

**A STUDY OF THE INFLUENCE OF INDIVIDUAL-
LEVEL CULTURAL VALUE ORIENTATION ON
THE FORMATION OF SERVICE QUALITY
EXPECTATIONS**

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ABSTRACT

The service industry accounts for an ever-growing share of the global economy, and service aspects have become increasingly important for all goods. Since service expectations play a key role in the quality perceptions that consumers ultimately develop, it is important for service marketers to understand the nature of consumer expectations and the influences upon these expectations. Current research indicates that national culture affects service expectations, especially the information sources that consumers use and their opinion seeking propensity. However, cross-cultural expectation formation is a particularly under-researched area and researchers using national culture as an explanatory variable tend not to develop rigorous conceptual models clearly explicating how culture is meant to affect the consumer behaviour being examined. This research examines cross-cultural expectation formation and thus contributes to increasing academic understanding and improving marketers' ability to manage the expectation formation process across cultures. Specifically, this research sought to empirically test the influence of individual-level cultural dimensions on the relative importance of the key antecedents of consumers' expectations of service quality. A conceptual framework linking cultural factors to the formation of expectations was developed and empirically tested in a multicultural setting to explore similarities and differences between customers with significantly different cultural values.

An experimental design was used in which five sets of 1x2 manipulations were developed for the manipulated independent variables (past experience, advertising, price, firm image, and word-of-mouth). Existing scales from the literature were used to measure predicted service quality expectations (the dependent variables) and individual-level cultural values (the measured independent variables). Data were collected in English via the Web from university students of different nationalities across three countries (UK, Malaysia, and China) and the final sample size was 486 respondents. To test

the hypotheses and propositions five separate 2x2 between-subjects MANCOVAs were performed on the dependent measure in aggregate as well as on the three decomposed elements of predicted service quality expectations identified in this research: Tangibles, Customer Care, and Empathy.

The findings indicate that service quality expectations are significantly influenced by the five antecedents of expectations investigated and that word-of-mouth communications and past personal experience explained a greater proportion of the variance in service quality expectations than explicit and implicit service promises. Adding to previous studies, findings show that advertising was significant only as an antecedent of Tangible expectations, word-of-mouth communications was particularly important in developing Empathy expectations, and price was most important for developing Customer Care expectations. The findings also supported the proposed conceptualisation, indicating that individual-level cultural factors moderate the relationship between the antecedents of expectations and predicted expectations. Long-term Orientation and Power Distance moderated the relationship between the antecedents and predicted expectations the most. Long-term Orientation and Masculinity have tended to be overlooked in the research stream but this research indicates that all five individual-level variables moderate the relationship between the antecedents of expectation and predicted expectations and also that these dimensions may explain consumer behaviour best when used in tandem. This information is also important for managers, who need to recognise that customers' usage of various information sources in forming service quality expectations is partially culturally determined. Finally, the examination of cultural values at the individual level allows academics to develop a 'cultural service personality' at this level and allows practitioners, with the use of their Customer Relationship Management (CRM) systems, to collect this information from consumers and use it to inform the type of information directed at consumers' with different cultural service profiles.

DEDICATION

I specially dedicate this thesis to my immediate family.

Cecil Reid

Beverley Gordon Reid, Mary-Jane Reid

Cicely Reid, Khai Hugh

Malica Reid, Rome & Romania Reid

Patricia Reid-Morris, Nalleka Reid, Malique & Matthew Morris

Nekiesha Reid

I also dedicate this thesis to all my other sisters, brothers, nieces, and nephews,
and my aunts, uncles, cousins, and second cousins.

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CHAPTER ONE: INTRODUCTION

This research investigates the impact of culture on service expectations, specifically exploring how individuals' cultural orientations influence their use of internal and external sources of information in formulating their service expectations. The purpose of this introductory chapter is to present an overview of the research that is to be discussed over the remaining seven chapters. Since the intent of this chapter is to familiarise the reader with the domain of the research topic, detailed definitions of constructs, modelled relationships, or measurement issues are not addressed here. Likewise, citations in support of text are limited and intended to aid in continuity of thought and understanding. This chapter is divided into five sections, the first of which discusses services, service quality, service quality expectations, and the importance of cultural values in determining expectations. The remaining four sections cover the context of the research, the research objectives, the research contributions, and, finally, the layout of the remainder of the thesis.

1.1 Culture and Expectation Formation in Services

The service sector, which incorporates diverse activities such as transport of goods and people, offshore banking, communications, distribution, tourism, education, health care, construction, and accounting, is the largest and most dynamic component of both developed and developing economies and represents a growing portion of the world economy (Francois and Hoekman 2010). Several economies have even been described as 'post-industrial' because their agricultural and industrial sectors are now dwarfed by their service sector. This is the case in the UK, where the service sector now dominates the economy, accounting for 76 percent of the country's gross domestic product (GDP) (Mattoo and Stern 2008).

The service sector is remarkably complex, compelling firms to continually strive for a sustainable competitive advantage in their effort to acquire, retain,

and increase business in their local markets. The delivery of higher levels of service quality is increasingly being offered as a key to service providers' efforts to position themselves more effectively in the marketplace. This is because service quality has now emerged as the big differentiator in the marketplace and is among the most critical aspects for the strategic management of firms (Ekinci et al. 2003; Stanton 1981). The most successful service firms aim to differentiate themselves based on high service quality (Cronin and Taylor 1992; Griffin et al. 1997) as benefits of this strategy include enduring customer relationships and favourable customer word-of-mouth (Alén González et al. 2007; Edwards et al. 2009; Ekinci et al. 2003), as well as higher employee morale and greater productivity (Lewis and Entwistle 1990; Mills 1990; Singh 2000; Zeithaml et al. 1988). As such, academics have been examining service quality in a range of business settings such as tourism (Akbaba 2006; Alén González et al. 2007; Rendeiro Martín-Cejas 2006) and banking (Arasli et al. 2005; Chi Cui et al. 2003; Gwynne et al. 2000; Sureshchandar et al. 2002).

The service sector is very important as an export sector, which is evidenced by the fact that international trade in services is growing at a faster rate than other areas (Stauss and Mang 1999). Global exports of services grew by 18.1% to US\$3.3 trillion in 2007 (UN Conference on Trade and Development 2008). Service exports now account for over than 70 percent of GDP in developed economies (de Prabit 2006; WTO 2008) and deregulation, competition, specialisation, globalisation, and technological innovation are continuing to make "going international a highly viable and cost-effective option for various types of service providers" (Knight 1999, p. 347). The increasingly international nature of services makes it increasingly crucial for service marketers to understand the best ways to effectively market their services to international consumers (Bang et al. 2005). An understanding of the cultural similarities and differences in consumer behaviour is important from an academic perspective (Laroche et al. 2005a; Luna and Gupta 2001; Mattila 1999a, b; Murali et al. 2005b). Researchers have demonstrated the influence of culture in nearly all facets of consumer behaviour, including e-services and

website quality expectations (Tsikriktsis 2002), service quality and satisfaction (Bang et al. 2005; Donthu and Yoo 1998; Furrer et al. 2000; Mattila 1999b; Patterson and Mattila 2008a), complaining behaviour in services (Au et al. 2010; Hui and Au 2001; Liu and McClure 2001), service recovery (Mattila and Patterson 2004a, b; Patterson et al. 2006; Wong 2004), behavioural intentions towards services (Casaló et al. 2011; Liu et al. 2001), and consumption patterns of hotel services (Gilbert and Tsao 2000; Mattila 1999a, b; Mattila and Enz 2002).

However, despite the growing interest in cultural differences in consumer behaviour, systematic consumer research on the topic is still in its infancy (Craig and Douglas 2006; Douglas and Craig 2006; Zhang et al. 2008). Echoing Maheswaran and Shavitt's (2000) call in the special issue of *Journal of Consumer Psychology* on global consumer psychology, Laroche (2007, p. 177) argues in his editorial in the special issue on the impact of culture on marketing strategy in the *Journal of Business Research*:

The role of culture in influencing marketing strategies is an area in need of new developments, theories, and knowledge in light of the trends toward global markets and the development of a global consumer culture around the world.

Overall, the need for cross-cultural empirical research has been signalled by several researchers (Javalgi et al. 2005; Lam et al. 2009; Laroche 2007; Watkins and Liu 1996; Zhang et al. 2008). This is also an important area from a practitioner perspective because it can give service providers the competitive advantage they need to seriously compete in an increasingly multicultural environment (Laroche et al. 2005a; Mattila 1999a, b; Murali et al. 2005b).

Particularly important but still woefully under-researched in the area of cross-cultural consumer behaviour is the impact of culture on consumers' service expectations (Clow et al. 1997; Devlin et al. 2002; Zhang et al. 2008). Research has shown that consumers' expectations play a major role in their assessments of the quality of services received (Boulding et al. 1993; Coye

2004; Oliver and Winer 1987; Parasuraman et al. 1985, 1991b) and so it is important for service marketers to understand the nature of consumer expectations and the influences upon these expectations (Clow and Beisel 1995; Clow et al. 1997; Teas 1993; Zeithaml et al. 1993; Steward et al. 2010). Indeed, Hamer et al. (1999, p. 228) argue that “the most important variable for managers to control is consumer expectations” because it accounts for all of the information present before, during, and/or after a service encounter. However, at the theoretical level, expectations remain a controversial issue among marketing scholars (Cronin and Taylor 1992; Parasuraman et al. 1991b; Voss et al. 1998), and despite many endeavours, how consumers form expectations is still an under-researched area (Clow et al. 1997; Devlin et al. 2002; Zhang et al. 2008). Indeed, few studies have specifically examined the determinants of service expectations despite the obvious disparity in the literature (Kalamas et al. 2002; Zhang et al. 2008) and the repeated calls for more research in the area (Hamer et al. 1999; Zeithaml et al. 1993). Still applicable is Zeithaml et al.’s (1993, p. 2) observation that:

...antecedents of customer expectations are as yet unspecified, although the services marketing literature suggests several distinguishing characteristics that may complicate the expectation formation process.

An important implication of the social nature of services is the predominant role that culture plays in influencing customers’ expectations and assessments of service performance (Becker et al. 1999). This is because the concept of appropriate social behaviour in one country is not always transferable to another. Thus culture has been identified as a variable that has both a formative and a filtering role with respect to the reality of the consumers’ service expectations and experiences (Davies and Fitchett 2004; Donthu and Yoo 1998; Furrer et al. 2000; Imrie 2005; Liu et al. 2001; Tsikriktsis 2002). For example, recent research has shown that consumers’ expectations of airline service quality vary by nationality, with Americans having higher expectations than Europeans (Sultan and Simpson 2000) and Japanese travellers having generally higher expectations than North American, Western European, and Chinese travellers (Gilbert and Wong 2003). Other researchers have used

cultural dimensions instead of nationality or national service environment and showed that these cultural dimensions were significantly related to service quality expectations (Donthu and Yoo 1998; Furrer et al. 2000; Kueh and Voon 2007; Tsoukatos and Rand 2007). Collectively, these studies suggest that culture can affect consumers' expectations of the service they are about to receive.

Customers use a range of direct and indirect information sources in forming their expectations about a future service encounter (Boulding et al. 1993; Clow and Beisel 1995; Clow et al. 1997, 1998; Kalamas et al. 2002; Kurtz and Clow 1992; Zeithaml et al. 1993). As with consumer's decision-making process, culture affects the type and extent of information search before a purchase decision (Long-Chuan et al. 1999; McGuiness et al. 1991). Since culture is one of the most important factors likely to influence the way a consumer makes decisions, it also affects the sources of information she utilises to make the decision (Chen and Gursoy 2000; Gursoy and Chen 2000; Gursoy and McCleary 2004; Gursoy and Umbreit 2004; Schmidt and Spreng 1996; Taylor et al. 1997; Wilson 1997). This is because culture determines the forms of communication that are acceptable (Gudykunst and Nishida 1993; Hall 1960; Korac-Kakabadse et al. 2001; Shepard 2009), as well as the nature and the degree of search a consumer utilises (Chen and Gursoy 2000; Gursoy and McCleary 2004; Gursoy and Umbreit 2004; Money and Crotts 2003; Quintal et al. 2010).

However, while cultural variables are expected to influence the cues and information sources consumers use to make decisions (Cleveland et al. 2003; Murali et al. 2005a; Taylor et al. 1997; Wilson 1997), relatively little is known about how this happens (Laroche et al. 2005a). Additionally, limited research has considered information search or source preferences across nations or cultures (Mooradian and Swan 2006), even though information search and exchange seem to be 'universal' behaviours observed across cultures (Cleveland et al. 2003; Dawar et al. 1996; Long-Chuan et al. 1999;

McGuinness et al. 1991). So even though the research on cross-cultural consumer behaviour is vast, there are still areas that are under-explored (Laroche 2007). Recent research by Zhang et al. (2008) cataloguing the literature on cross-cultural consumer service experiences showed that the relationship between cultural variables and service expectations is the least researched aspect in this stream of research.

Since these antecedents of service expectations are particularly under-researched (Devlin et al. 2002; Kalamas et al. 2002; Laroche et al. 2004a; Zeithaml et al. 1993), it is not too surprising that only one published study has examined the impact of culture on the information sources that customers use to form expectations of service quality to any degree. Laroche et al. (2005) has been the only research to specifically examine the impact of cultural variables on the formation of expectations of respondents in the airline industry. Their research indicated that consumers relied differentially on different information sources in formulating service expectations depending on their cultural orientation. Particularly since Laroche et al. (2005) investigated only a single dimension of culture, an examination at the impact of other cultural dimensions on the formation of expectations is warranted. This is particularly important in light of the previously uncovered differences in overall service quality expectations among consumers with different cultural orientations (Donthu and Yoo 1998; Furrer et al. 2000; Kueh and Voon 2007; Tsoukatos and Rand 2007). It is important to know whether, as theory predicts, cultural variables influence the formation of service quality expectations. Additionally, by studying the impact of a range of cultural dimensions on the way consumers form their service expectations, the researcher may be able to capture previously overlooked subtleties in expectation formation. This research thus contributes to the research on cross-cultural expectation formation and information or source preferences across cultures by investigating the impact of cultural factors on customer expectation formation.

1.2 Service Context Investigated

As highlighted in the previous section, the service sector covers a vast array of activities. Researchers have tried to classify these and as such a number of conceptual typologies for grouping services have been developed (*cf.* Bowen 1990; Chase 1978; Lovelock 1983; Stanton 1981; Thomas 1978). Depending on the type of services (such as people-processing versus equipment-process, as presented by Stanton or high-contact and low-contact, as presented by Chase), several contextual effects have been found in services research, suggesting a need to carefully select contexts examined (Winsted 1999). In this research the tourism context is deemed appropriate for investigation for several reasons.

First, this research is interested in investigating the impact of culture and cultural issues are argued to come more to the fore in ‘human services’ such as tourism because of their high participation levels. For example, Tsikriktsis (2002, p. 108) notes that “[it is] when services involve a high degree of interaction between customers and service personnel that cultural elements have the greatest influence.” Since hotel guests interact with service personnel before, during, and sometimes after their hotel stay, cultural elements are likely to surface and have a significant effect on customer service expectations. This is because tourism is heavily dependent on a people-to-people mode with the familiarity and fondness of both groups’ cultures becoming key to the success of the service encounter and ultimately the satisfaction of the consumer. This human dependency factor, which distinguishes tourism operations, is thus a critical reason for its use in this study.

Second, this research examines customers’ differential use of information sources to form their expectations and so a service that is both high participation and high involvement is ideal. High involvement does not necessitate high levels of participation (Bitner et al. 1997) but it can be argued that in cases where both involvement and participation are high, salience would be especially high and such a context would be ideal for studying

customer expectations (Cermak et al. 1994; Howcroft et al. 2007; Laaksonen 1994). However, much of the empirical work to date on expectation formation has concentrated on limited participation, low involvement services such as student banking (Devlin et al. 2002) and video store services (Clow et al. 1997). The current study breaks from this by investigating the impact of culture on service expectations for a high participation, high involvement service.

Zaichkowsky (1985, p. 342) defines involvement as “a person’s perceived relevance of the object based on inherent needs, values, and interests.” Tourism is defined as a high-involvement service because tourism products are seen as high risk purchases, often involving a high level of financial, social, performance, and psychological risk (Mitchell 1999; Mitchell and McGoldrick 1996; Murray 1991; Wilson 1997). These risks are generally related to the cost of many tourism products and the fact that tourists have to leave their daily environment, having to move to geographically distant places to consume the tourism product, and because the tourism product normally cannot be tested and controlled in advance, meaning that decision-making and consumption are separated in time and space (Schertler et al. 1995; Werthner and Klein 1999). These distances can only be overcome by information about the product that is available in advance and which can be gathered by the consumer (Werthner and Klein 1999) and so available information sources will be an important issue for tourists.

Consumers that are highly involved in certain goods or services find them more salient (Aldlaigan and Buttle 2001; Carsky et al. 1995; Howcroft et al. 2007; Laurent and Kapferer 1985; Mittal 1989; Suh and Youjae 2006; Suh et al. 1997). Specifically, involvement is important because it affects consumers’ attention and comprehension efforts, the focus of attention and comprehension processes, and the extent of cognitive elaboration during comprehension (Celsi and Olson 1988). Additionally, consumers with high involvement levels actively seek out and use information about the choice alternatives and follow

a comprehensive process of decision-making (Gursoy and McCleary 2004; Suh et al. 1997). It therefore follows that customers would be more able to articulate their expectations in high-involvement services than otherwise.

Third, tourism is appropriate as a context for this study because tourists have to undertake various forms of information acquisition when choosing a destination as well as for onsite decisions such as selecting accommodation, transportation, activities, and tours (Chen 2000; Fodness and Murray 1999; Fodness and Murray 1998; Gursoy and McCleary 2004; Snepenger et al. 1990). In short, the unique characteristics of the tourism product further underscore the importance of a successful information acquisition strategy. Overall, this research utilised this context because tourism provides customers the opportunity for a high level of contact, interaction, and socio-economic exchange with the provider (Aubert-Gamet and Cova 1999; Bitner et al. 1997; Lovelock and Wirtz 2007), which would allow for a richer conceptualisation of service quality expectations (Kalamas et al. 2002) and its relationship with culture (Tsikriktsis 2002).

Finally, due to the breadth and diversity of the industry, it is appropriate to study only a particular section. Within this tourism industry, hotels comprise a large section of the accommodation sector, and with the guest relations process dictating that customers interact with service personnel before, during, and sometimes after their hotel stay, cultural elements are likely to arise and have a significant effect on customer expectations. Additionally, hotel services are typified by a wide range of attributes that can be evaluated on the basis of cues (Lewis and Chambers 2000; Mattila 1999a; Sweeney et al. 1992). Hotels were thus selected as the specific context of this study.

1.3 Research Objectives

Cross-border trade in services is increasing (de Prabit 2006; Mattoo and Stern 2008; WTO 2008) and services are being provided to an increasingly

multicultural consumer base even domestically in the UK (Barker and Hartel 2004; Sizoo et al. 2005). This trend creates opportunities for businesses but also creates challenges (Lovelock and Wirtz 2007). One reason for such challenges is that consumers' expectations of what constitutes a good service are inevitably culture bound (Becker et al. 1999; Donthu and Yoo 1998; Kueh and Voon 2007; Rodríguez del Bosque et al. 2009; Tsikriktsis 2002). This means that marketers now need to figure out how consumers with different cultural orientations use information sources to develop their own expectations, which is made even more difficult by the paucity of research on expectation formation in general.

De Ruyter et al. (1998, p. 189) argue that "[i]n order to market services effectively to international consumers, service providers must have a thorough knowledge of their target group(s)." A solid understanding of the role of culture in the service expectations has therefore become more crucial than ever to service firms with a goal of global expansion, and, indeed, can be a competitive advantage (de Ruyter et al. 1998; Donthu and Yoo 1998), meaning that progress in understanding the process by which culture influences expectation formation behaviour has important theoretical and practical implications (Gursoy and Chen 2000; Schmidt and Spreng 1996; Smith and Reynolds 2001; Taylor et al. 1997; Wilson 1997). However, several researchers note that cross-cultural differences in consumer expectations of service quality have been somewhat neglected in international services research, especially in non-Western contexts (Donthu and Yoo 1998; Patterson and Smith 2001a, b; Winstead 1997) and this is especially the case in terms of cross-cultural investigations of the use of information sources in forming expectations (Laroche et al. 2005a).

This is a significant gap, as it has been widely acknowledged that consumers in different cultures have different expectations of service quality (Donthu and Yoo 1998; Furrer et al. 2000; Mattila 1999a, b) and cultural variables have been shown to affect the information sources consumers use to make decisions

(Cleveland et al. 2003; Murali et al. 2005a; Taylor et al. 1997; Wilson 1997). To help to contribute in filling this gap in the literature, this research is guided by one central question:

How do cultural values influence the relative importance of the information sources that consumers use in developing their service expectations?

The purpose of the present study is thus to examine the impact of culture on service quality expectations, specifically, how consumers with different cultural orientations use various information sources to formulate their service quality expectations. Based on the research question and the gaps in the literature, this research is guided by two objectives:

1. To develop a conceptual framework of service quality expectations that links cultural factors to the formation of customer expectations, by synthesising the literature on service expectations and cultural values.
2. To empirically evaluate the proposed framework in a multicultural setting (the UK) to explore similarities and differences between customers with significantly different cultural values.

1.4 Justification and Research Contributions

Part of the pragmatic context of management research is that it is potentially of interest to both an academic and managerial readership and so management and marketing researchers must tackle the double hurdle of scholarly quality and relevance (Pettigrew 2001; Watson 1997, 2001). According to Watson (2001, p. 387), “there is only one criterion by which we can judge... management studies: its effectiveness in informing the activities of any individual or group who involves themselves in managerial situations.” Implicit in this statement is the double hurdle: marketing researchers need to contribute to academic theory *about* management and provide information *to* management. The present study makes several contributions to the

understanding of consumer decision-making in a tourism context, both theoretically and practically.

The limited volume of previous research allows this study to make a contribution to knowledge and to theory development by significantly extending the body of knowledge in relation to a number of the literature gaps mentioned above. First, in its own right, any investigation into service quality expectations is making an important contribution to this area, as expectations (especially expectation formation) continues to be one of the least researched areas of the service experiences research (Zhang et al. 2008). Although recent articles appearing in the literature indicate current interest in the topic, the extant body of literature in the area of expectations formation is fragmented. Conceptually, the review of relevant literature and the exploration of the topic under investigation offer insights into the concepts and theories upon which this study is based. This research thus contributes to the process of consolidating and extending the theoretical understanding of consumer expectation formation. Similarly, the empirical investigation into the formation of customer expectation of a service encounter has been *ad hoc* and so marketing theory would benefit from a more comprehensive exploration of the determinants of service expectations. This research contributes to this by integrating the work of Zeithaml et al. (1993), Clow et al. (1997), Devlin et al. (2002) and others that have studied expectation formation, along with research on information search and cue utilisation.

Second, this study provides greater insight into the impact of culture on expectation formation, which is particularly important because the marketing literature relating to this issue is severely limited. This thesis contributes to this area by undertaking systematic research into this topic, which is important because researchers often do not clearly articulate how and why they expect to find differences or similarities across cultures. Indeed, researchers rarely explicate the relationship between the cultural context and consumption and few researchers have developed rigorous conceptual models specifying the role

of culture in their research (Craig and Douglas 2006; Douglas and Craig 1997; Maheswaran and Shavitt 2000; Yaprak 2008). For example, after reviewing the global marketing literature in general, Nakata and Huang (2004) found that some studies only loosely or briefly discuss the culture construct, while others present a culture construct in more detail but use it *post-hoc* to explain unpredicted results (*cf.* Imrie 2005; Mattila 1999a, b; Voss et al. 2004) or, more usually, *pre-hoc* to provide context and background (*cf.* Espinoza 1999; Keillor et al. 2004; Laroche et al. 2004; Liu and McClure 2001; Mattila 1999a, b; Mattila and Patterson 2004a, b; Patterson and Smith 2001a, b; Winsted 1997, 1999, 2000). Even when marketing researchers present a conceptual model to guide their research, they generally do not measure the cultural dimensions, with the exception of a few recent papers such as Donthu and Yoo (1998), Furrer et al. (2000), Laroche et al. (2005), Lui et al. (2001), and Patterson et al. (2006). The same trend is clear in the cross-cultural services literature, as most of the studies use cultural dimensions *pre-hoc* or *post-hoc* but do not measure the construct (Zhang et al. 2008). Thus while this is a large research stream, few of these studies have developed a conceptual framework explicating the relationship between cultural context and consumer behaviour that would help to understand and interpret findings (Douglas and Craig 2006). Overall Douglas and Craig (1997, p. 384) notes:

This problem is common to other social sciences and stems at least in part from the ambiguity surrounding the term ‘culture’ as well as the complexity of macro-cultural influences. As a result, findings tend to be fragmentary, and difficult to generalise beyond the immediate scope of a given study. Consequently, it is difficult to integrate findings and build them into a coherent body of knowledge relating to cross-cultural consumer behaviour.

Thus by developing a conceptual framework of service quality expectations that links cultural factors to the formation of customer expectations, this research contributes to building a coherent body of knowledge relating to the cross-cultural expectation formation process. This research significantly extends the work undertaken by Laroche et al. (2005), linking service quality expectations to a comprehensive set of cultural factors. Additionally, by incorporating dimensions of culture that have been largely overlooked by

existing service models, this research contributes to the wider literature on the impact of a range of cultural factors on consumer behaviour.

Third, empirically, this study answers the call of several researchers in the marketing and management disciplines to further explore the influence of culture on customer expectations, with specific emphasis on examining the position of various antecedents in the overall evaluative framework. This research thus also provides a fuller understanding of the process of expectation formation and how this process may vary across cultures by defining similarities and differences in the expectation formation process in customers with different cultural orientations. Additionally, developing a conceptual framework and testing it empirically is a step in the direction of developing a framework of service quality expectations in service industries in general.

This research also provides information *to* management. First, for those wishing to manage service quality, it is essential to have some understanding of consumer expectations, how such expectations develop, and their significance in relation to service quality since “[k]nowing what customers expect is the first, and possibly most critical, step in delivering service quality” (Zeithaml et al. 1990, p. 51). The antecedents of expectations are important to companies because these are the elements which they can manage and which will have an impact on customers’ final perceptions of their services. Thus providing marketers with a fuller understanding of the process of expectation formation contributes to their ability to influence these antecedents.

Additionally, from a strategic perspective, an understanding of the cultural similarities and differences in the formation of service expectations can give service providers the competitive advantage they need to grow in the global marketplace (Laroche et al. 2005a; Mattila 1999b). So while service providers may have a good idea what customer in one market or from one cultural background expects, it is often the case that they assume these expectations reflect the expectations of customers from all different markets or cultural

backgrounds. Empirical research indicates that this is not likely to be the case (Laroche et al. 2005a), and so this research gives managers a better understanding of similarities and differences in the expectation formation process in customers with different cultural orientations, which should inform how marketers use these antecedents to target individuals of different cultural orientations.

1.5 Organisation of the Thesis

This chapter has provided an introduction to the research and has outlined the research objectives and the significance of the study. The outline of the rest of the thesis is as follows. Chapters Two and Three of this thesis present a review the supporting literature, critically evaluating contemporary themes and theoretical frameworks and contextualising the research within the extant literature in the area. Chapter Two reviews the theoretical foundation for the determinants and dimensions of consumer expectation formation, while Chapter Three is a thorough review the concept of culture, ending with a firm conceptualisation of the construct of culture.

Chapter Four is the beginning of the empirical portion of the document, bringing together the literature on cultural value orientation and the antecedents of service quality expectation to present the conceptual model and related hypotheses. Chapter Five is devoted to the methodology and outlines the manner in which the research was carried out, as well as the theory behind the methods. The final three chapters present the results of the empirical study. A preliminary examination of the data is provided in Chapter Six and the main findings of the research as they relate to the hypotheses and propositions are outlined in Chapter Seven. Chapter Eight is the closing chapter and offers a profile of the research, the theoretical conclusion that can be drawn from the results, and the empirical implications. This chapter concludes with an outline of the limitations of the research and the directions for future research in the area of cultural value orientation and consumer behaviour.

CHAPTER TWO: THE FORMATION OF SERVICE QUALITY EXPECTATIONS

The objective of this research is to explore how culture affects the formulation of customers' service expectations, specifically how consumers with different cultural orientations use internal and external sources of information to formulate their service expectations. This chapter outlines how expectations and its antecedents are operationalised in this research, which allows the researcher to make propositions about how cultural orientation is expected to impact on the expectation formation process.

This chapter contains a review of the literature on service expectations and its antecedents. The discussion includes the literature on consumer information search and cue utilisation theory, thereby allowing for the identification of major constructs and issues useful in specifying a theoretical model of expectation formation. In specifying the model, this discussion is divided into three substantive sections. Section 2.1 presents an overview of the literature on service quality and its measurement, including a discussion of the disconfirmation paradigm. Section 2.2 discusses the nature of service expectations. Section 2.3 is the longest and presents an investigation of the antecedents of service quality expectations. This section starts with an exposition of the literature on information sources and cue utilisation and ends with a detailed discussion of the antecedents of expectations investigated in this research. The chapter concludes with a brief summary.

2.1 Defining and Measuring Service Quality

This first section discusses service quality and its measurement, with forays into the customer satisfaction literature as needed to provide the background to the discussion of service quality expectations that takes place in Section 2.2.

2.1.1 The Construct of Service Quality

According to Stanton (1981, p. 441), services refer to:

...those separately identifiable, essentially intangible activities that provide want-satisfaction and which are not necessarily tied to the sale of a product or another service. To produce a service may or may not require the use of tangible goods. However, when such use is required there is no transfer of title (permanent ownership) to these tangible goods.

Acknowledging the new interfaces such as ATM and websites that allow services to be provided without face-to-face interaction, Grönroos (2000, p. 46) offered the following definition:

Service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and the service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems.

However, Sampson and Froehle (2006) argue that such definitions inadequately identify managerial and operational implications common among, and unique to, services. To rectify this they present a 'Unified Services Theory' (UST), which they argue clearly distinguishes service processes from non-service processes and identifies key commonalities across apparently dissimilar service businesses as follows:

The UST defines a service production process as one that relies on customer inputs; customers act as suppliers for all service processes. Non-services (such as make-to-stock manufacturing) rely on customer selection of outputs, payment for outputs, and occasional feedback, but production is not dependent upon inputs from individual customers (Sampson and Froehle 2006, p. 329).

In addition to attempting to define services, another key way in which researchers try to differentiate between services and non-services is to focus on the characteristics of services and for this reason the services marketing literature is replete with research detailing the unique characteristics distinguishing services. Intangibility, heterogeneity, inseparability of

production and consumption, and perishability (IHIP) are the four well-documented features of services acknowledged in the services marketing literature, with current researchers taking their cue from the early research in this area such as Shostack (1977), Berry (1980), and Zeithaml et al. (1985). However, based on their view that “[t]he presence of customer inputs is a *necessary* and *sufficient* condition to define a production process as a service process” (p. 331, emphasis in original), Sampson and Froehle (2006) argue that “these four ‘characteristics’ of services are not defining characteristics but, when they occur, are simply ‘symptoms’ of the customer inputs” (p. 335).

Additionally, it has been suggested that these distinctive characteristics no longer bear up under examination (Edvardsson et al. 2005; Lovelock and Gummesson 2004; Sampson 2001; Sampson and Froehle 2006), especially since all firms, regardless of their business orientation, compete on the basis of customer service and service offering (Grönroos 1991; Levitt 1981; Lovelock and Wirtz 2007). This suggests that all types of organisations may be able to gain valuable insight from service marketing frameworks, tools, and strategies (Grönroos 1991). However, whether they are seen as inherent characteristics of services (Berry 1980; Lovelock 1981; Shostack 1977; Zeithaml et al. 2006; Zeithaml et al. 1985) or as symptoms of customer involvement (Sampson 2001; Sampson and Froehle 2006), the IHIP framework continues to be a unifying theme for services marketing (Lovelock and Gummesson 2004) and instead of negating the importance of these issues, it seems that all firms would need to understand these issues and how they affect customers as well as service delivery.

Of the four key characteristics or symptoms, intangibility is the issue most commonly discussed in relation to services. According to these discussions, the intangibility dimension of services means that consumers have few, if any, tangible cues from which to deduce quality (Bebko 2001; Brady et al. 2005; Laroche et al. 2001; Laroche et al. 2003; Nicoulaud 1989; Zeithaml et al. 1985). However, this does not mean all services are totally intangible

(Sampson 2001), instead services vary along the tangible-intangible spectrum (Levitt 1981). Indeed, Laroche et al. (2001, p. 27) argue that “[s]ervice processes are capable of being perceived (which is the definition of tangible), and service outcomes are often as tangible, or more tangible, than manufacturing outputs.” Second, heterogeneity is the observation that individual units of service production tend to be unique, especially when compared with non-service processes such as mass production (Nie and Kellogg 1999). Particularly in the case of services involving human service providers, service is variable in the way it is performed or delivered to customers from one service provider to another or from one time period to another, meaning that no two service performances are identical (Gabbott and Hogg 1994; Zeithaml et al. 1985).

Inseparability refers to the observation that services are generally produced and consumed at the same time, as compared with non-services’ tradition of producing well in advance of demand and consumption (Zeithaml et al. 1985). With service processes, significant portions of production cannot begin until after customer inputs have been presented by the customer and customer involvement means that some aspects of consumption may begin during the production process, making the standardisation of service almost impossible (Sampson 2001; Sampson and Froehle 2006; Zeithaml et al. 1985). Finally, perishability alludes to the time-sensitive nature of a service provider’s capacity to produce the service. Sampson and Froehle (2006) make it clear that it is not the service product itself that is perishable, but rather the capacity, since significant elements of production cannot begin before customer inputs are present (Sampson 2001), which means that service firms may find it difficult to synchronise supply with demand. This may lead to service delivery issues when demand is high and make it difficult for prospective buyers to know what to expect (Berry 1980; Sureshchandar et al. 2001).

These distinctive issues tend to make the standardisation of service difficult, which in turn means that prospective buyers cannot, or have limited

opportunities, to evaluate quality prior to purchasing a service (Bienstock 2002; Edvardsson et al. 2005; Laroche et al. 2003; Murray 1991; Sampson and Froehle 2006; Zeithaml et al. 1985). This would be especially the case in services such as hotels, where high levels of customer contact are required in providing the service (Chase 1978; Kotler et al. 2009). This also means that service quality is a more elusive and abstract construct than product quality (Parasuraman et al. 1985, 1988). Against this background, Schneider and Bowen (1985) suggested that customers are in the best position to evaluate a service. In line with this, Parasuraman et al. (1985) adopted Grönroos' (1984) proposal that service quality be measured in terms of 'perceived quality,' rather than in terms of devised objective or technical service quality specifications. Grönroos (1984, p. 37) defined perceived service quality as

...the outcome of an evaluation process, [whereby] the consumer compares his expectations with the service he perceives he has received, that is, he puts the perceived service against the expected service. The result of this process will be the perceived quality of service.

Later, Parasuraman et al. (1988, p. 16) succinctly defined perceived service quality as "a global judgement, or attitude, relating to the superiority of the service." This marketing based approach, which has emerged primarily out of the services marketing literature, is the most pervasive definition of service quality currently in use (Brown et al. 1994).

To conclude this section, it is important to highlight the issue of the conceptual differences and similarities between service quality and customer satisfaction (Iacobucci et al. 1995; Johnston 1995; Spreng and Mackoy 1996). On examining the services marketing literature, it can be seen that service quality and customer satisfaction are often used interchangeably and Iacobucci et al. (1995, p. 294) even conclude that service quality and customer satisfaction "might be parsimoniously considered as one construct" because of their similarity. However, there is general consensus in the literature that service quality and customer satisfaction *are* different, though related, constructs (Buttle 1996; Cronin and Taylor 1992; Parasuraman et al. 1985; Parasuraman

et al. 1988), leading Spreng and Mackoy (1996, p. 201) to conclude that “[t]here seems to be a great deal of similarity between [service quality and customer satisfaction], yet researchers are usually careful to state that these are different constructs.” Instead of criticising this, Iacobucci et al. (1995, p. 294) concede that “it might be more interesting theoretically to consider the two as distinct” and it is now generally accepted in the literature that service quality is different from customer satisfaction.

The debate over these constructs has largely revolved around sequential, definitional, and measurement issues. The sequential issue essentially relates to superiority, the question being whether customer satisfaction is the antecedent of service quality or whether perceived service quality contribute to customer satisfaction. Although early service quality researchers defined customer satisfaction as antecedent to service quality (*cf.* Iacobucci et al. 1995), it has now generally been accepted that service quality is antecedent to customer satisfaction (Brady and Robertson 2001; Cronin and Taylor 1992; Dabholkar et al. 2000; Parasuraman et al. 1994a; Pollack 2009; Teas 1994).

Confusion also arises in the use of the terms because both customer satisfaction and service quality have been defined and measured as the difference between the expectations held prior to service and the post-consumption performance evaluations (Iacobucci et al. 1995). That is, both seek to define expectations and its relationship with perceptual evaluations and both apply Oliver’s (1977) disconfirmation-of-expectations paradigm as their core theoretical underpinning (as discussed in the next section). This is known as the gap model for service quality measurement (Brown and Swartz 1989; Mukherjee and Nath 2005; Parasuraman et al. 1985; Zeithaml 1988) and as the disconfirmation paradigm for customer satisfaction measurement (Anderson and Sullivan 1993; Oliver and Bearden 1985; Spreng and Olshavsky 1993; Tse and Wilton 1988; Walker 1995). However, there is a difference in the approach used to identify the disconfirmation, with satisfaction researchers using a better than/worse than scale originally specified by Oliver (1980), while service

quality researchers mathematically identify disconfirmation through the collection of expectation and performance separately, based on the approach to service quality measurement identified by Parasuraman et al. (1985, 1988, 1991b), as discussed below.

In this thesis the distinction between the customer satisfaction literature, which emphasises consumers' perceptions of a specific transaction (Bitner 1990; Gilbert et al. 2004; Mittal et al. 1999; Oliver and Swan 1989; Winsted 2000), and the service quality literature, which emphasises cumulative perceptions (Boulding et al. 1993; Parasuraman et al. 1991a; Parasuraman et al. 1985; Parasuraman et al. 1988; Reimer and Kuehn 2005) is explicitly acknowledged.¹ Still, these two sets of literature have a great deal of commonality as noted above and it is therefore possible to take concepts relating to consumer expectations from the customer satisfaction literature and use these in this research, which is based primarily on the concept of consumer expectations from the service quality literature (Santos and Boote 2003).

2.1.2 Measuring Service Quality

Given the importance of service quality (Lewis and Booms 1983; Taylor et al. 1993; Zeithaml 2000; Zeithaml et al. 1996), many researchers have attempted to conceptualise and measure service quality but the final components of perceived service quality are still being debated (Brown et al. 1993; Carman 1990; Cronin and Taylor 1992, 1994; Llusar and Zornoza 2000; Mels et al. 1997; Parasuraman et al. 1993, 1994b; Sureshchandar et al. 2002; Teas 1993, 1994).

Early research on service quality suggested that service quality stems from a comparison of what customers feel a company should offer, that is, customers'

¹ While customer satisfaction generally emphasises consumers' perceptions of a specific transaction, it is acknowledged that this construct can be measured at both a global satisfaction level as well as a service encounter level (Danaheer et al. 1994a; Jones and Suh 2000).

