

THE IMPACT OF ASSURANCE AND EMPATHY ON THE SATISFACTION OF THE CUSTOMERS

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Abstract---*The goal of this literature is to inspect the role of assurance and empathy on the satisfaction of the customers in Malaysia. The data were collected from the customers and SPSS was used to test the hypotheses testing. The results specified that positive links among the assurance and empathy and satisfaction of the customers in Malaysia. These results are accommodating the future researchers and policymakers that they should developed the policies that enhance the customer satisfaction in the country.*

Keywords---*Assurance, Empathy, Satisfaction, Customers Satisfaction*

I. Introduction

In Malaysia, the unofficial homestay program started back in the early 1970's by a local lady who goes by the name Mak Long. She started her service in Cherating Lama, Pahang by providing accommodation and also a village living concept which cater to tourists. Subsequently, this concept became popular and other villagers followed the similar arrangement in gaining monetary benefit on influx of local and international tourists who are looking for culture experience and different travel experience. However, the definition and the context of homestay might be different in connotations and meanings from various countries. For instance in Australia, the term of homestay is associated with farmhouse accommodation and it catered mainly for students acquiring a place to stay when studying. In United Kingdom, the homestay concept is similar to bed and breakfast arrangements whereby the host offers accommodation for guests to stay in consideration for payment. There is limited interaction with no cultural involvement as it mainly involves only host and guest interaction per se and this is also quite similar in New Zealand. The Malaysian homestay is uniquely different with the full involvement of the guest to learn and experience the daily life of the host from the day they arrived to the day they leave place. The immersion of the guest with the homestay operator and the local community is highly expected as there are many cultural activities involved throughout their stay (Naik, Gantasala, & Prabhakar, 2010; Nguyen et al., 2019; Nikhashemi et al., 2013; Pathiratne et al., 2018; Seneviratne et al., 2019; Tarofder et al., 2019).

The first homestay program began in 1988 at Desa Murni Homestay, started by five villagers using special program named as Desa Murni Perangkap, Desa Murni Ketam, Desa Murni Kerdau, Desa Murni Songsang and Desa Murni Sanggang. These homestay operators have been successful in gaining financial benefit by working together in creating homestay program. Thus, Malaysian government identified this opportunity as a platform to promote Malaysia tourism industry by implementing it in the National Plan for Rural Development. Moreover, Ministry of Culture, Art and Tourism has allocated special fund in expansion and assisted the homestay owner in stimulating their program. Due to that reasons, homestay was launched in 1995 in Temerloh, Pahang. Since then, it has spread to various states in the country including Sabah and Sarawak. As of 2010, there are 153 official homestay operators. All of the official home stay operators are registered and have been trained

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and licensed by the Ministry of Tourism Malaysia. The homestay sector, on this ground, is not only prosperous, but also provided with immeasurable business opportunities in tourism sector. In recent years, the operation of homestay has developed into an elaborate and specialized manner. With marketing and media promotion, it has become an important option where people engage in recreational activities and has further turned into an emerging sector with great potential (Voutinioti, 2013).

The government's support is centred on focusing in many agendas, purposely for home stay development, because its significance potential growth and as a platform in promoting country's tourism attraction as well as generate operator's income and job opportunities for the communities. The homestay program has been proven successful in offering optional accommodation attraction to the tourist with various types of holiday programs to be chosen compared to other vacation packages and it gives more choices of flexibility and accommodation for them to travel. In real practice, the choice has been offered by the homestay for tourist is cheaper and with many extra rooms for tourist lodging. In order to safeguard visitors' lodging interests, choices of recreational commodities and its safety, as well as maintaining the quality of recreational activities while enjoying the vocation, appropriate capital evaluation for Malaysia homestay quality validation should be set up by weighing up multi-aspect evaluating items so that it is applicable with impartial validation assessment and criteria could be accordingly established. The earlier homestay studies were mainly about customer satisfaction, marketing strategies, experiential marketing, operation and management, and consumer behaviours, but very few were focussing on the overall perspective to construct homestay capital evaluation framework.

