

ADAPTING QUALITY IN HOMESTAY HOSPITALITY

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Abstract:

Homestay is fast becoming an important tourism product in Malaysia that is speculated to be bring RM300 million in revenue to the economy in 2004. Started basically as a product that offer alternative tourism experience that also act as a strategy to develop communities in the rural areas, by 2005 it had flourished to at least 1,070 homestay units, offering at least 2,140 beds in over 78 villages all over Malaysia. Several, not all, families from each village that establishes itself as a homestay program will participate as homestay hosts that offer accommodation and food in their household for the guests. Other families who are not hosts will usually participate in organizing activities for the guests, especially those who come in groups. Unfortunately, there are concerns that homestay operators lack service orientation. They may not even know their visitors' expectations. To this end, this conceptual paper proposes the adaptation of total quality management concept to strengthen hospitality service offerings of homestay programs in Malaysia.

Keywords: Rural tourism, total quality management, homestay

CUSTOMER CARE

Customers form the foundation of a business in generating profit, which is the main goal for any commerce. The concept of tourism as a business was discussed at the Earth Summit in Rio de Janeiro in 1992 (Mowforth & Munt, 1998). This concept forms part of the central discussions about sustainability in the context of tourism, which was the focus of that summit. Sustainable tourism consists of three main components, which are the restoration of natural resources, the restoration of socio-cultural resources, and the generation of continual profit. Tourism activities should be capable of producing continual profit, to ensure that the operation and

development of tourism could persevere, thus supporting the other two components of tourism excellence, i.e. natural and socio-cultural resources.

The business component involves the trade between the buyer and the seller. Business in tourism is the process of buying and selling of experiencing tourism, or according to Morrison (2002, pp. 19), this transaction refers to an exchange process that forms an important principle in marketing. It involves basic economics, where if a demand exists, then there would be an organisation that will fulfill the demand.

The same concept can be applied to the homestay programme, where among its objectives is to create economic benefits for enhancing the quality of life of the local community that participates in the programme. Based on the number of homestay programmes that is continually increasing, it could be presumed that there is an increase in demand from the tourists for this particular product. As a business, each homestay programme should utilise a customer oriented approach since many authors, especially those from the fields of Total Quality Management (TQM) and Service Marketing feel that each business organisation need to adopt this approach in order to compete successfully (Levitt, 1960; Kotler, 1977; Crawford, 1983; Parasuraman, Berry & Zeithaml, 1988; Kotler & Andreasen, 1987; Gronroos, 1990; Deng & Dart, 1994; Zeithaml & Bitner, 2000). The topic regarding customer satisfaction became popular in the early 1980s and businesses are continuously advised to give priority to customers and ensure that they are satisfied. Numerous studies was carried out to understand the concept of customer satisfaction (Williams & Uysal, 2003). Parallel with this development is the increase in the amount of research and literature in the related topic, service quality. According to Baker and Crompton (2000), service quality is researched and elucidated more than other issues associated with marketing in the past decade.

There is an obvious relationship between service quality and customer satisfaction. According to Gronroos (1990), the difference between service quality that is expected by the customers and the actual service quality that is experienced by the customers shows the level of satisfaction that the customer achieves. This difference also indicates quality of service that is supplied by the service provider, that is, whether the service rendered is sufficient, or whether it surpasses or falls short of the level of satisfaction anticipated by the customers. Previous to this, Parasuraman, Berry and Zeithaml (1988) had asserted that understanding customer needs that are expected by customers is prerequisite for providing quality service. Service quality given and the level of customer satisfaction form the important components of TQM.

Service quality and customer satisfaction also receives attention by researchers in the field of tourism (Neild et al., 2000). Researchers and authorities in this field believe that enhancing service quality and customer satisfaction will maintain and improve the number of tourist visits. This, in turn, would increase support for tourism products and ultimately would increase profit (Baker & Crompton, 2000). Many studies have attempted to analyse customer or tourist satisfaction towards certain tourism and hospitality products by identifying their needs related to the important attributes about the product as well as investigating the tourist evaluation of each of the mentioned attributes that have been experienced. The measuring scale that is often used in these studies is SERVQUAL that has been modified or adapted for the context of tourism and hospitality products under study (Crompton & Mackay, 1989; Fick & Ritchie, 1991; Saleh & Ryan, 1992; Pizam & Milman, 1993; Fleisher et al., 1993; Bigne et al., 2003; Khan, 2003). There are also studies that have adopted Importance-Performance Analysis (IPA) to investigate the customer perception about the important factors in experiencing and choosing a tourism product, and also their perception of the service operator performance in supplying those factors (Martin, 1995; Duke & Persia, 1996; Chu & Choi, 2000; Wong & Law, 2003). Other studies focus on certain influence factors in forming customer satisfaction. For example, Law (1998) investigated the relationship between service design, visitor management, and visitor satisfaction at Leeds Castle in Kent, England. Neild et al. (2000) had studied the role and importance of food service operators in giving a satisfied experience to tourists in resorts close to the Black Sea, Romania.

