

**Gunta Grinberga-Zalite**

**Dr.oec., Assistant Professor of Latvia University of Agriculture**

**Faculty of Economics**

**Svetes Street 18, Jelgava LV3001 Latvia**

**Tel. +371 63023739**

**e-mail: [gunta.grinberga@llu.lv](mailto:gunta.grinberga@llu.lv)**

# **Development of Contemporary Customer-Guided Services in Rural Extension**

## **Abstract**

Institutions financed by national budget subsidies have always been an object of criticism being blamed for causing unequal competition. Therefore, there is a constant need to search for possibilities, how to make reasonable use of such institutions' material and human resources alongside with tailoring services more available and customer guided.

The author has analyzed the development of service industry alongside with customer needs evolution focusing on possibilities, how to adapt service quality according to social and economic market conditions.

***Key words: rural extension, service evaluation, performance, expectations***

## **Introduction and objectives**

Farming, which has traditionally been a way of life, is now turning more and more into a business. Nobody can just start farming without at least a minimum of assets and knowledge. In traditional settings, basic farming knowledge is common and even non-farming professionals, such as teachers, priests and craftsmen, continue some basic farming for self-sufficiency in food. Until 100 years ago, this could also be observed in industrializing countries. Nowadays farming in post-modern societies is highly sophisticated and commercialized activity based on high amounts of investment capital and specialized knowledge. It is also supported by a network of input and service providers and upstream partners and institutions in value chains producing and marketing food, drinks, feed, fibre, fuel, medical plants, and other raw materials gained from land use, often in combination with specialized service provision, including land care, communal work and services for tourism (Rural extension..., 2009).

Latvia, since time immemorial, has been proud of its farmers who have managed to survive their identity through centuries and preserve their traditions, knowledge and working habits. After Latvia accession to the European Union (EU), the activities of Latvia agricultural industries are implemented according to the European Common Agricultural Policy. Membership in the EU imposes farmers to be more mobile and open to new markets –both as suppliers and customers. Latvian Rural Advisory and Training Centre (LRATC) with its 26 regional offices provides services both for small farmers who are striving for livelihood, not just for money and for emerging farmers who have already mastered farm development and are progressive towards more commercial farming. The main aim of LRATC regarding small farmers is to motivate them to improve the current living

conditions, reorganizing their farms and focusing to non-traditional and niche product production. Whereas commercial farmers usually receive assistance from LRATC in form of economic advisory services and specialized advice on production and related technologies. Thus, rural advisory and training services' function must be seen in relation to different population groups, which requires a sophisticated balancing of all customers' needs.

In order to tailor such rural extension services, which are customer-guided, it is necessary to develop a model for constant evaluation of customers' (farmers') needs and satisfaction with presently provided services. The model must be easily adaptable and should assist service marketers in the activities connected with service quality improvement.

**The objectives of the research** were to:

1. investigate the evolution of service industry in the process of society development;
2. analyze service quality evaluation methods SERVPERF and SERVQUAL;
3. apply the adapted versions of SERVPERF and SERVQUAL theoretical models to evaluate rural extension services' compliance with different size farm representatives' needs.

**Research object** is assurance of service quality at rural advisory and training centres providing rural extension services (training courses for farmers, rural entrepreneurs and rural population in general).

**Research methods applied:** monographic method, method of analysis and synthesis, service quality statistical evaluation methods (performance-only measures SERVPERF and disconfirmation model SERVQUAL), logically constructive method.

### **The Comparison of a Service Concept in the Comprehension of Different Authors**

In a modern society, the amount of services' use is gradually overcoming the use of different other benefits. The service providers are not any more just followers and supporters to the producers of goods, but they tend to become influential providers of functions highly relevant to the national economy since availability of services is a significant indicator of life quality.

Unlike goods, services are intangible, heterogeneous; they are more a chain of activities not things. Besides, services in most of cases are produced and consumed

simultaneously, which determines customer's involvement in the service provision process. Finally, the main value of a service is created in the result of a customer-provider interaction.

After the study of the scientific literature regarding the development of service industries in the context of social and economic processes, the author has found out that during the last 50 years, a plentiful amount of service definitions has been created.

