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## MEASUREMENT OF CUSTOMER SATISFACTION APPLIED TO THE FARM HOLIDAY\*

### 1. The importance of customer satisfaction for agritourism businesses

The achievement of a long term competitive advantage by agritourism business is often the result of a customer satisfaction survey, which is of great fact-finding importance. Indeed, it is only through consolidation of demand that a business is able to establish the success of its marketing policies and thus strengthen its position against the competition. This position can only be achieved if the business differentiates its supply, for example by broadening the range of services that on offer or by setting more favorable prices or offering products more suited to the needs of customers – tourists. The importance of customer service is clearly highlighted by certain current trends in the supply-demand relationship in advanced economies. The evolution of the market, increasing competitive pressure, the internationalization of enterprises, the of new technology and the flexibility of production processes there is an even greater need to meet consumer expectations. Thus, with increasing intensity of competition, agritourism businesses can only achieve significant competitive advantages through their capacity to identify and meet the tangible and intangible gains sought by tourists more effectively and efficiently than their competitors. Indeed, with a wide rasing choice at their disposal, tourists will continually raise their expectations in terms of service quality/price and will ascribe greater value to a variety of choice, and to satisfaction of complex needs, often of an intangible and inductive nature. The tendency, therefore, is to create a model according to which „*the customer is the king*” (Peter Druke 1973), in which businesses tend to find the best defence against the manoeuvres of competitors in their ability to respond fully to the expectations of demand. For this reason the most successful agritourism businesses are those which, in addition to acquiring customers, create an interfunctional chain that includes all business functions in a system for deliver-

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\* The work is the result of a complete cooperation and it is, therefore, of responsibility of both the authors. The material drawing up of paragraph 4 is attributing to Maurizio Lanfranchi, paragraph 5 to Carlo Giannetto., paragraphs 2 and 3 to M.Luiza Souca; paragraph 1 to Maurizio Lanfranchi and Carlo Giannetto.

ing value to customers. The customer makes a choice considering the maximum value that he/she can acquire, in relation to his/her mobility, to the services that are offered and to his/her available income, meaning the difference between expectations and the total cost he/she must incur.

*Total customer value – total customer cost = value returned to the customer.*

Where customer value is defined as the value of the product, services, personnel, the company's image and communication; customer cost is recognized in terms of the monetary, time and psychological costs incurred; finally, the total value is considered to be the profit gained by the customer. The business, therefore, has to define the level of expectations that it sets out to satisfy, trying not to underestimate requirements, as this might limit acquisition to loyal customers, without attracting new ones. Several indexes can be used to measure the degree of customer satisfaction, for example satisfied customers are less sensitive to price changes, they are more loyal, they buy new services from the same business and above all they speak positively of the business and its products/services. Certainly, if a business loses a customer it loses a revenue and consequently bears a cost. According to some economists, acquiring a new customer will cost five times more than keeping an existing customer. According to an estimate made by Porter (1994), in order not to lose a customer, a business has to multiply the estimated non-cash income, obtained by multiplying the number of customers lost by the average purchase in monetary terms, by the degree of recoverability of lost customers. The result will be the budget to be allocated to reduce dropout rates. For this reason the first marketing action of a business is to retain its customers through a high degree of satisfaction and loyalty.

Table 1

Indices of *customer satisfaction*

| Measurement of customer satisfaction by the holiday farm             |
|--|
| Reporting of complaints and suggestions                              |
| Surveys of customer dissatisfaction                                  |
| Simulated purchases to analyze aspects of the commercial performance |
| Analysis of lost customers   |
| Rate of loss of customers  |

## 2. The methodology

Since it was established as a research model the SERVQUAL questionnaire had 22 items, with four or five items attributed to each of the five determined dimensions: reliability, assurance, tangibles, empathy and responsiveness. These items were used for evaluating both the customer's expectations and their perceptions. The instrument was administrated

twice, in different forms, first used to measure the expectations and, after the service was delivered, to measure the perceptions.