One such study was carried out in the context of rural tourism by Reichel et al. (2000) to measure the gap between expected quality of service with the actual quality of service received by customers at Bed & Breakfast establishments in rural Israel. They adapted an instrument consisting quality of service criteria for the rural tourist accommodation business that was developed by Fleisher et al. (1993), which was tested on 250 tourists in the above mentioned industry. Bed & Breakfast is a form of accommodation product offered by the rural operators in Israel that also prepare food for the visitors. This product is similar to the homestay programme that is offered by rural operators in Malaysia, but the underlying concept may be different. Homestay in Malaysia focuses on the experience of living with the hosts and the local community, while it is unclear whether the Bed & Breakfast in Israel stresses the same concept.

In addition to the survey based on the abovementioned instrument, Reichel et al. (2000) also carried out unstructured interviews with 23 operators to obtain additional information to assist the researchers in their attempt to explain the gap between expected quality of service and the actual quality of service received at

the Bed & Breakfast establishments under study. The results of their study revealed that there were 9 gaps in 15 criteria that were used in the instrument, namely the operator attitude; delivered quality of service; room cleanliness; air-conditioning; room aesthetics (including furniture) and the surrounding environment; bathroom and toilet fixtures; recreational activities offered by the locality; children activities; and price. The unstructured interviews had revealed the uneasy attitude of operators towards customers. According to them, customers are always demanding services which are not equivalent to the price they pay. However, the operators would still welcome these types of customers at their premises again. Reichel et al. (2000) believed that this attitude may explain the gap in the operator attitude criterion in their results of their survey. Operator perception regarding services that match the cost would eventually influence their efforts in attempting to provide the best services for satisfying their customers.

CUSTOMER GAP IN TQM

Customer oriented businesses emphasises the efforts in identifying and fulfilling customer needs in order to market the products being offered. Many marketing and management concepts focus on fulfilling the needs and expectations of the customer, for example, the concept of customer care that entails the efforts of the operator in identifying customer needs. Those operators who are not attentive of their customers will not be aware of what is expected by the customer. The differences in the customer perception of what is received after purchase with what is actually expected from that purchase will result in a gap, that is termed as customer gap by Ziethaml and Bitner (2000) in the Gaps Model of Service Quality that they developed. According to this model, four types of gaps can cause customer gap, as shown in Table10.1.

Much of the research and literature stresses the second, third, and fourth gaps. There is very little, or no research that tries to investigate the first gap. The lack of knowledge of what is expected by the customer (first gap) could be the main cause in the failure of an organisation in preparing a quality product or service. These types of organisations would not be able to offer products that are in line with the customer needs if they are unaware and not attentive towards what the customer wants, i.e. the organisation is not customer oriented.

There are several reasons why an organisation does not have knowledge about its customer needs. According to Ziethaml and Bitner (2000), some of these reasons include the lack of interaction between the organisation and customers; lack of effort in obtaining customer feedback regarding purchase; poor customer relations;

Table 10.1: Customer Gap in Gaps model of Service Quality

First Gap	:	Not aware of what the customer expects (in fulfilling their needs and expectations)
Second Gap	:	Unavailable standards and accurate designs for fulfilling customer needs and expectations
Third Gap	:	Products/Services prepared and offered are not according to standard guidelines
Fourth Gap	:	Performance and promised products/services given to the customer do not match

Source: Ziethaml and Bitner (2000)

the overall organisational attitude that is not ready for obtaining information about the customer needs; and their lack of preparation for taking action on any information received about customer satisfaction. If the responsible parties in the organisation make a decision without fully understanding the customer needs and expectations, they could make decisions that would result in a loss of profit due to non-returning customers.

