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# ASSESSING THE CHALLENGES OF SERVICE QUALITY IN THE TERRA QUENTE TRANSMONTANA, PORTUGAL

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**Abstract:** Service quality is a major issue because is the result of a judgmental value that involves both the expectations as well as the perceptions of the customers. Despite its tremendous growth in Portugal, little is known about service quality neither in rural areas nor how it is perceived in the Terra Quente Transmontana. This article has two main purposes. Firstly, to compare the service provided by rural lodging units to entertainment services in rural areas and, secondly, to pave the way for the analysis of the services that influence the satisfaction of the Terra Quente Transmontana as tourist destination.

The methodology is based on a Principal Components Analysis to both rural lodging units and entertainment services. The main conclusion is that both services are perceived differently by their customers. Consequently, it is mandatory to develop a cluster of services tuned to the different segments in order to develop the Terra Quente Transmontana as tourist destination.

Key words: service quality, satisfaction, rural destination, Terra Quente Transmontana.

#### INTRODUCTION

In Portugal tourism has been a markedly regional phenomenon: 75 per cent of the national tourist activity has been concentrated in three main regions: Algarve, Lisbon and Madeira (Vieira, 2007).

The massification of the "sun and sea" tourism in Portugal, which was the result of a supply push to meet a growing demand, is now pressing economic agents to discover new solutions in order to diversify their products/services and tourist needs. Accordingly, rural tourism in now one of the main products/services offered to a growing set of consumers looking for a greater contact with nature and rural spaces.

Rural tourism is a relatively recent phenomenon in Portugal. It has involved the use and the adaptation of patrimony for lodging purposes in rural zones involving, mainly, old palaces, solariums, rustic houses and rural hotels.

Although the main reasons of rural tourism are related with the authenticity of rurality, tradition and the contact with "deep Portugal" (Silva, 2007), there is a group of tourist entertainment activities that has been growing, as *nature tourism*, with outdoor activities accomplished in protected or classified areas, and the *active tourism*, that

involves sport activities, that can be considered a complementary product in rural tourism, especially by the urban segment that likes to "get away from daily life". Among those activities we can find escalade, rappel and slide, canoeing, the trekking and orienteering.

Rural tourism is composed of a scattered set of rural lodging units that are characterised by their small size, the use of old/rustic buildings, family-based business and their location outside of urban centres or small towns (DGT, 2004). In Portugal rural tourism is experiencing a tremendous growth, especially in the North of Portugal. The Terra Quente Transmontana (TQM), a geographical area that stretches from Trásos-Montes to Alto Douro, is betting on becoming a tourist destination through the use of its intrinsic physical, natural and human resources.

The development of a tourist destination is influenced, beyond environmental issues, by the quality and variety of the services and products that are offered by the tourist promoters. One key aspect is that the tourist destination can be considered an important attribute for the success of the tourist's experiences. Thus, the attractiveness of a tourist destination is the result of the comparison between the received/perceived value of a destination and the efforts that tourists have to do to visit it (OMT, 1998).

In general, quality is recognised as a basic value capable of generating a competitive advantage through product/service differentiation. Its positive effect makes service quality a fundamental issue as it influences customer's loyalty, which has important consequences either for business or territorial competitiveness (Ostrowski, O'Brien and Gordon, 1993; Moreira and Delgado, 2008). Other important aspect is that a bad service delivery can have disastrous effects for both the company that provides it as well as for the tourist destination (BTCE, 1992).

Although there are numerous studies about service quality and satisfaction (e. g. Parasuranam et al., 1988; Carman, 1990; Babakus and Boller, 1992; and Cronin and Taylor, 1992; Moreira and Delgado, 2008), one key issue that rural tourism must address is the lack of concern with service quality in rural lodging units.

Most of the studies about service quality/satisfaction are related with the horizontality of those studies that cover specific areas. For example, Johnson et al. (1988) studied real state agencies, Saleh and Ryan (1992) evaluated hotels, Fick et al. (1991) analyzed tourist companies, Babakus and Mangold (1992) evaluated hospitals, Moreira and Delgado (2008) analyzed air transport services, etc.. Thus, another key issue for the present study is that the comparison of the importance of different or complementary services in the same study is absent.

