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What are the Attractiveness Aspects that Influence Customer Loyalty to Homestays? A Study in Taiwan

(Apakah Faktor Daya Tarikan Homestay yang Mempengaruhi Kesetiaan Pelanggan? Satu Kajian di Taiwan)

Steven Toh Teong-Jin
(Knowles Electronics (M) Sdn Bhd, Penang)
Tan Cheng Ling
(Graduate School of Business, Universiti Sains Malaysia)
Yeo Sook Fern
(Faculty of Business, Multimedia University)

ABSTRACT

The purpose of this study is to investigate the direct relationship between perceived attractiveness aspects and customer loyalty. The perceived attractiveness aspects are operationalized into five dimensions, namely surroundings of the building and features; service quality; homestay facilities; homestay operation and management; and homestay geist and community co-prosperity. The hypotheses are postulated and tested using a sample of 566respondents that were homestay customers in Taiwan The data used in this study was collected via self-administered questionnaires The study employs the structural equation modeling (SEM) technique to test the validity of the proposed hypotheses via Smart-PLS software. The results show that only four out of five sub-hypotheses are supported. The conclusion of this study provides theoretical implications and practical implications, as well as suggestions for future studies either in Malaysia or Taiwan.

Keywords: Perceived attractiveness aspects; customer loyalty; service quality; consumer behavior; homestay; Taiwan

ABSTRAK

Tujuan kajian ini adalah untuk mengenal pasti kesan secara langsung bagi daya tarikan homestay terhadap kesetiaan pelanggan. Aspek daya tarikan homestay diukur menerusi lima dimensi iaitu persekitaran bangunan dan reka bentuknya, kualiti penyampaian perkhidmatan, kemudahan asas yang disediakan, kaedah operasi dan pengurusan homestay serta semangat kebersamaan dan kemakmuran masyarakat setempat. Kerangka kajian telah dibuat dan andaian telah diuji berdasarkan maklumat yang diperoleh daripada 566 responden yang merupakan pelanggan homestay di Taiwan. Borang soal selidik telah diurus secara kendiri oleh responden. Untuk menguji setiap andaian yang telah dibuat, teknik pemodelan persamaan berstruktur digunakan bagi mendapatkan jawapan yang diperlukan. Perisian Smart-PLS digunakan untuk menjalankan analisis statistik. Dapatan kajian menunjukkan bahawa terdapat empat daripada lima hipotesis dapat disokong dan satu hipotesis yang tidak disokong. Kajian ini memberikan implikasi kepada teori dan praktikal serta boleh guna pakai untuk kajian masa depan sama ada di Malaysia atau Taiwan.

Kata kunci: Aspek daya tarikan; kesetiaan pelanggan; kualiti perkhidmatan; gelagat pengguna; homestay; Taiwan

INTRODUCTION

Over the years, the Taiwanese economy has prospered at a rapid pace. The economic growth has resulted in Taiwanese people enjoying increased income and changes to their lifestyles. Due to the rapid development of Taiwanese society, the Taiwanese people are facing increased stress and pressure in their lives, as well as at work. As a result, Taiwanese people have started to attempt to find ways to relax their minds and bodies. Tourism is one of the most common ways that Taiwanese people attempt to relieve their tension. Additionally, the Taiwanese government initiated a policy of five (5) working days per week in 2001, which played a role in expanding the tourism industry in Taiwan (Lin 2008). Furthermore, the Taiwanese Government implemented new regulations pertaining reducing weekly working hours from 84 hours every two weeks to 40 hours per week (5 working days),

which further altered the lifestyles and recreation of Taiwanese citizens (Sun 2015).

Based on the Tourism Bureau, Republic of China (Taiwan) (2015), the number of foreign travelers to Taiwan increased from 2,248,117 people in 2003 to 9,910,204 people in 2014, indicating a 341% increase in tourism. Most tourists who visited Taiwan are from Mainland China, Japan and South East Asian countries, such as Malaysia, Singapore, Indonesia, and Thailand. Meanwhile, domestic travel in Taiwan has fluctuated over the years. The number of people travelling domestically in Taiwan increased from 106,278,000 people in 2002 to 96,197,000 people in 2008, increasing again to 152,268,000 people in 2011. The figures indicate an increase in domestic travel of approximately 28% between 2008 and 2011. However, the number of people travelling domestically decreased slightly to 142,615,000 people in 2013.

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The most fundamental needs of tourists who travel for more than two days are accommodation; and food and beverage. The expenses paid by tourists while travelling in Taiwan directly increase the Taiwanese gross domestic product (GDP). In 2011, the tourism industry contributed about TWD 6,363 hundred million to the GDP of Taiwan, representing an increment of 24% from 2010 (Tourism Bureau, Republic of China (Taiwan) 2013). In 2011, the accommodation industry and the food and beverage industry contributed TWD 298,931 million, which accounts for 2% of the total GDP of Taiwan, which amounted to TWD 13,674,346 million (National Statistics, Republic of China (Taiwan) 2012). The portion of the Taiwanese GDP that was contributed by the tourism industry has grown consistently, from TWD 204,743 million in 2003 to TWD 272,805 million in 2010 and TWD 298,931 million in 2011. The contribution of the accommodation industry, which includes hotels, motels and homestays, also increased. In 2010, the accommodation industry contributed TWD 272,805 million to the Taiwanese GDP of TWD 13,552,099 million, representing a 0.38% contribution to GDP by the accommodation industry. Meanwhile, in 2011, the accommodation industry contributed TWD 58,704 million to the total GDP of Taiwan (i.e., TWD 13,674,346 million), which represented 0.4% of Taiwanese GDP in that year 2011. Furthermore, the accommodation industry recorded a growth of about 14% between 2010 (i.e., TWD 272,805 million) and 2011 (i.e., TWD 58,704 million) (Tourism Bureau, Republic of China (Taiwan) 2013).

Among the variety of choices for accommodation, homestays play a significant role in the Taiwanese tourism industry. There are more than 4000 legal and illegal homestay facilities in Taiwan, which has led to the homestay business becoming increasingly competitive. The sustainability of business performance area has been widely examined out in various types of industrial settings, including the hotel industry (Bowen & Shoemaker, 1998); the hospitality industry (Gray, Matear & Matheson 2000); the manufacturing industry (Gunasekaran & Spalanzani 2012); supply chain management (Kannan & Tan 2005); and the tourism industry (Avci, Madanoglu & Okumus 2011). However, studies specifically examining the sustainability of homestay businesses via customer loyalty are still scarce in the context of Taiwan.

