
Anestis Fotiadis

Business Administrator, Katerini / Greece

Chris VassiliadisUniversity of Macedonia

RURAL TOURISM SERVICE QUALITY IN GREECE

In this study we are trying to answer three important questions about rural tourism. First of all, what are the expectations of rural tourists? Secondly, is there a gap between the perceptions and expectations? And finally, which strategies should rural hosts follow to achieve the desirable level? A modified Importance – Performance Analysis model was used for a sample of 219 rural tourists. The gap between importance and performance was evaluated. The findings will be applied to improve service quality and it will serve as the basis for rural tourism stakeholders to improve their service strategies in response to customer needs.

Keywords: importance - performance analysis, quality, degree of satisfaction

Anestis Fotiadis, PhD¹

Business Administrator
Litochorou 29a
Katerini / Greece
00306977849268
anesfot@gmail.com

Chris Vassiliadis, PhD

Assistant Professor,
University of Macedonia,
156 Egnatia str., Thessaloniki 54 006, Greece,
chris@uom.gr

Dr. **Anestis K. Fotiadis** was appointed permanently a business administrator from the Ministry of health in its peripheral department in Larisa in April 2005. In November 2007 he was transferred in to the General Hospital of Katerini where he is responsible for the department of computer science. Besides being a public servant, he also works as a teacher in several organizations. Anestis Fotiadis publishes papers and contributes to books in areas including rural tourism, sustainable development, alternative tourism, intercultural communication, public policy, international travel, and tourism marketing.

Dr. **Chris A. Vassiliadis** is a member of the academic teaching and research staff of the Department of Business Administration of the University Macedonia in Thessaloniki, Greece. His research interests focus on the marketing of services and the management of tourist destinations. Also he is collaborating member of the Greek Open University in the unit of Business Administration and Organizations, and he is responsible for teaching the subject of Marketing II for Thessaloniki students. He is a member of Interdepartmental Program of the Postgraduate Study in Business Administration of the University of Macedonia.

¹ Corresponded author

Introduction

It has been proved that tourism can contribute to rural revitalization (Cai, 2002), therefore rural communities and entrepreneurs have started to organize and develop themselves on a marketing level. Rural communities and entrepreneurs were basically aiming at satisfied and loyal customers who revisit the territories (Vassiliadis, 2008). However, due to their limited power to attract tourists, small rural communities sometimes create an image of the destination which is not real and at the end disappoints the tourists (Vassiliadis et al., 2000a; 2006b). Effectiveness relates to the extent to which a service achieves the desired outcome. A significant factor for the improvement of customer satisfaction is the offering of quality services (Fotiadis, 2007; Fotiadis et al., 2008). Providing superior customer value and satisfaction are crucial to the competitiveness of an enterprise (Kotler and Armstrong, 1997; Weitz and Jap, 1995). Definitely, two primary factors of financial performance are service quality and customer satisfaction. Matzler et al., (2004) believe that customer satisfaction increases customer loyalty, cross-buying and positive comments and it reduces price sensitivity.

In our study we are trying to answer three important questions about the quality of services of rural tourism enterprises. First of all, which are the expectations of rural tourists? Secondly, is there a gap between the importance and the performance of a rural territory? And finally, which strategies should rural territories follow to achieve a desirable level of development?

Service Quality

Various methods have been employed in order to ascertain the quality of services. The popular “SERVQUAL” model (Parasuraman et al, 1988) has been used to measure five

dimensions of service quality. The five dimensions of the SERVQUAL model include: “tangibles” (the hardware infrastructure), “reliability” (the consistency of service as promised), “responsiveness” (the ability to update, adjust or customize the contents & delivery of the service), “assurance” (the capability of the service provider) and “empathy” (a caring and customer-centred environment). Many entrepreneurs and researchers have applied importance–performance analysis (IPA) in order to specify the critical performance factors in customer satisfaction (Enright and Newton, 2004; Zhang and Chow, 2004; Vassiliadis et al., 2006b).