However, some studies suggested that the number of items attributed to the dimensions was often inadequate for the capture of within variance and/or context-specific meaning of each dimension. In fact Carman's (1990) study of hospital services employed 40 items. Bouman and van der Wiele (1992) used 48 items in their car service research, Saleh and Ryan (1992) 33 items in their hospitality industry research and Babakus and Mangold (1992) 15 items in their hospital research. Parasuraman, Zeithaml and Berry (1991) acknowledge that context specific items can be used to supplement SERVQUAL, but caution that the new items should be similar to the existing SERVQUAL items.

An important problem as well is the repeated administration of the questionnaire. The fact that respondents are asked to fill-up the "E" and "P" versions of the SERVQUAL can lead to boredom and confusion, which in turn it will affect the data quality (Bouman & van der Wiele, 1992). Carman (1990) commented of the timing of the two administration, as in the 1988 study Parasuraman, Zeithaml and Berry had asked their respondents to report in one sitting their expectations and perceptions, based on what they have experienced in the last three months. This was criticized by Clow and Vorhies (1993), that claimed that when respondents measure expectations and experience simultaneously, they will rate their expectations higher than they had been in reality and also, if the consumers had had a bad experience with a service delivery they tend to overstate their expectations, while those who had a positive experience tend to understate them, all in all creating a larger gap than it existed in reality. Carman (1990) also observed that it was impractical to expect customers to complete an expectations inventory prior to a service encounter and a perceptions inventory immediately afterwards. His solution was to collect data on the expectations-perceptions difference with a single question at a single administration, with a scale that ranges from 7 = "greatly exceeds my expectations" to 1 = "greatly falls short of my expectations".

### **3. The universality and number of the SERVQUAL dimensions**

The SERVQUAL model is comprised of five RATER dimensions or factors. Prior to them however, Parasuraman, Zeithaml and Berry (1985) have identified ten possible relevant dimensions. Apart from them, Grönroos (1984) identified three components of service quality: technical, functional and reputational quality and Leblanc and Nguyen (1988) listed five components – corporate image, internal organization, physical support of the service producing system, staff/customer interaction, and the level of customer satisfaction.

According to the 1988 version of the SERVQUAL, the model is a basic skeleton, that can be adapted to fit the characteristics or specific research needs of a particular organization, and in 1991 Parasuraman, Zeithaml and Berry stated that the dimensions and items of SERVQUAL represent a core evaluation criteria that go over specific companies and industries.

Yet, as further studies have shown that was not always the case. Carman (1990) identified nine factors in his hospital research: admission service, tangible accommodations, tangible food, tangible privacy, nursing care, explanation of treatment, access and courtesy afforded visitors, discharge planning, and patient accounting (billing). Saleh and Ryan (1992) pointed to another five factors more suited to the hotel industry: conviviality, tangibles, reassurance, avoid sarcasm, and empathy; Gagliano and Hathcote (1994) found out in the retail clothing sector four factors: personal attention, reliability, tangibles and convenience – two of them having no correspondence in SERVQUAL. Bouman and van der Wiele (1992) as well, identified only three factors with their research in car servicing: customer kindness, tangibles and faith. In conclusion, Babakus and Boller (1992) commented that service quality may depend on several factors in some industries, yet be very simple and one-dimensional in other service industries. In effect, they claim that the number of service quality dimensions is dependent on the particular service being offered.

Another worrying point is the indication that the scale and factors may not be easily adapted to different cultures. As a known fact, the major part of the studies related to perceived service quality and customer satisfaction measurement models were applied to the United States of America context, which doesn't always translate well in the context of multiculturalism. (Ueltschy *et al*, 2007)

In their revised version, Parasuraman, Zeithaml and Berry (1991) suggest that the anomalies are the product of differences in data collection and analysis procedures. However, it seems as both contextual circumstances and analytical processes have an influence on the number of dimensions of SERVQUAL (Buttle, 1996). In fact, the research conducted by Carman (1990) has found that customers are at least partly context-specific in the dimensions they employ to evaluate service quality, and if a dimension is very important to customers, then that dimension is more likely to be decomposed into a number of sub-dimensions – this indicates that researchers should work with the original ten dimensions, rather than adopt the revised five-factor model.