Furthermore, the homestay sector is showing a thriving trend and it is hoped that an evaluation mechanism could be formed through this research; notwithstanding, the main distinguishable features of homestay operation different from those of hotels are that home stays lay more stress on (1) inexpensive price and help-your-self-service, (2) not emphasizing luxury facilities, but aware of safety issue and hygiene facilities, (3) its service might not be full-scaled, but is with hospitality, local colour, and home-style. What is more important is that homestay make use of nature resources and local cultures in order to let visitors be able to experience the local and social customs in person (Abd-El-Salam, Shawky, & El-Nahas, 2013). On top of these, homestay can provide functions like sport, recreation, amusement, and so on to make visitors fully enjoy their leisure time. On these accounts, it is obvious that the homestay and hotels vary in their functions, business model, and natures; therefore, if the hotel evaluation criteria are applied indiscriminately to home stays, it would appear to be unconnected and illogical. This research hence deems that it is vital and crucial to develop and construct applicable homestay capital evaluation indicators, which is one of the motives (Hussain, Musa, & Omran, 2019).

| STATE/ FEDERAL TERRITORY | JAN - JUNE 2011 (%) | JAN - JUNE 2012 (%) | DIFFERENCE (%) |
|-----------------------------|------------------------|------------------------|-------------------|
| KUALA LUMPUR F.T | 64.8 | 65.1 | 0.3 |
| PUTRAJAYA F.T | 66.8 | 67.2 | 0.4 |
| SELANGOR | 61.6 | 63.5 | 1.9 |
| PERAK | 45.7 | 49.3 | 3.6 |
| PENANG | 60.7 | 60.8 | 0.1 |
| KEDAH | 48.6 | 51.4 | 2.8 |
| PERLIS | 38.9 | 44.1 | 5.2 |
| KELANTAN | 39.6 | 41.2 | 1.6 |
| TERENGGANU | 41.0 | 44.4 | 3.4 |
| PAHANG | 75.3 | 80.4 | 5.1 |
| JOHOR | 47.8 | 55.4 | 7.6 |
| MELAKA | 57.1 | 58.7 | 1.6 |
| NEGERI SEMBILAN | 36.3 | 40.1 | 3.8 |
| SABAH | 54.9 | 60.4 | 5.5 |
| LABUAN F.T | 62.4 | 65.8 | 3.4 |
| SARAWAK | 50.2 | 55.4 | 5.2 |
| MALAYSIA | 57.6 | 60.6 | 3.0 |

Source: Tourism Malaysia

Figure 1: Accommodation Occupancy Rate According to State/Federal

The figure 1 above showed that the highest occupancy is Pahang state increased by 5.1% from 75.3% to 80.4% in 2012. Second score is Putrajaya which increased by 0.5% from 66.8% to 67.3% in 2012. Kuala Lumpur is third largest score from 64.8% to 65.1%, increased by 0.3% in 2012. The lowest score is Negeri Sembilan with 36.3% in 2011 to 40.1% in 2012, increased by 3.8%. For 1st half in 2012, the increase rate of 3% to 60.6% is recorded compared to 2011 which is 57.6% for overall accommodation occupancy rate.

In figure 2 below, Even though each home stay operator is responsible for preparing his/her home stay into comfortable and clean accommodation, the majority of them are not involved in marketing their home as individual home stay. Most of the homestay programs are actually groups of homestay homes that are managed by coordinating groups, such as the homestay program committee. Some homestay program committees are extensions of the Village Welfare and Security Committee (JKKK) and others are registered co-operatives (Kalsom, 2009).

