhancing the visitor experience within cultural contexts, thereby enriching both academic literature and practical applications in the field.

Practical implications: The study offers valuable insights into the specific dimensions of the experience economy that cultural institutions should prioritize to influence visitor memory, satisfaction, and loyalty effectively. Analysis of the findings suggests that visitors predominantly attend cultural events drawn by the allure of the physical environment or the overall ambiance of the institution. Often, they engage passively, observing performances to fulfill their entertainment needs. Hence, cultural institutions must concentrate on crafting aesthetically pleasing environments and organizing events that prioritize entertainment to captivate audiences. By delivering memorable content and experiences, institutions can cultivate a loyal following among event attendees, fostering sustained engagement and support for their cultural offerings. These findings underscore the strategic importance of aligning organizational efforts with the key drivers of visitor experience within cultural contexts.

LIMITATIONS AND FUTURE RESEARCH

This study holds significant importance for both academia and business, particularly within the realm of cultural institutions. However, it is not without limitations, necessitating further investigation to attain a comprehensive understanding of the experience economy. One constraint concerns the non-probability-based sample utilized. Future research could expand by incorporating variables like arousal and specific behavioral intentions. Given the dynamic nature of the experience economy, numerous industries await exploration in future studies. By addressing these limitations and exploring new avenues, researchers can advance knowledge and practical applications in this evolving field.

REFERENCES

- [35] Andereck K. L. & Caldwell, L. L. (1993). The Influence of Tourists' Characteristics on Ratings of Information Sources for an Attraction. *Journal of Travel & Tourism Marketing*, 2(3), 171-189. https://doi.org/10.1300/J073v02n02_11
- [36] Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: a review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411-423. <https://doi.org/10.1037/0033-2909.103.3.411>
- [37] Arnould, E. J., & Thompson, C. (2005). Consumer culture theory (CCT): 20 years of research. *Journal of Consumer Research*, 31(4), 868-883. <https://doi.org/10.1086/426626>
- [38] Bernstein, J. (2017). *Standing room only: Marketing insights for engaging performing arts audiences*. Palgrave Macmillan New York. <https://doi.org/10.1007/978-1-137-37569-8>
- [39] Bourdieu, P. (2000). *Distinction: A Social Critique of the Judgement of Taste*. Harvard University Press, Cambridge.
- [40] Brzovska, E., Palamidovska-Sterjadovska, N., & Ozretić Došen, Đ. (2020). The experience economy approach - an empirical examination in wine industry. In *Proceedings of the Conference: Economic and Business Trends Shaping the Future*, Faculty of Economics-Skopje, 427-437. <http://doi.org/10.47063/EBTSF.2020.0037>
- [41] Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error. *Algebra and Statistics*, 18(3), 382-388. <https://doi.org/10.1177/002224378101800313>
- [42] Gilmore, H. J., & Pine, B. J. II. (2002a). Differentiating Hospitality Operations Via Experiences: Why Selling Services is Not Enough. *Cornell Hotel and Restaurant Administration Quarterly*, 43(3), 87-96. <https://doi.org/10.1177/0010880402433009>
- [43] Gilmore, J. H., & Pine, B. J. (2002b). *The experience is the marketing*. BrownHerron Publishing.
- [44] Hair, J. F., Black, B., Babin, B., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate Data Analysis* (6th ed.). Pearson Prentice Hall.
- [45] Kastenzholz, E., Carneiro, M. J., Marques, C. P., & Loureiro, S. M. C. (2017). The dimensions of rural tourism experience: impacts on arousal, memory, and satisfaction. *Journal of Travel & Tourism Marketing*, 35(2), 189-201. <https://doi.org/10.1080/10548408.2017.1350617>
- [46] Levitt, T. (1986). *Marketing Imagination: New*. Simon and Schuster.
- [47] Manthiou, A., Lee, S. A., Tang, L. R., & Chiang, L. (2014). The experience economy approach to festival marketing: Vivid memory and attendee loyalty. *Journal of Services Marketing*, 28(1), 22-35. <https://doi.org/10.1108/JSM-06-2012-0105>
- [48] Manthiou, A., Lee, S., & Tang, L. (2011). Measuring the experience economy and the visitors behavioral consequences: An empirical study on VEISHEA event. In *The 16th annual graduate student research conference in hospitality and tourism*. Houston, TX, USA.
- [49] Mehmetoglu, M., & Engen, M. (2011). Pine and Gilmore's concept of experience economy and its dimensions: An empirical examination in tourism. *Journal of Quality Assurance in Hospitality & Tourism*, 12(4), 237-255. <https://doi.org/10.1080/1528008X.2011.541847>
- [50] Oh, H., Fiore, A. M., & Jeoung, M. (2007). Measuring experience economy concepts: Tourism application. *Journal of Travel Research*, 46(2), 119-132. <https://doi.org/10.1177/0047287507304039>
- [51] Pine, B. J. II., & Gilmore, H. J. (1999). *The Experience Economy: Work is Theatre & Every Business a Stage*. Harvard Business School Press.