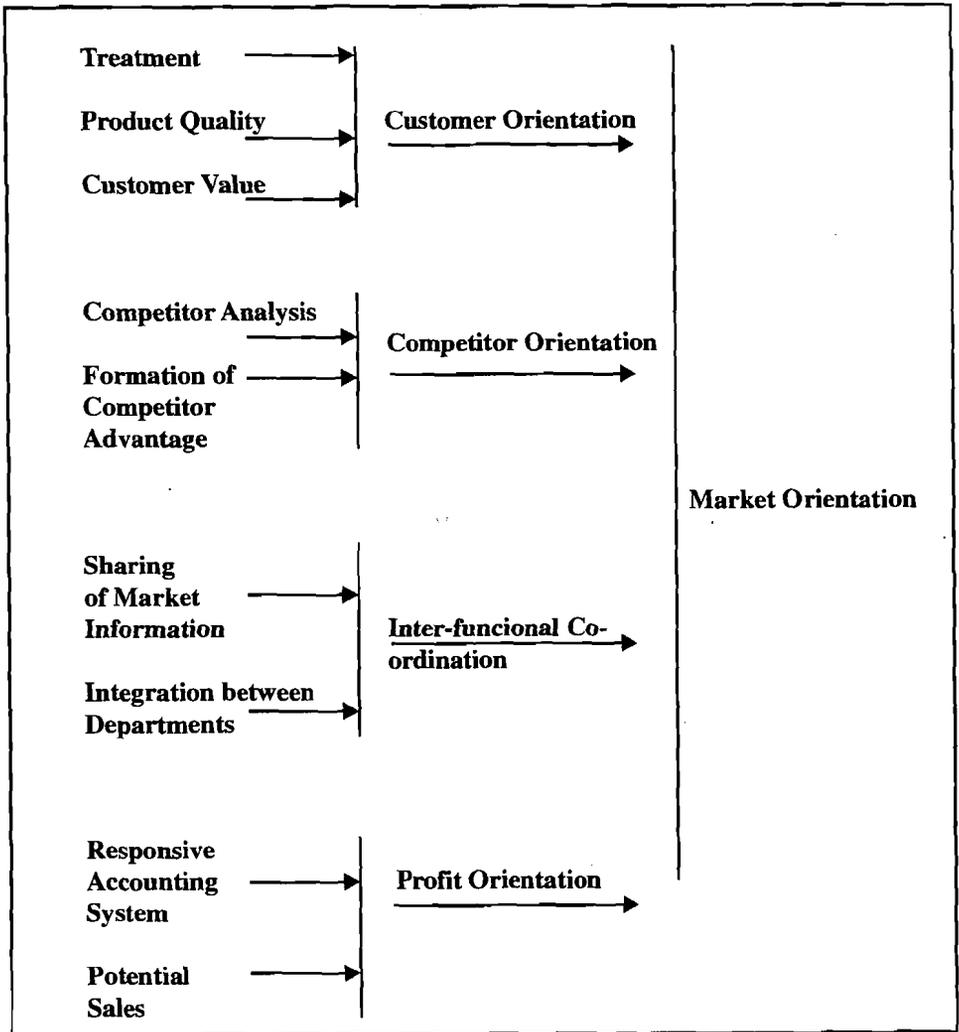
The attentive and care factors of the homestay programme operators can be measured through their efforts in obtaining information about the visitor needs and expectations regarding homestay criteria; their readiness in identifying the customer needs and expectations; and their willingness to follow the guidelines set by the government and homestay associations.

CUSTOMER ORIENTATION

The discussion about customer care by Ziethaml and Bitner (2000) from the perspective of quality of service is similar to the explanation given by Deng and Dart (1994) about the same topic, but from the marketing perspective. Deng and Dart (1994) characterises customer orientation as putting the customer first by identifying the current and future customer needs as well as fulfilling these needs. The concept of customer orientation is similar to the concept of customer care mentioned earlier. The dimension of customer orientation is combined with three other dimensions, which are competitor orientation, inter-functional co-ordination, and profit orientation, to form the market orientation (Figure 10.1). Based on the

instrument developed by Deng and Dart (1994), customer orientation for an organisation can be measured through a questionnaire where the organisational management provides information about how far their organisation implements customer orientation, which is evaluated using several statements (Table 10.2). They recommend organisations to measure the level of their market orientation by measuring all four dimensions in order to identify the existence of any weaknesses.