Homestay Program and Rural Community Development in Malaysia

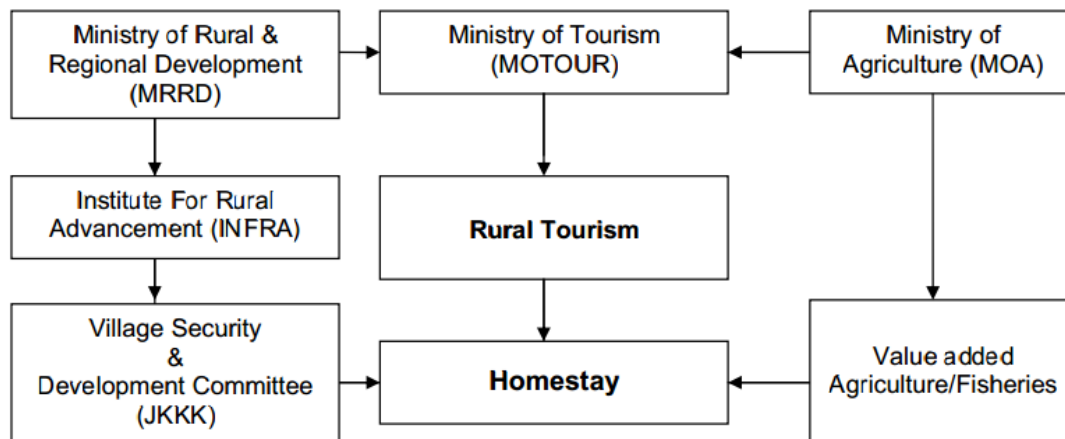


Figure 2: Homestay program and rural community development in Malaysia

The success of the homestay program depends on the government's involvement in the planning, organizing, implementing and also controlling of the program. Therefore, to ensure that the program is carried out successfully, it is essential that the government should be seen in all stages of the program. There are three main ministries that are directly involved in the planning and implementing of the program; Ministry of Tourism, Ministry of Rural and Regional Development, and Ministry of Agriculture (Figure 1). Each ministry has its own role and responsibility towards making the home stay program successful. MOTOUR is the direct owner of the homestay program under the category of rural tourism. It works closely with related agencies in developing tourism projects to reduce poverty. Amongst the responsibilities of MOTOUR are:

- provide directions, policies, and guidelines for the development of homestay program;
- Provide funds for tourism infrastructure development, grants to upgrade homes of homestay operator. For example, the ministry has allocated RM5,000.00 to each house under the homestay program to upgrade the toilet;
- Marketing and promotion through Tourism Malaysia such as preparing homestay directory for Malaysia, etc;
- Work closely with state agencies such as State Tourism Action Council, Economic Planning Unit, etc.

The Ministry of Rural and Regional Development closely supports the homestay program in line with the mission of the ministry to promote rural development and modernization. The major focus is to uplift the socio economic conditions of the rural people and minimizing the rural urban divide. In the context of implementing the home stay program, MRRD is responsible for providing the infrastructure for rural tourism development such as roads, public toilets, and community multipurpose halls, improved landscape, public walkways, jetty, etc.

INFRA is a training institute under MRRD that is directly involved in providing training and capacity building for the rural community. INFRA provides training to all homestay operators, communities as well as the Village Security & Development Committee (JKKK). JKKK is an official committee appointed by the state governments at the community level that has the responsibility for the security and development of the village. Thus, the implementation of the homestay program must be through the committee (Hussain, Musa, & Omran, 2018).

II. Literature Review

Successful homestay agro tourism service provider relates to provider capabilities in assisting of in-house IT function especially in e-business data management, retaining staff, high level of expertise and services; particularly in shortage of certain IT skills and experiences staff in obtaining of fast moving business requirement. When considering such capabilities, superior ability and offers that match the company needs and in-house option than homestay services become priority. The long term strategic core plan capability is something to look at by the company rather than just focusing in short term run that limits the company capabilities. There is a possibility that the core capabilities did not staffed suitably and first few years of homestay service neglecting of time horizon capabilities which lead to larger problem in further down line as decreasing in leadership ability, architecture planning and business system thinking.

The success of homestay agro tourism service provider is determined by various factors including of internal and external factor that associated with the company's competencies and capabilities. The competencies and capabilities can be perceived as generic and applicable across industries. The company's internal competencies and capabilities are seemed to be the most important factors. This statement was consistent finding of past studies suggested that homestay agro tourism service provider capabilities element is most important factor in successful of homestay services which recognize capabilities in technical competence in the services being offered, maintaining the relationship management and identifying of customer's business requirement. These include expectation gap between the customers and home stay agro tourism service provider in delivering better service quality to the potential and existing customers. Basically, this study is focusing on the common dimension of homestay agro tourism service success which taking into consideration the homestay achievement (Vesel & Zabkar, 2009). Service quality refers to an overall judgment of a particular service. It is based on the difference between expected quality and perceived quality. When quality is higher than expected, it can be termed as superior service. When the expected quality of a service equals a perceived service level, it is referred to as the general service quality. When the perceived service level is higher than the expected, it is referred to as better service quality. When the perceived service level is lower than expected, it is referred to as worse service quality.

Service quality is a critical component of customers' perception on value that determines the customers' satisfaction. Customers perceive greater value for their money when they experience a high level of quality. By giving a good quality is an essential to the long term profitability for the homestay agro tourism provider. This is the key to improve profitability towards the organization. Within the homestay agro tourism industry, a competitive advantage is best attained through service quality and customer's satisfaction. As a result, service quality can be used as a competitive strategy. To achieve service excellence, homestay agro tourism providers must strive for "zero defects," retaining every customer that they can profitably serve. The hospitality can use service quality to create a competitive advantage by emphasizing on the responsiveness and consistency of the service delivery (Agha, Alrubaiee, & Jamhour, 2012).