Hansen and Bush (1999) pointed out that IPA is a simple and effective tool that can help entrepreneurs in identifying improvement priorities and direct quality-based marketing strategies. The entrepreneurs apply IPA to analyze two dimensions of customer attributes: performance level (satisfaction); and importance to customers. Then the analyses of these attributes are incorporated into a matrix which assists a company to establish the critical factors of customer satisfaction and, depending on these findings, to set improvement priorities, and identify areas of “possible overkill” and areas of “acceptable” disadvantage (Matzler et al., 2004). Unlike the SERVQUAL model, which is best defined as an absolute performance measure of consumer perceptions of service quality, the Importance-Performance model attempts to specify the importance attributed by consumers to the various quality criteria being assessed (Sampson and Showalter 1999).

Slack (1994) presented an IPA model which examined the correlation between importance and performance and claimed that the desired levels of performance for specific product attributes should be proportional to the importance of these attributes. Thus, importance is perceived as a reflection of the value of the various quality attributes to consumers. The aim is to identify which attributes are more effective in repeated purchase

behaviour and which are less effective. This information is useful for the organizations in developing their marketing strategies.

In the practical application of the IPA technique the first step is to identify the attributes related to the choice situation examined. After the specification of these attributes which need to be investigated, consumers are asked two questions. The one refers to the salience of the attributes and the other to the performance of the company in offering these attributes.

After the use of a central tendency e.g. mean, median or a rank-order measure, the importance and performance scores of the attribute are graded and classified into high or low categories; then by comparing these two sets of rankings, each attribute is set into one of the four quadrants of the importance-performance grid. Mean performance and importance scores are used as coordinates for plotting individual attributes on a two-dimensional matrix as shown in Figure 1. This matrix is used to suggest attributes for improvement and to guide the formation of strategies. As we can see in Figure 1, based on the value of Importance and the value of Performance, we place attribute in the importance – performance grid, where

□ Cell I. Keep Up the Good Work: It means that customers are more interested in the service items in this cell and show a high level of satisfaction. The items in this category are usually the main sources that constitute the product's basic strength.

□ Cell II. Focus Here: It means that customers are more interested in the service items in this cell, but they are not satisfied with the service performance. These service items are the obvious weak points of the product. The companies should concentrate on the items in this category and try to find solutions to the problems.

□ Cell III. Low Priority: It means that customers are less interested in the service items in this cell, and they are not satisfied by this service performance. The items in this cell seem to be less important, but a new solution may be able to change the customer's attitude.

□ Cell IV. Possible Overkill: It means that although customers are less interested in the service items in this cell, they are satisfied by this service performance. It probably means that companies over emphasize the role of these items.