Accordingly, taking into account the importance of providing services for the regional competitiveness and for the image of a certain tourist destinations (BTCE, 1992), the present article has as two intertwined objectives: firstly, the evaluation of the service quality provided to rural tourists of the Terra Quente Transmontana, in the North of Portugal by rural lodging units and by the entertainment services (trekking and orienteering). Lastly, the evaluation of the complementarity of those services in

order to conclude if in fact one can speak about service or services that influence the satisfaction of tourist destinations.

In addition to determining the main components/factors of perceived quality in rural lodging units and entertainment services, we intend to compare both services in order to conclude whether tourist destinations are influenced (or not) by the contextual factors of the services provided. The article is organised as follows. First section presents an overview of the topic surrounding service quality. In Section two the methodology used to assess quality in rural lodging units and entertainment services is described. Section three presents the results of the research. Finally, the main conclusions are presented.

#### 1. SERVICE QUALITY

Unfortunately, there is no agreement about a definition of service quality. Although originally quality was centred on specifications, service organisations have centred on the customer to tackle whether the service provided has (or not) quality. Accordingly, the tourists' desires and needs should be taken in consideration in all the stages of the production of the good or service, working as a bottom line for the survival of the tourist system.

When quality is defined from the consumer's point of view, it can be considered as subjective and idiosyncratic, since it depends on the personal interpretation of the stimuli to which the consumer is exposed. For Zeithaml et al. (1993) perceived quality represents the customer's answer to the excellence/superiority of a product. According to Grönroos (1982) and Parasuranam et al. (1985), service quality is the result of the comparison of the perceptions among the received service and the expected service. For Grönroos (1982) this quality has two dimensions, the technical one, which depends on the benefits the service offers to the customer, and the functional one, which depends on the way those benefits are provided.

SERVQUAL was one of the first models to measure the consumer's perception about the quality of the service provided (Parasuranam et al., 1988) where the answers to 22 statements are obtained in order to identify (a) the customers' general expectations and (b) the customers' service perceptions using a Likert scale of seven categories that span from 1 (strongly disagree) to 7 (strongly agree). Parasuranam et al. (1988) found that five dimensions (reliability, responsiveness, empathy, assurance and tangibles) represent the key characteristic of any service.

Cronin and Taylor (1992; 1994) criticised the SERVQUAL scale for its scarce theoretical support and for its weak empirical evidence and propose the SERVPERF model, using the same 22 statements of SERVQUAL, based on the performance of the service provided and not on the expectations and the customers' perceptions.

Although Parasuraman et al. (1988) and Cronin and Taylor (1992) consider the existence of five dimensions, Grönroos (1990) suggests that the measurement of the customers' experiences, in their technical and functional dimensions, serve as measures

of assessment of the consumer's satisfaction, which simplifies the process of analyzing the consumer's satisfaction perception.

Following Grönroos' line (1990), an attitude can be understood as a perception of the service evaluation taking into account the consumer's wishes and needs before the service is provided, which is situational in nature (Bolton and Drew, 1991; Engel et al., 1995). Thus, the consumer's attitude will depend on his/her believes concerning several attributes associated to the service and to the importance of each one of those attributes. In order to take into account these situations, Rust and Oliver (1994) propose a third dimension to the Grönroos' model (1982): the inclusion of the context in which the service is provided.

Yi (1991) considers that satisfaction is both as a result and as a process. Johnson et al. (1995) defend that satisfaction can be faced both as a result of a specific transaction and as a cumulative process, being the latter, however, a more trustworthy one, since it relates the past with the present.

Investing in providing high quality services in customer's satisfaction is one of the new trends of intangible assets. However, both quality and satisfaction are difficult to assess and prescribe due to their heterogeneous and intangible characteristics (Grönroos, 1990). In the case of rural lodging services and entertainment services it is the customer who decides what can be defined as quality and/or satisfaction (Butler and Keller, 1992).

