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Community-Based Homestay Service Quality, Visitor Satisfaction, and Behavioral Intention

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Abstract

The homestay program is regarded as a community-based tourism product by many nations. Despite the enormous growth of the homestay program in Malaysia, the industry faces numerous new challenges. A moderate level of service quality was one of the main factors contributing to their poor performance. A descriptive research design using a quantitative approach was opted to reach more respondents. The questionnaire was validated based on the content validity and reliability through exploratory factor analysis technique (EFA). This paper confirmed the relationship between community-based homestay service quality and behavioral intention and the moderating roles of satisfaction.

Keywords: Homestay; service quality; satisfaction; behavioral intention

1. Background of the study

In recent years, community-based tourism has been considered as a tool for promoting the development of some economically and socially depressed rural areas in many nations (Chambers, 2014; Hanafiah, Jamaluddin, &

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Zulkifly, 2013; Leigh & Blakely, 2013; Liu, 2006; Pina & Delfa, 2005). The majority of countries promoted the community-based tourism at the expense of natural resources and local cultures. This is why the concept of community-based tourism depends fundamentally on the unique products available in the area. Nevertheless, similarly to the urban tourism concept, the appeal of community-based tourism lies in the range and quality of the available attractions and the supporting facilities such as the accommodation (Mckercher, 2001).

The government of Malaysia has been transferring existing residences into home stay facilities to generate extra income for rural dwellers since 1988. In fact, the total home stay programme revenue between January and June 2012 was RM 8,710,526 million, which was an increase of 45.2 percent compared with the same period the previous year (BorneoPost, 2013). This data clearly shows that participants in the homestay programme have been able to earn a substantial income, and the activity has helped to generate more economic activities at the local level. However, despite the enormous growth of the homestay program in Malaysia, the industry faces numerous arising challenges, due to external and internal factors in its business environment that affect the program’s performance and efficiency. The external factors include stiff competition from neighbouring countries (Indonesia and Thailand) and continuous uncertainties in the hospitality industry life-cycle (Malaysia, 2011). Besides that, the homestay operators have to deal with internal challenges that are related to efficient homestay management. The inefficient homestay management also contributes to their poor performance in terms of low levels of service quality and moderate levels of average occupancy rates (Razalli, 2008).

Homestay tourism emphasises on the ecotourism and community-based products and services, in which visitors stay with the foster families and get involved with the normal daily activities in order to experience the lifestyle and local culture. Similar to other services, visitor perceptions of the service quality are essential for the homestay program. Receiving excellent service will reinforce the loyalty of current visitors and increase the prospect of attracting new ones (Albacete-Saez, Fuentes-Fuentes, & Lloréns-Montes, 2007; Erdil & Kalkan, 2010; Jamaluddin, Hanafiah, & Zulkifly, 2013). Furthermore, the dissemination information of a destination could be strongly related to the features of the service offered, where the visitors are allowed to enjoy contributing to the host’s surroundings or the tasks, customs and lifestyle of the local inhabitants (Sumarjan et al., 2013).

Nevertheless, insufficient attention was given into meeting the core requirements of rural tourism consumers, the diversity of services, customer satisfaction and behavioural intention. Further problems arise as those who are engaged in homestay programs are lacking in marketing knowledge that is indispensable for a successful business. Majority of the homestay entrepreneurs failed to meet the requirements of consumers in a permanently changing competitive environment. For that reason, they should focus on the service quality that will influence the satisfaction, which, in turn, has an impact on a visitor’s intention to re-patronize. In practical terms, raising tourist satisfaction could improve a destination’s competitive positioning and facilitate understanding of which factors are creating higher customer loyalty. Therefore, it is crucial for the homestay entrepreneurs to understand the environment of the homestay business and the current state of services marketing in order to be successful. Therefore, this paper seeks empirically to investigate the relationship between homestay service quality, visitor satisfaction and future behavioural intention.

