How do Empathy and Assurance Matter in Determining Customer’s Satisfaction?

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INTRODUCTION
In Malaysia, a local lady who goes by the name Mak Long began the unofficial homestay system back in the early 1970’s. She began her service in Chering Lama, Pahang by offering accommodation and also a philosophy of living in the village that catered to tourists. This idea subsequently became popular and other villagers adopted the similar arrangement in gaining monetary benefit from the influx of local and foreign visitors seeking cultural awareness and different travel experiences. However, homestay concept and context may be different in terms of connotations and definitions from different countries. In Australia, for example, the word “homestay” is synonymous with farmhouse accommodation, and it primarily catered for students who obtain a place to stay while studying (Naik, Gantasala, & Prabhakar, 2010; Nguyen et al., 2019; Nikhashemi et al., 2013; Pathiratne et al., 2018; Seneviratne et al., 2019; Tarofder et al., 2019). Such homestay operators succeeded in achieving financial profit by working together to build homestay programme. Therefore, by incorporating this in the National Plan for Rural Development, the Malaysian government established this opportunity as a forum to boost Malaysia's tourism industry. In addition, the Ministry of Culture, Art and Tourism has allocated special development funds and has helped the owner of the homestay improve their programme. Despite of this, homestay was launched in Temerloh, Pahang in 1995. This has since spread to other nation states including Sabah and Sarawak. As of 2010 there were 153 licensed operators of homestay. All approved home stay operators are registered and were qualified and licensed by Malaysia’s Ministry of Tourism. On this land, the homestay market is not only thriving but also offers unmatched business opportunities in the tourism industry. Homestay service has developed into an intricate and advanced fashion in recent years. It has become an significant choice with marketing and media promotion in which people participate in leisure activities and has further grown into an emerging sector with great potential (Voutinioti, 2013). In actual life, the tourist homestay has given the option is cheaper and has many extra rooms for tourist accommodation. In order to safeguard the lodging interests of tourists, their choice of recreational commodities and their health, as well as maintaining the quality of recreational activities while enjoying their vocation, appropriate capital assessment for quality validation of homes in Malaysia should be identified by weighing multi-aspect evaluation items so that it can be applied with impartial validation assessment and criteria. The earlier homestay research concentrated mainly on customer satisfaction, marketing strategy, experiential marketing, service and management, and user attitudes, but very few concentrated on the broader perspective of developing a system for home capital evaluation. Therefore, the homestay sector is showing a booming trend and it is hoped that an assessment framework could be developed through this research; given the fact that the key distinguishing features of homestay operations differ from those of hotels are that homestays placed more emphasis on (1) low-cost prices and self-service assistance, (2) not stressing luxurious facilities but being mindful of safety issues. More specifically, homestay use the natural resources and local cultures to encourage tourists to observe the cultural and social traditions in person (Abd-El-Salam, Shawly, & El-Nahas, 2013). In addition to these, homestay should have functions such as sports, entertainment, fun and so on to allow visitors enjoy their leisure time to the full. On such accounts, it is clear that homestay and hotels differ in purpose, business model, and nature; thus, if the requirements for hotel evaluation are extended indiscriminately to home stays, it would seem to be unconnected and illogical. This work therefore considers it critical and essential to establish and build relevant home capital assessment metrics, which is one of the reasons for this (Hussain, Musa, & Omran, 2019).
Figure 1: Accommodation Occupancy Rate According to State/Federal

Figure 1 above showed Pahang state’s highest occupancy increased by 5.1 percent from 75.3 percent in 2012 to 80.4 percent. Second score is Putrajaya which rose by 0.5 percent from 66.8 percent in 2012 to 67.3 percent. Kuala Lumpur is the third highest score in 2012 from 64.8% to 65.1%, which increased by 0.3%. Negeri Sembilan’s lowest ranking was 36.3 percent in 2011 to 40.1 percent in 2012, up 3.8 percent. In the first half of 2012, there is an rise of 3% to 60.6% compared to 2011, which is 57.6% for the total occupancy rate of the accommodation (Kalsom, 2009).

Figure 2: Homestay program and rural community development in Malaysia

The effectiveness of the homestay system depends on the participation of the government in the program preparation, coordination, execution and also control. Therefore, to ensure that the plan is effectively carried out, it is important to consider the government at all levels of the programme. Three major ministries are directly involved in the program preparation and implementation; Ministry of Tourism, Ministry of Rural and Local Development, and Ministry of Agriculture (Figure 1). Growing department has its own position and duty to make the home stay program a success. MOTOUR is the primary owner in the rural tourism division of the homestay programme. It is working closely with relevant organizations to develop poverty reduction tourism projects. The MOTOUR’s obligation is:

- Include guidance, strategies and guidance for the implementation of the household programme;
- Include funds for the growth of tourism services, grants to upgrade home operators. For example, the ministry allocated RM5,000.00 to each house to upgrade the toilet under the homestay programme;
- Marketing and promotion by Malaysian tourism, such as the preparation of a home directory for Malaysia, etc;
- Work closely with state agencies such as the State Council for Tourism Action, Economic Planning Department, etc.

