APPLYING IMPORTANT-PERFORMANCE ANALYSIS TO HOME STAY SERVICE PERFORMANCE

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ABSTRACT

In 2019, Taiwan has more than 8,000 home stays, and competition is very intense. In addition to accommodation, catering, and other core services, home stay operators add many unique services to attract consumers, but not every service receives consumer's recognition. Therefore, through literature review, field survey, interviews with the home stay operators, and consumer survey, this research analyzes service performance by paired-samples t test and Important-Performance Analysis, and the research results can be used as a reference for home stay operators to improve their operational performance, in order to make their servicesmeet the needs of consumers.

KEYWORDS

Home Stay, Core services, Service Performance, Important-Performance Analysis

1. INTRODUCTION

In 2001, Taiwan began to implement the Two-day Weekend, and the quantity of domestic tourism reached 97.45 million in that year, and increased to more than 183.449 million [1] by 2017. In this context, there have been larger demands for tourist lodging. Therefore, Taiwan's government allows people to use their own residence in specific areas to apply for running home stays. As of March 2019, there have been 8,705 legitimate home stays in Taiwan (Table 1). Under such intense competition, many home stays have developed special services different from others to attract consumers; however, there are many examples of business failures. The main reason for business failure is that the services provided do not meet the requirements of the consumer [2,3], which shows that operators should focus on self-righteous business practices and understand actual consumer demands. They should provide services that meet and even exceed the expectations of consumers, in order to win consumer loyalty in the fiercely competitive environment.

Table1. March, 2019 Monthly Report of Home Stay Facilities in Taiwan [4]

County / City	No. of Home Stay Facilities	No. of Rooms
New Taipei City	246	836
Taipei City	1	5
Taoyuan County	51	217

County / City	No. of Home Stay Facilities	No. of Rooms
Taichung City	93	352
Tainan City	295	1066
Kaohsiung City	69	280
Yilan County	1447	5598
Hsinchu County	82	382
Miaoli County	308	1105
Changhua County	62	256
Nantou County	679	3324
Yunlin County	67	300
Chiayi County	204	718
Pingtung County	783	3381
Taitung County	1266	5529
Hualien County	1829	7195
Penghu County	719	3380
Keelung City	1	5
Hsinchu City	0	0
Chiayi City	1	6
Kinmen County	345	1672
Lienchiang County	157	688
Total	8705	36295

The process of serving consumers may result in their dissatisfaction due to the gap between service cognitionbetween home stay operators and consumers or poor implementation [5]. How to improve and enhance service quality is one of the most important issues in business management for home stay operators. Therefore, based on the SERVQUAL scale, as proposed by Parasuraman, Zeithaml, and Berry [6-8], this research conducts field surveys and interviews home stay operators to formulate the service items that accord with the status of the home stay industry. Through a consumer questionnaire survey, service quality is analyzed byt test and IPA [9,10], and the research results can be used by home stay operators as reference for managerialimprovements, market positioning, and marketing strategy adjustments.

2. LITERATURE REVIEW

2.1. Home Stay

Before December 2001, home stays had gained a certain development in many Taiwanese locations; however, good and poor quality weremixed. In order to rectify the chaos and solve the growing demands for tourist accommodations, Taiwan's government issued "Regulations for the Management of Home Stay Facilities" [11] in December 12, 2001, which stipulates that home

stays in Taiwan canutilizepersonalunoccupied rooms to provide accommodation for tourists, and established areas are limited only to the following 9 types:

- Designated scenic spots
- Tourist sites
- National parks
- Aboriginal reservations
- Remote areas
- Offshore islands
- Recreational farms with business registration certificates issued by the administrative authority for agriculture, or recreational agriculture areas designated by the administrative authority for agriculture
- Nature villages under the Kinmen Special Area Plan
- Non-urban land

The number of rooms used for home stay cannot be excessive, and a maximum of 5 rooms is allowed formost home stays; they should provide rural life experience to people by combining local cultural,natural landscapes, and ecological and environmental resources, as well as agriculture, forestry, fishery, and animal husbandry production activities.

2.2. Important-Performance Analysis

IPA is a measurement method based on importance and performance, and is a technology to sort service items [9,10], thus, it is an effective technology for improving service quality. This research uses IPA to conduct analysis, and the steps are shown, as follows [12]:

Step 1. List the service items, and develop them into a questionnaire.
Step 2. Invite consumers to rate various services according to "Importance" and "Performance".
Step 3. Take "Importance" as the horizontal axis and "Performance" as the vertical axis, and mark the service items in the two-dimensional space.
Step 4. Divide the space into 4 Quadrants (Figure 1) with the average as the separation point.