2. Malaysian homestay program

The homestay program is a tourism product that has been given special emphasis by the Malaysian government through the Ministry of Tourism. The Malaysian homestay program can be regarded as a rural, cultural and community-based tourism product which was introduced by the Ministry of Tourism, Malaysia in 1988 in an effort to diversify the tourism products through the provision of alternative accommodation for tourists (Malaysia, 2007). This program was officially launched in 1995 at several locations including Desa Murni, Kerdau, Temerloh and Pahang. The program falls under the Rural Tourism Master Plan in 2011 which was developed to encourage the participation of the rural community in the tourism sector.

Malaysian homestays offer a uniqueness that differentiates them from other types of accommodation. They are located within a rural environment, have a limited number of rooms/beds for guests, are equipped with essential services and are architecturally consistent with the surrounding styles. Through this program, tourists will enjoy a relatively cheap vacation that is different. The tourists stay with a host family that participates in the program and
experience the way the host family members live their daily lives, thus enhancing their knowledge of the lifestyle and culture of residents at the destinations they visit.

Currently, there are 140 homestay programs participated in by 3,287 operators in Malaysia. In the first half of the year 2013, an additional income of RM6 million was generated from these programs. According to Malaysia (2013), the majority of the foreign homestay visitors are from Japan and Korea while domestic tourists consist mostly of students assigned to visit homestays as part of their academic programs, as well as participants of training workshops who use the homestays as workshop venues (Kalsom, 2009).

3. Literature review

3.1. Service quality

Since the development of service quality theory (SERVQUAL) by Parasuraman, Zeithaml, and Berry (1988), service quality has been widely researched and applied in different types of industries. Service quality has been defined as how well a consumer’s needs are met and how well the services delivered their expectations (Kotler, Keller, Ancarani, & Costabile, 2014). Moreover, service quality is the consumers’ evaluation of the perceived quality, instead of their satisfaction with an incident or transaction (Oliver, 2010). Based on the tourism literatures, many researchers have suggested that service quality performance could be an appropriate measurement to test tourist satisfaction, because the tourist is likely to be satisfied when a product or service performance is at a desired level (Chen & Chen, 2010; Oliver, 2010; Udo, Bagchi, & Kirs, 2010; Zeithaml, Berry, & Parasuraman, 1993). In SERVQUAL multiple-item scales, five dimensions are identified to measure service quality, including tangibles, reliability, responsiveness, assurance, and empathy. In the tourism sector, service quality can be regarded as the tourist’s judgement about a product or service’s overall excellence or superiority (Fuchs & Weiermair, 2003; Lee, Lee, & Yoo, 2000). Perera and Vlosky (2013) also indicated that service quality is an important antecedent of tourist satisfaction. They argued that service quality highly affects a tourist’s perceived value of a destination and behavioural involvement in the visit.

In short, the SERVQUAL instrument is based on the gap theory (Parasuraman et al., 1985) and propose that a consumer’s perception of service quality is a function of the difference between his or her expectations about the performance of a general class of service providers and his/her assessment of the actual performance of a specific firm within that class (Cronin Jr & Taylor, 1994). Since different industries have different structures, researchers should carefully assess which issues are important to service quality in different industries and modify the SERVQUAL scale accordingly (Kumar, Tat Kee, & Charles, 2010; Li, Huang, & Yang, 2011). Notwithstanding the increasing importance of service quality as a major performance measurement of tourist products, the concept of service quality yet remains somewhat elusive. On the other hand, in service research, service quality is believed to impact on behaviour such as repurchase intentions, which are related to customers’ satisfaction with suppliers’ products or services (Van Doorn et al., 2010; Žabkar, Brenčič, & Dmitrović, 2010).

3.2. Satisfaction

Measuring satisfaction with a destination is conceptually different from measuring satisfaction at the transaction-specific level. Moreover, it is contended that while satisfaction at the destination level is influenced by the various transactions that occur at that destination, an individual’s level of satisfaction is influenced by much broader, global factors, some of which are beyond the capacity of the tourism industry to affect. Despite the large body of literature available on customer satisfaction research, only a few academic studies have focused directly on satisfaction amongst tourists. Of these, a limited number of studies have been undertaken in the homestay context (Lynch, McIntosh, & Tucker, 2009).