Extant studies examine the factors that influence customer loyalty in the hospitality industry (Tepeci 1999), which include external aspects, internal aspects and personal factors. External aspects are linked to the features and surroundings of the facility, which include homestay facilities, homestay geist and the community surrounding the homestay. Internal aspects are related to service quality; and the operation and management of a homestay. Meanwhile, personal factors are related to the perceptions of the customer, typically consisting of motivation, personality, emotion and personal experience (Lin 2008; Lin 2005; Liu 2007; Tsai 2010). Most extant research focuses on the examination of the personal factors associated with the customer and did not include

both internal and the external aspects. Therefore, the aim of the present study is to include both internal and external aspects as attractiveness aspects. Attractiveness aspects include elements that may retain customer loyalty among homestays in Taiwan and can refer to the surroundings of the building and features (Albaladejo-Pina & Díaz-Delfa 2009); service quality (Ekinci, Prokopaki & Cobanoglu 2003); homestay facilities (Torres & Kline 2006); homestay operation and management (Li 2010); and homestay geist and community co-prosperity (Lin 2008). The principal research objective of this study is to examine the direct relationship of perceived attractiveness aspects, (i.e., surroundings of building and features; service quality; homestay geist and community co-prosperity) with customer loyalty in the context of homestays in Taiwan.

The remaining parts of this paper are organized as follows. The second section consists of a literature review that presents the theoretical background of the study and hypotheses development. The third section describes the methodology, which is followed by a section presenting the results and analysis. Finally, the study concludes with a presentation of the findings, implications and limitations of this study.

LITERATURE REVIEW

HOMESTAY IN TAIWAN

"Homestay" is a new term in the Taiwanese tourism industry. A homestay is defined as a small sized hotel or motel (Tourism Bureau, Republic of China (Taiwan) 2013). Before Taiwan introduced regulations for the management of homestay facilities in 2001 (Tourism Bureau, Republic of China (Taiwan) 2013), "homestay" was defined by researchers in various ways. During the early stages of the homestay tourism industry in Taiwan, a homestay was located in a tourist hotspot area. The owners used the free space in rooms in a house, which was nicely decorated, to provide temporary accommodation for tourists. However, such types of homestays will not be able to compete with other homestay owners that are more creative. A homestay is not a professional and business type of hotel. The Taiwanese government expects that the homestay tourist industry will also help develop village areas and sustain the homestay program. Contemporarily, a homestay is defined as a form of holiday itinerary that involves a tourist coming to stay with a family and interacting with the local community (Amran 2010).

Typically, a homestay is located in a village with a natural environment, far from the city; and is managed as a side business at a cheaper rate. The homestay rate is reasonable because it is not equipped with superior facilities. A homestay only provides essential and well-maintained facilities in a safe area. The owners create a family-like feeling and, most importantly, know how to use the surrounding of natural environment, as well

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as local culture, as entertainment for tourists alongside providing accommodation. The study conducted by Hu, Wang and Wang (2010) concerning homestays in the context of Taiwan finds that if tourists from all over the world visit Taiwan and stay in homestays, hosts of homestays will expose their guests to the local culture. Hence, homestays play an essential role in marketing that can promote local economic development.

The attractiveness aspects of the homestay usually influence the tourist's intentions to revisit the same homestay. The intention to revisit may be influenced by promotional efforts on the part of the homestay owners that leads previous guests to recall memories about their stay at a homestay; and the dissemination of information concerning new attractions (Genaidy, Sequeira, Rinder & A-Rehim 2009). Hu et al. (2012) argues that most homestay aspects emphasize hardware, service quality, and exterior settings. However, upon further examination, another homestay aspect that should be emphasized is the nature and geist of the homestay, which includes the interaction between the homestay hosts and guests. Thus, Hu et al. (2012) utilize four homestay aspects in their study: surroundings of the building and features; homestay facilities; homestay operation and management; and homestay geist and community co-prosperity. McIntosh (2005) concludes that the desirable aspects of a homestay include the unique character of the homestay; a sense of familiarity with the accommodation provided; the standard of services offered; value-added natural environment surrounding the homestay; and whether the cultural traditions of the hosts are appealing. On the other hand, Morrison, Pearce, Moscardo, Nadkarni and O'Leary (1996) state that the uniqueness, character, and individuality of the physical surroundings, natural setting, ambiance and service provided by the owners set homestays apart from more traditional forms of accommodation. Some extant research (Albacete-Sáez, Mar Fuentes-Fuentes & Javier Lloréns-Montes 2007; Albaladejo-Pina & Díaz-Delfa 2009; Liu 2010) predicts that a homestay located within natural surroundings with intrinsic natural characteristics will attract tourists. Therefore, the development of rural areas should focus more on the uniqueness of local features and individual region style; and on the renewal and construction of the village (Liu 2010). Such steps will enable the residents to create simple, clean and indigenous accommodation that can provide an enjoyable stay for tourists (Liu 2010).

CUSTOMER LOYALTY

Customer loyalty is regarded as an essential condition of an effective business strategy; and an integral element in the relationships that make up the service profit chain (Heskett 2002). The exploration of customer loyalty has become a genuine strategic objective (McKercher, Denizci-Guillet & Ng 2012; Oliver 1999). Customer loyalty is important in the service sector, which includes the tourism industry and accommodation such as homestays, since customers perceive greater risks when selecting services relating

to accommodation (Kim & Choi 2003). Oliver (1997) defines customer loyalty as a deeply held commitment to re-purchase or re-patronize preferred goods or services consistently in the future, which results in repeated sales of the same brand or same brand set buying, despite situational influences and marketing efforts that have the potential of causing customer switching behavior. Oliver (1999) argues that four different phases of loyalty exist: cognitive loyalty; affective loyalty; conative loyalty; and action (behavioral) loyalty. Furthermore, Oliver (1999) argues that customers will be deeply committed to engaging in repurchases after going through the first 3 phases identified. On the other hand, most marketing research investigates only attitudinal or behavioral dimensions. Kandampully and Suhartanto (2000) explain that a loyal customer is a customer who repurchases the same goods or services from a provider whenever possible; who continues to recommend the good/service provider to other people; or maintains a positive attitude towards the service provider.

CONSUMER BEHAVIOR THEORY

The theory of consumer behavior makes strong assumptions about the informational bases of consumer behavior The core assumption is that consumer behavior is reasonably characterized as the maximization of the expected lifetime utility subject to a budget constraint and conditional on the available information (Graham & Isaac 2002). The theory is attractive among economists because it meshes well with traditional notions of economic rationality; is theoretically tractable; and generates predictions that are readily testable (Graham & Isaac 2002).

Consumer behavior theory emphasizes a positivistic approach toward decision-making, where consumers have all information necessary to make an informed decisions. However, scholars emphasize that consumers are not always in ideal situations where they have all necessary information during the evaluation stage (Burke 1990). According to Burke (1990), missing information and defined possibilities force the consumer, in many instances, to select other options. Customer loyalty consists of an attitudinal relationship that "attitude influences purchase only through intention" (Howard & Sheth 1969: 346). The major advantage and strength of this theory lies in the precision with which large numbers of variables have been linked in the working relationships to cover significant aspects of the purchase decision and the effective utilization of contribution from the behavioral sciences (Krishna Naik & Venugopal Reddy 1999). Additionally, consumer behavior theory deals with the perceived behavior of homestay guests when making a decision to revisit.