Another factor contributing to the overall satisfaction is attitude of customers. The customer experience in using the services would create positive or negative attitude on service being rendered which reflect back the service provider. Customer will direct related to the service quality and customers that use the services more than one time mostly satisfies with the services and will reflex the good service quality of the provider. Therefore referring to previous researchers finding, it can be concluded as customer satisfaction is important section to be considered. Hence, though customer satisfaction does not guarantee repurchase on the part of the customers but still it plays a very significant part in ensuring customer loyalty and retention. Socio-psychological theory definition shows that satisfaction is an expression of an attitude and it relates to the belief that will possess certain attributes. Customer's satisfaction defined as the customer's positive evaluation towards

homestay dimension. Customer's satisfaction is the comparison between the dimensions of the homestay with the individual's frame of reference (Alabede, Ariffin, & Idris, 2011).

Past studies states that customer assessment on particular products or services pleasurable level of consumption related fulfilment. Past studies identifies satisfaction influence the activities in which to conduct in order to achieve it and quality is an attribute of products or services received. Fundamental issue is to fulfil of customer needs in order to win customer satisfaction. Satisfaction customer in which the customers' evaluation on particular products or services that meet their needs, wants and expectation. It all about customer feeling or pleasure or disappointment which resulted from a process of evaluating which receive against that expected, the purchase decision and the fulfilment of needs and wants. Past studies mentioned that building customer loyalty is not a choice any longer with business, but it is only in building the company competitive advantage sustainability and as a key for customer to become a core marketing objective shared by key players in all industries which catering the business customers. Past studies identify that satisfying the customer is not enough, the company need to extremely satisfy the customers because the extreme focusing to customers must lead to customer loyalty. Past studies classified as satisfaction influence likelihood of recommending repurchasing but no direct impact on loyalty. However, past studies identify satisfied customers are most likely to repeat and become loyal customers.

There is link between customer satisfaction and company's profitability. Common sense when customer satisfied with the product or services being offered that lead to re-purchase, loyal and positive word of mouth marketing; and more changes in successful business. However, dissatisfied customers responded differently which they will reduce the dissonance by returning or abandoning the product, or they may try to reduce the dissonance by seeking information that might confirm its high value. Companies should handle customer complaints with care and not seeing them as time consuming. Businesses cannot afford under any condition to lose customers, because the cost of replacing the lost customer with a new customer is bigger. Therefore, companies must find ways of winning back the unsatisfied customers by designing special programs for service recovery (Aliverdi, Naeni, & Salehipour, 2013).

Service quality is a critical component of the customers' perception of value that determines the customers' satisfaction. Customers perceive greater value for their money when they experience a high level of quality. By giving a good quality is an essential to the long term profitability for the homestay provider. This is the key to improve profitability towards the organization. Within the homestay industry, a competitive advantage is best attained through service quality and customer's satisfaction. As a result, service quality can be used as a competitive strategy. To achieve service excellence, hospitals must strive for "zero defects," retaining every customer that they can profitably serve. The homestay can use service quality to create a competitive advantage by emphasizing on the responsiveness and consistency of the service delivery. Service quality refers to an overall judgment of a particular service. It is based on the difference between expected quality and perceived quality. When quality is higher than expected, it can be termed as superior service. When the expected quality of a service equals a perceived service level, it is referred to as the general service quality. When the perceived service level is higher than the expected, it is referred to as better service quality. When the perceived service level is lower than expected, it is referred to as worse service quality (Almansour, 2012).

The customer satisfaction recognition and quality are closely linked to the customer retention and market share and is not done by its own in producing customer lifetime value. This is consistent with conclude that satisfaction will derive from the value of the service. This is a value that should be cared when dealing with customers because they will value on their own experience that they received. A discussion is still ongoing about whether customer's satisfaction is a sequential order or a consequence of the service quality. A group of researcher had made a conclusion that service quality is a global evaluation of a service and is the consequence of satisfaction perceptions over time. Later, there is an argument that says the important

component of satisfaction is service quality. Effective construct can be viewed as satisfaction and cognitive as a service quality. It will then turn as an emotive satisfaction assessment that drives behavioural intentions.

In homestay agro tourism service provider, perceived service quality is a tool in generating customer's satisfaction in making organization profit. The customers' word of mouth regarding the service quality affect to the customer's behaviour such as loyalty, preference and decision. As such satisfying them is better rather than receiving their complaint in which saves time and money. Past studies, on the other hand, identified positive relationships between overall service quality, purchase intention and attitudinal loyalty. Similarly, they found that service quality links with behavioural intention and customer satisfaction. Past studies argued that overall service quality affects trust, which in turn is recognized by many researchers as a key factor affecting successful relationship building. In the homestay context, similar implications can be found. For example, past studies found that service quality is positive correlated with word of mouth, which can be considered one of the most effective types of marketing communication (Muhammad Atif Nawaz, Afzal, & Shehzadi, 2013).