#### **4. An application of the SERVQUAL model in farm holiday**

The method is applied by conducting a survey on a sample of customers, with the aim of understanding what the perceived service needs are, and then moving on to the measurement of service quality delivered by a certain structure, thus determining the value produced. During the survey customers are asked a range of questions on each dimension, with the aim of determining the relative importance of each attribute, of quantifying desired service expectations and, last but not least, of quantifying their rating of the business under analysis. The objective is to trace the ideal customer profile, listing, in order of importance, each dimension and the consequent possibility for each business to address its activities towards the achievement of excellence, that is to say, of total customer satisfaction.

| SECTION EXPECTATIONS CUSTOMER   |   |   |   |                  |
|---|---|---|---|------------------|
| <i>An excellent farm holiday has a functional and in keeping with the rustic style</i>                        |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>A farmhouse offers excellent services related to agricultural activity (didactic farms, rural tourism)</i> |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>The staff of an excellent farm holiday is always professional and friendly</i>                             |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>The staff of an excellent farm holiday is able to help and give guests the service required</i>            |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>The staff of an excellent farm holiday is courteous and inspires confidence to customer</i>                |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>An excellent farm offers a catering fine and varied with typical and local products</i>                    |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |

| SECTION SERVICE PERCEPTION  |   |   |   |                  |
|---|---|---|---|------------------|
| <i>An excellent farm holiday has a functional and in keeping with the rustic style</i>                        |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>A farmhouse offers excellent services related to agricultural activity (didactic farms, rural tourism)</i> |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>The staff of an excellent farm holiday is always professional and friendly</i>                             |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>The staff of an excellent farm holiday is able to help and give guests the service required</i>            |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>The staff of an excellent farm holiday is courteous and inspires confidence to customer</i>                |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |
| <i>An excellent farm offers a catering fine and varied with typical and local products</i>                    |   |   |   |                  |
| Disagree  |   |   |   | Absolutely agree |
| 1   | 2 | 3 | 4 | 5                |

Figure 1. Example of a questionnaire SERVQUAL applied to the farm holiday

## 5. Conclusions

One of the most pressing issues of the debate related to service quality is whether SERVQUAL is the best instrument for it, or if that honor belongs to SERVPERF. Once again Parasuraman, Zeithaml and Berry (1994), when introducing the most complex version of the model: the three-column format instrument, had also given a satisfactory answer to this aspect as well. According to their tests and experiments, which model to choose when evaluating service quality depends entirely on the objectives adopted by the researcher. If maximizing the predictive power of the analysis is the main concern (i.e. the ability to explain the variance in overall perceptions of service quality), the perception only scale and implicitly the performance based SERVPERF model outperforms all other measures. However, if identifying critical service shortfalls is the main objective of the analysis then the three-column format, gap model based SERVQUAL seems to be the most useful. Also it is the three-column format that also provides researchers a separate perceptions ratings, for those concerned with predictive power as well, not to mention that the “zone of tolerance” employed by the model is also an excellent instrument for measuring customer satisfaction.

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### **Summary**

The SERVQUAL model, ranges from ideal quality to total unacceptable quality with a point along it that represents satisfactory quality. A customer's perceptions on service quality are dependent on placement on the scale and the nature of the gap existing between the expected service and the service perceived by the customer. If the expected service is more than the actual service then the perceived service quality is less than satisfactory, moving towards totally unacceptable quality as the discrepancy between the expected and perceived service increases. In this paper this model is applied to the farm holiday

## **POMIAR ZADOWOLENIA KLIENTA ZASTOSOWANY W AGROTURYSTYCE**

### **Streszczenie**

Model SERVQUAL obejmuje miary jakości od doskonałej, poprzez zadowalającą, po niedopuszczalną. Postrzegana przez klienta jakość usług, zależy od umiejscowienia na skali i różnicy pomiędzy oczekiwaną jakością usługi, a jakością rzeczywistą. Jeżeli jakość oczekiwana jest większa niż jakość rzeczywista, wtedy postrzegana jakości usług jest mniej niż zadowalająca, zmierzająca w kierunku jakości całkowicie nie do przyjęcia, w miarę wzrostu rozbieżności między oczekiwaną i rzeczywistą jakością usług. W niniejszej pracy model ten został zastosowany na przykładzie agroturystyki.