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Surf Tourism in Portugal – The Gap between Manager's and Guest's Perceptions of Service Quality in Portuguese Hostels

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Resumo

O turismo de surf em Portugal tem vindo a crescer na última década, acompanhado por um

aumento de alojamentos como surf hostels e surf camps, que oferecem alojamento a viajantes que

procuram uma combinação de viagens e surf. Por conseguinte, é essencial que estes alojamentos

ofereçam uma elevada qualidade de serviço aos seus hóspedes. Esta investigação tem como objetivo

investigar a diferença entre as perceções dos gestores de hostels e dos hóspedes sobre a prestação e a

receção de serviços de elevada qualidade em surf hostels em Portugal.

Para explorar esta lacuna, foi aplicada uma análise de método mistos. Inicialmente, foi

utilizada uma abordagem qualitativa, envolvendo entrevistas estruturadas auto-relatadas com gestores

de pousadas portuguesas para compreender as suas estratégias de prestação de serviços aos seus

hóspedes, com especial ênfase na avaliação das estratégias de gestão utilizadas para garantir um

elevado nível de qualidade de servico. Em seguida, foi aplicado um inquérito baseado no modelo

SERVPERF para determinar as perceções dos hóspedes sobre a elevada qualidade do serviço.

Os resultados do estudo qualitativo revelaram a emergência de cinco temas-chave que são da

maior importância para os gestores de pousadas: uma abordagem centrada nos hóspedes, eficiência

do pessoal, sustentabilidade e respeito pelo ambiente, segurança e proteção, e instalações e

comodidades. Entre estes, a abordagem centrada no hóspede destacou-se como o fator mais

significativo que contribui para a prestação de um serviço de elevada qualidade, enquanto as

instalações e comodidades tiveram a menor importância neste contexto. Por outro lado, os resultados

da investigação quantitativa indicaram que as instalações e as comodidades oferecidas pelo

alojamento foram as dimensões mais críticas que influenciaram a perceção dos hóspedes de terem

recebido um serviço de elevada qualidade.

Estas conclusões indicam que, ao manter uma orientação centrada no hóspede e ao alinhá-la

com investimentos nos atributos tangíveis da pousada para melhor servir os hóspedes, o fosso na

perceção da qualidade do serviço entre gestores e hóspedes pode ser efetivamente colmatado. Isto,

por sua vez, leva a uma maior satisfação dos hóspedes e a uma maior fidelização.

Palavras-chave: SERVPERF, Surf Hostels, Surf Camps, satisfação do cliente, qualidade do serviço

Sistema de Classificação JEL: L83 – Turismo; Z32 – Turismo e Desenvolvimento

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Abstract

Surf tourism in Portugal has been on the rise in the last decade, accompanied by an increase in

accommodations such as surf hostels and surf camps, which offer lodging for travelers seeking a

combination of travel and surfing. Therefore, it is essential for these accommodations to provide high

service quality to their guests. This research aims to investigate the gap between hostel managers' and

guests' perceptions of delivering and receiving high service quality in surf hostels in Portugal.

To explore this gap, a mixed-method analysis was employed. Initially, a qualitative approach

was utilized, involving self-reported structured interviews with Portuguese hostel managers to

comprehend their service strategies to their guests, with a particular emphasis on evaluating the

managerial strategies utilized. Then, a survey based on the SERVPERF model was administered to

ascertain guests' perceptions of high service quality.

The qualitative research results revealed the emergence of five key themes that are of utmost

importance to hostel managers: a guest-centered approach, staff efficiency, sustainability and eco-

friendliness, safety and security, and facilities and amenities. Among these, the guest-centered

approach stood out as the most significant factor contributing to the delivery of high service quality,

while facilities and amenities held the least importance in this context. On the other hand, the

quantitative research results indicated that the facilities and amenities provided by the

accommodation were the most critical dimensions influencing guests' perception of having received

high service quality.

These findings indicate that by maintaining a guest-centric orientation among hostel managers

and aligning it with investments in the tangible attributes of the hostel to better cater to the hostel

guests, the gap in service quality perceptions between managers and guests can be effectively bridged.

This, in turn, leads to heightened guest satisfaction and increased loyalty.

Keywords: SERVPERF, Surf Hostels, Surf Camps, Customer Satisfaction, Service Quality

JEL classification system: L83-Sports, Tourism; Z32-Tourism and Development

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#### 1. Introduction

In the last decade, Portuguese surf tourism has been on the rise, experiencing a steady increase of surf tourists and with them contributions to the local economic development (Bradshaw, 2021). Surf enthusiasts are always searching for the ideal wave and Portugal's rising popularity after successful marketing campaigns such as the Big Wave Surfing in Nazaré is helping to establish the country as one of Europe's leading surfing destinations (Bradshaw, 2021). An increasing number of surf tourists also brings an increasing number of offers of accommodation providers, and especially hostels and surf camps along Portugal's coastline emerged as visitors' favourites.

Therefore, it is important to deliver high service quality within these lodgings, not only to attract new customers and offer a reasonable price-for-value experience but also to ensure the continuous purchase of recurring guests, helping to build a favorable reputation for Portuguese surf tourism locally and nationally. However, the managerial approach to delivering high service quality and the customer's perceptions of high service quality do not always match (Brochado & Rita, 2018). This study aims to investigate the gap between the manager's and guest's perceptions of high service quality in Portuguese surf hostels, to identify future managerial implications for meeting the expectations of those who utilize their accommodations and services.

#### 1.1. Contextualization of the research topic

In its essence, surfing is the act of standing upon a watercraft that is being pushed by a wave and deriving pleasure from the experience (Carter, 2022). It can further be understood as a sport that uses nature, wind, and water by using a board to slide down waves until they break on the coast (Valencia et al., 2021). Yet, when one thinks of surfing, specific images come to mind: sandy beach breaks, barrel waves in front of a sunset, and sporty individuals on the search for the thrill. This is because, over time, the appeal of surfing has been shaped by the conception of its subculture which was born through the mindset of surfers and has ultimately been capitalized by companies and entrepreneurs alike, trying to push an image of surfing and this very subculture to more customers. Thus, surfing has caught the attention of the public eye and became a part of pop culture (Valencia et al., 2021).

More recently, surfing has grown even more into an extremely popular activity globally (Valencia et al., 2021), not only during the COVID-19 pandemic in which many people sought refuge in nature (Boyle & le Busque, 2022) but also with the introduction of surfing as an Olympic sport in the 2020 Tokyo games (Clapham et al., 2020; Román et al., 2022; Valencia et al., 2021). So much so, that surfing has been added to the physical curriculum in schools in Hawaii and California (Clapham et al., 2020) and is even being used as a form of therapy against anxiety and post-traumatic stress disorder (Carter, 2022). One estimate from the ISA (International Surfing Association) from 2012 suggests there are around 35 million surfers worldwide, which has attracted 120 million fans (Borgonovo-Santos et al., 2021). Another estimate suggests that surfing is practised in 201 countries as of the end of 2020 (Valencia et al., 2021).

The art of wave-riding is believed to have its roots in Polynesia, as it was documented by Captain Cook upon his arrival in the Pacific Isles and his observations of wooden planks made from the native Wiliwili tree functioning as the first form of surfboards (Carter, 2022). In 1935, surfer and author Tom Blake changed the design of surfboards drastically by installing fins at the tail of his board, which improved the performance and speed immensely and therefore gave way to modern-day performance surfboards (Carter, 2022). Surfing, as we know it today, evolved between 1950 and 1970, with the first popularity breakthrough happening in the 1960s when it came to playing a growing role in films, magazines, and the entertainment industry. In the 1980s, surfing started to generate an economic impact on countries, with Hawaii and Australia being leading cases at the time (Román et al., 2022).

With the growing popularity of the sport came a growing market for businesses to sell and marketers to position brands. In addition to surfing equipment, such as boards, wetsuits, fins, and leashes, which are necessary to start the sport in the first place, various manufacturers are now selling designs, fashion articles, magazines, movies, travel brochures, etc. which all seem to serve one underlying motivation: transmitting the idea of surfing as a lifestyle, the ultimate image of freedom (Janzer, 2017).

This was successful, as only a few subcultures have conveyed the image of the free adventurer as strong as surfing: sun-burnt, adrenaline-seeking, athletic yet free-minded at the same time. This freedom, so inherently important in the surfing way of life,

is being expressed via travels and trips in search of the perfect wave to globally practice surfing and shape the local surf culture at the same time. Hence, surf tourism has become a global occurrence and is impacting thousands of coastal communities (Mach & Ponting, 2021).

Portugal has recently entered the global spotlight as one of Europe's leading surf destinations, thanks to the unique combination of sport, tourism, and innovation that surfing offers. Portugal has a long history of being one of Europe's main tourist destinations and has a high level of entrepreneurship, which brings growth and innovation opportunities. Furthermore, the variety of waves and surf spots (combined with an already established surf culture, the Portuguese charm and its affordability) have shaped Portugal's image as an attractive destination for surf tourists. Consequently, many Portuguese coastal regions have experienced a steady increase in visitors and surf enthusiasts over the last decade, making surfing a tourism product that greatly contributes to local economic development (Bradshaw, 2021).

While on their trips, many surf tourists seek a variety of accommodations to stay overnight. Surf hostels are a preferred universal choice due to their budget-oriented yet 'cool' market positioning (Veríssimo & Costa, 2019; Wilson et al., 2021). Recently, there has been a shift in the image of hostels, with a focus on diversifying hostel services to increase their strength in the hospitality industry and leave behind the low-quality stigma (Kuzmanović & Vukić, 2021; Veríssimo & Costa, 2019). At the same time, hostel managers are facing the challenge of continuously providing high-quality service to better position their business, reach customer satisfaction, deliver a positive service experience, and build customer loyalty (Veríssimo & Costa, 2019).

## 1.2. Research problem

There is plenty of research on service quality in various fields of service providers: from hospitals to aviation to retail to the hotel sector, service quality management is a crucial factor in the success of a business (Ahanger et al., 2022; Ong et al., 2022; Rahman & Rahman, 2023; Veríssimo & Costa, 2019). In the tourism industry, the purchased tangible product (accommodation) is just as important as the intangible service provided (the experience). Factors such as direct customer contact, willingness to interact, clean

facilities, and a comfortable feeling of safety and warmth can all impact the guest's impression, as noted by Brochado and Rita (2018).

The same is true for the subsector of surf tourism, where travelers actively seek the intangible service of experiencing surfing in a new location but are unwilling to compromise on their accommodations. Surf tourists are rarely looking for just a place to sleep; instead, they seek arrangements that reflect the surfing lifestyle: close to nature, sustainable, in contact with like-minded people, and willing to share available resources.

While there is a lot of research on service quality in hotels, there is a lack of research on service quality in hostels, particularly in the context of surf hostels, despite their growing popularity (Veríssimo & Costa, 2019). There is generally a scarcity of research on surf tourism, despite the established tradition of surfing and its global popularity. Most studies to date have focused on popular surf spots in Southeast Asia and the Pacific Isles (Bradshaw, 2021).

Europe, and Portugal in particular, are rarely the focal point for research, resulting in a lack of statistical data at the national level regarding the movement of tourists and surfers and their direct/indirect impact on surf tourism, as well as how to manage the needs of surf hostel guests (Bradshaw, 2021). Nevertheless, surfing and surf tourism are becoming increasingly important in Portugal, highlighting the need to bridge the gap between surf tourism providers and their target audience to successfully create a community-based feeling, foster connections, integrate travelers into Portuguese culture, and encourage longer stays during each trip.

#### 1.3. Research aim

This research aims to investigate and explain the gap between managers' and guests' perceptions of high-quality service in surf hostels in Portugal. Additionally, the most significant findings of this study are meant to be used as managerial implications in the future to bridge the gap between hostel management and guests, ensuring a high standard of service quality and to explore the movement of tourists as well as surfers and their direct and indirect impact on (surf) tourism in Portugal. This, in turn, will lead to higher customer loyalty, increased business profits, and a more attractive view of Portugal as a tourist destination.

In addition, this research aims to address the existing gaps in the literature regarding service quality in hostels, surf tourism in Europe, and Portugal as a leading hostel destination (Veríssimo & Costa, 2018). This will help to contribute to the research on tourism in Europe, particularly in Portugal, and surf tourism.

Further investigation into this topic will enable future researchers and managers of Portuguese surf lodgings to understand how surf hostel guests perceive high service quality and the main factors that contribute to their experience. While addressing the shortage of research on surf tourism, notably in Portugal, this research also aims to help bring (surf) tourism to the next level: sustainable and affordable, customer-focused but also unique, experimental yet safe and a combination of multi-purpose aspects (combining longer travels to more destinations with working from abroad) with community-based feelings.

### 1.4. Research questions and research design

This dissertation aims to answer the following research questions:

- What is the managerial approach to offering and delivering high service quality to their guests?
- What are the customers' experiences regarding the surf hostel service quality?
- What are the differences between the managerial approach to service quality delivery and the customers' perceptions?
- Are surf tourists' perceptions of the service quality different from other customers?

To answer the first question, a qualitative methodology will be employed through self-reported structured interviews with managers of surf hostels in Portugal. For the remaining question, a quantitative approach using the SERVPERF model will be utilized, in the form of a survey administered to guests who have stayed at least one night in a surf hostel in Portugal. Finally, the results from both methodologies will be compared to gain a deeper understanding of the gap in high-quality service perceptions between hostel managers and guests, and to identify potential solutions to bridge this gap.

#### 1.5. Dissertation structure

This dissertation is divided into six chapters, presenting the theoretical background of the thesis field first before discussing the practical execution of the research. The second chapter provides a summary of the existing academic literature and introduces the concepts of service quality, surf tourism, and hostels. It begins by describing the theoretical background of service quality, leading to the elaboration of service quality models in Tourism and Hospitality. It then gives an overview of previous research on surf tourism, including its economic impact as a business, and defines the scope of hostels and their service design. This chapter also provides a deeper look into the marketing shift caused by millennials, as well as subsections on Portuguese hostels and surf hostels.

The third chapter presents the methodology, which is divided between qualitative and quantitative research. It introduces the structure of the self-reported interviews conducted, the sample, data collection, and data analysis for the qualitative research. The chapter then outlines the scales and measurements used in the quantitative research, the sample design, data collection, and demonstrates the methods for statistical data analysis.