The Ministry of Rural and Regional Development supports the homestay system closely in line with the Ministry’s goal of supporting rural growth and modernisation. The key emphasis is to improve rural people’s socio-economic conditions and reduce the urban rural divide. INFRA is a research agency under MRRD that is primarily active in delivering rural community research and capacity building. INFRA offers guidance to all home owners, communities and the Committee on Village Protection & Development (JKKK). JKKK is an official committee appointed at community level by the state governments which is responsible for the village’s protection and development. Therefore, the Homestay System must be enforced by the committee (Hussain, Musa, & Omran, 2018).

LITERATURE REVIEW

While considering these capacities, it becomes priority to have superior capability and products that suit the needs of the client and the in-house alternative than homestay services. The flexibility of the long-term strategic core strategy is what the organization needs to look at rather than just concentrate on short-term that limits the company’s capabilities. There is a risk that the core skills have not been sufficiently staffed and the first few years of homestay operation have overlooked time period skills, resulting in a greater issue in further downline as a decline in leadership ability, design planning and business system thinking.

Homestay agro-tourism service provider’s performance is determined by numerous factors including internal and external factors correlated with the competencies and capabilities of the organization. The skills and capabilities can be seen as common and relevant across industries. It appears the most important factors are the internal competencies and capabilities of the organization. This statement was consistent finding from past studies indicated that the aspect of capabilities of homestay agro tourism service providers is the most important factor in the performance of homestay services that consider capabilities in technological competence in the services being provided, retaining relationship management and recognizing the business requirement of customers. Those include a disparity in standards between customers and home stay agro tourism service provider in providing the
future and current customers with better quality of service. In essence, this study focuses on the aspect of effective homestay agro-tourism service that takes into account homestay achievement (Vesel&Zabkar, 2009). Quality of service refers to an overall assessment of a particular service. This is based upon the difference between the quality predicted and the perceived quality. It can be called superior service if output is better than expected. If the quality required of a service is equal to the perceived standard of service, it is referred to as the quality of the general market. If the perceived standard of service is higher than expected it is called better quality of service. If the perceived standard of service is lower than expected it is referred to as reduced quality of service.

Service quality is a critical component of value perception of customers which determines the satisfaction of customers. Once you achieve a high degree of quality, consumers perceive greater value for their money. Giving the household agro-tourism provider good quality is important for long-term profitability. It is the secret to enhancing the organisation’s productivity. A strategic advantage within the homestay agro-tourism industry is best accomplished by quality of service and customer satisfaction. As a result, quality of service can be used as a strategic strategy. Homestay agro-tourism providers must aim for “zero errors” in order to achieve quality excellence, maintaining any customer they can profitably serve (Agha, Alrubaiiee, &Jamhour, 2012).

Another key factor to consumer satisfaction is customer attitude. The consumer experience of using the services will establish a positive or negative attitude towards the delivery of the service that represents the service provider. The customer should guide in relation to the quality of the service and consumers who use the services more than once should usually satisfy with the services and represent the provider’s good service quality. Therefore it can be inferred by referring to previous researchers finding as customer satisfaction is significant segment to remember. Therefore, while customer satisfaction does not guarantee customer repurchase, it still plays a very important role in maintaining consumer loyalty and retention. The satisfaction of the consumer is the contrast of the measurements of the home with the frame of reference of the client (Alabede, Ariffin, &Idris, 2011).