One of the key elements of successful destination marketing is tourist satisfaction that influences the choice of destination and the decision to return (Buhalís, 2000; Žabkar et al., 2010). It is believed that in tourism, high service quality and resulting satisfaction lead to positive word-of-mouth endorsements, referrals, and repeat visits, which ultimately affect the financial performance of suppliers associated with the tourism industry. Most tourism product
providers, as well as destination management organizations, perform regular visitor satisfaction surveys. In other words, customer satisfaction occurs when performance is higher than expected while dissatisfaction occurs when performance is lower than expected. Lastly, Parasuraman et al., (1998) concluded that customers' satisfaction is led by perceived service quality and concluded that service quality is highly correlated with satisfaction and loyalty.

3.3. Behavioral intention

Tourist satisfaction with a destination, rather than with a facility is important to create repeat visits. The concept of loyalty has been recognized as one of the more important indicators of corporate success in the marketing literature (Casaló, Flavián, & Guinalíu, 2010; Kassim & Asiah Abdullah, 2010; Oliver, 2010). Devesa, Laguna, and Palacios (2010) provide evidence on the connection between satisfaction, loyalty and profitability. On the other hand, Middleton and Clarke (2012) stress that travel destinations can also be perceived as a product that can be resold (revisited) and recommended to others (friends and family who are potential tourists). Furthermore, in their study of the desirability of loyal tourists, Rufín, Medina, and Rey (2012) state that loyal visitors can be less price sensitive than the first time visitors.

Notwithstanding, revisit behaviour is considered to be the most important manifestation of loyalty (Oliver, 2010). The findings of many studies have suggested that it is important to consider all relevant aspects of consumer behaviour that may be less prominent but nonetheless important indicators of loyalty in order to achieve a reliable assessment of customer loyalty (Chiou & Droge, 2006; Cronin, Brady, & Hult, 2000; Woisetschläger, Lentz, & Evanschitzky, 2011). Based on the previous marketing researcher suggestion, Kotler et al. (2014) suggested two popular indicators: the intention to repurchase and the intention to provide positive recommendations in measuring the future behavioural intention construct. In tourism research, a similar approach is adopted, and the tourist loyalty intention is represented in terms of the intention to revisit the destination and the willingness to recommend it to friends and relatives.

4. Research objectives

The purpose of this study is to measure the current service quality level of the homestay programme and how does satisfaction lead towards future behavioural intention. This paper focuses on two fold objectives; the first is to identify the factor of service quality and the second is to identify the moderating effect of visitor satisfaction on the relationship between homestay service quality and behavioural intention.

5. Method

The study employed a descriptive cross-sectional survey. A cross-sectional design is used to examine the association between service quality, satisfaction and behavioural intention and a descriptive research design using a quantitative approach was opted for, as it is quick and can reach more respondents (Miles & Huberman, 1994; Silverman, 2013). The population of interest comprised Homestay Kampung Banghuris, Selangor, and Malaysian visitors. Banghuris Homestay is located in Selangor, approximately 60 kilometres (45 minutes) from the capital of Kuala Lumpur and was selected as the unit of analysis of this study through informal interviews with Tourism Selangor. Banghuris Homestay was considered the most mature homestay and receives the highest number of international tourists (Malaysia, 2013). Therefore, based on the above justification and rationale, Banghuris homestay was selected as the primary location of the study.

The Five-point likert scales questionnaire was self-completed by the visitors. Non-probability convenience sampling was used for data collection purposes. Homestay visitors who were checking out were intercepted, and those who were willing to participate in the survey were given a questionnaire to fill in. A sample size of 250 was targeted, and 203 questionnaires usable for data analysis for this study were collected. The Cronbach Alpha coefficients were calculated and yielded the following significant scores (Tavakol & Dennick, 2011); homestay service quality (0.836), satisfaction (.854) and behavioural intention (.860). Exploratory Factor Analysis (EFA) was used to identify the main factors that defined service quality, and variance was explained by the identified factors.
Finally, hierarchical regression analysis was then used to examine the relationship between the resulting factors and the dependent variables (Cohen, Cohen, West, & Aiken, 2013).