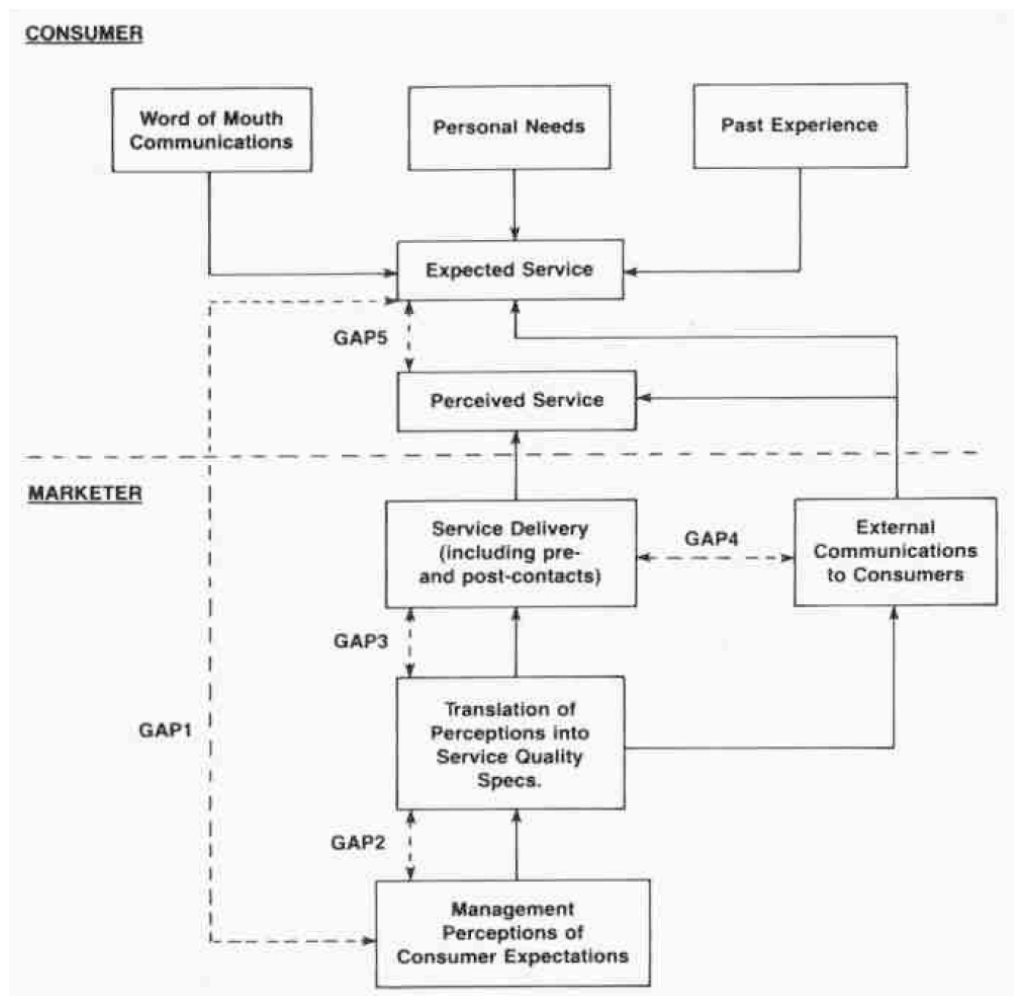
expectations, with the actual service provided by the company (Grönroos 1984; Lehtinen and Lehtinen 1982; Lewis and Booms 1983; Parasuraman et al. 1985). This process is called ‘expectancy disconfirmation’ and came out of social psychology research and organisational behaviour research (Oliver 1977; Oliver and Bearden 1985; Olshavsky 1972; Olson and Dover 1976). Expectancy disconfirmation is made up of two processes: the formation of expectations and the disconfirmation of those expectations to performance comparisons (Oliver 1980; Oliver 1977; Oliver and DeSarbo 1988). Furthermore, this suggestion that the measurement of service quality is based on the disconfirmation theory introduced the better than expectation or worse than expectation formula still used in service quality research (Grönroos 1984; Lehtinen and Lehtinen 1991).

Theories of service quality measurement have been dominated by multidimensional structures (Ekinici and Riley 1998) and have formed into two main schools of thought: the Nordic school (Grönroos 1984; Lehtinen and Lehtinen 1982) and the North American school (Parasuraman et al. 1985; Parasuraman et al. 1988). Early service quality researchers established the Nordic School in the 1970s with a service quality model that was largely determined by two or three dimensions (Grönroos 1991; Mels et al. 1997). Initially, these researchers identified two dimensions of service quality: technical (or outcome) quality and functional (or interaction process) quality. Technical quality refers to the outcome of the service performance or what the customer receives in the service encounter, while functional quality relates to the subjective perception of how the service is delivered and defines customers’ perceptions of the interactions that take place during service delivery (Grönroos 1984). In addition to these two dimensions, image was also introduced as a quality dimension by Nordic School researchers (Grönroos 1984; Kang and James 2004; Lehtinen and Lehtinen 1991). While these dimensions informed later research, there is much less work in this vein as the Nordic School focused mostly on the conceptualisation of service quality without providing strong empirical evidence to support their position at the

beginning and for this reason has not received much attention from practitioners (Ekinici and Riley 1998).

Service quality research in America began in the 1980s and built on this earlier research undertaken by the Nordic School (Grönroos 1991). Using these insights and the customer satisfaction literature as a starting point, Parasuraman et al. (1985, 1988, 1991b) postulated perceptions and expectations as the two primary components of perceived service quality. The model presented is called the gap model (Parasuraman et al. 1985), which presents an integrative view of the relationship between the company and the customer (Figure 2.1).

Figure 2.1: The Gap Model of Service Quality (Parasuraman et al. 1985, p. 44)



In this model the researchers identified five gaps, the first four relating to key discrepancies between marketers' perceptions of service quality and the tasks associated with delivering the service to customers and the fifth relating to the discrepancy between expected service and perceived service on the customers' part. In discussing service quality the focus is on this fifth gap since "[s]ervice quality as perceived by a consumer depends on the size and direction of Gap 5 which, in turn, depends on the nature of the gaps associated with the design, marketing and delivery of services" (Parasuraman et al. 1985, p. 46). Gap 5 is the focus of this research and is discussed in more detail in Sections 2.2 and 2.3.

Empirical studies undertaken by Parasuraman and his colleagues across the multiple service industries of retail banking, credit card provision, security brokerage and, product repair and maintenance led to the development of the SERVQUAL model, which has been the North American School's most significant contribution to the measurement of service quality. This model immediately received a great deal of interest because it offered a practical instrument for the measurement of service quality. Exploratory research by Parasuraman et al. (1985) initially identified ten potentially overlapping dimensions used by customers in assessing service quality: tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and access. They subsequently developed SERVQUAL (1988), which recast the ten determinants into the following five specific dimensions of service quality:

1. Tangibles: the physical facilities and equipment and the appearance of personnel;
2. Reliability: providing what is promised, dependably and accurately;
3. Responsiveness: the willingness to help customers and provide prompt service;
4. Assurance: the knowledge and courtesy of employees and their ability to convey trust and confidence; and,

5. Empathy: the degree of caring and individual attention provided to customers.

As discussed above, service quality is determined by the size and direction of gap between expected service and perceived service in this model. In operationalising SERVQUAL respondents are first asked to indicate the level of service expected from a service on a set of 22 expectations items. Agreement with each item is assessed on a seven-point scale with end anchors 'strongly agree' and 'strongly disagree' and no verbal descriptors for intervening scale positions. Next, respondents are asked to provide their evaluations of the actual level of service provided by the firm in question on a corresponding set of 22 perceptions items. The gap between expectations and perceptions of performance (perceived service quality) is measured by the difference between the two scores (performance minus expectations) and a customer will perceive service quality positively only when the service provider meets or exceeds her expectation ($P \geq E$).

As previously noted, the SERVQUAL instrument and its adaptations have been much utilised in measuring service quality, a sample of which is outlined in Table 2.1 (below). However, these empirical applications have highlighted the fact that the scale and its originally proposed five dimensions are not generic and thus applicable to any service organisation, as initially argued by Parasuraman et al. (1988). Despite these initial claims, it has emerged that the number and definition of the service quality dimensions vary based on context (Brown et al. 1993; Buttle 1996; Carman 1990; Cronin and Taylor 1992; Cronin and Taylor 1994; Ekinci and Riley 1998; Ladhari 2009). Still, the lack of a generic factor structure does not negate the usefulness of the instrument for measuring service quality (Caruana et al. 2000; Newman 2001; Parasuraman et al. 2005). As shown in Table 2.1, researchers continue to report high reliabilities and so rather than developing new instruments (which is also a viable option), it is generally recommended that researchers adapt the scale to the research context and validate the instrument after data collection through

reliability and validity analysis (Kalamas et al. 2002; Ladhari 2009; Taylor et al. 1993). Additionally, SERVQUAL remains the only general, diagnostic, and adaptive measure of service quality available to marketers (Oliver 1993).

Table 2.1: Sample of Dimensional Structures Found in the Literature, 1991-2007

Factor Structure	Study	Sample and Country	Reliability coefficients
Uni-dimensional	Cronin and Taylor (1992)	175-189 clients from fast food, banking, pest control, dry cleaning, USA	SERVQUAL: mean of 0.89 (banks), 0.90 (pest control), 0.90 (dry cleaning), 0.85 (fast food) SERVPERF: mean of 0.93 (banks), 0.96 (pest control), 0.93 (dry cleaning), 0.88 (fast food)
	Lam (1997)	82 hospital patients, Hong Kong	0.65 - 0.88 for expectation scores 0.71 - 0.90 for perception scores
	Durvasula et al. (1999)	114 shipping managers of various companies, Singapore	0.69 - 0.85 (for the five SERVQUAL dimensions)
2 factors	Babakus and Boller (1992)	689 customers of an electric and gas utility company, USA	0.67 - 0.83
	Mels et al. (1997)	180 (banks); 138 (insurance brokers), 133 (motor repair service stations), 1,860 (electrical appliance), and 180 (life insurer), South Africa and UK	Not reported
	Gounaris (2005)	515 companies from different industries (B2B services), Greece	0.80 - 0.82 for the two factors model
3 factors	Nadiri and Hussain (2005)	285 European tourists visiting Northern Cyprus hotels	0.81 - 0.95 for the two factors model
	Nitecki (1996)	351 users of three services provided by an academic library, USA	Mean of 0.84
	Cook and Thompson (2000)	697 faculty, undergraduate, and graduate students library users, USA	0.79 - 0.88 (for perception scores)
	Gefen (2002)	211 students that had shopped at Amazon.com, USA	0.93 - 0.99
	Chi Cui et al. (2003)	153 bank customers, South Korea	Not reported
	Arasli et al. (2005)	260 bank customers, Cyprus	0.87 - 0.94
	Prugsamatz and Pentecost (2006)	133 Chinese students, higher education, Australia	0.86 - 0.87

Table 2.1: Sample of Dimensional Structures Found in the Literature, 1991-2007			
Factor Structure	Study	Sample and Country	Reliability coefficients
	Kueh and Voon (2007)	240 university students, food service, Malaysia	0.74 - 0.86
4 factors	(Kettinger and Lee 1994)	342 undergraduate and graduate students, information services, USA	0.82 - 0.90
	Baldwin and Sohal (2003)	354 dental care services patients, Australia	0.86 - 0.88 for expectation scores 0.83 - 0.90 for perception scores 0.78 - 0.91 for gap scores
	O'Neill and Palmer (2003)	Visitors to theme parks, 135 (first stage), 103 (second stage), Australia	0.22 - 0.87
	Kilbourne et al. (2004)	195 nursing home residents from 10 long-term care facilities in the USA 99 residents from 15 long-term facilities in the UK	0.70 - 0.87 in the US sample 0.60 - 0.76 in the UK sample
5 factors	Parasuraman et al. (1991a)	290-487 customers of telephone company, insurance company, and bank, USA	0.83 - 0.91 (telephone company), 0.80 - 0.92 (insurance company 1), 0.84 - 0.93 (insurance company 2), 0.85 - 0.92 (Bank 1), 0.86 - 0.88 (Bank 2)
	Espinoza (1999)	Supermarket customers, 149 (Canada), 169 (Peru)	0.70 - 0.74 in the Peru sample 0.84 - 0.91 in the Canada sample
	van der Wal et al. (2002)	583 cellular phone users/customers, South Africa	0.63 - 0.88
	Landrum et al. (2007)	385 customers of two army corps of engineers research centres, USA	0.84 - 0.92
6 or more factors	Carman (1990)	74-600 customers of a dental clinic, a business school placement centre, a hospital, and a tire store, USA	0.51 - 0.84 (tire store), 0.52 - 0.85 (placement centre), 0.55 - 0.87 (dental clinic), 0.61 - 0.94 (hospital)
	Headley and Miller (1993)	159 customers of medical services, USA	0.58 - 0.77
	Lam (2002)	229 bank customers, China	Not reported

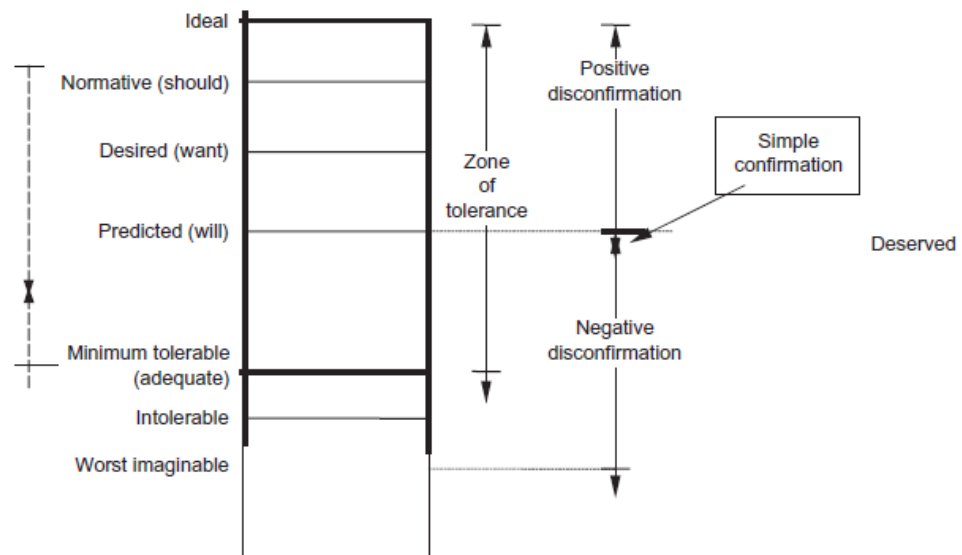
Since consumer expectations apparently affect customer satisfaction (Anderson 1973) and perceived service quality (Parasuraman et al. 1991a), the marketer who wishes to understand and favourably influence customer satisfaction and perceived service quality may be able to do so by understanding and influencing customer expectations. The next section discusses the nature of service quality expectations in detail before moving on to discuss its antecedents in Section 2.3.

2.2 The Nature of Service Quality Expectations

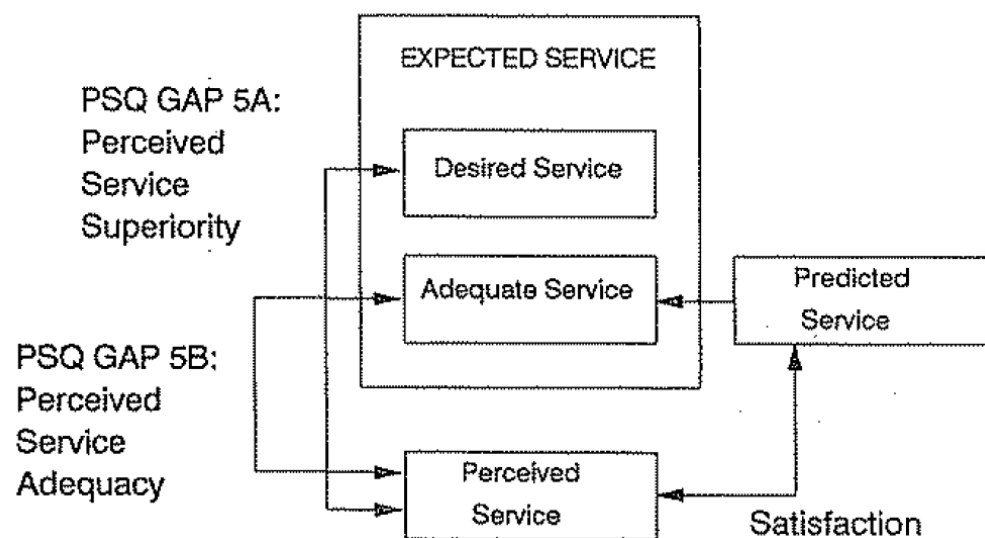
As outlined in Section 2.1.1, the conversation on the definition and nature of expectations, expectation formulation, and disconfirmation started in the customer satisfaction literature and satisfaction (like service quality) is seen as the outcome of expectation (or some other comparison standard) compared to perceptions of service delivery (Anderson and Sullivan 1993; Cadotte et al. 1987; Oliver and Bearden 1985; Oliver and DeSarbo 1988; Spreng and Olshavsky 1993; Tse and Wilton 1988; Walker 1995). Overall, both the customer satisfaction and the service quality literatures suggest that consumers use some kind of expectations when forming opinions about the likely performance of a product or service (Bolton and Drew 1991b; Boulding et al. 1993; Cadotte et al. 1987; Carman 1990; Robledo 2001; Teas 1994; Zeithaml et al. 1993).

Several possible specific expectation standards have been identified with respect to the satisfaction construct such as product type norm, best brand norm, equitable and ideal product performance, and most likely performance (Cadotte et al. 1987; Oliver 1980; Tse and Wilton 1988; Woodruff et al. 1983). Within the service quality literature, a number of different conceptualisations of expectations have also been proposed based on different theoretical perspectives as outlined in Figure 2.2 (below) (Liljander and Strandvik 1993b; Santos and Boote 2003; Tse and Wilton 1988; Walker and Baker 2000; Zeithaml et al. 1993).

Of the various approaches to conceptualising consumer expectations that have been proposed, this section focuses on desired/should, adequate, and predicted expectations, which have been the three most widely employed classes of expectations to emerge from the literature (Dean 2004; Devlin et al. 2002; Laroche et al. 2004a; Liljander and Strandvik 1993a, b; Walker and Baker 2000) and the three classes used by Zeithaml et al. (1993) in their model (Figure 2.3).

Figure 2.2: A Hierarchy of Expectations (Santos and Boote 2003, p. 144)

In response to the need to refine the service quality expectations standard, particularly because of their ability to influence the final service quality evaluations, Zeithaml and her colleagues proposed a conceptual framework that sought to clarify the relationship between perceived service quality and the three different levels of expectations (Parasuraman et al. 1991b; Zeithaml et al. 1993).

Figure 2.3: The Nature of Service Expectations (Zeithaml et al. 1993, p. 8)

As discussed in the previous section, the gap model used in the service quality literature shows service quality being made up of a comparison of the expected service component with the perceived service component. (The expected service component is made up of desired and adequate expectation.) This is the key outcome of the model and consistent with the services marketing literature and the major services paradigm (Gwynne et al. 2000; Parasuraman et al. 1993; Parasuraman et al. 1985; Patrick 1996).

In a services marketing context, expectations are very broadly defined as “[p]retrial beliefs about a [service] that serve as standards or reference points against which [service] performance is judged” (Zeithaml et al. 1993, p. 1). This definition is commonly used and draws on expectancy theory (Tolman 1932, as cited in Clow et al. 1998), which sees customer expectations as predictions (probabilities) made by a customer about the likely outcome of the service encounter. The customer satisfaction literature is dominated by this expectations-as-predictions standard, which proposes that customers form expectations based on what they think *will* happen in their next service encounter with a firm (labelled ‘predicted expectations’ in the service quality literature) (Laroche et al. 2004a; Walker and Baker 2000). As in Zeithaml et al.’s (1993) conceptualisation presented in Figure 2.3, Gwynne et al. (2000) argue that this concept of predictive expectations can be viewed as broadly similar, but not identical, to adequate expectations. This is supported by recent research such as Dean (2004), who showed that adequate expectations behaved independently from predicted expectations in call centres. Adequate service as defined by Zeithaml et al. (1993), or adequate service performance as defined by Liljander and Strandvik (1993a, p. 10), is “the lower level expectation for the threshold of acceptable product or service” and is partially based on predicted expectations (Zeithaml et al. 1993).

The most prominent conceptual definition of expectations used in service quality literature is the normative ‘should’ concept of expectations, which is based on equity theory and the ideal point models of consumer preference and

choice (Holbrook 1984). Expectations in service quality research was earlier defined as what a customer feels a service should offer rather than would offer (Parasuraman et al. 1985) and later as what an excellent company offers (Parasuraman et al. 1991). This normative (should) expectation standard is closely related to the “what ought to happen” expectation proposed by Tse and Wilton (1988) and is used interchangeably with desired expectations in the service quality literature (Zeithaml et al. 1993). Overall, Laroche et al. (2004) distinguish between should and will expectations by saying that the normative/should expectations refer to what consumers think the service should be to meet their desires, while predicted/will expectations refer to what consumers think the service will be in reality.

While there is no consensus on which standard(s) are to be used, the notion that service quality stems from a comparison of actual service performance with what it should or would be has broad *conceptual* support in both the service quality and customer satisfaction literatures (Cadotte et al. 1987; Liljander and Strandvik 1993a, b; Oliver 1980; Oliver and DeSarbo 1988; Parasuraman et al. 1991b, 1994b; Santos and Boote 2003; Tse and Wilton 1988; Woodruff et al. 1983), although some researchers still question the *empirical* value of measuring expectations (Babakus and Boller 1992; Cronin and Taylor 1992, 1994; Liljander and Strandvik 1993b; McAlexander et al. 1994; Mehta et al. 2000). The should expectation standard remains particularly problematic (Cadotte et al. 1987; Carman 1990; Teas 1993, 1994) and so researchers tend to emphasise predicted expectations (Boulding et al. 1993; Hamer et al. 1999; Lee et al. 2000) because consumers rely to a greater extent on more realistic predicted expectations in judging service offerings (Laroche et al. 2005a). This research focuses on the predicted expectations standard widely used in both satisfaction and service quality literatures, using the expectations portion of Parasurman et al.’s (1988) SERVQUAL scale to measure predicted expectations (discussed further in Section 5.3).

Having accepted that expectations are likely to form an anchor for quality assessments regardless of whether they are measured explicitly or not (Anderson and Sullivan 1993; Cadotte et al. 1987; Devlin et al. 2002; Parasuraman et al. 2005; Tse and Wilton 1988), the question of which factors determine customer expectations (that is, the antecedents of expectations) becomes a critical issue requiring further investigation. The following section investigates the antecedents of predicted expectations in more detail. The starting point for this examination is the research on consumer information search and cue utilisation, which provides the background to the discussion of Zeithaml et al.'s (1993) antecedents-of-expectations model.

2.3 The Antecedents of Service Quality Expectations

It is sometimes theorised that customers' pre-purchase expectations of service will be completely diffuse in the absence of any information. In reality, however, customers have a range of direct and indirect information sources that help them to form expectations about future service encounters with a specific company (Boulding et al. 1993; Clow et al. 1998; Clow et al. 1997; Coye 2004; Zeithaml et al. 1993). The general thesis is that consumers collect information from a variety of sources (both passively and actively) and, in combination with various cues that indicate quality, they form expectations about services that they may or may not have previously experienced (Parasuraman et al. 1991b; Prugsamatz et al. 2006; Resnick and Montania 2003; van Waterschoot et al. 2008; Zeithaml et al. 1993). This is based on Fishbein and Ajzen's (1975) model of belief formation, which argues that beliefs (such as expectations) are formed based on three elements: informational beliefs (information provided by others), inferential beliefs (garnered through various inference processes), and/or descriptive beliefs (direct observation or experience with a situation).

In their work on the broader concept of overall service quality, Zeithaml et al. (1993) have combined this understanding into one parsimonious model, which is used to organise this section of the research. In order to properly interrogate

this model and shed more light on the determinants of service expectations, it is important to discuss the literature on consumer information search, insofar as the research in this area can aid the understanding of (1) why consumers search for information, (2) the types of search they undertake, and (3) the sources they use. The literature on cue utilisation theory is also important since consumers develop expectations based on various inference processes (Fishbein and Ajzen 1975; Olson 1977; Richardson et al. 1994; Sweeney et al. 1992; Teas and Agarwal 2000) and so this literature can help in understanding the most relevant cues in developing service quality expectations.

To tackle these issues, Section 2.3.1 discusses consumer information search behaviour, highlighting the reasons consumers search for information and the types of search they undertake as well as the sources of information on which consumers rely in forming their expectations. Supported by literature on cue utilisation theory, Section 2.3.2 discusses Zeithaml et al.'s (1993) model of the antecedents of service quality expectations.

2.3.1 Consumer Information Search

Information search is the stage of the decision-making process in which consumers actively amass and integrate information from a range of sources before making a choice (Howard and Sheth 1969; Schmidt and Spreng 1996). As such, consumer information search has been defined as “the motivated activation of knowledge stored in memory or acquisition of information from the environment” (Blackwell et al. 2005, p. 201). Why do consumers undertake information search? Given that the roots of the concept of search is in Stigler's (1961) theory of the economics of information, it follows that the perceived benefits of search derive from the economics paradigm of information search (Spreng and Mackoy 1996). From this perspective the benefits of search are seen as outcomes that increase the consumer's utility or are otherwise valuable because they assist in achieving higher-level goals or values (Gutman 1982). Thus the benefits of search include the chances of discovering a superior alternative to the services already considered and the

reduced risk that comes with the exclusion of inferior (but *a priori* uncertain) alternatives (Klein and Ford 2003). This is congruent with research indicating that there are two general types of uncertainty: knowledge uncertainty (uncertainty regarding information about alternatives) and choice uncertainty (uncertainty about which alternative to choose) (Ha 2002; Lee and Cranage 2010; Urbany et al. 1989).

This brief discussion indicates that perceived risk is particularly important in the context of this type of research, since consumers are argued to use information search as a key risk reducing strategy (Cho and Lee 2006; Ha 1989, 2002; Howard and Sheth 1969; Klein and Ford 2003; Mitchell and McGoldrick 1996; Mitchell and Greatedrex 1993; Morris 1991; Pires et al. 2004; Spreng and Mackoy 1996; Schmidt and Spreng 1996). In the consumer behaviour literature, risk primarily relates to choice uncertainty, referring to the fact that few purchase decisions are made with total certainty about a specific product, service, or brand. Thus perceived risk has been conceptualised as the probability of incurring negative consequences such as danger and loss and represents consumers' uncertainty about the probability of losing or gaining in a specific transaction (Colgate and Lang 2001; Mitchell 1999; Mitchell and McGoldrick 1996). Perceived risk is made up of different elements, six of which are common in the literature: monetary/financial (losing or wasting income), functional/performance (does not meet the need), physical/safety (personal illness or injury), social (unfashionable or lowers status), psychological (damages self-esteem or causes guilt), and time/convenience (losing or wasting time) (Laroche et al. 2003; Mitchell 1999; Mitchell and McGoldrick 1996; Murray 1991; Wilson 1997). If information search is a risk reducing strategy, then consumers use this to minimise one or more of these risks in a purchase decision (Büttner et al. 2006; Ha 2002; Solomon 1999) and thus greater perceived risk will increase the consumer's propensity to undertake information search prior to purchase (Cho and Lee 2006; Klerck and Sweeney 2007; Mattila and Wirtz 2002; Mitchell and Greatedrex 1993; Murray 1991). Additionally, empirical results indicate that

high choice uncertainty leads to higher information search (Lee and Cranage 2010; Urbany et al. 1989).

All consumer purchases have some degree of risk but, as highlighted in Section 2.1.1, the unique issues surrounding service provision implies that consumers' purchasing behaviour would be different when consuming services (Edvardsson et al. 2005; Laroche et al. 2001; Murray 1991; Sampson and Froehle 2006). Following economic models of information search behaviour (Stigler 1961), Nelson (1970) proposed that goods can be classified as possessing either search or experience qualities. Search qualities are those that "the consumer can determine by inspection prior to purchase," while experience qualities are those that "are not determined prior to purchase" (Nelson 1974, p. 730). Thus search attributes can easily be evaluated before purchase, while services with experience characteristics can be evaluated only after use. Darby and Karni (1973) extended Nelson's theory by arguing that goods can incorporate diverse attributes (not just one or the other) and by introducing credence qualities as a third attribute goods might possess. Credence attributes are characteristics that cannot be evaluated by search prior to purchase or experience after purchase and are very costly to evaluate at all (Darby and Karni 1973).

A number of service researchers have argued that the predominance of experience and credence attributes makes it difficult for customers to evaluate service quality (Bienstock 2002; Gabbott and Hogg 1994; Iacobucci 1992; McCollough 1995; McGill and Iacobucci 1992; Murray 1991; Zeithaml 1981). For example, hotel services tend to have many experience and credence attributes making an *a priori* comprehensive assessment of their qualities impossible, leaving consumers with high information search costs (Williamson 1985). Particularly since most services possess experience qualities, consumers are generally only able to evaluate the quality of the service after purchase and consumption, which increases pre-purchase uncertainty (Gabbott and Hogg 1994; McCollough 1995; Murray 1991). Moreover, because of the credence

qualities of some services, customers may, in some cases, lack the time, financial resources, or expertise to adequately evaluate a service, even after they have experienced it (Bienstock 2002). Overall, conceptual and empirical research on the role of risk in the consumption of services suggests that services are likely to be perceived as riskier than goods (Büttner et al. 2006; Laroche et al. 2003; Laroche et al. 2005b; Mitchell and Greatedrex 1993; Zeithaml 1981, 2000). Thus since services seem to create especially uncertain and risky purchase situations (Pires et al. 2004), it can be expected that consumers are likely to engage in greater information search to deal with this specific uncertainty (Büttner et al. 2006; Cho and Lee 2006; Keating et al. 2009; Mitchell and McGoldrick 1996; Mitchell and Greatedrex 1993; Mitra et al. 1999), and so understanding how and where consumers search for information is particularly important in services marketing.

As is clear from the definition of information search given at the beginning of this section, consumers are thought to engage in both internal and external information search to help them make purchase decisions (Blackwell et al. 2005; Hawkins et al. 2004). *Internal information search* is the recall of information relevant to the purchase decision that is stored in the consumer's memory (Morris 1991). Although researchers still only have a rough understanding of internal search dynamics, it is theorised that consumers begin the process of making a purchase decision by examining any information in memory about past experiences with a specific service, and/or with related services and the service environment or industry (Barber et al. 2009; Wilson 1997). As the first stage in the information search process, internal search is an important source of consumer information (Moorthy et al. 1997; Murray 1991), particularly since consumers will only engage in external information search if there is inadequate decision-relevant information stored in memory (Blackwell et al. 2005; Gursoy 2003; Kerstetter and Cho 2004; Lehto and Kim 2006).

External information search consists of collecting information from the marketplace (Blackwell et al. 2005). External information sources are generally categorised using two distinctions: (1) seller dominated (advocate) vs. independent sources and (2) (inter)personal vs. impersonal sources (Andreasson 1968; Beatty and Smith 1987; Kiel and Layton 1981; Schmidt and Spreng 1996). Overall, external sources of information can be organised into four basic categories (Hawkins et al. 2004; Money and Crotts 2003):

1. Experiential sources, which are direct contacts with a firm, such as direct experience with a particular hotel or hotel chain;
2. (Inter)personal sources, such as word-of-mouth advice from friends and relatives;
3. Marketer-dominated sources, such as vacation advertisements in print and electronic media or hotel travel brochures; and,
4. Neutral/independent sources, such as third-party sources including travel agents and travel guides.

Understanding and classifying the different sources of information is important since researchers have found that consumers use different types of sources in different ways. For example, information received from a source that is perceived to be more trustworthy is likely to have greater persuasiveness (Litvin et al. 2008; O'Keefe 2002; Wilson and Sherrell 1993). Since an important factor in consumers' perception of trustworthiness is their attributions of a source's affiliation or intentions (Barber et al. 2009; Bickart and Schindler 2001; Litvin et al. 2008; Schindler and Bickart 2005), whether a source is perceived as neutral or marketer-dominated should give some insight into the degree to which consumers may rely on such a source and/or its potential impact on consumer attitudes and behaviour.

In addition to seeking out internal and external information sources, another way of lowering information asymmetry is for service providers to transfer information to the customer that would indicate the quality of the service being

offered. This is called ‘signalling’ (Spence 1973), with a signal being defined as “a marketer-controlled, easy-to-acquire informational cue, extrinsic to the product itself that consumers use to form inferences about the quality or the value of the product” (Bloom and Reve 1990, p. 59). Based on this, it has been argued that consumers’ processing of complex decisions, such as those encountered in hotel services, is highly dependent on simplifying decision strategies which would utilise only a subset of the available information, such as brand name, price, and hotel setting, at the time of the decision (Danziger et al. 2006; Grewal et al. 1998; Huber and McCann 1982; Israeli et al. 2001). In other words, consumers also rely on cues in forming their expectations of the quality of services (Sweeney et al. 1992). These are called cues of quality and they also help consumers to make purchase decisions, particularly the case of goods with a lot of experience and credence qualities, such as services (Zeithaml 1988).

Developed in the product marketing literature, cue utilisation theory proposes that products consist of an array of cues that provide consumers with surrogate indicators of quality (Dawar and Parker 1994; Devlin 2008; Richardson et al. 1994). Within this area, a cue refers to “a characteristic, event, quality, or object external to the consumer that is used to categorise a stimulus object” (Sweeney et al. 1992, p. 16). Cues can be classified as intrinsic or extrinsic to the product (Purohit and Srivastava 2001; Teas and Agarwal 2000) or service (Brady et al. 2005; Verhoeven et al. 2009), with both products and services having a range of intrinsic and extrinsic attributes that consumers can use to infer quality. Intrinsic cues represent attributes, such as ingredients, that are an integral part of, and inseparable from, the product or service, while extrinsic cues are attributes such as price, level of advertising, and brand name that are not integral components of the product or service (Miyazaki et al. 2005). This means that changes to extrinsic attributes have no material effects on the actual good, yet they often serve as cues that may affect consumers’ quality perceptions (Kirmani and Rao 2000; Miyazaki et al. 2005).

Some researchers have argued that intrinsic cues generally dominate extrinsic cues when consumers are formulating quality judgements because the former are deemed more useful (Purohit and Srivastava 2001). However, other research indicates that extrinsic cues also assist customers in forming quality expectations and may be even more important in the determination of quality than intrinsic cues (Brady et al. 2005; Richardson et al. 1994; Teas and Agarwal 2000). Specifically, uncertainty and perceived difficulty in evaluating quality can increase consumer's use of extrinsic quality cues (Verbeke and Ward 2006), especially in the case of goods with few search qualities. That is, when intrinsic cues are scarce or not deemed useful, or where there is no opportunity to process these cues, extrinsic cues are more likely to be used to assess quality, resulting in an evaluation that is more heuristic in nature (Miyazaki et al. 2005; Suri and Monroe 2003). Service customers generally enter a service purchasing situation with relatively less information about expected quality than when purchasing non-services (Büttner et al. 2006; Gabbott and Hogg 1994; McCollough 1995), making it likely that consumers purchasing services will place greater emphasis on extrinsic cues (Krishnan and Hartline 2001; Teas and Agarwal 2000), increasing the importance of signalling (Bloom and Reve 1990).

The fact that clear-cut evaluation cues are usually not available before purchasing hotel services (Hoffman and Bateson 2006; Zeithaml 1981) means that consumers are likely to rely extensively on extrinsic cues to help form judgement about the likely quality to be expected in the consumption process (Sweeney et al. 1992; Zeithaml 1988; Zeithaml et al. 1993). For example, a major aspect of hotel selection relates to the customer awareness of the hotel features and standards (Callan 1988; Callan and Bowman 2000; Kayaman and Arasli 2007; Teare 1993). However, when there is unfamiliarity with a hotel, research has shown that potential customers rely on extrinsic cues, such as price and star ratings, as substitutes for hotel selection criteria (Danziger et al. 2006; Dubé and Renaghan 1999; Hartline and Ferrell 1996; Morgan 1991).

In order to deal with the information asymmetry caused by the predominance of experience and credence attributes in services, a firm may signal the unobservable quality of its services through several marketing mix variables (Bloom and Reve 1990; Hoch and Ha 1986; Kirmani and Rao 2000). Researchers have highlighted a range of possible cues/signals including brand name (Erdem et al. 2006; Milgrom and Roberts 1986), price (Rao 2005), advertising spending (Kirmani 1997; Milgrom and Roberts 1986; Moorthy and Hawkins 2005), warranties (Purohit and Srivastava 2001; Soberman 2003), retailer reputation (Purohit and Srivastava 2001), certification (Font 2002; Mishra 2006; Nield and Kozak 1999), and quality labels (Fotopoulos and Krystallis 2003; Jahn et al. 2005). However, when Danziger et al. (2006) provided participants in their study with several pieces of information on the competing hotels: price, brand name, star rating, number of rooms, number of restaurants, location, and pool size, their results showed that participants selected relatively few information items, particularly price and star ratings, in making their final estimations (*cf.* Israeli et al. 2001; Israeli and Reichel 2001; Israeli and Uriely 2000; Israeli 2002). For this reason not all possible cues/signals are investigated here. Instead the focus is on identifying those cues/signals that might be most significant in helping customers to develop their expectations.

2.3.2 The Determinants of Quality Expectations

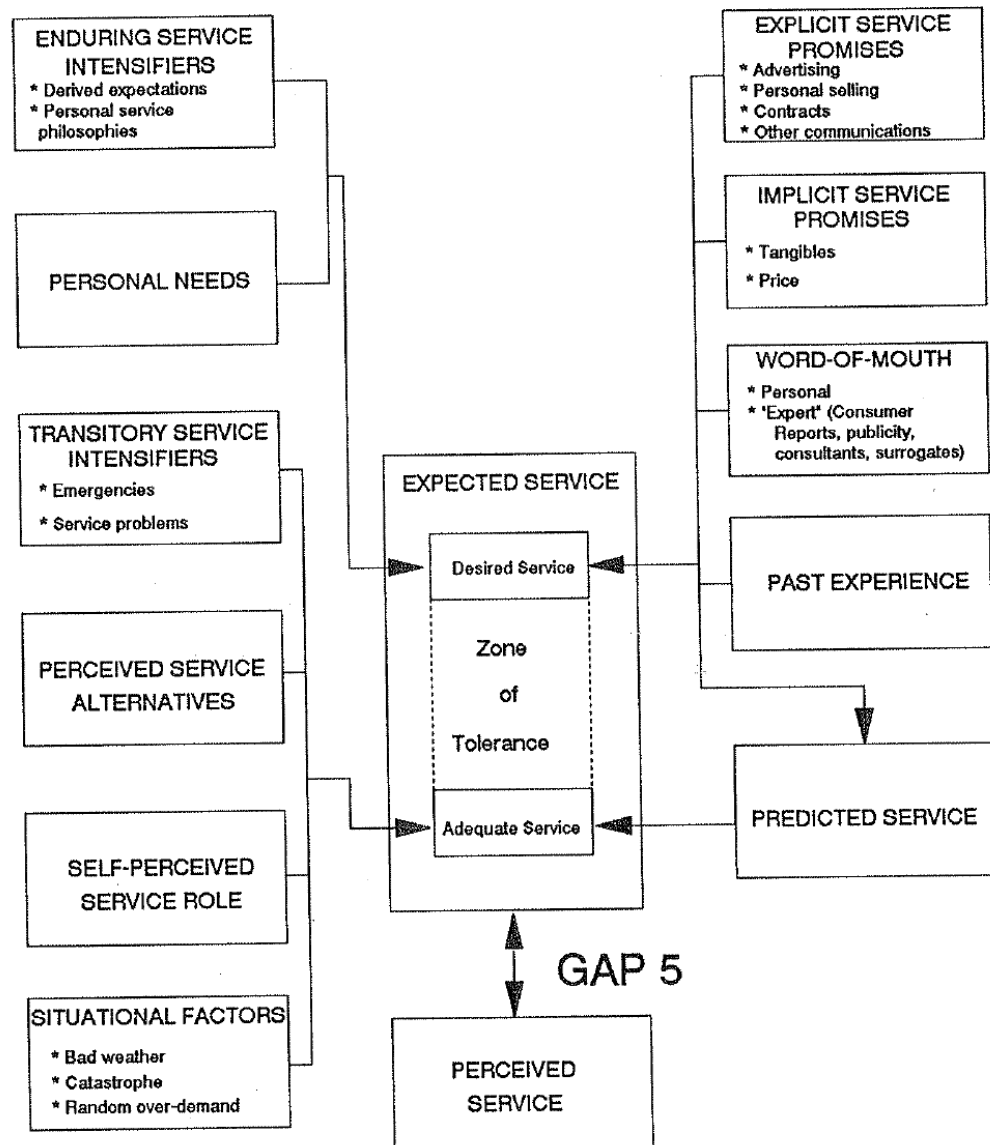
The research presented above points to a distinctive information acquisition pattern for service consumers (Brady et al. 2005; Büttner et al. 2006; Richardson et al. 1994; Shostack 1977; Sweeney et al. 1992; Zeithaml 1981, 1988), specifically suggesting a greater need for risk-reducing information and an extended consumer decision process for services (Krishnan and Hartline 2001; Laroche et al. 2003; Mitchell and Greatedorex 1993; Murray 1991; Zeithaml 1981). In attempting to determine the antecedents of customer service expectations, it is acknowledged that all the factors that affect customers' beliefs before entry into each service encounter cannot be captured (Zeithaml et al. 1993). Additionally, when consumers are presented with many cues, they choose to rely on only a few, especially when these cues contain

similar information, and thus consumers do not use all the information sources available to them, but instead choose the information sources they find most useful (Danziger et al. 2004, 2006; Israeli 2002; Israeli et al. 2001). Therefore those building models of human behaviour have to trade-off richness with parsimony (Liao and Lu 2008) and so a model of the antecedents of customer service expectations has to account for the key antecedents while also being manageable.