Clearly, quality and satisfaction constructs are very closely related (Cronin and Taylor, 1992; Alén-González and Fraiz-Brea, 2005). Sometimes they are considered as synonymous and not differentiable (Dabholkar, 1995). However, there are other authors who defend that quality and satisfaction are different constructs (Parasuraman et al., 1988; Bitner, 1991; Bolton and Drew 1991) since:

- Satisfaction contains affective and cognitive components and it represents the consumer's evaluation to a specific transaction and a consumption experience;
- Quality service represents a more global and durable judgment through multiple encounters, which allows the customer to form an attitude *vis-à-vis* the service provided.

According to Oliver (1993), the key element of research and the types of expectations are potentially different when assessing quality and satisfaction. Regarding the key element of research, quality assessment is based on dimensions and measures, while the satisfaction assessment is based as a result of a transaction. Regarding the type of expectations, satisfaction is based on the customer's expectations and needs, while service quality is based on service excellence and ideals.

#### 2. OBJECTIVES AND METHODOLOGY

From the conceptual point of view this article analyses the service quality provided by lodging units and entertainment services in rural areas in the tourist destination of the Terra Quente Transmontana. In the present article two different, yet complementary services were analyzed: on one hand, tourists in rural lodging units in farms with agricultural activities and, on the other hand, rural tourists that undertook canoeing and orienteering activities.

The selection of the TQT was based taking into account its quite embryonic phase of development and the potential contribution to understand how this tourist destination is perceived by its costumers.

Having in mind the broader purpose of contributing for a tourist development strategy based on differentiation, the main objective of this article is to identify the main factors/dimensions of the service quality provided by both rural lodging units and entertainment firms and how they influence the level of satisfaction of their customers in order to pave the way for the future development of the Terra Quente Transmontana as a tourist destination.

The assessment instrument is based on the adaptation of the SERVQUAL and SERVPERF models. A Principal Components Analysis is used in order to identify the key dimensions of the service provided to tourists.

The questionnaires were elaborated based on the Parasuraman et al.'s (1985; 1988) SERVQUAL and Cronin and Taylor's (1992) SERVPERF five dimensions of quality. Nevertheless, the specific aspects of those two service typologies (rural lodging units and entertainment services) were taken into consideration.

A survey was used as method for gathering data, for reasons related with time and costs management. On the other hand, this method allows a larger uniformity of the evaluation due to the impersonal nature of the instrument.

The questionnaire included the 22 variables of the five quality dimensions to assess service quality: the tangible elements, reliability, responsiveness, assurance and empathy, as presented in table 1. In order to assess the customer's satisfaction, the questionnaire also included a variable to assess the customer's overall satisfaction. The answers were based on a Likert scale oscillating from 1 (strongly disagree) and 7 (strongly agree).

A factor analysis was performed in order to identify the main key-dimensions that frame satisfaction. 158 valid answers were obtained: 76 questionnaires from the entertainment service providers and 82 from rural lodging units.

The application of the questionnaire survey elapsed from the months of July to December of 2007, in order to allow the gathering of data from tourists of high season and off season.

The customers were selected randomly and, to avoid possible "sympathetic answers", the questionnaire was self-filled by the customers after the supply of the service, in the case of entertainment services, and during checking-out, in the case of rural lodging units. The technical data is presented in table 2.

**Table 1:** Variables used in the assessment of services satisfaction

- V1 The facilities and equipment have adequate comfort levels
- V2 The services provided by employees take into account your needs
- V3 The services are performed according to what was promised
- V4 Employees have the technical knowledge to provide the service adequately
- V5 Employees are willing to promptly attend your requests or complaints
- V6 The price charged is adequate
- V7 There is a constant preoccupation in being sympathetic and reassuring
- V8 Safety and hygiene condition are adequate
- V9 The service is correctly provided at the first time
- V10 The employees perform their duties accurately and promptly
- V11 Promotional and advertising materials are visually appealing
- V12 Working timetables are very convenient for customers
- V13 The employees' knowledge and performance levels is adequate
- V14 The activities are correctly planned
- V15 The service is provided according to what is defined
- V16 The employees are well dressed and appear neat
- V17 The employees provided you a personalised service
- V18 The service and employees are dependable
- V19 All information provided are accurate
- V20 The clients are promptly and accurately informed about services timetables
- V21 The services provided are tuned with the purpose of your visit
- V22 The firm's organisation and management are reliable