The measurements of service quality definition are used in the home stay industry will be applied in this study. In the literature concept, service quality and customer satisfaction will be related to each other. Long term judgment is perceived service quality whereas short term judgment is customer's satisfaction with regards to the services by the provider. The differentiation from this result will derive an important measurement tools to the home stay industry. It will give a good development to long term attitude and short term customer's satisfaction decision. Traditional service quality mainly concern about focusing hardly in customer market and service quality has often associated high level concept of customer satisfaction loyalty and intention behaviour. Past studies identify in their research that high level of service quality more often increased profit for that company. Thus service quality should be company's priority.

Definitions of service quality hold the result of an evaluation process where customers compare their expectations about a service with their perception of the service to be received. Service quality as a significant differentiator and the most powerful competitive weapon which all the service organizations want to possess. Various studies explained that the service quality as a form of attitude of customers on the service provider in a long run and also their overall evaluation. These two constructs for service quality and attitude are viewed. Attitude is defined as a learned predisposition to respond to an object in a consistently favourable or an unfavourable way. Past studies developed a service quality measure, SERVQUAL which measure of the overall service quality dimensions (Muhammad Atif Nawaz, Azam, & Bhatti, 2019).

Past studies created service quality model (SERVQUAL) which based on four characteristic which are intangibility, perishability, heterogeneity and inseparability. The evaluation of service quality is complex and difficult to be measured compared to the product quality. Previous researchers have found measurement in service quality and created as service quality model. This model is widely used within the service industries to analyse and understanding the customer's perception in targeted market area in regards to their service needs. Past studies investigated on how a high performance work system can influence the staff personnel towards customer's perceptions of service quality and the customer satisfaction. Based on their report the argument support that perceived service quality is one of the factors of customer's satisfaction.

Assurance

Assurance is the knowledge and courtesy of employees and their ability to inspire trust and confidence. This reflects the knowledge and courtesy of staff personnel and their ability to inspire trust and confidence in using the English Language for communication. It includes the ability to provide clear explanations before care is given together with the explanations of service to customers before they are discharged. Past studies assurance means the knowledge and courtesy of employees and

their ability to convey trust and confidence. Since risk (such as money loss) is involved when customer decides to acquire service from a service provider, assurance is important to demonstrate cue to increase customer's trust and confidence. Homestay service provider may demonstrate assurance to customers by behaving courteously and by providing essential knowledge to guide customer's problems.

Empathy

Empathy refers to the caring, individualized attention by Homestay Agro Tourism to its customers. It involves caring, individualized attention of staff personnel, where communication in the English Language is also a factor. Empathy means the provision of caring, individualized attention to the customer. In conclusion, the SERVQUAL is an instrument for organizations to better understand the customers' value and how well their organizations are meeting the needs and expectations of the customers. In relation to service quality and customer satisfaction, many researchers have been more précised on meaning and type of measurement of satisfaction and service quality. In deed satisfaction and service quality are more in common thing, whereas satisfaction is looking from a broader concept and service quality only focuses on service dimensions (Muhammad A Nawaz & Hassan, 2016). Past studies mentioned that perceived service quality is a component of satisfaction even though added another element of price and product quality. This theory was confirmed by many researchers which started from the idea.

Homestay Agro Tourism Success

There are a few factors that have been identified as impacting the success of home stay agro tourism. These include the expectation gap between customers and service quality includes the service delivery arrangement as well as customer satisfaction adopted that by home stay agro tourism. The success of homestay agro tourism arrangement is determined by numerous factors. According to past studies, capabilities and competencies seem to be some of the most important. For instance, past studies showed that capabilities of organization have been recognised as the most important factors for the success of organization. According to them, organization's capabilities comprise its technical competence in term of product and services offered, understanding the customer's business requirement, and relationship management. These capabilities and competences can be perceived as generic and applicable across industries. However, one has to be careful because for different industries one may expect to find different capabilities and competences that count for winning and renewing the business contract. For instance, in the case of hospitality industry, as in past studies proposed that there are 12 competences grouped within 3 capabilities that are very important for winning the business. Those competences are area expertise, business management, behaviour management, sourcing, technology exploitation, process re-engineering, customer development, planning and contracting, organizational design, governance, programme management and leadership. They are grouped within three major capabilities that each outsourcer should be looking for i.e., service delivery, relationship or partnership and transformation (Ndubisi, 2007).