After extensive focus group studies, Zeithaml et al. (1993) developed a theoretical model delineating the nature and determinants of customer expectations of services which consisted of four main parts (Figure 2.4 below): (1) the expected service component (previously presented in Figure 2.2), (2) the antecedents of desired service, (3) the antecedents of adequate service, and (4) the antecedents of both predicted and desired service. As outlined in Section 2.2, the core of the model is based on previous work by Parasuraman et al. (1985, 1988) showing how expected service interacts with perceived service to determine service quality. Zeithaml et al. (1993) built on this by presenting a small number of factors theorised to be used by consumers to form desired, adequate, and predicted expectations. Of these three classes of expectations, desired service expectations is the most stable (Boulding et al. 1993; Kalamas et al. 2002; Laroche et al. 2004a) and is postulated to be more affected by enduring personal beliefs about service provision and particular personal needs (Devlin et al. 2002; Zeithaml et al. 1993).

Enduring service intensifiers are individual, stable factors that lead to heightened sensitivity to service (Zeithaml et al. 1993). This can be further divided into derived service expectations, where the customer's expectations are driven by another party, and personal service philosophies, which are the customer's underlying attitude about the meaning of service and proper conduct of service providers.

Figure 2.4: Nature and Determinants of Service Expectations
(Zeithaml et al. 1993, p. 5)



Based on Zeithaml et al.'s research, derived expectations are particularly related to business-to-business service contexts and are thus excluded from the analysis (*cf.* Devlin et al. 2002). *Personal needs* are essential to the physical or psychological well-being of the customer and may fall into many sub-categories. Subsequently to Zeithaml et al.'s (1993) research, Oliver (1997) proposed a model that includes the influence of needs and values on both product and service expectations.

In this model adequate service also has separate antecedents, some of which are relatively stable and some very transitory. The number of perceived alternatives and the customers' self-perceived role may be relatively stable, while transitory events and situational factors means adequate expectations may vary with every service encounter (Zeithaml et al. 1993). Situational factors such as the length of the service duration and consumption motives affect perceptions of service quality but like transitory effects vary with each service encounter (Strombeck and Wakefield 2008). *Perceived alternatives* refer to customers' perception of the possibility of obtaining better service from other service providers. Zeithaml et al. (1993) argued that the accessibility of alternative service providers should influence adequate expectation levels. In situations where consumers cannot easily switch to alternative service providers, such as when they are under contract or when few or no available alternative providers exist, compromises as to 'what is acceptable performance' may have to be made by the consumer. On the other hand, in a competitive environment where one can easily switch to alternative providers, what is considered acceptable performance may be elevated (Walker and Baker 2000). *Predicted service (will) expectations* is postulated to affect adequate expectations. It is proposed that the higher the level of predicted service, the higher the level of adequate service expectations (Zeithaml et al. 1993). Finally, *self-perceived service role*, as defined by Zeithaml et al. (1993), is consumers' perceptions of the extent to which they themselves influence the level of service they receive.

This research focuses on predicted expectations, which is argued to be used by customers to a greater degree (Laroche et al. 2005a), the antecedents of which are also postulated to affect desired and adequate service expectations and so tend to be treated as the key antecedents presented in this model (Clow et al. 1997; Devlin et al. 2002; Kalamas et al. 2002; Kurtz and Clow 1992; Zeithaml et al. 1993). Zeithaml et al. (1993) proposed that consumers' levels of desired, adequate, and predicted expectations are dependent upon four main antecedents divided into internal search factors, which include (1) past personal experience and external search factors, which include (2) explicit

service promises made by the company, (3) implicit service promises, and (4) word-of-mouth communications.

Both macro- and micro-level values can have an impact on these antecedents, as discussed in more detail in Chapter 3. For example, the values that affect both personal service philosophies (enduring service intensifiers) and personal needs can be the personal values of consumers such as self-fulfilment, self-respect, sense of accomplishment, and security (Durvasula et al. 2011). At the same time, research has indicated that culture, as a macro level variable, affects customer's underlying attitude about the meaning of service and proper conduct of service providers. Subjective concepts such as empathy or courtesy are not free from cultural interpretation (Aaker and Williams 1998; Mattila 1999b; Witkowski and Wolfinbarger 2002) and as a result, customers' expectations for behaviours displayed during service delivery are inseparable from the prevailing societal norms and cultural influences that govern their social interactions in general (Becker et al. 1999; Kueh and Voon 2007; Rodríguez del Bosque et al. 2009). For example, Witkowski and Wolfinbarger (2002) found that German respondents had lower service expectations than Americans across a range of service settings and Mattila (1999b, p. 258) found Westerners would "evaluate a complex service based on the tangible cues" and Asians consumers would "expect a more personalised service." These impacts are distinct, as reported by Ladhari et al. (in press) after examining the effects of personal values (micro-level variables) and culture (macro-level variable) on perceived service quality. As is discussed in Chapter 3, culture operates at the group level (even if it is measured at the individual level) and so it is the personal values of a consumer that are more likely to act as personal service intensifiers. Since the focus in this research is on predicted service expectations, this is not discussed further in this thesis.

This research examines the four main categories of antecedents of the predicted expectation construct, and these are examined in detail below. General propositions are presented at the end of each sub-section, which each

also discusses how the four categories of antecedents are operationalised in this research. This section of the chapter ends with a diagrammatic representation of the antecedents being examined in this research.

Internal Search

As outlined in Section 2.3.1, internal search is posited to be an important source of pre-purchase information for consumers (Kerstetter and Cho 2004; Moorthy et al. 1997; Murray 1991), and is thus theorised to strongly influence future expectations for the same consumption experience (Johnson and Mathews 1997a). This is especially the case if a knowledge gap exists as internal search adjusts the volume and type of information consumers need (Barber et al. 2009; Blackwell et al. 2005; Dodd et al. 2005; Gursoy 2003; Kerstetter and Cho 2004; Lehto and Kim 2006). In Zeithaml et al.'s model, internal search is operationalised as past experience, which is defined as the "customer's previous exposure to service that is relevant to the focal service" (1993, p. 9). It is argued that the past experience of a customer with a particular firm, or even with other firms that are considered to be similar, is an important antecedent of consumer expectations.

As does Zeithaml et al. (1993), several studies have postulated that a consumer's past experience will influence positively in their expectations of a future service encounters (Faché 2000; Kalamas et al. 2002; Oliver and Burke 1999; Prakash and Lounsbury 1984; Rodríguez del Bosque et al. 2006, 2009). The impact of past experience on the formation of expectations is supported by two key theories: mere exposure effect and elaboration level of the cognitive structure (Johnson and Mathews 1997; Peracchio and Tybout 1996; Söderlund 2002; Zajonc 1968). With regard to the first, the theory of attitude formation proposed by Zajonc (1968) postulates that the mere exposure of the individual to a stimulus or an object enhances their attitude towards it. Using this argument in the context of customer expectations, Johnson and Mathews (1997) argue that repeated encounters with a service is likely to enhance customer expectations of a future encounter. With regard to the second theory,

Söderlund (2002) suggests that a high level of familiarity leads to a more elaborated cognitive structure, and therefore to a different frame for evaluations compared to a low level of familiarity. In this context, individuals with a high familiarity tend to polarise their inferences and evaluations of the stimulus compared to individuals with a low familiarity (Peracchio and Tybout 1996; Söderlund 2002).

Theoretical support for the effect of experience on expectations is also provided by Hoch and Deighton (1989), who suggest that consumers' beliefs about service performance serve as working hypotheses that can be assessed through service experience. Similarly, Woodruff et al. (1983) argue that experience forms the basis of standards against which perceptions of performance are compared. All of these experiences create customer knowledge, which in turn leads to internal search in later decision situations (Anderson and Sullivan 1993; Tam 2005). This is supported by empirical research indicating that customer expectations can be contingent on the level of previous satisfaction with the service firm (Clow and Beisel 1995; Clow et al. 1997; Kalamas et al. 2002).

Although some empirical research have found no relationship between past experience and predicted service expectations in contexts such as auto repair services (Dion et al. 1998) and student banking (Devlin et al. 2002), past experience has been shown to be a decisive element in the formation of expectations with consistent results across air travel (Kalamas et al. 2002; Webster 1991), travel agent services (Rodríguez del Bosque et al. 2006, 2009), legal and dry cleaning services (Webster 1991), and fast food (Johnson and Mathews 1997). Additionally, by using satisfaction to tap into past experience Clow and Beisel's (1995) empirical study showed satisfaction to be the most important antecedent of customer expectations. Repeating a similar study across four industries, Clow et al. (1997) found that satisfaction with the most recent service experience had an impact on expectations across dental, restaurant, and video services. Based on the theory and the available empirical

evidence, this research posits that that consumers' past experience is a significant antecedent of predicted expectations.

Explicit Service Promises

Explicit service promises are defined as personal and non-personal statements made by a service firm that influence consumer expectations and purchase intentions (Zeithaml et al. 1993). Explicit service promises include advertising, personal selling, contracts, company brochures, and other forms of communication. Such promises, and especially those transmitted through advertising, make the benefits of the service clear and real (Berry and Parasuraman 1991; Mittal 2002), and are particularly important when the consumer has no other information or prior experiences on which to draw (Barber et al. 2009; Deighton 1984; Devlin et al. 2002; Oliver 1997; Royne Stafford 1996; Zeithaml et al. 1985). The importance of explicit service promises is stressed in all the work in this area. For example, Johnson and Mathews (1997) emphasise the importance of communications through advertising and leaflets (from the focal company, as well as competitors in the same product class) and related articles in magazines and newspapers that present the firm's values and ideals to the customer.

The impact of explicit service promises on predicted expectations has been empirically substantiated by several researchers, such as Dion et al. (1998), who found significant positive relationships between the constructs, and Webster (1991), who found that advertising and sales promotion impacted consumers' service quality expectations, particularly in non-professional services (laundry and auto-related services) and to a lesser extent in professional services (medical, legal, and air travel services). However, other researchers have reported advertising as having no statistically significant impact on expectations, such as Clow et al. (1997) who studied accounting, dental, restaurant, and video store services, and Kalamas (2002) who studied airline services. In examining a broader range of explicit service promises, Devlin et al. (2002) created a 5-item factor of explicit service promises

comprising questions regarding information and promises from published sources and promotional literature. Their results indicated that explicit service promises was only marginally significant as an antecedent of predictive expectations. However, having examined this range of items in only one context (student banking), the researchers themselves acknowledge that it may be premature to exclude explicit service promises from the analysis, especially since students' expectations of banking, as a captive audience, may well be 'passive' (Devlin et al. 2002). In this research, advertising is used as a proxy for explicit service promises. Although the findings in the literature are mixed, the positive relationships outweigh the insignificant ones and this is taken as sufficient evidence to propose that explicit service promises are significant antecedents of predicted expectations.

Implicit Service Promises

Implicit service promises are defined as the service-related cues that lead to inferences about the service (Zeithaml et al. 2006). Price and tangibles are usually used to represent implicit service promises (Zeithaml et al. 1993) because a fairly large and well-known body of research exists documenting price (Jacoby et al. 1977; Kurtz and Clow 1992; Milgrom and Roberts 1986; Olson 1977; Sweeney et al. 1992; Verhoeven et al. 2009; Voss et al. 1998; Zeithaml 1982, 1988, 1993) and tangibles (Baker and Cameron 1996; Bitner 1990, 1992; Clow and Beisel 1995; Clow et al. 1997; Kim and Moon 2009; Lin 2004; Reimer and Kuehn 2005; Sharma and Stafford 2000; Wakefield and Blodgett 1994, 1996; Zeithaml et al. 1993) as cues of quality.

In considering the many antecedents of consumer decision-making, price is generally considered an important marketplace cue and so the relationship between price and perceived quality is one of the most commonly studied extrinsic cues in marketing (Gijbrecchts 1993; Miyazaki et al. 2005; Monroe 2003; Thomas and Menon 2007; van der Rest and Harris 2008; Verhoeven et al. 2009; Yang et al. 2009; Yeoman and McMahon-Beattie 2006). In terms of services, it could be argued that, since services are generally low in search

qualities and high in experience and credence qualities, the increase in perceived risk would lead consumers to rely more on price as a quality indicator. Given that hotel services are often multi-dimensional and most consumers do not fully comprehend their attributes and functions (Hoffman and Bateson 2006), the use of the price-quality cue is likely to be a dominant decision strategy for many consumers (Danziger et al. 2004, 2006; Israeli and Uriely 2000; Israeli 2002). In this research, tangibles are not examined as one of the possible implicit service promises made by a firm because the Tangibles dimension is presented as a key component of the SERVQUAL scale used in this research and this may confound the results.

Other factors that could be construed as containing an implicit promise, such as image and reputation factors, could be included in this category (Clow and Beisel 1995; Clow et al. 1997; Lehtinen and Lehtinen 1982) and there is also evidence supporting brand names (Belén del Río et al. 2001; Berry 2000; Brady et al. 2005; de Chernatony and Segal-Horn 2001; Jacoby et al. 1977; Kayaman and Arasli 2007; Krishnan and Hartline 2001; O'Cass and Grace 2003; Richardson et al. 1994; van Riel et al. 2001) and firm image (Andreassen and Lindestad 1998; Dichter 1985; Grewal et al. 1998; Grönroos 1984; Nguyen and Leblanc 2001a, b) as quality cues.

In addition to price and tangibles researchers have extended the implicit services promises category to include firm image (Clow and Beisel 1995; Clow et al. 1997). As noted in Section 2.1.2, several Nordic School researchers had proposed firm image as one of the key dimensions of service quality (Grönroos 1984; Lehtinen and Lehtinen 1982, 1991) and newer empirical research has highlighted the importance of image in the expectations formation process (Clow and Beisel 1995; Clow et al. 1997; Kang and James 2004; Rodríguez del Bosque et al. 2006, 2009). In this research, implicit service promises are measured using price and firm image.

Firm image has been frequently ignored in the research of the consumer expectations formation process (Clow et al. 1997; Rodríguez del Bosque et al. 2006). However, corporate image has been identified as an important quality indicator for customers (Grönroos 1984; Leblanc 1992; Lehtinen and Lehtinen 1991). Several studies have catalogued the consumer's perceived image of the firm as an antecedent of their expectations (Faché 2000; Grönroos 1984; Kurtz and Clow 1991; Mazursky and Jacoby 1986; Rodríguez del Bosque et al. 2006, 2009). Clow and Beisel (1995) found that firm image was the third most critical antecedent of customer expectations and in a subsequent study, Clow et al. (1997) found the link between firm image and expectations to be statistically significant in the dental, tax, video, and restaurant industries. More recently, Devlin et al. (2002) included the image created by staff and bank reputation as part of implicit service promises by creating a 5-item factor labelled implicit service promises that they found to be a highly significant antecedent of predicted expectations. In terms of tourism, Rodríguez del Bosque et al. (2006, 2009) found that image can be considered as the main factor generating expectations of a destination.

Research has indicated that cues that give a source the appearance of expertise, such as credentials or past achievements, are also capable of increasing a message's persuasive effect (Schindler and Bickart 2005). One signal that firms often use is certification or endorsement of a firm's service quality by an independent reputable accrediting agency (Chang and Cheung 2005; De Maeyer and Estelami in press; Mishra 2006; Nicolau and Sellers 2010; Nield and Kozak 1999). In this research star rating and quality awards are used to represent image for consumers who have never been to a hotel, because research indicates that quality awards in tourism are perceived to raise the public profile and enhance the popularity of a hotel (Nicolau and Sellers 2010) and star rating was a better predictor of price than corporate affiliation and hotel brand name (Danziger et al. 2006; Israeli 2002; Israeli et al. 2001; Israeli and Reichel 2001; Israeli and Uriely 2000). The research in this area shows that, when presented with a range of information sources, participants selected relatively few information items, with price and star rating information most

frequently selected as indicators of quality (Danziger et al. 2006). Additionally, participants would primarily select star information when both star rating and brand information are available in the information matrix suggesting redundancy in the value of the two attributes for market price predictions (Danziger et al. 2004, 2006; Israeli 2002). These research findings support the proposition that implicit service promises, measured using price and firm image, are significant antecedents of predicted expectation.

Word-of-Mouth

Word-of-mouth communications (WOM) consists of statements made by people, not the organisation, that give consumers an idea of what they can expect from the service (Zeithaml et al. 1993). WOM has been described broadly as including “all informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services or their sellers” (Westbrook 1987, p. 261). This definition specifically relates to what Zeithaml et al. (1993) call ‘non-expert’ WOM. Zeithaml et al. (1993) also refer to the importance of information that customers receive from third parties, which they refer to as ‘expert’ word-of-mouth (mentioned above). Overall, the defining characteristic of WOM is the perceived independence of the source of the message (Litvin et al. 2008). This research uses non-expert WOM (that is, consumer to consumer), which is the overriding meaning in the literature as is clear in the broad definition by Litvin et al. (2008, p. 459): “WOM is the communication between consumers about a product, service, or a company in which the sources are considered *independent of commercial influence*” [emphasis added].

Even where information is available in other forms, services are low on search and high on experience and credence attributes and so mass media are not expected to be particularly conducive to effective communication of service attributes (Murray 1991; Shostack 1977). Instead, non-marketer-dominated information sources, such as WOM, are expected to play a particularly

important role in the consumer decision process for services (Bolton and Drew 1991b; Buttle 1998; Grönroos 1990; Zeithaml et al. 1993).

The main advantage of personal sources of information is that they are considered credible, unbiased sources (Litvin et al. 2008; Pornpitakpan 2004b), consumers respect the opinions of those providing the information, and these sources also provide advice that is likely to be suited to the particular purchase decision (Barber et al. 2009; Bickart and Schindler 2001; Litvin et al. 2008; Schindler and Bickart 2005). WOM is therefore important since credible, trustworthy sources are more persuasive (O’Keefe 2002; Wilson and Sherrell 1993) and source credibility is the strongest predictor of type of information sources used by consumers (De Maeyer and Estelami in press; Kerstetter and Cho 2004). WOM thus allows consumers to share information and opinions that direct buyers towards and away from specific brands and services by exerting both informational and normative influences on fellow consumers (Hawkins et al. 2004; Ward and Reingen 1990). WOM is also expected to be a significant antecedent of customer expectations because of clarification and feedback opportunities (Murray 1991; Price and Feick 1984). From a risk reduction perspective, this makes WOM very important in situations with high levels of involvement and perceived risk by consumers (Bansal and Voyer 2000; Ha 2002; Huang et al. 2007; Lau and Ng 2001; Mitchell and McGoldrick 1996; Mitra et al. 1999; Murray 1991).

A few researchers have reported that WOM has no effect on predicted expectations (Devlin et al. 2002; Dion et al. 1998) but the empirical research has indicated overwhelmingly that WOM, especially from the firm’s customers, have the biggest impact on consumer expectations of a service encounter (Clow et al. 1997; Dion et al. 1998; Grönroos 1984, 1990; Kalamas et al. 2002; Webster 1991; Zeithaml et al. 1993). Thus WOM is expected to be one of the key ways consumers collect information and is thus expected to be a significant antecedent of predicted expectations. However, with so many hotels in so many countries being a part of the consideration set of a consumer

looking for somewhere to go on vacation, the likelihood that a particular consumer will know someone that is able to provide personal information on all the hotels in this set is low. To tackle this, consumers are increasingly substituting Internet-based search for traditional search (Chen and Xie 2008; Klein and Ford 2003; Peterson and Merino 2003; Schindler and Bickart 2005) and an increasing number of travellers are using the Internet to seek destination information and to conduct transactions online (Ip et al. 2010; Jun et al. 2007; Litvin et al. 2008; Yoo et al. 2009) and WOM is increasingly mediated by electronic means (Buttle 1998; Edwards et al. 2007, 2009; Fong and Burton 2006; Yoo et al. 2009). According to Peterson and Merino (2003, p. 105):

Because the on-line, virtual environment of the Internet is in certain ways analogous to the offline, physical environment of the real world, in many regards the Internet makes available information that parallels, or is analogous to, information traditionally acquired from real world physical sources...[Customers] can acquire information similar to that which could be obtained from face-to-face word-of-mouth communications, whether from friends, family members, customers, or experts.

This electronic WOM (eWOM) communication among people who have never met (Fong and Burton 2008; Gruen et al. 2005) has given rise to the phenomenon of *online interpersonal influence* (Senecal and Nantel 2004). Given that travellers are relying more and more on search engines to locate travel information (Au et al. 2010; Bronner and de Hoog in press; Ip et al. 2010; Klein and Ford 2003; Peterson and Merino 2003; Sparks and Browning in press), researchers argue that eWOM will inevitably change the structure of travel information, the accessibility of travel information, and subsequently travellers' knowledge and perception of various travel products (Bronner and de Hoog in press; Evans et al. 2001; Litvin et al. 2008; Luo et al. 2005). Additionally, in contrast to the ephemeral nature of traditional WOM, eWOM exists in online 'space' that can be accessed, linked, and searched (Dellarocas 2003; Litvin et al. 2008; Schindler and Bickart 2005).

Perhaps to compensate for the inherent weakness of a lack of personal relationship, almost all online hotel and travel sites now offer websites that

feature customer reviews of the destinations as a whole as well as hotels, restaurants, and so on. These websites offer numerous first-hand commentaries and ratings posted by previous visitors assessing, discussing, and dissecting almost every cruise ship, hotel, and restaurant in any major city or resort worldwide (Bronner and de Hoog in press; Burgess et al. 2009; Gretzel and Yoo 2008). A good example of consumers sharing their hospitality and tourism opinions is the website *tripadvisor.com*, which has been touted by the company as

...the largest site for *unbiased travel reviews* [which] gives you the real story about hotels, attractions and restaurants around the world. It boasts more than 1,926,031 unbiased reviews and is updated every minute and every day by real travellers; it contains ‘been there, done that’ inside information; and ‘the best deals for your travel dates’ (tripadvisor.com website October 2005, emphasis added).

In a more recent site update the website creators boast:

TripAdvisor-branded sites alone make up the most popular and largest travel community in the world, with more than 35 million unique monthly visitors, 20 million members, and over 35 million reviews and opinions (tripadvisor.com website, June 2010).

This means that consumers in increasingly larger numbers will either seek or simply be exposed to the advice of online opinion leaders (Chen and Xie 2008; Hennig-Thurau et al. 2004; Peterson and Merino 2003; Pitta and Fowler 2005) because of the medium’s low cost, broader scope, and increased anonymity (Au et al. 2010; Dellarocas 2003). However, while not all posted reviews would be useful to the average user, some will resonate as on target and useful (Chatterjee 2001; Gretzel and Yoo 2008; Hu et al. 2006; Yoo et al. 2009). As with offline WOM, these reviews can provide a strong sense of the service, add to (or detract from) the consumer’s overall image of the hotel or destination, reduce pre-purchase anxiety, and mitigate post-purchase dissonance (Chatterjee 2001; Fong and Burton 2006; Huang et al. 2007; Litvin et al. 2008; Yoo et al. 2009). As such, it would seem that these eWOM sources play an increasingly important role in the consumer decision-making process (Bronner and de Hoog in press; Sparks and Browning in press; Litvin et al.

2008; Yoo et al. 2009). As with offline WOM, the experiences of others communicated through the Internet is expected to carry much greater weight than other information sources due to the degree of similarity between recipient and communicator, as well as due to the lack of a financial motive on the part of the reviewer (Barber et al. 2009; Dellarocas 2003; Edwards et al. 2007, 2009; Evans et al. 2001; Ha 2002; Litvin et al. 2008).

Finally, research has indicated that Internet review sites have a greater ability to generate empathy among readers (Bickart and Schindler 2001). Most of what readers will find on an Internet review site are stories and recountings of personal experiences, which have an ability to draw the reader in and cause her to empathise with the feelings of the writer, in effect, creating vicarious experience (Deighton et al. 1989; Dellarocas 2003). Empathy could affect consumer behaviour indirectly by making salient to the consumer the service benefits that are being enjoyed by other consumers or it could affect consumers via a direct “emotional contagion,” as when one finds oneself laughing when put in a situation where others are laughing (Barsade 2002; Hatfield et al. 1994; Pugh 2001). Additionally research has found that services consumers tend to favour testimonials over expert reviews when using third party rating, providing more support for the importance of eWOM in helping customers to form their expectations of the service to be received (De Maeyer and Estelami in press).

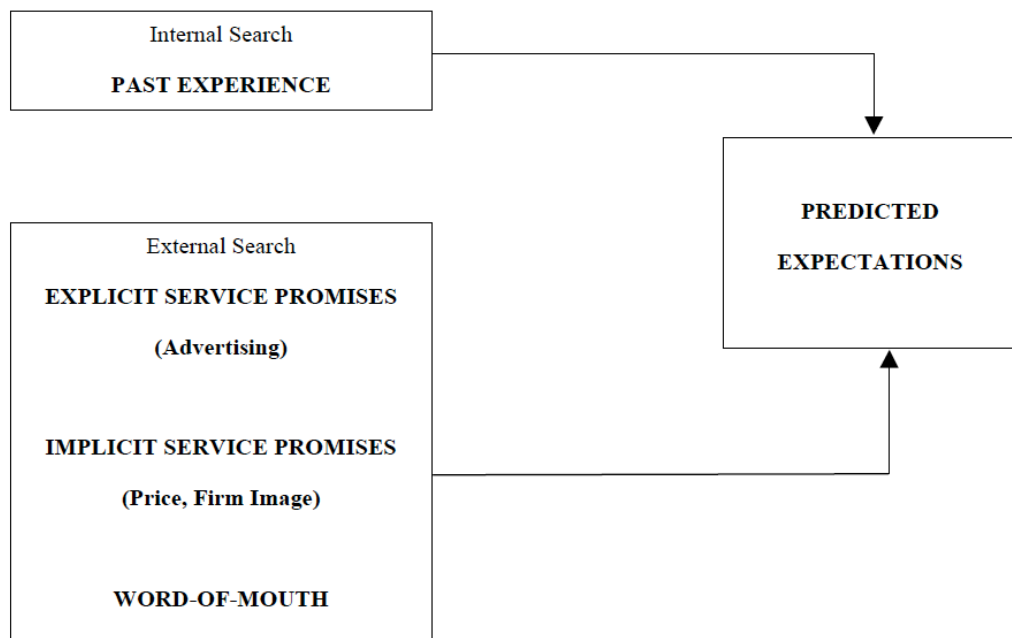
Since more consumers are using eWOM more frequently for travel (and other) services (Buttle 1998; Chen and Xie 2008; Hennig-Thurau et al. 2004; Klein and Ford 2003; Peterson and Merino 2003; Schindler and Bickart 2005; Yoo et al. 2009), and eWOM is analogous to offline WOM (Evans et al. 2001; Fong and Burton 2008; Gruen et al. 2005; Peterson and Merino 2003; Senecal and Nantel 2004), and eWOM may generate even more empathy making benefits more salient (Bickart and Schindler 2001; Burgess et al. 2009; Deighton et al. 1989; Hatfield et al. 1994; Yoo et al. 2009), then eWOM is expected to be a

significant antecedent of predicted expectations of services and is used to operationalise WOM in this research.

Preliminary Research Model

Figure 2.5 puts all the antecedents to be examined in this research into a preliminary framework. As shown in the diagram, past experience, advertising, price, firm image, and WOM are expected to be significant antecedents of predicted expectations in hotel services.

Figure 2.5: Portion of Zeithaml et al.'s (1993) Antecedents of Expectations Framework being Studied



2.4 Chapter Summary

In both theory and practice, marketers have recognised that the fundamental, qualitative differences between goods and services (Berry 1980; Büttner et al. 2006; Hoffman and Bateson 2006; McCollough and Gremler 2004; Shostack 1977; Sureshchandar et al. 2002) may elicit distinctive behaviour on the part of consumers (Krishnan and Hartline 2001; Mitchell and Greatorex 1993; Mitra et al. 1999; Murray 1991; Zeithaml et al. 1985). In order to develop a

conceptual framework of the process of service quality expectations formation, this chapter reviewed the literature on service expectations and its antecedents. The chapter started with an overview of the literature on service quality and its measurement, with particular emphasis on the SERVQUAL scale. The chapter then moved on to examine the nature of expectations, explaining the reason for focusing solely on predicted expectations in this research. The longest section was Section 2.3, which investigated the antecedents of service quality expectations. This section included a discussion of consumer information search and cue utilisation theory, allowing for the identification of major constructs and issues useful in specifying a theoretical model of expectation formation.

Having specified this preliminary model of expectation formation, the next step is to link cultural factors to the formation of expectations. To do this, Chapter 3 discusses the construct of culture and how it is operationalised in this research, and then Chapter 4 presents the empirical research framework showing how cultural factors are hypothesised to be linked to the formation of expectations in this research.

CHAPTER THREE: OPERATIONALISING CULTURE

Having discussed service quality expectations and its antecedents in detail in the previous chapter, this chapter now discusses how culture is measured in this research. Most of the research examining the variation in individual psychological functioning across cultural groups makes the explicit assumption that culture precedes human thought and behaviour (Berry et al. 2002; Zhang et al. 2008), and thus culture is seen as constituting the broadest influence on many dimensions of human behaviour (Hall 2000; Hofstede et al. 2010; Schwartz 1992; Trompenaars and Hampden-Turner 1997). Based on this understanding, marketing scholars usually focus on the impact of national (or ethnic) culture on consumer behaviour and this is where the majority of applications have been to date (Dahl 2004; Deshpandé and Webster 1989; Nakata and Huang 2004; Schaffer and Riordan 2003). However, using national culture as the unit of analysis is not the only choice available and may actually be ill advised (Craig and Douglas 2006; Laroche 2007; Leung et al. 2005; Luna and Gupta 2001). Instead of simply equating ‘culture’ with ‘country’ as done by a large number of researchers (Nakata and Huang 2004; Schaffer and Riordan 2003; Taras et al. 2009), this chapter seeks to develop a sound conceptualisation of culture that allows the construct to be operationalised in the most appropriate manner for undertaking this research.

This chapter is divided into three main sections. Section 3.1 discusses key definitions of culture and its elements, seeking to pull together the insights and findings derived from the enquiry to propose an integrative concept of culture. Section 3.2 discusses how culture has been measured in the marketing and management literature in order to determine the most appropriate way to measure culture in this research. Section 3.3 outlines the unit of analysis used this research, outlining specifically how culture is operationalised so as to capture the specific cultural phenomena of interest. The chapter ends with a brief summary.

3.1 Defining Culture

Despite the fact that academics and practitioners have increasingly acknowledged the importance of this construct, a common understanding and agreement on the definition of culture has yet to be reached (Ajiferuke and Boddewyn 1970; Tayeb 2001). However, while there is no one ‘correct’ definition, there are a range of definitions from anthropology and other fields that are analytically useful for the purposes of this research (Taras et al. 2009). Several of these are explored here.

This section begins by discussing the major definitions used in the literature, along with their links to in anthropology and social psychology, in an attempt to draw together common threads. Beyond these definitions, a more thorough breakdown is necessary if there is any hope of gaining an operational understanding of culture (Schein 2010). This is done in Section 3.1.2, which briefly outlines the different layers of culture presented by some key researchers. Distinguishing these layers is very important, as is explained in Section 3.1.1, as this is essential in determining the dimensions of culture to be measured.

3.1.1 Defining Culture

Culture has emerged as a particularly difficult construct to define, with multiple definitions that tend to be vague and overly general (Schneider 1988; Segall 1986; Taras et al. 2009; Tayeb 2001). This has led Ajiferuke and Boddewyn (1970, p. 164) to assert that “culture is one of those items that defy a single all-purpose definition, and there are almost as many meanings of ‘culture’ as people using the term.” This can be traced in part to the multiple disciplines interested in the issue of culture (Koltko-Rivera 2004), which increases the richness of the construct but unfortunately does nothing to increase clarity (Taras et al. 2009). This difficulty in defining the construct hampers research about the influence of culture on international consumer behaviour (Lenartowicz and Roth 1999; Soares et al. 2007) and has been used to criticise cross-cultural research (Maheswaran and Shavitt 2000; Sekaran

1983). However, despite the different perspectives on culture, the focus on cognitive components such as assumptions, beliefs, and values as the essence of culture (discussed further in Section 3.1.2) pervades the marketing and management literatures (Hong et al. 1998; Schein 2010; Schwartz and Ros 1995) and this allows common features to be extracted from the widely cited definitions that follow.

The most famous and most often cited work in cross-cultural management is the research by the Dutch organisational anthropologist Geert Hofstede (Søndergaard 1994; Taras et al. 2009). He defines culture as “the collective programming of the mind that distinguishes the members of one group or category of people from others” (Hofstede and Hofstede 2005, p. 4). This definition draws on the symbolic anthropology view that culture is the product of shared minds, which is evident in celebrated anthropologist Clifford Geertz’s definition of culture as

...an historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which [individuals] communicate, perpetuate, and develop their knowledge about and attitude toward life (Geertz 1973, p. 89).

Both these definitions have their roots in the earlier works of Kroeber and Kluckhohn (1952, p. 28), who define culture as:

...patterned ways of thinking, feeling, and reacting, acquired mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e., historically derived and selective) ideas and especially their attached values.

These definitions imply the existence of a larger culture (or meta-culture) of the different cultures that make up a society’s culture (Dahl 2004; Wilhelms et al. 2009). It is thus implicit in this concept that it is possible to distinguish among the cultures of different societies (Geertz 1973; Kluckhohn and Strodbeck 1961). The idea of a shared, yet distinctive, set of values held by one society with resulting behaviour and artefacts is also fundamental to the

basic idea of culture used by cross-cultural researchers (Dahl 2004). Similar views are presented by organisational culture scholars including Edgar Schein, who defines culture as:

...the pattern of basic assumptions that a given group have invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and have worked well enough to be considered valid, and therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein 1984, p. 3).

This definition is rooted in social psychology (Avison and Myers 1995), taking the position that culture identifies and differentiates social groups, suggesting that at least some of the time, culture can be actively influenced or changed.

Another refining concept of culture was proposed by anthropologist Edward Hall, who viewed culture as often subconscious, comparing it to an invisible control mechanism operating in people's thoughts (Hall 2000). He argues that "[c]ulture has always dictated where to draw the line separating one thing from another. These lines are arbitrary, but once learned and internalised they are treated as real" (Hall 1989, p. 230). This means that people internalise the cultural components of their society and act within the confines of what is deemed to be culturally acceptable, only becoming aware of this control mechanism when it is severely challenged. Helen Spencer-Oatey introduces a number of additional factors in her definition of culture. In addition to values and the resultant behaviour and artefacts, she includes a description of the functions that culture performs as she defines culture as:

...a fuzzy set of attitudes, beliefs, behavioural norms, and basic assumptions and values that are shared by a group of people, and that influence each member's behaviour and ... interpretations of the 'meaning' of other people's behaviour (Spencer-Oatey 2000, p. 4).

Drawing on the symbolic school (Geertz 1973), the inclusion of an interpretive element in defining culture is significant because it explains not only what culture *is*, but also what culture *does* in everyday life. In other words, this definition clearly articulates the idea that culture is both a factor influencing

behaviour as well as an interpretive frame of behaviour. The interpretative role of culture is particularly important when considering cross-cultural interaction or reaction towards products and services created in one cultural context and introduced into another cultural context (Dahl 2004).

From this examination of definitions proposed by scholars in different fields, it is possible to conclude that culture is a set of shared, distinguishing basic assumptions and values (Hofstede 1991; Kroeber and Kluckhohn 1952; Schein 2010) that are subconscious most of the time (Hall 1989, 2000). These basic assumptions and values have resultant behavioural norms, attitudes, and beliefs that manifest themselves in systems and institutions as well as behavioural and non-behavioural patterns (Spencer-Oatey 2000). So culture is ‘programmed’ or learned (Hofstede and Hofstede 2005) and acts as an interpretive frame of behaviour (Geertz 1973; Spencer-Oatey 2000), as well as the patterns of thinking, feeling, acting, and reacting (Hofstede and Hofstede 2005; Kluckhohn 1951; Kluckhohn and Strodtbeck 1961) and other symbolic meaningful systems (Hall et al. 2003; Kroeber and Parsons 1958; Spencer-Oatey 2000). Still, several aspects remain unexplained when this definition of culture is examined. What are ‘basic assumptions’ and ‘values’ and what is the relationship between these and their visible manifestations? These questions are addressed in the next section.

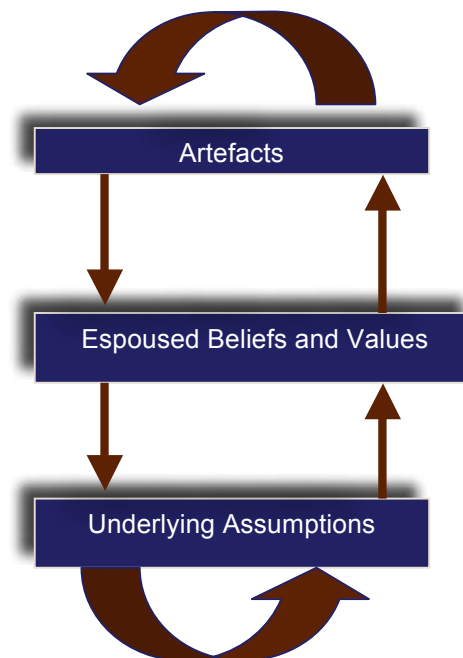
3.1.2 Layers of Culture

Culture is a multi-faceted construct and researchers seem to agree that culture consists of several elements of which some are implicit and others are explicit (Hofstede and Hofstede 2005). One of the best-known and most effective metaphors used to describe culture is the iceberg theory, whereby the visible aspects of culture are only the tip of the iceberg, and what is often unseen – the part below the waterline – is not only the bigger part, but also what justifies the very existence of the tip (Alexander and Seidman 1990; de Mooij 2004). Another way of understanding culture is to see it as consisting of layers like

those of an onion can that be peeled to reveal its content (Groeschl and Doherty 2000; Hofstede and Hofstede 2005).

Schein (2010) proposes three layers of culture, which he sees as “the degree to which the cultural phenomenon is visible to the observer” (p. 23). As represented in Figure 3.1, the shallow outer layer (artefacts) represents the explicit culture. It is the visible (audible and tangible) manifestation of a group’s culture and thus includes all the phenomena that can be seen, heard, and felt. The implicit culture begins at the second and deeper layer and includes various espoused beliefs, norms, and values that guide behaviour and from which the explicit culture is derived.