The fourth chapter comprises the results of both the quantitative and qualitative research. The fifth chapter presents the findings and discusses the results before making recommendations for managerial contributions. The sixth chapter summarizes the main conclusions of the research, presents the study's limitations, and explores possible future approaches.

#### 2. Literature Review

## 2.1. Service Quality

For any vendor selling a product, ensuring customer satisfaction has been a main focus. This is because high satisfaction ratings can lead to strategic benefits such as repurchase behaviour and retention, which in turn, have a direct impact on the business's profits and overall performance (Laroche et al., 2004). The same principle applies to service industries, where goods are accompanied by corresponding service performances.

Research on these services and their quality first appeared in the 1970s and as the concept gained more importance through increased competition within the service industries, numerous studies and academic works have been conducted in the last twenty years (Akdere et al., 2020; Topp & Chipukuma, 2016), confirming the fact that a high quality of services has the strategic benefit of leading to higher customer satisfaction, a reduction of costs, a return on investment and increased productivity (Gijsenberg et al., 2015).

There is wide agreement among authors that the service quality of a product directly leads to customer satisfaction which has an indirect positive effect on customer loyalty to the brand (Luo et al., 2019; Sipe & Testa, 2018; Wong et al., 2020). Customer satisfaction comes from creating value for customers by anticipating their expectations and satisfying their needs (Wong et al., 2020). Especially in the hospitality industry, customer satisfaction becomes the key to success whilst creating brand loyalty as hoteliers cannot compete without satisfying their guest's needs and meeting their expectations (Wong et al., 2020). As the experiences for customers in Tourism are linked with a state of escapism, a pleasant and creative service experience is connected with pleasant memories which then lead to positive behavioural intentions such as the intention to revisit and to recommend to other possible guests (Sipe & Testa, 2018).

Brochado and Rita (2018) highlight that the likelihood to return and willingness to recommend hostels depend on the perceived quality of services. Addere et al. (2020) even go a step further and emphasize that the concept of quality has been transformed from focusing on goods (without much attention on services) to focusing primarily on services (and considering the goods received only as components of those services). This led to services being a replacement for goods as the building block of employment in

economically developed countries (Laroche et al., 2004).

It is crucial therefore to monitor the quality of services steadily and to adapt it to the customer's needs and expectations. Yet, due to the characteristics of services - intangibility (they cannot be seen, smelled, etc. before they are purchased), heterogeneity (each service offering is unique and cannot be repeated the same way), inseparability (it is impossible to divorce the production of a service from its consumption), and perishability (services cannot be stored for later use) (Hassan, 2019; Juneja, 2022), this can become a challenge as it is not easily measured objectively or without difficulties (Brochado & Rita, 2018; Nadiri et al., 2009).

It is challenging and almost impossible to meet every customer's expectation every day, so providing high-quality service to everyone daily is also challenging and almost impossible. This is because a customer's satisfaction with a product or service is based on their perception of how well the offering performs in relation to their expectations (Choudhury, 2021). In other words, service quality is the customer's evaluation of the delivered service in terms of how well it meets their expectations (Choudhury, 2021).

#### 2.2. Service Quality Models in Tourism & Hospitality

As previously described, service quality refers to the customers' perception of the service received in comparison to their expectations. Customers usually evaluate the service they receive based on their anticipated service. If the actual service provided is not aligned with their expectations, customers may feel dissatisfied and may believe that they did not receive the full value for the price they paid (Rahman & Rahman, 2023; Wong et al., 2020). This dissatisfaction may result in losing customers as they seek other sources that can better meet their needs (Rahman & Rahman, 2023).

Therefore, it is essential to conduct service quality analysis to identify areas where the organization falls short in meeting customer needs and wants (Rahman & Rahman, 2023). This helps maintain customer satisfaction and prevent a decrease in brand loyalty. Measuring service quality has become a critical tool for designing, delivering, and managing internal and external business operations (Ponnaiyan et al., 2021). In the tourism industry, which is based on services and experiences and involves co-creation of memorable values with customers, using service quality models such as SERVQUAL and SERVPERF is crucial for organizations to exceed customer expectations and ensure

success (Wong et al., 2020). Following, Table 1 shows a summarized selection of recent scientific studies about service quality in various fields and their use of different service quality models.

Table 1 – Recent service quality studies

Reference	Dimensions/No. Of Items	Research Context	Research Design
Akdere et al., 2018	5 Dimensions; 15 Items	Turkey, N=972 Patient Perceptions in Turkish Hospitals	Survey cross-sectional Logistic Regression Model
Choudhury, 2021	6 Dimensions (Awareness, Trust, Personalization, Fulfillment, Assurance, Re-Modelling); 38 Items for SERVQUAL, 5 Dimensions (Trust, Personalization, Fulfillment, Assurance, Re-Modelling); 32 Items for SERVPERF	India, N=300 Service Quality from Telecom-Operators in India	Survey Questionnaire Cronbach's Alpha Test Multiple Linear Regression
Ponnaiyan et al., 2021	6 Dimensions (Tangibility, Reliability, Responsiveness, Assurance, Empathy, Recovery)	UAE, N=491 Fast-Food-Restaurant Service Quality in the United Arab Emirates	Survey Questionnaire Confirmatory Factory Analysis
Praditbatuga et al., 2022	8 Dimensions (Tangibility, Reliability, Assurance, Responsiveness, Empathy, Recovery, Food Quality, Perceived Value); 33 Items	UAE, N=391 Service and Food Quality & Perceived Value on Customer Satisfaction of Thai Restaurants in United Arab Emirates	Survey Online Questionnaire Multiple Linear Regression Analysis Simple Linear Regression Analysis
Sohail & Hassan, 2020	5 Dimensions; 21 Items	Saudi-Arabia, N=279 Service Quality in Saudi-Arabian Universities	Survey quantitative Analysis Conceptual Framework Covariance based structural model

Source: own elaboration

#### 2.2.1. SERVQUAL

Service quality is a multidimensional concept that encompasses several independent attributes and the inherent groupings of those attributes (Anaya-Aguilar et al., 2021). To simplify and adequately measure this concept, Parasuraman, Zeithaml, and Berry constructed the academic scale SERVQUAL in 1985 and 1988; this scale compares customers' expectations before and after the delivery of the service (Akdere et al., 2020), identifying gaps between marketers' perceptions of quality and the service's delivery to

the customer (Brochado & Rita, 2018; Laroche et al., 2004). SERVQUAL focuses on customer satisfaction and other factors influencing consumer buying behavior (Akdere et al., 2020; Park et al., 2022) and has eliminated limitations in measuring service quality.

It remains the most frequently cited measurement of service quality (Akdere et al., 2020; Musa & Thirumoorthi, 2011) and has been adopted by many studies to assess service quality in many types of different service contexts (Brochado & Rita, 2018; Laroche et al., 2004). To measure service quality with the help of SERVQUAL, the expected qualities and the perceived qualities of 22 items are being measured. Those 22 items indicate service attributes and are being classified into 5 dimensions with the help of factor analysis – tangibles, reliability, responsiveness, assurance, and empathy (an elaboration of the 5 dimensions can be seen in Table 2). The weighted sum of the disconfirmation scores - the gap score between the expected and perceived service quality - is the measured service quality (Anaya-Aguilar et al., 2021; Brochado & Rita, 2018; Park et al., 2022).

Table 2 - Dimensions of SERVQUAL

i) Tangibles	the appearance of physical facilities, equipment, personnel and communication materials
ii) Reliability	the ability to perform the promised service both dependably and accurately
iii) Responsiveness	the willingness to help customers and provide prompt service
iv) Assurance	the knowledge and courtesy of employees as well as their ability to convey trust and confidence
v) Empathy	the provision of caring about others and individualised attention to customers

Source: Akdere et al., 2020; Musa & Thirumoorthi, 2011

Despite its popularity, the SERVQUAL model has been subject to some criticism as several researchers criticize its use as a more generic measure (Brochado & Rita, 2018), and point to its limitations in usage including the use of gap scores, the unclear term of 'expectations', and similarities within the dimensions (Brochado & Rita, 2018). Furthermore, critics have raised concerns about the predictive power of the measurement items, the lengths of the questionnaire used, the legitimacy of the five-dimension-structure, and other issues (Sohail & Hasan, 2021).

#### 2.2.2. SERVPERF

Researchers Cronin and Taylor were doubting the validity of the disconfirmation paradigm and questioned if the expectations of the customer play any part in the perceived service quality in the first place, arguing that service quality is directly influenced only by the perceptions of the service performance (Akdere et al., 2020; Nadiri et al., 2009). In response to criticisms of the SERVQUAL model, they constructed the performance-based model SERVPERF to measure service quality based on the perceived quality only, resulting in: a) elimination of the difference-measurement between expected and perceived service quality (Akdere et al., 2020; Brochado & Rita, 2018; Laroche et al., 2004; Park et al., 2022), b) explanation of more variance in service quality (Ponnaiyan et al., 2021), c) greater construct validity (Ponnaiyan et al., 2021), and d) better results than SERVQUAL (Ponnaiyan et al., 2021).

Compared to SERVQUAL, SERVPERF is regarded as a superior tool in measuring service quality (Laroche et al., 2004; Ponnaiyan et al., 2021; Sohail & Hasan, 2021), as it takes over the known form of 22 items confined to 5 dimensions, measures the perceived performance on these 22 items, and calculates the service quality with the weighted sums of the performance scores on the 5 dimensions (Park et al., 2022). A higher perceived performance on the SERVPERF scale indicates a higher service quality (Ponnaiyan et al., 2021).

The Importance-Performance model (IPA model) is another widely used approach to conceptualize and measure service quality, particularly in the tourism industry, which rates the importance of each quality attribute against its performance or perception evaluation (Babić-Hodović et al., 2019). The IPA model is a valuable demand-based tool for continuously reviewing and validating tourism practices and is often used for clustering attributes and offering managerial implications (Babić-Hodović et al., 2019). When rating service attributes, respondents assess both the importance and performance of each attribute. Specific items are used to evaluate performance, while importance is generally assessed based on the attribute's standing (Mittal & Kamakura, 2001).

The IPA framework categorizes attributes into four groups based on their importance and performance levels, with a suggested strategy for each group. The first group includes important and high-performing attributes, while the second group includes

important but underperforming attributes. The third group comprises non-important but over-performed attributes, and the fourth group covers low-priority attributes that are non-important and underperforming (Babić-Hodović et al., 2019). According to Babić-Hodović et al. (2019), IPA analysis is an effective tool for identifying the strengths and weaknesses of service dimensions and setting priorities for improving service quality.

#### 2.3. Surf Tourism

According to Valencia et al. (2021), the popularity of surfing as both a sport and social phenomenon has led to a surge in academic interest in the topic which can be categorized into four distinct episodes of scientific research on surfing and surf tourism:

- I) the early period (1997-2000), in which its recognition as a field of study started,
- II) the formative phase (2001-2006) in which surf tourism was first defined and studies were focused on surf tourists and their behaviour and impacts,
- III) the progressive period (2007-2011) in which the number of articles, conferences and research drastically increased, and
- IV) the fourth period (2012-2018) in which the field of surf tourism has entered its next stage of expansion and development.

Today, the study of surf tourism takes a multidisciplinary approach, with researchers examining environmental, socio-cultural, and economic issues (Román et al., 2022). While much of the research has focused on the industry's multi-billion-dollar economic impact, recent studies have explored topics such as surfing in developed countries and the importance of protecting surf spots and the environment (Valencia et al., 2021). As sustainability becomes an increasingly important consideration in surf tourism (Fadda, 2020), scholars and activists have come together to promote it as a viable development strategy (Ruttenberg, 2022), paving the way for new approaches to sustainable tourism more broadly.

And although research on surf tourism may still be in its genesis (Valencia et al., 2021), the latest studies are already much more diversified than its earlier counterparts and include surfing and surf tourism on many different levels: Borgonovo-Santos et al.

(2021) have a medical approach, studying the fatigue and human energy costs of one paddling cycle; Boyle and le Busque (2022) investigate the interactions between surfers with sharks and their respective willingness to surf when coming across them (the willingness does not decrease, even when sharks are in visible sight); the research of Clapham et al. (2020) suggests surfing as therapy method for children with disabilities showing its numerous social and therapeutic benefits; Fadda (2020) explores the entrepreneurial behavior of the surf lifestyle in surf tourism pointing to an innovative and proactive attitude of managers towards business decisions; Mach and Ponting (2021) sought to find a general baseline for surf tourism before the COVID-19 pandemic; Valencia et al. (2021) are showing the social impacts surfing has in Mexico; and Román et al. (2022) display the complexity of recreational impacts and benefits surfing has not only directly but on many various levels within the society.

Wilson et al. (2021) suggest that surf tourism itself can be divided into two different subgroups: I) recreational surf travel - where surfers are planning their trips, use their transport and equipment and stay in local accommodations and II) commercial surf travel - where surfers are using a planned tourism package with all logistic aspects organized, including accommodation, transport and equipment. Surf hostels in Portugal, the chosen research objective of this study, are a particular example as they seemingly combine both subgroups and one can find recreational as well as commercial surf tourism together in one facility.

#### 2.3.1. Surf Tourism and its Economic Impact

Due to its rising popularity as a sport and its attractive imagery of relaxed athletes on sunny beaches, it is no wonder that surfing has evolved into a multi-million-dollar business: in 2017 alone, surfing generated 13 billion US dollars and has an economic value of about 22 billion US dollars as a global industry (Román et al., 2022), with a growth rate of more than 30 percent annually (Fadda, 2020). With this profitable impact, surfing has become an integral part of tourism, especially in seaside destinations, where it has become the primary tourist attraction, driving the most tourist demand (Fadda, 2020). Additionally, in developing countries, surfers are generating significant economic contributions, which help to improve the residents' lives (Hritz & Franzidis, 2018).

Unsurprisingly so as it offers multiple business opportunities: from running an individual enterprise related to specific surf activities on a local level on one hand (i.e., surf schools, surf camps etc.) to tour operators offering package holidays in prime tourist destinations such as Australia or Southeast Asia on the other (Fadda, 2020). The 'Savethe-Waves-Coalition' has been conducting valuation studies of surf destinations estimating that surf tourism is worth 14.3 million US dollars per year in Playa Hermosa (Costa Rica), 3.6 million US dollars in Lobitos (Peru) and 4.2 million US-dollars in Guarda do Embaú (Brazil) (Mach & Ponting, 2021; Save-the-Wave-Coalition, 2022).