Theoretical Framework

The theoretical framework represents and elaborates the relationships among the variables, explains the theory underlying these relations, and describes the nature and direction of the relationships. Based on the literature review and observation of the customers intention to purchase of herbal health and medicine products, a model indicating the customer's perception was developed. The model consists of two factors that were determined to have an effect on the customer's perception towards intention to purchase of herbal health and medicine products.

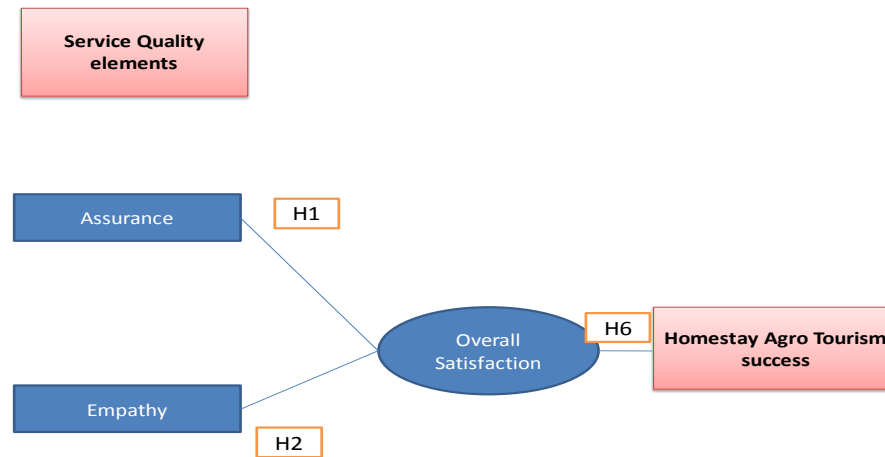


Figure 2: Theoretical Framework

III. Research Methods

This study identifies the success factor for homestay agro tourism with the relevant attributes of service quality and customer's satisfaction. Each variable may have different effect as on determinant factor that could lead the success of homestay agro tourism. The framework was developed based upon the review of the literature which illustrates the relationship between both the independent and dependent variables that have a direct impact on the success of homestay agro tourism. Variables are characteristics of importance that take different values in different items. The two types of variables available in this research are the dependent variables and independent variables. The goal is to understand and describe the dependent variable, or to explain its variability, or to predict it. In the case of this research, the dependent variable (i.e., finding the variables that influence it) is the customer's perception towards home stay agro tourism. Independent variable is one that influences the dependent variable in either a positive or negative way. That is, when the independent variable is present, the dependent variable is also present, and with each unit of increase by the independent variable, there is also an increase or decrease by the dependent variable.

The independent variables involved in this research are tangibles, reliability, responsiveness, assurance and empathy dependent variable is customer satisfaction. A logical explanation (a theory) is needed on why the independent variable affects the dependent variable.

Hypotheses development

Two hypotheses were formulated to test whether there are significant relationships between the service quality determinants of assurance and empathy; and customer's perception of success homestay agro tourism. The two hypotheses have been developed to help answering answer the key questions pertaining to the customer satisfaction on factor for the success homestay agro tourism.

Assurance

Assurance reflects the knowledge and courtesy of staff to inspire and trust and their ability to have the knowledge. It includes the ability to consistently provide courteously and must be able to build the confidence in customers. Besides that,

the staff must be able to provide safety to customers when dealing with them. On this basis, it is expected that assurance affects the customer's satisfaction in homestay agro tourism.

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

Empathy

Empathy involves caring. Individualized service is given, where the staff must be able to understand a patient's specific needs. Past studies in their study have found that empathy is found to have positive relationship with customer satisfaction that creates loyalty. Therefore, empathy hypothesis was developed:-

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

IV. Data Analysis and Findings

The elements on empathy value showed a relatively moderate rating. The mean scores recorded for these elements were 3.11. The readings can be interpreted as an average moderate, a sign of acknowledgement by the respondents that these elements contributed towards changing to customer satisfaction. Majority of respondent were answer for neither agree nor disagree. From the chart, the peak score is at 2.7 in which the respondents might think that the empathy value maybe yes or not directly effect to the customer overall satisfaction and for them the empathy value somehow on position unknown. However, the majority of respondents would agree with this question and the empathy value is importance in creating customer overall satisfaction.

