

SERVICE QUALITY MEASUREMENT IN RURAL TOURISM: AN APPLICATION OF MODIFIED RURALQUAL MODEL

Jelena Kljaić Šebrek

Institution awarding the PhD Degree

University of Rijeka
Faculty of Tourism and Hospitality
Management, Croatia

Supervisor

Suzana Marković, PhD, Full Professor
University of Rijeka, Faculty of Tourism and
Hospitality Management, Croatia

PhD Programme

Management of Sustainable Development

Date of defense 30 January 2020

SUMMARY

Purpose

In today's competitive economic environment, service quality presents one of the key elements for the achievement of a tourist company's long-term success. Although there is no universal definition of service quality, most of the researchers agree that service quality is a measure of fulfilling customers' expectations (Lewis and Booms, 1983; Gronroos, 1984; Parasuraman et al., 1985).

The purpose of Doctoral thesis is to: (a) analyze and (b) describe concepts of service quality, and related concepts of Customer Satisfaction, Trust and Behavioral intentions in the conceptual part and, following the literature review results, and (c) to develop and test modified RURALQUAL model as a measurement instrument designed for service quality measurement in rural tourism.

The Doctoral thesis consists of 5 parts. First part Introduction lays out the research problem, research objectives, hypothesis, research methodology, and scientific contribution. The second part Description of key concepts explains selected concepts, analyses the theoretical measurement models, and provides a detailed review of the relevant literature. The third part Measurement of service quality in rural tourism describes SERVQUAL as one of the most important and frequently used models for the service quality measurement and RURALQUAL as a derived model for measuring service quality in rural tourism and the modified RURALQUAL adapted for the empirical research for this thesis. The fourth part Methodology and results of Empirical research describes research methodology including implemented statistical methods and the results of the empirical research. The last part of the thesis provides main Conclusions

including a scientific contribution of the doctoral thesis, limitations of the research and proposals for future research activities.

Methodology

During the last decades, interest for measurement of service quality has intensively increased, especially in tourism activities resulting in a multitude of service quality models. The SERVQUAL presents one of the most popular models for service quality measurement and was developed in the 1980s by Parasuraman, Zeithaml, and Berry. The SERVQUAL model consists of two sets of 22 variables divided into 5 dimensions, measuring expectations and perceptions. Service quality is measured as a gap in perceptions and expectations. A positive gap suggests that expectations have been met or exceeded and the negative gap score implies that expectations have not been met, meaning that service quality is perceived to be unsatisfactory. Five general service quality dimensions (reliability, assurance, tangibles, empathy, and responsiveness) are very often used for measuring service quality but should be adapted to the nature and specific features of each service.

The relevant literature shows that there is a relationship between service quality, satisfaction, and loyalty. Service quality as an antecedent of satisfaction is recognized as an important element in forming customer loyalty. The relationship between satisfaction and loyalty is proven to be asymmetric meaning that satisfaction does not always lead to loyalty (Oliver, 1999) especially in tourism due to the novelty as a motivator.

Although service quality and satisfaction are considered interrelated concepts, there is a difference between these two concepts. While service quality refers to the overall impression of the company and its services, satisfaction is an emotional reaction to the experienced service and results from the service quality (Taylor and Baker, 1994).

Behavioural intentions or tourist loyalty is in the literature often defined as intentions to revisit the destination and willingness to recommend the destination or a commitment to rebuy the service in the future (Oliver, 1999). Loyalty became an ultimate strategy of service companies as it reduces the costs and positively impacts the profit.

The concept of Trust is in the literature proposed as a mediator between Satisfaction and Loyalty. Most of the authors define the concept of Trust as confidence that the company is able and willing to fulfil promises (Morgan and Hunt, 1994; Seto Pamiers, 2012).

The RURALQUAL model was developed by Loureiro in 2006 and was modified by using the model from the research conducted by Albacete Saez (2007). The modified RURALQUAL model has been designed and implemented for the measurement of the service quality of rural tourism in Istria as one of the most developed tourist regions in Croatia. The model consists of 29 variables divided into 8 dimensions: Professionalism, Reservations, Tangibility, Basic demand, Tourist Relations, Security, Empathy and Rural and cultural surroundings. The model was used for measuring both expectations and perception and service quality was calculated as a gap between them.