One reason for the strength and economic impact of surf tourism is its appeal to a wide demographic of tourists and the availability of diverse destinations (Mach & Ponting, 2021). Additionally, surfers prioritize high-quality surfing waves and are willing to travel to sparsely populated, remote locations in addition to popular surfing spots (Mach & Ponting, 2021). Typically, surfers are younger, health-conscious, utilize social media for research, participate in adventurous activities, and prioritize experience over price (Mach & Ponting, 2021). Fadda (2020) highlights that the typical surfer prototype frequently travels in search of ideal wind and wave conditions, visits popular destinations, and experiences diverse cultures.

This is supported by Porter and Usher (2019) who state in their study that 63% of surfers go on 1-3 surf vacations per year, 20% go on 4-7 and 17% go on eight or more. Therefore, surf tourism can be defined as a segment in which a person travels at least 40km and stays overnight with surfing as the primary purpose for travel with seeking uncrowded quality waves as the main tourist activity (Fadda, 2020; Mach & Ponting, 2021; Valencia et al., 2021).

Naturally, these impacts come with a price in varying degrees in different contexts around the world (Mach & Ponting, 2021). These range from ecological issues such as coral reef damage, harmful coastal development and an overwhelming rubbish production to social issues including gentrification, loss of cultural values, drugs and alcohol abuse as well as prostitution (Mach & Ponting, 2021; Román et al., 2022), adding to the already existing problems of 'overcrowding' and 'localism' – the local surfer's need to affirm their rights to local spots through intimidation, vandalism and physical violence (Valencia et al., 2021).

Furthermore, increased land prices can lead to displacing native residents from their land as seen in Nicaragua where the surf industry has been developed by foreigners and is therefore dominated by 'outsiders' (Usher & Kerstetter, 2015). Hence, Valencia et al. (2021) recommend long-term plans that include all players of surf tourism – stakeholders, governments and surfers alike – to actively contribute to the development and conservation of surf destinations.

#### 2.4. Hostels

Hostels were first created in 1912 in Germany, and they quickly increased in numbers before spreading to other continents. Initially, hostels were intended as accommodations for students to stay overnight on educational trips (Veríssimo & Costa, 2018). Since their inception, hostels have been associated with youth tourists and traditional backpackers (Veríssimo & Costa, 2018). However, the concept of backpacker travel has evolved. In the 1960s, backpackers were often characterized as "hippies" and "drifters," but by the 1970s, they had become long-term budget travelers. Since the 1990s, backpackers have been identified as contemporary youth tourists (Brochado & Rita, 2018).

Hostels offer budget accommodations to this type of traveler, usually characterized as people traveling on a tight budget who do not mind sacrificing some parts of their privacy for the sake of lower costs (Kuzmanović & Vukić, 2021). Nowadays, backpackers have access to more information, are more mobile, and are more willing to experiment with their way of traveling (Kuzmanović & Vukić, 2021). Thus, hostels have evolved as a popular alternative to traditional hotels, offering a hybrid tourist accommodation that provides formal sleeping facilities with informal communal spaces at an affordable price, set in a social environment (Brochado et al., 2019; Veríssimo & Costa, 2019).

The focus is on creating a more casual, adventure-oriented atmosphere in which the communal aspect of the environment allows hostels to sell individual beds in shared rooms, organize group tourist activities, and provide better opportunities for travelers to learn about different cultures (Brochado et al., 2019; Gelbman, 2021; Kuzmanović & Vukić, 2021; Veríssimo & Costa, 2018). Avid hostel travelers are typically solo travelers who seek a variety of social connections and experiences with their fellow travelers and

local cultures (Veríssimo & Costa, 2018)

It becomes clear that the social aspect and favorable price/value ratio are the main characteristics of hostels, which increase customer satisfaction (Brochado & Rita, 2018; Cró et al., 2019; Gelbman, 2021; Kuzmanović & Vukić, 2021). Kuzmanović and Vukić's (2021) study shows that hostel guests prefer socializing and participating in local activities to have authentic experiences. Thus, the most successful hostels are those that offer a welcoming and friendly atmosphere, comfortable lounges and functional kitchens, staff interested in their customers, and affordable prices without compromising on quality (Nok et al., 2017).

Comfort and cheap prices aside, the politeness and friendliness of the staff, commitment, and readiness to help plus the relevant knowledge about their surroundings remain important characteristics to increase customer satisfaction (Kuzmanović & Vukić, 2021). Additionally, technical dimensions such as facilities, cleanliness and location further stand as key to attracting customers (Veríssimo & Costa, 2019b). Its social nature however, the chance to mingle and get to know other hostel guests, making friends from all over the world, presenting suitable spaces to cater for groups of travelers and drive them to interact with each other remains the most important characteristic of hostels (Cró et al., 2019; Gelbman, 2021).

#### 2.4.1. Image Shift through Millennials

This has led to the belief that hostels are consequently and always connected to crowded shared dorms, noisy late-night parties and overkill interior design features (Brochado & Rita, 2018). Yet, this image - low-quality lodging with cheap bed bunks for young travelers – is seeing a shift in recent years (Kuzmanović & Vukić, 2021; Veríssimo & Costa, 2018, 2019). The hostel industry was valued at \$5.2 billion in bed revenue globally in 2018 and its rapid growth is being accelerated by 'millennial travelers' (travelers aged 18-35) who seek to spend more money on longer trips and prioritize social interactions and shared experiences rather than materialistic goods (Veríssimo & Costa, 2018).

Millennials, also known as Generation Y, are the generational cohort born between 1981 to 2000 (Bargoni et al., 2023; Supanti & Butcher, 2019). They are seen as the maturing workforce of today and will quickly become the business leaders of tomorrow

(Bargoni et al., 2023). In contrast to their generational predecessors – Generation X (born between 1965 and 1980) – millennials are described as confident and self-reliant, technologically savvy and connected, open to change and diversity, closely connected to family and social organisations, service-oriented, effective at multitasking and hopeful of immediate access to information (Bargoni et al., 2023; Supanti & Butcher, 2019).

Millennials are the main factor in the increase of hostel-based travel, as they are determined to take more trips across various markets and are passionate about going abroad (Brochado et al., 2019). They actively shape the identity and outlook of sharing rooms and living spaces, based on the grounds of the 'sharing economy' (car sharing, coworking spaces, crowdfunding, etc.) (Cró et al., 2019).

Since millennials are delaying former life milestones such as finishing educational degrees, getting high-paid jobs, or marrying and starting a family, they are focusing on leading a purpose-driven life, making a difference in society, and consuming experiences as much as possible (Garikapati et al., 2016). Growing up with more leisure options and the funds to spend on such activities, millennials are searching for meaningful and authentic destinations. As a result, they are looking to 'live like a local' and plan trips to remote places independently (Bednall et al., 2012; Hostelworld Group, 2016b). In their study, Veríssimo and Costa (2018) found that millennial travellers make up 70% of all hostel travellers, with 15% having stayed in a hostel within the past 12 months. They also discovered that millennials who stay in hostels spend €1,100 more than other travellers annually, with an average of €1,522 spent during their main trip.

When it comes to hostels and hostel tourism, no other generational cohort is researched as intensively as millennials (and Generation Z - born around 1996-2010 - has not become the focus of research thus far). This is why hostel owners and tourism operators have picked up on the trend and developed a new era of hostelling, one in which hostels are going upscale by offering more formal extras: private rooms with en-suite bathrooms, safe storage facilities, restaurant and dining areas, or activity packages out of the ordinary (namely skydiving, bridge climbs, themed evening events, etc.) (Brochado & Rita, 2018) – all catered to the wishes and needs of millennials.

Another important aspect of the superior experience of hostels created by millennials is the identification and sense of belonging to a community. Once arrived,

hostels now offer the standards of a good hotel (regarding cleanliness, facilities, etc.) with a communal atmosphere plus the appeal to create emotional bonds (Brochado & Rita, 2018a). In this way, hostels can provide a familiar environment with personalized treatment to millennials, who consequently feel safer experiencing the newness of various destinations and sharing the experience with like-minded travel companions (Veríssimo & Costa, 2018). The best hostels, therefore, are those that handle this emotional-rational balance well, providing a place to share the freedom of being travellers yet feel welcomed at the same time and giving a satisfactory feeling about the money invested (Veríssimo & Costa, 2018).

## 2.4.2. Portuguese Surf Hostels

Europe is the leader of the hostel market when it comes to supply and demand with Germany leading in the number of hostels and Spain being the preferred choice for hostel travellers, but it is Portugal that excels in terms of the quality of the experience offered (Veríssimo & Costa, 2018). According to the annual list of best hostels globally published by the leading hostel booking website 'Hostelworld', Portugal is the country with the largest number of hostels mentioned, winning awards in various categories such as best hostel chain and best atmosphere of a hostel (Hostelworld Group, 2016a). Scoring 15 establishments among the best ones in the world, Portugal is passing in front of other popular destinations like Spain and the USA - one Portuguese hostel was even rewarded the status of best hostel in the world in the medium-sized category five years in a row (Hostelworld Group, 2016a).

To date, Portuguese hostels are internationally recognized for their excellence, affirmed through positive comments from guests, and repeatedly collecting awards (Gavrilescu, 2017). Considering the image shift through millennials, Portuguese hostels have adapted to the demand of their guests and are therefore actively supplying unique characteristics to align their offered services with the guest's profile, to involve them from the beginning until the end of the stay in providing the best experience possible. This is seen particularly in surf hostels, a special form of hostels, abundantly found along the Portuguese coastline.

Commercial Surf Tourism normally includes surfers using a planned tourism package with all the logistics of the travel organized in which the participants intend to spend their active leisure time surfing exclusively, hence, surf hostels have emerged from the need of surfers for accommodation while travelling along the coast and seeking out the perfect wave (Wilson et al., 2021). Mostly located in regions that are popular for their favorite surf spots, surf hostels can come in many shapes and appearances: regardless of whether they present themselves as small beachfront houses, large camps dedicated to the surfing lifestyle or rather privately owned guesthouses, they are united in their motivation to fulfil the needs and wants of (inter)national surfers with accommodation, food, knowledge sharing, surf instructions and guided trips (Wilson et al., 2021).

Surf Hostels are typically open for a wide segment of customers whether it is first-time surfers, beginners, intermediate, advanced, or even professional surfers (Wilson et al., 2021). Many surfers have adopted a sustainable mindset when approaching surfing, dealing with nature and tourism in general, and so surf hostels make sure to catch up with these demands by supporting low-carbon footprint ways of travelling, recycling and/or reducing plastic usage and interior design that is minimalistic yet made from natural products as much as possible (Wilson et al., 2021).

Combined with staff that is familiar with a sustainable surfing lifestyle, facilities that are depicted to the charm of surfing and a location that allows easy logistics and accesses to the beach, surf hostels allow guests to fully emerge in the sport of surfing as a recreational pastime as well as part of a mindset that fosters a respectful attitude towards nature and a socio-cultural exchange with likeminded companions.

Surf Tourism in Portugal

## 3. Methodology

This section aims to illustrate the methodology employed in the research, which sought to discern the gap between the perceptions of service quality held by managers and guests within Portuguese surf hostels. The managers' perspective was explored through a qualitative methodology in the form of structured and self-reported interviews, providing insights into their strategies and operational priorities for delivering service quality. In order to analyze the significance in service quality from the guests' view, a quantitative research approach was adopted. This approach involved employing a survey structured based on the SERVPERF model, which allowed for an analysis of guest perceptions and experiences regarding service quality.

## 3.1. Qualitative research methodology

## 3.1.1. The self-reported interviews

To gain a deeper insight into the perspective of Portuguese surf hostel managers regarding the delivery of high service quality, the qualitative approach employed involved conducting structured and self-reported interviews with managers of surf hostels and surf camps in Portugal. These interviews were designed to mirror the foundational framework of the SERVPERF scale, encompassing key dimensions such as tangibles, reliability, responsiveness, assurance, and empathy. Furthermore, the interviews aimed to delve into the managers' strategies for delivering high service quality to their customers, offering them the opportunity to articulate their approaches and operational challenges in maintaining elevated service standards for their hostels (Alhouti et al., 2015).

## 3.1.2. Sample Design and Data Collection

For this research project, structured and self-reported interviews with 10 Portuguese surf hostel managers were conducted. Interviewees were encouraged to speak their minds about the topics using open-ended questions and participants answered the questions in English. The saturation point of data was reached after 10 self-reported interviews. These interviews were published with an online format using the Qualtrics survey platform and subsequently transcribed. Initial contact with participants was established through email and social media platforms. The interviews were carried out between April and June 2023.

The data collection process revolved around an open-ended interview guide, with a specific focus on evaluating the managerial strategies employed to ensure a high level of service quality. It is important to acknowledge that this study utilizes a convenience sample approach, wherein participants were selected based on their availability and willingness to engage in the research. This selection method aligns with the research's exploratory, qualitative, and non-probabilistic nature (Pantano & Gandini, 2017).

#### 3.1.3. Data analysis

After collecting and transcribing the data from the self-reported interviews, an open coding system to identify the major themes was employed. Subsequently, focused coding was used to further analyze the codes representing the managers' perspectives on delivering high service quality. Both open coding and focused coding were facilitated with the assistance of the software MAXQDA. The codes were then organized into categories, allowing for a systematic analysis of the data. The categories were compared to each other, resulting in a hierarchical ordering of the importance of categories based on the number of codes within each category and the recurrence of repeated statements (see Figure 1 in Chapter 4 - Results).

This process culminated in the identification of five key themes, reflective of the managers' viewpoints on crucial factors for achieving high service quality. Finally, selective coding was employed to reanalyze the data, helping align managers' statements with the relevant categories and providing additional information to further determine the hierarchy of importance within these categories as per the study of Alhouti et al. (2015). These categorized insights are explained in the Results section of this research.