After aggregating the definitions of both Latvian and foreign authors, which have been published in different time periods, the author, according to the nowadays conditions, has formulated her own definition: *“Service is an activity created in the result of its customer's and provider's interaction, which is guided to satisfy the customer's needs consisting of both tangible and intangible benefits”* (Grinberga-Zalite, 2011).

### **Evolution of Service Industry in the Processes of Society Development**

The condition of the service industry can be characterized in the context of three extensive development stages – **pre-industrial, industrial and post-industrial society**.

**1)** In the **pre-industrial society** (slavery, feudal and early stage of capitalism system), industry either did not exist at all or created workplaces for a significantly less number of population than it did in agriculture. In the pre-industrial age, a big part of non-agricultural economy activities were grounded on the people's mutual individual service provision; and domestic servants comprised the largest specific weight in the total choice of crafts.

**2)** In the **industrial society**, i.e., already mature capitalism and socialism systems, due to the results of industrial development, the main aim of national economy was to produce mass production. In the result of increasing production capacity, a new social environment was created where hired workers took a shared responsibility in front of their master. The mechanization of production and class war gradually resulted in the rise of factory workers' wages, and consequently exceeded the wages of individual service providers. Therefore, firstly, women more often undertook the role of a domestic servant in the households. Secondly, most of households more often started to outsource the services previously performed by a household itself. Consequently, a number of small enterprises and independent private entrepreneurs increased, which furthered the development of service industries.

**3)** The **post-industrial** society started to develop in the industrially developed countries at the end of the 20<sup>th</sup> century. In this period, the processing of information and provision of

services replaced the previously main forms of entrepreneurship, which used to be connected with the production of goods.

The post-industrial society can be characterized also by the shift in specific weights ratio between the sectors of the GDP structure, where nowadays services but not goods have the largest specific weights. In the post-industrial society, which is often called an information society, special attention is paid not only to the information access provided by information and communication technologies, but also to human effort inclusive services – knowledge, specialists' consultations and other services, which comprise human's accumulated personal experience (*Service Management, 2005*).

### **Development of Service Dimensions for Satisfaction of Customers' Needs**

The activity of any service is to satisfy the needs of a customer. Therefore, in order to understand the mechanisms of service industry it is also necessary to study the public needs. In our daily life, *a need* is regarded as “shortage” or “necessity”, or “aspiration to obtain something that an individual is in short of”. To satisfy a need means eliminate its shortage. However, deeper analysis reveals that needs have a complex structure, in which the two basic components – objective and subjective could be distinguished.

***Objective component*** of the needs – it is a real individual's dependence on external and social environment, as well as on individual's, as human body's, qualities. The need for sleep, food, breathing and other fundamental biologic needs, which support human's life, as well as some most important social needs, belong to this category.

***Subjective component*** of the needs is formed by everything what is determined by and depends on the person. The subjective component of a need is individual's awareness of his/her objective needs (substantial and insubstantial) (*Service Management, 2005*). Only in the simplest and ideal situation an individual can clearly realize his/her objective needs and can see the ways, how to satisfy them and, finally, owns all the necessary things to achieve them.

***However, complicated relationships between objective and subjective understanding of the need causes wide possibilities for the service activities.***

***Need*** – is individual's state, which is formed by contradictions between the existing things and the necessary things (or even things, which only an individual regards as necessary)

motivating a person to start up activities in order to eliminate the contradictions. Service activities provide ways, how to solve these contradictions (*Service management, 2005*).

In general, the author has detected a tendency that the structure of individual's need development and its regularities directly influence the development of service activities. At the same time, service providers have possibilities to create a feedback and exert the system of needs – within limits they can purposefully be formed and adjusted. These transformations of individual's sphere of needs and interests nowadays are implemented by special methods and technical resources – marketing, advertising, national regulations and involvement of public organizations.

### **Contemporary Service Paradigms**

In order to realize the mechanisms of the development of service industries and forecast their possible further development scenarios, it is necessary to study the contemporary service paradigms. The author uses the term “service paradigm” regarding all the scientific and sociological factors influencing scientists' research on the development of services.

The new economics causes a number of contradictions in the society. Part of them can be attributed to service provision.

#### **Goods versus services**

After doing one's utmost to distinguish the differences between goods and services, the author came to the conclusion that goods and services actually cannot be regarded as opposites, they rather represent two aspects of the same continuity. Consequently, goods and services are indisputably connected. Thus, the borderline between goods and services tends to become less distinct.