Table 2: Technical data from the study of services satisfaction

Sector	Rural lodging units	Tourist entertainment		
Unit of Analysis	Rural lodging hosts	Entertainment services users		
Geographical Unit	Terra Quente Transmontana	Terra Quente Transmontana		
Size of the Sample	82 valid answers	76 valid answers		
Data Gathering	Questionnaire survey	Questionnaire survey		
Type of Sample	Random sample	Random sample		
Field Work	July / December of 2007	July / December of 2007		
Data Analysis	Univariate and Multivariate	Univariate and Multivariate		

# 3. RESULTS OF THE QUALITY ASSESSMENT

In order to make the results of the surveys more perceptible and taking into account the specificities of rural lodging units and entertainment services, it was decided to display the results separately.

The main characteristics of the sample are presented in Table 3 and the evaluation of both the quality perception and the degree of satisfaction of the customers of rural lodging units and entertainment services can be observed in table 4.

The general degree of satisfaction obtained by entertainment services (6.16) is larger than the one obtained in rural lodging units (5.75), which means that there are different specificities in terms of know-how and organisational structures that should be taken into account by the different service providers as well as from the TQT destination point of view.

**Table 3:** Characteristics of the sample

Variables		Rural lodging units	Entertainment services
Gender	Male	58.5%	60.5%
Gender	Female	41.5%	39.5%
Age (years)	Average	38.07	27.67
Age (years)	Standard Deviation	13.56	8.1
	Single	34.6%	63.2%
Marital Status	Married	56.4%	26.3%
Maritar Status	Widow(er)	1.3%	1.3%
	Divorced	7.7%	9.2%
	TQT	8.6%	40.8%
Local of Residence	Rest of Portugal	82.7%	52.6%
	Abroad	8.6%	6.6%
Educational	Compulsory Education	6.2%	6.2%
Qualifications	University Education	64.2%	64.2%
Quantications	Secondary/Prof. Education	29.6%	29.6%
	Business Man/woman	12.3%	3.9%
	Liberal Professional	12.3%	6.6%
	Military	1.2%	-
	Public services	17.3%	13.2%
Profession	Member of Staff	33.5%	39.4%
i iolession	Student	9.9%	27.6%
	House keeper	2.5 %	-
	Retired	6.2 %	-
	Unemployed	3.9%	3.9%
	Other	3.7%	5.3%
First experience	Yes	76.5%	72.4%
That experience	No	23.5%	27.6%
	Yes	89.5%	81%
Improvements	No	10.5%	19%
from	Better Quality Service	50.9%	23.5%
Previous	Better Price	5.9%	11.8%
Experiences	Better Responsiveness	5.9%	5.9%
Experiences	Improvement in Facilities	23.5%	17.6%
	Better Diversity	17.6%	41.2%

Source: Calculations made by the authors based on direct survey

When comparing services provided by rural lodging units with entertainment companies it is possible to realise that, of the 22 variables used, only 12 of them scored above the general degree of satisfaction average in the case of entertainment services,

and only 5 in the case of rural lodging units. Clearly, services provided by entertainment companies are better off than rural lodging units.

**Table 4:** Quality Perceptions (P) and Rankings (R) in rural lodging units and Entertainment Services

Variables		Lodgings		Entertain.	
v ariables	Qp	Rp	Qp	Rp	
Comfort of facilities and equipment	5.63	9	6.15	13	
The services provided by employees take into account your needs	5.56	11	6.18	12	
The services are performed according to what was promised	5.54	12	5.89	21	
Employees have technical knowledge to provide adequate services	5.44	14	6.42	2	
Employees promptly attend requests or complaints	5.67	8	6.24	6	
The price charged is adequate	5.29	20	6.22	8	
Constant preoccupation in being sympathetic and reassuring	5.68	7	6.20	9	
Safety and hygiene condition are adequate	5.89	1	6.20	10	
The service is correctly provided at the first time	5.76	5	6.04	18	
The employees perform their duties accurately and promptly	5.63	9	6.05	15	
Promotional and advertising materials are visually appealing	5.24	22	6.04	17	
Working timetables are very convenient for customers	5.33	18	5.85	22	
The employees' knowledge and performance levels is adequate	5.32	19	6.22	7	
The activities are correctly planned	5.27	21	6.15	14	
The service is provided according to what is defined	5.35	17	5.96	20	
The employees are well dressed and appear neat	5.37	16	6.34	3	
The employees provided you a personalised service	5.54	12	6.04	16	
The service and employees are dependable	5.73	6	6.32	4	
All information provided are accurate	5.78	4	6.18	11	
Services timetables clients are promptly and accurately known	5.41	15	6.01	19	
The services provided are tuned with the purpose of your visit	5.83	3	6.24	5	
The firm's organisation and management are reliable	5.86	2	6.45	1	
General Degree of Satisfaction	5.75		6.16		