#### 3.2. Quantitative research methodology

#### 3.2.1. Scales and measurements

The usage of a SERVPERF orientated Likert scale was chosen for the quantitative data research of this dissertation to find out precursors of high service quality from the customer's view (Laroche et al., 2004; Ponnaiyan et al., 2021; Sohail & Hasan, 2021). The Likert scale offers a structured and standardized method for measuring respondents' opinions and attitudes towards various dimensions of service quality. By presenting a

series of statements or items related to the SERVPERF model, participants were asked to indicate their level of agreement or disagreement on a predetermined response scale, ranging from 1- "Strongly Agree" to 7- "Strongly Disagree". The focus of this approach was to gather detailed data on customer perceptions across multiple dimensions, allowing for a comprehensive evaluation of service quality.

## 3.2.2. Sample design and Data Collection

This research had the objective to assess customer perceptions of tangibles, reliability, responsiveness, and empathy dimensions of Portuguese surf hostels. The designed survey was transformed into an online format and administered to guests who had stayed in a Portuguese surf hostel. This allowed respondents to access and complete the survey at their convenience, eliminating the need for face-to-face interactions. The online survey platform provided an efficient means of data collection, enabling the aggregation of responses and facilitating subsequent analysis (Creswell, 2009).

To ensure the relevance and reliability of responses, participants were required to meet the criterion of having stayed at least one night in a Portuguese surf hostel. This selection criterion helped to ensure that the responses captured firsthand experiences. Participants were then asked to rate their agreement on a scale ranging from 1 to 7, with 1 indicating strong agreement and 7 representing strong disagreement regarding items of each SERPVPERF dimension as taken over from Babić-Hodović et al. (2019). Lastly, respondents were asked to give information about their socio-demographic background, such as age, gender, etc. This way, a more comprehensive description of the survey sample could be provided to add transparency and reliability (Sandelowski, 2000).

Data collection took place from March to June 2023 on the online survey platform Qualtrics. To reach a diverse range of surf hostel guests in Portugal, an online presence strategy was implemented. This involved promoting the survey on relevant websites, social media platforms, and online forums frequented by surf hostel guests. Furthermore, potential participants were contacted by email, providing them with a brief explanation of the study's purpose and a link to access the online survey (Sandelowski, 2000).

#### 3.2.3. Methods for statistical data analysis

The methods used for the statistical data analysis encompassed four key techniques: descriptive analysis of the socio-demographic information of respondents, reliability analysis using Cronbach's alpha as well as composite reliability, correlation between items using Pearson's r, and independent t-tests. These methods were chosen to gain insights into the characteristics of the sample, assess the reliability of the measurement instrument, and examine the relationships between variables.

Descriptive analysis was conducted to provide an overview of the sociodemographic information of the respondents. This analysis involved calculating frequencies, percentages, means, and standard deviations for variables such as age, gender, area of residency and purpose of travel. These statistics helped in summarizing and describing the characteristics of the sample, offering a comprehensive understanding of the participants' socio-demographic profiles.

To assess the reliability of the measurement instrument used in the study, two reliability analysis techniques were employed: Cronbach's alpha and composite reliability. Cronbach's alpha is a widely used measure of internal consistency, indicating the extent to which items within a scale or construct correlate with each other (Bonett & Wright, 2015). Additionally, composite reliability was calculated, which is based on the factor loadings and factor variances extracted from a structural equation model. This measure also assesses the internal consistency of the construct and is considered a robust reliability indicator (Bonett & Wright, 2015).

Pearson's r was used to find the correlation between various items of the SERVPERF dimensions. Linear Regression was used to find the item most influential on the perception of high service quality. Further, independent t-tests were employed to analyze the difference in mean scores for two groups, Surfers and Non-Surfers, and whether there is a statistically significant difference in the mean scores for the two groups (Gerald, 2018). To conduct the statistical data analysis, the statistical software SPSS was utilized.

#### 4. Results

In this chapter, the outcomes of both the interviews with surf hostel managers and the survey responses provided by surf hostel guests will be shown. Firstly, it delves into the qualitative findings, presenting the outcomes of the interviews and their subsequential categorization., then it presents the quantitative findings.

## 4.1. Qualitative research results

Based on the repeated statements of surf hostel managers and their responses regarding strategies to deliver high service quality, five key themes emerged, ranked in order of importance: Guest-centered approach, staff efficiency, sustainability and eco-friendliness, safety and security, and finally facilities and amenities as seen in Fig. 1. This section aims to provide an illustrative overview of these categories while delving deeper into their complexity.

The participants in the interview represent a specific demographic within the realm of surf hospitality in Portugal. While their identities remain anonymous, they all share a common role as managers of Portuguese surf hostels or surf camps, offering insight into their daily work strategies. The location of the surf hostels and surf camps are located throughout Portugal. This anonymity allows us to solely focus on their professional experiences and expertise in surf hospitality, enabling a more comprehensive exploration of their insights. Hence to maintain anonymity, the managers are denominated as Interviewee 1, Interviewee 2, etc. The interviews were conducted in English, and the citations are presented in the original language.



Figure. 1: Hierarchy of five key themes of manager's factors for service quality Source: own elaboration

## 4.1.1. Guest-centered approach

"Excellent service quality in youth hostels means rocking our guests' world!" (Interviewee 8)

"We achieve this by actively listening to our guests and seeking feedback to understand their preferences and expectations." (Interviewee 7)

"I walk through [the hostel] as if I was a guest" (Interviewee 2)

The majority of responses provided by managers, from the perspective of achieving high service quality, fall within the category labeled 'Guest-centered approach.' These responses encompass various strategies, such as catering guests' reactions to services, addressing guest complaints and concerns, integrating guest feedback, collaborating closely with guests, and extending assistance beyond assigned duties. For most managers, understanding their guests' preferences and expectations emerges as the cornerstone for ensuring a memorable and gratifying stay for each individual guest, while simultaneously establishing a reputation for delivering exceptional service.

Furthermore, it includes an emphasis of a personalized customer-centric approach aimed at fostering a welcoming environment. This approach involves actively engaging customers in the creation of an ambiance conducive to their preferences, incorporating

their valuable feedback, and furnishing guests with comprehensive information. As expressed by Interviewee 8:

"We utilize this feedback to enhance our services, amenities, and overall experiences, all with the overarching goal of ensuring our guests' happiness."

## 4.1.2. Staff efficiency

"The competence of hostel staff is crucial in delivering high-quality service." (Interviewee 4)

"Efficiency, Collaboration, well-being and organization, are in my point of view the most important factors such for youth hostels" (Interviewee 2)

"Enough personnel available so that they can take the time to interact and help the guests" (Interviewee 6)

Staff efficiency includes critical components such as comprehensive staff training, staff empowerment initiatives, and the provision of essential tools to assist and advise customers, thereby enriching their service experience. It further includes strategies to establish a structured workflow for the completion of daily tasks, vigilantly monitoring their execution. Informed by guest feedback, continuous improvements are made to enhance staff efficiency, fostering seamless coordination between the staff and guests.

Staff efficiency encompasses for the team to efficiently carry out their routine duties, proper organization, and effective communication of regulations to all staff members. Clear service standards and performance expectations are defined for hostel staff, accompanied by the authority to make timely decisions, and quickly resolve guest concerns. Furthermore, the provision of structured training to the staff aims to elevate their motivation levels and deepen their collaborative engagement with guests. Ultimately, this strategic approach ideally results in the delivery of high service quality from the managers' perspective:

"Friendly and knowledgeable staff members who are willing to assist guests, offer guidance, and provide prompt responses to queries create a positive impression and enhance the overall experience. [...] This includes guidelines for responsiveness, courtesy, efficiency, and other aspects of guest service. Clearly communicate these standards to all staff members" (Interviewee 4)

#### 4.1.3. Sustainability and eco-friendliness

"I avoid producing as much waste as possible, clean the place and partake on a project for digitalizing all invoices in our office. [...] I observe, if there's litter on the floor I pick it, if there's someone asking for information I help them, and if I can't fix something I always inform the team" (Interviewee 2)

"[W]e are all about being eco-friendly. [W]e do our part by using energy-efficient appliances and promoting recycling and waste reduction. we also ask our guests to follow our recycling rules." (Interviewee 8)

Sustainability and Eco-friendliness for surf hostel managers is the implementation of strict rules and regulations that focus on the principles of sustainability and the promotion of an eco-friendly environment. This includes a range of initiatives such as the careful recycling of waste materials, the responsible disposal of waste and a concerted effort to maximize the reuse of materials wherever possible. Energy efficiency is also a key factor, with a focus on using environmentally friendly appliances and the power of solar energy to reduce the carbon footprint of the surf hostels. One initiative to have a more sustainable approach is the introduction of drinking water refill systems within their facilities, to reduce the usage of single-use plastic bottles and to encourage a more sustainable lifestyle among guests.

Moreover, most surf hostels participate in local community projects aimed at conserving and restoring natural resources. Many also engage in collaborations with likeminded organizations to collectively work toward sustainability goals. It is important for surf hostel managers to effectively communicate these rules and regulations to their guests. This commitment aims to contribute to a wider ethos of shared responsibility for the environment, promotes a culture of sustainable tourism and inspires positive action from all guests.

## 4.1.4. Safety and security

"Ensuring the safety and security of guests is of utmost importance [...] maintaining a secure environment helps create a sense of trust." (Interviewee 3) "We have security staff at night and train our staff to deal with emergencies during the day." (Interviewee 8)

"We regularly assess and update our security protocols, conduct safety drills, and maintain a vigilant environment to ensure our hostel provides a safe and secure stay for all guests." (Interviewee 7)

Safety and security encompass the concern for the overall well-being of surf hostel guests. This includes establishing an environment of utmost security, ensuring that guests can fully immerse themselves in their stay, free from concerns related to theft, physical altercations, or any form of discrimination. Achieving this goal comes through a combination of strategic measures that emphasize a strong sense of safety and peace of mind. At the heart of these strategies is the vigilant presence of 24/7 staff and/or highly trained personnel who stand ready to respond quickly to any unforeseen emergency situations.

This proactive approach not only provides immediate assistance but also serves as a powerful deterrent against potential threats, providing guests with the assurance that their safety remains a top priority. Moreover, the usage of surveillance cameras across the premises aims to guarantee security by maintaining continuous monitoring and recording potential incidents. This, coupled with the employment of a vigilant atmosphere, significantly contributes to the creation of an overall safer ambiance for guests to enjoy, according to the managers.

#### 4.1.5. Facilities and amenities

"The facilities and rooms are kept clean and well maintained daily" (Interviewee 6)

"Regularly inspect the hostel premises to ensure cleanliness, functionality, and maintenance of facilities. Implement quality control measures to monitor the adherence to service standards and address any deficiencies" (Interviewee 4)

This category includes the supervision of facilities and amenities. It involves presenting suitable, clean, and modern facilities to enhance guest comfort, along with upholding cleanliness standards and proactively addressing maintenance needs. Furthermore, the integration of technological advancements, like optimizing check-in and check-out procedures or enhancing security through personalized keycard-locked doors, show the managers' commitment to streamlining the guest experience.

Surf hostel facilities are mostly designed to contribute to the creation of a social and inviting atmosphere that aligns with cleanliness standards, ensuring that guests feel comfortable throughout their stay. Furthermore, the continual adaptation and improvement of facilities based on guest feedback and changing trends underline the commitment of these managers to providing a top-tier accommodation experience.

#### 4.2. Quantitative research results

## 4.2.1. Descriptive Statistics

During the data collection period, a total of 218 survey responses were collected. 19 of those did not meet the criteria "stayed at least one night in a Portuguese surf hostel" and are therefore counted as invalid, leaving a sample size of N=199. Table 3 shows the sociodemographic characterization of the sample. The data highlights the popularity of Portugal as a travel destination amongst the respondents, particularly for surfing and general vacations. Lisbon and the Algarve region emerged as the preferred choices for travelers. European/EU nationals make up the largest group of visitors, with a significant representation from the Americas and Oceania as well. The survey covered a wide age range, with younger age groups showing the highest participation. Gender distribution was relatively balanced, with a slightly higher representation of females.

Most of the respondents (47.7%) stated that their purpose of travel was surfing, while 39.8% indicated a general vacation. A small percentage (1.4%) mentioned traveling for business. Lisbon emerged as the most popular destination, with 46.8% of respondents choosing it. The Algarve region ranked second, attracting 22.7% of travelers, followed by Northern Portugal (8.8%). A significant majority of respondents (56%) hailed from Europe/EU countries, demonstrating the popularity of Portugal as a destination among European travelers. North America accounted for 13.9% of respondents, while Central-/South America and Oceania represented 8.8% and 11.1% respectively.

The age distribution of respondents shows that the 18-24 years and 25-34 years of age groups were the largest, comprising 37% and 36.6% respectively. The 35-44 age group accounted for 13.4%, while the 45-54 and 55-64 age groups had lower participation rates of 4.6% and 0.5% respectively. 46.8% of the respondents were female, 41.7% were male and 3.7% answered with 'Other'. Of the participants who stated 'Surfing' as their purpose of travel, 53.4% were male, while 43.7% were female, and 2.9% stated 'Other'.

Table 3: Socio-demographic characterization of the sample.

		N	%
Purpose of your travel	Surfing	103	47.7
	General Vacation	86	39.8
	Business	3	1.4
	Other	7	3.2
Travel in Portugal	Northern Portugal	19	8.8
	Central Portugal	10	4.6
	Lisbon	101	46.8
	Alentejo	8	3.7
	Algarve	49	22.7
	Azores	7	3.2
	Madeira	5	2.3
Area of Residency	Europe/EU National	121	56
	North America	30	13.9
	Central-/South America	19	8.8
	Africa	4	1.9
	Middle East	1	0.5
	Oceania	24	11.1
Age	18-24 years old	80	37
	25-34 years old	79	36.6
	35-44 years old	29	13.4
	45-54 years old	10	4.6
	55-64 years old	1	0.5
Gender	Male	90	41.7
	Female	101	46.8
	Other	8	3.7

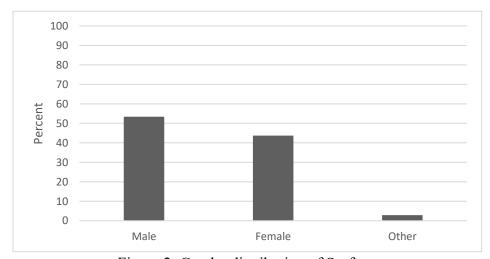


Figure 2: Gender distribution of Surfers

# 4.2.2. Mean scores and Cronbach's alpha

Table 4 reflects the five major constructs of this study (tangibility, responsiveness, assurance, empathy, reliability) and the items that were used to measure each construct. As this research used the five dimensions of the SERVPERF scale, Table 4 shows the 22 items taken over from Babić-Hodović et al. (2019) to measure the dimensions of service quality in hotels. Likert scale responses ranging from 1 (strongly agree) to 7 (strongly disagree) were used to measure each of the five dimensions.