Past studies claim that satisfaction related to consumer assessment on particular goods or services is pleasurable level of consumption. Past studies consider satisfaction in the tasks to be carried out to achieve it, and consistency is an attribute of the goods or services provided. To order to achieve customer loyalty, the underlying problem is to satisfy consumer needs. Consumer satisfaction in which assessment of the consumers on particular goods or services that suit their needs, preferences and expectations. It’s all about consumer feeling or satisfaction or dissatisfaction resulting from an assessment process that receives against the planned, purchasing decision, and needs and want fulfillment. Past studies have stated that building customer loyalty is no longer a business option, but it is only in building the company competitive sustainability advantage and as a key for customers to become a core marketing goal shared by key players in all industries that cater for business customers. Past studies recognized that building customer extreme customer attention has to contribute to customer loyalty the business needs to extremely satisfy the customers. Past studies classified as satisfaction can influence the likelihood of recommending repurchase but have no direct effect on the loyalties. Nevertheless, previous research indicate happy consumers as more likely to repeat themselves and become lifelong clients. There is a connection between customer satisfaction and productivity of the company. Common sense when consumers are happy with the goods or services being delivered that contribute to re-buying, loyal and optimistic mouth marketing and of course higher business adjustments. However, disappointed customers replied differently that by returning or leaving the product they will decrease dissonance, or they may attempt to decrease dissonance by finding knowledge that could validate its high value. Organizations should deal closely with consumer issues and not see them as time consuming. In no situation can companies afford to lose customers, because the cost of replacing the missing customer with a new customer is greater. Hence, businesses need to find ways to win back unsatisfied customers by developing unique service rehabilitation plans (Aliverdii, Naeni, &Salehipour, 2013).

Once you achieve a high degree of quality, consumers perceive greater value for their money. Giving good quality is important for the home provider’s long-term profitability. It is the secret to enhancing the organisation’s productivity. A strategic advantage within the homestay industry is best accomplished through the quality of service and customer satisfaction. Hospitals must aim for “zero errors” to achieve quality excellence, keeping any patient they can profitably serve. The homestay can use the standard of service to build a competitive advantage by stressing the responsiveness and continuity of service provision. Quality of service refers to an overall assessment of a particular service. This is based upon the difference between the quality predicted and the perceived quality. It can be called superior service if output is better than expected. If the quality required of a service is equal to the perceived standard of service, it is referred to as the quality of the general market (Almansour, 2012).

Recognition and consistency of customer service is closely related to customer retention and market share, and is not achieved by itself in the production of consumer lifetime value. It is consistent with assuming that satisfaction would arise from the service’s value. It is a characteristic that should be taken care of when dealing with clients because they would appreciate the feedback they have had on their own. There’s an statement later that says service efficiency is the key component of satisfaction. Active construct can be seen as satisfaction and cognitive as quality of service. Then it turns as an indicator of emotional satisfaction that determines behavioral intentions.

Perceived service quality in homestay agro-tourism service provider is a method in generating customer satisfaction in making organizational benefit. The word of mouth of the consumers about the quality of the service influences the actions of the customer such as loyalty, choice and decision. As such rewarding them is better than lodging a petition in which time and resources are saved. At the other hand, past studies have established positive associations between overall standard of service, intention to buy and loyalty to providers. Likewise, the perceived quality of service relates to behavioral intent and customer satisfaction. Past studies argued that overall quality of
service influences trust, which in turn is recognized as a key factor influencing positive relationship building by several researchers. Different meanings can be found in the sense of homestay (Muhammad Atif Nawaz, Afzal &Shehzadi, 2013).

In this analysis, the measures of the service quality concept will be applied in the home stay industry. Service quality and customer satisfaction will be linked to one another in the literature definition. Long-term judgment is perceived quality of a service, while satisfaction is happiness of the supplier with respect to the services. The distinction from this result should bring to the home stay industry an important measuring method. This will give long-term attitude and satisfaction decision of short-term customers a good growth. High-level definition of customer satisfaction loyalty and deliberate behaviour has also been correlated with conventional service quality primarily concern over concentrating hardly on the consumer market and service quality. Throughout their study, past studies recognize that high service quality more often improves the income for the organization. Therefore the standard of service should be the focus for the company.

Service quality concepts are the result of an assessment process where consumers equate their perceptions of a service to their understanding of the service to be offered. Quality of service as a major differentiator and the most effective strategic tool that all service organizations aspire to have. Numerous studies have demonstrated that in the run the service quality as a source of customer attitude on the service provider and also their overall assessment. Those two structures are interpreted for standard of service and attitude. Attitude is characterized as an acquired predisposition to react in a consistently favorable or unfavorable manner to an event. Past studies have established a service quality metric, SERVQUAL, which tests the overall dimensions of service quality (Muhammad Atif Nawaz, Azam, & Bhatti, 2019). Compared to the quality of the product, measurement of service quality is nuanced and difficult to quantify. Previous researchers consider service quality calculation and developed it as a standard of service quality. This model is commonly used in the service industries to evaluate and understand the customer’s understanding of their service needs in the targeted market field. Past research explored how a high-performance work environment would affect staff to consumer expectations of the quality of service and customer satisfaction. Based on their study, the claim that perceived quality of service is one of customer satisfaction factors is endorsed.