The present study argues that the attractiveness aspects of homestay will explain the perceived desirability of the guest to return to a homestay where they have previously visited. Thus, consumer behavior theory is applied to the framework of the present study with the

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purpose of linking the perceived attractiveness aspects of a homestay with customer loyalty. The decision of a customer concerning whether to revisit and repurchase a homestay service is depends upon the customer's perception of the attractiveness of the homestay.

PERCEIVED ATTRACTIVENESS ASPECTS OF A HOMESTAY

The attractiveness aspects of the homestay will influence a tourist's intentions to revisit a homestay. The service packages and facilities offered by a homestay determine its attractiveness to particular tourists in a given situation (Kim 1998). Wight (1997) finds that tourists generally choose the natural environment that they wish to experience in that area before they consider what type of accommodation they desire. Setting attributes refer to features provided in the location of a recreation activity, which consists of three elements: the natural environment; the society; and whether the surroundings of a homestay are well-maintained (Lin 2004). Different areas have different recreation activities based on their physical environment and respective natural characteristics (Lin 2004).

No official agencies exist for the purpose of evaluating and assessing standards relating to homestay facilities in Taiwan. Therefore, following a review of existing research, Yang (2003) identifies four elements for use in the examination of homestay facilities: overall homestay environment; maintenance of room and security facilities; operation management; and service management. However, according to Lian (2005), the dimensions of core services should include infrastructure; security; overall environment; service quality; a specialty of the natural environment; operations and management; and social activities. On the other hand, the study by Chien (2006) identifies other dimensions of a homestay, including the overall environment of a homestay; the facilities of a homestay; security at a been used in study.

The present study follows the approach taken by previous researchers by identifying the universal attractiveness aspects of the homestay that have been found to influence the customer loyalty. The attractiveness aspects examined in the present study include the surroundings of the building and features (Lin 2008); service quality (Chien 2006); homestay facilities (Chien 2006; Lin 2008); homestay operation and management (Lin 2008); and homestay geist and community coprosperity (Chien 2006).

Surroundings of the Building and Features Surroundings of the building and features are defined as relating to the entire exterior and interior design of the homestay (Hu et al. 2012). Local architectural features should be incorporated into the homestay. Additionally, the rural locality of the homestay can provide relaxation and accommodation in a rich natural environment and exposure to local culture (Liu 2010).

Service Quality Service quality refers to customer satisfaction with services provided by the homestay

owners or staff (Hu et al. 2012). In the hotel industry, service quality is often measured based on the specific dimensions of quality at the encounter level (Luo & Qu 2016). Excellent service quality will increase customer satisfaction and customer loyalty, which will, in turn, lead to customer retention (Ekinci et al. 2003). Service quality includes the ability to meet and to exceed customers' expectations (Antony, Antony & Ghosh 2004).

Homestay Facilities Homestay facilities are defined as the hardware of the homestay (Hu et al. 2012). Homestay facilities include parking space, safety and security. Parking space, which is perceived as a base station for traffic convenience or accessibility, is one of the factors that influence tourists to select a location where accommodation is sought (Chou, Hsu & Chen 2008; Sohrabi, Vanani, Tahmasebipur & Fazli 2012; Tzeng, Teng, Chen & Opricovic 2002). Safety and security include the presence of responsible security personnel; the availability of safety boxes in the homestay; and the reliability of fire alarms. Examples of safety facilities include electronic key cards; safe deposits; fire exits; smoke detectors; and 24-hour security personnel (Choi & Chu 2001).

Homestay Operation and Management Homestay operation and management refer to how the homestay proprietors manage, plan and design the rooms and surroundings, as well as how they protect the customers' lodging privacy and their safety (Hu et al. 2012). A customer will be influenced to revisit a homestay in the future if the customer is satisfied with the housekeeping at the homestay; the cleanliness of the rooms; the cost of accommodation in relation to the services received; the friendliness of the staff; and the perceived security of the property.

Homestay Geist and Community Co-prosperity Homestay geist and community co-prosperity refers to the way the homestay proprietors operate and manage a homestay; and whether the homestay owners are engaged in efforts to make positive contributions to the local economy (Hu et al. 2012). Communication between the staff at a homestay and the guests at a homestay may include information concerning the host's private life; the general experiences of the host; and the experiences of the guests (Nilsson 2001). A good relationship between the staff of a homestay and guests of a homestay is a non-commercial form of tourism and such a relationship will ensure that tourists enjoy their interactions with the staff at a homestay

THE RELATIONSHIP BETWEEN ATTRACTIVENESS ASPECTS OF HOMESTAY AND CUSTOMER LOYALTY

First-time tourists will visit a destination as an outcome of the diffusion process of the surroundings from their respective societies or members of their societies. No matter whether they are the laggards or the early adopters, customers are considered adopters of a destination's opening innovation (Um 1997). Um (1997) states that repeat customers are the adopters of management

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innovations implemented by marketers following the opening of a business, including special events; the development of new attractions; and other promotions, such as marketing strategies.

Reichheld (2003) defines loyalty as the repetition of the buying behavior of customers due to the price; change costs; indifference; or inertia. Velazquez, Saura and Molina (2011) opine that the multidimensional nature of loyalty includes the general acceptance of some attitudinal components, such as customers willingness to purchase the service. However, most extant research only applies the attitude loyalty measurement (Dimitriades 2006; Pritchard & Howard 1997; van Birgelen, de Jong & de Ruyter 2006; Yüksel & Yüksel 2007). Following a review of extant studies employing loyalty measurements, Rundle-Thiele (2005) finds that the most common used indicator is word-of-mouth, which is followed by repeat purchase intention. Many service organizations recommend wordof-mouth as a good indicator of customer loyalty; and word-of-mouth has a high capacity for increasing over time (Reichheld 2003).

Small businesses are often characterized by limited cash flow; consisting of multitasking jobs for the staff or owner; and disreputable administration (Spence 1999; Thomas, Shaw & Page 2011), as well as the existence of a strong relationship between the owner or manager and the organization (McCartan-Quinn & Carson 2003). Therefore, it is imperative to note that background origins and particular characteristics of small businesses should be considered when examining the antecedents of loyalty in the context of rural hospitality enterprises. Reichheld and Sasser (1990) were the first researchers to examine the benefits of an extended relationship with a customer, which include increased revenues from the repeated buying of common goods or services; and buying new products and services. Loyal customers may be less costly to serve than those who have not been trained on how to purchase the goods or service from the suppliers.

THE RELATIONSHIP BETWEEN SURROUNDINGS OF THE BUILDING AND FEATURES AND CUSTOMER LOYALTY

Albaladejo-Pina and Díaz-Delfa (2009) argue that, from the perspective of a tourist, rural houses will be more appealing if they are located within natural surroundings and the intrinsic rural features present in the surrounding of a rural house. However, other factors are also considered when tourists select accommodation, including facilities; whether the rooms are well-maintained; and the surroundings of the homestay. Evaluating tourist preference based on such factors is an important tool for defining and developing strategies to be adopted in the marketing strategy of a homestay. The development of such strategies will result in desirable improvements at the homestay, thereby attracting a greater number of guests (Albaladejo-Pina & Díaz-Delfa 2009).