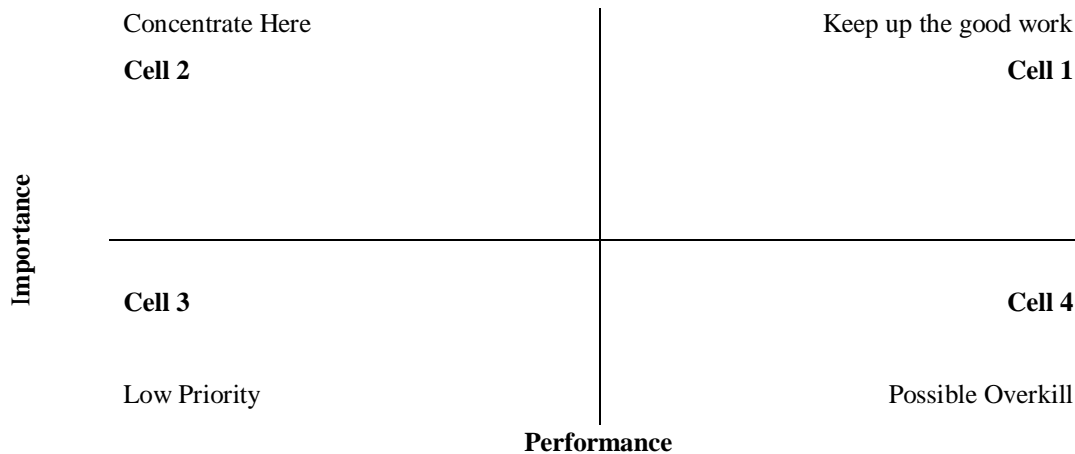


Figure 1. Importance - Performance grid

The understanding of the customer's attitude to a product is essential for the market analysis. In this way, the analysis can identify the factors that contribute to a greater degree of customer satisfaction, through the planning of effective marketing strategies (Engel, et al., 1993).

Case Study

This research uses the market of Pieria as the study case. Surveys were conducted at rural tourism areas in Pieria. The study was conducted from October 2008 until December 2008. We chose this period since according to Michalko and Fotiadis, 2006 this period is the high season for rural areas in the Pieria Prefecture. We developed a questionnaire which was distributed in order to collect relevant data for the study. Pieria is one of the fifty one prefectures of Greece. It is located on the south part of Macedonia (Central Macedonia) (Figure 2). The name "Pieria" comes from the ancient tribe and the ancient land of Pieris. Pieria is the home of Orpheus and of the Muses and Mount Olympus, the highest mountain in

Greece and the home of the Greek gods, rises on the south part of Pieria. The southern and the western part of Pieria are mountainous. On the contrary, the coastal part is an extended and fertile plain, which covers 40% of the prefecture's land. The ground of the prefecture is relatively poor in minerals; it is 36% lowlands, 17% mountainous areas and the rest is semi-mountainous. Three mountain chains end on the borders of Pieria: Olympus, Titarus and Pieria.



Figure 2. Map of Pieria

According to the “Hotel Guide of Greece” for 2002 which is published by the Hellenic Chamber of Hotels², the 221 out of the 315 hotels of Pieria, that is 70%, operate on a seasonal basis mainly between three to six months and only 94 of them (30%) seem to operate twelve months a year (we should emphasize that we considered as seasonal the accommodation without index). The intensity rate of the analogy of available tourist rooms per resident, is equal to twenty in Pieria (available rooms which correspond to each resident), and that's why tourism in this area is still developing under “industrial” type conditions and the area is classified in the areas of high tourism development.

² <http://www.grhotels.gr/>

The sample rate is based on the actual tourist volume in Pieria County during October, November and December of 2007. In order to identify the sample for our study, we used last year's data. According to Feng and Jeng (2005) if you desire to find the sample rate for an importance – performance analysis you have to use the following function:

$$n = N / N (2d/Za/2) + 1 \text{ (Feng and Jeng, 2005)}$$

(N= Population size, n= sample size, d=error)

Table 1. Arrivals and night stays of Customers in the Prefecture of Pieria October-December 2007.
Source: National Statistical Service of Greece

	Greek	Foreign	Total
October 2007	6,602	12,721	19,323
November 2007	10,414	1,498	11,912
December 2007	17,841	1,174	19,015
Total	34,857	15,393	50,250

According to the National Statistical Service of Greece between October and December 2007, 50,250 tourists stayed in Pieria (Table 1). Therefore, this study uses this specific volume as the assumed population size (N). Given the acceptable sample error $d=0.04$, the confidence level 95%, and assuming the population size is 50,250 the expected sample size is at least 97 tourists and we finally got 219 questionnaires, so we exceeded the necessary sample size.

The majority of the respondents were male (62.1%) and 37.90% were female (Table 2). Moreover, 48.9% of the total sample was at the age of 35-45, 30.4% at the age of 45-55. The educational level seems to be very high, since 47.95% possess a college or university degree, Most of the people who answered the questionnaire were public servants (36.53%), entrepreneurs (27.85%), a significant percentage of them were private employees (23.74%) and a very small percentage were pensioners (9.13%) and farmers (2.28%). As we can see in table 2 the overwhelming majority of the people questioned were domestic tourists and only 3.20% were foreign tourists.