Figure 10.1: Dimension of Market Orientation



Source: Deng and Dart (1994)

Table 10.2: The Instrument for Measuring Customer Orientation

How true are the following statements about your organisation?					
	Very untrue 1	A little true 2	Mainly true 3	True 4	Very True 5
1. We encourage customers to give comments and complaints as this will assist us in carrying out work properly.					
2. Our business strategy gives emphasis to after sales services.					
3. We have high commitment towards our customers.					
4. We always find a way to give high value for money for our customers.					
5. We continually measure the level of customer satisfaction frequently.					
6. In our company, the most important marketing responsibility is to identify and fulfill customer needs.					
7. We relate product quality with customer satisfaction.					

Source: Deng and Dart (1994)

The items in the instrument developed by Deng and Dart (1994) in measuring the level of customer orientation that is adopted by a business organisation can be adapted to the homestay context to measure the customer orientation level implemented by homestay operators. Emphasis should be given to the rural tourist accommodation criteria suggested by Fleisher et al. (1993), namely elements

regarding cleanliness, comfort, activities that can be taken, and safety. Since most homestay customers are in groups and/or sponsored by certain agencies, the operators should take the opportunity to learn and understand the customers' background even before they arrive. This can be used as an additional indicator in the effort to measure customer orientation level that is adopted by homestay operators in Malaysia.

The level of attentiveness of homestay operators towards understanding the visitors' needs and wants could be influenced by several variables. The first variable depends on the programme leader. This was detected through interviews with several homestay operators before the research instrument was developed. Many of them are very dependent on the leader or chairperson of their respective homestay association to obtain visitors and for every operational decision. This could be closely related to the shortcomings of the operators' lack of experience and knowledge in running a tourism business. Moreover, the OECD (1994) report had stated that most rural tourism operators do not have the proficiency and aptitude that is required to enable them to market their products well. Ryan (1997) also showed that many of these operators lack the required operational management skills, such as cost control and accounts management. The lack of training is the main cause for this to happen (Alexander & McKenna, 1998; Page & Getz, 1997).

In the same year, Fleischer and Pizam (1997) had found in their research that most rural tourism operators were small-scale individuals without experience in this business field, but they offer rural tourism products to gain additional income. This could explain the lack of commitment to ensure that customer needs are met.

Finally, the operator's perception towards whether the visitors should demand products and services that are greater in value than the price charged to them may influence operator attentiveness towards customers, i.e. customer care, as suggested by Reichel et al. (2000). The small fees that are imposed on homestay visitors may become justification for the operators to not give emphasis towards efforts to identify and fulfill customer needs.

HOMESTAY PROGRAMMES IN MALAYSIA

Homestays in Malaysia are offered by operators that operate individually or in groups. Homestays offered by a group of operators are known as homestay programmes and they usually are a form of community-based projects. Many

homestay programmes in Malaysia are offered by community groups in the rural areas. In the effort to diversify the tourism products, the Ministry of Tourism Malaysia had introduced the homestay programme in 1988 as an alternative accommodation offered to tourists. This programme gives the opportunity for tourists to experience a different and cheap vacation where they would live with a host family and would have first hand experience of the daily lives of these families. This enriching experience would enhance the understanding of these tourists regarding the culture and way of life of the destinations that they visit. Homestay programme is viewed as a tourism product that has the potential for success since there is a great demand by international tourists towards tourism associated with the enhancement of knowledge (Mason, 2003).

Besides being an alternative product that offers a cheap retreat for tourists, the homestay programme is also a strategy taken by the government to improve and enhance the quality of life of rural residents through their involvement in the planning and development of tourism. Thus, homestay programmes can also be viewed as a community-based project that can unite the community and at the same time advance the standing of the community and their quality of lives.

The first homestay programme supported by the Ministry of Culture, Arts and Tourism (now known as the Ministry of Tourism) in 1988 was the Desa Murni Homestay Programme that consisted of five villages near Temerloh, Pahang. The local villagers had co-operated to form the homestay programme, which had a major impact on the local economy. Conversations with the President of the Malaysian Homestay Association, Tuan Haji Shariman Hamdan who was also the facilitator for the Desa Murni Homestay Programme, showed that homestay programmes in Malaysia have hosted more than 5,000 tourists in 2000. A group of 40 tourists who purchased accommodation and activity packages in the Desa Murni Homestay Programme for three days and two nights had contributed an average income, to the host family, of RM150 for each tourist. Depending on demand, a host family could gain a monthly income of up to RM1,388 from the homestay programme that is offered and carried out by the said community.