Assurance is employees’ competence and courtesy, and their capacity to encourage confidence and trust. It represents staff’s expertise and courtesy, and their willingness to encourage faith and confidence in using the English language for communication. This requires the opportunity to provide straightforward explanations before treatment is provided, along with the customer service explanations before discharging them. Assurance of past research implies employees’ expertise and courtesy, and their ability to express faith and confidence. Empathy relates to Homestay Agro Tourism’s loving, individualized attention to its customers. This requires loving, focused attention of workers, where contact is often a factor in the English language. Empathy means supplying the client with caring, individualized focus. In addition, the SERVQUAL is a tool for companies to better recognize the importance of consumers and how well their companies fulfill the customers’ needs and expectations.

In terms of quality of service and customer satisfaction, many studies have become more precise about the nature and form of satisfaction assessment and quality of service. In deed satisfaction and quality of service are more common, while satisfaction looks from a wider perspective and quality of service only focuses on the dimensions of service (Muhammad A Nawaz & Hassan, 2016). Past studies stated that perceived short-term judgment is a component of satisfaction as it added another dimension of price and quality of the product. Most researchers who started from the idea supported this theory.

There are a few factors listed as having an impact on the success of the agro-tourism home stay. Those include the demand difference between consumers and the quality of service including the service delivery system as well as customer satisfaction that agro-tourism is embraced by home stay. Several factors decide the effectiveness of homestay agro-tourism arrangements. Many of the most important ones appear to be skills and competencies, according to previous research. For example, previous studies have shown that organizational skills have been identified as the most important factors to organizational success. According to them, the skills of an company include its technological expertise in terms of the goods and services provided, recognizing the market need of the client, and the management of relationships. Those strengths and competencies can be viewed by industry as standardized and relevant. Such skills include field experience, market management, behavior management, acquisition, and technology leveraging (Ndubisi 2007).

The theoretical structure reflects and elaborates the relationships between variables, explains the theory behind those relationships and defines the essence and course of the relationships. Based on the literature review and customer intention to buy herbal health and medicinal products, a model was created which indicates the perception of the consumer. The model consists of two variables that were calculated to influence the attitude of the consumer of intention to buy herbal health and medicinal products.

**METHODS**

It Increasing variable can have different effects as on the determinant factor that could contribute to the success of agrotourism in homes. The concept was built based on the literature review that explains the relationship between the independent and dependent variables that directly influence the performance of homestay agrotourism. Variables are important features which take different values into different objects. Dependent variables and independent variables are the two types of variables used in this study.

The independent variables involved in this research are measurable, and the variable based on customer satisfaction is efficiency, responsiveness, consistency and empathy. A rational explanation (a theory) on why the independent variable is influencing the dependent variable is needed.

Two theories have been developed to check whether significant relationships exist between the standard of service determinants of assurance and empathy; and the perception of performance skills from customers. The two hypotheses were developed to help address the main questions regarding customer
Satisfaction factor for the success of homestay agrotourism. Assurance represents staff’s experience and courtesy in encouraging and trusting, and their desire to provide the experience. This requires the ability to provide courteously regularly, and must be able to establish consumer trust. In addition, the workers must be able to provide protection when communicating with customers. In this basis, assurance is expected to influence the satisfaction of the client in homestay agrotourism.

**H1:** Assurance has a significant positive relationship on the customer satisfaction.

Empathy means love. Individualized care is offered, where workers ought to be able to consider the individual needs of a patient. Past studies in their research have found that empathy has a positive customer satisfaction relationship which generates loyalty. So the hypothesis of empathy was developed:

**H2:** Empathy has a significant positive relationship on the customer satisfaction.

### Analysis

The elements gave a fairly moderate rating on the empathy ranking. For these elements the mean scores recorded were 3.11. The readings may be viewed as an average moderate, a symbol of the respondents' recognition that these factors have contributed to increasing consumer satisfaction. The respondent's plurality was the reason for not agreeing or disagreeing. From the table, the peak score is 2.7 where the respondents may think that the empathy value may or may not directly impact the overall satisfaction of the consumer and for them the empathy value somewhere in the unknown place. Nonetheless, most respondents will agree with this question and the importance of empathy is critical in generating overall customer satisfaction.

![Figure 3: Empathy](image)

![Figure 4: Satisfaction](image)

**Figure 3: Empathy**

The majority of respondents opt for "fair." The readings can be interpreted as a high moderate of satisfaction and a sign of the respondents' recognition that this dimension greatly contributed to overall satisfaction. Nonetheless, few respondents answered for "solid disagreement" and "disagreement." It is largely due to inadequate services encountered by some of the respondents that contribute to dissatisfaction.