A homestay tourism industry that can provide the values of a village is appreciated for beauty associated with the diverse, unique and natural environment and landscape

of that area (Liu 2010). Liu (2010) argues that rural area development should be emphasized on preserving the unique local features and individual regional style by redesigning the village and the construction of residential areas in the community. This will help the residents to be able to create simple, clean, and indigenous accommodation that can enable tourists to enjoy the beautiful countryside surroundings (Liu 2010).

Facility ambience is one of the important dimensions associated with the surroundings of building and features in the hospitality industry. Researchers note that facility ambience is a significant factor in increasing customer loyalty. Suh, Moon, Han and Ham (2014) find that, it is critical to study the impact of the ambient conditions of a building on customer loyalty in order to enhance the relationship between a guest and a hotel. Suh et al. (2014) also argue that surrounding smells and ambience contribute to creating a desire among customers to utilize the facilities on a more frequent basis.

The operational emphasis is on a small or individual based organization that aims to maximize profits by meeting the expectations of eco-tourists through strategic design; location; and the quality of the natural surroundings (Albacete-Sáez et al. 2007). The local natural environment is the significant attraction for most tourists and increases the probability that tourists will revisit (Albacete-Sáez et al. 2007). Hence, it is expected that the surroundings of the building and features will influence customer loyalty to the homestay. Thus, the following hypothesis is developed:

H₁ The surroundings of the building and features positively influences customer loyalty.

THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER LOYALTY

In recent years, service quality has received a lot of attention in the service industry because of practical implications, such as consumer satisfaction and word of mouth, that may positively impact such businesses (Ingram 1996). Parasuraman, Zeithaml and Bery (1985) propose an SERVQUAL model that provides a method to measure and manage service quality. In their original publication, Parasuraman et al. (1985) state that the dimensions of the SERVQUAL variable include reliability; responsiveness; competence; access; courtesy; communication; credibility; security; understanding or knowing the customer; and tangibles. The original model was later modified to consist of only five dimensions: reliability; responsiveness; assurance; empathy; and tangibles (Parasuraman, Zeithaml & Berry 1988). The later SERVQUAL model is widely employed in extant studies, such as Akbaba (2006), Al-Borie and Damanhouri (2013), Antony et al. (2004), Butt and Cyril de Run (2010), Buttle (1995), Ekinci et al. (2003), Garrard and Narayan (2013), Hartono and Raharjo (2015), Ingram and Daskalakis (1999), Li et al. (2015), Nair and Choudhary (2016), Parasuraman et al. (1991), Purcărea, Gheorghe and Petrescu (2013), Seth, Deshmukh

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and Vrat (2005), Wong, Dean and White (1999), and Wong and Sohal (2003).

Alongside the SERVQUAL model, some researchers employ other measurements to assess service quality when service quality is conceptualized as a single dimension. The present study adapts a single dimension approach to the measurement of service quality from Hu et al. (2012).

Service quality is viewed as a valuable tool to increase the market share and competitiveness of hospitality organizations (Ingram & Daskalakis 1999). Kitapci, Dortyol, Yaman, and Gulmez (2013) conclude that service quality dimensions are important antecedents of customer satisfaction, which, in turn, affects customer loyalty. It is important for hotel operators to understand customers' perceptions of the service quality offered as this may enhance customer loyalty and profitability (Rauch et al. 2015). Therefore, the present study conceptualizes service quality as one of the dimensions of perceived attractiveness aspects that exerts influence on customer loyalty in relation to a homestay. The hypothesis is developed:

H₂ Service quality positively influences customer loyalty.

THE RELATIONSHIP BETWEEN HOMESTAY FACILITIES AND CUSTOMER LOYALTY

Homestay facilities should generally include parking spaces, safety and security. Vital considerations on the part of the customer in regards to revisiting a homestay include whether the rooms are well-maintained and clean; whether the homestay environment is safe and secure; and whether the staff are friendly and courteous (Tsaur, Chiu & Huang 2002). Torres and Kline (2006) state that accommodation facilities are crucial to achieve customer satisfaction that will bring customer loyalty. Without adequate facilities, the customers can be quickly dissatisfied, which will affect customer loyalty. Ostrowski, O'Brien, and Gordon (1993) find that important factors determining customer loyalty include the image of the location; employee attitudes; facilities; and the services provided with accommodation. Additional factors that influence customer loyalty include facilities; hygiene; staff attitude (Emir & Pasaoglu 2013); find that housekeeping services; reception services; food and beverage; and personalized services of trained hotel personnel (Liat, Mansori & Huei 2014). Based on the above discussion, if a homestay facility is clean, safe, and secure, then it will undoubtedly become the choice of the customers when they revisit the place, which will, in turn, increase customer loyalty to the homestay. Thus, following hypothesis is developed:

H₃ Homestay facilities positively influence customer loyalty.

THE RELATIONSHIP BETWEEN HOMESTAY OPERATION AND MANAGEMENT AND CUSTOMER LOYALTY

Operation management in the management processes of any organization plays an important role in affecting customer satisfaction and performance (Hope 2004). Extant studies find that operation management in the service industry affects customer satisfaction (Sit et al. 2009). Operation management in the service industry includes taking corrective actions against failures; using tools to assist quality; establishing standard operating procedures; and implementing planned maintenance (Hope 2004; Kandampully & Menguc 2000; Lagrosen & Lagrosen 2003). The implementation of such practices should be considered in order to satisfy customers, which will lead to increased performance and the ability to survive in a competitive market environment. Li (2010) finds a positive correlation exists between homestay operation and management; and customer loyalty. If a homestay operation is well managed, planned and designed, the possibility of the customer to revisit is high (Hu et al. 2012). Wuest, Tas and Emenheiser (1996) define the perception of the operations and management of a hotel or motel as the degree to which tourists prefer the services and facilities provided according to their satisfaction. A study by Khan, Garg and Rahman (2015) confirm that every touch point (from searching for a room to checking out) with an organization is an important factor in customer evaluation, which is not simply based on service encounters alone. By providing pleasurable experiences to customers in the hospitality industry, customer satisfaction and customer revisit intention may be enhanced. A homestay that has good management and customer service is typically characterized by several elements, including courteous and helpful staff; positive employee attitudes; good reputation; and room types other than 'standard'. Such elements are essential attributes relating to tourist preferences when seeking accommodation at a homestay. Therefore, the following hypothesis is developed:

H₄ Homestay operation and management positively influence customer loyalty.