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

- [52] Pine, B. J., & Gilmore, J. H. (2013). The experience economy: past, present and future. *Handbook on the experience economy, 1*, 21-44.
- [53] Quadri-Felitti, D., & Fiore, A. M. (2012). Experience economy constructs as a framework for understanding wine tourism. *Journal of vacation marketing, 18*(1), 3-15. <https://doi.org/10.1177/1356766711432222>
- [54] Schmitt, B. (2010). Experiential marketing: A new framework for design and communications. *Design Management Journal (Former Series), 10*(2), 10-16. <https://doi.org/10.1111/j.1948-7169.1999.tb00247.x>
- [55] Tung, V. W. S. & Ritchie, J. B. (2011). Exploring the essence of memorable tourism experiences. *Annals of tourism research, 38*(4), 1367-1386. <https://doi.org/10.1016/j.annals.2011.03.009>
- [56] Vargo, S., & Lusch, R. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing, 68*(1), 1-17. <https://doi.org/10.1509/jmkg.68.1.1.24036>
- [57] Yeoman, I. S. & McMahon-Beattie, U. (2019). The experience economy: micro trend. *Journal of Tourism Futures, 5*(2), 114-119. <https://doi.org/10.1108/JTF-05-20190042>
- [58] Yang, F., Huang, A. & Huang, J., (2021). Influence of sensory experiences on tourists' emotions, destination memories, and loyalty. *Social Behavior and Personality: an international journal, 49*(4), pp.1-13. <https://doi.org/10.2224/sbp.10010>
- [59] Kim, J.H., (2018), "The impact of memorable tourism experiences on loyalty behaviors: The mediating effects of destination image and satisfaction", *Journal of Travel Research, Vol. 57 No. 7*, pp. 856-870. DOI: 10.1177/0047287517721369
- [60] Zaki, N. & Abuzied, N., (2017), "Memorable experience economy: Investigating tourists' experience on memories and loyalty in Egypt's brand resort hotels", *International Journal of Heritage, Tourism and Hospitality, Vol. 11 No. 4 (Special Issue)*, pp. 178-198. DOI: 10.21608/ijhth.2017.43097
- [61] Oliver, R.L., (1999), "Whence consumer loyalty?", *Journal of Marketing, Vol. 63*, pp. 33-44. DOI: 10.1177/00222429990634s105
- [62] L. & Goode, M., (2004), "The four levels of loyalty and the pivotal role of trust: A study of online service dynamics", *Journal of Retailing, Vol. 80 No. 2*, pp. 139-158. DOI: 10.1016/j.jretai.2004.04.002
- [63] Back, K., (2005), "The effects of image congruence on consumers' brand loyalty in the upper middle-class hotel industry", *Journal of Hospitality & Tourism Research, Vol. 29 No. 4*, pp. 448-467. DOI: 10.1177/1096348005276497
- [64] Lee, J., Graefe, A.R. & Burns, R.C., (2007), "Examining the antecedents of destination loyalty in a forest setting", *Leisure Sciences, Vol. 29 No. 5*, pp. 463-481. DOI: 10.1080/01490400701544634
- [65] Lee, J., Lee, C. & Yoon, Y., (2009), "Investigating differences in antecedents to value between first-time and repeat festival-goers", *Journal of Travel & Tourism Marketing, Vol. 26 No. 7*, pp. 688-702. DOI: 10.1080/10548400903284511
- [66] Andereck, K.L. & Caldwell, L.L., (1993), "The influence of tourists' characteristics on ratings of information sources for an attraction", *Journal of Travel and Tourism Marketing, Vol. 2 No. 2*, pp. 171-189. ISBN: 9780203058138
- [67] Ferguson, R., Paulin, M. & Bergeron, J., (2010), "Consumer sociability and the total service experience: antecedents of positive word-of-mouth intentions", *Journal of Service Management, Vol. 21 No. 1*, pp. 25-44. DOI: 10.1108/09564231011025100
- [68] Tung, V.S. & Ritchie, J.B., (2011), "Investigating the memorable experiences of the senior travel market: an examination of the reminiscence bump", *Journal of Travel & Tourism Marketing, Vol. 28 No. 3*, pp. 331-343. DOI: 10.1080/10548408.2011.563168