Although in absolute terms it is important to explore the positive perception of the clients, a careful attention should be placed on those variables that may demotivate customers due to their low degree of satisfaction.

# 3.1 Service quality dimensions

In order to study the dimensions that integrate service quality in rural lodging units and entertainment services, it was decided to use a Principal Components Analysis (PCA). According to Reis (1990) it is necessary to respect certain requirements to apply this technique, namely Bartlett's sphericity test and Kaiser-Meyer-Olkin's (KMO) adaptation test.

The KMO adaptation test, that varies between 0 and 1, must always be larger than 0.5 (Reis, 1990) in order to validate the PCA results. The statistical results of the present work are interpreted according to presented in table 5.

In this research, as shown in table 6, we found values for the KMO test of 0.909 for rural lodging units and of 0.877 for entertainment services, which can be categorised as very good and good. In conclusion: the sample is adequate. Bartlett's sphericity test at the level of 0.000 allows us to conclude that there are strong correlations between the variables within each factor.

Table 5: Interpretation of Kaiser-Meyer-Olkin' statistics

KMO	Principal Components Analysis
0.90 – 1	Very Good
0.80 - 0.90	Good
0.70 - 0.80	Average
0.60 - 0.70	Mediocre
0.60 - 0.50	Poor
< 0.50	Unacceptable

Source: (Reis, 1990)

Table 6: Bartlett and KMO Tests

	Lodging	Entertainment
(Kaiser-Meyer-Olkin) adaptation Test	0.909	0.877
Bartlett's Sphericity Test (Chi-Square)	1567.512	1059.923
Sig.	0.000	0.000

The PCA analysis was exploratory in nature, without previous definition of the number of components/factors. In table 7 it is possible to observe the number of factors obtained after running the PCA using the Varimax method. This method facilitates the recognition of the variables weights for each component. The proportion of the variance explained by each one of the factors is distributed so that the differences between factors are maximised.

The exploratory factor analysis for the rural lodging services allowed three main factors to emerge, as shown in table 7, which explain 76.1 per cent of the total variance. Factor 1 is by far the most important of the three as it explains 65.5 per cent of the total variance. Factors 2 and 3 explain, respectively, 5.66 per cent and 5.02 per cent of the total variance. The internal consistency coefficients (Cronbach's alphas) of the three factors, shown in table 7, are always larger than 0.7, which assures a good internal consistency of each factor (Reis, 1990).

The same procedures were used to understand the factors related with entertainment services. After analyzing the main components, presented in table 8, it is possible to conclude that, as opposed to what happened in rural lodging units, the variables of the entertainment services are distributed by a larger number of factors.

Despite the existence of 5 factors, Factor 1 explains 47.12 per cent of the total variability of the sample and, for that reason, it is the most important one. The remaining factors present quite similar values to each other, varying between the 7.5 per cent and the 4.5 per cent.

According to Reis (1990), the internal consistency coefficients in the entertainment services are adequately high, oscillating between a maximum of 0.9 and a minimum of 0.78, as shown in table 8.