THE RELATIONSHIP BETWEEN HOMESTAY GEIST AND COMMUNITY CO-PROSPERITY AND CUSTOMER LOYALTY

Homestay proprietors manage homestay operations in person; frequently interact with the guests; and run the homestay business with an intention to the economic prosperity of the community in which the homestay is located (Hu et al. 2012). The level of interaction between homestay hosts and guests should be enhanced, such as by assisting with the travel plans of guests so that the interaction will create a good impression and enhance the revisit intention of guests. Additionally, a government could work with its local communities to form "homestay villages," which would be help encourage local economic development (Hu et al. 2012). Lin (2008) finds that factors relating to homestay geist and community co-prosperity influence a customer's intention to revisit a particular homestay, including the provision of information about the attractions in the area surrounding the homestay to guests; arranging local experiential activities; and

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providing local food. Such factors are influential because homestay geist and community co-prosperity are the core values of homestay enterprises. Tsai (2010) also notes that promoting and preserving local cultural resources are important factors in establishing customer loyalty (Tsai 2010). One factor that encourages tourists to choose a particular homestay is the possibility for exposure to different traditional cultures tby engaging in activities with host families (Agyeiwaah 2013). Dortyol, Varinli and Kitapci (2014) find that the most influential dimensions in a customer's intention to revisit are tangibles; interaction with the local culture; and cost of accommodation. Wu and Zheng (2014) posit that the more attractive the activities offered in the Anping Disctrict of Tainan City, the more loyal visitors are to the area. Hence, the final hypothesis developed is as follows:

H₅ Homestay geist and community co-prosperity positively influence customer loyalty.

RESEARCH METHODOLOGY

SAMPLE AND DATA COLLECTION PROCEDURE

The respondents of this study were tourists or customers that accepted accommodation in a homestay. To avoid complications, two respondents (i.e., tourists or customers) were selected from each homestay to participate in answering questionnaires. The stratified

random sampling technique is employed in the present study, which categorizes the population on the basis of the localities in which homestays are present. Then, the random sampling technique is performed to select 10% of the legal homestays (i.e., homestays registered with local authorities) present in each county for the purpose of questionnaire distribution. A total of 400 homestays (10% from the total of legal homestays) are located in 19 cities/counties, which were sampled based on the list of homestays in Taiwan published by the Tourism Bureau, M.O.T.C. Republic of China (2013). Table 1 presents the population and sample size from each county in Taiwan.

The questionnaire packets were personally delivered or mailed to the homestay owners. Each package contained two questionnaires that were then distributed to the tourists or customers by the homestay owners. Three weeks were allowed to the homestay owners to collect the questionnaires from their customers. Once all assigned questionnaires were collected, the homestay owner returned them via post. In the end, 566 questionnaires were returned from 283 homestays within a two-month period. All completed questionnaires were found to be usable and subsequently analyzed.

MEASURE AND ANALYSIS

In this study, customer loyalty is assessed in relation to four items adapted from Kayaman and Arasli (2007) since the measurements adapted are frequently applied

TABLE 1. Population and sample size from each county in Taiwan

No.	County	Population of Homestays	Sample Size of Legal Homestays
1	New Taipei City	149	15
2	Taichung City	62	6
3	Tainan City	70	8
4	Kaohsiung City	55	7
5	Yilan County	784	75
6	Taoyuan County	22	3
7	Hsinchu County	55	5
8	Miaoli County	214	20
9	Changhua County	21	2
10	Nantou County	505	50
11	Yunlin County	59	6
12	Chiayi County	111	10
13	Pingtung County	149	15
14	Taitung County	505	50
15	Hualien County	932	90
16	Penghu County	237	23
17	Keelung County	1	0
18	Jinmen County	117	11
19	Lianjiang County	39	4
	Total	4087	400

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in the hospitality industry. Meanwhile, the measurements of the perceived attractiveness aspects of homestays are adapted from Hu et al. (2012), where 7 items are utilized to measure the surroundings of the building and features; 4 items are utilized to gauge service quality; 5 items are utilized to measure homestay facilities; 8 items are utilized to measure homestay operation and management;

and 6 items are utilized to measure homestay geist and community co-prosperity. The measurements are adapted from Hu et al. (2012) because the measurements are applied in a homestay context. The responses are based on a five-point Likert scale ("1" = "strongly disagree" to "5 = "strongly agree"). Table 2 presents the measurement items used in this research.

TABLE 2. Measurement items of the study

Variables	Items
Customer Loyalty	I usually use this homestay as my first choice compared to another homestay I am satisfied to the visit of this homestay I would recommend this homestay to others I would not switch to another homestay the next time
Surroundings of the Building and Features	The homestay used nature ventilation sufficiently The homestay used to utilize plenty natural light The homestay used to use non-toxic paint The homestay used to maintain the land's vitality and good condition in the process of design and construction The homestay used to incorporate the local heritage and landscape elements into design The homestay used to the beautification and uniqueness of the interior design The homestay used to greenization and uniqueness of the garden design
Service Quality	The homestay provides service attitude (reception service, to treat lodgers with voice of the customers) The homestay provides pick-up service (offering free pick-up service) The homestay provides information service (local hot spot, tour route planning) The homestay provides catering service and quality (the hosts prepare diversified breakfast in person, freshness of ingredients)
Homestay Facilities	The homestay provides cooking facilities (kitchen) The homestay provides parking space The homestay provides safety facilities (Emergency lighting setting. Fire prevention settings) The homestay provides medical aid (first-aid box) The homestay provides room settings
Homestay Operation and Management	The homestay is room tidiness The homestay is room coziness The homestay is room privacy The homestay is safety (lodger insurance and room safety) The homestay is room themes and features, for instance, oceanic themes The homestay is homestay features (Aboriginal culture) The homestay is overall ambiance forming The homestay is overall tidiness and hygiene
Homestay Geist and Community Co-Prosperity	The host degree of interaction between hosts and lodgers The host provides guiding services The host provides arranging local experiential activities and food The host provides contribution for living quality of local community The host provides initiating preserving actions toward local resources The host provides promoting and preserving local cultural resources

The structural equation modeling (SEM) technique is employed to test the five hypotheses. The Smart-PLS Version 3 analysis tool is used to analyze the data. The SEM technique is a second generation technique that is widely applied in contemporary studies to overcome the limitations associated with first-generation techniques, such as regression. The SEM technique allows researchers to include unobservable variables measured by indicators. Furthermore, the technique enables accounting for

measurement errors among the observed variables (Chin 1998), which cannot be performed using first generation techniques.

Based on Hair, Ringle and Sarstedt (2011), the analysis of a research model entails two stages of assessments. The first step involves the evaluation of the measurement model, which aims to assess the reliability and validity of the model. The second phase involves the evaluation of the structural model, which evaluates the

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significance of the proposed relationships and estimates the amount of variance explained.