Figure 3.1: Schein’s Layers of Culture (Schein 2010, p.24)



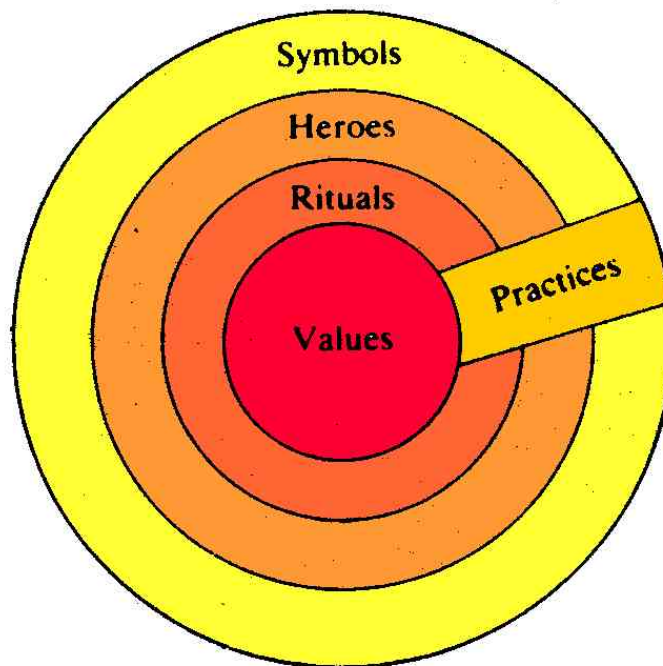
‘Value’ is a particularly important concept in cross-cultural research and has been defined as “a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means, and ends of action” (Kluckhohn 1951, p. 395). So values comprise ideas about what is important in life and are thus seen as guiding the rest of the culture as they represent a culture’s “definition of what

is good and bad” (Trompenaars and Hampden-Turner 1997, p. 22). Norms and beliefs are generally seen as stemming from those values, with norms consisting of expectations of how people will behave in different situations and are “the mutual sense of what is right and wrong” (Trompenaars and Hampden-Turner 1997, p. 22). The third and innermost layer of culture (basic assumptions) is made up of “the *implicit* assumptions that actually guide behaviour, that tell group members how to perceive, think about, and feel about things” (Schein 2010, p. 23, emphasis in original). These assumptions represent the core beliefs of what life is and are deeply embedded and unconscious. In line with Hall (1989), Schein argues that these assumptions are so deeply rooted in the people belonging to that particular culture that they have become automatic: people do not know why they act a particular way, instead seeing their behaviours as ‘natural.’ The arrows in Schein’s model are meant to indicate that these layers of culture are mutually constitutive.

Presenting the layers in a slightly different way, Hofstede (1991) proposed a set of four layers (Figure 3.2). Each layer is represented as encompassing the lower level, as each level is dependent on, or is a resultant from, the lower level – as represented by the arrows in the previous model. Unlike Schein’s model, values are at the core of Hofstede’s model of culture, which he defined as being “broad tendencies to prefer certain states of affairs over others” (Hofstede 1994, p. 8). Radiating from this core, Hofstede (1991) describes three levels of culture that are more clearly observable:

1. Rituals, such as ways of greeting and paying respect;
2. Heroes, such as admired persons who serve as an example for behaviour; and,
3. Symbols, such as words, colours, or other artefacts that carry a special meaning.

In addition to these, practices are presented as another manifestation of culture, one that is directly related to the values held by the members of a cultural group.

Figure 3.2: Hofstede's Layers of Culture (Hofstede et al. 2010, p. 17)

As noted in Section 3.1.1, these researchers both draw heavily on anthropological approaches to culture and this is seen in the layers of culture that they distinguish. Examining other perspectives allows for the identification of consistency or inconsistency among schools on the important elements of culture. For example, the sociological approach to culture also distinguishes four aspects of culture (Shepard 2009):

1. Material aspects of culture consisting of objects;
2. Non-material aspects of culture consisting of rules and tradition;
3. Cognitive culture consisting of shared beliefs; and,
4. Language.

While not arranged in the layer-like order presented by Schein and Hofstede, it is clear that similar elements are being distinguished: cognitive components would form the 'essence' of culture, affecting (and being affected by) material and non-material aspects of culture, including language (Sojka and Tansuhaj 1995). Marketing researchers have also used this sociological perspective, such

as Craig and Douglas (2006) who collapse this into three layers: intangible (non-material) elements of culture, communication links, and material aspects of culture. They argue that these “three intertwined components of culture comprise the underlying fabric of society. They permeate all aspects of daily life and human interaction” (p. 329). Overall, researchers agree that culture is both implicit and explicit, with basic assumptions and values representing the ‘essence’ of culture and the outer layers being the manifestations of these inner layers (Hofstede and Hofstede 2005; Schein 2010; Taras et al. 2009; Trompenaars and Hampden-Turner 1997).

This brief section as provided the background to the specific discussion of how culture is operationalised in this research. However:

Offering a working definition of culture, distinguishing it from society, and emphasising the problems of classification and typification are all preparatory moves. They help to clear away misconceptions that might get in the way of the study of culture, but they do not really provide the tools for getting on with it (Hall et al. 2003, p. 13).

As a way of ‘getting on with it,’ the next section identifies and discusses three key cultural typologies in an effort to determine an appropriate framework to apply to this research.

3.2 Measuring Culture

From a measurement perspective the concept of ‘culture’ is too broad and inclusive (Ajiferuke and Boddewyn 1970; Brownstein 1995; Kroeber and Kluckhohn 1952) and therefore has to be ‘unpacked’ (Rohner 1984) to be more scientifically valuable. Robust frameworks are therefore needed to analyse and apply this complex phenomenon to the study of consumer behaviour (Hong et al. 1998; Schwartz and Ros 1995; Segall et al. 1999). This research uses an etic perspective, attempting to employ “a limited set of dimensions that captures the most prominent differences, integrates multiple cultural features, and relates meaningfully to socio-historical variables” (Schwartz and Ros 1995, p. 118).

Researchers have generally studied the values and beliefs that can be articulated by members of a culture (beliefs, attitudes, and conventions), although culture can be studied in other ways (Robey and Azevedo 1994). This research uses a value orientation approach to the study of culture's impact on consumer behaviour and the first section discusses this. The discussion then turn to how cultural value orientation is measured in this research. Section 3.2.2 outlines Hofstede's framework and Section 3.2.3 highlights advantages and disadvantages of using this model. Section 3.2.4 discusses communication context, which is important to support the discussion of cultural value orientation because communication context is complementary to other cultural variability constructs (Gudykunst et al. 1988; Korac-Kakabadse et al. 2001), stemming from the fact that language is a principal means through which culture is transmitted (Hall et al. 2003; Shepard 2009). It is language that makes it possible for cultures to be learnt, taught, and shared, and for aspects of cognitive and non-material cultures to be made known (Hall et al. 2003; Shepard 2009). Additionally, communication context is particularly important in this research since the manner in which consumers' use information sources, such as advertising and WOM, to form their expectations is being interrogated.

3.2.1 Why Focus on Value Orientations?

Marketing research on culture actually draws on sociology as well as anthropology and can be divided into three major streams based on researchers' focus on (Craig and Douglas 2006; Sojka and Tansuhaj 1995):

1. Abstract or intangible elements of culture such as values and belief systems;
2. Material aspects of culture, such as artefacts, symbols, and rituals; and,
3. The communication links that bind and perpetuate a cultural system.

Of these three, research on culture in marketing has been dominated by a focus on identifying value orientations that could be used to differentiate cultures (Baack and Singh 2007; Dwyer et al. 2005; Furrer et al. 2000; Patterson et al.

2006; Yau 1988), although marketing researchers have also investigated the impact of material aspects of culture (Bhat and Reddy 1998; Crane and Bovone 2006; McCracken 1986; McCracken and Roth 1989) and communication links (Bresnahan et al. 2002; Gabbott and Hogg 2000; Korac-Kakabadse et al. 2001; Mattsson and den Haring 1998) on consumer behaviour. One of the key reasons the value orientation of a society has been the focus of most of the research on culture (Craig and Douglas 2006; Erez and Gati 2004; Schein 2010) is because values are seen as the building blocks of culture (Hofstede 1980; Kroeber and Kluckhohn 1952; Schein 2010), with several established frameworks for measuring cultural value orientation being proposed (Hofstede 1980; Schwartz 1992, 1999; Steenkamp 2001; Trompenaars and Hampden-Turner 1997).

The overwhelming organisation of cross-cultural research around taxonomies of basic cultural values and attitudes can also be traced to the publication of Hofstede's (1980) seminal book, *Culture's Consequences*, which is generally seen as a hallmark in the advancement of cross-cultural psychology (Kirkman et al. 2006; Schein 2010; Schwartz 1992, 1999; Steenkamp 2001; Taras et al. 2009). The taxonomic approach to cross-cultural research has also proven popular because it enables researchers to rationalise their selection of countries to compare in terms of *a priori* dimensions (Bond and Forgas 1984; Hong et al. 1998) and it also affords generalisations and, thereby, integration of findings from studies involving different cultures (Segall et al. 1999). Overall,

... the advent of taxonomies has allowed the method of quasi-experimental cross-country comparisons to shake off the image of being a theoretical, circular, piecemeal enterprise, and has greatly increased its influence on other fields (Hong et al. 1998, p. 3).

For these reasons, the main approaches to operationalising the concept of culture has been by developing empirically derived orientations or dimensions to represent culture (Craig and Douglas 2006; Erez and Gati 2004). This is based on the argument that "in order to employ cultural values effectively for ... comparison, they must be organised into a limited number of dimensions on

which comparisons can be made” (Schwartz and Ros 1995, p. 92). Hofstede did just this by providing a framework for analysing cultural phenomena via a small set of pan-cultural value dimensions (Hong et al. 1998). Based on the idea that values represent the ‘essence’ of culture (Hofstede 1991; Kroeber and Kluckhohn 1952; Schein 2010), combined with the benefits of using a taxonomic approach just outlined, this research uses value orientation to examine the impact of culture on the information sources used in developing service quality expectations. The specific framework used is discussed in the next section.

3.2.2 Measuring Cultural Value Orientation

Two of the earliest attempts at proposing categories for analysing culture came from Kluckhohn and Strodtbeck (1961) and Inkeles and Levinson (1969). Both sets of researchers argued that all human societies had common problems with a limited number of value-based solutions but which each society chooses to solve in different ways (Hills, 2002). This idea was articulated by American anthropologist Clyde Kluckhohn as follows:

In principle ... there is a generalised framework that underlies the more apparent and striking facts of cultural relativity. All cultures constitute so many somewhat distinct answers to essentially the same questions posed by human biology and by the generalities of the human situation... Every society’s patterns for living must provide approved and sanctioned ways for dealing with such universal circumstances as the existence of two sexes; the helplessness of infants; the need for satisfaction of the elementary biological requirements such as food, warmth, and sex; the presence of individuals of different ages and of differing physical and other capacities (Kluckhohn 1952, p. 317-18, as cited in Hofstede 2009).

Kluckhohn and Strodtbeck (1961) identified five problems that they argued are common to all cultures, and these are presented in the form of value orientations: (1) humans’ relations with time (past, present, or future oriented), (2) humans’ relations with nature (subjugation to nature, mastery, or harmony), (3) humans’ relations with each other (linearity or hierarchically ordered positions, collaterality or group orientation, or individualism), (4) basic human

motives (being, being-in-becoming, or doing), and (5) the nature of human nature (evil, good, or a mixture of good and evil). Later Inkeles and Levinson (1969) proposed three standard analytical psychological issues in comparative analysis that have functional significance for societies and groups and individuals within these societies: (1) relation to authority, (2) ways of dealing with conflicts, including the control of aggression and the expression of feelings, and (3) conception of self, in particular (a) the relation between individual and society and (b) the individual concept of masculinity and femininity.

Subsequently many authors have adopted this approach in seeking to categorise culture in terms of unique value orientations (Hall 1976, 2000; Hall and Hall 1990; Schein 2010; Triandis 1982, 1995; Trompenaars and Hampden-Turner 1997). However, most of the research on cultural value orientation has been limited for the most part to descriptions of one or very few national cultures (Taras et al. 2009; van Oudenhoven 2001). A typical example is noted anthropologist Clifford Geertz's (1973) collection of anthropological essays and anecdotes, which provide insightful, thick description of certain cultures (mainly Bali and Javanese), but are neither comprehensive nor exhaustive enough to provide a cultural taxonomy (Chanchani and Theivanathampillai 2001). Similarly, Edward Hall's seminal work on cultural variability based on information processing, time orientation, and the interaction patterns used by particular cultures is based primarily on qualitative research data and simply represents a monologue on culture (Hall 1960, 1976, 1989, 2000). An important exception to this is Hofstede's study on cultural values, which originally included data from 40 nationalities (Hofstede 1980) but was subsequently enlarged to cover a sample of 53 countries (Hofstede 1991; Hofstede and Bond 1988).

Drawing primarily on Inkeles and Levinson's (1969) predictions of common human problems (Dawson and Young 2003; Fink et al. 2005; Groeschl and Doherty 2000; Hofstede and Hofstede 2005), and validated through statistical

analysis of work related goals and value patterns of managers in a large multinational company, Hofstede (1980, 1991) has developed “by far the most influential national cultural framework” found in the marketing and management literature (Steenkamp 2001, p. 31). Despite being developed outside the area of marketing and management, this framework has been extensively used in this area and the value orientations proposed in this classification are currently the most widely cited by researchers examining the impact of culture on issues such as cross-cultural management and consumer behaviour (Kirkman et al. 2006; McSweeney 2002; Søndergaard 1994; Taras et al. 2009). More recently these cultural value dimensions have been used in analysing culture at the individual level (Donthu and Yoo 1998; Patterson et al. 2006; Richardson and Smith 2007; Yoo and Donthu 2001). This research uses Hofstede’s cultural framework to operationalise culture and to discuss its impact on the relative importance of the antecedents of expectations.

Hofstede’s empirically derived multidimensional framework of national culture concentrated on personal values as they relate to the work setting and was the first large scale quantitative study examining differences and similarities of values across cultures (Hofstede and Hofstede 2005). Like the fundamental approaches on which it is based, Hofstede’s dimensions of culture “relate to very fundamental problems which face any human society, but to which different societies find different answers” (Hofstede 1983, p. 46). Hofstede’s original analysis identified four fundamental value orientations that could be used to distinguish national cultures – uncertainty avoidance, power distance, collectivism vs. individualism, and masculinity vs. femininity (Hofstede 1980; Hofstede 1983). A fifth dimension – long-term vs. short-term orientation – was subsequently added when the study was extended to Asia based on a study of Chinese values (Hofstede and Bond 1988). By locating cultures on a five-factor map, Hofstede’s influential work has enabled cross-cultural researchers to select cultures for comparison on an a priori basis (Bond and Forgas 1984). These five dimensions are explained in more detail below.

Uncertainty avoidance refers to “the extent to which the members of a culture feel threatened by ambiguous or unknown situations” (Hofstede and Hofstede 2005, p. 167). Referring mostly to how members of a society deal with the uncertainty of the future, this dimension basically measures how members of a society see time (linear or non-linear) and whether they are comfortable with letting the future unfold or feel the need to control the outcome (Chanchani and Theivanathampillai 2001). It is important to highlight that uncertainty avoidance is conceptually different from risk avoidance (Quintal et al. 2010). Uncertainty avoidance is differentiated from risk avoidance in that uncertainty avoidant individuals may engage in a higher risk option in order to reduce their uncertainty (Lee et al. 2007). In weak uncertainty societies, both known and unknown risks are accepted in contrast to high uncertainty societies where only known risks are undertaken.

At one end of the spectrum are high uncertainty avoidance cultures in which people feel the need to control uncertainty by being risk-averse and planning-oriented, and also tend to be more fixed in their beliefs and assumptions (Hofstede 1984). These individuals have a belief in absolute ‘truth’ as another way of minimising the possibility of unstructured situations (Hofstede and Bond 1988). Thus an uncertainty avoidant individual might be expected to feel “threatened by uncertain and ambiguous situations and tries to avoid them...by avoiding conflict, disapproving competition, not tolerating deviant behaviours and ideas that are considered dangerous” (Reisinger and Turner 2003, p. 106). In line with this uncertainty avoidant individuals tend to have “[a] high level of anxiety, aggressiveness, emotional restraints, loyalty, consensus and group decisions” (Reisinger and Turner 2003, p. 106). At the other end of the spectrum are low uncertainty avoidance cultures in which individuals are socialised to handle uncertainty with relative ease and they are thus more tolerant of differing opinions and behaviours and try to have as few rules as possible (Hofstede 1984). As measured by Hofstede (1980), high uncertainty avoidance countries include Germany and France, and low uncertainty countries include Denmark and Singapore.

Power distance is defined as “the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally” (Hofstede and Hofstede 2005, p. 46). This dimension tries to measure how people in different countries deal with social inequality, including the relationship to authority. A society characterised as having large power distance is one in which large disparities in income, status, and wealth are expected and accepted, and consequently less powerful members of society are expected to be dependent on more powerful members (Dawar et al. 1996). In contrast, a society characterised as having small power distance is one in which hierarchy and inequalities among individuals are not accepted as given and society members believe that these differences should be minimised (Hofstede and Hofstede 2005). As measured by Hofstede (1980), high power distance countries include Malaysia and Mexico and low power distance countries include Denmark and Austria.

Individualist societies are those in which “the interests of the individual prevail over the interests of the group” (Hofstede and Hofstede 2005, p. 75). These societies are characterised by self-orientation, identity based on the individual, and low-context communication (Kueh and Voon 2007). In contrast, collectivist societies emphasise belonging to in-groups throughout one’s lifetime and are characterised by group orientation and high-context communication. (High- and low-context communication is discussed in the next section). In-groups are “those groups of individuals about whose welfare a person is concerned, with whom that person is willing to cooperate without demanding equitable returns, and separation from which leads to anxiety” (Triandis 1995, p. 9). Additionally, maintenance of social harmony and avoiding direct confrontation are prized as collectivist cultures tend to seek harmonious and interdependent social relationships (Hofstede and Hofstede 2005). As measured by Hofstede (1980), individualist countries include USA and the UK and collectivist countries include Venezuela and Japan.

The *masculinity/femininity* dimension refers to “the dominant gender role patterns” in society (Hofstede et al. 2010, p. 204). This dimension basically measures the way in which a society assigns social (as opposed to biological) roles to the sexes (Hofstede 1984). *Masculine* societies are those that clearly distinguish social gender roles, specifically men are expected to be assertive, tough, and achievement-oriented while women are expected to be modest, tender, and caring. Masculine societies emphasise assertiveness and material success in men while women are supposed to be more tender and caring. *Feminine* societies are those that emphasise interpersonal and interdependent relationships, a concern for others, the overall quality of life, and define similar social roles for males and females. In these cultures, ambitiousness and competitiveness are not the most highly prized characteristics in either gender and anyone may perform the society’s caring roles. In feminine societies ‘cross-gender’ roles such as female truck drivers and male nurses are more acceptable than in societies classified by a strong masculine cultural dimension (Rodrigues 1998). Overall, masculine cultures stress ambition, results and rewards based on performance, while feminine cultures put more value on equality, welfare, quality of life, compromise, and negotiation (Hofstede 1998). As measured by Hofstede (1980), masculine countries include Japan and Austria, and feminine countries include Sweden and Norway.

Originally labelled ‘Confucian Dynamism’ (Hofstede and Bond 1988), *long-term orientation* is the fifth dimension identified by Hofstede using a questionnaire labelled the Chinese Value Survey (Hofstede 1991). Drawing on Kluckhohn and Strodtbeck’s (1961) time orientation, which relates to the temporal focus of human life and identified cultures as being past-, present-, or future-oriented, this dimension was originally conceptualised as an orientation towards the future or the present and past (Hofstede and Bond 1988; Yeh and Lawrence 1995). In the original presentation of this dimension, long-term orientation and short-term orientation were taken as emphasising different maxims of Confucianism, such that “its positive pole reflects a dynamic, future-oriented mentality, whereas its negative pole reflects a more static, tradition-oriented mentality” (Hofstede and Bond 1988, p. 16). As such long-

term oriented societies were characterised as being future-oriented, valuing actions and attitudes that affect the future, specifically perseverance, thrift, self-discipline, shame, and ordering relationships by status (Hofstede and Bond 1988). In contrast, short-term oriented societies were characterised as being past- and present-oriented, valuing actions and attitudes that are affected by the past or the present, specifically protecting ‘face,’ respect for tradition, immediate personal steadiness and stability, and reciprocation of greetings, favours, and gifts (Hofstede and Bond 1988). In addition to the ‘Five Dragons’ (China, South Korea, Japan, Hong Kong and Singapore), Hofstede and Bond (1988) also identified Brazil and India as being long-term oriented and Britain and the USA as being short-term oriented.

Upon inspection, however, it is clear to see why the validity of this dimension has been questioned (Fang 2003; McSweeney 2002; Nevins et al. 2007; Yeh and Lawrence 1995). For example, concepts such as ‘saving face’ and gift giving are classified as being part of a short-term orientation and so this description would suggest that short-term orientated cultures such as the UK are more ‘face-caring’ than long-term oriented cultures such as China. Fang (2003) calls this into question, drawing on previous research indicating that ‘face’ (‘mian-zi’) is particularly salient in the Chinese culture, where ‘saving face,’ ‘losing face,’ and ‘giving face’ are important concepts (Bond and Hwang 1986; Gu 1990; Leung and Chan 2003; Mok and Defranco 2000; Redding and Ng 1982; Ting-Toomey and Kurogi 1998). Additionally, Fang (2003) shows that trying to operationalise ‘shame’ and ‘protecting face’ as separate and opposing values would be inappropriate as these are not distinct concepts in Chinese philosophy. Another key criticism is that many of Confucius’ teachings also encompass the values of the past, such as respect for tradition and age. Kluckhohn and Strodtbeck (1961, p. 14) observe that China (which ranked highest on Hofstede’s long-term orientation scale) “was a society which gave first-order value preference to the Past *time* orientation” [emphasis in original]. Therefore, while the original characterisation would indicate that short-term orientated cultures respect tradition more than long-term oriented cultures, there is considerable research showing that long-term

oriented cultures are very much past-oriented (Fan 2000; Mok and Defranco 2000; Wang et al. 2005; Yau 1988). These apparent discrepancies have led to some confusion in the use of the term and measurement of the Confucian dynamic/long-term oriented value in individuals (Fang 2003; Nevins et al. 2007).

Hofstede admits that this fifth dimension is not as 'ready-developed' as the other four (Gooderham and Nordhaug 2005) and did himself stop using the terms interchangeably in later work, referring to this value dimension simply as 'long-term orientation' (Hofstede et al. 2010). At this time he also refined his definition, noting that long-term orientation "stands for the fostering of virtues oriented towards future rewards, in particular perseverance and thrift" (Hofstede et al. 2010, p. 237). Ultimately researchers have come to use the construct as a short-term versus long-term outlook on life, that is, a 'here-and-now' orientation as opposed to valuing the past and the future (Cannon et al. 2010; Ganesan 1994; Ryu and Cook 2005). Consistent with this present usage and conceptualisation of long-term orientation as a time-oriented construct (Bearden et al. 2006; Earley 1997), long-term orientation can be defined as "the value of viewing time both in the past and future rather than in the 'here-and-now' present" (Nevins et al. 2007, p. 263).

Viewing long-term orientation as being related to both the past and future on one hand, while being related to the present on the other, Bearden et al. (2006) and Nevins et al. (2007) conceptualise long-term orientation as being related to both planning and tradition. Hofstede (1991) suggested that perseverance and thrift reflect long-term orientation most adequately. On one hand perseverance is a consistent and determined effort to achieve goals while being thrifty means spending money carefully in the present for later enjoyment and also means postponing present happiness to the future (Hofstede 1991). Therefore, thriftiness for long-term oriented cultures represents an orientation towards the future (Yeh and Lawrence 1995). Overall, people who have a long-term orientation put higher value on planning, tradition, perseverance, and hard

work in the present for future reward, compared to those with short-term orientation who put value on quick results and immediate personal stability (Hofstede et al. 2010; Nevins et al. 2007).

Long-term oriented societies are also characterised by high-context communication (Morden 1991; Rodrigues 1998). A brief discussion of communication context, which is Hall's (1976, 1989) most researched 'linking assumption,' is needed to support the discussion of Hofstede's dimensions, particularly as it relates to how people use information sources, which is the crux of this research. This is undertaken in Section 3.2.5, but before this is done, the question of the appropriateness of Hofstede's framework for this research is tackled.

3.2.3 Critiquing Hofstede's Model

Hofstede's classification continues to stimulate a large number and variety of cross-cultural studies in multiple disciplines (Søndergaard 1994; Steenkamp 2001; Taras et al. 2009). The extensive adoption of his classification is partially explained by the fact that Hofstede's was the first major study to integrate previously fragmented constructs and ideas from the literature into a values-based framework for classifying cultures (Chanchani and Theivanathampillai 2001). Additionally, adoption of Hofstede's classification of culture continues to be greatly aided by the simplicity and intuitive appeal of his dimensions (Williamson 2002). However, although Hofstede's pioneering work has significantly increased the understanding of cultural systems and the differences between them, this framework has been increasingly scrutinised and criticised for its: limited ability to extend the dominant values present within a multinational to represent cultural values of a country (Triandis 1982), insufficient precision in definition across categories (Bearden et al. 2006; Schwartz 1992), and limited scope in methodology and measurement (McSweeney 2002; Roberts and Boyacigiller 1984; Yeh 1988; Yeh and Lawrence 1995). Additionally, the classification is neither exhaustive nor exclusive (Chanchani and Theivanathampillai 2001; Yeh 1988).

In response to the criticisms of Hofstede's classification, other frameworks have been proposed to overcome its apparent limitations. Psychologist Shalom Schwartz's value schema (Schwartz 1994, 1999; Schwartz and Bardi 2001; Schwartz and Ros 1995; Smith and Schwartz 1997) is the most elaborate and best researched classification since Hofstede's (Hofstede et al. 2010). Like Hofstede and the researchers before him, Schwartz attempted to identify potential universal types of human values. The types of values presented by Schwartz were associated with three basic issues: (1) the nature of the relation between the individual and the group (conservatism or group orientation vs. autonomy or self orientation), (2) how to guarantee responsible social behaviour that preserves the social fabric (hierarchy vs. egalitarianism), and human's relation to the surrounding natural and social environment (mastery vs. harmony) (Levie and Hunt 2004). Schwartz's schema improved on Hofstede's framework in a number of important ways: (1) some of the values that are typically included in the individualism/collectivism dimension were distinguished into two different cultural dimensions; (2) analyses were undertaken in 54 nations that appeared to be representative of the nations of the world; and (3) the sample comprised teachers (argued to be carriers of culture), not only employees of multinational organisation (Brett and Okumura 1998; Chanchani and Theivanathampillai 2001; Levie and Hunt 2004; Steenkamp 2001). Still, the schema has not been extensively applied, especially in a marketing context (Baack and Singh 2007), and therefore the ease of use and applicability of this instrument is questionable (Fontaine and Richardson 2003; Hofstede et al. 2010). More importantly though is the issue of this framework's 'value added.' First, although Schwartz presented his approach as being distinct from Hofstede's, the conceptual description of Hofstede's and Schwartz's dimensions suggests at least some overlap between the two frameworks (Craig and Douglas 2006; Taras et al. 2009). Second, while empirical research has shown that one or more of Schwartz's dimensions are not fully represented in Hofstede's framework, such as affective autonomy, other dimensions appear to be equivalent to Hofstede's dimensions (Baack and Singh 2007; Steenkamp 2001; Taras et al. 2009).

Indeed, of 121 distinct instruments for measuring culture identified by Taras et al. (2009), empirical analysis indicated that “97.5 percent of all reviewed measures contain at least some dimensions that are conceptually similar to those introduced by Hofstede” (p. 367) and even those few that were completely different had strong empirical relationships with Hofstede’s model (Hofstede et al. 2010; Hofstede and Bond 1984). In the case of Schwartz’s schema, the conservatism/autonomy value dimension is similar in both conceptual and empirical terms to Hofstede’s individualism/collectivism dimension and is also closely linked to Hofstede’s power distance dimension (Baack and Singh 2007; Hofstede et al. 2010; Levie and Hunt 2004; Steenkamp 2001). Similarly, Schwartz’s harmony and mastery values have been found to be associated with Hofstede’s uncertainty avoidance values dimension (Hofstede et al. 2010; Levie and Hunt 2004; Steenkamp 2001) and mastery has been found to be related to Hofstede’s masculinity dimension (Baack and Singh 2007). Overall, Hofstede’s and Schwartz’s research show considerable convergence, with Schwartz’s survey of values sustaining and amplifying Hofstede’s conclusions rather than contradicting them (Smith et al. 2006; van Oudenhoven 2001).

So the argument is not that Hofstede’s model has covered all the possible ways in which cultures differ for Hofstede himself does not exclude the possibility of identifying new dimensions (Hofstede 1980). This is because “it is extremely difficult to create a model that effectively and efficiently captures all aspects of such a complex phenomenon as culture” (Taras et al. 2009, p. 371). Further, “while the wide array of measures can presumably provide a richer description of the studied phenomenon, the marginal utility of additional measures is probably diminishing” (Taras et al. 2009, p. 371). This highlights the importance of balancing comprehensiveness and parsimony and this

...underscores the choice among models and dimensions that has to be made by those studying ... culture within the functionalist paradigm. The choice is between what is comprehensive or specific, and between what more closely measures whatever attributes are to be studied (Williamson 2002, p. 1386).

Continued critique of Hofstede's work is indicative of a healthy scientific debate but this does not diminish the utility of using these dimensions (Dawson and Young 2003; Kirkman et al. 2006; Soares et al. 2007; Steenkamp 2001; Williamson 2002), particularly when the use of these dimensions are informed by new and updated information as appropriate (*cf.* Bearden et al. 2006; Cannon 2010; Earley 1997; Ganesan 1994; Nevins et al. 2007). Thus, this research does not rely on Hofstede's five dimensions to measure culture because of its wide application, but "[r]ather it is usefulness of the theories as mechanism of describing and understanding cultural diversity that makes them interesting and viable" (Dawson and Young 2003, p. 591). The next section discusses Hall's (1960, 2000) communication context, which serves to supplement the understanding of how cultural value orientation affects consumers' relative preference for different information sources.

3.2.4 The Importance of Communication Context

A review of the literature suggests that conceptualisation of cultures as low-context or high-context information systems are similar and complementary with a number of other cross-cultural variability constructs proposed by other researchers (Gudykunst et al. 1988; Hofstede 1991; Korac-Kakabadse et al. 2001; Levine 1985; Würtz 2005). It is therefore important to understand the communication context. In general terms, communication refers to a process in which information is shared by two or more persons and has relevance for at least one of the persons involved (Korac-Kakabadse et al. 2001; Shimanoff 1980). Further, communication implies that those engaging in the process perceive or acquire sets of meaningful information derived from a common and ordered set of interpretations that the participants share (Korac-Kakabadse et al. 2001; Leeds-Hurwitz 1989; Wierzbicka 1991). Communication arises from the need to connect and interact with others and so communication involves messages that are encoded and transmitted to others who decode them and respond accordingly (Gudykunst et al. 1988; Hall 2000). Communication, therefore, can be viewed as "a followable prescription that indicates what behaviour (interaction) is obligated, preferred, or prohibited in certain context" (Shimanoff 1980, p. 57).

For communication to be meaningful and provide a guide to behaviour it must take place within a physical and social context such as time, location, and the social relationship of those involved (Hall 1960). All of these conditions how communication is received since “the meaning we attribute is learned and socially agreed upon, rather than somehow inherent in behaviour” (Leeds-Hurwitz 1989, p. 65). This common framework for encoding and decoding messages is provided by culture, which provides its members with a shared understanding that allows them to interpret their social surroundings and establishes rules for governing the interaction (Bavelas et al. 1990; Djursaa 1994; Geertz 1973; Graham and Sano 1986; Hall et al. 2003; Leeds-Hurwitz 1989; Shepard 2009; Spencer-Oatey 2000; Ting-Toomey and Kurogi 1998). Thus, culture functions as a frame of reference or a global context in which both verbal and non-verbal communication can be understood (Hall 1976, 2000; Leeds-Hurwitz 1989), with verbal and non-verbal modes of communication providing links within and across cultural units (Bavelas et al. 1990; Djursaa 1994; Hall et al. 2003). Culture and communication are therefore intimately related by the fact that participants interact with each other through communication, which allows patterns of meaning, thinking, feeling, and acting to “be given new life by passing the meanings down to a new generation” (Leeds-Hurwitz 1989, p. 65).

Since the context that surrounds communication is critical to meaning, relevant information must exist in any interaction to specify meaning (Korac-Kakabadse et al. 2001; Wierzbicka 1991). In line with the argument that cultures may face similar problems but solve them in different ways (Inkeles and Levinson 1969; Kluckhohn and Strodtbeck 1961), it has been observed that cultures differ in how they use information processing systems to provide context (Hall 1966). Defining context as the “information that surrounds an event,” Hall (1989, p. 6) classified cultures into high-context and low-context.

High-context communication has been identified as being indirect, ambiguous, maintaining of harmony, reserved, and understated (Gudykunst et al. 1996)

and requiring far more time because trust, friends and family relationships, personal needs, and situations will also be considered (Korac-Kakabadse et al. 2001). In contrast, low-context communication has been identified as direct/explicit, precise, dramatic, open, and based on feelings or true intentions (Gudykunst et al. 1996). Therefore explicit communication is more important than communication through the environment, the situation, and non-verbal behaviour. This often results in the use of direct communication styles (Korac-Kakabadse et al. 2001; Morden 1991; Rodrigues 1998). Thus

In low-context communication, the listener knows very little and must be told practically everything. In high-context communication, the listener is already ‘contextualised’ and so does not need to be given much background information (Hall and Hall 1990, p. 184).

A high-context culture is a “culture in which people are deeply involved with others and where subtle messages with deep meaning flow freely,” while low-context cultures are “those highly individualised, somewhat alienated, fragmented cultures in which there is little involvement with people” (Hall 1976, p. 39). Extending this definition, researchers have outlined characteristics common in both types of cultures (Korac-Kakabadse et al. 2001; Morden 1991; Rodrigues 1998). In high-context cultures: (1) interpersonal relationships are often long lasting and highly involved; (2) communication is fast and efficient, especially in routine situations; (3) agreements are usually verbal rather than written; and (4) insiders and outsiders are strongly distinguished. On the other hand, in low-context cultures: (1) interpersonal relationships are often shorter and less intense; (2) messages must be explicit and there is a risk of misunderstanding if too much inference is required; (3) agreements are written rather than spoken; and (4) little distinction is made between insiders and outsiders.

Unlike Hofstede, Hall (1976) did not precisely rank specific countries on any dimensions, but generally identified western and northern European cultures as low-context and eastern Mediterranean, Asian, and Latin American cultures as high-context. Later Morden (1991) and Rodrigues (1998) identified Japan,

China, and Latin America as examples of high-context cultures and Canada, the UK, New Zealand, and Switzerland as examples of low-context cultures. This indicates that the high-context cultural dimension is frequent in collectivist cultures (Gudykunst et al. 1988; Hofstede 1991; Korac-Kakabadse et al. 2001; Levine 1985), high power distance cultures (Würtl 2005), and long-term oriented cultures (Chen 2000; Rodrigues 1998).

Now that it has been outlined how culture is defined in this research project and the specific dimensions of culture that should be measured, the next hurdle is defining the boundaries of specific cultural dimensions (Taras et al. 2009). This is achieved in the final substantive section of this chapter.

3.3 Operationalising Culture in this Research

In much cross-cultural work in marketing and other social science disciplines, national and organisational boundaries have tended to be the preferred level of resolution, and therefore countries and organisations have been the preferred units of analysis (Dahl 2004; Nakata and Huang 2004; Schaffer and Riordan 2003). However, these are not the only options and may not be the most appropriate units of analysis culture in consumer behaviour research (Cleveland and Laroche 2007; Keillor et al. 2004; Kongsompong et al. 2009; Ladhari et al. in press; Sharma 2009; Soares et al. 2007; Yoo et al. in press). It is therefore important to explore the various levels at which culture can be analysed to determine the most appropriate unit of analysis in this research.

This section is relatively brief and begins with a discussion of the levels at which culture can be operationalised. Section 3.3.2 then discusses the measurement of culture at the individual-level, which is thought to be most appropriate for cross-cultural consumer behaviour research (Keillor et al. 2004; Kongsompong et al. 2009; Soares et al. 2007; Yoo et al. in press).

3.3.1 Delimitation of Culture

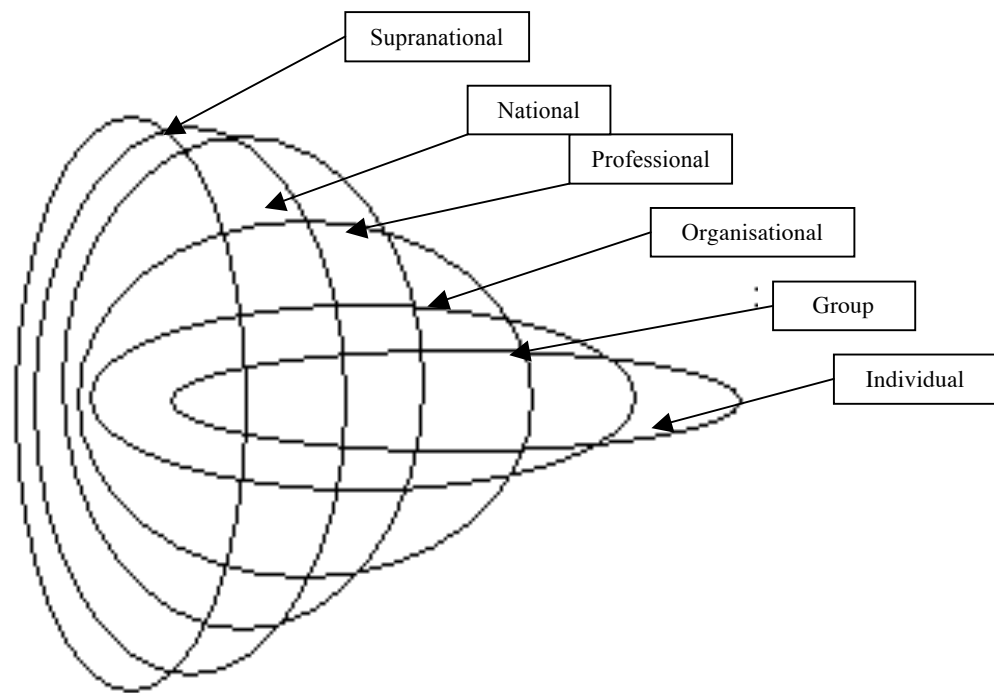
Culture can be defined and studied at different levels and there is significant debate about the level of analysis that is desirable for the concept of culture to be a viable tool (Hofstede 1991; Laroche 2007; Sharma 2009; Steenkamp 2001). One of the reasons is that the shared nature of culture implies that it is not necessarily directly connected to the individual, yet at the same time it is problematic to establish how many individuals who share a 'culture' make up that cultural group (Dahl 2004). The cultural value system of the individual includes cultural elements that an individual shares with those in the groups to which she belongs as well as unique values that each individual possesses (Dake 1992; Triandis 2001). This means that, while on one hand the individual 'determines' her culture, on the other, the individual is determined by the culture, as individuals are products of their culture and their social groupings, and they are conditioned by their social cultural environment to act in certain manner (de Mooij 2004; Triandis 2001).