Table 7: Lodgings units' components

Variables	Factor 1	Factor 2	Factor 3
The employees provide a personalised service	0.882		
Employees willing to attend requests or complaints	0.817		
The service and employees are dependable	0.816		
The employees are well dressed and appear neat	0.801		
Adequate Employees' knowledge and performance	0.787		
Services according to what was promised	0.787		
Employees' technical knowledge is adequately	0.769		
The price charged is adequate	0.763		
Reliable firm's organisation and management	0.745		
Clients are informed about services timetables	0.718		
Service is provided according to what is defined	0.715		
Services provided take into account clients needs	0.704		
Service is correctly provided at the first time	0.700		
Working timetables are very convenient	0.680		
Employees perform duties accurately and promptly	0.662		
Activities are correctly planned	0.658		
Employees are sympathetic and reassuring	0.635		
Appealing promotional and advertising materials		0.908	
Accurate information		0.614	
Services tuned to purpose of visit		0.530	
Safety and hygiene condition are adequate			0.860
Comfort of facilities and equipment			0.703
Eigenvalue	14.41	1.22	1.10
Explained variance (%)	65.52	5.56	5.02
Crombach Alpha	0.976	0.706	0.757

Extraction Method: Principal Components Analysis. Rotation Method: Varimax with Kaiser Normalisation.

Clearly, the reduction of 22 variables to three or five factors, without loosing information, makes it easier for service providers and for data analysts to focus on the most important aspects of the service.

In order to facilitate the interpretation and use of data it was decided to name, with a specific designation, each of the factors. The choice of these designations must be related with the main characteristics or dimensions of the quality associated to each one of the obtained factors. Accordingly, and taking into account the outcomes of tables 7 and 8, it was decided to name de factors/dimensions as follows:

- In rural lodging units:
  - o Factor 1 Institutional and Personnel Attitude
  - o Factor 2 Informational and Promotional Contacts
  - o Factor 3 Physical Evidence of the Service

#### • In entertainment services:

- o Factor 1 Operations planning and consistency
- o Factor 2 Reliability
- o Factor 3 Time of accomplishment of the service
- o Factor 4 Responsiveness
- o Factor 5 Trustworthy

Table 8: Entertainments Services' components

Variables	Fac. 1	Fac. 2	Fac. 3	Fac. 4	Fac. 5
Promotional materials is visually appealing	0.748				
Adequate safety and hygiene condition	0.736				
Clients informed about services timetables	0.686				
Employees are accurate and prompt	0.640				
Activities are correctly planned	0.631				
Employees are sympathetic and reassuring	0.623				
Employees provide a personalised service	0.498				
Services are tuned to purpose of visit	0.467				
Employees attend requests or complaints		0.809			
Employees have the technical knowledge		0.758			
Reliable organisation and management		0.517			
Services according to promised			0.724		
Working timetables are very convenient			0.623		
Comfort of facilities and equipment			0.601		
The price charged is adequate			0.593		
Service is provided according definition			0.592		
All information provided are accurate				0.793	
Services provided respect client's needs				0.611	
Service correctly provided at the first time				0.535	
Service and employees are dependable					0.723
Employees well dressed and neat					0.629
Adequate knowledge and performance					0.491
Eigenvalue	10.367	1.655	1.314	1.136	1.000
Explained Variance (%)	47.122	7.525	5.972	5.163	4.547
Crombach Alpha	0.904	0.836	0.875	0.804	0.777

Extraction Method: Principal Components Analysis. Rotation Method: Varimax with Kaiser Normalisation.

One of the consequences of the outcomes is that it is not possible to compare the main factors influencing rural lodging units and entertainment services because they incorporate different variables. Nevertheless, one thing is clear: the two types of services have intrinsic differences due not only to their own specificities but also due to the target segment they serve

# 3.2 Service quality dimensions and satisfaction

The three factors pertaining to rural lodging unit and the five factors associated to entertainment services were submitted to a multiple regression analysis in order to asses the importance of each of those factors. In this analysis the general degree of satisfaction appears as the dependent variable while the factors obtained

through the PCA appear as independent variables, which will seek to explain how those factors explain the degree of satisfaction perceived by customers.

According to the results presented in table 9, it is possible to conclude that: a) all factors are relevant for the satisfaction of rural lodging units, b)institutional and personnel attitude is the factor that contributes the most ( $\beta$ =0.875) for the general degree of satisfaction, c) physical evidence is the less important of the three factors ( $\beta$ =0.347), and d) 80 per cent of the general degree of satisfaction of the services provided by rural lodging units can be explained by the three factors under analysis.