RESULTS

DATA ANALYSIS

The data collected for the present study are obtained via self-reported survey, therefore, the possibility exists that common method variance is present. Harman's single factor test is a common approach to detecting common method variance and is employed in the present study. All of the principal constructs are entered into a principal component factor analysis (Podsakoff & Organ 1986). If a single factor emerges from the factor analysis or one general factor accounts for the majority of the covariance among the measures (Podsakoff, MacKenzie, Lee & Podsakoff 2003), then evidence of common method bias exists. The second method employed in the present study involves determining the existence of method bias through the use of a correlation matrix. If any of the correlations (r) are larger 0.90, then method bias exists (Bagozzi, Yi & Philipps 1991). The factor analysis in the present study is performed without rotation using SPSS software and indicates that six factors explain 63.36% of the variance. The first factor explained 30.46% of the variance, which does not account for the majority of the covariance among the measures and indicates that method bias is not a significant issue in the present study. As shown in Table 4, the inter-correlations did not indicate a value of 0.9 or above. Therefore, the results of both tests indicate that method bias is not a serious concern in this study.

Multicollinearity can be detected by examining tolerances and variance inflation factor (VIF) values. A tolerance value of 1 indicates that a variable is not correlated with others, while a value of 0 indicates that a variable is perfectly correlated. Similarly, a VIF value of more than 2 indicates a close correlation, while a value approaching 1 indicates little or no association (Hair et al. 2006). The collinearity statistics show that the tolerances for the predictors were well above the threshold value of 0.10, which tally to VIF values of less than 10 (Hair et al. 2006). The results suggest that the interpretation of the regression coefficients should not be adversely affected by multicollinearity. As shown in Table 3, no problems

TABLE 3. Coefficients

		Collinearity	Statistics
Model		Tolerance	VIF
1	SURR	0.51	1.95
	SQ	0.42	2.41
	HF	0.52	1.91
	OM	0.35	2.89
	CO	0.39	2.60

Note: CL is the dependent Variable

relating to multicollinearity exist since the tolerance values range between 0.35 and 0.54; and VIF values are between 1.91 and 2.89. All VIF values fall well below the standard cut-off level at 10.

SAMPLE PROFILE

The majority of the participating homestays are from Hualien County (21.9%), Pingtung County (17.0%), Yilan County (12.7%) and Nantou County (11.0%). Most of the participating homestays are from Hualien County (21.9%), Pingtung County (17.0%), Yilan County (12.7%) and Nantou County (11.0%) because these four locations are endowed with a higher number of homestays. Most of the respondents stayed in their respective homestays with family members or relatives (45.4%) and friends or colleague (33.4%). Some respondents stayed in the homestay because of a company trip or school club activity (13.8%). A minority of them came alone (7.2%) and while on a tour (0.02%). Most of the respondents are comfortable with homestay rates in the range of NTD\$ 501 to NTD\$ 800 per night (30.2%), followed by NTD\$ 801-1100 (27.0%); NTD\$ 1101-1400 (23%); and NTD\$ 1401-1700 (11.1%). Very few respondents are comfortable with homestay rates that are less than NTD\$ 500 per night (7.1%) and greater than NTD\$ 1701 per night (7.6%).

MEASUREMENT MODEL RESULTS

Overall, the item loadings range from 0.621 to 0.838, which fulfills the 0.70 minimum cut-off value (Chin 1998). The convergent validity of the model is verified using average variance extracted (AVE), which is the grand mean value of the square loadings of the indicators associated with the construct. The AVE of most of the variables are lower than 0.5, including homestay facilities (HF); homestay geist and community co-prosperity (CO); service quality (SQ); homestay operation and management (OM); and the surroundings of the building and features (SURR). Several items with low loadings are deleted, namely HF1 (0.368); HF2 (0.631); HF3 (0.619); CO5 (0.611); CO6 (0.604); OM5 (0.616); OM6 (0.618); OM7 (0.565); OM8 (0.517); and SQ1 (0.588). Following the deletion of the aforementioned items with low loadings, the AVE of this study ranges from 0.516 to 0.672; and all constructs exceeded the 0.50 threshold (Hair, Hult, Ringle & Sarstedt 2013).

Composite reliability is preferred over Cronbach's alpha since the former is not influenced by the number of items in each scale; and uses item loadings extracted from the casual model analyzed. The results of the composite reliability (CR) analysis, which range from 0.777 to 0.891, exceeded the 0.70 ceiling value (Henseler, Ringle & Sinkovics 2009). The results provide evidence that the measurement model is reliable and has adequate convergent validity.

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TABLE 4. Items loadings, composite reliability, and the average variance extracted for the measurement model

Construct	Question Items	Loadings	AVE	Composite Reliability
Customer Loyalty	CL1	0.837	0.672	0.891
	CL2	0.812		
	CL3	0.874		
	CL4	0.751		
Homestay Geist and Community Co-Prosperity	CO1	0.703	0.532	0.818
	CO2	0.819		
	CO3	0.760		
	CO4	0.622		
Homestay Facilities	HF4	0.785	0.651	0.789
	HF5	0.828		
Homestay Operation and Management	OM1	0.774	0.516	0.840
	OM2	0.826		
	OM3	0.679		
	OM4	0.702		
	OM5	0.588		
Service Quality	SQ2	0.749	0.538	0.777
	SQ3	0.745		
	SQ4	0.705		
Surroundings of the Building and Features	SURR1	0.838	0.534	0.819
	SURR2	0.728		
	SURR3	0.720		
	SURR4	0.621		

Table 5 shows that the square root of the AVE values (diagonal values) are greater than the correlations between constructs (off-diagonal values), which provides sufficient support for discriminant validity at the construct level (Fornell & Lacker 1981). However, Henseler, Ringle and Sarstedt (2015) argue that the Fornell-Lacker (1981) criterion is not reliable when attempting to detect a lack of discriminant validity. Henseler, Ringle and Sarstedt (2015) propose another method that utilizes the heterotrait-monotrait (HTMT) ratio of correlations to assess discriminant validity. The present study adopts the newly suggested approach to test for discriminant validity. There are two approaches of employing the HTMT to test the discriminant validity, namely as a criterion, or as a statistical test. Based on the first approach, if the HTMT value s does not exceed the HTMT 85 value of 0.85 (Kline, 2011) or $\mathsf{HTMT}_{.90}$ value of 0.90 (Gold, Malhotra & Segars 2001), then the discriminant validity is adequate. The second approach is to test the null hypothesis (H_0 : HTMT \geq 1) against the alternative hypothesis (H₁: HTMT < 1). If the results show that a confidence interval contains a value of 1 (i.e. H₀ holds), this indicates a lack of discriminant validity. The results presented in Table 6 show that the values of all constructs meet the $\operatorname{HTMT}_{.85}$ and $\operatorname{HTMT}_{.90}$ requirements associated with the first approach to HTMT ratios. Additionally, the $\operatorname{HTMT}_{\operatorname{inference}}$ indicates that the confidence interval does not show a value of 1 on any construct. The results, as a whole, indicate that discriminant validity has been ascertained.