Regarding the relevant indices [9,10,12-16], and according to IPA analysis, if the service item belongs to Quadrant I (Keep Up the Good Work), it means that consumers' expectation and satisfaction for this service is high, and the operator of this service item should 「keep up the good work」 in future management; if the service item belongs to Quadrant II (Possible Overkill), it means that consumers' expectation for this service is low but their satisfaction is high. This service item can meet the demands of consumers, but 「over-supplied」, the operator should make adjustments according to the situation in future management; if the service item belongs to Quadrant III (Low Priority), it means that consumers' expectation and satisfaction for this service is low, and operators may give 「low priority」to this service item during management improvement; If the service item belongs to Quadrant IV (Concentrate Here), it means that the consumers' expectation for this service is high, but satisfaction is low, and operatorsshould 「strengthen the improvement of」 this service item immediately;
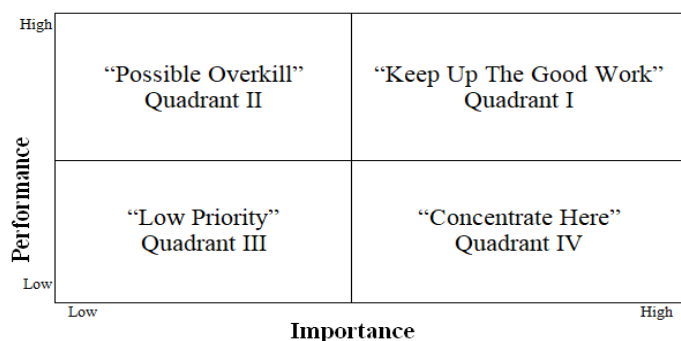
Figure 1. Importance-Performance Analysis

3. RESEARCH METHOD

This research formulates a questionnaire, and adopts a questionnaire survey by literature review, field survey, and interviews with home stay operators to measure the service quality of home stays. With consumers in Yilan County as the subjects, 400 questionnaires are distributed, and 321 valid questionnaires are retrieved.

3.1. Paired-Samples t Test

Paired-samples t testis applied to analyze whether there are significant differences between consumers' expectations of services prior to the home stay and satisfaction after experiencing the home stay, and the verification results are shown in Table 2. Table 2shows that there are significant differences in the remaining 17 questions, with the exception of items No. 3, 6, 15, 17, and 19; moreover, there are some cases where satisfaction is higher than the expectation, which shows that the performance of the service items provided by the home stay operators is generally beyond the expectation of the consumer.

Table 2. Results of Paired-Samples T Test

Variable		Average of the Expectation (I)	Average of the Satisfaction (S)	S-I	P Value	P <0.05
Facilities and Equipment	1. Parking spaces	3.58	3.97	0.39	0.000	V
	2. Social hall	3.68	4.25	0.57	0.000	V
	3. Sanitary bathroom equipment	3.38	3.69	0.31	0.066	
	4. Supply of spare products	3.29	3.61	0.32	0.037	V
	5. Entertainment devices	3.61	4.13	0.52	0.000	V
	6. Kitchen, barbecue, and other cooking equipment	3.38	3.69	0.31	0.066	
	7. Simple medical devices	3.29	3.61	0.32	0.037	V

Variable		Average of the Expectation (I)	Average of the Satisfaction (S)	S-I	P Value	P <0.05
	8. Supply of network devices	3.61	4.13	0.52	0.000	V
	9. Fire safety devices	3.85	4.25	0.40	0.000	V
Recreation Service	10. Supply of catering	3.40	3.81	0.41	0.000	V
	11. Arrangements for neighboring sightseeing and recreational resources	3.58	4.12	0.54	0.000	V
	12. Service of ordering local agricultural products on behalf of the tourist	3.53	3.93	0.40	0.000	V
	13. On-site explanations of environmental resource characteristics by specially-assigned person	3.51	3.83	0.33	0.024	V
	14. Supply of transportation services	3.27	3.82	0.54	0.000	V
Environmental Scene	15. Interior decoration and the application of overall space	3.31	3.61	0.30	0.092	
	16. Outdoor greening of the surrounding environment and view	3.40	3.80	0.40	0.000	V
	17. Architectural appearance	3.20	3.43	0.23	0.158	
Operating Management	18. Advertisement	3.42	3.88	0.42	0.000	V
	19. Arrangement of location indicator of the home stay	3.19	3.44	0.25	0.096	
	20. Price	3.35	3.66	0.32	0.034	V
	21. Speed of complaint handling	3.60	4.11	0.51	0.000	V
	22. Qualified service personnel	3.53	3.96	0.43	0.000	V