Table 2. Demographic Characteristics of the Respondents

	N (Sample %)		N (Sample %)
Gender		Level of Education	
Male	136 (62.10%)	Elementary School	6 (2.74%)
Female	83 (37.90%)	High school	31 (14.16%)
Total	219 (100.00%)	Lyceum	77 (35.16%)
		College – University Degree	105 (47.95%)
Age		Total	219 (100.00%)
< 25	15 (6.85%)		
26-35	57 (26.03%)	Profession	Total
36-45	60 (27.40%)	Public Servant	80 (36.53%)
46-55	61 (27.85%)	Private Employee	52 (23.74%)
> 55	26 (11.87%)	Entrepreneur	61 (27.85%)
Total	219 (100.00%)	Farmer	5 (2.28%)
		Pensioner	20 (9.13%)
		Other	1 (0.46%)
		Total	219 (100.00%)
Country of Residence			
Greece	212 (96.80%)		
Other	7 (3.20%)		
Total	219 (100.00%)		

In our research we use 15 attributes which are the same for importance and performance. For the development of attributes we used articles related either to service quality in general or service quality specifically in rural accommodations. Thirteen of the fifteen attributes were adopted from the articles of Saez, Fuentes and Montes, 2007; Gopal et al., 2008; Wade and Eagles, 2003 Hall et al., 2005. The attributes "nightlife" and "shopping facilities" were added arbitrarily by the authors for two reasons. Firstly, because we realised that in previous research there were no surveys to investigate how important these two attributes were and secondly, because during our previous studies in the same area, we realized that nightlife and shopping facilities were highly developed in the examined rural areas.

In order to identify the Importance of rural tourism services in Pieria, we calculated the mean ratings of the answers. As presented in table 3 the 15 attributes of Pieria County had mean scores ranging from 3.37 to 4.25 indicates that the sample ranked these attributes between “neither important nor unimportant” and “very important”. The top three important

attributes were “Scenery/natural attractions (mean = 4.25)”, “Cost (mean = 4.07)”, “Friendliness of local people (mean = 4.01)”. Climate, accommodation and difference in customs and cultures have also significant importance for the rural tourist’s in the area.

Table 3. Mean ratings of importance and performance of attributes of Pieria County.

Attribute	Attribute Description	Mean Importance	Mean Performance
1	Accommodation Facilities	3.92	3.83
2	Climate	3.98	3.81
3	Cost	4.07	3.74
4	Difference customs / culture	3.92	3.84
5	Friendliness of local people	4.01	4.14
6	Historic sites	3.93	3.80
7	Transportation	3.87	3.69
8	Nightlife	3.37	3.98
9	Safety	3.80	4.03
10	Quality of food	3.81	3.96
11	Relaxing atmosphere	3.83	3.71
12	Scenery / natural attractions	4.25	3.82
13	Activities	3.89	3.92
14	Shopping facilities	3.47	3.51
15	Tourist information and support	3.91	3.87

On the other hand, “Nightlife (mean = 3.37)”, “Shopping facilities (mean = 3.47)” were rated as the two least important attributes. Through averaging the performance of the region we concluded the following: The mean ratings of performance range from 3.51 – 4.14. The sample gave the top ratings to “Friendliness of local people (mean = 4.14), “Safety (mean = 4.03), “nightlife (mean = 3.98) and “Quality of food (mean = 3.96). These four attributes were evaluated as good performance to very good performance. The sample gave the lower ratings to shopping facilities (mean = 3.51), transportation (mean = 3.69) and relaxing atmosphere (3.71).

Since we identified the importance and the performance for each one of the attributes for the tourists of the rural regions in Pieria, we placed the scores into an IPA grid. The results in Figure 3 show the IPA grid with attribute ratings of all sample. Among the 15 variables related to rural tourism service quality in Pieria County, seven attributes were located in “keep the good work” quadrant, indicating that the attributes were perceived to be

very important for tourists and at the same time the sample rated that Pieria County had a good performance.