TABLE 5. Discriminant validity of constructs

	CL	CO	HF	OM	SQ	SURR
CL	0.820					
CO	0.687	0.729				
HF	0.468	0.505	0.807			
OM	0.657	0.645	0.449	0.718		
SQ	0.564	0.639	0.345	0.653	0.733	
SURR	0.610	0.623	0.375	0.641	0.561	0.731

Note: Diagonals (in bold) represent the squared roof of average variance extracted (AVE) while the others entries represent the correlations. CL=Customer Loyalty, CO=Homestay Geist and Community Co-Prosperity, HF=Homestay Facilities, OM=Homestay Operation and Management, SQ=Service Quality, and SURR=Surroundings of the Building and Features

As depicted in Table 7, all items loaded highly in relation to their respective constructs and low in relation to other constructs, which provides sufficient support regarding convergent validity at the item level as suggested by Chin (1998).

STRUCTURAL MODEL RESULTS

The next step involves assessing the structural model using a bootstrapping procedure. The structural model represents the causal relationship between the latent construct in the inner model. Bootstrapping is a resampling technique that draws a large number of subsamples from the original data with replacement and estimates models for each

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TABLE 6. Heterotrait-Monotrait (HTMT)

	CL	CO	HF	OM	SQ	SURR
CL						
	0.748					
CO	CI ₉₀ (0.744, 0.894)					
	0.765	0.765				
HF	CI _{.90} (0.667, 0.865)	CI ₉₀ (0.678, 0.900)				
	0.799	0.785	0.734			
OM	CI ₉₀ (0.746, 0.845)	$CI_{90}(0.738, 0.832)$	CI ₉₀ (0.640, 0.830)			
	0.798	0.799	0.667	0.725		
SQ	$CI_{90}(0.737, 0.867)$	CI ₉₀ (0.747, 0.874)	$CI_{90}(0.569, 0.798)$	CI ₉₀ (0.667, 0.884)		
	0.766	0.774	0.646	0.778	0.796	
SURR	CI _{.90} (0.708, 0.816)	CI _{.90} (0.718, 0.834)	CI ₉₀ (0.551, 0.762)	CI _{.90} (0.723, 0.823)	CI _{.90} (0.723, 0.868)	

Note: CL=Customer Loyalty, CO=Homestay Geist and Community Co-Prosperity, HF=Homestay Facilities, OM=Homestay Operation and Management, SQ=Service Quality, and SURR= Surroundings of the Building and Features. *CI.90(lower bound of confidence interval, upper bound of confidence interval)

TABLE 7. Loadings and cross-loadings for the measurement model

	CL	CO	HF	OM	SQ	SURR
CL1	0.837	0.616	0.364	0.551	0.534	0.559
CL2	0.812	0.538	0.407	0.578	0.429	0.490
CL3	0.874	0.570	0.429	0.563	0.461	0.532
CL4	0.751	0.524	0.332	0.454	0.418	0.406
CO1	0.420	0.703	0.345	0.489	0.427	0.486
CO2	0.582	0.819	0.436	0.476	0.458	0.533
CO3	0.519	0.760	0.326	0.335	0.446	0.419
CO4	0.462	0.622	0.359	0.608	0.543	0.376
HF4	0.358	0.364	0.785	0.350	0.227	0.313
HF5	0.396	0.448	0.828	0.373	0.326	0.293
OM1	0.536	0.493	0.345	0.774	0.439	0.509
OM2	0.597	0.559	0.405	0.826	0.496	0.526
OM3	0.406	0.471	0.366	0.679	0.470	0.396
OM4	0.415	0.417	0.297	0.702	0.463	0.493
OM5	0.351	0.348	0.159	0.588	0.524	0.357
SQ2	0.464	0.465	0.207	0.354	0.749	0.386
SQ3	0.403	0.527	0.327	0.556	0.745	0.421
SQ4	0.362	0.409	0.231	0.557	0.705	0.435
SURR1	0.576	0.552	0.347	0.478	0.436	0.838
SURR2	0.394	0.489	0.296	0.463	0.419	0.728
SURR3	0.435	0.394	0.196	0.480	0.386	0.720
SURR4	0.330	0.363	0.244	0.482	0.418	0.621

subsample (Hair et al. 2013). According to Hair et al. (2013), although 5000 resamples are recommended, the number of bootstrap samples should be high and exceed the number of valid observations in the data. Since the number of valid observations in this study is 566, the present study employs a bootstrapping procedure with 1000 resamples to produce path coefficients and their corresponding t-values. The goodness of the theoretical model is established by the explained variance in the endogenous construct (R^2) and the significance of all path coefficients (β) (Chin 2010). According to Chin (1998), R^2

values of 0.66, 0.33 and 0.19 are substantial, moderate and weak, respectively. The R² obtained in this study is 0.576, which indicates the model is substantial (Chin 1998).

According to Hair et al. (2011), critical t-values for a one-tailed test are 1.645 (p < 0.05) and 2.33 (p < 0.01). As demonstrated in Table 7, four out of five dimensions indicate significant relationships with customer loyalty: surroundings of the building and features (β = 0.174, p < 0.01); homestay facilities (β = 0.106, p<0.01); homestay operation and management (β = 0.248, p<0.01); and homestay geist and community co-prosperity (β = 0.327,

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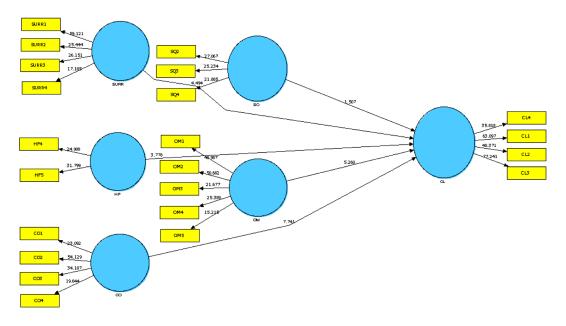


FIGURE 1. The structural model

p < 0.01). Meanwhile, service quality ($\beta = 0.058$, p > 0.05) indicates a non-significant relationship with customer loyalty.

The effect size is assessed using the guidelines developed by Cohen (1988), which state that 0.02, 0.15 and 0.35 represent small, medium and large effects, respectively. As demonstrated in Table 8, the 5 relationships indicated substantive impacts, albeit with small effects.

Next, the predictive relevance of the model is assessed by employing a blindfolding procedure. If the Q^2 value is larger than 0, then the model has predictive relevance for a certain endogenous construct (Hair et al. 2013). Based on Hair et al. (2013), a relative measure of predictive relevance exists where values of 0.02, 0.15 or 0.35 indicate that an exogenous construct has a small, medium or large predictive relevance in relation to a certain endogenous construct. The Q^2 value for customer loyalty ($Q^2 = 0.384$) is greater than 0, which indicates that the model has large predictive relevance.