In acknowledgement of this, researchers have operationalised culture at various levels, suggesting that there are several layers of 'cultural programming' that exist that encompass the range of cultures operative on an individual's behaviour (Hofstede 1991). For example, Pizam (1993) created a 'hierarchy of cultures,' identifying national culture as a geographical distinction based in the physical boundaries of the nation-state, whereas industry cultures, occupational cultures, corporate cultures, and organisational structure and managerial practices form distinctive patterns of behaviour of a social unit. Karahanna et al. (2006) extended this by identifying levels of culture that can exist at the supranational level including regional, religious, ethnic, and linguistic, gender, generation, social class, and organisational cultures, as outlined in Table 3.1. These levels of culture are both hierarchically and laterally related but the relationship across levels is not necessarily hierarchical from the more general (supranational) to the least (group) (Erez and Gati 2004; Karahanna et al. 2006; Steenkamp 2001). Instead, "the sequence of these [levels] is virtual, in the sense that they shift, depending on time and circumstance" (Gallivan and Srite 2005, p. 300). For

this reason it makes little sense to hierarchically order these levels. For example, ethnic cultures can span nations such as Kurds in Turkey, Iran, Iraq, Armenia, and Syria but ethnic cultures may also represent a subset of individuals in a single country, such as Maoris in New Zealand (Gallivan and Srite 2005; Karahanna et al. 2006).

Table 3.1: Levels of Culture (Karahanna et al. 2006, p. 37)	
LEVEL	DEFINITION
Supranational <ul style="list-style-type: none"> • Regional • Ethnic • Religious • Linguistic 	Any cultural differences that cross national boundaries or can be seen to exist in more than one nation. Can consist of: <ul style="list-style-type: none"> • Regional – pertaining to a group of people living in the same geographic area • Ethnic – pertaining to a group of people sharing common and distinctive characteristics • Linguistic - pertaining to a group of people speaking the same tongue
National	Collective properties that are ascribed to citizens of countries
Professional	Focus on the distinction between loyalty to the employing organisation versus loyalty to the industry
Organisational	The social and normative glue that holds organisations together
Group	Cultural differences that are contained within a single group, workgroup, or other collection of individuals at a level less than that of the organisation

This shows that there is no simple one-to-one or one-to-many hierarchical relationship between ethnic culture and countries, and the same argument can be extended to religious, linguistic, and occupational identity and other levels of culture (Erez and Gati 2004). Each level may be a subset of national culture in some situations, but each cultural identity attribute may also be a superset of national culture (Gallivan and Srite 2005; Karahanna et al. 2006). These complex interrelations are shown diagrammatically in Figure 3.3, with each level enfolding the individual, interacting and deriving the individual's unique culture (Erez and Gati 2004; Leung et al. 2005; Luna and Gupta 2001). This model supports the idea that there is a complex set of relationships between the individual and her culture.

Figure 3.3: Interrelated Levels of Culture (Karahanna et al. 2006, p. 37)

The next section discusses the measurement of culture at the individual-level, which has recently gained popularity in the cross-cultural services literature for the reasons explained next.

3.3.2 Individual-Level Analysis of Culture

Progress in understanding cultural influences will be hampered if cross-cultural marketing researchers continue to simply equate culture with country (Laroche 2007; Lenartowicz and Roth 1999; Tomasz and Kendall 1999; Yoo et al. in press). For this reason this research uses the Direct Values Inference approach to operationalising culture, which requires the researcher to measure respondents' value orientations and use this to directly infer cultural characteristics based on these values (Soares et al. 2007). Both Hofstede's and Schwartz's studies fit this approach, as well as more recent research undertaken by Furrer and colleagues (Furrer et al. 2000; Liu et al. 2001), Donthu and colleagues (Donthu and Yoo 1998; Yoo and Donthu 2002, 2005),

Laroche and colleagues (Laroche et al. 2005a; Murali et al. 2005a), and Patterson and colleagues (Kongsompong et al. 2009; Patterson et al. 2006).

Having chosen to use the Direct Values Inference approach, this research must measure the values of subjects in the sample and then infer cultural characteristics based on these values (Lenartowicz and Roth 1999). The next issue to be tackled then is how culture will be assessed in regards to its level of operationalisation. As noted in the preceding section, culture, country, nation, and society are often used interchangeably (Dahl 2004; Nakata and Huang 2004; Schaffer and Riordan 2003; Sekaran 1983; Taras et al. 2009; Zhang et al. 2008). Steenkamp (2001) argues that there is empirical support for within- and between-country differences that make nationality an acceptable proxy of culture. Similarly, Hofstede (1991, p. 12) argues that nations “are the source of considerable amount of common mental programming of their citizens” since nations with a long history have strong forces pushing towards further integration.

However, this does not mean that country and culture are the same since national boundaries do not always coincide with culturally homogeneous societies (Gallivan and Srite 2005; Karahanna et al. 2006), meaning that operationalising culture in this way may detract from the richness of the cultural concept (Cleveland and Laroche 2007; Ladhari et al. in press; Laroche 2007; Zhang et al. 2008). Thus while not disagreeing that nations exhibit a large amount of internal commonality and there is diversity across nations, some researchers are becoming more vocal about their view that marketers are more likely to be successful if they direct attention toward consumer characteristics instead of focusing on country characteristics (Keillor et al. 2004; Kongsompong et al. 2009; Patterson et al. 2006; Patterson and Mattila 2008a). This conclusion is based on argument that individual values are more appropriate predictors of individual behaviour (Lenartowicz and Roth 2001). From a similar perspective Dake (1991) proposes that culture should be assessed from the “individual orientations toward what we think of as the ethos

of a culture or the thought of an age” perspective (p. 77), since culture is “internalised by the person, becoming part of personality and influencing transactions with the social and physical environment” (p. 78).

Several arguments have been used to support the call for measuring culture at the individual level. First, several researchers argue that the conventional method of using countries as the cultural unit of analysis or as a basis for market segmentation may be ill advised because of the world’s countries are already multicultural (Cleveland and Laroche 2007; Laroche 2007; Tse et al. 1988). Indeed, Craig and Douglas (2006, p. 336) argue that “[d]eterritorialisation, market fragmentation, and the development of linkages across national borders imply that national culture is no longer relevant as the unit of analysis for examining culture,” which would mean that researchers should be relying less on the country as the unit of analysis. Further, even within relatively homogeneous nations, individuals vary in the extent to which they identify with, adhere to, and practise cultural norms (Gallivan and Srite 2005; Karahanna et al. 2006). For one, while the characteristics of two ‘cultures’ may be distinct, individual level variation may mean that an individual from one culture exhibits characteristics that more closely resemble the ‘norms’ of another culture (Donthu and Yoo 1998). For another, as previously indicated, it is often difficult to define the boundaries of a particular culture or to identify exactly which of several competing cultures an individual belongs to, for example, an individual may be Welsh and/or British depending on the specific context in which the question is being asked or the topic of concern (Karahanna et al. 2006).

Second, from a methodological perspective, Yoo and Donthu (2002) and Sharma (2009) argue that the use of national generalisations to explain individual behaviours is an ecological fallacy because country-level relationships are interpreted as if they are applied to individuals. Additionally, while Hofstede et al. (2010) argues that his model applies only to the national level of analysis and may not be appropriate for studying individual cultural

orientations, Taras et al. (2009, p. 367) note that “the traditional method of data collection, the self-report questionnaire, yields individual level data” which researchers then aggregate from the individual to the group level. Therefore, applying Hofstede’s cultural typology at the individual level is reasonable since the values of an individual person are identified in terms of the selected dimensions of culture (Donthu and Yoo 1998). This contention is supported by empirical research (discussed in Section 5.3), which shows that Hofstede’s five-factor structure does replicate with individual level responses (Kueh and Voon 2007; Patterson et al. 2006; Prasongsukarn 2009; Yoo and Donthu 2002, 2005).

In addition to this, there is a complex set of relationships between an individual and her culture as discussed above (de Mooij 2004; Erez and Gati 2004; Triandis 2001), thus research using cultural dimensions instead of nationality would provide greater explanatory power as this would allow researchers to attribute differences to cultural norms and traits and thus be able to draw conclusions beyond the countries included in their sample (Keillor et al. 2004; Lenartowicz and Roth 1999; Matsumoto and Hee Yoo 2006; Patterson et al. 2006). For these reasons, consumer behaviour researchers should put more emphasis on studying cultural values at the individual level (Ladhari et al. in press; Matsumoto and Hee Yoo 2006; Patterson et al. 2006; Prasongsukarn 2009; Soares et al. 2007; Yoo and Donthu 2002). Following this approach, culture, usually conceived as an attribute at the collective level, is measured at the individual level in this research as evidenced by the strength of an individual’s belief in the five cultural dimensions presented by Hofstede (Donthu and Yoo 1998; Patterson et al. 2006; Yoo and Donthu 2002).

3.4 Chapter Summary

Rather than equating ‘culture’ with ‘country’ as done in most cross-cultural consumer behaviour research (Nakata and Huang 2004; Schaffer and Riordan 2003; Taras et al. 2009), this chapter sought to develop a sound conceptualisation of culture that allows the construct to be operationalised in

the most appropriate manner for undertaking this research. To do this, the relevant literature on culture was reviewed, culminating in a discussion of how culture is to be operationalised in this research. This review began in Section 3.1 by discussing the key definitions of culture and its elements, seeking to pull together the insights and findings derived from the enquiry to propose an integrative concept of culture. Several common elements present in the existing definitions (Taras et al. 2009) allowed the researcher to present a working definition of culture. Importantly, values were highlighted as the ‘essence’ of culture (Hofstede et al. 2010; Schein 2010; Trompenaars and Hampden-Turner 1997), as these are rooted in the subconscious and thus tend to remain relatively stable over time (Hall 2000; Spencer-Oatey 2000), and are manifested in more visible/tangible ways, such as language, buildings, and institutions, which may also be studied (McCracken 1986; Sojka and Tansuhaj 1995).

Based on this, Section 3.2 focused on frameworks for measuring cultural value orientation when discussing how culture has been measured in the marketing and management literature. This research uses a values-based conceptualisation of culture and Hofstede’s cultural framework was selected to operationalise culture considering its robustness and wide acceptance across various disciplines (Chanchani and Theivanathampillai 2001; Dawson and Young 2003; Kirkman et al. 2006; Søndergaard 1994; Steenkamp 2001; Taras et al. 2009; Williamson 2002). This section also discussed Hall’s (1960, 2000) communication context because it is complementary to other cultural variability constructs (Gudykunst et al. 1988; Korac-Kakabadse et al. 2001) and it is particularly important in this research since the manner in which consumers’ use information sources, such as advertising and WOM, to form their expectations is being interrogated.

The final task was to outline the unit of analysis used this research and this was done in Section 3.3 where the boundaries of specific cultural dimensions were defined. It has been argued that traditional definitions of the unit of analysis

used in cross-cultural research need to be critically re-examined in view of the changing consumer landscape (Cleveland and Laroche 2007; Douglas and Craig 1997; Keillor et al. 2004; Kongsompong et al. 2009; Matsumoto and Hee Yoo 2006; Prasongsukarn 2009; Sharma 2009; Soares et al. 2007; Yoo and Donthu 2002, 2005; Yoo et al. in press). Since ‘culture’ is not necessarily synonymous with the term ‘country’ (Dawar and Parker 1994; Leung et al. 2005) and ethnic cultures can span nations while also representing a subset of individuals in a single country (Erez and Gati 2004; Gallivan and Srite 2005; Karahanna et al. 2006), studies based on cultural dimensions, rather than nationality, should provide greater explanatory power because they enable the researcher to attribute differences to cultural norms and traits, and to extrapolate beyond the countries included in any sample (Dake 1992; Keillor et al. 2004; Lenartowicz and Roth 1999; Patterson et al. 2006). Additionally, culture can be validly measured at the individual level and may even be more appropriate for cross-cultural consumer behaviour research (Cleveland and Laroche 2007; Kongsompong et al. 2009; Prasongsukarn 2009; Sharma 2009; Soares et al. 2007). In this research, culture measured at the individual level using the cultural values of the individual respondent as the unit of analysis. Once the unit of analysis has been determined, the next step is to identify the nature of the cultural phenomena or influences to be studied (Douglas and Craig 1997). This is achieved in the next chapter, which outlines the conceptual framework and hypotheses guiding the empirical portion of this research.

CHAPTER FOUR: CONCEPTUAL FRAMEWORK AND HYPOTHESES

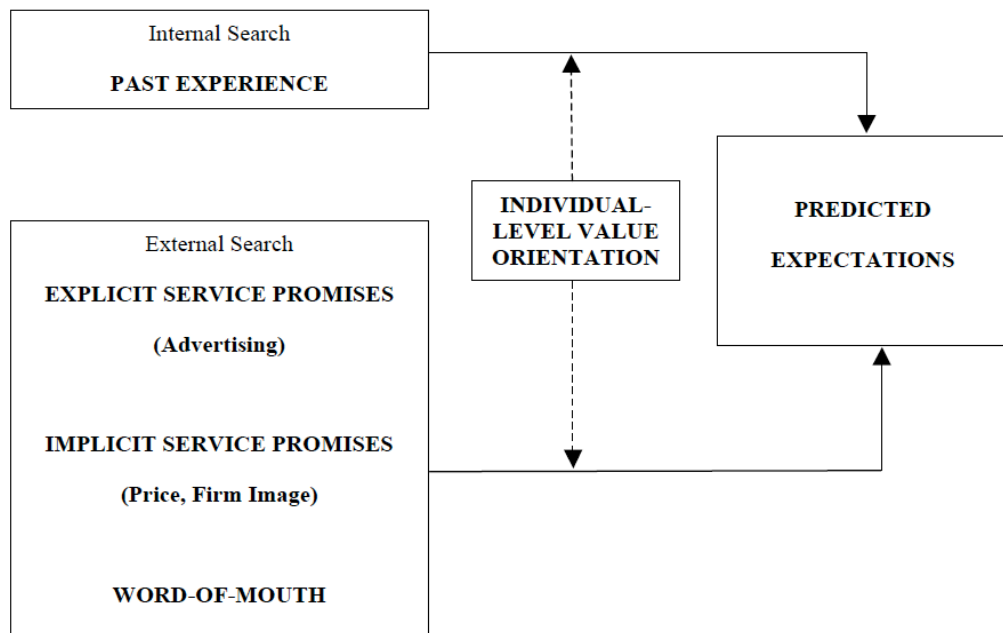
This research examines the impact of culture on consumer's expectation formation process. In order to do this it is necessary to develop a conceptual framework to understand the relationship between cultural context and consumer expectations. This chapter thus directly deals with the thesis's first research objective, which is to develop a conceptual framework of service quality expectations that links cultural factors to the formation of customer expectations. Such a framework is particularly important because few studies have specifically examined the determinants of service expectations (Hamer et al. 1999; Kalamas et al. 2002) and even fewer have systematically examined the impact of culture on service expectations or its moderating role in the expectation formation process (Laroche 2007; Laroche et al. 2005a; Zhang et al. 2008). This is despite the fact that the most active research stream in cross-cultural consumer behaviour research has been the comparative analysis of various aspects of consumer attitudes and behaviour across countries or in different 'cultural contexts' (Adler 1983a; Douglas and Craig 2006; Espinoza 1999).

Since rigorous cross-cultural research has to spell out why and in what way culture is relevant to the phenomenon being investigated (Craig and Douglas 2006; Matsumoto and Hee Yoo 2006), this chapter presents a conceptual framework that identifies the nature of these cultural influences and their impact on expectation formation. This chapter is divided into three sections. Section 4.1 presents the research model, which comes out of the discussion of service quality expectations in Chapter 2 and cultural orientation in Chapter 3. Sections 4.2 and 4.3 present the specific research propositions and hypotheses guiding this research.

4.1 The Research Model

Figure 4.1 depicts the variables of interest and their relationships as described within the framework. This research model places the expectation formation framework in a cultural context and proposes a number of direct and indirect proposed relationships. First, the antecedents of expectations (past experience, advertising, price, firm image, and word-of-mouth) are proposed to directly influence predicted expectations service expectations. Additionally, it is expected that non-marketing controlled forms of communication (past experience and word-of-mouth) and marketing controlled forms of communication (advertising, price, and firm image) will have differential impacts on predicted expectations service expectations. Second, it is proposed that the manner in which individuals process these antecedents to form service expectations will differ based on the individual's value orientation. Thus it is hypothesised that the antecedents that consumers use to form their expectations are influenced by an individual consumer's value orientation along the dimensions of Uncertainty Avoidance, Power Distance, Individualism, Masculinity, and Long-term Orientation.

Figure 4.1: RESEARCH MODEL: Individual-Level Cultural Value Orientation as a Moderator in the Expectation Formation Process



While culture can be viewed as being inseparable from the individual, as an inherent quality (Berry 1999; Geertz 1973; Morris et al. 1999), the model presented in Figure 4.1 presents culture as a variable *causing* consumer behaviour, as this allows the researcher “to develop a framework that managers can easily implement to compare the behaviour of consumers from different cultures and isolate the cultural causes of consumer behaviour differences” (Luna and Gupta 2001, p. 48). This model argues that an individual’s behaviour is a result of that individual’s cultural value system for a particular context (Karahanna et al. 2006). Individuals’ cultural value systems are developed over time as they are socialised into a particular group. Societal culture as well as regional subculture and familial values all influence the formation of an individual’s cultural value system (Gallivan and Srite 2005). Thus, the cultural value system includes cultural elements that individuals have in common with the group(s) to which they belong, as well as idiosyncratic values unique to the individual (Leung et al. 2005; Luna and Gupta 2001).

The first step in this research is to re-examine the antecedents of service quality expectations. The proposed impact of these antecedents on predicted expectations were discussed in Chapter 2 and specific hypotheses and propositions are presented below in Section 4.2. Some of these relationships have definitive support in the literature while others have produced mixed results. The latter in particular would benefit from more extensive examination, which may possibly highlight whether previous positive results might have been spurious or help to otherwise explain the mixed results. This section is relatively short as it simply recaps the arguments already presented and then outlines the hypotheses about the relationships.

The core interest of this research is the impact of cultural variables on consumers’ use of these antecedents to form these expectations. While research has been outlined demonstrating that expectations are affected by cultural orientation (Donthu and Yoo 1998; Tsikriktsis 2002) or nationality (Becker et al. 1999; Dalglish 2005; Demers 1999; Gilbert and Wong 2003), the

impact of the cultural orientation variables presented in Chapter 3 on the five antecedents of predicted expectations presented in Chapter 2 has yet to be outlined. This is tackled in Section 4.3, which outlines how cultural value orientation moderates the expectation formation process as outlined in Figure 4.1. Five sets of propositions are presented in this section based on the proposed moderating impact of Uncertainty Avoidance, Power Distance, Individualism, Masculinity, and Long-term Orientation in the expectation formation process. The chapter concludes with a brief summary.

4.2 Research Hypotheses Relating to the Antecedents of Expectations

Internal and external search elements are posited to directly impact perceived service expectations as outlined in Section 2.3.3. These direct relationships are recapped below before the hypotheses are presented.

Past experience implies that the consumer has experience with the focal service or at least a perception of what service providers of that type of offerings might deliver. Researchers have posited that past experience can influence expectations (Faché 2000; Kerstetter and Cho 2004; Oliver and Burke 1999; Peracchio and Tybout 1996; Prakash and Lounsbury 1984; Söderlund 2002; Zeithaml et al. 1993). As total risk of the purchase situation increases, positive purchase experience that reduces perceived risk increases the probability that the consumer will return to that service (Kim 2007) and an individual's direct observation and experience become a preferred information source (Cases 2002; Murray 1991).

This is supported by empirical research (Clow and Beisel 1995; Clow et al. 1997; Dion et al. 1998; Johnson and Mathews 1997; Kalamas et al. 2002; Rodríguez del Bosque et al. 2006, 2009; Webster 1991). This evidence demonstrates that experience is a factor generating expectations of a future service encounter with a service firm. It is therefore expected that past

experience will be a significant antecedent of predicted expectations and it is thus hypothesised that:

H1-1: Past experience is a significant antecedent of predicted expectations.

Explicit service promises, such as advertising, come directly from the service provider and are hypothesised that to be related to consumers' predicted levels of service expectations (Zeithaml et al. 1993). The promises transmitted through advertising make the benefits of the service clear and real (Berry and Parasuraman 1991; Mittal 2002) and are particularly important when the consumer has no prior experience with the service (Barber et al. 2009; Deighton 1984; Devlin et al. 2002; Johnson and Mathews 1997; Oliver 1997; Royne Stafford 1996; Zeithaml et al. 1985). This is likely to be because because advertising plays an informative (not just a persuasive) role in customer decision-making (Ackerberg 2001; Elberse and Anand 2007) and in this way serves to reduces the risk associated with the service (Byzalov and Shachar 2004).

While the impact of advertising has been empirically substantiated by some researchers in the service quality literature stream (Webster 1991), mixed results have been obtained in other studies (Clow et al. 1997; Dion et al. 1998; Kalamas 2002). The mixed results may be a result of different ways of operationalising advertising. In this research advertising is used as a direct measure of explicit service promises and so advertising is operationalised based on the number of explicit service promises communicated in a message. Although the findings in the service quality literature are mixed, there is research in other areas linking advertising and expectations. For example, Elberse and Anand (2007) examined the effect of pre-release advertising for 280 movies on sales expectations in the pre-release period and reported that advertising affects the updating of market-wide expectations before movie release. Overall, the positive relationships outweigh the insignificant ones and this is taken as sufficient evidence to propose explicit service promises as a significant antecedent of predicted expectations. It is thus hypothesised that:

H1-2: Advertising containing many/few service promises is a significant antecedent of predicted expectations.

Implicit service promises are among the most salient criteria in the formation of expectations (Devlin et al. 2002; Oliver 1997; Zeithaml et al. 1993). Particularly before a service encounter, implicit service promises play a role in helping customers to form expectations (Brady et al. 2005; Clow and Beisel 1995; Clow et al. 1997; Murray 1991; Richardson et al. 1994; Sweeney et al. 1992; Teas and Agarwal 2000). This is especially the case in services, which tend to have mostly experience and credence attributes, and thus price and firm image are cues that help the consumer in her evaluation of the service (Clow and Beisel 1995; Clow et al. 1997; Devlin et al. 2002; Verbeke and Ward 2006; Zeithaml 1988). For example, price and reputation have been shown to be key determinants of service expectations for hotels (Callan 1988; Callan and Bowman 2000; Kayaman and Arasli 2007). It is thus hypothesised that implicit service promises are a significant antecedent of predicted expectations.

In terms of price, the theory on price-cue utilisation suggests that consumers infer information about quality from price (Kardes et al. 2004; Miyazaki et al. 2005; Peterson 1970; Scitovszky 1944) and this has been substantiated by empirical evidence (Dodds et al. 1991; Dodds and Monroe 1985; Estelami 2008; Grewal et al. 1998; Stiving 2000; Völckner and Hofmann 2007; Zeithaml 1988). Indeed, two meta-analyses have consolidated the research in this area and reported a highly significant relationship between price and perceived quality, which indicates that consumers continue use price as an important indicator of quality (Rao and Monroe 1989; Völckner and Hofmann 2007). In terms of expectations, the literature also supports the idea that consumers tend to expect higher priced services to be of higher quality (Estelami 2008; Shiv et al. 2005) and that lower priced services will be of lower quality (Sweeney et al. 1992). It is therefore expected that price will be a significant antecedent of predicted expectations and it is thus hypothesised that:

H1-3: Price is a significant antecedent of predicted expectations.

Firm image is a real service expectations communicator (Faché 2000; Grönroos 1984; Grönroos 1990; Kurtz and Clow 1991; Mazursky and Jacoby 1986). When services are difficult to evaluate, firm image has been shown to be an important factor influencing the perception of quality (Andreassen and Lindestad 1998; Nguyen and Leblanc 2001a, b). In a context with high levels of uncertainty, individuals consider their preconceived images as a signal of the true capabilities of the provider (Nguyen and LeBlanc 1998; Weigelt and Camerer 1988). Previous studies establish a positive relationship between image and expectations in several service industries, such as catering, financial services, or travel agencies (Clow et al. 1997; Devlin et al. 2002; Rodríguez del Bosque et al. 2006, 2009). Positive image is often signalled by firms using cues such as certification and star ratings in hotels, and such cues that give a source the appearance of expertise are capable of increasing a message's persuasive effect (Schindler and Bickart 2005) as they serve to raise the public profile and enhance the popularity of a service (Nicolau and Sellers 2010).

Empirical research has confirmed that star ratings are one of the two most frequently selected as indicators of quality for potential hotel customers (Danziger et al. 2006; Israeli 2002; Israeli et al. 2001; Israeli and Reichel 2001; Israeli and Uriely 2000). Based on these results it is expected that firm image (as depicted by a star rating or other type of external certification) will be a significant antecedent of predicted expectations and it is thus hypothesised that:

H1-4: Firm image (as depicted by a star rating or other type of external certification) is a significant antecedent of predicted expectations.

Word-of-mouth is argued to be critical in the evaluation of services. In modelling the determinants of service expectations, WOM is generally included as a central antecedent (Dion et al. 1998; Clow et al. 1997; Zeithaml et al. 1993; Webster 1991; Grönroos 1983, 1984, 1990). From a theoretical perspective, WOM is expected to be a significant antecedent of predicted expectations because WOM is extremely important for communication of

information about services because of their experiential nature (Clow et al. 1997; Mitra et al. 1999; Zeithaml et al. 1985). Additionally, consumers frequently respect WOM as a means of reducing risk in making purchase decisions (Au et al. 2010; File et al. 1994; Ha 2002; Lewis and Chambers 2000; Mitchell and Greatedorex 1989, 1993; Mitchell and McGoldrick 1996; Murray 1991; Price and Feick 1984).

This is supported by empirical research indicating that WOM has an impact on service expectations regardless of whether the service provider imparts a high (e.g. medical, dental, and auto-related services) (Webster 1991) or low (e.g. video rental and restaurant) degree of judgment (Clow et al. 1997). This has been shown to also be applicable to online situations as eWOM is analogous to offline WOM (Evans et al. 2001; Fong and Burton 2008; Gruen et al. 2005; Peterson and Merino 2003; Senecal and Nantel 2004) and may even generate more empathy and so make the service benefits more salient (Bickart and Schindler 2001; Burgess et al. 2009; Deighton et al. 1989; Hatfield et al. 1994; Yoo et al. 2009). It is thus expected that WOM, operationalised as eWOM, is a significant antecedent of predicted expectations and it is thus hypothesised that:

H1-5: Word-of-mouth (operationalised as eWOM) is a significant antecedent of predicted expectations.

Finally, it is expected that some antecedents would be more important in helping consumers to form their expectations. Understanding and classifying the different sources of information is important since researchers have found that consumers use different types of sources in different ways. For example, information received from a source that is perceived to be more trustworthy is likely to have greater persuasiveness (Hovland and Weiss 1951; Litvin et al. 2008; O'Keefe 2002; Wilson and Sherrell 1993). Since an important factor in consumers' perception of trustworthiness is their attributions of a source's affiliation or intentions (Barber et al. 2009; Bickart and Schindler 2001; Litvin et al. 2008; Schindler and Bickart 2005), whether a source is perceived as neutral or marketer-dominated should give some insight into the degree to

which consumers may rely on such a source and/or its potential impact on consumer attitudes and behaviour.

First, non-marketing controlled forms of communication (past experience, word of mouth) are expected to be relatively more important for consumers because of the experiential nature of services (Clow et al. 1997; Mitra et al. 1999; Zeithaml et al. 1985). Second, consumers tend to trust WOM communication more than commercial information resources when faced with choice uncertainty (Litvin et al. 2008; Murray 1991; Pornpitakpan 2004b; Price et al. 1989; Schindler and Bickart 2005; Sweeney et al. 1992). This may be because the information that reviewers provide can be expected to reflect typical service performance and this makes the information more relevant to the reader than most of what could be communicated by a marketer who might well have never experienced the service in a real-world setting (Bickart and Schindler 2001; Evans et al. 2001).

Given the relative importance of non-marketing controlled forms of communication on customer expectations (past experience and word-of-mouth) compared to marketing controlled forms of communication (advertising, price, and firm image), it is expected that word-of-mouth and past experience would be the most significant antecedents, followed by advertising, price, and firm image. It is thus hypothesised that:

H1-6: Past experience and word-of-mouth are more significant antecedents of predicted expectations than advertising, price, and firm image.

Having dealt with the main effects hypothesised in the research model, the next section presents arguments and empirical evidence supporting the contention that an individual's use of information sources in developing their expectations differ with the individual's value orientations.

4.3 Research Propositions on the Impact of Cultural Variables

This section explores individual-level value orientation along five dimensions (Uncertainty Avoidance, Power Distance, Individualism/Collectivism, Masculinity, and Long-term Orientation) and how these value orientations may impact on an individuals' use of each of the five antecedents in the expectation formation process.

The extant literature does not provide a fully fleshed out conceptual model from which to proceed in this area. Additionally, more information is available to help develop propositions on the impact of some of these dimensions on consumers' relative emphasis on each of the information sources in developing their expectations because cross-cultural researchers have employed some of these cultural dimensions more than others. For example, the most attention has been paid to the impact of individualism/collectivism on consumer behaviour (*cf.* Gudykunst et al. 1996; Kapoor et al. 2003; Murali et al. 2005b; Watkins and Liu 1996) and indeed only empirical research conducted specifically examining the impact of cultural orientation on consumers' use of information sources in developing their expectations (Laroche et al 2005a) employed only this dimension. To tackle these issues this researcher has reviewed and consolidated prior research from several fields of study and due to the largely exploratory nature of the research, the expected impact of the value orientations on individuals' use of each of the five antecedents in the expectation formation process is presented as propositions.

Uncertainty avoidance primarily reflects how comfortable members of a society are with uncertainty and ambiguity (Hofstede et al. 2010). High uncertainty avoidance cultures are thought to accord a high level of authority to rules because this is viewed as a way of avoiding ambiguity, and also have low tolerance for behaviours and ideas that are outside the norm (Dawar et al. 1996; Hofstede 1984; Kueh and Voon 2007). These differences are expected to affect the relative emphasis that high and low uncertainty avoidance

individuals put on past experience, advertising, price, firm image, and word-of-mouth in developing their predicted expectations.

In general, it is expected that high uncertainty avoidance consumers would perceive the purchase of services to be riskier than low uncertainty avoidance respondents, since the predominance of experience and credence attributes found in services like tourism means that consumers are generally only able to evaluate the quality of the service after purchase and consumption, if at all (Bienstock 2002; Gabbott and Hogg 1994; McCollough 1995; Murray 1991). Thus because high uncertainty avoidance individuals do not deal well with the uncertainty of the future (Hofstede 1984; Lee et al. 2007), high uncertainty avoidance consumers are expected to dislike the choice uncertainty engendered by the predominance of experience and credence attributes. It is therefore expected that high uncertainty avoidance consumers would engage in greater information search and pay attention to quality cues more than low uncertainty avoidance consumers.

This is supported by empirical reach undertaken by Money and Crotts (2003), who explored the relationship between the cultural dimension of uncertainty (or risk) avoidance and information search using a matched sample of German and Japanese tourists and reported that high uncertainty avoidance consumers engage in more risk/uncertainty-reducing behaviours. This research was later replicated and validated across 58 nations by Litvin et al. (2004). Thus high uncertainty avoidance consumers can be expected to take even more steps to reduce the pre-purchase uncertainty surrounding the consumption of services than low uncertainty avoidance consumers.

This general thesis is expected to apply to past experience, and also because customers high in uncertainty avoidance are expected to stick to historically tested patterns of behaviour (Dawar et al. 1996; Singh 2006), it is expected that high uncertainty avoidance individuals would rely on past experience in

developing their expectations more than low uncertainty avoidance individuals. It is thus proposed that:

P1-1: For high Uncertainty Avoidance individuals, *positive* [negative] past experience will lead to *higher* [lower] predicted expectations compared to low Uncertainty Avoidance individuals.

What this hypothesis is saying is that uncertainty avoidance is expected to moderate the relationship between past experience and predicted expectations such that when past experience is positive, high uncertainty avoidance consumers would have higher predicted expectations than low uncertainty avoidance consumers because they rely on this dimension more. The opposite is also expected to be true, such that when past experience is negative, high uncertainty avoidance consumers would have lower predicted expectations than low uncertainty avoidance consumers.

In terms of advertising, it may be expected that high uncertainty consumers would also rely on advertising to a greater degree since advertising also plays a role in risk reduction. For example, Byzalov and Shachar (2004) demonstrated theoretically and empirically that exposure to advertising increases consumers' tendency to purchase the advertised service because the informative content of advertising reduces the uncertainty faced by risk-averse consumers and thus reduces the risk associated with the service. However, the empirical evidence on the use of advertising suggests that low uncertainty avoidance consumers would rely on this cue more than high uncertainty avoidance consumers. Low uncertainty avoidance individuals take a more empirical approach to understanding and knowledge, while those high in uncertainty avoidance seek a more absolute 'truth' (Hofstede 1980). As such, it is expected that those low in uncertainty avoidance will rely on advertising more than those high in uncertainty avoidance since such sources of knowledge would be considered more useful in cultures that are not oriented towards absolute fonts of knowledge (Dawar et al. 1996). Consistent with this proposition, Dawar et al. (1996) found that high uncertainty avoidance consumers showed lower use of consumer magazines compared to low uncertainty avoidance consumers.

Similarly, Money and Crotts (2003) and Litvin et al. (2004) reported that low uncertainty avoidance respondents were more likely to have used information obtained from marketing-dominated sources such as advertisements on television and radio than high uncertainty avoidance respondents. From this it would be expected that low uncertainty avoidance consumers would rely more on promises made by the firm than high uncertainty avoidance customers, which suggests that high uncertainty avoidance individuals would be less reliant on advertising as an information source compared to low uncertainty avoidance individuals. Thus it is proposed that:

P1-2: For high Uncertainty Avoidance individuals, advertising with many [few] service promises will lead to *lower* [higher] predicted expectations compared to low Uncertainty Avoidance individuals.

Unlike advertising, there is no empirical evidence indicating whether low uncertainty avoidance consumers would rely on the implicit cues contained in price and firm image more than high uncertainty avoidance consumers. In terms of price, research indicates that price plays both an allocative (constraint) role and an informational (signal) role in the consumer decision-making process (Völckner 2008; Völckner and Sattler 2005). In its informational role price acts as a cue to consumers, for example a higher price may motivate consumers to buy a service through consumers' inference formation processes, whereby higher prices are interpreted by consumers as indicating higher quality (Voss et al. 1998). If consumers are uncertain about the quality of the service then they are more likely to rely on the implicit cues contained in price, which would imply that expectations are price dependent (Martin 1986).

Subsequent studies have examined the relationship between price and perceived quality and indicate that price positively influences the perception of quality (Estelami 2008; Grewal et al. 1998; Richardson et al. 1996; Völckner and Hofmann 2007; Zeithaml 1988) while lower priced services leads to lower service quality expectations (Sweeney et al. 1992). Since high Uncertainty Avoidance individuals are expected to take even more steps to reduce the pre-purchase uncertainty surrounding the consumption of services (Litvin et al.

2004; Money and Crotts 2003), it is expected that those high in Uncertainty Avoidance will rely on price more than those low in Uncertainty Avoidance, seeing higher priced services as being more likely to be higher quality and lower priced services as being more likely to be lower quality.

Like price, firm image has been identified as an important quality indicator for customers (Grönroos 1984; Kang and James 2004; Leblanc 1992; Lehtinen and Lehtinen 1991; Rodríguez del Bosque et al. 2006, 2009). As previously discussed with regard to hotel services, star rating information was one of two most frequently selected indicators of quality (Danziger et al. 2006) and provided consumers with more information than the brand name (Danziger et al. 2004; Danziger et al. 2006; Israeli 2002). High Uncertainty Avoidance individuals would therefore more likely rely on firm image (star rating and quality awards) more than those low in Uncertainty Avoidance in trying to reduce their uncertainty in the purchase situation. Thus it is proposed that:

P1-3: For high Uncertainty Avoidance individuals, *higher* [lower] price will lead to *higher* [lower] predicted expectations compared to low Uncertainty Avoidance individuals.

P1-4: For high Uncertainty Avoidance individuals, *positive* [negative] firm image will lead to *higher* [lower] predicted expectations compared to low Uncertainty Avoidance individuals.

Finally, high Uncertainty Avoidance consumers are expected to rely on word-of-mouth in forming their expectations more than low Uncertainty Avoidance consumers. This is because Uncertainty Avoidance has been shown to bear a positive relation to a culture's general tendency for information search among personal sources (Dawar et al. 1996) because trusted associates would seem as unlikely sources of foreign ideas, thus posing less threat within high Uncertainty Avoidance cultures (Hofstede 1980). Another reason is that high Uncertainty Avoidance consumers are thought to be more likely to base their decisions on the experience of others as a way of reducing uncertainty (Singh 2006) and so will be more eager to gather information from those around them. This is supported by research showing that Japanese firms (a high Uncertainty Avoidance culture) tend to use more word-of-mouth search in sourcing their

corporate travel services than American firms (low Uncertainty Avoidance) (Money 2000). In the context of tourism, both Money and Crotts (2003) and Litvin et al. (2004) reported that respondents with a high Uncertainty Avoidance profile were more likely to have reported acquiring information from friends and relatives than low Uncertainty Avoidance respondents.

Additionally, although some researchers question this (Pornpitakpan 2004a), Uncertainty Avoidance has been shown to be positively correlated to opinion-seeking propensity (Dawar et al. 1996) because high Uncertainty Avoidance individuals are more concerned with how others expect them to behave (Hofstede et al. 2010; Reisinger and Turner 2003). In terms of eWOM, high Uncertainty Avoidance consumers are expected to seek opinion from the travel community more because they are expected to be more susceptible to interpersonal influence as outlined above and consumer susceptibility to interpersonal influence has been shown to be related to the intention to follow the advice obtained in a travel community (Casaló et al. 2011). Based on their higher propensity to search among personal sources and their greater susceptibility to interpersonal influence as evidenced by a greater opinion-seeking propensity (Dawar et al. 1996), it is expected that high Uncertainty Avoidance consumers will place more importance on WOM than low Uncertainty Avoidance consumers. Thus it is proposed that:

P1-5: For high Uncertainty Avoidance individuals, *positive* [negative] word-of-mouth will lead to *higher* [lower] predicted expectations compared to low Uncertainty Avoidance individuals.

The second dimension of culture examined here is **Power Distance**, which concerns the extent to which the individual members of society accept unequal distribution of power (Hofstede et al. 2010), and thus reflects a culture's attitude towards the authority of individual persons (Dawar et al. 1996). Power Distance and Uncertainty Avoidance have been reported as highly correlated constructs (Dawar et al. 1996; Hofstede et al. 2010) and like high Uncertainty Avoidance consumers, high Power Distance consumers also accord a high level of authority to rules and also have low tolerance for behaviours and ideas

that are outside the norm (Dawar et al. 1996; Hofstede 1984; Kueh and Voon 2007), instead sticking to tested patterns of behaviour (Dawar et al. 1996; Singh 2006). Thus, while these dimensions have different focuses, Dawar et al. (1996) argues that they are both inversely related to a society's general openness to objective sources of new information. These differences are expected to affect the relative emphasis that high and low Power Distance individuals put on past experience, advertising, price, firm image, and word-of-mouth in developing their predicted expectations.

In terms of past experience, high Power Distance customers are expected to rely on this information source more than low Power Distance customers as the former are more likely to stick to tested patterns of behaviour (Dawar et al. 1996; Singh 2006). It is thus proposed that:

P2-1: For high Power Distance individuals, *positive* [negative] past experience will lead to *lower* [higher] predicted expectations compared to low Power Distance individuals.