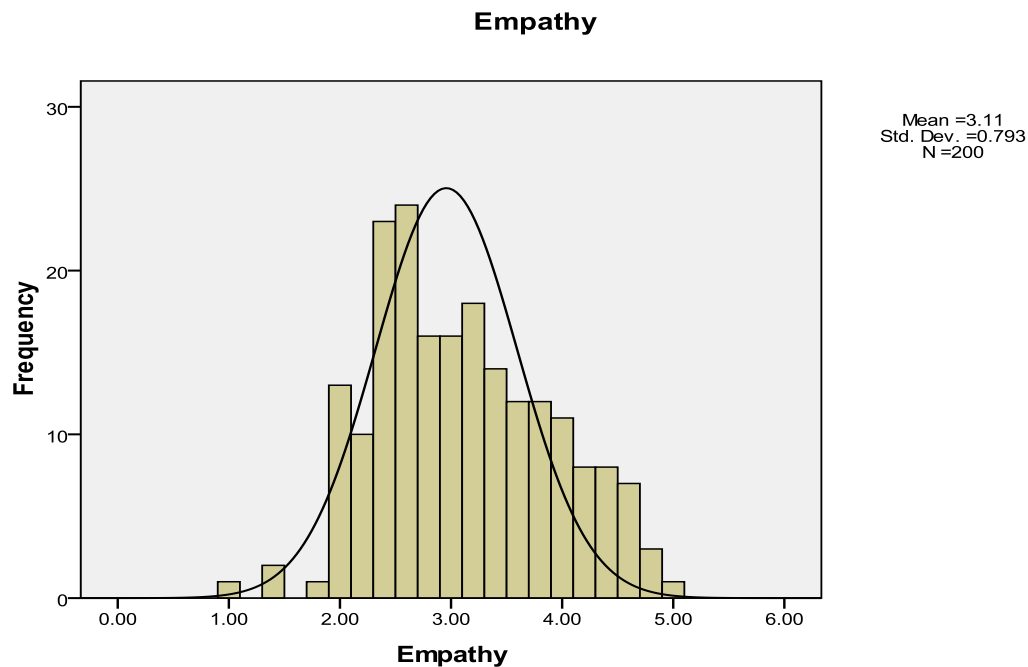


Figure 3: Empathy

Overall satisfaction

The elements on overall satisfaction showed a relatively moderate rating. The mean scores recorded for this element was 3.10. The majority of respondents are choosing for "neutral". The readings can be interpreted as high moderate of satisfaction

and a sign of acknowledgement by the respondents that this element highly contributed towards overall satisfaction. However, there are few respondents answered for “strongly disagree” and “disagree”. This is simply because some of respondents experienced bad services that lead to dissatisfaction.

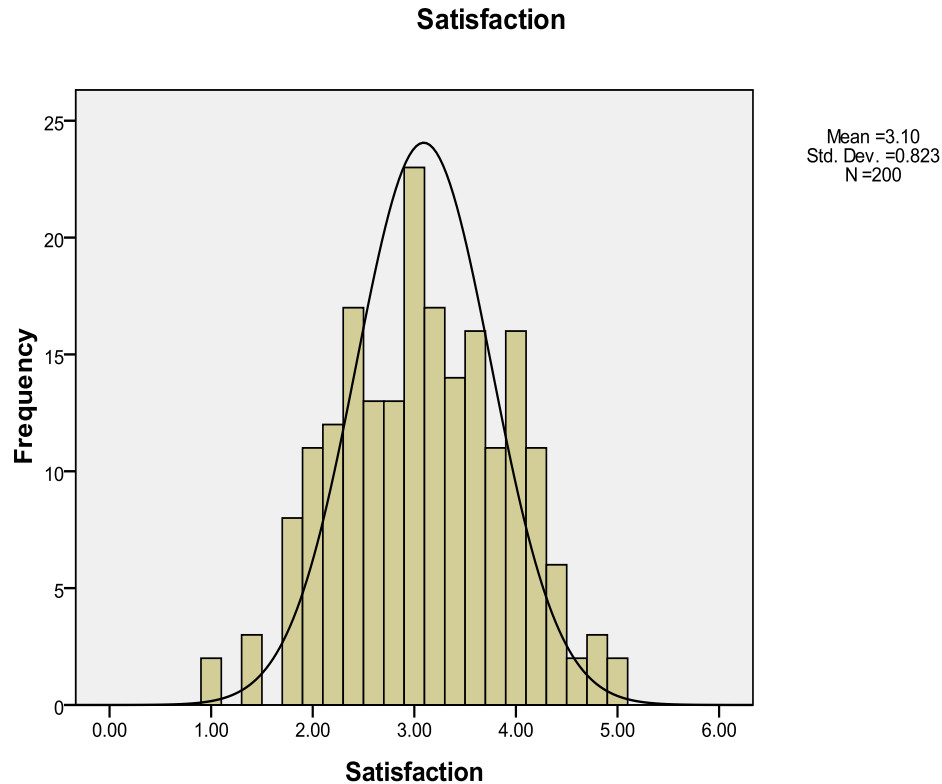


Figure 4: Overall Satisfaction

Hypotheses Testing

Pearson Correlation Method had been selected to be used since it is suitable because there are two variables in an interval scale. This section summarized the results of hypotheses testing that being determined in this research. It is reviewed and shown in Table 1 below.