**Table 9:** Importance of the main factors in rural lodging units

	Coefficient β	t	Sig.
Constant	5.635	86.885	0.000
Institutional and Personnel Attitude	0.875	13.388	0.000
Informational and Promotional Contacts	0.347	5.310	0.000
Physical Evidence	0.402	6.144	0.000
R	0. 898		
$R^2$	0.806		
$R^2$ Adjusted	0. 796		

Dependent variable: degree of satisfaction

**Table 10:** Importance of the main factors in entertainment services

	Coefficient β	t	Sig.
Constant	6.204	112.318	0.000
Operations planning and consistency	0.316	5.712	0.000
Reliability	0.306	5.513	0.000
Services time of accomplishment	0.332	6.003	0.000
Responsiveness	0.210	3.790	0.000
Trustworthy	0.151	2.730	0.000
R	0.803		
$R^2$	0. 644		
R <sup>2</sup> Adjusted	0. 618		

Dependent variable: degree of satisfaction

The results for entertainment services are shown in table 10. Like in the previous output, all factors are relevant for the customer satisfaction in entertainment services, though time of accomplishment, reliability and operations planning and consistency are very important for the general degree of satisfaction of entertainment services users. Trustworthy ( $\beta$ =0.151) is the factor that influences satisfaction the least in entertainment services.

Differently from what happened in rural lodging units, in the case of entertainment services it is not possible to focus the attention in one main component/factor without compromising the general level of satisfaction because all five components play a relevant role.

Although the operations planning and consistency explain 47 per cent of the service quality variance in entertainment services it is the time of accomplishment that contribute the most for the general level of satisfaction. Moreover, as shown in table 10, there is no single factor with a clear and unquestionable preponderance explaining the customer satisfaction. As a consequence, we can conclude that none of the factors can be considered alone as it is difficult to identify the key(s) indispensable factor(s) from a managerial point of view.

#### CONCLUSIONS AND RECOMMENDATIONS

Several conclusions can be drawn from this study. Firstly, taking into account the customer's service quality perceptions of rural lodging units one can conclude that the three factors (institutional and personnel attitude, informational and promotional contacts and physical evidence of the service) explain 76 per cent of the service quality variance. Secondly, the same three factors explain 80 per cent of customer's satisfaction of rural lodging units, though institutional and personnel attitude is the most important one.

Thirdly, the costumer's service quality perceptions of entertainment services are explained by five components (operations planning and consistency, reliability, time of accomplishment of the service, responsiveness and trustworthy) that explain 70 per cent of the service quality variance. Fourthly, those five components of service quality perceptions explain 64 per cent of the customer's satisfaction of entertainment services. Fifthly, the results are totally reliable as the internal consistency of all measures is either good or very good.

When analyzing the main variables that compose the factors/components for both rural lodging units and entertainment services it is possible to recommend service providers to invest properly on human resources training to develop competencies and skills in order to satisfy customers as the most important variables are employee-related.

Seventhly, from the destination point of view, the service provided by both rural lodging units and entertainment services are composed by different important factors that are unique and perceived differently in each encounter. Thus, one can conclude that it is more appropriate to talk about services that influence the quality/satisfaction perception of a destination due to the different contexts and characteristics in which the service is provided.

Finally, one important aspect that deserves a closer scrutiny, especially from the destination point of view, is that it is necessary to implement two aspects concerning the demand for the Terra Quente Transmontana: firstly, to define the different motives/contexts of a rural destination (genuine authenticity of the rurality, the romantic component of the country side, willingness to avoid urbanity, typical gastronomy, historical patrimony, cultural events, sports events, entertainment events, etc.) and secondly to segment it according to the motivational, professional and behavioural demand. Only then it will be possible to:

- Explain how each service is perceived and influences the sense of satisfaction, according to the different segments;
- Not only assess the service provided, but also develop a benchmark tool for each service and for each segment;
- Develop a time series data set to assess tendencies of the perceptions of the group of segments;
- d) Analyze how the destination is perceived by those segments and develop new or corrective actions to increase the destination potential;
- e) Develop a cluster of tourist attractions that really differentiate the rural dimension of the Terra Quente Transmontana as tourist destination.

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