In terms of advertising, the impact of Power Distance is also expected to be the same as with Uncertainty Avoidance such that low Power Distance consumers are expected to rely on advertising more than high Power Distance consumers. This is because high Power Distance consumers are also oriented to sources of truth (Dawar et al. 1996) and are therefore less likely to search among non-personal sources which may be a source of new information and so are less likely to rely on advertising. This is supported by empirical research showing that high Power Distance consumers used consumer magazines less as sources of information compared to low Power Distance consumers (Dawar et al. 1996). On the other hand, low Power Distance consumers, like low Uncertainty Avoidance consumers, are expected to rely on promises made explicitly by the firm more than high Power Distance consumers (Litvin et al. 2004; Money and Crotts 2003). Thus it is proposed that:

P2-2: For high Power Distance individuals, advertising with *many* [few] service promises will lead to *lower* [higher] predicted expectations compared to low Power Distance individuals.

Like high Uncertainty Avoidance consumers, it is expected that those high in Power Distance will rely on price and firm image more than those low in Power Distance. Thus it is proposed that:

P2-3: For high Power Distance individuals, *higher* [lower] price will lead to *higher* [lower] predicted expectations compared to low Power Distance individuals.

P2-4: For high Power Distance individuals, *positive* [negative] firm image will lead to *higher* [lower] predicted expectations compared to low Power Distance individuals.

Finally, it is expected that those high in Power Distance will rely on WOM more than those low in Power Distance. As with Uncertainty Avoidance consumers, high Power Distance consumers are less likely to search among non-personal sources because these may be sources of new information (Dawar et al. 1996). On the contrary, Power Distance has been shown to bear a positive relation to a culture's general tendency for information search among personal sources (Dawar et al. 1996) and so although high Power Distance indicates a general distrust of others, this would not extend to close associates (Hofstede 1980). Additional support for this proposition is based on the fact that social distance determines the form of the exchange that takes place in a society, with strong social ties favouring the transmission of valued information (Frenzen and Nakamoto 1993). This would mean that information flows more easily between group members and so high Power Distance consumers are expected to exchange information more with close associates.

This is supported by recent research by Lam et al. (2009), who found a statistically significant relationship between high Power Distance and engaging in in-group WOM. Additional empirical research found Power Distance to be positively correlated to opinion-seeking propensity, as with Uncertainty Avoidance (Dawar et al. 1996). Thus it is expected that those high in Power Distance will rely on word-of-mouth more than those low in Power Distance and thus it is proposed that:

P2-5: For high Power Distance individuals, *positive* [negative] word-of-mouth will lead to *higher* [lower] predicted expectations compared to low Power Distance individuals.

The key distinction between **Individualists** and **Collectivists** is their level of group orientation. In the former the ties between individuals are loose, while in the latter people are integrated into strong, cohesive in-groups (Hofstede 1980). This means that insiders and outsiders are strongly distinguished, group goals take primacy over individual goals, and in-group norms exert greater influence on individuals in Collectivist cultures (de Mooij 2004; Gudykunst et al. 1988; Morden 1991; Rodrigues 1998; Triandis 1993, 2001). Group orientation also suggests a preference for authoritative leadership and decision-making (Herbig and Martin 1998; Rodrigues 1998; Wang et al. 2005; Yau 1988) and high-context communication styles (Morden 1991; Rodrigues 1998). These differences are expected to affect the relative emphasis that Individualists and Collectivists put on past experience, advertising, price, firm image, and word-of-mouth in developing their predicted expectations.

In terms of past experience, researchers have different ideas as to which group (Individualists or Collectivists) would put relatively more emphasis on internal sources of information in developing their expectations. The strong in-group orientation that Collectivists have seems to suggest that these consumers would be less self-reliant and may therefore not rely on their own recollections as much in the information-seeking process (Ordóñez de Pablos 2005). Additionally, it has been hypothesised that the in-group norms that control Collectivist behaviours would make Collectivist consumers less sensitive to individual rewards of effort and personal satisfaction compared to Individualists and therefore less likely to expend effort on decision-making (Laroche et al. 2005a). These contentions seem to be supported by empirical research showing that American consumers (Individualist culture) did less directed search and relied more on their internal knowledge and personal experience with products than Chinese consumers (Collectivist culture) (Doran 2002). Based on this, it would be expected that the effect of internal sources of information on service expectations would be greater for Individualists than for Collectivists.

However, in the only piece of research looking specifically at Individualism/Collectivism and the antecedents of expectations, contrary to their own hypothesis, Laroche et al. (2005a) found that internal sources of information were relatively more important antecedents of expectations for Collectivists than for Individualists. While the researchers seem to suggest that this finding might be based on the research context (i.e. airline industry), further examination of the individualism/collectivism construct provides evidence that supports the validity of this result. One key distinction between Individualists and Collectivists is their relative preference for low- and high-context communication (Kapoor et al. 2003; Kueh and Voon 2007; Laroche et al. 2005a).

Social ties are strong in Collectivist cultures and so high-context forms of communication prevail, while Individualist cultures have few social ties and so rely more on low-context forms of communication (de Mooij 2004; Gudykunst et al. 1988; Hofstede et al. 2010; Morden 1991; Rodrigues 1998; Triandis 1993, 2001). It would make sense that individuals in high context cultures would pay a lot of attention to past experience with a situation, as this would explain how they are “already ‘contextualised’ and so [do] not need to be given much background information” (Hall and Hall 1990, p. 184), allowing communication to be fast and efficient and supporting verbal rather than written agreements (Korac-Kakabadse et al. 2001; Morden 1991; Rodrigues 1998). Also, while not in a comparative context, Prugsamatz et al. (2006) reported that past experience was very influential for Chinese students (Collectivists) in developing the pre-purchase expectations.

Based on Laroche et al.’s (2005a) findings that Collectivists rely more on past experience than Individualists, along with the fact that those from high-context cultures would have to rely a lot on information stored in memory to function well in such cultures, it is proposed in this research that the effect of past experience on predicted expectations will be greater for individuals with a

Collectivist value orientation than for individuals with an Individualist value orientation. Thus, it is proposed that:

P3-1: For Individualists (high Individualism), *positive* [negative] past experience will lead to *lower* [higher] predicted expectations compared to Collectivists (low Individualism).

However, when it comes to explicit forms of communication, such as advertising, social exchange theory and intercultural communication theory point to Individualists' putting relatively more emphasis on these sources since Individualists preferentially rely on low-context forms of communication (Hall and Hall 1990; Korac-Kakabadse et al. 2001; Morden 1991; Rodrigues 1998; Sahlins 1972). This is not to suggest that Collectivists do not rely on advertising in developing their expectations, as advertising has been shown to be one of the information sources that most influence Chinese students' pre-purchase expectations of service quality (Prugsamatz et al. 2006). However, since Individualists rely more on low-context forms of communication (Hofstede 1991), explicit communication, such as advertising, is expected to be more important for Individualists because they like things spelled out (Gudykunst and Nishida 1986; Hall 2000; Kapoor et al. 2003; Korac-Kakabadse et al. 2001).

Some support for this conclusion can be found in Laroche et al.'s (2005a) report that external sources of information were relatively more important in forming expectations for Individualists than for Collectivists. However, this result is interpreted with caution here, since the researchers measured the 'external sources of information' construct as an aggregate using 12 items measuring word-of-mouth, implicit promises, explicit promises, and third parties, and did not report results for these elements separately. This research seeks to disentangle the impact of Individualism/Collectivism on each of these information sources and thus hypothesises separate effects.

Individualists are also expected to rely on promises made by the firm in the form of advertising relatively more than Collectivists because Collectivists

tend to trust their in-group more than out-groups (Lam et al. 2009; Watkins and Liu 1996). Combined with the fact that Individualists rely on explicit communications more than Collectivists, this relatively greater propensity of Individualists to rely on promises from out-groups means that Individualists are expected to rely on advertising relatively more than Collectivists. Thus, it is proposed that:

P3-2: For Individualists (high Individualism), advertising with many [few] service promises will lead to *higher* [lower] predicted expectations compared to Collectivists (low Individualism).

In contrast, Collectivists are expected to rely on context clues more than Individualists and would therefore rely relatively more on implicit service promises. In line with their preference for high context communication, Collectivists are more likely to focus on context rather than content in communication (Triandis 2001) because communication through the environment, the situation, and non-verbal behaviour are more important for Collectivists than explicit communication (Gudykunst et al. 1996; Gudykunst and Nishida 1993; Hall and Hall 1990; Korac-Kakabadse et al. 2001; Levine 1985; Morden 1991; Rodrigues 1998). Thus it is expected that implicit service promises will have a greater impact on expectation among Collectivists as opposed to Individualists because price and firm image contain cues that are more easily 'read' by those from high-context cultures (Gudykunst et al. 1988; Korac-Kakabadse et al. 2001). It is therefore expected that Individualists will rely on price and firm image less than Collectivists. Thus, it is proposed that:

P3-3: For Individualists (high Individualism), *higher* [lower] price will lead to *lower* [higher] predicted expectations compared to Collectivists (low Individualism).

P3-4: For Individualists (high Individualism), *positive* [negative] firm image will lead to *lower* [higher] predicted expectations compared to Collectivists (low Individualism).

Finally, Collectivists are expected to rely on WOM more than Individualists. All consumers are susceptible to interpersonal influence, but it seems that Collectivists are more susceptible to interpersonal influence than Individualists. Since in-group norms exert greater influence on individuals in

Collectivist cultures (de Mooij 2004; Gudykunst et al. 1988; Morden 1991; Rodrigues 1998; Triandis 1993, 2001), normative influences of others on decision-making are expected to be much stronger for Collectivists (Lam et al. 2009). A consumer with a Collectivist orientation is also more likely to imitate others in an effort to fit in and gain social standing and acceptance (Yaveroglu and Donthu 2002).

Additionally, strong social ties favour the transmission of valued information as previously noted (Frenzen and Nakamoto 1993) and so Collectivists would exchange information more with close associates. In support of this, Lam et al. (2009) found that collectivism was more related to sharing WOM with in-group, although the relationship was not statistically significant. Third, Collectivists are expected to rely on WOM more than Individualists because the former regard information sharing as a way of sharing favours and building connections while Individualists tend to focus on self-reliance (Watkins and Liu 1996; Wong and Chan 1999). Thus consumers with Collectivist orientations are expected to rely more on information obtained within a reference group because use of this information is seen as relationship-enhancement behaviour (Laroche et al. 2005a; Ordóñez de Pablos 2005; Watkins and Liu 1996).

Empirical research supports the contention that Collectivists rely on WOM more than Individualists, with researchers reporting that consumers in Collectivist cultures are more likely to search for and rely on personal sources of information. For example, Doran (2002) found that Chinese consumers were likely to search more and rely more heavily on personal sources of information than American consumers, Mourali et al. (2005b) reported that individualism was significantly negatively related to consumer susceptibility to interpersonal influence, Singh (2006) found that Germans (Collectivists) were influenced by interpersonal communications more than the French (Individualists), and Fong and Burton (2006, 2008) found both quantitative and qualitative differences in eWOM in the content of discussion boards based

in China and America that indicate that Chinese participants were more likely to seek out and respond to eWOM. It can therefore be expected that WOM would be relatively more important as an antecedent of predicted expectations for Collectivists than for Individualists. Thus it is proposed that:

P3-5: For Individualists (high Individualism), *positive* [negative] word-of-mouth will lead to *lower* [higher] predicted expectations compared to Collectivists (low Individualism).

The fourth dimension of culture used here is **Masculinity/Femininity**. Masculine cultures stress ambition, results and rewards based on performance, while Feminine cultures are more concerned with equality, welfare, quality of life, compromise, and negotiation (Hofstede 1998). Masculinity is thought to represent “an ‘instrumental’ orientation, a cognitive focus on getting the job done or the problem solved,” while femininity is thought to represent “an ‘expressive’ orientation, an affective concern for the welfare of others and the harmony of the group” (Bem et al. 1974, p. 156). These differences are expected to affect the relative emphasis that individuals with Masculine and Feminine orientations put on past experience, advertising, price, firm image, and word-of-mouth in developing their predicted expectations.

In discussing this dimension of culture, several issues have to be noted. First, the Masculinity dimension deals with gender roles and not with sex, and from the personality perspective it has been proposed that masculinity and femininity are dimensions of the self that coexist to varying degrees within individuals (Hogg and Garrow 2003; Markus et al. 1982; Twenge 1997). In this research, it is proposed that the Masculinity/Femininity dimension will affect service expectations depending on whether the customer has a masculine or feminine orientation (importantly, this is not based on whether the customer is male or female, *per se*). This is not always the position taken by researchers in consumer behaviour. For example, Furrer et al. (2000) hypothesised that Masculinity would affect service expectations depending on whether the service provider is male or female. However, they do not provide any empirical or theoretical support for their assertion that the relative importance

of the service quality dimensions is different depending on whether the service is provided by a male or female service employee. Additionally, although they reported a significant negative relationship between Masculinity and the Responsiveness dimension of service quality and a significant positive relationship between Masculinity and the Tangibles dimension of service quality, these results could be explained in other ways.

Another important issue to note is that, while Masculinity and Femininity have been well explored in psychology research (Chang 2006), this dimension of culture remains particularly under-researched in the area of cross-cultural consumer behaviour. For example, Dawar et al. (1996) specifically excluded Masculinity/Femininity from their analyses citing the unclear relationship between this dimension and consumer information search and Donthu and Yoo (1998) declined to investigate this dimension in their research because they did not think it was strongly related to service quality expectations. Therefore, while later research by Tsikriktsis (2002) found that Masculinity played a role in users' expectations of Web site quality, the paucity of consumer behaviour research employing this dimension leaves the researcher with little from which to draw in developing these propositions, and direct evidence to supporting these propositions are therefore lacking.

A third important issue to note is that Masculinity and Femininity as they relate to culture are not synonymous with Masculinity and Femininity as they relate to gender and it does not mean that the individuals themselves have to be male or female to hold these orientations (as highlighted above). However, research on gender and the different ways in which males and females acquire and process information are used here to help form hypotheses about the impact of Masculinity and Femininity on the expectation formation process.

In terms of past experience, it is expected that consumers with a Masculine orientation will depend on past experience more than those with a Feminine orientation. This is based on previous cognitive research in which Meyers-

Levy (1989) examined gender differences in information search behaviour and reported that males had a tendency to not process all available information as a basis for judgment but instead relied more on their own opinions. This is in line with the strong beliefs in self-efficacy exhibited by masculine individuals (Chang 2006). In contrast, other research indicates that females processed information by resorting to external sources more than using their own judgments (Kim et al. 2007; Meyers-Levy 1989). It is therefore expected that those with a Masculine orientation will rely on their own past experience in developing their expectations. Thus it is proposed that:

P4-1: For high Masculinity individuals, *positive* [negative] past experience will lead to *higher* [lower] predicted expectations compared to low Masculinity individuals.

In terms of advertising, consumers with a Masculine orientation are expected to depend on this more than those with a Feminine orientation. First, researchers have found that consumers with a more masculine self-perception are more verbally assertiveness and use more direct statements (Hogg and Garrow 2003), which indicate that those with a Masculine orientation are more low context communicators. Second, as previously outlined, individuals that prefer low context communication are expected to place more emphasis on explicit information sources such as advertisements. Third, research indicates that males tend to make decisions more quickly than females (Bakewell and Mitchell 2004), relying on only highly available information (Meyers-Levy 1989), such as that available in advertising. Fourth, consumer behaviour in Masculine cultures is characterised by a high degree of acceptance for advertising (de Mooij 2004; Foscht et al. 2008). It is therefore expected that customers with a Masculine orientation will rely on advertising more than customer with a feminine orientation. Thus, it is proposed that:

P4-2: For high Masculinity individuals, advertising with *many* [few] service promises will lead to *higher* [lower] predicted expectations compared to low Masculinity individuals.

On the other hand, consumers with a Masculine orientation are expected to rely on implicit cues such price and firm image less than those with a Feminine

orientation. First, since those with a Masculine orientation are expected to prefer low context communication and so are expected to rely less on cues or signals (Hall and Hall 1990; Korac-Kakabadse et al. 2001; Morden 1991; Rodrigues 1998; Triandis 2001). Second, as noted above, men tend to rely only on highly available information (Meyers-Levy 1989) and so would be less likely to pay attention to cues of quality. This is supported by research indicating that females make greater use of cues in judging products (Meyers-Levy and Maheswaran 1991; Meyers-Levy and Sternthal 1991) and that men tend to be low price seeking (Bakewell and Mitchell 2004). It therefore is expected that customers with more masculine orientation will rely on less on price and firm image than customers with more feminine orientation. Thus, it is proposed that:

P4-3: For high Masculinity individuals, *higher* [lower] price will lead to *lower* [higher] predicted expectations compared to low Masculinity individuals.

P4-4: For high Masculinity individuals, *positive* [negative] firm image will lead to *lower* [higher] predicted expectations compared to low Masculinity individuals.

Finally, it is expected that that customers with a Feminine orientation will rely on word-of-mouth more than customers with a Masculine orientation. First, Femininity represents a communal orientation (Chang 2006) and so more Feminine consumers tend to have closer connections with others over time and base their actions on these connections (Hofstede 1980). Second, in more Feminine cultures where social ties are strong (Hofstede 1983), high-context forms of communication like WOM are expected to be relatively more important than low-context communication because communication serves as a basis for relationship building in these cultures (Ordóñez de Pablos 2005). In line with this, research shows that conversations that women have are negotiations for closeness in which people try to seek and give confirmation and support (Giri 2004).

Third, since Femininity pertains to interpersonal expressive traits (Bem 1974; Feather 1984), and Feminine cultures are characterised by care giving and co-

operation, individuals with a Feminine orientation are more likely to be influenced by the opinions of others. This is supported by research showing that Masculinity is negatively related to opinion-seeking (Pornpitakpan 2004a), which is congruent with the observation above that men tend to rely more on their own opinions (Meyers-Levy 1989). It is therefore expected that customers with Feminine orientation will rely on word-of-mouth more than customers with Masculine orientation. Thus it is hypothesised that:

P4-5: For high Masculinity individuals, *positive* [negative] word-of-mouth will lead to *lower* [higher] predicted expectations compared to low Masculinity individuals.

The final cultural dimension examined in this research is **Long-term Orientation**, which is conceptualised as a time-oriented construct (Bearden et al. 2006; Cannon et al. 2010; Earley 1997; Ganesan 1994; Ryu and Cook 2005). Long-term oriented consumers are more likely to view time both in the past and future while short-term oriented consumers view time in the ‘here-and-now’ present (Nevins et al. 2007). Additionally, while Hofstede treats Individualism and Long-term Orientation as distinct dimensions, research indicates that these dimensions are highly interrelated (Yeh and Lawrence 1995). Therefore, as with Collectivists, long-term oriented individuals are expected to be group oriented and so have strong social ties and a preference for high-context forms of communication (Kapoor et al. 2003; Kueh and Voon 2007; Laroche et al. 2005a). These differences are expected to affect the relative emphasis that long-term oriented and short-term oriented individuals put on past experience, advertising, price, firm image, and word-of-mouth in developing their predicted expectations.

In terms of past experience, long-term oriented consumers’ past-orientation means that, compared to short-term oriented consumers, they put more emphasis on the past as a way of understanding one’s present condition and also make many decisions based on traditions and lessons learnt from the past (Fan 2000; Kluckhohn and Strodtbeck 1961; Mok and Defranco 2000; Wang et al. 2005; Yau 1988). It is therefore expected that long-term oriented consumers

would use their past experience with a service provider as a rich source of information in forming expectations of future and would likely rely on this more than short-term oriented individuals. Although not comparative in nature, research by Prugsamatz et al. (2006) found that past experience was very important for the Chinese (who had the highest long-term oriented score in Hofstede's research). It is therefore expected that past experience would impact long-term oriented consumers' expectations more than those of short-term oriented consumers. Thus it is proposed that:

P5-1: For Long-term Oriented individuals (high LTO), *positive* [negative] past experience will lead to *higher* [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).

As noted, in addition to being oriented to the past and future, long-term oriented consumers are also characterised by a group orientation, as are Collectivists (Morden 1991; Rodrigues 1998). This means that long-term oriented consumers are less likely to be open to objective sources of new information compared to short-term oriented consumers since the former put more emphasis on ordering relationships by status and prefer authoritative leadership than the latter (Bond and Hwang 1986; Leung and Chan 2003; Rodrigues 1998; Wang et al. 2005). And as with low Power Distance/low Uncertainty Avoidance individuals, short-term orientation is identified with 'truth,' while the long-term orientation is identified with 'virtue' as with high Power Distance/high Uncertainty Avoidance individuals (Hofstede and Bond 1988) and is more likely to rely on marketing-dominated sources such as advertising (Litvin et al. 2004; Money and Crotts 2003).

It is therefore expected that advertising will have a greater impact on expectations among short-term oriented consumers as opposed to long-term oriented consumers for these reasons. Also, the fact that short-term oriented consumers are expected to prefer low-context forms of communication means that they are expected to rely more on direct or explicit communication as contained in advertising (Gudykunst et al. 1996; Gudykunst and Nishida 1993;

Korac-Kakabadse et al. 2001; Levine 1985; Morden 1991). Thus it is proposed that:

P5-2: For Long-term Oriented individuals (high LTO), advertising with *many* [few] service promises will lead to *lower* [higher] predicted expectations compared to Short-term Oriented individuals (low LTO).

In contrast, it is expected that implicit service promises will have a greater impact on expectation among long-term oriented consumers as opposed to short-term oriented consumers because price and firm image contain cues that are more easily 'read' by those from high-context cultures (Gudykunst et al. 1988; Korac-Kakabadse et al. 2001). This preference for relying on inferences is supported by other research using this dimension, such as Ryu and Cook (2005) who found that long-term oriented cultures tend to prefer to rely more on mutual understandings of expected roles and behaviours. Long-term oriented customers are therefore expected to be more comfortable relying on implicit service promises and it can therefore be expected that price and firm image will have a greater impact on expectation among long-term oriented consumers. Thus it is proposed that:

P5-3: For Long-term Oriented individuals (high LTO), *higher* [lower] price will lead to *higher* [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).

P5-4: For Long-term Oriented individuals (high LTO), *positive* [negative] firm image will lead to *higher* [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).

Finally, it is expected that long-term oriented consumers will depend on word-of-mouth more than short-term oriented consumers in developing these expectations. First, because of their group orientation, long-term oriented consumers are more likely to share information among their personal sources (de Mooij 2004; Gudykunst et al. 1988; Lam et al. 2009; Morden 1991; Rodrigues 1998; Triandis 1993, 2001). This is supported by empirical research showing that individuals with a group orientation tend to depend on WOM

more (Doran 2002; Fong and Burton 2006; Money 2000; Murali et al. 2005b; Singh 2006).

Second, long-term oriented consumers are expected to rely on WOM more than short-term oriented consumers because the former regard information sharing as a way of sharing favours and building relationships (Laroche et al. 2005a; Ordóñez de Pablos 2005; Watkins and Liu 1996; Wong and Chan 1999). Relationship building is important in long-term oriented cultures. This reliance on implicit understanding leaves parties vulnerable to opportunistic behaviour (Smith et al. 1995) and is therefore found less in short-term oriented cultures but is not as much a problem in long-term oriented cultures. This is because dishonesty and opportunistic behaviour can terminate relationships and are thus avoided in long-term oriented cultures where each service encounter is generally viewed as part of the larger, more important whole of the ongoing relationship (Ryu and Cook 2005; Watkins and Liu 1996). In contrast, social transactions of all types are more often seen as isolated occurrences in short-term oriented cultures (Ryu and Cook 2005) and immediate gains from each transaction is emphasised (Wong and Chan 1999; Yeung and Tung 1996). It is therefore expected that WOM will impact long-term oriented consumers' expectations more than those of short-term oriented consumers. Thus it is proposed that:

P5-5: For Long-term Oriented individuals (high LTO), *positive* [negative] word-of-mouth will lead to *higher* [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).

4.4 Chapter Summary

Much of the research in this area lacks a strong conceptual framework that clearly articulates how and why one might expect to find differences or similarities across cultures (Douglas and Craig 1997). The first objective in this research was thus to set out a clear conceptual framework in an attempt to integrate findings and build them into a coherent body of knowledge relating to cross-cultural consumer behaviour. This was accomplished in this chapter.

First a model of the moderating impact of cultural variables on the expectation formation process was presented. Second, the hypothesised direct relationships between information sources and predicted expectations in H1. Third, the chapter made propositions about the potential impacts of Uncertainty Avoidance, Power Distance, Individualism, Masculinity, and Long-term Orientation on the relationship between information sources and predicted expectations in P1 to P5. The next chapter contains the Methodology, which outlines how the conceptual model is empirically tested.

CHAPTER FIVE: RESEARCH METHODOLOGY

Having outlined the conceptual model and related hypotheses and propositions to be tested in Chapter Four, this chapter discusses the research methods that are most appropriate for this research, as well as the theory behind these methods, which is the essence of methodology (Walliman 2001). This chapter has six sections. The chapter begins by outlining the research approach and discusses research philosophy and methodological approaches available for empirically validating the conceptual model and hypotheses presented. Section 5.2 outlines the research design, which also discusses cross-cultural equivalence issues. Section 5.3 elaborates on the survey instruments used to measure the various constructs proposed and discusses the psychometric properties of measurement instruments to ensure that the indicators are measuring its intending construct. Section 5.4 presents the sampling design, Section 5.5 outlines the data collection, and Section 5.6 outlines the methods used to analyse data to address the research questions and test the hypotheses. The chapter concludes with a brief summary.

5.1 Research Approach

This section discusses ontology and epistemology and their link to research methodology and then outlines several potential methodological approaches to doing cultural value research before presenting the final research approach.

5.1.1 Research Philosophy

The research philosophy relates to the “development of knowledge and the nature of that knowledge” (Saunders et al. 2009, p. 101). The research philosophy adopted in any study contains important assumptions about how the researcher sees the world, assumptions that underpin the research strategy and methods chosen as part of that strategy (Krauss 2005). It is thus important to outline the philosophy of the study by examining the ontology and epistemology of different paradigms (Morgan and Smircich 1980).


Ontology, according to Saunders et al. (2007, p. 605) is a “theory concerning the nature of social phenomena as entities that are to be admitted to a knowledge system.” In other words, ontology is concerned with what is believed to be true and actual and therefore assumptions about ontology “define the researcher’s view of the world” and incline the researcher “to see and interpret the world from one perspective rather than another” (Morgan 1983, p. 21). Related to ontology is epistemology, which is the branch of philosophy that studies the nature and scope of knowledge and deals with assumptions about how knowledge is obtained or created (Tadajewski 2004; Whitley 1984). It is concerned with what will establish it as knowledge and what can be considered as evidence (Remenyi et al. 1998). These ontological and epistemological standpoints determine ‘correct’ scientific undertakings and what are ‘acceptable’ questions to research (Boddewyn et al. 2004; Ding and Foo 2002). Outlining the ontological and epistemological positions is important since:

Epistemology is intimately related to ontology and methodology; ontology involves the philosophy of reality, epistemology addresses how we come to know that reality, while methodology identifies the particular practices used to attain knowledge of [reality] (Krauss 2005, p. 758-9).

It is typical within the social sciences to draw a distinction between objectivist and subjectivist epistemologies (Burrell and Morgan 1979; Hatch 1997; Morgan 1980; Morgan and Smircich 1980), which have become the two main perspectives used in the generation of marketing and consumer theory (Tadajewski 2004).² As shown in Figure 5.1 (below), these two paradigms are distinguished in terms of their philosophical assumptions, theories, goals, and methods.

² In the rest of this chapter, objectivism is used to encompass the other varieties of logical positivism, logical empiricism, and all forms of falsificationism, while subjectivism is used to encompass the range of subjective ontologies/epistemologies including idealism and social constructivism.

Figure 5.1: Network of Basic Assumptions Characterising the Subjective-Objective Debate within Social Science
(Morgan and Smircich 1980, p. 492)

	Subjectivist Approaches to Social Science			Objectivist Approaches to Social Science		
						
Core Ontological Assumptions	reality as a projection of human imagination	reality as a social construction	reality as a realm of symbolic discourse	reality as a contextual field of information	reality as a concrete process	reality as a concrete structure
Assumptions About Human Nature	man as pure spirit, consciousness, being	man as a social constructor, the symbol creator	man as an actor, the symbol user	man as an information processor	man as an adaptor	man as a responder
Basic Epistemological Stance	to obtain phenomenological insight, revelation	to understand how social reality is created	to understand patterns of symbolic discourse	to map contexts	to study systems, process, change	to construct a positivist science
Some Favored Metaphors	transcendental	language game, accomplishment, text	theater, culture	cybernetic	organism	machine
Research Methods	exploration of pure subjectivity	hermeneutics	symbolic analysis	contextual analysis of Gestalten	historical analysis	lab experiments, surveys

The idea behind research conducted under the auspices of objectivism is that, ontologically, the world has concrete existence that is basically fixed and independent of the observer's understanding. Objectivists therefore believe that the world exists independent of the researchers' knowledge of it, and it is only possible to know things through independent observation (Lowe 2002). Epistemologically, this paradigm seeks general laws and is reductionist in that it assumes that the object of research, in any field of study, can be broken into its component parts and analysed (Tadajewski 2004). Thus objectivism proposes that the researcher and the object of study are independent of each other, knowledge is discovered and confirmed through direct observations or measurements of phenomena, and facts are established by taking a phenomenon apart and studying its constituent parts (Morgan and Smircich 1980; Tadajewski 2004). So one of the fundamental concepts of objectivism is that the social world exists externally rather than being inferred subjectively through sensation, reflection, or intuition (Creswell 2003; Lee 1991), implying that research in this context is undertaken in a value-free way (Saunders et al. 2009).

An objectivist researcher can be characterised as someone who prefers “working with an observable social reality and that the end product of such research can be the derivation of laws or law-like generalisations similar to those produced by the physical and natural scientists” (Remenyi et al. 1998, p. 32). The objectivist approach is thus an ‘objective’ one in which the researcher considers her findings to be true and produces (mostly quantitative) empirical data from surveys, even adopting the philosophical stance of a natural scientist (Weber 2004). Overall then, the epistemology behind the objectivist paradigm “advocates working with an observable social reality. The emphasis is on highly structured methodology to facilitate replication, and the end product can be law-like generalisations similar to those produced by the physical and natural scientists” (Saunders et al. 2009, p. 106). According to Lee (1991), the objectivist approach that has found widespread application in social science has its origins in a school of thought within the philosophy of science known as ‘logical positivism’ or ‘logical empiricism.’ This approach has been

explicitly recognised as the ‘natural science model’ of social science research (Marsden and Littler 1998), as is evident from the definitions just presented.

Objectivism is seen as being in direct contrast to subjectivist, which takes an ontological position that social properties are outcomes of the interactions between people, rather than phenomena ‘out there’ that are independent of people (Cassell et al. 2006; Creswell 2003; Denzin and Lincoln 1994). This is because, ontologically, subjectivists believe that social reality does not exist in any concrete sense, instead it is the product of the subjective and intersubjective experience of individuals (Arndt 1985). Thus all knowledge of the world (if the world exists in any objective sense) is filtered through the knower and knowledge can only be created and understood from the point of view of the individuals that are involved. The implication of this ontological view is that, epistemologically, knowledge is apprehended from the individual participant in action (Tadajewski 2004; Whitley 1984). According to the subjectivist view, data are obtained by researchers interacting with the subjects of study, knowledge is created by examining the meanings attached to the phenomena studied by people in their roles as social actors, and knowledge is context- and time-dependent (Krauss 2005).

Since the methodological standpoint taken is intimately related to the researcher’s ontology and epistemology (Anderson 1986; Burrell and Morgan 1979; Krauss 2005), the methodological approach adopted depends on the fundamental ontological assumptions (Tadajewski 2004). Objectivism and subjectivism are often linked to two broad methodologies, with the objectivist paradigm being linked to quantitative research methods and the subjectivist paradigm being linked to qualitative research methods (Patton 1987). Quantitative research is often recommended from an objectivist standpoint as it allows the objectivist researcher to employ a highly structured methodology to facilitate replication, with emphasis on quantifiable observations that lend themselves to statistical analysis (Gill and Johnson 2009). On the other hand, the subjectivist focuses on qualitative research, subjectively trying to find a

deeper and broader understanding of the research subject (Denzin and Lincoln 1994; Krauss 2005). The role of the subjectivist is to seek and recognise the subjective reality of the subjects of study so as to get a meaningful understanding of their motives, actions, and intentions (Guba and Lincoln 2000). From a subjectivist standpoint, qualitative research is often recommended because qualitative research is often described as:

... multi-method in focus, involving an integrative, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them (Denzin and Lincoln 1994, p. 2).

Thus, while qualitative research is often associated with in-depth appreciation of human behaviour and the reasons that govern them, quantitative research is often concerned with statistical methods and hypotheses about natural phenomena where variables are observed and measured. This has resulted in an understanding of the qualitative approach as a means of theory generation and the quantitative approach as a means of theory testing (Anderson 1983; Deshpandé 1983). However, neither objectivist nor subjectivist researchers are bound to using any one methodology and Guba and Lincoln (1994, p. 15) argue that “both qualitative and quantitative methods may be used appropriately by any research paradigm ... [as] [q]uestions of method are secondary to questions of paradigm.” This understanding is important since robust knowledge construction is a product of selecting the appropriate mix of research techniques for the specific research context and the relative rigour with which each technique is employed (Cavaye 1996; Deetz 1996; Falconer and Mackay 1999).

Still, an examination of the largely unspoken epistemology of much of the research within marketing, management, and tourism displays the overwhelming influence of objectivism and the scientific method (Arndt 1985; Botterill 2001; Goulding 1999; Marsden and Littler 1996; Thompson et al.

1989).³ While this state of affairs has been criticised (Collett 1998; Foxall 1992; Lowe 2002; Morgan 1997; Morgan and Smircich 1980), there are several valid reasons for the widespread use of objectivism and the scientific method by social scientists.

The objectivist approach used in the social sciences

... involves the manipulation of theoretical propositions using *the rules of formal logic* and *the rules of hypothetico-deductive logic*, so that the theoretical propositions satisfy *the four requirements* of falsifiability, logical consistency, relative explanatory power, and survival (Lee 1991, p. 343-344, emphasis in original).

So one of the main reasons the objectivist approach is popular with management researchers is that the rules of formal logic gives researchers a powerful way in which they can relate their propositions to each other (Lee 1991). It also allows researchers to deduce new propositions because the rules of formal logic have two significant consequences for the development of a scientific explanation (Lee 1991). First, the process of logical deduction allows the researcher to elaborate consequences that are contained only implicitly in the explanation's opening premises, thus allowing for unanticipated discoveries. Second, the process of logical deduction means that any proposition that cannot be shown to be logically connected to, or logically leading from, the remaining propositions would be taken as baseless. Thus, using a objectivist approach can help the researcher to relate propositions to each other, deduce new propositions, and identify baseless propositions (Lee 1991).

Another important reason for the popularity of the objectivist approach is that the rules of hypothetico-deductive logic provides the researcher with a clear set of procedural rules with which to relate her propositions to the empirical

³ As noted by Smircich (1983), the use of a particular epistemology is often not a conscious choice, nor made explicit, but can be inferred from the way the phenomenon is approached, by discerning the underlying assumptions made by the researcher.

reality of interest (Lee 1991). The key idea behind hypothetico-deductive logic is that theorised phenomena have real, observable outcomes, even if the phenomena themselves are unobservable (Lee 1991). Therefore even if a theory is not directly verifiable because it refers to unobservable phenomena, it can still be tested indirectly by way of the observable outcomes (predictions or hypotheses) that are logically deducible from the theory (Lee 1991). In this way a theory can be said to have been ‘confirmed’ if it has survived a test of its hypotheses, although the theory can still be disproved by future tests (Saunders et al. 2009).

The objective of this research is to investigate the impact of individual-level cultural value orientation on the antecedents of service quality expectations. To achieve this, an objectivist perspective using a quantitative research approach was deemed most appropriate, with the researcher assuming the role of an objective analyst, gradually making detached analysis of data collected in an apparently value-free manner with the assumption that “the researcher is independent of and neither affected nor is affected by the subject of the research” (Remenyi et al. 2000, p. 33). This research uses objectivism and relies on a quantitative methodology, not because this tends to be the paradigm of choice for most marketing, management, and tourism researchers, but because this study intends to test a set of causal relationships between variables and to draw conclusions initially from the hypotheses set and then from the research propositions, which makes this approach appropriate. There is a range of methods available to the researcher wishing to undertake quantitative research. The discussion in the next section is limited to the approaches available to researchers undertaking research on cultural values orientation, with the final method(s) used in this research chosen from among these.

5.1.2 Methodological Approaches to Doing Cultural Value Research

It is widely recognised that if social science research is difficult in general, then social science studies concerned with cultural differences are all the more difficult (Cavusgil and Das 1997; Sekaran 1983; Soin and Scheytt 2006).

Fortunately, although there is no consensus on one ‘best’ way to study culture, much has been written about the appropriate ways (Adler 1983b; Arnould and Thompson 2005; Baskerville 2003; Schwartz and Bardi 2001; Soares et al. 2007; Trompenaars and Hampden-Turner 1997; Williamson 2002) and thus there are numerous approaches from which to choose. There are at least nine potential approaches to measuring culture that one might consider: (1) subjective culture studies, (2) human relations area files, (3) experiments, (4) ability, personality, and attitude tests, (5) observation of behaviour, (6) translations, (7) interviews and surveys, (8) content analyses, and (9) multi-method approaches (Bhawuk and Triandis 1996). Putting these approaches into Hofstede’s (2001) framework (a two-by-two matrix in which the horizontal axis represents either ‘natural’ or ‘provoked’ behaviour and the vertical axis represents ‘words’ or ‘deeds’) allows the researcher to better organise the strategies for operationalising the ‘culture’ constructs (Figure 5.2).

Figure 5.2: Four Approaches for Operationalising Cultural Constructs
(adapted from Bhawuk and Triandis [1996, p. 17] and Hofstede [2001, p. 5])

Behaviour	PROVOKED	NATURAL
WORDS	CELL ONE Questionnaires, Interviews, Projective tests (4) Ability, personality, and attitude tests, (7) Interviews and surveys	CELL TWO Content analysis of speeches, Discussions, Documents (6) Translations, (8) Content analyses
DEEDS	CELL THREE Laboratory experiments, Field experiments (3) Experiments	CELL FOUR Direct observation, Use of available descriptive statistics (1) Subjective culture studies, (2) Human relations area files, (5) Observation of behaviour

(9) Multi-method approaches

The first cell includes ‘provoked’ responses in ‘words’ and is typified by questionnaires such as ability, personality, and attitude tests. The second cell reflects ‘words’ in a ‘natural’ context such as content analysis of speeches and documents. The third cell contains ‘deeds’ that are provoked as in laboratory

experiments, while the fourth cell examines ‘deeds’ that are ‘natural,’ such as through direct observation of behaviour. Each approach has its particular strengths and weaknesses hence the emergence of multi-method approaches to triangulate results (Bhawuk and Triandis 1996; Davies and Fitchett 2004). The use of triangulation may overcome some of the limitations of each and increase both the generalisability and richness of the research (Jick 1979; Oppermann 2000) if the researcher can accept the increased cost, time, and effort required.

One way to narrow the options is to examine whether an emic or etic approach is most appropriate. Emic and etic approaches represent the culture-specific and culture-general approaches of conducting cross-cultural research, roughly speaking. Although the association between perspectives and methods is not absolute, etic and emic approaches traditionally have been associated with differing research methods (Berry 1989; Maheswaran and Shavitt 2000; Morris et al. 1999). Since emic research focuses on within-culture investigation (Berry 1989), methods in emic research are more likely to involve sustained, wide-ranging observation of a single cultural group. For example, Cell Four in Figure 5-2 represents the emic or ‘classic anthropological’ or culture-specific approaches. Emic approaches (represented by Cells Two and Four) such as ethnological studies, systematic observations, and content analyses tend to present problems of replicability and accuracy assessment (Creswell 2003; Javalgi et al. 2005). However, they have been used with interesting results, such as David McClelland’s use of content analysis in explicating achievement motivation (McClelland 1961).