Table 1: Correlation between Independent variables, Moderator variable and Dependent variable

| | | Assurance | Empathy | Satisfaction |
|--------|---------------------|-----------|---------|--------------|
| SUCESS | Pearson Correlation | .679** | .868** | .709** |
| | Sig. (2-tailed) | .000 | .000 | .000 |
| | N | 200 | 200 | 200 |

Hypothesis One

The first hypothesis in this study is assessing the relationship between assurance value and overall satisfaction. Below is the hypothesis statement:-

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

Table 1 shows the results of Pearson Correlation test that has been conducted between assurance value and overall satisfaction. The results revealed that there is positive correlation between these two dimensions as the results of the p value is smaller than significant value, ($p = 0.00$ which is < 0.05) and **H1 is accepted**. This shows that assurance value is an importance factor in influence of overall satisfaction. There is moderate high correlation between these two dimension as correlation coefficient is at ($r=0.679$). This indicates that assurance influence of overall satisfaction by 67.9%.

Hypothesis two

Hypothesis two is to study about relationship between customer satisfaction and customer loyalty. Below is the hypothesis statement:-

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

Table 1 above shows that the results of Pearson Correlation test has been conducted between two dimensions empathy and overall satisfaction. The results state that there is significant value between these two dimensions as the p value smaller than significant value, ($p=0.000$ which < 0.05). Furthermore, there is high correlation between these two dimensions as correlation coefficient is at (0.868). This sign indicates that empathy will influence overall satisfaction towards agro tourism service provider by 86.8%. Thus, **H2 is accepted**.

V. Discussion and Conclusion

Developing and producing systems that could expand and give impact in homestay agro tourism industry services are mostly needed as customers nowadays are very particular, very selective and very smart in selecting of service availability that can give more advantage and benefit to them. Therefore, homestay agro tourism service provider can provide convenience for the customers and great hassle free environment will be the top preferences for them. . Thus this paper draws a conclusion and finally put forward few suggestion both the management as well as future researches. The conclusion describes the most important variables that have been applied to the Service Quality Model. Finally some recommendations are presented.

Assurance

The result revealed that there is positive correlation between these two dimensions as the p value is smaller than significant value, ($p < 0.05$). Moreover, there is a moderate high correlation coefficient is at ($r=0.679$) and p value of 0.000. Kraft and Tee (1979) stated in their study that information sources influence customers satisfaction and will directly affect belief of respondents. This also will influence people to make decision behavioral and spread information to other in decision on purchasing of homestay agro tourism.

Empathy

This hypothesis is to study about relationship between empathy toward customer satisfaction. Empathy refers to the caring, individualized attention by data service provider to its customers. Therefore, this study was developed to predict of empathy will significant of customer satisfaction. The result of study stated that empathy has significant effect on customer satisfaction. This variable correlation coefficient $r=0.868$ at significant level of 0.000. It shows that a positive relationship between the variables. This result is supported by previous study of customer's service to customer satisfaction.

VI. Recommendation

The future market development for homestay agro tourism in Malaysia is very important to be studied intensively due to its potential growth and success in the future. In this modernization era, especially in big cities like Kuala Lumpur, many businesses increase their capacity in order to serve customer better in the future. Thus, homestay agro tourism has become an option for them in order to achieve their own objectives.

Findings of this study will primarily beneficial to government agencies, policy maker, marketer, companies and higher management of homestay agro tourism by creating insights into customer perception and finally building intentional behaviour to purchase the product. Lada et al.(2009) stated that different marketing approaches or technique should be used to stimulate sales. Thus, today, the higher management of homestay agro tourism should use creativity and new technique in terms of approaching their sales to compete with others homestay agro tourism producer.

VII. Future Research

In this research, only six elements of independents variable were investigated for that matter, the researcher feels that there are still other elements that can be added in to the variables to improve future researcher. The sample size and physical coverage to some extend has influence the quality of the research findings and it's generalize ability. Due to time constraint and some other limitations, the coverage of this research was a small sample size of 200 respondents and few cities in Kuala Lumpur. Therefore, the finding may not be so accurate and less representative. In order to improve this, therefore the scope of physical coverage be widened and aspect of representation should be taken into consideration if the findings are to be generalized to the whole population.

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