There are also 8 variables used for measuring Tourist satisfaction, 3 variables for measuring Trust and 6 variables for measuring Behavioural intentions. All the concepts were measured on a 7-point Likert type scale.

The empirical research was conducted in 2017 in Central Istria, one of the most developed rural tourism destinations in Croatia. There were 1 400 questionnaires distributed (350 per each of the four languages: Croatian, English, German and Italian). A total of 307 usable questionnaires were collected using a convenience sample (return rate 21,93%). The statistical methods used for the analysis of the collected data include univariate methods (average rates of service quality, satisfaction, trust, and behavioural intentions), bivariate methods (Mann-Whitney U test, Wilcoxon test, and Kruskal-Wallis test) and multivariate methods (exploratory factor analysis and PLS-SEM).

Findings

The results indicate that there is a negative gap between perceptions and expectations (-0,23) with an average perception rate of 5,79 and an average expectation rate of 6,02. An average tourist satisfaction rate is 5,82, Trust 5,98, and Behavioral intentions 5,15. The most important service quality dimension is Professionalism with an average rate of 6,15. The lowest rated Perception dimension is Security (5,30).

The results of bivariate analysis indicate that respondents' rates for all measured constructs are significantly different due to the educational level. The other socio-demographic characteristics (gender, age) partly influence respondents' rates. The exploratory factor analysis for the perceived quality items reduced 27 variables in 5 factors (Security, Tangibility and Basic demand, Reservation and Price, Professionalism and Empathy) that accounted for 65.17% of total variance.

The Cronbach alpha value for factors is between 0,760 and 0,937 and indicates good reliability or internal consistency of the modified RURALQUAL model. Convergent and Discriminant validity was also confirmed.

Furthermore, a Partial Least Squares Structural Equation Modelling (PLS-SEM) approach was employed for the evaluation of the RURALQUAL model to estimate the structural paths coefficients, predictive power (R^2), predictive relevance (Q^2), together with the Bootstrap technique for significance test. PLS combines principal components analysis and regression with a purpose to explain the variance of the constructs in the model (Loureiro and Kastenholz, 2011).

All values of the Q^2 values are positive, confirming the model's predictive relevance. The model also demonstrates a medium level of predictive power ($R^2=0,5$) for the modelled constructs. The dimension of Security, tourist relation and Rural environment has the strongest impact on the construct of Service quality (0,433), while the lowest impact is indicated by the dimension of Empathy (0,1204).

The results of structural modelling indicate that Service quality is strongly, directly, and positively related to the construct Satisfaction (0,764) and the relation between Satisfaction and Future behavioral intentions is also strong and positive (0,761). Trust

was introduced to the model as a mediator but has a minor effect on Behavioral intentions.

The developed modified RURALQUAL model is proven to be a valid and reliable model for service quality measurement in rural tourism and presents an empirical contribution of the doctoral thesis.

In general, the level of service quality in rural tourism in Istria is relatively high but customers' expectations are still not completely met as shown by the gap analysis. The major gap is registered for dimension Security which presents the area for improvement by the management of rural tourism companies in the future.

Originality of the research and scientific contribution

The scientific contribution of the thesis is described as:

- Conceptual scientific contribution to the development of service quality theory through the description and analysis of the service quality models and dimensions
- Empirical scientific contribution through the development and test of the modified RURALQUAL model, assessment of service quality, satisfaction, and behavioral intentions, defining the key service quality dimensions and evaluating the relationship between the measured constructs
- Applicative scientific contribution through the implementation of the modified RURALQUAL model by the rural tourism managers as a useful development tool.

The main limitations of the research are a relatively small sample size and large number of variables in the questionnaire which should be considered in future researches.

Keywords

service quality, SERVQUAL, RURALQUAL, rural tourism, measurement

Citation: Kljaić Šebrek, J. (2020), Service quality measurement in rural tourism: an application of modified RURALQUAL model, Doctoral Dissertation Summary, *Tourism and Hospitality Management*, Vol. 26, No. 1, pp. 245-248.