The success of the Desa Murni Homestay Programme had given inspiration and encouragement to other local communities to form their own similar programmes. Currently, each state has its own Homestay Programmes that are implemented by rural communities and the number of programmes is forecasted to rise with the support and efforts of the government in promoting these programmes as they have potential to improve the standard of living of the residents of these rural

communities. The actual number of operators or participants of the homestay programmes is not certain. According to Tourism Malaysia resources, there are currently 78 villages throughout Malaysia that have registered with homestay programmes in their respective villages with 1,070 host families that are in operation. According to the chairperson of the Malaysian Homestay Association, through a working paper presented at the ASEAN Countries Homestay Seminar in Putrajaya in 2004, there were 1,647 participants that were actively involved in this programme from 84 villages from all over the country that offered a total of 2,432 rooms for accommodation (Shariman, 2004).

In the excitement of several parties in promoting the homestay product, there were those that felt that some of these participating host families had failed to give the level of products and services that are sufficient to fulfill the tourist needs (Utusan Malaysia, 2003; Ministry of Culture, Arts, and Tourism Malaysia, 2001). The chances of this happening is great considering most host families lack in experience and business acumen in running a service oriented business like homestay. In addition, there is the possibility that the educational gap between the operators and the customers is very large and this could give rise to the inability of the operators to identify customer needs and eventually fail to fulfill these needs.

Another factor that could cause the failure of homestay to offer a product that fulfills the tourist needs is that of the actual goals of the homestay programme itself, where it gives the opportunity to the tourist to experience the daily life of the host families (Ministry of Tourism Malaysia, 2005). The focus on this objective would make the operators assume that the daily activities undertaken by the host families, like having to crouch to use toilets, open-air bathing, and eating with hands, would be well received by every tourist. However, there is a possibility that some tourists are not comfortable with these activities.

Therefore, the performance of homestay programmes as a tourism product is still debatable since it is difficult to maintain or encourage tourists to these programmes if the operators are not able to fulfill the tourist needs adequately. This issue needs to be addressed and overcome since the tourism product and service development are required to fulfill tourist needs sufficiently, is an important competitive element. In order to meet tourist needs, the host families need to be aware of the tourist needs and expectations of the current and potential future customers. The business operations that offer tourism products and services should be customer oriented and the homestay business is no exception. In-depth studies in the area of customer orientation must be undertaken to assist the relevant parties in understanding and overcoming the problems associated with the products and services offered by the operators of the homestay programmes.

CONCLUSION

It has been well accepted that service quality and the level of customer satisfaction form the important components in Total Quality Management which results in success and profit for a business organisation. The difference between the customer perception towards what is received and what is expected of a transaction would result in a gap, termed a customer gap by Ziethaml and Bitner (2000) in the Gaps Model of Service Quality that they developed.

In the context of homestays in Malaysia, much need to be researched on whether the operators stresses on the importance of understanding quality expectations of their guests. This void could lead to failure of the homestay operators and programmes to produce quality products and services. In other words, these homestay programmes will be operating without customer orientation.

Research is sorely needed to identify and provide data about the level of customer orientation that is adopted by homestay operators in Malaysia. The indicators in the instrument developed by Deng and Dart (1994) in measuring the level of customer orientation that is adopted by a business organisation can be adapted to the homestay setting in order to measure the level of customer orientation that has been implemented by homestay operators with emphasis given on the rural tourism accommodation establishment criteria as suggested by Fleisher et al. (1993), which is made up of elements such as cleanliness, comfort, activities that can be experienced, and safety.

Based on the literature review, several variables could be deduced to have an influence of the attentiveness of the homestay operators towards the efforts in identifying and fulfilling customer needs, which are: 1) dependence on the leaders; 2) whether the operators receive training to enhance their operational and business skills; 3) capital availability, 4) importance of homestay business from the income perspective; and 5) the operator perception towards products suitable to the visitors based on the price.

In his speech at the official launch of Misompuru Homestay in Kampung Minyak Kudat, 2 August 2003, Yang Berhormat Datuk Chong Kah Kiat, Minister of Tourism, Culture and Environment urged the homestay participants to give attention to quality (Sabah State Government, 2003). According to him, quality products will form a positive image among the visitors to their villages. The creation of quality products that satiates the needs and tastes of the tourist is influenced by many factors, one of which is the attentiveness of the participants towards the

needs and expectations of the visitors. Research in the area of service quality in homestay hospitality could provide insights for the relevant parties involved in the planning and management of homestay programmes in Malaysia in making the right decisions to steer the homestay programmes in the direction of a more customer oriented product, thus producing a homestay product that can continually operate competitively and productively in the long-term.

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