DISCUSSION, IMPLICATIONS AND LIMITATIONS

The objective of this study is to investigate the direct relationship of perceived attractiveness aspects and customer loyalty in the context of homestays in Taiwan. Specifically, the relationships between the five perceived attractiveness aspects (i.e., surroundings of the building and features; service quality; homestay facilities; homestay operation and management; and homestay geist and community co-prosperity) and customer loyalty is examined. The developed hypotheses relate to the influence of the five perceived attractiveness aspects on customer loyalty. The study finds that four of the perceived attractiveness aspects have a positive and significant relationship with customer loyalty: surroundings of the building and features (t = 4.494, p < 0.01); homestay facilities (t = 3.778, p < 0.01); homestay operation and management (t = 5.260, p < 0.01); and homestay geist and community co-prosperity (t = 7.741, p < 0.01). Meanwhile,

TABLE 8. Summary of the structural model

Hypothesis	Path	Beta Value	Standard Error (STERR)	t-Value	Results	f^2
H_1	SURR -> CL	0.174	0.039	4.494**	supported	0.036
H_2	SQ -> CL	0.058	0.039	1.507	ns	0.004
H_3	HF -> CL	0.106	0.028	3.778**	supported	0.019
H_4	$OM \rightarrow CL$	0.248	0.047	5.260**	supported	0.061
H_5	CO -> CL	0.327	0.042	7.741**	supported	0.106

Note: **significant at p < 0.01, *significant at p < 0.05, ns = not supported, bootstrapping (n = 1000)

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service quality (t = 1.507) had no significant relationship with customer loyalty.

The results indicate that a homestay with highly designed surroundings of the building and features will be more likely to attract higher customer loyalty through word of mouth, customer satisfaction and recommendations from others. The beautification and uniqueness of the surroundings at a homestay will likely increase customer loyalty. The finding is consistent with Albacete-Sáez et al. (2007), which concludes that one of the factors involved in the selection of accommodation relates to the natural infrastructure and surroundings of available accommodation.

Although extant studies find that service quality positively contributes to customer loyalty, the present study finds that service quality has an insignificant relationship with customer loyalty. The finding implies that service quality (M = 3.941) in the context of homestays in Taiwan are not relevant to a customer's intention to revisit a homestay. The finding can be explained by the fact that homestays place more emphasis on inexpensive rates for accommodation and help-your-self service (Hu et al. 2012). As such, customers may already assume that the service received may not be as good as a high-priced hotel and do not expect excellent service quality.

Moreover, homestay facilities are found to be significantly related to customer loyalty. Accordingly, vital considerations on the part of the customer when determining whether or not to revisit the homestay include whether the rooms are well-maintained and clean; whether the homestay is in a safe and secure environment; and whether the staff are friendly and courteous (Tsaur, Chiu & Huang 2002). The facilities provided, reception and accommodation facilities are also found to be important factors that influence whether a customer will revisit (Ryu & Han 2011; Tsaur et al. 2002). Torres and Kline (2006) state that accommodation facilities are critical to achieving customer satisfaction, which will, in turn, result positively influence customer loyalty. Without adequate facilities, customers can be easily dissatisfied, which will negatively influence customer loyalty. Ostrowski, O'Brien and Gordon (1993) find that important factors in determining customer loyalty include, among others, the reputation of the location; employee attitudes; and facilities of accommodation.

The results concerning homestay operation and management is consistent with Li (2010) who finds that a positive relationship exists between homestay operation and management and customer loyalty. The results of the present study are also similar to Su (2004) in this regard, who finds the most important factors that influence a customer's intention to revisit include the cleanliness of the room; the cost of accommodations; and security of property.

Meanwhile, 'a homestay founded upon community co-prosperity will more likely achieve higher customer loyalty (Chien 2006). Community co-prosperity builds trust, collaborations, interactions and alliances between the

homestay and its customers (Chien 2006). The relationship between homestay owners and their customers is a non-commercial form of relationship where the cost of the relationship is lower, while simultaneously managing to create a sense of enjoyment through interaction that will eventually lead to customer loyalty.

The present study is consistent with consumer behavior theory (Howard & Sheth 1969). The results of the present study indicate that certain factors have the ability to increase customer loyalty, which will, in turn, increase the business performance of homestays, including homestay operation and management; homestay geist and community co-prosperity; the surroundings of the buildings and features; and homestay facilities. In the homestay industry, the intention to switch on the part of the customer can be high. Therefore, the owner of a homestay should continuously increase the attractiveness of the homestay by enhancing operations and management; enhancing homestay geist and community co-prosperity; and enhancing and maintaining homestay facilities and the surroundings of the building and features. Engaging in such efforts will likely increase memorable customer experiences and in the retention of customer loyalty.

In the context of homestays in Taiwan, this study provides an in-depth understanding of the role of the five perceived attractiveness aspects in fostering customer loyalty within the context of homestay industry in Taiwan. The findings of this study shed light on the relationship between customer loyalty and the surroundings of the building and features of a homestay; homestay operation and management; and homestay geist and community co-prosperity.

The present study focuses on perceived attractiveness aspects in relation to homestays to predict customer loyalty. From the lens of theory, this study provides further evidence that consumer behavior theory can explain the positivistic approach toward the decisionmaking of homestay guests. The findings of the present study also brings the important managerial implications for the homestay industry. The homestay industry has faced the same challenge as most of the service industry. In the highly competitive homestay industry of Taiwan, it is crucial to not only attract new customers, but also to retain existing customers in order to enhance business. Hence, homestay business owners should formulate strategies to improve perceived attractiveness aspects. Homestay owners can adapt and fine tune the experience of guests by enhancing customer loyalty by giving more attention to perceived attractiveness aspects, which include the relationships between the surroundings of the building and features; service quality; homestay facilities; homestay operation and management; and homestay geist and community co-prosperity. Nevertheless, owners must evaluate their existing resources to determine which resources must be improved upon to support a homestay strategy; and to decide how to effectively build a relationship with a customer with the resources at the disposal of the homestay owner. With respect to perceived

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attractiveness, the experience of homestay customers must be carefully taken into account by homestay owners. In fact, the homestay owners have to create an interesting environment for guests and a feeling of 'home away from home' to attract new customers, while simultaneously enhancing customer loyalty.

Although the results of the present study are interesting and promising, several limitations exist in relation to this study. First and foremost, future research could examine customer satisfaction, since customer satisfaction is used to mediate or establish relationships in extant studies. Finally, since the present study only examined homestays in Taiwan, the findings may not be generalizable to other countries and/or regions. Thus, future research could create a larger sample size in other countries where homestays are becoming a lucrative business, such as Malaysia, in order to improve the actualization of the findings.

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Steven Toh Teong-Jin Knowles Electronics (M) Sdn Bhd Plot 104, Lebuhraya Kampung Jawa, Bayan Lepas Industrial Estate 11900 Penang, MALAYSIA. E-Mail: sttj_88@yahoo.com

Tan Cheng Ling (corresponding author) Graduate School of Business Universiti Sains Malaysia 11800 USM Penang, MALAYSIA. E-Mail: tanchengling@usm.my

Yeo Sook Fern
Faculty of Business
Multimedia University
Jalan Ayer Keroh Lama
75450 Melaka, MALAYSIA.
E-Mail: yeo.sook.fern@mmu.edu.my

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