6. Result

The final sample size in this study was 203 respondents. The largest group of respondents (35%) was Asian, followed by 29.1% European respondents while 15.5% of respondents were from Oceania. 10.7% were American respondents, and a small number of respondents were African (9.7%). 75.7% of respondents had visited the Homestay program for the first time while 12.6% of respondents had experienced a homestay three times. The respondents who had experienced a homestay twice and also more than three times were 5.8% in each category. The descriptive statistic was used to examine the visitors overall perception of homestay service quality attributes. The respondents’ scores are presented in the table below.

<table>
<thead>
<tr>
<th>No.</th>
<th>Homestay Attributes</th>
<th>Mean</th>
<th>S.D.</th>
<th>Satisfaction Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Visually appealing facilities</td>
<td>2.44</td>
<td>1.077</td>
<td>Slightly unsatisfied</td>
</tr>
<tr>
<td>2.</td>
<td>Adequate equipment and capacity</td>
<td>2.79</td>
<td>1.044</td>
<td>Slightly unsatisfied</td>
</tr>
<tr>
<td>3.</td>
<td>Clean environment</td>
<td>3.62</td>
<td>1.001</td>
<td>Satisfied</td>
</tr>
<tr>
<td>4.</td>
<td>Appearance of host</td>
<td>3.78</td>
<td>0.753</td>
<td>Satisfied</td>
</tr>
<tr>
<td>5.</td>
<td>Visitors’ privacy</td>
<td>3.63</td>
<td>0.769</td>
<td>Satisfied</td>
</tr>
<tr>
<td>6.</td>
<td>Record tourist’s data</td>
<td>2.64</td>
<td>0.927</td>
<td>Slightly unsatisfied</td>
</tr>
<tr>
<td>7.</td>
<td>Ability to perform the promised services</td>
<td>2.94</td>
<td>0.907</td>
<td>Slightly unsatisfied</td>
</tr>
<tr>
<td>8.</td>
<td>Programs was offered as in the package</td>
<td>3.28</td>
<td>0.872</td>
<td>Satisfied</td>
</tr>
<tr>
<td>9.</td>
<td>Provide prompt service</td>
<td>3.69</td>
<td>0.700</td>
<td>Satisfied</td>
</tr>
<tr>
<td>10.</td>
<td>Willingness to help</td>
<td>3.37</td>
<td>0.753</td>
<td>Satisfied</td>
</tr>
<tr>
<td>11.</td>
<td>Prioritize the visitor’s need</td>
<td>2.67</td>
<td>1.063</td>
<td>Slightly unsatisfied</td>
</tr>
<tr>
<td>12.</td>
<td>The host is polite, kind and educated</td>
<td>3.75</td>
<td>0.776</td>
<td>Satisfied</td>
</tr>
<tr>
<td>13.</td>
<td>Courtesy of host</td>
<td>2.87</td>
<td>1.040</td>
<td>Slightly unsatisfied</td>
</tr>
<tr>
<td>14.</td>
<td>Inspire trust and confidence</td>
<td>3.61</td>
<td>0.842</td>
<td>Satisfied</td>
</tr>
<tr>
<td>15.</td>
<td>Host’s knowledge and skills</td>
<td>1.85</td>
<td>1.058</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>16.</td>
<td>Offering safe and secure activities</td>
<td>3.73</td>
<td>0.806</td>
<td>Satisfied</td>
</tr>
<tr>
<td>17.</td>
<td>Offering safe precaution</td>
<td>3.83</td>
<td>0.772</td>
<td>Satisfied</td>
</tr>
<tr>
<td>18.</td>
<td>Understand visitors’ need</td>
<td>3.85</td>
<td>0.834</td>
<td>Satisfied</td>
</tr>
<tr>
<td>19.</td>
<td>Individualized attention</td>
<td>3.82</td>
<td>0.750</td>
<td>Satisfied</td>
</tr>
<tr>
<td>20.</td>
<td>Treating guests in a friendly manner</td>
<td>4.25</td>
<td>1.542</td>
<td>Satisfied</td>
</tr>
<tr>
<td>21.</td>
<td>Specific attention to visitors special need</td>
<td>4.31</td>
<td>1.002</td>
<td>Satisfied</td>
</tr>
<tr>
<td>22.</td>
<td>Providing assistance in other required areas</td>
<td>3.79</td>
<td>1.022</td>
<td>Satisfied</td>
</tr>
</tbody>
</table>