#### **Ideal services versus real services**

Ideal service – it is a theoretical model of a real service or a standard, which is an aspiration of all service providers. On the one hand, the real service should approximate to this standard, but on the other hand, the ideal model can improve only in the result of experience accumulation or due to the changes in the public demand. Occasionally, in the process of service provision, it turns out that a long time existing ideal service model has become so out-dated that now comes in conflict with society demands, the way out is – it

need to be adjusted. In case, if the ideal service model is not adjusted, then practically it cannot improve.

### **Standardized services versus personalized services**

The standardization of the commodities market and unification of population's lifestyles causes the demand for appropriate amount and standardized services. At the same time, an ability to realize customer's specific and individual demands nowadays grants a huge potential for service providers. Therefore, service providers should regularly search for the balance between standardized servicing methods and possibilities, how to satisfy individual customer needs, as this overall makes services more attracting and competitive.

### **Demand versus supply**

In the service industry, there are three major factors restricting abilities to satisfy customer demand, i.e., – limited material resources (solvent demand, financial and technological capabilities of the service provider); limited knowledge and limited service technologies (which, even if the material resources are available in sufficient amount, may be a reason of inability to render some specific kinds of services). Furthermore, the traditions and moral norms adapted by the society may substantially misbalance the real demand and supply relation.

### **Satisfaction of heterogeneous needs of customers**

Initially, it might seem that it is advantageous for any entrepreneur to satisfy as many customers, as possible. However, due to the restricted resources and other economic problems, the maximal profit can be achieved by aiming the service only at separate groups of customers, but not all the customers who would possibly be glad to be serviced.

### **The balance between the service material benefits and individual's self-realization**

The needs of society, as well as needs of an individual could be divided in two groups. The first group includes the needs connected with the development of individual's personal abilities and creative potential (education, professional growth, scientific and artistic activities, and achievements in sport). Whereas, the second group includes the satisfaction of needs connected with entertainment (culture events) or just with physiological delights (food, drinks). It is impossible to distinguish the both groups of needs unambiguously; however, in service industry there is a tendency to aspire for a particular equilibrium, in which services,

satisfying the needs of both the groups, are appropriately balanced (*Service Management, 2005*).

Nowadays, apart from ever growing urban population consumption needs, at the same time rural extension services attract more and more attention, as their overall aim is to enhance social and economic development of the remote territories. Moreover, increasing food production, stimulating the economic growth, increasing the welfare of farm families and rural people, reducing poverty and social inequalities, sustainable use of natural resources, and participatory development, as summarized in the Millennium Development Goals, (<http://www.un.org/millenniumgoals/>) are all governmental goals to which agricultural and rural advisory and training policies and activities can make a significant contribution. So, rural advisory and training services must be seen in relation to a country's overall socio-economic situation of different population groups, and the government policies adapted by a country for rural development and agriculture (*Rural Extension..., 2009*).

Table 1

**Economic and social elements favouring agricultural and rural development**

Elements	Economic and social <b>essentials</b> for agricultural and rural development promotion	Economic and social <b>accelerators</b> for agricultural and rural development promotion
Factors of the elements	<ul style="list-style-type: none"> <li>• Sound rural development policy</li> <li>• Basic education</li> <li>• Democracy and peace</li> <li>• Health services</li> <li>• Legal certainty and reliability of institutions</li> <li>• Credit availability</li> <li>• Basic infrastructure specifically for agriculture:               <ul style="list-style-type: none"> <li>- Rural markets for farm products (which includes demand for farm products at local, national, regional and international level, a marketing system and farmers' confidence in the working of the marketing system and reliability of fair prices)</li> <li>- New technologies to increase production;</li> <li>- Local availability of supplies and equipment.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Extension services</li> <li>• Education and training</li> <li>• Self-help promotion</li> <li>• Community development work specifically for agricultural development:               <ul style="list-style-type: none"> <li>- Production incentives (subsidies);</li> <li>- Conserving, improving and expanding agricultural land;</li> <li>- Farmers' organizations (associations, groups, co-operatives).</li> </ul> </li> </ul>

*Source: Mosher, 1966, Hoffmann., et al., 2009, author's supplemented information*