Table 4: Means, Standard Deviations, Reliabilities Items and Dimensions of SERVPERF.

Items in Each Dimension	Mean	Std. De-	CR
		viation	
Tangibles (a=.897)	2.79	1.199	0.867
Tang1: The hostel has modern and updated equipment.	2.39	1.246	
Tang2: The hostel's physical facilities are visually appealing.	2.69	1.112	
Tang3: The hostel's employees are well dressed and appear neat.	3.03	1.180	
Tang 4: The appearance of the physical facilities of the hostel is in	3.05	1.258	
keeping with the type of services provided.			
Reliability (α=.906)	2.92	1.284	0.826
Rel1: When the hostel promises to do something at a certain time, it	2.54	1.392	
does so.			
Rel2: The hostel is sympathetic and reassuring when customers are fac-	2.82	1.335	
ing problems.			
Rel3: The hostel is dependable.	3.07	1.212	
Rel4: The hostel provides consistent and accurate information.	2.98	1.285	
Rel5: The hostel keeps its records accurately.	3.21	1.195	
Responsiveness ( $\alpha$ =.895)	2.94	1.458	0.822
Resp1: The hostel tells customers exactly when services will be per-	2.65	1.536	
formed.			
Resp2: Customers receive prompt service from the hostel's employees.	2.90	1.388	
Resp3: The employees of the hostel are always willing to help custom-	3.07	1.418	
ers.			
Resp4: The employees of the hostel are not too busy to respond to cus-	3.15	1.489	
tomer requests promptly most of the time.			
Assurance ( $\alpha$ =.900)	3.72	1.841	0.841
A1: The hostel's employees are trustworthy.	2.49	1.497	
A2: Customers can feel safe in transactions with the hostel's employ-	2.73	1.409	
ees.			
A3: The hostel's employees are polite and respectful.	2.93	1.322	
A4: The hostel's employees get adequate support from the hostel to do	3.10	1.503	
their jobs well.			
Empathy $(\alpha = .903)$	3.63	1.635	0.85
Emp1: The hostel gives you undivided and individual attention.	2.74	1.468	
Emp2: The hostel and its employees provide personalized service.	3.01	1.339	
Emp3: The hostel's employees understand what your needs are.	3.12	1.237	
Emp4: The hostel's employees have your best interest at heart.	3.13	1.403	
Emp5: The hostel's employees have convenient operating hours to all	3.25	1.380	
their customers.			

Overall Scale (α=.953)	2.91	1.346
Service Quality		
The hostel displays high service quality.	3.96	2.038

The highest levels of perception of service quality for all respondents were associated with the items 'Tang1: The hostel has modern and updated equipment' (2.39), 'A1: Employees are trustworthy' (2.49), 'Resp1: Hostel tells customers when services are provided' (2.65), 'Tang2: Facilities are visually appealing' (2.69), 'A2: Customer feels safe with employee's transactions' (2.73) and 'Emp1: Employees give undivided and individual attention' (2.74). On the other hand, perceptions of the customers regarding the empathy of hostel employees including 'Emp5: Hostel has convenient operating hours' (3.25), 'Emp4: Employees have best interest at heart' (3.13) and 'Emp3: The hostel's employees understand what your needs are' (3.12) were ranked the lowest items.

The mean score of tangibles (2.79) was the highest among the five perceived service quality dimensions, whereas the mean score of assurance (3.72) was the lowest. Overall, the SERVPERF mean was calculated at 2.91. Respectively, the service dimensions identified by the hostel guests to be the most agreeable were 'Tangibles' (2.79), 'Reliability' (2.92), 'Responsiveness' (2.94), 'Empathy' (3.63) and 'Assurance' (3.72).

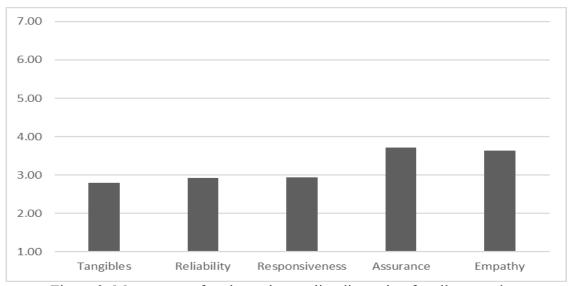


Figure 3: Mean score of each service quality dimension for all respondents

Table 4 also reports the values for Cronbach's Alpha and Composite Reliability. All the dimensions have acceptable coefficient alpha reliabilities (i.e., higher than 0.70), indicating acceptable internal consistency (Ponnaiyan et al., 2021). These values show that the

items within each dimension reliably measure the corresponding aspects of service quality. This strong evidence of internal consistency and reliability shows that the used Likert scale dimensions produce consistent results in measuring the intended constructs.

The composite reliability (CR) values for the dimensions of 'Tangibility', 'Reliability', 'Responsiveness', 'Assurance', and 'Empathy' are 0.867, 0.826, 0.822, 0.841, and 0.85, respectively. All the values are above 0.70 and therefore indicate good internal consistency reliability for each dimension of the survey instrument (Ponnaiyan et al., 2021). This way, these values provide confidence in the reliability of the Likert scale dimensions, indicating that the survey items reliably measure the intended constructs and produce consistent results (Ponnaiyan et al., 2021).

Analyzing only the respondents whose purpose of travel was 'Surfing' (from here on referred to as 'Surfers'), the highest levels of perception of service quality were associated with the items 'Tang1: The hostel has modern and updated equipment' (2.30), 'A1: Employees are trustworthy' (2.31), 'Resp1: Hostel tells customers when services are provided' (2.46), 'Rel1: When the hostel promises to do something at a certain time, it does so' (2.56), 'Tang2: The hostel's physical facilities are visually appealing' (2.60) and 'Emp1: Employees give undivided and individual attention' (2.62).

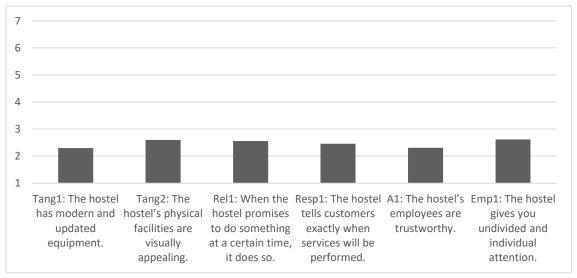


Figure 4: Items with highest Mean score of Surfers

Subsequently, analyzing only the respondents whose purpose of travel was 'General Vacation', 'Business', or 'Other' (from here on referred to as 'Non-Surfers'), the highest levels of perception of service quality were associated with the items 'Tang1: The hostel

has updated and modern equipment' (2.48), 'Rel1: When the hostel promises to do something at a certain time, it does so' (2.51), 'A1: The hostel's employees are trustworthy' (2.69), 'Rel2: The hostel is sympathetic and reassuring when customers are facing problems' (2.75), 'Tang2: The hostel's physical facilities are visually appealing' (2.78), and 'A2: Customers can feel safe in transactions with the hostel's employees' (2.83).

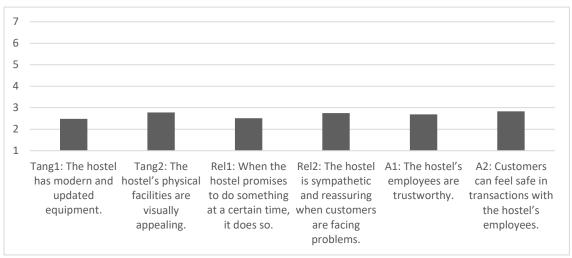


Figure 5: Items with highest Mean score of Non-Surfers

#### 4.2.2. Pearson's Correlation r

Table 5: Pearson's Correlation Coefficient of Highest Mean Score Items for all Respondents

Correlations							
		Tang1	Tang2	Resp1	A1	Emp1	A2
T1		1					
Tang1	r	1					
Tang2	r	.770**	1				
Resp1	r	.453**	.478**	1			
A1	r	.415**	.442**	.435**	1		
Emp1	r	.360**	.414**	.479**	.500**	1	
A2	r	.356**	.420**	.416**	.739**	.412**	1
** Correlation is significant at the 0.01 level (2-tailed)							

Table 5 presents Pearson's correlation coefficients for the items with the highest mean scores for all respondents: 'Tang1: The hostel has modern and updated equipment', 'A1: Employees are trustworthy', 'Resp1: Hostel tells customers when services are provided', 'Tang2: Facilities are visually appealing', 'A2: Customer feels safe with employee's transactions', and 'Emp1: Employees give undivided and individual attention'. There is a

significant positive correlation among all these items (Goodwin & Leech, 2006).

The strongest correlation is observed between items 'Tang1' and 'Tang2' (r = .770), indicating that hostel guests perceive the tangibles of the hostel favourably and consider them as an important measure of service quality. Furthermore, a significant positive correlation is found between items 'A1' and 'A2' (r = .739), suggesting that trustworthiness and a sense of safety between guests and employees positively influence the perception of service quality. Additionally, there is a significant positive correlation between 'A1' and 'Emp1' (r = .500), indicating that when employees are trustworthy and provide undivided attention to guests, it has a positive impact on their perceived service quality (Goodwin & Leech, 2006).

Table 6: Pearson's Correlation Coefficient of Highest Mean Score Items for Surfers

Correlations

Correlations							
	Tang1	Tang2	Rel1	Resp1	A1	Emp1	
	C	C		1		1	
Tang1	1						
Tang2	.703**	1					
Rel1	.351**	.412**	1				
Resp1	.377**	.473**	.572**	1			
A1	.430**	.365**	.544**	.470**	1		
Emp1	.316**	.436**	.552**	.544**	.536**	1	
** Correlation is significant at the 0.01 level (2-tailed).							

Respectively, Table 6 shows Pearson's correlation coefficients for the items with the highest mean scores for Surfers. Again, there is a significant positive correlation among all these items. The strongest correlation is observed between items 'Tang1' and 'Tang2' (r =.703), indicating that surfers also perceive the tangibles of the hostel favourably and consider them as an important measure of service quality. Furthermore, a significant positive correlation is found between items 'Resp1' and 'Rel1' (r =.572), suggesting that surfers like it when the hostel tells them when services will be performed and keep their promise to do so at a certain time. Additionally, there is a significant positive correlation between 'Resp1' and 'Emp1' (r =.544), indicating that when the hostel tells customers when services will be performed on top of providing undivided attention to guests, it has a positive impact on their perceived service quality (Goodwin & Leech, 2006).

<u>Table 7: Pearson's Correlation Coefficient of Highest Mean Score Items for Non-Surfers</u>

Correlations

Correlations						
	Tang1	Tang2	Rel1	Rel2	A1	A2
Tang1	1					
Tang2	.813**	1				
Rel1	.502**	.488**	1			
Rel2	.467**	.489**	.631**	1		
A1	.395**	.492**	.347**	.487**	1	
A2	.375**	.517**	.330**	.528**	.681**	1
** Correlation i	s significant	at the 0.0	1 level (2-	tailed).		

Table 7 shows Pearson's correlation coefficients for the items with the highest mean scores for Non-Surfers. As with Surfers and all respondents before, there is a significant positive correlation among all these items, with the strongest correlation observed between items 'Tang1' and 'Tang2' (r = .813), indicating that Non-Surfers just like Surfers perceive the tangibles of the hostel favourably and consider them as an important measure of service quality. There is also a strong positive correlation between the items 'A1' and 'A2' (r=.681), suggesting that trustworthy employees that make the customers feel safe with their transactions have a positive impact on the perceived service quality. Additionally, there is a strong positive correlation between items 'Rel1' and 'Rel2' (r=.631), hinting that Reliability is favourably considered for high service quality for Non-Surfers.

# 4.2.3. Backwards Multiple Linear Regression

Multiple regression is a frequently used statistical method for analyzing data when there are multiple independent variables (Leech et al., 2003). There are several different ways of computing Multiple Regression (Leech et al., 2015). For this research, a Backwards Multiple Linear was chosen to find the model with the fewest predictor variables to the outcome of 'high service quality'. With Backwards Multiple Regression, all variables are added to the model and are then eliminated one by one, until all variables have a p-value equal to or less than 0.1 (Leech et al., 2015).

The dependent variable, "This hostel has high service quality," represents the desired outcome. The Likert scale items with the highest mean scores serve as predictors or independent variables. This way, the customer's perceptions related to high service

quality can be identified.

To ensure the validity and reliability of a backwards multiple regression model, several assumptions must be fulfilled (Leech et al., 2015). Those assumptions and their fulfillment can be found in the Appendices.

Table 8 shows the p values of the Correlations Matrix of the Multiple Linear Regression for all the independent variables with the highest mean score used for all respondents. The item 'Tang1: The hostel has modern and updated equipment' is the only variable with p<.05, indicating that this variable is correlating with the independent variable (Leech et al., 2015).

Table 8: Correlation Matrix for Multiple Regression for all respondents

Correlations		
		The hostel displays high service quality.
Sig. (1-tailed)	The hostel displays high service quality. The hostel has modern and updated	
	equipment. The hostel's physical facilities are	0.024
	visually appealing.  The hostel tells customers exactly when	0.152
	services will be performed.	0.289
	The hostel's employees are trustworthy.  Customers can feel safe in transactions	0.351
	with the hostel's employees.  The hostel gives you undivided and	0.202
	individual attention.	0.122

Table 9 shows a summary of the results for the Backwards Multiple Linear Regression, listing beta weights, significance values, collinearity statistics,  $R^2$  and Adjusted  $R^2$  values as well as the F-value for all respondents. The model with the most influential predictor variables of the items with the highest mean scores of the used Likert Scale (Model 5) include 'Tang1: The hostel has modern and updated equipment' and 'A2: Customers can feel safe in transactions with employees', F(2,196)=3.40, p < .01, adjusted  $R^2=.024$ . The adjusted  $R^2$  value indicates that 2.4% of the variance in high service quality can be explained by this model which is a very small effect (Leech et al., 2003). 'Tang1: The hostel has modern and updated equipment' was the only variable that statistically significantly contributed to the final model (p=0.014) (Leech et al., 2015).