Looking at the mean score above, the majority of the respondents perceived homestay attributes offers satisfactory services. However, majority of them were slightly unsatisfied with the lack of modern/appealing facilities and inadequate facilities such as air-conditioning room. Further, majority of the visitors were not impressed
with the host’s responsiveness in attending their needs. Clearly, the perception on the host’s level of knowledge in providing the homestay service was minimal and unsatisfactory. Nevertheless, the hosts are socially adept and able to make visitor feel comfortable by the strong capacity for empathy and emotional atonement.

To support the foregoing findings, an analysis looking at the levels of intention to return among the visitors of homestay was undertaken. In testing the hypotheses relating to the moderating effects, the procedure recommended by Aiken and West (1991) and more recently in Irwin and McClellan (2001) was adopted. Hierarchical regression analysis was undertaken to test for significant interaction effects between the variables.

Table 2. Results of hierarchical regression analysis of homestay service quality, visitor satisfaction and behavioural intention

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Model I</th>
<th>Model II</th>
<th>p</th>
<th>Model II</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioural intention</td>
<td>1.077</td>
<td>***</td>
<td>0.576</td>
<td>***</td>
<td></td>
</tr>
<tr>
<td>Homestay service quality</td>
<td>0.505</td>
<td></td>
<td>0.519</td>
<td>***</td>
<td></td>
</tr>
<tr>
<td>Visitor satisfaction</td>
<td>0.501</td>
<td></td>
<td>0.566</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>102.855</td>
<td>***</td>
<td>67.525</td>
<td>***</td>
<td></td>
</tr>
<tr>
<td>Adj. R²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to the result above, visitor satisfaction demonstrates a moderating effect on the relationship between homestay service quality and behavioural intention. Homestay service quality and visitor satisfaction are able to explain 57.5 percent of the observed variations in the tourists’ dissemination of information ($R^2 = 0.575$, F-change = 102.855, $p < .001$). Furthermore, it displays a significant change from the single regression model in Model I ($R^2 = 0.505$, F-change = 102.855, $p < .001$). Thus, it shows that satisfied visitors can significantly strengthen the rate of their revisiting desire and positive word-of-mouth. It is important to note that based on the output, the prediction above was not affected by multicollinearity (Jaccard & Turrisi, 2003). Further, the variance inflation factors (VIF) were well within the acceptable limit (Craney & Surles, 2002) which eliminates the case of multicollinearity in this ordinary least squares regression analysis.

7. Conclusion

From the analysis result, it is clear that the homestay visitors were sensitive towards the homestay service quality, ranked by the mean score in the empathy, responsiveness empathy, tangible and assurance section. The service quality dimensions were found to be significant and influenced the visitor satisfaction. It was also found out that better service quality enhance the homestay visitors’ satisfaction. Due to that reason, it is important for the homestay providers to focus on their customers’ need and requirements while staying and experiencing homestay programme. The hierarchical regression results showed that all three simple effects of homestay service quality, satisfaction and behavioural intention were significant and positive. Furthermore, the results also showed that visitor satisfaction has a significant moderating effect on the relationship between homestay service quality and behavioural intention. The study result also shows that satisfaction will affect the visitors’ preference for revisiting desire.

This study was limited by the fact that it was based on basic statistical analyses. Due to this, the result obtained only shows trivial outcomes without being strongly supported with sophisticated inferential statistics such as measurement models and structural modelling. Therefore, if the time permits, the comparison on the variables of interest could be undertaken using more complex statistical analyses; hence more meaningful results would be obtained. Finally, future research could pursue such non-linear relationships to test whether they better explain behavioural intentions.
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