According to the early classification of Mosher (*Mosher, 1966*) the development of agriculture is favoured by a number of so called “accelerators” and “essentials”, which are mainly all economic and a few political factors. However, in 2009 a group of scientists under the guidance of Professor Hoffmann (*Hoffmann, Gerster-Bentaya, Christinch, M.Lemma, 2009*) supplemented this classification emphasizing apart from agricultural development also the importance of rural development, which resulted in supplementing the economic factors of Mosher’s classification with several social factors, int. al. rural advisory and training services (see Table 1). Rural advisory and training services are included in “accelerators” group, as they aid and enhance the development process to anticipate and avoid problems or to minimize the negative effects of development on certain categories of actors in rural development. Nevertheless, the work results of rural advisory and training service providers cannot be assessed only positively. The retrospection to the first decade of the 21<sup>st</sup> century gives evidence that rural advisory and training organizations of the European countries, despite stagnation of agriculture in this period, have admirably well survived owing to artificial their maintenance by receiving generous support both from national budgets and the European Union funds. The experience of the countries clearly illustrates the situation where advisory and training systems have not kept their promises to raise efficiency of their services. Consequently, the reputation of rural advisory and training centres has seriously decreased (*Hoffmann, et al., 2009*).

### **Service quality evaluation methods**

“Quality evaluation” is an all-inclusive concept, comprising policy, processes and activities necessary for the maintenance and development of service quality (*Buligina, 2001*).

In her research, the author has focused to three main theoretical frameworks for service quality evaluation.

- ***Performance only evaluation (SERVPERF)***

The simplest approach to evaluation of service quality is simply to ask customers to rate the performance of service. Usually the evaluation range includes reply variants from (1) – strongly disagree, to (7) – strongly agree.

The SERVPERF scale includes only one component – perceived performance. Methodologically this scale should consist of 22 statements, which regard 22 variables forming service quality (see Table 2).

Table 2

No.	Dimension	Statements
1.	Tangibles (appearance of physical elements)	1-4
2.	Reliability (dependability, accurate performance)	5-9
3.	Responsiveness (promptness and helpfulness)	10-13
4.	Assurance (competence, courtesy, credibility and security)	14-17
5.	Empathy (easy access, good communications, and customer understanding)	18-22

Source: Zeithaml, Parasuraman, Berry, 1988

A higher perceived performance implies higher service quality.

In equation form, it can be expressed as:

$$SQ_i = \sum_{j=1}^k P_{ij}$$

where:

SQ<sub>i</sub>- perceived service quality of individual “i”

k - number of attributes / items

P - perception of individual “i” with respect to performance of a service firm on attribute “j”

(Cronin and Taylor 1992, Mc Alexander, Kaldenburg 1994).

- **Disconfirmation model(SERVQUAL)**

By this approach, a service is deemed to be of high quality when customer’s expectations are confirmed by subsequent service delivery. In scientific literature, the SERVQUAL model developed by Berry, Parasuraman and Zeithaml has gained a worldwide recognition. This model enables a service provider to detect, how customers perceive real performance of the service in comparison with their initial expectations.

SERVQUAL questionnaire contains two parts – A part, with 22 statements, detecting customers’ expectations and B part with 22 statements detecting customers’ perceived quality in reality. Both parts of the questionnaire obtain the arithmetic mean value for each of the dimensions. The difference between both parts of the questionnaire reveal the SERVQUAL evaluation, which diagnoses if customers’ expectations are delivered, undelivered or over-delivered.

In equation form, it can be expressed as:

$$SQ_i = \sum_{j=1}^k (P_{ij} - E_{ij})$$

where:

SQ<sub>i</sub> – perceived service quality of individual „i”;

k – number of service attributes / items;

P – perception of individual ”i” with respect to performance of a service firm attribute “j”;

E = service quality expectation for attribute “j” that is the relevant norm for individual “i”.

(Zeithaml, Parasuraman, Berry, 1988).