In comparison, since etic research focuses on universal issues (Berry 1989), methods in etic research are more likely to involve brief, structured observations of several cultural groups. For example, Cell One is typical of the etic approach, with national-level paper-and-pencil surveys being an example of this approach. Etic approaches (represented by Cells One and Three) such as testing and questionnaires tend to be intrusive, and while these approaches may be high in internal validity (that is, be a valid measure of the construct),

external validity (representativeness) may be difficult to establish without a great deal of work (Creswell 2003). It is clear then that even though the two perspectives are defined in terms of theory rather than method, the perspectives tend to lend themselves to different sets of methods (Morris et al. 1999).

Faced with this research orientation dilemma, services marketing researchers in the past have used both approaches when investigating cross-cultural issues (Aaker and Maheswaran 1997; Aaker and Williams 1998; Alam 2006; Amine 2008; de Ruyter et al. 1999; Jamal 2003; Klein et al. 1998; Lee et al. 2007; Moon and Jain 2002; Murali et al. 2005b; Pan and Schmitt 1996; Schmitt et al. 1994). This seems to indicate that neither approach is inherently superior but instead it is the goals of the research and the environmental constraints that will influence the choice of approach (Bhawuk and Triandis 1996; Lee 2002; Morris et al. 1999; Schwartz and Ros 1995). This research takes an etic perspective on culture, which is congruent with the objectivist perspective taken and the use of quantitative methods. There are two main types of quantitative research design: experimental designs and non-experimental designs (Muijs 2004). Within non-experimental designs, Yin (2003) identified four main research strategies in social science research: surveys, archival analysis, histories, and case studies. Based on this, the appropriate methods for this research reside in Cells One and Three of Figure 5.2. Of these methods (ability, personality, and attitude tests, interviews and surveys, and experiments), experiments and surveys are the two types of quantitative research design that are most appropriate and most often used to investigate questions such as these in the literature (*cf.* Bitner 1990; Laroche et al. 2004, 2005; Lee et al 2007; Moon and Jain 2002; Murali et al. 2005a, b; Patterson et al. 2006; Schoefer 2010; Smith et al. 1999; Ueltschy et al. 2004).

The survey tends to be the dominant data collection tool in marketing and management research, particularly because many different types of information, including attitudinal, motivational, behavioural, and perceptive aspects, can be collected this way that cannot be collected by other means

(such as observation) (Gill and Johnson 2009; Groves et al. 2009; Sarantakos 2005). Additionally, surveys are a very good way of gathering data from a large number of people relatively easily (Saunders et al. 2009). Survey research designs are quite flexible and can therefore appear in a variety of forms, but all are characterised by the collection of data using standard questionnaire forms administered by telephone or face-to-face, by postal pencil-and-paper questionnaires, or increasingly by using web-based and e-mail forms (Saunders et al. 2009).

Surveys are generally believed to have superior generalisability and therefore greater external reliability because they are normally standardised and are based on actual marketing exchanges (David and Sutton 2004; Sarantakos 2005). Additionally, because they do not seek to manipulate variables, surveys can be used to examine a larger set of variables and so researchers wishing to test complex models with numerous factors generally use a survey approach (Bryman and Bell 2007). However, even when they are well designed, surveys are not without disadvantages. Generally cited is the fact that they depend on subjects' motivation, honesty, memory, and ability to respond (Bryman and Bell 2007; Krosnick 1999; Robson 2002). Even more important though is that researchers using the survey approach are unable to control extraneous factors (Gill and Johnson 2009).

Some of these can be overcome. For example, the anonymity and privacy of self-administered questionnaires encourage more candid and honest responses and in this case it is more likely that respondents were more honest than if, for example, an interview were conducted (Churchill and Iacobucci 2005). However, other problems arise with the use of self-administered questionnaires. Primarily, there is no one present to help respondents if they are having difficulty answering a question and respondents cannot ask for clarification. This can be largely tackled by using a pilot test because it allows the researcher to detect possible weaknesses in questionnaire design and allow,

for example, adjustments in wording to be made, ensuring that questions are not difficult to comprehend (Bell 2010; Sarantakos 2005).

While survey approaches dominate the literature and experimental designs tend to be dealt with only in basic terms in marketing research methods texts (*cf.* Gill and Johnson 2009; Robson 2002; Saunders et al. 2009), experimental designs have been utilised extensively in marketing and consumer behaviour research (Laroche et al. 2004b; Lee et al. 2007; Patterson et al. 2006; Smith et al. 1999; Ueltschy et al. 2004; Voss et al. 1998), particularly in service failure and recovery research (Bitner 1990; Grewal et al. 2008; Hess et al. 2003; Magnini et al. 2007; Smith and Bolton 1998; Smith et al. 1999). This approach has a long history among service quality and customer satisfaction researchers, for example Churchill and Surprenant (1982) used an experimental manipulation and mall intercept to investigate the determinants of customer satisfaction, Oliver and Bearden (1985) used a longitudinal experiment and a survey to investigate inferred and perceived disconfirmation and customer satisfaction, Oliver and DeSarbo (1988) used an experiment with scenarios to investigate the determinants of customer satisfaction, Bolton and Drew (1991a) used a quasi-experimental design to examine the impact of service changes on customer attitudes, Boulding et al. (1993) collected data through an experiment using computer-administered scenarios and a survey to test their dynamic model of service quality, and Spreng and Olshavsky (1993) collected data through an experiment to investigate expectations standards. This approach remains popular and more recently Laroche et al. (2004b) have used an experimental design to examine the influence of culture on the measurement of service quality and customer satisfaction, Patterson and his colleagues used experiments to examine service quality recovery and the moderating effect of individual-level cultural value orientation on perceptions of justice (Patterson et al. 2006) as well as the impact of cultural orientation and familiarity in service encounter evaluations (Patterson and Mattila 2008b), and Ueltschy and colleagues employed this technique to examine the cross-cultural invariance of measures of satisfaction and service quality (Ueltschy et al. 2004) as well as in

examining professional service quality perceptions and customer satisfaction in Asian cultures (Ueltschy et al. 2009).

The experimental approach is very useful as it allows the researcher to test causal relationships among variables and incorporate a more representative sample of service encounters and customer responses than can be achieved using recall-based designs, such as the critical incident technique (Leung et al. 2005; Smith and Bolton 1998; Smith et al. 1999). This approach is also useful for exploring complex constructs that are not easily operationalised in a real-world setting (Alford and Sherrell 1996; Coolican 2009) and it allows researchers to control the level of the factor exposed and offers the control necessary to eliminate confounding factors (Leung et al. 2005; Szymanski and Henard 2001). However, this degree of control can be a potential weakness for experiments because, by controlling features of the subject's environments the researcher may create too artificial an environment, which means that internal validity is likely to be high but the findings only apply under such rigid, non-real world conditions, limiting external validity (Coolican 2009).

A second weakness of experiments is that some questions for ethical or technical reasons cannot be studied using an experiment, such as the managerial undesirability of deliberately imposing service failures on customers (Coolican 2009). This can be overcome by conducting experiments using role-play (scenario), as employed by several recent studies in consumer behaviour (Bitner 1990; Smith and Bolton 1998; Smith et al. 1999; Yen et al. 2004). Scenarios are advantageous in that they remove some of the difficulties associated with observation or enactment of service incidents in field experiments, such as the time and expense involved (because of low incidence rates) and ethical considerations (Hess et al. 2003; Smith and Bolton 1998). This points to the main advantages of using scenarios, which is that expensive or difficult manipulations can be more easily operationalised, it gives the researcher more control over otherwise unmanageable variables, and allows time to be compressed by summarising 'real life' events that are likely to take

place over an extended period of time (Coolican 2009; Leung et al. 2005; Magnini et al. 2007). Additionally, the use of scenarios reduces biases from memory lapses, rationalisation tendencies, and consistency factors, which tend to be common in self-reports such as surveys (Grewal et al. 2008; Smith et al. 1999). The primary disadvantages are a possibly greater likelihood of demand effects if subjects can guess the hypotheses of the study and the possible inability of subjects to project their behaviour and to respond as they actually would in a real situation (Coolican 2009).⁴

Like all research methods, surveys and experiments have strengths and weaknesses as outlined above and since there is usually no one ‘correct’ approach for a given problem, the method of data analysis should be dictated by the nature of the research question and the manner in which data are collected (Robson 2002). For this research, an experimental design was chosen as this approach better facilitates a convincing test of the hypotheses set out in the previous chapter and “is more likely than other methods to demonstrate a relatively unambiguous connection between cause and effect” (Coolican 2009, p. 56).

The way in which experiments are undertaken in this research, and in the service failure and recover literature especially, can in some ways be described as multi-method as a lengthy survey instrument is almost always used to capture attitudinal and behavioural information such as service quality assessments and behavioural intentions data. This allows the researcher to benefit from triangulation, where an experimental design affords the researcher more control of the stimuli and extraneous factors than possible using a ‘pure’ survey method, while the survey(s) incorporated into the experiment allows the researcher to investigate a larger set of variables. For example, it is not uncommon for researchers using an experimental design to use this approach

⁴ Demand characteristics refers to an experimental artefact where participants develop their own interpretation of the experiment’s purpose and unconsciously adjust their behaviour to suit this interpretation (Coolican 2009).

to measure customer satisfaction, service quality, attributions of failure, behavioural intentions, and cultural orientation (Bitner 1990; Laroche et al. 2004b; Namasivayam and Hinkin 2003; Patterson et al. 2006; Smith and Bolton 1998; Smith et al. 1999; Ueltschy et al. 2004). Additionally, the use of an experimental design means that survey responses should not be based on memory, but since they are still self-reports the method still suffers from problems with motivation, honesty, and ability to respond.

The assumption underlying this pluralism is that each type of research methodology has an inherent, but not identical, bias or weakness. Accordingly, when several methods are used conjointly, the bias inherent in one method may be negated by the bias introduced by another (Blaikie 1991; Jick 1979). The next section outlines how the research was designed.

5.2 Research Design

The research design is described as “the framework or plan for a study, used as a guide to collect and analyse data. It is the blueprint that is followed to complete a study” (Churchill and Iacobucci 2005, p. 74). This research adopts a quantitative approach utilising experimental scenarios/advertisements and structured questionnaires, with an objective of testing the hypotheses and propositions presented in Chapter 4.

The research design is organised into three sections. The first section discusses how the manipulations were developed. The second section elaborates on the manipulation checks carried out to assess if the relevant stimuli have been adequately depicted in the manipulations and to determine whether the layout of the survey instrument for the main experiment was perceived by respondents as easy to complete. The final section discusses the web survey design.

5.2.1 Developing the Manipulations

Stage one of the research design process involved designing the manipulations. As outlined in Chapter 1, the context examined in this research is tourism, and hotel services are specifically being examined. The aim was to develop five 1×2 manipulations of the five manipulated independent variables: (1) past experience with a hotel, (2) eWOM about a hotel, (3) explicit promises from a hotel via its advertising, and implicit promise made through (4) the price and (5) the image (external rating) of the hotel. Subjects were assigned randomly to one of the ten conditions (Table 5.1). For analysis purposes the appropriate independent measure (individual value orientation) will be used in a median split resulting in five separate 2×2 designs.

Table 5.1: Manipulations		
Manipulation	Good/High	Bad/Low
1. Past experience	a	b
2. Word-of-mouth	a	b
3. Explicit promises presented in ad	a	b
4. Implicit promises presented in price	a	b
5. Implicit promises presented by firm image	a	b

When manipulating an independent variable, it is optimal to manipulate it in a ‘present versus absent’ fashion but sometimes manipulating ‘high versus low’ (such as success versus failure) is also acceptable (McQueen and Knussen 2006). Recent services marketing research tends to manipulate the independent variable in a ‘high versus low’ fashion. For example, within the service recovery literature, Bitner (1990) used a mixture of ‘present-absent’ and ‘high-low’ to test the effect of physical surroundings and employee responses on attributions and satisfaction, Smith et al. (1999) examined outcome and process failure and manipulated each failure using ‘high and low,’ and Patterson et al. (2006) used ‘high versus low’ in manipulating their independent variables (status of employee and cognitive control). In this research the independent variables were manipulated in a high versus low fashion.

Scenario-based Manipulations

Past experience and word-of-mouth (Manipulations 1 and 2) were manipulated using scenarios, while explicit service promises (present in advertising) and implicit service promises (present in price and firm image) (Manipulations 3 to 5) were manipulated pictorially. As outlined in Section 5.1, scenarios are quite useful in operationalising service incidents (Bitner 1990; Grewal et al. 2008; Hess et al. 2003; Smith and Bolton 1998). Similarly, previous research indicates that photographs can easily portray service environments, with ‘simulated’ service environments producing effects similar to ‘actual’ service environments (Bateson and Hui 1992; Stamps 1990). Pictorial depictions have been used by many researchers, such as Bitner (1990) who used pictures to depict neat versus untidy travel agents’ offices in her investigation of the impact of physical surroundings on customers’ evaluation of the service encounter. In this section the development of the two scenarios (to manipulate past experience and word-of-mouth) are first described and then the development of the ads used to manipulate the other three antecedents of expectations (explicit service promises in advertising and implicit service promises in price and firm image) is described.

For the first manipulation the researcher needed to develop two stories describing a positive and a negative past visit to a hotel. For the second manipulation the researcher needed to develop a good review and a poor review by a previous customer of a hotel that the subject would be told they are looking to visit. The scenarios were developed in three stages: review of the literature on the key elements of hotel service quality, close examination of several travel review websites and hotel websites, and undertaking a few informal interviews with persons that had recent experiences with hotel services. The literature review consisted of an examination of the services marketing literature in general and the tourism literature specifically to determine the elements that research has shown to affect hotel service quality.

As outlined in Section 2.1.1, the prevailing paradigm in the service quality literature views service quality as an affective response to one's perception of the series of attributes that comprise a service performance (Parasuraman et al. 1988, 1991a). Implicit in this is the assumption that people can remember the numerous and varied service experiences through the entire duration of a service consumption encounter – which may be a 30 minute service interaction (Price et al. 1995) or a complete hotel stay of several days (Bitner et al. 1994) – and somehow combine these to form retrospective reports of their affective response (Cowley et al. 2005; Parasuraman et al. 1991a).

Investigations of the service literature show that there are distinct 'objects' in the service system that may be evaluated along unique attribute dimensions (Danaher and Mattsson 1994a; Singh 1991). This means that service encounters can be broken down into a number of individual and sequential stages that together or separately influence consumers' overall evaluation of the service (Danaher and Mattsson 1994a, b; de Ruyter et al. 1997; Jiang and Rosenbloom 2005). Techniques such as service blueprinting and service mapping (Bitner et al. 2008; Fliefl and Kleinaltenkamp 2004; Roberts and Wanveer 1994; Shostack 1982, 1987) visually depict service processes as flowcharts of interrelated activities from the customer's point of view and are therefore useful for identifying customers' needs and expectations within the hotel's subsystems (Erto and Vanacore 2002; Johnston 1999). In the tourism literature, Danaher and Mattsson (1994b) model an actual hotel service delivery process as five service encounters: check-in, room, restaurant, breakfast, and check-out. Later, Erto and Vanacore (2002) presented an evaluation of both the logical structure employed to produce the hotel service and its main characteristics, dividing the hotel system into five identifiable subsystems: reception, room, bathroom, restaurant, and support services. In this research, the scenarios were written around five hotel sub-systems: (1) reception/check-in, (2) room and bathroom, (3) restaurant, (4) support services, and (5) check-out.

The next step was to identify satisfying and dissatisfying elements within each of these subsystems, as these would be expected to lead to evaluations of high versus low service quality. In their investigation of satisfying and dissatisfying incidents, Bitner et al. (1990) found that three broad groups of employee behaviours accounted for both types of incidents:

1. Employee response to service delivery system failures, which included response to unavailable service, unreasonably slow service, and other core service failures;
2. Employee response to customer needs and requests, which included responses to 'special needs,' customer preferences, admitted customer errors, and potentially disruptive others; and,
3. Unprompted and unsolicited employee actions, which included personal attention to customers, out-of-the-ordinary behaviour, behaviour within cultural norms, gestalt evaluation, and performance under adverse conditions.

Overall their research, undertaken with data from the hotel, restaurant, and airline industries, indicated that pleasant and unpleasant surprises, perceived customisation of the service received, and the ability and willingness of the employees to rectify failures of core services such as the hotel room or the restaurant service, contribute to satisfying or dissatisfying incidents (Bitner 1990). These findings are supported by later work that proposed that customers' needs and expectations can be divided into (Erto and Vanacore 2002; Rust et al. 1994):

- *Must-have quality elements*, which often go unnoticed by most customers but that fulfil basic expectations and therefore their absence is extremely dissatisfying;
- *One-dimensional quality elements*, which customers generally mention as desirable or determinant in their choice of a service; and,

- *Attractive quality elements*, which would not cause customer dissatisfaction if absent but would surprise and delight customers if present.

Aspects of the basic hotel product have been ranked as most important across the research in this area and cleanliness in particular has often placed as most important (Callan and Bowman 2000; Knutson 1988; Lockyer 2002; Shanahan and Hyman 2007; Weaver and McCleary 1991; Weaver and Oh 1993; Wilensky and Buttle 1988). After cleanliness, other aspects of the core hotel product such as comfortable beds and rooms and good quality towels were ranked highly (Knutson 1988; Qu et al. 2000; Shanahan and Hyman 2007; Weaver and McCleary 1991; Weaver and Oh 1993). Additional aspects of the hotel that were reported as important for hotel selection included quality staff and service, safety and security, added value extras such as free newspapers and cable TV (Griffin et al. 1997; Knutson 1988; Lockyer 2002; Qu et al. 2000; Shanahan and Hyman 2007; Weaver and McCleary 1991; Weaver and Oh 1993; Wilensky and Buttle 1988).

Erto and Vanacore (2002) applied their model in five small hotels and found that (1) a warm welcome, (2) cleanliness, (3) attractiveness, (4) punctual service, and (5) food choice were the main customer requirements about the restaurant service. Similarly Danaher and Mattsson (1994b) highlighted the following elements as being important for satisfying hotel encounters:

1. Check-in: nice treatment, quick check-in (was the receptionist efficient, long wait in line), and correct booking;
2. Room: cosy room (atmosphere), useful furniture and equipment, and value for money;
3. Restaurant: fine atmosphere, good food, and value for money;
4. Breakfast: calm atmosphere, abundant and easy to get food, and good selection of food; and,
5. Check-out: nice treatment, quick check-out, and correct bill.

Within each of these subsystems both satisfying and dissatisfying elements were chosen to include in the good versus poor past experience and eWOM scenarios, respectively.

The second step in developing the manipulations consisted of additional secondary data collection, this time via travel review websites, such as *tripadvisor.com* (discussed in Section 2.3.2). In addition to these ‘independent’ travel reviews, almost all electronic travel agency sites, such as *hotels.com*, now offer web pages that feature customer reviews of the products they distribute. As previously noted, these sites offer numerous first-hand commentaries and ratings posted by travellers assessing, discussing, and dissecting hotels and restaurants in major cities and resorts worldwide. And consumers are increasingly sharing their hospitality and tourism opinions online as more travellers are using the Internet to seek destination information and to conduct transactions online (Buttle 1998; Chen and Xie 2008; Hennig-Thurau et al. 2004; Höpken et al. 2009; Klein and Ford 2003; Peterson and Merino 2003; Schindler and Bickart 2005; Senecal and Nantel 2004). This means that there is a lot of information relating to what customers are actually looking for contained in these websites and because eWOM exists in online ‘space’ that can be accessed, linked, and searched (Litvin et al. 2008), this made it easy to access this data.

The purpose of examining these websites was two-fold. First, on these websites, data were collected regarding what customers were saying, what made them rate certain experiences as good and others as poor, and the kinds of things customers seemed to be seeking. Information from all these websites was used to inform the creation of all the manipulations. Information was gathered on both highly rated hotels as well as those that were not so highly rated. From research on these websites, it was found that:

- *Must-have quality elements* include hot water to shower, a functioning air conditioning system, punctual service at the restaurant, and cleanliness;

- *One-dimensional quality elements* include friendly staff and good food; and,
- *Attractive quality elements* include a wide choice of dishes at the restaurant, a wide range of available activities (such as water sports and land sports), and many amenities (such as a spa).

Second, *tripadvisor.com*, as an entire site devoted to travel reviews from customers, was used as the primary model for the WOM scenario. This was all a part of making the scenarios (1) ones that were familiar and (2) realistic (Bitner 1990; Voss et al. 1998), contributing to external validity. The role-playing method used for these manipulations was chosen to enhance internal and statistical conclusion validity by increasing control over the manipulated variables and reducing random ‘noise’ in the experimental setting (Coolican 2009). This is accomplished somewhat at the expense of external validity, although the use of realistic, believable hotel stays/hotel reviews describing a situation most guests might experience (or actually have experienced) gave the study a reasonable degree of experimental and mundane realism (Bitner 1990).

Websites of hotels located in the Caribbean were examined (since an ‘island vacation’ was the specific service scenario being used in the manipulations) to see what they offered and how that offering was typically presented to potential customers. A key resource was Sandals Resorts, a chain of Caribbean all-inclusive hotels located on “some of the world’s most exquisite beaches in Jamaica, St. Lucia, Antigua, and the Bahamas” (www.sandals.com). Sandals Resorts’ ads were used as a model for an excellent advertisement (that is, one with many service promises). The reviews of this hotel chain were also useful. For example, Sandals Negril Beach Resort and Spa had 1,088 Reviews on *tripadvisor.com* up to 23 September 2009, with 87% of the reviewers rating the property excellent (64%) and very good (23%).

The literature review and secondary data collection on the Internet were supported by a three informal interviews conducted with post-graduate

students who had recently stayed in hotels in the UK and abroad. The interviewees were asked to describe their stay at the last hotel they visited for at least one night and to highlight any good or bad elements. In support of the literature, must-have elements were generally only mentioned when they were missing, attractive elements were only mentioned when they were present, and one-dimensional elements (the core service) took up the bulk of the descriptions of satisfying and dissatisfying experiences.

These data were refined onto a more detailed list of specific inputs for each antecedent, from which the research could draw when operationalising the scenarios:

1. Reception: nice treatment, quick check-in, and correct booking;
2. Room and bathroom: cosy room (atmosphere) and hot water available;
3. Restaurant: fine atmosphere, good food, value for money, and good selection of food;
4. Support services: wake up call and spa; and,
5. Check-out: nice treatment, quick check-out, and correct bill.

Finally, while the positive and negative scenarios needed to be similar and address all the elements identified, they were not identical (see Appendix 1 for the final scenarios used). Since customers' expectations are not directly related to the basic (must-have) service quality elements, that is, the customer notices only their deficiency, these elements were primarily manipulated in the negative service experience scenario (since their absence seemed to easily lead to disgruntlement). For example, in the poor past experience scenario, the following sentence was included: "You decided to take a shower before dinner but had problems because the water pressure was low and the hot water did not work." In the good past experience scenario made no mention of the water pressure and the following sentence was used instead: "The hot water in the cool bathroom was lovely."

Unlike must-have elements, customer expectations seem to be directly related to the one-dimensional quality elements and therefore the performance of these quality elements is the level to which customer's expectations are met or exceeded (Erto and Vanacore 2002). For this reason, these quality elements were manipulated in all the scenarios. For example, friendly staff is a core service requirement and is manipulated differently in the good eWOM scenario ("Staff is very friendly and usually goes out of their way to ensure you're happy and enjoying your stay") and the poor eWOM scenario ("The staff on my two-night stay from check-in, to bell stand, concierge, wait staff, and bartenders were extremely rude and arrogant"). Lastly, the presence of attractive quality elements is expected to delight the customer (given that, obviously her expectations are already met or exceeded). Therefore, these elements were primarily manipulated in the positive service experience scenario. For example, the availability of a spa is seen as an attractive element and this is mentioned in the good eWOM scenario ("excellent spa with very good service") but not in the poor eWOM scenario. Alternatively, a wide menu selection is also an attractive element, and this was mentioned in both the good past experience scenario ("the menu offered a wide selection of dishes, including several vegetarian options") and the poor past experience scenario ("the menu selection was limited"). This resulted in the scenarios not being mirror images of each other, but instead included the items that were most related to satisfying and dissatisfying hotel experiences.

Pictorial Manipulations

For the final three manipulated independent variables advertisements (ads) were used and so the researcher needed to develop six ads representing a hotel ad with many/few service promises, high/low price, and good/bad firm image. Six different advertisements were created by a graphic artist using a uniform layout and design (see Appendix 1 for the final six ads used). The data collected in developing the scenarios were used in creating the ads as well.

One ad with many service promises was first developed. From this two separate ads were developed: a fully glossy informative ad (many explicit service promises) and a shoddily produced ad with little information (few explicit service promises). Sandal Resorts' ads were used as the template for this. Service promises covered many of the elements above: "staff's easy going warmth," "some of the most sumptuous accommodations imaginable", "mouth-watering international cooking," and scuba diving and state-of-the-art rock climbing wall and two spas. To manipulate an ad with few explicit promises, a shoddy/grainy ad was used with only "located on the world's most exotic islands" as the promise. For the price and firm image manipulations, the ad with many service promises was used with high versus low price being manipulated by adding a high or low price to the corner of the ad, or adding a signal of high reputation ("voted the world's best at the world travel show 2004-2008") or low reputation (two stars) to the ad. These manipulations were checked for cross-cultural equivalence for the manipulation checks.

Cross-Cultural Equivalence

A fundamental consideration of cross-cultural research is that of establishing equivalence, which calls for the researcher to establish whether the construct under study is interpreted similarly across respondents (Smith and Reynolds 2001; Ueltschy et al. 2004; Winsted 1997). In this research, several steps were taken to ensure that the data could be compared meaningfully across the cultural groups. In particular, it was important to ensure that (1) the same constructs were being measured across respondents in the sample and (2) equivalent procedures were followed when the experiments were administered so that respondents were all exposed to 'psychologically equivalent stimuli' (Patterson et al. 2006). To ensure that these goals were fulfilled, construct equivalence and instrument equivalence had to be established.

Construct equivalence means that the behaviour, product, or idea to be investigated must exist in all of the cultures under consideration and must be meaningful in those cultures (Smith and Reynolds 2001). For construct

equivalence to be achieved, functional, conceptual, and category equivalence all have to be achieved. Functional equivalence exists when similar activities/products have similar functions in different cultural settings, conceptual equivalence refers to the comparability of the meaning of the behaviour being researched, and category equivalence refers to the category in which objects, stimuli, and behaviours are grouped (Smith and Reynolds 2001). The construct equivalence of the scales is discussed in Section 5.3 below.

Instrument equivalence involves ensuring that the instrument used measures the same phenomenon uniformly in the cultures studied. The first element is item equivalence, which tries to ensure that every item of the instrument is measured equally across the cultures being studied, that is, using the same questions to measure the needed item (Bhalla and Lynn 1987; Hui and Triandis 1985; Malhotra et al. 1996; Reynolds and Smith 2010). In this research, this was established in the preliminary stage in which the manipulations were checked (described in Section 5.2.2) and based on the literature on the equivalence of the measured variables (Sin et al. 1999; Smith and Reynolds 2001). Translation equivalence ensures that the wording of the instrument means the same thing to respondents in every culture studied (Craig and Douglas 2000; Reynolds and Smith 2010). The research instruments were not translated in this research and all instruments were administered in English, a language with which all respondents were familiar. Knowledge of English is extremely widespread throughout the world, especially among the segment of consumers whose behaviour is being explored in Section 5.4. This decision also made it possible to avoid the potential problems of translation-based differences in the questionnaire (Douglas and Craig 1984; Taras et al. 2009).

While the entire process was in English, it was acknowledged that not all of the respondents would be native English speakers and so the research still followed the rules designed to result in clean translations of the response instrument (Werner and Campbell 1970). This meant:

1. Simple sentences and phrases were used;
2. The use of pronouns was avoided and nouns were repeated as necessary;
3. Metaphors and colloquialisms were avoided;
4. The use of the English passive tense was avoided; and,
5. Hypothetical phrases and subjunctive mood were avoided.

The next section discusses how the manipulations were checked.

5.2.2 Checking the Manipulations

The second stage in the research design is the manipulation check, which is performed to ensure the efficiency of the scenarios/advertisements, making sure that the manipulations work in the way that they are expected to work. In order to draw valid conclusions about an experiment, the manipulation has to work as intended and it is the manipulation check that signals whether the experimental manipulation worked or not (Breakwell and Rose 2007). Thus manipulation checks of the four experimental scenarios and the six experimental ads displayed in Appendix 1 were carried out to ensure that the appropriate elements in each group have been properly conveyed to the recipients, and to identify the existence of any potential issues.

The manipulation check/piloting of the instrument took place in three stages. The instrument should first be reviewed by a group of experts who are knowledgeable about the theory that is going to be tested and the general methodology used in the study and so the first stage consisted of an academic pilot (Bagozzi 1996). During the academic piloting the manipulations were revised several times based on the evaluations of two experts (marketing scholars). The evaluations included assessments of the manipulations for clarity, appropriateness, and length. Once the manipulations were deemed satisfactory, two pilot tests with potential hotel consumers were undertaken.

The first pilot test involved the administration of the measurement instrument to a sample of undergraduate and postgraduate students. This included pretests of the five scenarios and evaluations of the final measurement instrument for clarity, ease of understanding, and length. Respondents were asked to read the scenario/examine the stimuli, and then answer a series of questions. As noted, internal validity is often achieved at the expense of external validity (Coolican 2009) but realistic, believable scenarios/ads could counteract this (Bitner 1990). When designing the scenarios, the goal was to design scenarios/advertising whose service evaluations would be significantly different between those scenarios/advertising that were meant to exhibit opposite forms of each antecedent (that is, positive versus negative). In line with this the pilot was performed to answer several questions regarding the proposed scenarios and to determine if they could be improved upon. First, were the descriptions of the hotel experience realistic and believable? Second, would subjects evaluate the past experience description and the hotel review as either positive or negative as envisioned in each scenario? And finally, were there any important quality determinants for hotel services that might have been left out of the proposed scenarios or the descriptions given in the ads? Examples of the manipulation checks undertaken are presented in Appendix 2.

Data for the first pilot were collected from undergraduate and postgraduate students in class. A total of 120 self-completion questionnaires were distributed to one undergraduate and two post-graduate classes of students. 91 usable questionnaires were collected, with the sample consisting of 48 females and 43 males, 58 undergraduates and 33 postgraduates. Checks of the manipulations revealed that subjects perceived the five manipulated independent variables as intended, each showing significant differences at the $p=.05$ level or higher. Subjects were also asked how believable and how realistic the manipulations were, with corresponding 7-point Likert statements (not at all believable/very believable; not at all realistic/very realistic) as done by researchers such as Bitner (1990) and Voss et al. (1998). For all manipulations, subjects were also asked to list the one most unrealistic aspect. For the scenario-based manipulations, subjects were also asked to provide a list

of any other quality inputs that were important to them, but that were not mentioned in the scenarios. Believability and realism ratings of the scenarios ranged from 2.3 to 4.95. T-tests on the believability and realism items within the manipulations (using 4 as the mid-point test value) revealed two ratings that were significantly different than 4. Manipulation 1a (mean = 4.95; $p=.02$) was more believable than the remaining scenarios, and Manipulation 1b (mean = 2.3; $p=.003$) was less realistic than the remaining scenarios.

A final piloting of the entire instrument was necessary because data would be collected via the Internet (discussed in Section 5.2.3). This was a ‘technical’ pilot to minimise technical difficulties (Couper et al. 2001; Deutschens et al. 2004; Dillman 2007; Fricker 2008; Wright 2005) and so the responses to the questions were not analysed. Instead the aim was to test the questionnaire on as many different web browsers as possible prior to launch to ensure that elements such as random allocation of the conditions and skip logic work as they are supposed to work. Thus friends and colleagues with different browsers and different connection speeds were asked to complete the survey and feedback before deploying it. The next section discusses how the survey used to collect the service quality expectations and the cultural value orientation data were designed for use on the Internet.

5.2.3 Web Survey Design

The Internet offers great methodological potential and versatility that has added much to the potential of survey research generally (Best and Krueger 2004; Fleming and Bowden 2009; Fricker and Schonlau 2002; Olsen 2009; Vehovar and Lozar Manfreda 2008). The administration of questionnaires via the Internet can offer distinct advantages (Ilieva et al. 2002; Simsek and Veiga 2000). First, they can enable the researcher to contact a geographically dispersed population and so can be useful in internationalising research (Dillman et al. 2009; Wright 2005), which is particularly useful in comparative consumer behaviour research (Coomber 1997). Second, using online questionnaires enables the researcher to collect large volumes of data quickly

and at low cost (Couper et al. 2001; Fleming and Bowden 2009; Ilieva et al. 2002; Simsek and Veiga 2000), providing an alternative to postal, face-to-face, and telephone surveys, particularly when an all-electronic process is used and for specialised populations, such as the sample of university students used here (Fricker and Schonlau 2002). Finally, the administration of questionnaires via the Internet can enhance the effectiveness of research because it is generally agreed that online questionnaires can provide a superior questionnaire interface compared to onsite surveys, as it is possible to make them more user friendly and attractive (Dillman et al. 2009; Wright 2005). Additionally, other features that were once restricted to more expensive interviewer-assisted modes, such as automatic branching and real-time randomisation of survey questions and/or answers, can be incorporated into self-administered Web surveys (Dillman et al. 2009; Fricker and Schonlau 2002; Wright 2005). Automatic branching was employed in this research in the demographics data questions and randomisation was used to assign students randomly to one of the ten conditions.

Researchers have reported that identified survey mode effects were not statistically significant and that collecting data via the Internet yielded similar results to the data collected by traditional mail surveys (Fleming and Bowden 2009; Ganassali 2008; Olsen 2009; Schonlau et al. 2002; Tuten et al. 2002). However, in reviewing the literature, Web-only research surveys have currently only achieved fairly modest response rates (Fricker and Schonlau 2002; Hudson et al. 2004). Still, while there is little evidence in the literature that Web surveys achieve higher response rates than conventional surveys as a general rule, there are several examples of Web surveys outperforming mail for some specific populations, such as university-based populations (Couper et al. 2001; Fricker and Schonlau 2002; McCabe et al. 2002; Pealer et al. 2001). Fricker and Schonlau (2002) noted that the potential survey participants that were university students were likely to be more homogeneous and more disposed to respond compared to a random sample of the general population, which are two traits deemed useful for this research. In addition, university populations often tend to have greater access to the Internet and today's

university students can be expected to be more computer- and Internet-savvy. The next section discusses the measurement instrument in detail.

5.3 Measures and Measurement Instruments

The survey portion of the research was divided into several three sections relating to:

1. Demographics;
2. Consumers' predicted expectations concerning the hypothetical hotel described/represented in the manipulations; and,
3. Consumers' cultural value orientation.

As noted, the survey instrument was in English as this is the medium of instruction for the students who participated in the survey. All scales used in the final instrument were taken from the current literature, and are generally considered to be psychometrically sound measures of the constructs investigated in this study. Still, prior to administration, a pre-test was conducted, after which minor changes were made to the wording of several items to make them applicable to the hotel setting. And to accomplish consistency throughout the questionnaire, some of the scales were modified slightly from their original form as outlined below.

Demographics

To ensure the achievement of matched samples (discussed in Section 5.4), respondents were asked to provide basic demographic information such as age, ethnicity, sex, year in university, and degree being pursued (Appendix 3). In addition to standard demographic information, data were gathered relating to nationality, country of residence and length of residence, country of birth, and mother tongue(s). Data were collected on country of birth as well as country of citizenship since the literature has shown that virtually all of the cultural dimensions of interest are learned by the age of 10 years and remain relatively

stable over the remaining life span (Hofstede 1991). These demographic items were located at the start of the survey as recommended for online questionnaires (Crawford et al. 2001; Frick et al. 2001; Fricker 2008; Vehovar and Lozar Manfreda 2008).

Dependent Variables

The dependent variables in this study were the service quality expectation measures. The expectations portion of the SERVQUAL scale was employed in this research, which has been used extensively as outlined in Section 2.1.2. In line with the recommendation that researchers adapt, delete, or add items as required to capture the service quality construct in a specific industry (Carman 1990; Taylor et al. 1993), the question on convenient opening hours was removed as it is not applicable to the hotel setting. This left 21 questions as outlined in Table 5.2 (below). The responses were measured using a seven-point scale ranging from 1=Strongly disagree to 7=Strongly agree to assess predicted service quality expectations.

In terms of construct equivalence, one way in which researchers have defined this operationally as measurement invariance. According to Steenkamp and Baumgartner (1998, p. 78), measurement invariance assesses whether “cross-national differences in scale means might be due to true differences between countries on the underlying construct or due to systematic biases in the way people from different countries respond to certain items.” This can be measured using exploratory factor analysis in which case the research would be seeking to determine factorial invariance, which “implies that a construct is equivalent across cultural groups if the factor loadings of the items on the latent factor are invariant across cultural groups” (Welkenhuysen-Gybels and van de Vijver 2001, p. 1). Using this method Kilbourne et al. (2004) investigated the applicability of the SERVQUAL instrument in measuring residents’ perceptions of long-term healthcare service quality in the USA and the UK and reported a stable, four-factor structure that is invariant across the countries investigated.

Table 5.2: SERVQUAL Items for Predicted Service Expectations**Tangibles**

1. Hamilton Beach Hotel will have modern equipment and technology.
2. Hamilton Beach Hotel's physical facilities will be physically appealing.
3. Hamilton Beach Hotel's employees will be neat and professional.
4. The appearance of the material associated with Hamilton Beach Hotel will be visually appealing.

Reliability

5. When Hamilton Beach Hotel promises to do something by a certain time, they will do so.
6. When you have a problem, Hamilton Beach Hotel will have a sincere interest in dealing with it.
7. Hamilton Beach Hotel will get things right the first time.
8. Hamilton Beach Hotel will provide its services at the time it promises to do so.
9. Hamilton Beach Hotel will ensure its records are accurate.

Responsiveness

10. Hamilton Beach Hotel's employees will be able to tell you exactly when services will be performed.
11. You will be able to expect prompt service from Hamilton Beach Hotel.
12. Hamilton Beach Hotel's staff will always be willing to help you.
13. Hamilton Beach Hotel's staff will never be too busy to respond to your requests.

Assurance

14. The behaviour of Hamilton Beach Hotel's staff will instil confidence in you.
15. You will feel safe in your dealings with Hamilton Beach Hotel.
16. Hamilton Beach Hotel's will always be polite to you.
17. Hamilton Beach Hotel's staff will have enough knowledge to answer your questions.

Empathy

18. Hamilton Beach Hotel's staff will always give you individual attention.
19. Hamilton Beach Hotel's staff will always give you personal attention.
20. Hamilton Beach Hotel's staff will understand your specific needs.
21. Hamilton Beach Hotel will have your best interests at heart.

Another method is to use structural equation modelling to assess the covariances and means of the items to determine measurement invariance (Steenkamp and Baumgartner (1998). Full measurement invariance is considered an ideal that is scientifically unrealistic (Horn 1991) and so partial measurement invariance as been proposed as a compromise by Byrne et al. (1989), who argued that substantive analyses, such as comparisons of factor means, can still be meaningful if the instrument has partial measurement invariance. Multisample analysis using structural equation modelling on the performance-only items of the SERVQUAL scale allowed Espinoza (1999) to assess the measurement invariance of SERVQUAL in Quebec and Peru. The results from this research supported the partial invariance of the measurement model in the two samples. Similarly Patterson et al. (2006) established measurement invariance of the full SERVQUAL scale in their samples taken

from Australia and Thailand. These results indicate that the SERVQUAL scale can be used across cultures to compare service quality expectations while at the same time still incorporating significant variance to allow the researcher to infer inter-cultural differences (McArthur 2007).