Table 9: Backward Multiple Linear Regression Summary for all respondents

N=	=199									
-						Collinea	rity			
						Statistic	S			
			Std.			Toler-			Adj.	
Me	odel	В	Error	Beta	Sig.	ance	VIF	R2	R2	F
1	(Constant)	3.714	0.418		<.001			0.044	0.014	1.458
	Tang1	0.333	0.184	0.204	0.072	0.394	2.541			
	Tang2	-0.119	0.213	-0.065	0.578	0.368	2.72			
	Resp1	-0.022	0.117	-0.017	0.851	0.639	1.565			
	A1	0.104	0.153	0.076	0.499	0.395	2.534			
	A2	-0.273	0.154	-0.189	0.078	0.437	2.289			
	Emp1	0.118	0.122	0.085	0.335	0.651	1.537			
2	(Constant)	3.708	0.416		<.001			0.043	0.019	1.751
	Tang1	0.329	0.182	0.201	0.073	0.4	2.501			
	Tang2	-0.124	0.211	-0.067	0.559	0.373	2.681			
	A1	0.102	0.152	0.075	0.504	0.396	2.527			
	A2	-0.277	0.153	-0.191	0.072	0.442	2.262			
	Emp1	0.111	0.117	0.08	0.341	0.702	1.424			
3	(Constant)	3.619	0.386		<.001			0.042	0.022	2.111
	Tang1	0.254	0.129	0.155	0.051	0.793	1.26			
	A1	0.101	0.152	0.074	0.509	0.396	2.527			
	A2	-0.288	0.152	-0.199	0.059	0.45	2.223			
	Emp1	0.101	0.115	0.073	0.383	0.719	1.39			
4	(Constant)	3.599	0.385		<.001			0.04	0.025	2.676
	Tang1	0.269	0.127	0.164	0.036	0.819	1.222			
	A2	-0.223	0.115	-0.154	0.054	0.78	1.282			
	Emp1	0.122	0.111	0.088	0.272	0.778	1.285			
5	(Constant)	3.736	0.364		<.001			0.034	0.024	3.404
	Tang1	0.303	0.123	0.185	0.014	0.873	1.146			
	A2	-0.182	0.109	-0.126	0.096	0.873	1.146			

Table 10 shows a summary of the results for the Backwards Multiple Linear Regression for Surfers. The model with the most influential predictor variable of the items with the highest mean scores of the used Likert Scale (Model 6) includes the variable 'Tang1: The hostel has modern and updated equipment', F=2.395, p < .01, adjusted  $R^2=.013$ . The adjusted  $R^2$  value indicates that 1.3% of the variance in high service quality can be explained by this model.

Table 10: Backward Multiple Linear Regression Summary (Surfers)

						Colline	arity Stati	istics		
			Std.			Toler-	•		Adj.	
Model		В	Error	Beta	Sig.	ance	VIF	R2	R2	F
	(Con-									
1	stant)	3.73	0.599		<.001			0.07	0.012	1.207
	Tang1	0.512	0.258	0.287	0.05	0.464	2.156			
	Tang2	-0.33	0.311	-0.16	0.287	0.43	2.324			
	Rel1	0.154	0.205	0.101	0.453	0.537	1.863			
	Resp1	-0.08	0.19	-0.054	0.684	0.553	1.807			
	A1	-0.32	0.185	-0.226	0.087	0.566	1.767			
	Emp1	0.265	0.185	0.19	0.156	0.546	1.831			
	(Con-									
2	stant)	3.729	0.597		<.001			0.069	0.021	1.427
	Tang1	0.511	0.257	0.286	0.049	0.464	2.156			
	Tang2	-0.36	0.305	-0.171	0.246	0.445	2.249			
	Rel1	0.129	0.195	0.085	0.508	0.589	1.699			
	A1	-0.33	0.183	-0.232	0.077	0.572	1.747			
	Emp1	0.247	0.18	0.178	0.172	0.576	1.736			
	(Con-									
3	stant)	3.802	0.585		<.001			0.064	0.026	1.684
	Tang1	0.512	0.256	0.287	0.048	0.464	2.156			
	Tang2	-0.33	0.301	-0.158	0.278	0.453	2.208			
	A1	-0.29	0.173	-0.205	0.098	0.635	1.576			
	Emp1	0.284	0.17	0.204	0.099	0.637	1.571			
	(Con-									
4	stant)	3.49	0.511		<.001			0.053	0.024	1.845
	Tang1	0.331	0.195	0.185	0.092	0.805	1.242			
	A1	-0.28	0.173	-0.197	0.112	0.637	1.57			
	Emp1	0.227	0.162	0.163	0.165	0.703	1.422			
	(Con-									
5	stant)	3.753	0.477		<.001			0.034	0.015	1.772
	Tang1	0.361	0.194	0.202	0.066	0.815	1.227			
	A1	-0.16	0.154	-0.117	0.287	0.815	1.227			
	(Con-									
6	stant)	3.579	0.449		<.001			0.023	0.013	2.395
	Tang1	0.272	0.176	0.152	0.125	1	1			

Table 11 shows a summary of the results for the Backwards Multiple Linear Regression for Non-Surfers. The model with the most influential predictor variables of the items with the highest mean scores of the used Likert Scale (Model 5) includes the variable 'Tang1: The hostel has modern and updated equipment', F=2.186, p<.01, adjusted  $R^2=.012$ . The adjusted  $R^2$  value indicates that 1.2% of the variance in high service quality can be explained by this model.

Table 11: Backward Multiple Linear Regression Summary (Non-Surfers)

N=96										
Model						Collinear	ity Stati	stics		
			Std.			Toler-			Adj.	
		В	Error	Beta	Sig.	ance	VIF	R2	R2	F
1	(Constant)	3.373	0.574		<.001			0.048	-0.016	0.745
	Tang1	0.334	0.276	0.222	0.23	0.318	3.141			
	Tang2	-0.06	0.321	-0.04	0.847	0.282	3.547			
	Rel1	-0.07	0.196	-0.05	0.719	0.541	1.847			
	Rel2	-0.16	0.212	-0.11	0.461	0.474	2.111			
	A1	0.219	0.193	0.167	0.259	0.498	2.01			
	A2	-0.11	0.213	-0.08	0.62	0.453	2.21			
2	(Constant)	3.342	0.548		<.001			0.047	-0.005	0.897
	Tang1	0.295	0.189	0.196	0.121	0.676	1.48			
	Rel1	-0.07	0.194	-0.05	0.705	0.545	1.835			
	Rel2	-0.16	0.211	-0.11	0.459	0.474	2.111			
	A1	0.216	0.191	0.164	0.262	0.502	1.992			
	A2	-0.12	0.205	-0.08	0.573	0.482	2.075			
3	(Constant)	3.31	0.539		<.001			0.046	0.004	1.095
	Tang1	0.273	0.179	0.182	0.13	0.743	1.347			
	Rel2	-0.2	0.183	-0.14	0.287	0.624	1.603			
	A1	0.214	0.19	0.162	0.264	0.502	1.99			
	A2	-0.11	0.203	-0.08	0.588	0.484	2.065			
4	(Constant)	3.24	0.522		<.001			0.043	0.012	1.372
	Tang1	0.268	0.178	0.178	0.136	0.745	1.342			
	Rel2	-0.22	0.176	-0.16	0.206	0.674	1.484			
	A1	0.156	0.158	0.118	0.325	0.727	1.375			
5	(Constant)	3.386	0.5		<.001			0.033	0.012	1.567
	Tang1	0.306	0.174	0.203	0.081	0.782	1.279			
	Rel2	-0.16	0.163	-0.11	0.332	0.782	1.279			
6	(Constant)	3.145	0.434		<.001			0.023	0.012	2.186
	Tang1	0.227	0.154	0.151	0.143	1	1			

# 4.2.4. Independent T-test

To investigate the experienced service quality in the key themes as stated by the hostel managers, independent t-tests were chosen to test the difference in mean scores between Surfers and Non-Surfers. Of the 22 items from the SERVPERF survey, those that most closely align with the key themes provided by the managers and those that had the highest mean scores within each dimension were selected.

For the theme 'Guest-centered approach', the chosen items are: 'Emp1: The hostel gives you undivided and individual attention', 'Emp3: The hostel's employees understand what your needs are', 'Emp4: The hostel's employees have your best interest at heart', and 'Resp3: The employees of the hostel are always willing to help customers'. Table 12 and 13 show the Mean scores and Standard Deviation for the chosen items, as well as the results of the t-tests. As proposed by Gerald (2018), if the p-value is greater than .05, it indicates that there is no statistically significant difference between both groups.

Table 12: Mean scores and Std. Dev. for items Emp1, Emp3, Emp4, Resp3

Group Statistics						
	SURFINGYES	N	Mean	Std. Deviation		
The employees of the hostel are always willing to help customers.	Surfers	103	3.05	1.255		
	Non-Surfers	96	3.08	1.581		
The hostel gives you undivided and individual attention.	Surfers	103	2.62	1.436		
	Non-Surfers	96	2.86	1.498		
The hostel's employees	Surfers	103	3.07	1.174		
understand what your needs are.	Non-Surfers	96	3.18	1.306		
The hostel's employees	Surfers	103	3.11	1.290		
have your best interest at heart.	Non-Surfers	96	3.15	1.522		

Group Statistics

Table 13: t-test values for items Emp1, Emp3, Emp4, Resp3

#### Independent Samples Test Levene's Test for Equality of Variances t-test for Equality of Means Significance Mean Two-Sided p df Difference The employees of the 3.593 .059 197 .863 -.035 Equal variances assumed -.173 hostel are always willing to Equal variances not -.171 181.211 -.035 .864 help customers assumed The hostel gives you .090 .764 197 .244 -.243 Equal variances assumed -1.169 undivided and individual Equal variances not -1.168 194.504 .244 -.243 attention. assumed The hostel's employees .567 .452 197 .535 -.109 Equal variances assumed -.621 understand what your Equal variances not -.618 191.047 .537 -.109 needs are assumed The hostel's employees Equal variances assumed 1.641 .202 -.196 197 .845 -.039 have your best interest at Equal variances not -.194 186.845 .846 -.039 heart

H1: For the items chosen, Surfers will have a higher mean score on the Likert Scale than Non-Surfers.

H2: There will be no significant difference between Surfers and Non-Surfers.

For the item 'Resp3: The employees of the hostel are always willing to help customers.', the independent samples t-test indicated that Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=3.05,

SD=1.255) and Non-Surfers (M=3.08, SD=1.581), t(197)=-.173, p=.863.

For the item 'Emp1: The hostel gives you undivided and individual attention.', the independent samples t-test indicated that there was no significant difference between Surfers (M=2.62, SD=1.436) and Non-Surfers (M=2.86, SD=1.498), t(197)=-1.169, p=.244.

For the item 'Emp3: The hostel's employees understand what your needs are.', the independent samples t-test indicated that Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=3.07, SD=1.174) and Non-Surfers (M=3.18, SD=1.306), t(197)=-.621, p=.535.

For the item 'Emp4: The hostel's employees have your best interest at heart.', the independent samples t-test indicated that Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=3.11, SD=1.290) and Non-Surfers (M=3.15, SD=1.522), t(197)=-.196, p=.845.

For the theme 'Staff Efficiency', the chosen items are: 'Resp1: The hostel tells customers exactly when services will be performed', 'Rel1: When the hostel promises to do something at a certain time, it does so.', 'Rel2: The hostel is sympathetic and reassuring when customers are facing problems'. Table 14 and 15 show the Mean scores and Standard Deviation for the chosen items, as well as the results of the t-tests.

Table 14: Mean scores and Std. Dev. for items Rel1, Rel2, Resp1

Group Statistics

	SURFINGYES	N	Mean	Std. Deviation
When the hostel promises to do something at a certain time, it does so.	Surfers	103	2.56	1.311
	Non-Surfers	96	2.51	1.480
The hostel is sympathetic and reassuring when	Surfers	103	2.89	1.212
customers are facing problems.	Non-Surfers	96	2.75	1.458
The hostel tells customers exactly when services will be performed.	Surfers	103	2.46	1.392
	Non-Surfers	96	2.86	1.658

Table 15: t-test values for items Rel1, Rel2, Resp1

#### **Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Significance Two-Sided p	Mean Difference
When the hostel promises to do something at a certain time, it does so.	Equal variances assumed	.478	.490	.266	197	.790	.053
	Equal variances not assumed			.265	190.100	.791	.053
The hostel is sympathetic and reassuring when customers are facing problems.	Equal variances assumed	1.225	.270	.755	197	.451	.143
	Equal variances not assumed			.750	185.207	.454	.143
The hostel tells customers exactly when services will be performed.	Equal variances assumed	2.475	.117	-1.886	197	.061	408
	Equal variances not assumed			-1.874	186.009	.062	408

H1: For the items chosen, Surfers will have a higher mean score on the Likert Scale than Non-Surfers.

H2: There will be no significant difference between Surfers and Non-Surfers.

For the item 'Rel1: When the hostel promises to do something at a certain time, it does so.', the independent samples t-test indicated that Non-Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=2.56, SD=1.311) and Non-Surfers (M=2.51, SD=1.480), t(197)=.266, p=.790.

For the item 'Rel2: The hostel is sympathetic and reassuring when customers are facing problems.', the independent samples t-test indicated that Non-Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=2.89, SD=1.212) and Non-Surfers (M=2.75, SD=1.458), t(197)=.266, p=.790.

For the item 'Resp1: The hostel tells customers exactly when services will be performed.', the independent samples t-test indicated that Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=2.46, SD=1.290) and Non-Surfers (M=2.86, SD=1.522), t(197)=-1.886, p=.061.

For the theme 'Safety', the chosen items are: 'A1: The hostel's employees are trustworthy.' and 'A2: Customers can feel safe in transactions with the hostel's employees'. Table 16 and 17 show the Mean scores and Standard Deviation for the chosen items, as well as the results of the t-tests.