### **Research findings and discussion**

As in her previous researches the author had already organized massive surveys without focusing on particular customer segments, this time the author organized an extensive in-depth experts’ interviews, which were grounded on SERVPERF and SERVQUAL models, which beforehand had been specially adapted for Latvia conditions. The customers who participated in the particular survey were farmers representing different size farms from one Latvia region: a self-subsistence farm in Skaistkalne (<2ha); a small commercial farm (40≤100ha) in Eleja; a large commercial farm (>100ha) in Krimunas and an agricultural produce processing company in Dobele (limited liability company, which according to the number of employees and highest financial margin belongs to the middle size enterprise category).

#### **Parts of the survey**

For testing all the three models, the author prepared a survey consisting of two parts – A part (evaluation of importance of the particular expected criterion) and B part (evaluation of performance). Each part of the survey consists of 22 statements regarding the service quality, which in the following divisions make up a total service quality.

#### *Dimension 1. Tangibles (statements 1 to 4)*

1. Training classes and facilities, their equipment and interior.
2. Ergonomics of customer work places.
3. Assurance of training course handouts and study materials.
4. Content, volume and format of handouts and study materials.

Dimension 2. Reliability (statements 5 to 9)

5. Accuracy of training course scheduled time.
6. Lecturer's timely provided necessary information, reminding of the most important issues connected with the training course process and coffee breaks.
7. Lecturer's qualification.
8. Practical usefulness of the theoretical knowledge obtained in the course.
9. Timely assurance of the document certifying the course attendance

Dimension 3. Responsiveness, promptness, helpfulness (statements 10 -13)

10. Employees' operative provision of the necessary information regarding the alteration of the training course schedule.
11. Flexibility of the lecturer regarding the wishes of the training course customers.
12. Topicality of the courses and seminars' content (the obtained knowledge after the course and seminar completion will not be outdated, they will be useful).
13. Lecturer's willingness to provide customers with individual consultations.

Dimension 4.. Assurance, competence, security (statements 14 – 17)

14. Lecturer's behaviour, speech and appearance.
15. Provision of a formal training environment.
16. All levels employees' positive attitude to customers.
17. Possibility to receive the necessary information at any employee in case of uncertainty.

Dimension 5. Empathy, good communications, customer understanding (statements 18 – 22)

18. Provision of individual attention to any customer of a training course.
19. Convenient timing of the training course.
20. Convenient place location of the training course classes.
21. Lecturer's interest in satisfying customer needs.
22. Lecturer's willingness to satisfy specific needs of the customers.

The representatives of the **experts' interviews** were asked to give their assessment and comments about the performance of the training service 22 criteria of the five quality dimensions. The experts expressed their opinions of their regional rural extension offices.

The respondents' evaluation of the Dimension 1 (tangible benefits of the service) reveal that the highest demands regarding tangible benefits (i.e. premises, course handouts, decoration of study rooms etc.) were detected for the large commercial farm representative and the representative of the agricultural produce processing company. The smallest requirements regarding tangible benefits were for the small self-subsistence farm representative. This could be explained by the fact that small farmers not always are able to use pay extension services and they are usually less experienced, as have not attended so many courses and trainings as larger farmers have. For example, commercial farms representatives are more critical about handouts, require them both in written and electronic format but small farm representative claimed that it would not be a problem if she did not receive any handouts at all – most important is that there is a possibility for such small farmers from remote rural areas to meet, discuss problems and communicate.

The evaluation results of the Dimension 2 also revealed that the expectations of the small farm representative have been over delivered. Yet the two commercial farms' representatives have been disappointed. The Dimension 2 incorporates such criteria as course lecturer's qualification and professional competence, quality of lectures etc. This could be explained by the fact that particular representatives of commercial farms are long year active members of agricultural cooperatives and founders of farmers' interest groups, which means that the representatives have acquired enough professional experience to be experts themselves.

The Dimension 3 includes criteria characterizing the promptness and courtesy of the service provider. In this aspect large farm representative has been most critical. The rest of respondents are either fully satisfied or almost satisfied. In such situations it is advisable to find out if disappointment was caused due to objective or subjective reason. In this case the later was prevailed.

The evaluations of the Dimension 4 criteria show that all respondents have been disappointed in service provider's inability to provide stable, credible and secure study environment for rural extension participants. In particular, respondents claimed inadequate

working environment, lack of information and inattentiveness of staff involved in the provision of service.

The Dimension 5 indicated how well service provider understands customer needs and manages to find common language with them. In this aspect almost all respondents (except the representative of the middle-size farm) have been seriously disappointed. So, customers would like to receive more personalized attention and particularizing in their needs but not receive formal and impersonal answers to their questions.