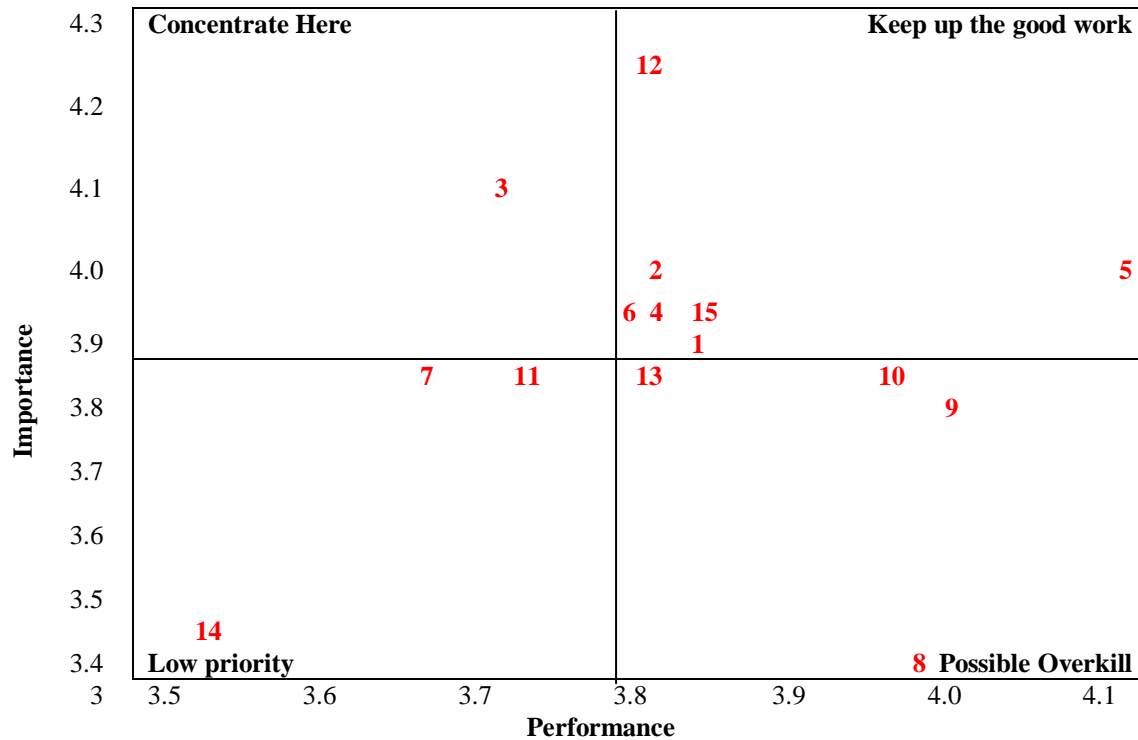


Figure 3. Importance – Performance Grid of Rural Tourism Services in Pieria County

These seven attributes are accommodation (1), climate (2), difference in customs (4), friendliness of local people (6), scenery – natural environment (12), tourist information and support (15). Rural tourism stakeholders in Pieria County should maintain the performance of these attributes, if they want to continue to provide quality services. Only cost (3), was firmly located on the “concentrate here” quadrant. Cost was very important for the tourists and visitors, but performance level was fairly low.

Three attributes fell into “low priority” quadrant. Those were transportation (7), Relaxing atmosphere (11) and shopping facilities (14). Performance was low in this attribute and importance, too. Four attributes were located in “possible overkill” quadrant, indicating that these attributes had low importance but high performance. These attributes were nightlife

(8), safety (9), quality of food (10) and activities (13). Six attributes were very close to entering a different quadrant. The authorities of the area undertake the necessary remedial measures which will improve the status of these attributes.