Table 16: Mean scores and Std. Dev. for items A1, A2

#### **Group Statistics**

	SURFINGYES	N	Mean	Std. Deviation
The hostel's employees	Surfers	103	2.31	1.414
are trustworthy.	Non-Surfers	96	2.69	1.565
Customers can feel safe in transactions with the	Surfers	103	2.63	1.328
hostel's employees.	Non-Surfers	96	2.83	1.491

Table 17: t-test values for items A1, A2

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Significance Two-Sided p	Mean Difference
The hostel's employees are trustworthy.	Equal variances assumed	1.381	.241	-1.784	197	.076	377
	Equal variances not assumed			-1.778	191.400	.077	377
Customers can feel safe in transactions with the hostel's employees.	Equal variances assumed	.192	.662	-1.012	197	.313	202
	Equal variances not assumed			-1.008	190.444	.315	202

H1: For the items chosen, Surfers will have a higher mean score on the Likert Scale than Non-Surfers.

H2: There will be no significant difference between Surfers and Non-Surfers.

For the item 'A1: The hostel's employees are trustworthy.', the independent samples t-test indicated that Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=2.31, SD=1.414) and Non-Surfers (M=2.69, SD=1.565), t(197)=-1.784, p=.076.

For the item 'A2: Customers can feel safe in transactions with the hostel's employees.', the independent samples t-test indicated that Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=2.63, SD=1.328) and Non-Surfers (M=2.83, SD=1.491), t(197)=-1.012, p=.313.

For the theme 'Tangibles', the chosen items are: 'Tang1: The hostel has modern and updated equipment' and 'Tang2: The hostel's physical facilities are visually appealing'. Table 18 and 19 show the Mean scores and Standard Deviation for the chosen items, as well as the results of the t-tests.

Table 18: Mean scores and Std. Dev. for items Tang1, Tang2

#### **Group Statistics**

	SURFINGYES	N	Mean	Std. Deviation
The hostel has modern	Surfers	103	2.30	1.119
and updated equipment.	Non-Surfers	96	2.48	1.369
The hostel's physical facilities are visually	Surfers	103	2.60	.963
appealing.	Non-Surfers	96	2.78	1.250

Table 19: t-test values for items Tang1, Tang2

#### Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Significance Two-Sided p	Mean Difference
The hostel has modern and updated equipment.	Equal variances assumed	3.679	.057	-1.008	197	.314	178
	Equal variances not assumed			-1.001	183.784	.318	178
The hostel's physical facilities are visually appealing.	Equal variances assumed	2.114	.148	-1.138	197	.257	179
	Equal variances not assumed			-1.128	178.400	.261	179

H1: For the items chosen, Surfers will have a higher mean score on the Likert Scale than Non-Surfers.

H2: There will be no significant difference between Surfers and Non-Surfers.

For the item 'Tang1: The hostel has modern and updated equipment.', the independent samples t-test indicated that Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=2.3, SD=1.119) and Non-Surfers (M=2.48, SD=1.369), t(197)=-1.008, p=.314.

For the item 'Tang2: The hostel's physical facilities are visually appealing.', the independent samples t-test indicated that Surfers had higher mean scores on the Likert Scale, and there was no significant difference between Surfers (M=2.6, SD=.963) and Non-Surfers (M=2.78, SD=1.250), t(197)=-1.138, p=.257.

# 5. Findings and Discussion

# 5.1. Qualitative research findings

To understand the managers' approach to delivering high service quality, 10 interviews were conducted with managers of Portuguese surf hostels. The content analysis of these interviews revealed the emergence of five key themes representing the factors and strategies most important for managers to ensure high service quality for their guests. The hierarchy of these themes was determined based on the frequency and repetition of statements. The most important aspect for surf hostel managers was to maintain a guest-centered approach in all tasks related to the surf hostel.

The primary emphasis of nearly all the managers was to 'keep the guests happy,' a goal achievable through a thorough understanding of guests' preferences, needs, and expectations which aligns with the study of Wong et al., (2020) stating that customer satisfaction comes from creating values for guests by anticipating their expectations and satisfying their needs. The managers' responses include a variety of strategies that prioritize guest satisfaction above all else. It's imperative for surf hostel managers to be responsive to guests' reactions toward the provided services, and to promptly address any potential complaints or concerns that may arise.

Furthermore, they actively seek to integrate valuable feedback from guests, utilizing it as a foundation for continuous improvement. In their dedication to cultivating positive experiences, managers engage in close collaboration with guests, nurturing a sense of partnership within the surf hostel's operations. Most managers expressed a willingness to go beyond their designated tasks and responsibilities, embracing the concept of going 'the extra mile.'

Alongside a guest-centered approach, surf hostel managers regard staff efficiency as an important factor in achieving high service quality. In the managers' perspective, a well-functioning surf hostel can be realized through an efficient team. For the team to carry out their daily tasks effectively, proper organization and clear communication of regulations to all staff members are essential. The managers emphasize the importance of continual staff improvement and empower them to act responsibly and proactively when the situation demands it.

According to their viewpoint, a well-trained staff enhances the guest-centered approach and facilitates the delivery of high service quality. This, in turn, contributes to

the creation of a safe, welcoming, and communal atmosphere, a characteristic that is typical of hostels and is crucial for customer satisfaction, as highlighted by Brochado & Rita (2018). Additionally, in alignment with Kuzmanović & Vukić (2021) the friendliness of staff, their commitment and readiness to help customers further increase guest satisfaction.

The third most important category for managers to deliver high service quality is the implementation and execution of rules and regulations regarding sustainability. All managers emphasize the implementation of a recycling system that ensures responsible waste disposal and recycling practices. Additionally, they have incorporated energy-efficient systems into their establishments. By promoting guest understanding regarding sustainability, they aim to ensure that the surf hostel environment remains sustainable and welcoming for visitors to come. This aligns with previous studies by Fadda (2020), Ruttenberg (2022) and Wilson et al., (2021) that have demonstrated the growing importance of sustainability and its promotion in surf tourism, establishing it as a viable development strategy, and how many surfers have adopted a sustainable mindset when approaching surfing.

The fourth most important category for managers was to ensure the security and safety of guests. By providing a heightened level of security, managers not only foster a sense of safety and trust among their guests but also contribute to an environment where individuals can genuinely relax, connect with fellow travelers, and enjoy their experience to the fullest. This emphasis on security aligns with the broader goal of delivering a holistic and exceptional service quality from the managers' perspective that goes beyond the mere physical aspects of the surf hostel.

Naturally, ensuring guest safety is a primary concern for managers, and the surf hostels they curate are designed to function as sanctuaries, prioritizing the well-being and peace of mind of their visitors. However, since the safety measures implemented by managers are primarily their responsibility to provide secure accommodation for travelers to spend the night in an unfamiliar environment, rather than playing a significant role in shaping the social and welcoming atmosphere of their surf hostels, they only serve as an indirect influence on the overall delivery of service quality in the eyes of the managers.

The same can be said for the category with the least importance in the managers' role of delivering high service quality, as revealed in this research. This category relates

to the oversight of facilities and amenities. Surely managers hold the responsibility to prioritize the presentation of suitable, clean, and modern facilities—ones devoid of faulty materials and damaged furniture. However, ensuring top-notch amenities is more of a given than a strategy for achieving service quality. Offering well-equipped facilities is an inherent aspect of hostel management, strategically designed to ensure guest comfort, and only indirectly influencing service quality. Cleanliness standards and technological implementations are significant for managers; however, these innovations seem to primarily function as tools designed to improve guest convenience and safety, with a relatively lesser impact on the delivery of service quality from the manager's perspective.

To cultivate a social and inviting atmosphere, managers seem to place greater emphasis on staff efficiency and maintaining a guest-centered approach throughout the surf hostel, rather than solely focusing on the tangible aspects of hostel facilities. This contrasts with the general consensus of previous studies that demonstrated the significance of facilities in achieving successful hostels (Nok et al., 2017), as well as highlighting the importance of facilities, cleanliness, and location in attracting more customers (Veríssimo & Costa, 2019).

### 5.2. Quantitative research findings

To find out the perceptions of service quality for the surf hostel guests, a SERVPERF-based Likert Scale survey as proposed by Laroche et al. (2004); Ponnaiyan et al. (2021) and Sohail and Hasan (2021) with a sample size N=199 was conducted. Lisbon and the Algarve emerged as the most popular (surf) destinations for travelers, with 47.7% of the respondents indicating surfing as their purpose of travel. This finding aligns with the research of Bradshaw (2021), which affirms that Portuguese coastal regions have been witnessing a steady increase in visitors and surf enthusiasts in recent times. It also aligns with the study of Fadda (2020), which indicated that surfing has become an integral part of tourism, serving as a primary tourist attraction.

The largest age groups among the respondents were those aged 18-24 years and 25-34 years, accounting for 37% and 36.6% respectively. This aligns with the findings of various studies by Brochado et al. (2019); Brochado and Rita (2018); and Mach and Ponting (2021) which emphasize that hostels are tailored for youth tourists, with millennials being a key demographic for hostel-based travel.

The item with the highest mean score across all respondents, including those who traveled for surfing purposes and those on general vacation, was 'Tang1: The hostel has modern and updated equipment'. This finding indicates that the hostel guests positively experienced the tangibles of the respective surf hostel. Furthermore, the highest mean score across all SERVPERF dimensions for all respondents was attributed to 'Tangibles', further highlighting the positive experience the guests had. This aligns with the study of Nok et al. (2017), which suggests that the most successful hostels have comfortable lounges and functional kitchens.

The strongest correlation was found between the items 'Tang1: The hostel has modern and updated equipment' and 'Tang2: The hostel's physical facilities are visually appealing'. This reinforces the notion that hostel guests hold a positive perception of hostels' tangible aspects, highlighting their significance as a measure of service quality. When analyzing Pearson's r for the Surfers, the strongest correlation was also found between the tangible items 'Tang1: The hostel has modern and updated equipment' and 'Tang2: The hostel's physical facilities are visually appealing'.

Further strong correlations for the Surfers were found between the items 'Resp1: The hostel tells customers exactly when services will be performed' and 'Rel1: When the hostel promises to do something at a certain time, it does so,' as well as between the items 'Emp1: The hostel gives you undivided and individual attention' and 'Rel1: When the hostel promises to do something at a certain time, it does so'. This demonstrates that Surfers had positive experiences related to responsiveness, reliability, and empathy from the surf hostel, which would fall within the staff efficiency theme and guest-centered approach emphasized by the surf hostel managers.

When analyzing the Non-Surfers, the strongest correlation has also been found between the tangible items 'Tang1: The hostel has modern and updated equipment' and 'Tang2: The hostel's physical facilities are visually appealing,' confirming the positive experience that hostel guests had regarding the tangibles of the hostel. Further strong correlations were found between the items 'A1: The hostel's employees are trustworthy' and 'A2: Customers can feel safe in transactions with the hostel's employees,' as well as between the items 'Rel1: When the hostel promises to do something at a certain time, it does so' and 'Rel2: The hostel is sympathetic and reassuring when customers are facing problems.' This indicates that, in addition to the tangibles, non-surfing hostel guests

positively experienced assurance and reliability from the surf hostel, which would fall within the safety theme and guest-centered approach emphasized by the hostel managers.

Additionally, in the context of the multiple linear regression analysis, only the variable 'Tang1: The hostel has modern and updated equipment' displayed a p-value of less than .05, suggesting a correlation with the independent variable 'The hostel displays high service quality'. After the backward multiple regression analysis, the model with the most influential predictor variables includes the items 'Tang1: The hostel has modern and updated equipment' and 'A2: Customers can feel safe in transactions with employees.' Only 'Tang1: The hostel has modern and updated equipment' statistically contributes to the model, further emphasizing the notion that the tangible aspects of the hostel hold the greatest importance for guests in perceiving service quality.

Upon analyzing the responses exclusively from participants who indicated surfing as their purpose of travel, the item with the highest mean score remains 'Tang1: The hostel has modern and updated equipment.' Strong correlations exist among all the items, yet the most robust Pearson's correlation coefficient is observed between 'Tang1: The hostel has modern and updated equipment' and 'Tang2: The hostel's physical facilities are visually appealing'. The results from the backward multiple regression analysis echo the same finding: the model with the most influential predictor variable comprises the item 'Tang1: The hostel has modern and updated equipment'. This underscores that, also for surfers, the tangible aspects of the hostel play a dominant role in their perception of service quality.

When analyzing the responses from Non-Surfers, the results remain consistent. While a strong correlation exists among all the items, the most robust Pearson's correlation coefficient is found between 'Tang1: The hostel has modern and updated equipment' and 'Tang2: The hostel's physical facilities are visually appealing'.

Besides, there is also a significant correlation for Non-Surfers between the items 'A1: The hostel's employees are trustworthy' and 'A2: Customers can feel safe in transactions with the hostel's employees,' as well as between 'Rel1: When the hostel promises to do something at a certain time, it does so' and 'Rel2: The hostel is sympathetic and reassuring when customers are facing problems'. These correlations suggest that, next to tangibles, safety and staff efficiency hold importance for Non-Surfers in perceiving high service quality.

The backward multiple regression mirrored the same results as observed with all respondents and surfers: the model with the most influential predictor variable includes the item 'Tang1: The hostel has modern and updated equipment.' This consistent outcome aligns with the other findings and indicates that even for Non-Surfers, tangibles hold the utmost importance in perceiving service quality.

Using independent t-tests to analyze the mean score differences between Surfers and Non-Surfers in the themes provided by the managers, it was found that Surfers had higher mean scores on the Likert scale for the items chosen for the guest-centered approach. However, no significant difference was observed between the two groups. Furthermore, the mean scores for the items related to the guest-centered approach were the lowest among all themes, ranging from 2.62 to 3.15. This indicates that hostel guests perceived a lower level of service quality in this regard.

The mean scores for the items related to staff efficiency were the second lowest among all the themes provided by the managers, ranging from 2.51 to 2.86. This suggests that the hostel guests perceived a lower service quality for this theme. Non-Surfers had higher mean scores on the Likert scale for the items 'Rel1: When the hostel promises to do something at a certain time, it does so' and 'Rel2: The hostel is sympathetic and reassuring when customers are facing problems', which can also be seen in the strong Pearson's r correlation between these two items. However, no significant difference was observed between Surfers and Non-Surfers.