The survey results revealed that all the four experts have different expectations regarding the LRATC training service quality. The most distinctive differences were detected among the expectations of the representatives of a small farm and commercial farms. In general, the representative of a small farm demonstrated more tolerant attitude to different service quality gaps. Moreover, the representative praised the possibility to access to the state subsidized training services, which she would not be able to pay herself. Whereas, a middle-size farm and a large farm representatives were more critical of some gaps in training service quality, which according to their view point, exist. The fact, that both the representatives of a middle-size and large commercial farms are founders and active members of agricultural services' cooperatives and farmers' organizations, gives evidence that larger commercial farms have wider possibilities to receive high level training services in their cooperatives and organizations, which often provide more precise and useful information for the particular agricultural industry.

In general, the middle size and the large size farms most often have been disappointed with the course lecturer's qualification and have not been convinced of being able to use the obtained knowledge in practice. Also regarding the responsiveness, reliability and assurance evaluation shows that the large farm's expectations of these aspects have not been met. However, the expectations of the middle size farm have been met.

The representative of the small farm has been fully satisfied with responsiveness of LRATC training services' provider. Whereas, the processing enterprise has been almost fully satisfied. The evaluation of the Dimension 4 demonstrates that all the respondents have been disappointed of the service providers' competence. The Dimension 5 (empathy) illustrates to what extent LRATC understands its customers' needs and how well reacts to the implementation of customers' specific needs. In addition, in this aspect several criteria have been important to the customers but LRATC has not managed to implement them fully (see

Table 3). The middle size farm is fully satisfied, but the most disappointed is the large farm owner. Consequently, LRATC should analyze the reasons of such a situation when the representatives of the above-mentioned farms have been disappointed in the performance of the particular criteria. It would also be advisable to continue the differentiation of the services, placing customers' needs in the first place and subordinate different possibilities of service provision to these needs.

Table 3

Customers' evaluation of expected and real service quality (A<sup>1</sup>, B<sup>2</sup>, B-A<sup>3</sup>)

Criterion, dimension	Small, non-commercial farm			Middle-size commercial farm			Large commercial farm			Processing enterprise			
	B	A	B-A	B	A	B-A	B	A	B-A	B	A	B-A	
No.	B	A	B-A	B	A	B-A	B	A	B-A	B	A	B-A	
1.	5	2	3	6	6	0	6	6	0	3	6	-3	
2.	6	5	1	4	5	-1	6	7	-1	7	7	0	
3.	7	7	0	5	6	-1	6	7	-1	7	7	0	
4.	7	7	0	5	7	-2	6	7	-1	7	7	0	
Dimension 1	25	21	4	20	24	-4	24	27	-3	24	27	-3	
5.	6	4	2	5	6	-1	6	7	-1	7	7	0	
6.	6	4	2	6	6	0	6	7	-1	7	7	0	
7.	7	7	0	6	7	-1	6	7	-1	7	7	0	
8.	7	7	0	5	7	-2	2	7	-5	7	7	0	
9.	7	7	0	5	3	2	6	6	0	6	6	0	
Dimension 2	33	29	4	27	29	-2	26	34	-8	34	34	0	
10.	6	6	0	6	7	-1	6	7	-1	6	7	-1	
11.	2	5	3	6	5	1	6	7	-1	7	7	0	
12.	7	7	0	6	7	-1	3	7	-4	7	7	0	
13.	7	7	0	6	6	0	6	7	-1	6	7	-1	
Dimension 3	25	22	3	24	25	-1	21	28	-7	26	28	-2	
14.	7	7	0	5	7	-2	6	7	-1	6	7	-1	
15.	5	6	-1	6	6	0	6	7	-1	6	7	-1	
16.	7	7	0	7	7	0	7	7	0	7	7	0	
17.	7	7	0	7	7	0	6	7	-1	5	7	-2	
Dimension 4	26	27	-1	2	5	27	-2	25	28	-3	24	28	-4
18.	6	7	-1	6	6	0	6	7	-1	5	7	-2	
19.	7	6	1	6	7	-1	5	6	-1	5	6	-1	
20.	6	6	0	6	6	0	4	6	-2	6	6	0	
21.	6	6	0	6	6	0	6	7	-1	6	7	-1	
22.		4	-4	6	5	1	6	7	-1	7	7	0	
Dimension 5	25	29	-4	3	0	30	0	27	33	-6	29	33	-4