**Figure 4: Satisfaction**

Pearson Correlation Approach was chosen to be used because it is ideal because there are two variables in an interval scale. This segment summarized the findings of testing theories that were determined in this investigation. It is checked and listed below in Table 1.

<table>
<thead>
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<th>SUCES</th>
<th>Assurance</th>
<th>Empathy</th>
<th>Satisfaction</th>
</tr>
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<tbody>
<tr>
<td>Pearso n Correlation</td>
<td>.679**</td>
<td>.868**</td>
<td>.709**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
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<td>N</td>
<td>200</td>
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Within this analysis, the first hypothesis is to determine the relationship between the importance of the guarantee and the overall satisfaction. The statement of hypothesis below is:-

**H1:** Assurance has a significant positive relationship on the customer satisfaction.

Table 1 displays the findings of the Pearson Correlation test performed between the importance of the guarantee and overall satisfaction. The findings revealed that there is a strong association between these two dimensions as the p value findings are smaller than the relevant value (p = 0.00 < 0.05) and H1 is acknowledged. This shows that the importance of assurance is an important factor in overall satisfaction impact. These two dimensions have a modest strong correlation as the correlation coefficient is at
(r=0.679). This means that the overall satisfaction effect of assurance by 67.9 percent.

Hypothesis two

Hypothesis two is to research the relationship between customer satisfaction and customer loyalty. The statement of hypothesis below is:

H2: Empathy has a significant positive relationship on the customer satisfaction.

Table 1 above indicates that Pearson Correlation Test findings were performed between empathy of two dimensions and overall satisfaction. The findings show that between these two measurements there is a large difference because the p value is lower than the real value (p=0.000 which is < 0.05). In addition there is a strong correlation between these two dimensions as the coefficient of association is at (0.868). This sign indicates that empathy would impact overall satisfaction of 86.8 percent with agro-tourism service providers. Then H2 is approved.

DISCUSSIONS AND CONCLUSIONS

Developing and manufacturing systems that could extend and impact the services of the homestay agrotourism industry are mostly required as consumers are nowadays very specific, very selective and very smart in choosing the quality of services that can give them more value and advantage. Hence, homestay agro tourism service provider can provide customer comfort and great trouble-free atmosphere would be their top preferences. This paper therefore draws a conclusion and ultimately brings forth a few ideas for both the management and future study. The conclusion defines the most relevant variables related to the Quality of Service Model. Some guidelines are eventually given.

The result showed a positive association between these two dimensions as the p value is lower than the relevant value (p<0.05). In addition, there is a relatively high coefficient of correlation at (r=0.679) and 0.000 p value in their research Kraft and Tee (1979) claimed that knowledge sources influence consumer satisfaction and directly affect respondent beliefs. It will also affect people in making strategic choices and disseminating information to others while choosing to purchase homestay agrotourism.

This hypothesis is to research customer service relationship and empathy. Empathy refers to the data service provider’s loving, individualized commitment to its clients. Hence, this study was built to predict that customer satisfaction would be important to empathy. The study outcome claimed that empathy significantly impacts customer satisfaction. The vector coefficient of correlation r=0.868 is at a meaningful level of 0.000. This indicates that the variables have a positive relationship. This finding is backed by prior customer service study to please the customer.

Recommendation

Future market development for homestay agro-tourism in Malaysia is very important to intensively research due to its potential growth and future success. In this era of modernisation, particularly in large cities such as Kuala Lumpur, many businesses are growing their capacity to better serve their customers in the future. Homestay agrotourism has, therefore, become an choice for them to achieve their own goals.

The results of this study would mainly help government officials, policy makers, advertisers, companies and higher management of homestay agro-tourism by providing insights into consumer understanding and eventually developing deliberate behaviour to purchase the commodity. Lada et al.(2009) reported that different methods or strategies to marketing should be used to boost sales. Therefore, today, the higher management of homestay agrotourism should use innovation and new technique to approach their sales in order to compete with other agrotourism producers.

Only six independent variable elements have been examined for that matter in this study, the researcher feels that there are many more elements that can be applied to the variables to boost potential researcher. The sample size and physical distribution to some degree has affected the consistency of the results of the research and is generalized capacity. The scope of this research was a limited sample size of 200 respondents and few towns in Kuala Lumpur, due to time constraints and some other limitations. Thus, the result could not be as reliable and less representative. Therefore, in order to enhance this, the spectrum of physical coverage should be broadened and the representation factor should be taken into account if the results are to be applied to the whole population.

REFERENCES

Sakinahmohdshukri et al: The Impact of Assurance and Empathy on the Satisfaction of the Customers

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