- [69] Mehmetoglu, M. & Engen, M., (2011), "Pine and Gilmore's concept of experience economy and its dimensions: An empirical examination in tourism", *Journal of Quality Assurance in Hospitality & Tourism*, Vol. 12 No. 4, pp. 237-255. DOI: 10.1080/1528008X.2011.541847
- [70] Quadri-Felitti, D.L. & Fiore, A.M., (2013), "Destination loyalty: Effects of wine tourists' experiences, memories, and satisfaction on intentions", *Tourism and Hospitality Research*, Vol. 13 No. 1, pp. 47-62. DOI: 10.1177/1467358413510017
- [71] Loureiro, S.M.C., (2014), "The role of the rural tourism experience economy in place attachment and behavioral intentions", *International Journal of Hospitality Management*, Vol. 40, pp. 1-9. DOI: 10.1016/j.ijhm.2014.02.010
- [72] Yuksel, A., Yuksel, F. & Bilim, Y., (2010), "Destination attachment: Effects on customer satisfaction and cognitive, affective and conative loyalty", *Tourism Management*, Vol. 31 No. 2, pp. 274-284. DOI: 10.1016/j.tourman.2009.03.007
- [73] Lee, Y.K., Lee, C.K., Lee, S.K. & Babin, B.J., (2008), "Festivalscapes and patrons' emotions, satisfaction, and loyalty", *Journal of Business Research*, Vol. 61 No. 1, pp. 56-64. DOI: 10.1016/j.jbusres.2006.05.009
- [74] Babin, B.J. & Griffin, M., (1998), "The nature of satisfaction: An updated examination and analysis", *Journal of Business Research*, Vol. 41 No. 2, pp. 127-136. DOI: 10.1016/S0148-2963(97)00001-5
- [75] Appiah-Adu, K., Fyall, A. & Singh, S., (2000), "Marketing culture and customer retention in the tourism industry", *Service Industries Journal*, Vol. 20 No. 2, pp. 95-113. DOI: 10.1080/02642060000000022
- [76] Bigné, J., Sánchez, M. & Sánchez, J., (2001), "Tourism image, evaluation variables and afterpurchase behavior: Inter-relationships", *Tourism Management*, Vol. 22 No. 6, pp. 607-616. DOI: 10.1016/S0261-5177(01)00035-8
- [77] Cronin, J.J. & Taylor, S.A., (1992), "Measuring service quality: A reexamination and extension", *Journal of Marketing*, Vol. 56 No. 3, pp. 55-68. DOI: 10.1177/002224299205600304
- [78] Fornell, C., (1992), "A national customer satisfaction barometer: The Swedish experience", *Journal of Marketing*, Vol. 56 No. 1, pp. 6-21. DOI: 10.1177/002224299205600103
- [79] Lee, C.K., Lee, Y.K. & Lee, B.K., (2005), "Korea's destination image formed by the 2002 World Cup", *Annals of Tourism Research*, Vol. 32 No. 4, pp. 839-858. DOI: 10.1016/j.annals.2004.11.006
- [80] Oliver, R., (1980), "A cognitive model of the antecedents and consequences of satisfaction decisions", *Journal of Marketing Research*, Vol. 17 No. 4, pp. 460-469. DOI: 10.1177/002224378001700405
- [81] Oliver, R. & Swan, J., (1989), "Consumer perceptions of interpersonal equity and satisfaction in transactions: A field survey approach", *Journal of Marketing*, Vol. 53 No. 2, pp. 21-35. DOI: 10.1177/002224298905300202

The New Normal in the Post-COVID Period in Two Areas: The Auditing Profession and the Experience Economy

CIP - Каталогизација во публикација
Национална и универзитетска библиотека "Св. Климент Охридски", Скопје

657.6:[616.98:578.834(047.31)

330:[616.98:578.834(047.31)

The NEW normal in the post-covid period in two areas: the auditing profession and the experience economy [Електронски извор] : monograph / [authors Marina Trpeska ... и др.]. - Skopje : Ss. Cyril and Methodius University in Skopje, Faculty of Economics, 2025

Начин на пристапување (URL):

<https://repository.ukim.mk/handle/20.500.12188/30092>. - Текст во PDF формат, содржи [53] стр., илустр. - Наслов преземен од екранот. - Опис на изворот на ден 29.01.2025. - Други автори: Zorica Bozhinovska Lazarevska, Atanasko Atanasovski, Ivan Dionisijev, Bojan Malchev, Todor Tocev, Ezeni Brzovska, Snezana Ristevska-Jovanovska, Nikolina Palamidovska-Sterjadovska, Irena Bogoevska-Gavrilova,. - Библиографија кон главите

ISBN 978-608-212-102-4

1. Trpeska, Marina [автор] 2. Bozhinovska Lazarevska, Zorica [автор] 3. Atanasovski, Atanasko [автор] 4. Dionisijev, Ivan [автор] 5. Malchev, Bojan [автор] 6. Tocev, Todor [автор] 7. Brzovska, Ezeni [автор] 8. Ristevska-Jovanovska, Snezana [автор] 9. Palamidovska-Sterjadovska, Nikolina [автор] 10. Bogoevska-Gavrilova, Irena [автор]
а) Ревизорска професија -- Ковид-19 -- Истражувања б) Економија на искуство -- Ковид-19 -- Истражувања

COBISS.MK-ID 65162245