Source: Author's calculations, according to the survey data, 2010

<sup>1</sup> Customer's evaluation value indicating expectations of the training service quality in the 7 grade scale

<sup>2</sup> SERVPERF model value indicating customer's evaluation of the real performance of the training service quality in the 7 grade scale

<sup>3</sup> SERVQUAL value indicating the balance of customers expectations and real performance for the extension services

## Managerial implications applying customer-guided training services' quality assurance model

For the customer-guided training services' quality assurance at rural extension centres the author proposes to use a composite model (see Figure 1), which combines both evaluation of customers' expectations regarding the service, evaluation of importance of the service quality criteria and finally evaluation of the real service performance after the receiving of a service (*Grīnberga-Zālīte 2011*). In her previous customer surveys the author according to SERVQUAL model methodology, personally surveyed the customers shortly before the beginning of the course in the study room. It took approximately 5-7 minutes. Such a survey in presence ensures 100% filling in questionnaires and a possibility to answer questions (if such occur) about the questionnaires' content and marking of statements. In the authors' opinion, also the possibility to have neutral persons as survey conductors has been successful.

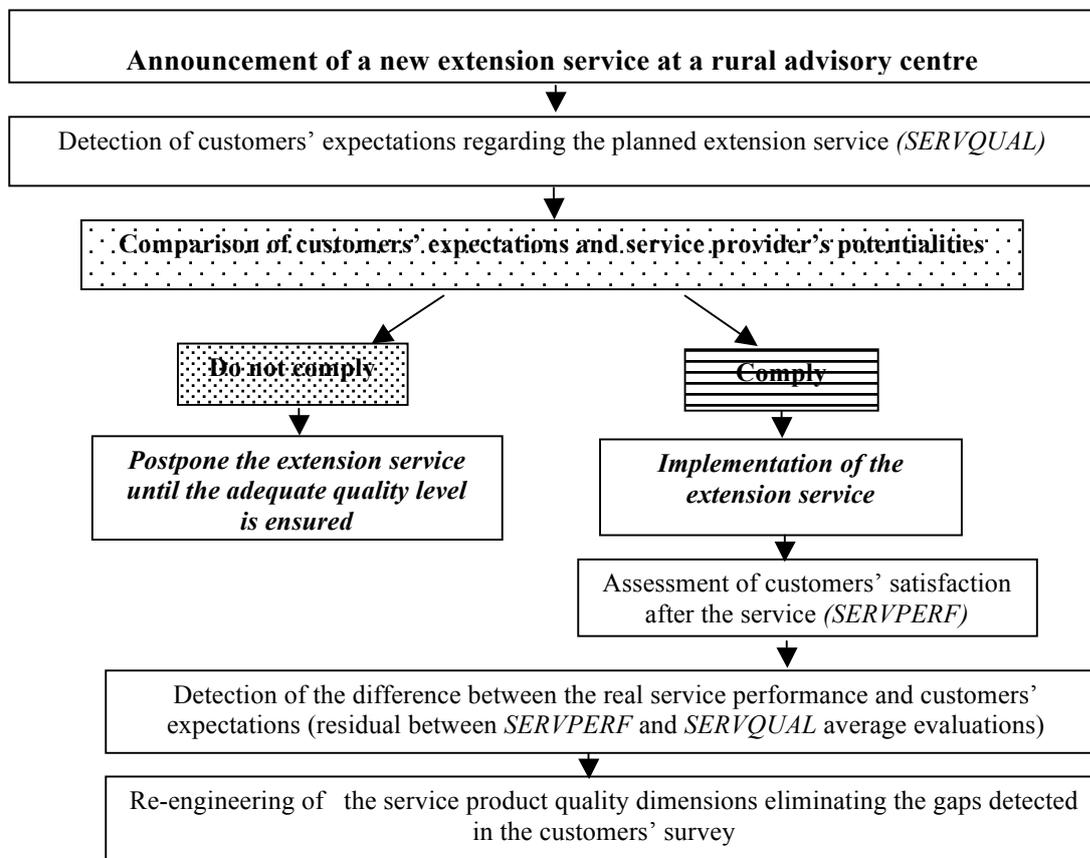


Figure 1. Customer-guided training services' quality assurance model

Source: authors created logical construction

Firstly, if the survey is organized by a well known LRATC employee the participants of the training course not always feel comfortable to answer fairly, as they expect to be ignored next time when they apply for a free of charge training course due to their negative evaluation of the course quality. Secondly, the head of LRATC Further Education Department has admitted that lecturers of the training course or persons responsible for the course organization are the persons who are directly interested in having good evaluation of their work. Therefore, such approach of having an independent person eliminates data falsification due to possible dishonesty (*Grinberga-Zalite, 2011*).

Before launching extension services in the market, rural extension centres inform their customers about the time and place of the training course, included themes and lecturers. There are different information channels used – LRATC website, local newspapers and even radio and TV commercials. After that, customers actively start to take interest and apply for extension services. In the author's opinion at this period, apart from giving information, actively encouraging customers to apply and answering their questions about the extension topics. It is highly important to accumulate information from customers. In this period customers should be requested to be responsive and collaborate in the process of specification of the course issues, supplementing them and giving their suggestions regarding the timing of the course, length of lectures and wishes regarding the lecturers. One of the preconditions on the customer's registration for the training service could be filling in the questionnaire (electronically, by telephone or in person before the course). After this procedure, the customers' needs and capabilities of the extension service provider should be compared. In situations, when customers' expectations of particular criteria of the service are higher than the service provider can ensure, it would be necessary to assess, how important this particular criterion is in the overall service product. Service providers for this reason can get in touch with the customer and find out if customer would accept some minor or major deviations from the primary customer's intentions regarding this course product. In situations, when customers' expectations match with capabilities of the service provider or do not exceed them, the extension service can take place according to the plan and after the course SERVPERF survey should be conducted. The final procedure is obtaining after course performance evaluation and comparison of it with customers' expectations before the course.