Table 4. Importance – Performance Gap in Pieria County

Attribute Description	Mean Importance Rating	Mean Performance Rating	Gap
Nightlife	3.37	3.98	0.61
Safety	3.8	4.03	0.23
Quality of food	3.81	3.96	0.15
Friendliness of local people	4.01	4.14	0.13
Shopping facilities	3.47	3.51	0.04
Activities	3.89	3.92	0.03
Tourist information and support	3.91	3.87	-0.04
Difference customs / culture	3.92	3.84	-0.08
Accommodation Facilities	3.92	3.83	-0.09
Relaxing atmosphere	3.83	3.71	-0.12
Historic sites	3.93	3.8	-0.13
Climate	3.98	3.81	-0.17
Transportation	3.87	3.69	-0.18
Cost	4.07	3.74	-0.33
Scenery / natural attractions	4.25	3.82	-0.43

As we can see in Table 4, scenery/natural attractions, cost and the friendliness of local people are the three most important components in quality service for the rural tourists of Pieria. Moreover, the analysis shows that the Prefecture of Pieria has a very good performance in friendliness of local people, safety and nightlife. Additionally, the importance-performance analysis has enabled us to answer our second question; whether there is a gap between importance and expectations. As we can observe in table 4 the greatest positive gap is in nightlife, safety and quality of food, while there is a negative gap in scenery – natural attraction, cost and transportation.

Conclusion

Excellent services to tourists strengthen existing customer loyalty and raise the prospect of attracting new tourists and create more revenue for the tourism development area (Saez, Fuentes and Montes, 1997). In this paper we examined rural tourism service quality in Greece by using as a case study the prefecture of Pieria. Regional surveys are useful in

providing a better understanding of rural tourism attitudes as they are related to community involvement and changes (Petrzelka et al., 2005). As a tool for our research we used a modified importance analysis based on 15 specific attributes, most of them collected from the literature and some that were added because of the characteristics of rural tourism in Greece. In this study we confirmed the results of other researchers (Deng, 2007; Gopal et al., 2008; Wade and Eagles, 2003; Hall et al., 2005) who have proved that factors such as cost, security, accommodation and quality of the food are very important for the development of rural tourism. We also answered three important questions about the quality of services of rural tourism enterprises.

In this study, the Importance-Performance attributes of a service quality were examined among tourists in Pieria. Through the application of the Importance-Performance tool, we managed to specify the attributes which are regarded as important by the tourists who visit Pieria. As we can see, for the rural tourists scenery/natural attractions, cost and friendliness of local people are the three most important components in quality service in a rural tourism area. Moreover, the analysis shows that the Prefecture of Pieria scores high in the friendliness of local people, safety and nightlife.

Additionally, the importance-performance analysis has enabled us to answer our second question; whether there is a gap between importance and expectations. As we can observe the greatest positive gap is in nightlife, safety and quality of food, while there is a negative gap in scenery/natural attraction, cost and transportation.

The various stakeholders of rural tourism should pay special attention to the issue of cost. Certainly, attributes such as transportation, scenery/natural attraction and climate should be considered as they have quite a large gap. Moreover, every year they should check whether the importance of attributes is stable or if it changes, so as to make decisions in

advance about the measures that will improve the performance of each of the factors that are considered important by tourists

One of the greatest limitations of tourism in the rural milieu has been the lack of marketing strategies and actions aimed at promoting and commercializing the products of this type of tourism and placing significance on the rural populations, their ways of living and their activities. In order for an endeavour in tourism in the rural milieu to be successful, the installation of local tourist agencies and operations is desirable. These in turn should bring more attention to all the available products, establish closer relationships with farmers, be more sensitive to the local potential and problems, and exploit different market niches adequately. “Rural economies are no longer agriculturally centred but are, to varying degrees, in transition to diversified, service – based economies” (Roberts and Hall, 2003 p. 261).

If rural tourism endeavours are to continue to act as catalysts for economic growth in the rural area, they must be properly marketed. Marketing is about sales, not just promotion and the tourism market is competitive and ever-changing. Rural tourism products are individual yet interdependent and also intangible and, therefore, require a specific marketing strategy.

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