The mean scores for the items related to safety ranged from 2.31 to 2.83 and were comparably high for both groups. This suggests that hostel guests perceived a higher service quality for this theme. While Surfers had higher mean scores, no significant difference was observed.

The items related to tangibles had the highest mean scores among all the themes provided by the managers, ranging from 2.30 to 2.78 for both Surfers and Non-Surfers. Surfers also had a higher mean score in this category, but no significant difference was observed. This suggests that hostel guests perceived a higher level of service quality when evaluating the tangibles of the surf hostel. This perception is further supported by the item 'Tang1: The hostel has modern and updated equipment,' which had the highest mean score among all respondents and showed the strongest correlation with 'Tang2: The hostel's

physical facilities are visually appealing' for all respondents, as well as separately for Surfers and Non-Surfers.

While there were some variations in mean scores between Surfers and Non-Surfers within specific theme-related items, the analyses do not reveal any statistically significant differences overall. These findings suggest that, in the context of these key service quality themes, the experiences of Surfers and Non-Surfers in this study did not significantly differ. This aligns with Wilson et al.'s (2021) study, which suggests that surf hostels are open for a wide segment of customers.

Mach and Ponting (2021) found that the strength and economic impact of surf tourism are attributed to its appeal to a diverse demographic of tourists, not only limited to surfers. However, these findings indicate a gap between the managers' efforts to emphasize a guest-centered approach for delivering high service quality and their lesser focus on the tangibles of the surf hostel. Hostel guests perceive a lower service quality in the guest-centered approach but a higher service quality when evaluating the tangibles of the hostel.

# 5.3. Theoretical and practical implications

The findings of this study contribute to the existing literature on surf tourism in various ways. The research not only provides insights into surf tourism in general, which remains an under-researched topic, but it also offers deeper insights into Portuguese surf tourism in particular. This helps fill the gap in research and statistical data at the national Portuguese level regarding the movement of tourists and surfers. It also helps to address the lack of research on service quality in hostels, particularly in the context of surf hostels, as noted by Veríssimo & Costa (2019).

Through qualitative interviews with surf hostel managers and a quantitative survey of surf hostel guests, several key themes emerged, shedding light on the factors and strategies most crucial for delivering high service quality. One of the central themes identified was the importance of maintaining a guest-centered approach, aligning with previous research by Brochado and Rita (2018); Luo et al. (2019); Sipe and Testa (2018) and Wong et al. (2020) emphasizing the significance of customer satisfaction through meeting guest expectations and needs.

The study further finds that the oversight of facilities and amenities, while essential, is considered more as a given than a strategy for achieving service quality. This suggests that surf hostel managers place greater emphasis on staff efficiency and the guest-centered approach, aiming to create a social and inviting atmosphere complementing previous studies by Brochado et al. (2019); Cró et al. (2019); Gelbman (2021); Kuzmanović and Vukić (2021) and Veríssimo and Costa (2018).

Moreover, the findings of this study also offer crucial insights with significant managerial implications. To narrow the identified gap between managers' and guests' perceptions of high service quality, it is imperative for surf hostel managers to uphold a guest-centered approach (Brochado et al., 2019; Brochado & Rita, 2018). This involves placing guests' needs and preferences at the forefront of service delivery strategies (Kuzmanović & Vukić, 2021). Simultaneously, a concerted effort should be directed towards maintaining and enhancing the provision of well-maintained, updated, and aesthetically pleasing facilities. The physical aspects of the hostel, including cleanliness, modernity, and inviting aesthetics, play an indispensable role in shaping guests' perceptions of service quality (Nok et al., 2017; Veríssimo & Costa, 2019). By focusing on these aspects, surf hostel managers can foster a welcoming and enjoyable environment that resonates with guests and aligns with their expectations (Brochado & Rita, 2018).

Consequently, the convergence of a guest-centric orientation and an investment in the tangible attributes of the surf hostel can effectively bridge the gap in service quality perceptions between managers and guests, ultimately leading to heightened guest satisfaction and loyalty. In essence, by fostering an environment where travelers can unwind, connect, and enjoy their stay to the fullest, these efforts contribute significantly to the overall success and reputation of the surf hostel.

# 6. Conclusion

This research aimed to investigate and explain the gap between managers' and guests' perceptions of high-quality service in surf hostels in Portugal. The findings of this study are intended to serve as managerial implications in the future, bridging the gap between surf hostel management and guests. This would ensure a high standard of service quality and help explore the movements of tourists, surfers, and their direct and indirect impacts on surf tourism in Portugal. Furthermore, this research aimed to contribute to the field of Portuguese tourism research, specifically surf tourism, by providing statistical data regarding the movements of tourists and surfers and their impact on surf tourism. In addition, this investigation sought to facilitate future researchers and managers of Portuguese surf lodgings in understanding how surf hostel guests perceive high service quality and how to successfully implement it in their hostels.

The presented results provide a comprehensive understanding of the relationship between manager and guest perceptions of service quality and the existing gap between them. The qualitative research results suggest that a guest-centered approach, along with staff efficiency and sustainability regulations, is the most important factor for surf hostel managers in delivering high service quality, while facilities and amenities are considered the least important.

The quantitative research results indicate that tangibles, such as appealing and well-equipped facilities with a welcoming environment, are of most importance for surf hostel guests in perceiving high service quality. This gap can be diminished by encouraging managers to maintain a guest-centered approach while ensuring the provision of presentable, updated, and clean facilities that create a welcoming atmosphere for hostel guests.

#### 6.1. Limitations and future research

Several limitations are inherent in this study. Firstly, the investigation's scope is relatively narrow, focusing exclusively on surf hostels in Portugal. Consequently, the findings may not be universally applicable to a broader range of hostels or cultural contexts, given that the generalizability of these findings to other countries or regions could be hindered by the uniqueness of the Portuguese hospitality industry and cultural dynamics. Secondly, while the research methodology employed a combination of qualitative and quantitative

approaches, the simplification of the quantitative research could potentially limit the depth of insights arising from the survey data. This study also encountered resource limitations, including constraints on time, which might have impacted the comprehensiveness of data collection and analysis.

Additionally, qualitative data research is non-numeric and presented in the form of text and transcripts. This makes it challenging to apply statistical analysis and quantify results, which is a limitation when comparing or combining findings with the quantitative research. The qualitative research involved only a small sample size and the exploration of a specific contest which makes the findings not easily generalizable to larger populations or different settings. This can also make it difficult for future research to replicate the study and verify the findings. Quantitative research relied on simplifying assumptions and models to analyze data which may not fully capture the complexity of real-world phenomena.

It is important to consider certain aspects and limitations when employing the Likert scale following the implementation of the SERVPERF model. For instance, the scale is inherently subjective, relying on respondents' perceptions. Potential response biases, such as acceptance bias or social desirability bias, could influence participants' responses (Ponnaiyan et al., 2021; Park et al., 2022).

Future research attempts can be designed to mitigate the limitations highlighted in this section. To enhance the generalizability of findings, future investigations should encompass a more diverse range of hostels, extending beyond the specific context of surf hostels in Portugal. This could involve a multi-country approach, considering variations in hospitality practices and cultural dynamics across different regions. Various service quality models such as SERVQHOL (designed for hospitality), SERVHOTEL (designed for hotel industry) or SERVQUMS (a simplified version of SERVQUAL) could be used to mitigate the limitations reported in SERVPERF.

To address the potential limitations stemming from simplified quantitative research, future studies could employ more nuanced and comprehensive quantitative methodologies by involving additional variables and employing advanced statistical techniques such as Principal Component Analysis (PCA), Cluster Analysis or Structural Equation Modeling (SEM) to uncover deeper insights from the survey data.

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# 8. Appendices

# Appendix A - Quantitative research – SERVPERF survey

Dear Participant,

Thank you for taking part in the survey on service quality research in surf hostels in Portugal. The purpose of this survey is to gather information about the service quality provided by surf hostels, as part of a research project for a Master's thesis.

The survey will consist of questions that will help us understand your experiences as a guest in hostels and the socio-demographic details of surf hostel visitors in Portugal. Your responses will be anonymous and will only be used for academic research purposes. Your participation in this survey is completely voluntary.

The information you provide will be used to evaluate the quality of service provided by hostels in Portugal and to identify areas for improvement. The results of this survey may be published in academic journals or presented at academic conferences, but your identity will remain confidential.

We appreciate your time and effort in completing this survey. The survey should take no more than 10-15 minutes to complete. Thank you for your cooperation!

# Please rate the following statements on a scale from 1 to 7, where 1 means "Strongly Agree", and 7 means "Strongly Disagree":

# (Tangibles)

- 1. The hostel has modern and updated equipment.
- 2. The hostel's physical facilities are visually appealing.
- 3. The hostel's employees are well dresses and appear neat.
- 4. The appearance of the physical facilities of the hostel is in keeping with the type of services provided.

#### (Reliability)

- 5. When the hostel promises to do something at a certain time, it does so.
- 6. The hostel is sympathetic and reassuring when customers are facing problems.
- 7. The hostel is dependable.
- 8. The hostel provides consistent and accurate information.
- 9. The hostel keeps its records accurately.

#### (Responsiveness)

- 10. The hostel tells customers exactly when services will be performed.
- 11. Customers receive prompt service from the hostel's employees.
- 12. The employees of the hostel are always willing to help customers.
- 13. The employees of the hostel are not too busy to respond to customer requests promptly most of the time.

#### (Assurance)

- 14. The hostel's employees are trustworthy.
- 15. Customers can feel safe in transactions with the hostel's employees.
- 16. The hostel's employees are polite and respectful.

17. The hostel's employees get adequate support from the hostel to do their jobs well.

# (Empathy)

- 18. The hostel gives you undivided and individual attention.
- 19. The hostel and its employees provide personalized service.
- 20. The hostel's employees understand what your needs are.
- 21. The hostel's employees have your best interest at heart.
- 22. The hostel's employees have convenient operating hours to all their customers.

### (Recovery)

- 23. The hostel's employees quickly apologize for service failures.
- 24. The hostel's employees care about customer's complaints.
- 25. The hostel's employees have the skills and ability to deal with complaints.
- 26. The hostel's employees are empowered to provide compensation for service failures.

### (Service Quality)

27. The hostel displays high service quality.

28.

# To help us better understand our participants, please fill out the following sociodemographic details:

What is your gender?

- Male
- Female
- Other

#### What was the main purpose of your travel?

- Surfing
- General Vacation
- Business
- Other

# What is your age?

- Under 18 years old
- 18-24 years old
- 24-34 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- 65 years old or above

### In which area of Portugal did you stay during your travel?

- Northern Portugal
- Central Portugal
- Lisbon
- Alentejo

- Algarve
- Azores
- Madeira

What is your area of residency?

- Europe/EU National
- North America
- Central-/South America
- Africa
- Middle East
- Asia
- Oceania

# Appendix B - Qualitative research – Script Interview

## Dear Participant,

We appreciate your willingness to participate in this interview regarding service quality in surf hostels in Portugal. Your input is vital in helping us gather insightful information about hostel managers' perceptions of high service quality in surf hostels, as part of a research project for a master's thesis.

The purpose of this interview is to gather your experiences and opinions regarding the service quality of your hostel. Your responses will be treated confidentially and will only be used for academic research purposes. Please note that your participation in this survey is completely voluntary.

We kindly request your honest and informative responses to the questions asked, as your input will be invaluable to the success of our research. Your time and effort in participating in this interview are greatly appreciated.

Thank you for your cooperation to our research.

- 1. How would you define excellent service quality in youth hostels? What do you think are the most important factors that contribute to service quality?
- 2. What steps do you take to ensure that your hostel provides this excellent high-quality service to your guests?
- 3. How do you measure your guests' reaction to the provided services?
- 4. How do you ensure that your staff is trained and equipped to provide excellent service to guests?
- 5. What do you do to address guest complaints and concerns about service quality? What steps do you take to resolve these complaints?

- 6. How do you incorporate guest feedback into your ongoing efforts to improve service quality?
- 7. How do you ensure that your hostel's services meet the needs and expectations of your guests?
- 8. How do you ensure that your hostel provides a safe and secure environment for guests?
- 9. How do you incorporate sustainability and eco-friendliness into your hostel's service offerings?

Appendix C - Assumptions of linearity, multicollinearity and normality Firstly, linearity assumes that the relationship between the dependent variable and the independent variables is linear. This assumption implies that the change in the dependent variable corresponds to a constant change in the independent variables. Figure 6 shows the P-Plot of Regression Standardized Residue. It can be noted that linearity is given so this assumption is fulfilled.

The absence of multicollinearity is another important assumption, which requires that the independent variables are not highly correlated with each other. This condition ensures that the model can accurately attribute the effects of each individual independent variable. As can be seen in Table 9, there are no problems with multicollinearity for this model since all Tolerance values are higher than .66 (=1-R2) and all VIF values are smaller than 10.

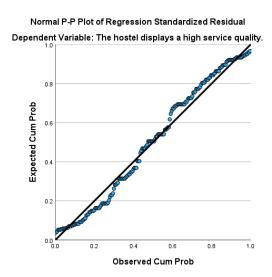


Figure 6: Linearity of Backwards Multiple Linear Regression

Lastly, the assumption of normality requires that the model is normally distributed. This assumption ensures that the statistical inference and hypothesis testing conducted on

the model are valid. The scatterplot presented in Figure 7 displays the distribution of the regression model, indicating that it fulfills the assumption of equal distribution. By meeting these assumptions, this backwards multiple regression model can provide reliable and accurate estimates of the relationships between the dependent variable and the independent variables (Leech et al., 2015).

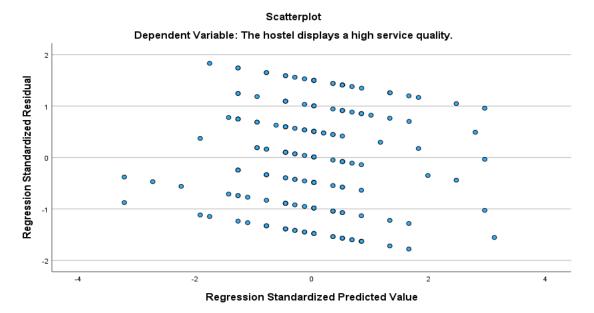


Figure 7: Scatterplot