Such model helps service providers rationally re-engineer their services. Moreover, often there are some minor adjustments necessary to satisfy customer needs without major transformation of the service which is a resource and time consuming process. For example,

sometimes respondents have very concrete requirements regarding the course lecturer, which in case of failure to attract the particular person, might result in indirect negative side effects – negative evaluation of other unrelated criteria. Therefore, it is very important to find out the level of customers' tolerance regarding inability to provide particular criteria.

All respondents who participated in author's interviews claimed that in general they highly evaluate all previous and present LRATC intentions to provide rural extension services and admitted that all in all these services are of high importance for them. Besides, all respondents expressed their personal interest to contribute to the improvement of rural extension further service development and readiness to attend LRATC courses also in the future.

## **Conclusions**

1. SERVQUAL model helps to detect those criteria of LRATC service quality, which had lower performance level than customers had expected. In a particular situation, it regards training classrooms, comfort, usefulness of information received during the training, regular provision of information about the topicalities, kind attitude of the service provider's staff, and the willingness of the service provider to help customers to clear up uncertainties, as well as advantageous place location of the training courses. According to the methodology of SERVQUAL evaluation, it means that these are problem areas of the service provider, which needs to be tackled.
2. The evaluations of rural extension services assigned by different size farm representatives differ. The survey results revealed that all the four respondents have different expectations regarding the LRATC extension service quality. The most distinctive differences were detected among the expectations of the representative of a small non-commercial farm and representatives of larger commercial farms. In general, the representative of the small farm demonstrated more tolerant attitude to different service quality gaps. Such situation possibly incites the necessity to differentiate service provision, focusing more precisely to various market segments, as customer needs vary not only according to the farm size but also according to geographical area, climate conditions and density of population. Therefore, LRATC, in collaboration with local municipalities and alongside with analysis of the information aggregated by Central Statistical Bureau of the Republic of Latvia, should activate and systematically follow the demand trends for rural extension services in

different population areas of Latvia. Accordingly, appropriate extension services supply intentionally harmonized for the particular territories should be prepared by LRATC.

3. The author's developed model of customer-guided service quality improvement is easy to apply and adapt for different kinds of extension services. The model helps to obtain an overview of the particular service quality condition and choose further measures to be taken for the customer-guided service quality provision.

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