3.2. IPA

The IPA analysis results are shown in Figure 2 and Table 3. In terms of belonging to a Quadrant in IPA, a total of 9 items belong to Quadrant I (Keep up the Good Work), 1 item belongs to Quadrant II (Possible Overkill), 11 items belong to Quadrant III (Low Priority), and 1 item belongs to Quadrant IV (Concentrate Here).
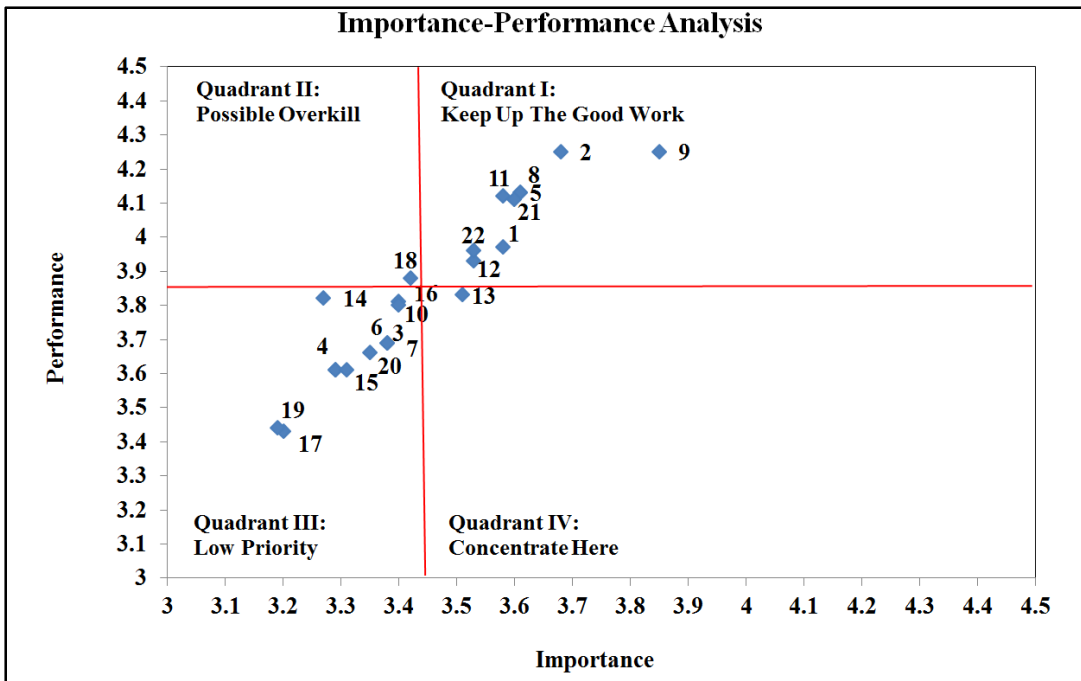
Figure 2. IPA results (means as center)

Table 3. The designation of questions in the IPA Quadrants

Quadrant	Item number
Quadrant I: Keep Up The Good Work	1,2,5,8,9,11,12,21,22
Quadrant II: Possible Overkill	18
Quadrant III: Low Priority	3,4,6,7,10,14,15,16,17,19,20
Quadrant IV: Concentrate Here	13

4. CONCLUSION

Based on the SERVQUAL questionnaire, this research adopts field survey, interviews with home stay operators, consumer survey, paired-samples t test, IPA, etc. to analyze the service performances of home stays, and the research results show that only a few service items fail to exceed the expectations of consumers. If home stay operators want to improve their operational performance, they should first improve the service items in "Quadrant IV: Concentrate Here" in the short run, in order to improve consumer satisfaction. Regarding improvementsto medium-term and long-term operational performance, they should focus on the service items in "Quadrant I: Keep Up the Good Work" for external marketing to enhance competitiveness. The supply of the service items in "Quadrant II: Possible Overkill" can be decreased to reduce costs and resource expenditures. The service items in "Quadrant III: Low Priority" do notrequire immediate improvement, and can be improved slowly.

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