Measured Independent Variables

The measured independent variables were the five individual-level cultural value orientation variables. These were operationalised in this research using Yoo and Donthu's (2002) 26-item five-dimensional Cultural Values Scale (CVSCALE).⁵ This scale is applicable to general consumer situations, has adequate psychometric properties (Donthu and Yoo 1998; Lenartowicz and Roth 2001), and has previously been used successfully to capture Hofstede's (1991) five cultural dimensions at an individual level (Donthu and Yoo 1998; Kueh and Voon 2007; Patterson et al. 2006; Prasongsukarn 2009; Schoefer 2010; Yoo and Donthu 2005).

In the instrument presented by Yoo and Donthu (2002), the cultural values items for Power Distance, Collectivism, Masculinity, and Uncertainty Avoidance were evaluated on a 7-point Likert scale anchored as 1=Strongly disagree and 7=Strongly agree while the Long-term Orientation items were evaluated as 1=Strongly unimportant and 7=Strongly important. In this research, the Long-term Orientation items are reworded and evaluated on a 7-point Likert scale anchored as 1=Strongly disagree and 7=Strongly agree along with the other questions in this section (Table 5.3 below)

Yoo and Donthu's (2002) 26-item scale displayed adequate psychometric properties and displayed meaningful relationships with relevant variables. Specifically, the reliability of the five dimensions of the scale ranged from 0.67 to 0.76 for the pooled data. The scale consists of five items for Power Distance

⁵ The development of this scale is discussed in detail in a previously unpublished article by Yoo, Donthu, and Lenartowicz, now forthcoming in *Journal of International Consumer Marketing* (2011).

($\alpha = .86$), six items for collectivism ($\alpha = .83$), five items for Uncertainty Avoidance ($\alpha = .88$), four items for masculinity ($\alpha = .86$), and six items for long-term orientation ($\alpha = .82$).

Table 5.3: Items in the CVSCALE

<p>Power Distance</p> <ol style="list-style-type: none"> 1. People in higher positions should make most decisions without consulting people in lower positions 2. People in higher positions should not ask the opinions of people in lower positions too frequently 3. People in higher positions should avoid social interaction with people in lower positions 4. People in lower positions should not disagree with decisions by people in higher positions 5. People in higher positions should not delegate important tasks to people in lower positions <p>Uncertainty Avoidance</p> <ol style="list-style-type: none"> 6. It is important to have instructions spelled out in detail so that I always know what I'm expected to do 7. It is important to closely follow instructions and procedures 8. Rules and regulations are important because they inform me of what is expected of me 9. Standardized work procedures are helpful 10. Instructions for operations are important <p>Individualism</p> <ol style="list-style-type: none"> 11. Individuals should sacrifice self-interest for the group (either at school or the work place) 12. Individuals should stick with the group even through difficulties 13. Group welfare is more important than individual rewards 14. Group success is more important than individual success 15. Individuals should only pursue their goals after considering the welfare of the group 16. Group loyalty should be encouraged even if individual goals suffer <p>Masculinity</p> <ol style="list-style-type: none"> 17. It is more important for men to have a professional career than it is for women 18. Men usually solve problems with logical analysis; women usually solve problems with intuition 19. Solving difficult problems usually requires an active, forcible approach, which is typical of men 20. There are some jobs that a man can always do better than a woman <p>Long-term Orientation</p> <ol style="list-style-type: none"> 21. Careful management of money is important 22. It is important to go on resolutely even when there is opposition 23. Personal steadiness and stability are important 24. It is important to plan for the long-term 25. Giving up today's fun for success in the future is important 26. It is important to work hard for success in the future

Other researchers that have used all or part of this scale have reported adequate reliabilities. For example, Patterson et al. (2006) used only three of the five dimensions and reported: five items for Power Distance ($\alpha = .73$), six items for Collectivism ($\alpha = .61$), and five items for Uncertainty Avoidance ($\alpha = .80$) and Schoefer (2010) used 21 items from entire scale and reported: five items for

Collectivism ($\alpha = .86$), five items for Uncertainty Avoidance ($\alpha = .79$), four items for Masculinity ($\alpha = .82$), and six items for Long-term Orientation ($\alpha = .77$). Kueh and Voon (2007) employed the entire scale and reported: five items for Power Distance ($\alpha = .83$), four items for Collectivism ($\alpha = .72$), five items for Uncertainty Avoidance ($\alpha = .84$), four items for Masculinity ($\alpha = .70$), and five items for Long-term Orientation ($\alpha = .75$). Prasongsukarn (2009) also employed the entire scale and reported: five items for Power Distance ($\alpha = .63$), six items for Collectivism ($\alpha = .81$), five items for Uncertainty Avoidance ($\alpha = .81$), four items for Masculinity ($\alpha = .61$), and five items for Long-term Orientation ($\alpha = .55$). These satisfactory reliabilities suggest that the constructs can be used with confidence (Patterson et al. 2006; Prasongsukarn 2009).

In terms of construct equivalence, when constructing the scale Yoo and colleagues tested for measurement invariance using two samples from the USA and Korea (outlined in Yoo et al. in press). Their results strongly suggest that the factor structure of the CVSCALE is invariant between the two samples and thus they conclude that the “CVSCALE can be compared meaningfully across samples thanks to the cross- cultural metric equivalence” (Yoo et al. in press, p. 7). Later Patterson et al. (2006) also established measurement invariance of the three dimensions of the CVSCALE in their samples taken from Australia and Thailand. These results indicate that the CVSCALE can be used to measure cultural orientation with people from different countries. The next section discusses the use of matched samples, the sampling frame, and the details of the final sample (including sample size and response rate).

5.4 Sampling Design

Generally in social science research, researchers are advocated to use random samples in which every combination of items from the sampling frame has a known probability of occurring (Creswell 2003; Robson 2002). However simple random samples often have limited utility in cross-cultural research (Bloch 2007; van de Vijver and Leung 1997a). Instead cross-cultural methodologists stress the importance of using matched samples, as in absence

of this it will be difficult to determine if the attitudinal and behavioural differences occur due to national and cultural differences or other demographic factors (Hofstede 1991; van de Vijver and Leung 1997a). The aim of matching is to make samples of cultural groups as similar as possible in their demographic characteristics. In this vein, Hofstede (1980, 1983) obtained a sample of employees from a single multinational company in 53 countries and was able to argue that these subjects were similar in their demographic characteristics across the nations studied. Similarly, Schwartz (1992, 1994) sampled secondary school teachers and students in various countries to maximise the comparability of subjects. Thus the respondents for this study were drawn using the matched sample technique.

The practical problems involved in getting access to matched samples in different cultures means that researchers often have to compromise in order to obtain the necessary data (Hofstede et al. 2010). Matched sampling is facilitated by access to multi-societal organisations, such as international associations, international schools and training centres, and organisations employing personnel from different cultural groups. In this research the manipulation of matched samples was facilitated using a sample of students from different countries. While student samples are often criticised for lacking external validity (Bello et al. 2009; Wintre et al. 2001), a student sample was deemed appropriate for a range of reasons.

First, student samples constitute a reasonably homogeneous group from a demographic standpoint in terms of family income, level of education, and age, among other variables (Furrer et al. 2000; Laroche et al. 2004). This is particularly important when using a values-based conceptualisation of culture, as is done here, because values generally differ between socio-demographic groupings so there is a need to control socio-demographic variables (Kongsompong et al. 2009; Kuechler 1987). One way to achieve this is to employ a student sample (Hofstede 1991) because student groups in different countries are in many ways more comparable than other groups of subjects

who might be surveyed (such as shoppers surveyed using a mall intercept technique). Indeed, Hofstede (2001, p. 24) argues: “That these samples are atypical does not matter as long as they are atypical in the same way from one country to another.”

Second, homogeneity of subject groups is an important consideration in experimental research (Calder et al. 1981). Third, the values model instruments require subjects with the ability to understand the meaning of all the values or personal interviews to assist subjects. Fourth, student samples permit more precise predictions, provide a stronger test of theory, and represent the upwardly mobile middle and upper classes, which are the target markets chosen by many corporations in foreign countries (Calder et al. 1981; Ueltschy et al. 2004). Likewise, the use of students facilitates and ensures tight control over the data collection procedure (Adler 1983). Fifth, using a student sample establishes sample invariance (Smith and Reynolds 2001). For these reasons the use of student subjects for theory testing in this research was deemed appropriate.

The research population was all students undertaking undergraduate or postgraduate study at the Nottingham University Business School in England, China, and Malaysia. No restriction was made on the age, background, sex, or year of study of the sample. For the 2009/10 cohort of UK students from which the bulk of the data were collected, the total population was reported to be 2,374 students of which 47.9% are registered as EU or other International students (University of Nottingham 2009). Data were also collected from undergraduate and postgraduate students at the Nottingham University Business School Malaysia (Nottingham University Malaysia Campus), which had a total population of 3,224 of which 63% were Malaysian in the 2009/10 cohort, and post-graduate students in Nottingham University Business School China (Nottingham University Ningbo Campus), which had a total population of 4,091 of which 97% were Chinese in the 2009/10 cohort.

As outlined in Section 5.2, the research instrument was administered solely in English. This is another reason supporting the use of university students, since universities in the UK have policies specifying minimum English Language entry requirements for students applying. At the University of Nottingham these are minimum entry requirements and many subjects require higher entry qualifications. These requirements apply to students undertaking award and non-award bearing studies at the University. At the University of Nottingham students whose first language is not English are required to have an appropriate grade/score in an approved examination in English language before they can register on an academic programme. Additionally, the students at Nottingham University Malaysia Campus and Nottingham University Ningbo Campus are taught in English. Still, some unknown proportion of students might not have completed the questionnaire because of low English proficiency.

To determine whether there was an issue with English proficiency the sample was split and tested for significant differences. Of those who completed the questionnaire, the sample was split into British-born versus others and no statistically significant difference in response to the last question (did you have a problem answering in English). Additionally, the sample was split in terms of the campus. The China campus sample was relatively small (Table 5.4 below) and so was excluded from the analysis. When the responses from Malaysia campus were compared to the responses from the UK sample, no statistically significant difference was found.

The Central Limit Theorem proposes that when sample sizes are at least thirty, the distribution of the sample closely approaches a normal distribution without regard to the distribution of the population from which the sample is drawn. Thus, the aim was to randomly assign 25-30 respondents to each of the ten conditions. However, students were assigned to conditions randomly and then a median-split was used to determine high and low respondents on each cultural variable, meaning that the final groups were not of equal size. Of 558 web questionnaires returned, 486 were fully completed, meaning a total of 72

responses were discarded. These responses were unusable because of respondents' failure to follow instructions, unacceptable levels of item non-response, or obvious intra-individual unreliability in scale responses (that is, identical ratings across all questions).

This section summarises the main demographic characteristics of the responding sample (Table 5.4). The sample was made up of 486 cases, taken from all three campuses of the University of Nottingham (located in the UK, Malaysia, and China).

Table 5.4: Demographic Characteristics of the Respondents (N=486)		
	Frequency	Percent
Gender		
Male	236	48.6
Female	250	51.4
Age Group		
18-21	326	67.1
22-25	128	26.3
Over 25	32	6.6
Campus		
UK	366	75.3
Malaysia	108	22.2
China	12	2.5
Level of Study		
Undergraduate	378	77.8
Postgraduate	108	22.2
Nationality		
British	130	26.7
Chinese	88	18.1
Malaysian	84	17.3
Indian and Pakistani	32	7.4
Other Asian	34	7.0
Other European	68	14.0
Other	46	9.5

The majority of respondents came from the University of Nottingham's UK campus (75.3%), with 22.2% coming from the Malaysia campus. Only a negligible number of responses were collected from the China campus (2.5%). The majority of the sample was undergraduates (77.8%) but postgraduate students were also well represented in the sample (22.2%). This is similar to the breakdown in population of University of Nottingham students in the UK (74% undergraduates to 26% postgraduates) and in Malaysia (81%

undergraduates to 19% postgraduates), but different from the China population where only a negligible number of students (25 of 3,680 students) are postgraduates.

Most of the respondents fall within the 18-21 age group (67.1%), reflecting the large percentage of undergraduate students in the sample. A large proportion of the sample fell within the 22-25 age group (26.3%), this time reflecting the large number of taught postgraduate students that completed the experiments. The distribution between males and females in the sample was roughly even, with the final sample being made up of 51.4% females and 48.6% males. This is roughly in line with the gender make-up of the University as a whole and thus suggests that gender would not be a source of bias in the results. Finally, the majority of respondents are British (26.7%), followed by Chinese (18.1%), Malaysians (17.3%), and other European nationalities (14%). The remainder of the respondents were from Indian and Pakistani (7.4%), other Asian nationalities (7%), and all other nationalities such as Malawian (9.5%). This reflects the fact that both the UK (47.9%) and Malaysia (37%) campuses have large international populations (both having large populations of Chinese students), although the Ningbo campus in China has only 3% non-Chinese students.

5.5 Data Collection Procedure

The basic rule is that the nature of data collection should depend on the kind of study that is being conducted (Robson 2002). The conceptual framework, research questions, and sampling criteria adopted largely determine the approach to data collection. Although this research is partly exploratory there is also a large confirmatory element since previous work provides a well-defined conceptual structure, and specific, well-focused research questions with a tight and known sampling strategy have been used, then similarly focussed, pre-structured data collection techniques have been used (Robson 2002).

This section outlines the data collection procedure. The questionnaires were distributed using an online research tool (SurveyMonkey.com). An invitation to participate, along with the link to the survey, was sent to students' emails. Consistent with established experimental practices involving scenarios (Bitner 1990), the procedure consisted of randomly presenting subjects a hypothetical purchase scenario, which was done using the Internet. The introductory page of the questionnaire informed the respondents of their right to withdraw from the study at any time (by exiting the questionnaire) and their right to confidentiality (see Appendix 3).

The measurement instrument began by asking subjects to provide demographic and background data. This was followed by instructions for subjects to read a hypothetical situation/view a print advertisement from a fictitious hotel, imagining that they were the customers in the situation. This was followed by one of four different hotel service scenarios or one of six advertisements (the manipulated independent variable, service quality antecedents). Next, subjects responded to measures of predicted expectation using Likert-type, multi-item scales (dependent variables). Subjects then completed the cultural scale (the measured independent variables). All dependent and cultural orientation measures were identical regardless of the manipulation. At the end of the survey the students were advised that they could include their email to be included in the prize draw.

Consistent with the practice of inducing participation through financial incentives (Deutszens et al. 2004; Dillman 2007; Frick et al. 2001; Göritz 2006; Olsen 2009), respondents were advised that they had the chance of winning one of two prizes of £100. Incentives appear to accomplish their intended effect of increasing response rates to all kinds of surveys, though the size of the effect varies by mode and by other factors affecting willingness to respond (Bosnjak and Tuten 2003; Deutszens et al. 2004; Singer 2002; Singer et al. 1999; Su et al. 2008).

Some researchers use prepaid incentives for all respondents or have advocated the use of lotteries as an incentive for stimulating response. While the research on the effects of postpaid and lottery incentives on response rates is not overly supportive of this practice (Church 1993), previous studies have been conducted on members of the general population and it may be possible that university students are more price-sensitive than the average person (Porter and Whitcomb 2004; Singer 2002). If so, lottery incentives may have an impact on rates of response to student surveys while not having any impact on rates of response to surveys of the general population. With regard to web-based surveys specifically, Göritz (2006) conducted two meta-analyses to review the effectiveness of incentives in Web studies. The first analysis, summarising 32 experiments on the impact of material incentives on response, detected a significant effect, which indicates that incentives motivate people to start a Web survey. The second analysis, comprising 26 experiments on the impact of incentives on retention, also yielded a significant effect, indicating that once people have accessed a survey for whatever reasons, they are more likely to finish if an incentive is offered (Bosnjak and Tuten 2003; Frick et al. 2001). For these reasons using lottery incentives seemed appropriate. The next section discusses how the data collected were analysed.

5.6 Data Analysis

As previously highlighted, the final methods of data analysis are dependent on and subordinate to the previous decisions that have been made (Ellsworth 1977; Robson 2002). In this research the data were analysed using the PASW 18.0 statistical package (previously SPSS) in three main stages roughly following the six-stage model building process outlined by Hair et al. (2010):

1. Data cleaning as required and assessment of non-response bias;
2. Assessment of the two scales used to collect the data using exploratory factor analysis and preliminary assumption testing; and,
3. Hypothesis testing using multivariate analysis of variance (MANOVA) and multivariate analysis of covariance (MANCOVA).

In the first stage of the data analysis, the task is to assess the raw data, clean it as required, and present descriptive statistics on the resultant data set. The initial analysis therefore included screening for and dealing with missing values and for both univariate and multivariate outliers (Hair et al. 2010). Before moving on to the next stage of the research, non-response bias was assessed by examining both item non-response and unit non-response as outlined in Section 6.1.2.

The second main stage of the data analysis assessed the dimensionality of the two scales used to test the hypotheses and research propositions in this research: the measured dependent variables (predicted expectations) and the measured independent variables (individual-level cultural orientation). Particularly in the case of the service quality measure, which has been found to have different dimensionalities in different research contexts (Section 2.1.2), it is recommended that researchers that do not develop their own instrument for a specific industry or specific study context validate the instrument after data collection through reliability and validity analysis (Ladhari 2009; Taylor et al. 1993). This was achieved using exploratory factor analysis, which is appropriate for uncovering the underlying structure of a relatively large set of variables, with the factor loadings used to intuit the factor structure of the data (Hair et al. 2010). The appropriateness of this method was further supported by the fact that studies within the service quality literature have mainly made use of exploratory factor analysis to develop the *de facto* structures of the measures used (*cf.* Arasli et al. 2005; Baldwin and Sohal 2003; Carman 1990; Cook and Thompson 2000; Lam 1997, 2002; Parasuraman et al. 1991; van der Wal et al. 2002).

In correlational designs, such as factor analysis, the equality of variance assumption means that the variance of one variable is stable at all levels of the other variables (Garson 2009). The assumption that dependent variables exhibit equal levels of variance across a range of independent variables is called homoscedasticity (Hair et al. 2010). In these analyses, graphs displaying

the residuals of the analysis tend to be used to assess homogeneity of variances (Field et al. 2009) and this was done in this research. According to Hair et al. (2010, p. 103), “[a]ssuming the researcher has met the conceptual requirements for the variables included in the analysis, the next step is to ensure that the variables are sufficiently intercorrelated to produce representative factors.” The satisfaction of the conceptual requirements of the variables included in the analyses were analysed particularly in the literature review chapters.

The next stage in the data analysis was therefore to ensure that the variables are sufficiently intercorrelated to produce representative factors. Two key statistical methods of intercorrelation were used in this research to aid in diagnosing the factorability of the correlation. The first method used was the measure of sampling adequacy (MSA), which is an index that ranges from 0 to 1, reaching 1 when each variable is perfectly predicted without error by the other variables (Hair et al. 2010). The second method was the Bartlett’s Test of Sphericity, which is a statistical test for the presence of correlations among the variables by examining the entire correlation matrix (Hair et al. 2010). It provides the statistical significance that the correlation matrix has significant correlations among at least some of the variables (Hair et al. 2010) and the test is also appropriate for determining if the researcher should proceed with MANOVA (Garson 2009). After these tests were completed, the scales were factor analysed and the factor matrices examined, the overall fit of the matrices was assessed, and the factors were interpreted. The validity and reliability of the scales used in the study were also assessed at this stage of the analysis.

The next task was to evaluate the underlying assumptions of the model, both statistically and conceptually, that substantially affect their ability to represent multivariate relationships (Hair et al. 2010). For the techniques based on statistical inference, the assumptions of multivariate normality, linearity, and equality of variance must all be met because these three assumptions potentially affect every multivariate statistical technique (Field 2009). Multivariate normality, which is the assumption that the dependent variable

has a normal distribution for each value category of the independent variable(s) (Garson 2009), is important because the rationale behind hypothesis testing relies on having a sample distribution or errors in the model that are normally distributed (Field 2009). Multivariate kurtosis and skewness test statistics were used to assess whether the distribution of the data were normally distributed. The next step was the assessment of linearity, which is an implicit assumption of all multivariate techniques based on correlational measures of association, such as factor analysis (Hair et al. 2010). The linearity assumption was assessed by examining scatterplots of the variables and identifying any nonlinear patterns in the data (Hair et al. 2010). The equality of variance assumption is tested in different ways depending on whether correlations designs or nonmetric independent variables are used (Field 2009).

With the assumptions adequately satisfied and the necessary preliminary analyses undertaken, the final stage of the data analysis was the testing of the hypotheses. There is a range of techniques that can be used to test for significant differences between groups and the main parametric techniques include independent samples *t*-test, paired samples *t*-test, ANOVA/ANCOVA, and MANOVA/MANCOVA. In examining the impact of culture on service quality expectations and other marketing variables, researchers have employed all of these techniques depending on their data and hypotheses (Abramson et al. 1996; Bitner 1990; Laroche et al. 2004b; Lee and Cranage 2010; Patterson et al. 2006; Yen et al. 2004).

Testing whether there is a mean difference between two groups is equivalent to testing whether there is an association between a dichotomous independent variable and a continuous dependent variable. Thus, regression analysis can test hypotheses that are tested with ANOVA. Thus, since multiple regression with just covariates (and/or with dummy variables) and MANOVA are statistically equivalent, it makes no difference which is used (Garson 2011). However, MANCOVA may be more convenient when there are several categories or a focus on the means or adjusted means of each group is desired,

as is the case in this research. Similarly, partial least squares (PLS) regression/path analysis is an alternative to OLS regression, canonical correlation, or structural equation modelling (SEM) for analysis of systems of independent and response variables (Garson 2011). There are advantages to using PLS, such as its robustness in the face of data noise and missing data, but there are also disadvantages, such as greater difficulty of interpreting the loadings of the independent latent variables (Garson 2011; Henseler et al. 2009).

In this research, MANCOVA was chosen for the final stage in the data analysis to determine if statistical significance difference on a linear combination of the dependent variables exists between groups, with covariates included during the analyses. MANCOVA was appropriate in this research because this method is useful for uncovering the ‘main effects’ and ‘interaction effects’ of categorical independent variables (factors) on more than one interval dependent variables (Garson 2009). A ‘main effect’ is the direct effect of an independent variable on the dependent variable, while an ‘interaction effect’ is the joint effect of two or more independent variables on the dependent variable, different from what would be predicted from any of the independent variables acting alone (Garson 2009). This is important in this research since the researcher is interested in uncovering the separate main effects of the antecedents of expectations and individual cultural variables on predicted expectations, as well as in uncovering the interaction effects, that is, where the effects of the antecedents of expectation on predicted expectations depend on individual cultural variables. Thus MANCOVA was primarily used for its ability to analyse multiple dependent variables (the dimensions of predicted service quality). A between-groups design was used as the respondents are assigned to only one experimental group to investigate the effects of conditions on the dependent variables.

Assessments on group differences were carried out with MANCOVA because a multivariate analysis takes into account the correlations that may exist

between the dependent variables, in contrast to ANCOVA where dependent variables are assessed independently and information may be lost due to the relationships that exist between the dependent variables (Field 2009). Another advantage of using MANCOVA is the fact that it can detect combined differences not found in the univariate tests as noted by Hair et al. (2010, p. 451):

A series of univariate ANOVA tests ignores the possibility that some composite (linear combination) of the dependent variables may also provide evidence of an overall group difference that may go undetected by examining each dependent variable separately. Individual tests ignore the correlations among the dependent variables and in the presence of multicollinearity among the dependent variables, MANOVA will be more powerful than the separate univariate tests.

MANOVA also has the advantage of controlling the experiment-wide error rate when some degree of intercorrelation among dependent variables is present, and providing more statistical power than ANOVA or *t*-tests when the number of dependent variables is five or fewer (Hair et al. 2010). MANCOVA (as opposed to MANOVA) was used in this research because it allowed the researcher to control for the effects of other specifically selected interval variables that covary with the dependent variable at the same time that the main and interaction effects of the categorical variables on a continuous dependent variable are being tested (Field, 2009). In other words, MANCOVA is used in experimental designs to control for factors which cannot be randomised but which can be measured on an interval scale (Garson 2009), as in this research. The inclusion of covariates in the analyses was thus appropriate because MANCOVA removes the effects of the covariate: (i) affecting only one portion of the respondents or (ii) affecting variations among the respondents (Hair et al. 2010).

Past research suggests a relationship between cultural value dimensions and service quality expectations and so the cultural orientation variables not included in the proposed interaction in each manipulation were considered as possible sources of extraneous variance and employed as covariates (the

control variables). This allowed the researcher to control for the fact that service quality expectations may differ based on other aspects of cultural orientation, independent of the experimental manipulations (Patterson et al. 2006). For example, when testing Manipulation 1, past experience may be affected by all of the cultural orientation variables. Thus, in order to present a more accurate analysis of the relationship between past experience and each cultural variable, the other variables were initially included in the analysis as covariates because controlling for these variables provides a stronger test of the propositions (Hair et al. 2010). If the covariates were significant they remained in the analysis, otherwise they were removed.

Since MANCOVA tests the null hypotheses that group means do not differ it is not a test of differences in variances, but rather assumes relative homogeneity of variances (Garson 2009). Thus two key assumptions are that the groups formed by the independent variable(s) have similar variances on the dependent variable and are relatively equal in size. With regard the equality of variances across the groups formed by the nonmetric independent variable, the most common statistical test to assess the equality of variances within groups formed by nonmetric variables is Box's M, which tests MANOVA's assumption of homoscedasticity using the F distribution (Garson 2009). If $p(M) > .05$, then the covariances are not significantly different, rejecting the null hypothesis that the covariances are not homogeneous. It should be noted that Box's M is extremely sensitive to violations of the assumption of normality, making this test less useful than might otherwise appear. For this reason, Garson (2009) recommends testing at the $p = .001$ level, especially when sample sizes are unequal. The PASW programme also produces the Levene's Test of Equality of Variances, which assesses whether the variances of a single metric variable are equal across any number of groups (Hair et al. 2010). Similar to Box's M, if the Levene's Test is significant then the data fail the assumption of equal group error variances. Both these statistics were used in this research to determine whether the equality of variances assumption was met across the groups used in the analysis.

In terms of group sizes, both the absolute and relative size of each group in the sample is important. First the size of the sample is important because MANCOVA is robust in the face of most violations of this assumption if the size of each group in the analysis is not small (<20) (Garson 2009). Second, in terms of equality of groups, to the extent that group sizes are very unequal, statistical power diminishes. Conversely, if group sizes are approximately equal (ratio of largest to smallest group of no more than 1.5), MANCOVA is robust against violations of the equality of variances assumption discussed above (Garson 2009). The size of each group is presented in Table 6.7 (p. 191), which shows that only 9 of the fifty groups are smaller than 20 (smallest being 17) and no two groups have a ratio of more than 1.5.

Finally, a critical assumption of MANCOVA is independence of observations, which requires the dependent measure for each respondent to be totally uncorrelated with the responses from other respondents in the sample (Hair et al. 2010). The main safeguard against violating this assumption is to assign subjects randomly to treatments. This condition was met in this research as outlined in Section 5.5 and therefore, violation of this assumption is unlikely in this study.

Three tests were used to determine the significance of the results produced from the MANCOVAs: F -test, Wilks' Lambda, and partial eta-square (η^2). The F -test is the test of overall model significance, testing the null hypothesis that there is no difference in the means of each dependent variable for the different groups formed by categories of the independent variables (Hair et al. 2010). Whereas the F -test focuses on the dependent variables, Wilks' Lambda (which tests for individual effect overall) focuses on the independent variables and their interactions (Garson 2009). Wilks' Lambda is the most common, traditional test where there are more than two groups formed by the independent variables. It is a measure of the difference. The smaller the Lambda, the greater the difference between groups means on the independent variables (Garson 2009). Wilks' Lambda ranges from 0 to 1, and the lower the

Wilks' Lambda, the more the given effect contributes to the model (Hair et al. 2010). Partial eta-square (η^2) is a nonlinear analog to *R*-square in regression, similarly interpreted as a percentage of variance explained. The researcher also examined significance at the univariate level. The PASW programme tests for the effects on individual dependent variables, producing an *F*-test of significance to the relation of each covariates factor, and each interaction in relation to each of the dependent variables. These results are presented along with the results of the MANCOVA in Chapter 7.

5.7 Chapter Summary

This chapter reviewed the research options available and explained the choice of the final research methodology. The methodological framework aims to ensure that the experimental scenarios and advertisements used have been successfully manipulated, the appropriate instruments have been adopted to measure the various constructs of interest, and that these measurements exhibit validity and reliability to be examined at the data analysis stage. This chapter included six sections describing the research approach, the research design, the measures and measurement instruments deployed, the sampling design, the data collection procedure, and the data analysis techniques and procedures.

The last section outlined the methods used to analyse the data. This section considered each of these assumptions in turn, although it should be noted that MANCOVA is robust with regard to violations of these assumptions (Garson 2009). The results of the research are reported in the next two chapters. Chapter 6 presents the first two stages of the data analysis outlined in Section 5.6, which includes the preliminary assessment testing, data cleaning, assessment of non-response bias, and then exploratory factor analysis of the two scales used in this research. Chapter 7 presents the findings as they specifically relate to the hypotheses and propositions presented in Chapter 4 based on the MANCOVAs undertaken.

CHAPTER SIX: RESULTS OF THE PRELIMINARY DATA ANALYSIS

This research is interested in examining the differential impact of various information sources on customer expectations and particularly the impact of individual-level cultural variables on this expectation formation process. The chapters presented so far in this thesis have outlined the key literature on service quality expectations and individual-level cultural orientation that led to the development of the hypotheses and propositions to be tested in this research as well as the methodology used for testing these hypotheses. This chapter and the one that follows present the results of the data analysis.

This chapter presents the descriptive analysis of the data collected and the preliminary analyses of the instrument used. The presentation of the results of the third and final stage of the data analysis is presented in the next chapter, which are the results as they relate to the hypotheses and propositions. This chapter provides an initial picture of the data and prepares the data for use in the analysis in the next chapter and is divided into three sections. Section 6.1 presents a descriptive analysis of the key variables used in the research and the results of the tests for non-response bias. Section 6.2 presents the analyses of the measurement scales used in the research. Section 6.3 discusses the splitting of the variables into different groups for analysis purposes. The chapter concludes with a brief summary of the results.

6.1 Descriptive Analysis of the Data

This section is divided into two parts: the initial analysis of the data and the assessment of non-response bias. These statistics were obtained using the PASW 18.0 statistical package.

6.1.1 Initial Analysis of the Data

This section reports the results of the screening for outliers. There were cases with extreme scores that nonetheless appeared to be a legitimate part of the sample, therefore they were retained but steps were taken to reduce their impact by changing the score on the outlier by one unit larger (or smaller) to be less deviant. This is considered a viable method of dealing with univariate outliers since the measurement of variables is often arbitrary to begin with (Hair et al. 2010). Mahalanobis distance was computed to check for multivariate outliers. Only a minimal number of cases were found and these were retained as deleting a large number of outliers may risk limiting the generalisability of the results (Hair et al. 2010). This approach was appropriate since transformation or score alteration may be ineffective for dealing with multivariate outliers because it is the combination of scores on two or more variables that is deviant, rather than the score on a particular variable (Tabachnick and Fidell 2006).

6.1.2 Assessment of Non-Response Bias

It is important in any piece of research that possible bias in the data caused by response characteristics be considered, as this bias can lead to the production of results that are unreliable and in many cases misleading (Armstrong and Overton 1977; Hudson et al. 2004; Singer 2002). Researchers generally examine either (or both) unit non-response, which refers to the complete loss of a survey unit, or item non-response, which refers to missing responses to individual questions (Bosnjak and Tuten 2001). In terms of the item non-response, which relates to those who completed the entire survey compared to those who completed only a portion of it (leaving some items missing), this can be directly tested using the demographic characteristics of all those who started to complete the survey and comparing these in terms of those that completed the survey and those that did not. This examination showed, for example, that there was no significant difference ($\alpha = .05$) in the faculty in which respondents and non-respondents are enrolled ($t=.737$, $df=356$, $p=.462$), country of birth ($t=-.38$, $df=356$, $p=.704$), or age of respondents ($t=2.383$,

df=356, $p=.081$). The only variable on which respondents and non-respondents were significantly different was in terms of the campus attended ($t=-4.302$, df=356, $p=.000$). Further investigation showed that most of those who completed the entire questionnaire were from the UK campus and correspondingly a higher percentage of those that did not complete the entire questionnaire were from the China and Malaysia campuses. Of 392 students who started the survey from the UK campus, 36 did not complete the entire survey (9.18%), while 29 of 131 who started the questionnaire from the Malaysia campus did not complete the entire survey (22.14%) and 7 of 19 students from the China campus did not complete the entire survey (36.84%). It is clear that the smaller total samples from the Malaysia and China campus made the item non-response more pronounced. The students that did not complete the questionnaire (non-respondents) were not significantly different from those students that did (respondents) and this suggests that the issue of non-response bias is not likely to be a critical issue in this research.

Another approach to the non-response issue is to estimate the impact of non-response bias using the extrapolation method, which focuses on unit non-response, that is, those who returned their surveys versus those who did not (Hudson et al. 2004). This can be assessed using extrapolation, which is based on the assumption that persons who respond later or require more prodding to answer are more similar to non-respondents (Armstrong and Overton 1977). For the purpose of measuring non-response bias in this research, the sample that had fully completed the surveys was split into a category that constituted early returns (students responding within one week of being asked to participate, after one or no reminders) and all others were classed as late responders.

In the analysis, none of the 84 variables that were retained for the main data collection phase was significantly related to the date of survey completion. Some examples of some antecedents and consequences are given here. For example, the two groups were not significantly different in terms of their

assessment of the level of modern equipment and technology a hotel will have (tangibles 1) ($t=.604$, $df=486$, $p=.546$), the promptness of the service the hotel will deliver (responsiveness 2) ($t=.644$, $df=486$, $p=.502$), the safety they thought they would feel in dealing with the hotel (assurance 2) ($t=.862$, $df=240$, $p=.390$), nor on the level of individual attention hotel staff should provide (empathy 1) ($t=.259$, $df=486$, $p=.796$). Of the individual cultural dimension variables, the two groups did not differ as well, for example, in terms of the amount of detail desired when instructions are given (Uncertainty Avoidance 1) ($t=1.320$, $df=486$, $p=.188$) nor in terms of self-sacrifice for the group (individualism 1) ($t=.544$, $df=486$, $p=.587$). Overall, based on the analysis of both item and unit non-response, it is fair to conclude that the issue of non-response bias does not seem to have a significant impact in this research.

6.2 Exploratory Factor Analysis of the Measurement Scales

Prior to the data analysis that addresses the research hypotheses and propositions, preliminary analyses are required (van de Vijver and Leung 1997a, b). This section uses exploratory factor analysis to analyse the measurement scales to be employed in the next stage of this research. This section first presents the results of the analysis of the service quality expectations data and then presents the results from the analysis of the individual-level cultural value orientation data. The psychometric properties of these instruments and the relevant descriptive statistics are also presented here.

6.2.1 Analysis of the Service Quality Expectations Data

As outlined in Section 5.3, the expectations portion of the SERVQUAL scale was used in this research to measure predicted expectations. As previously outlined (Section 2.1.2), the scale development procedures employed by Parasuraman et al. (1985, 1988) appear to support the face validity of the original scale items but the issue of how the service quality measure should be constructed and whether the individual scale items actually describe five separate service quality components is problematic (Carman 1990; Cronin and

Taylor 1992; Cronin and Taylor 1994). This is demonstrated clearly in the research presented in Section 2.1.2, which highlights a sample of studies taking place from 1991 to 2007 and the number of factors reported by researchers using either the expectations or prediction scores of SERVQUAL, or both. The sample of studies presented in this table shows that researchers have empirically identified a number of factor structures in different contexts and cultures (Chi Cui et al. 2003; Durvasula et al. 2006; Gefen 2002; Landrum et al. 2007; O'Neill and Palmer 2003; Prugsamatz et al. 2006; van der Wal et al. 2002). Therefore, instead of imposing the originally hypothesised five-factor structure on the data, exploratory factor analysis was used to determine the most appropriate factor structure for the data as outlined in Section 5.6. This section describes the preliminary tests undertaken and the exploratory factor analyses performed. This section concludes with a discussion of the outcome of the analysis that outlines the factor structure selected for use in the analysis of the hypotheses and the reasoning behind this choice.

Before proceeding with the factor analysis, it was important to determine whether the data were appropriate for factor analysis. In this research, the Kaiser-Meyer-Olkin (KMO) MSA for the predicted expectations items was .967, which is more than acceptable since values of over .80 for this statistic is meritorious (Hair et al. 2010). Additionally, the Bartlett's Test of Sphericity was significant, which shows that there are significant correlations among at least some of the variables (Hair et al. 2010). The results of both these tests indicate that the variables were correlated enough to provide a reasonable basis for factor analysis (Tabachnick and Fidell 2006), and so the analysis proceeded.

The next step was to determine the factor method to be used. Hair et al. (2010) suggests the use of principal components analysis when data reduction is the primary concern, as is the case in this research. For this reason, principal components analysis was chosen over common factor analysis, although both models are widely used in the literature and empirical research demonstrates

similar results from both models (Hair et al. 2010). Rotation of the factor matrix allows the researcher to achieve simpler and theoretically more meaningful factor solutions (Hair et al. 2010) and so the rotational method to be used also had to be chosen. Studies in the literature have used a variety of rotation measures to develop the structures applied to service quality and no particular method has achieved arguably superior results, nor has any particular method of rotation been used by a majority of researchers. This research followed the analysis procedure detailed by Parasuraman et al. (1998) and factor analysed the predicted expectations scale using the principal axis rotation technique. VARIMAX orthogonal rotation procedure was used because this method minimises the number of variables with high factor loadings, thereby enhancing the interpretability of factors (Hair et al. 2010). The factors retained were those with eigenvalues greater than one as factors with eigenvalues below this number could not be interpreted (Carman 1990). Additionally, the cumulative percentage of variance extracted by the factors retained had to be at least 60 percent for the factor solution to be deemed satisfactory (Malhotra 1996). This percentage of variance criterion is used to ensure the practical significance of the derived factors (Hair et al. 2010).

In terms of factor loadings, those less than ± 0.40 were excluded from the analysis, this criterion being chosen on the basis of guidelines for assessing the levels at which factor loadings are considered to be significant given the sample size of more than 200 respondents (Hair et al. 2010). In the case of cross-loading, which is where a variable is found to have more than one significant loading, it is generally recommended that each variable with a high cross-loading be evaluated for possible deletion (Hair et al. 2010) and so variables with similar loadings on more than one factor were deleted, as were items that did not conceptually belong to the factor. Coefficient alphas and item-to-total correlations were computed each time items were deleted (Choi et al. 2004; Flynn and Percy 2001). In the analysis of the predicted expectations data, variable 10 (It is known when services will be performed) consistently loaded on two factors and so it was deleted. The remaining 20 items were retained on one of the three final factors extracted. A condensed version of the

results is presented in Table 6.1, which shows that the factor structure obtained differed from that hypothesised by Parasuraman et al (1988). Specifically, the Reliability, Responsiveness, and Assurance dimensions showed considerable overlap and loaded onto one factor. Labelling the factors was facilitated by identifying the variables that have large loadings on each factor (Hair et al. 2010) and this factor was labelled ‘Customer Care.’

Table 6.1: Dimensionality of the Predicted Service Expectations Scale		
Scale items	Cronbach alpha	Factor loadings
Tangibles	.939	
1. Modern equipment and technology		.858
2. Visually appealing physical facilities		.854
3. Neat and professional appearance of staff		.713
4. Visually appealing materials	.977	.729
Customer Care [Reliability, Responsiveness, Assurance]		
5. Delivers on promises		.689
6. Genuine interest in solving customers’ problem		.667
7. Performs service right the first time		.725
8. Provides service at the time it promises to do so		.720
9. Accurate service		.731
11. Prompt service		.613
12. Willingness to help		.642
13. Never too busy to respond		.612
14. Behaviour that instils confidence		.632
15. Customers feel safe in their transactions		.672
16. Courteous service		.613
17. Knowledge to answer customers’ questions		.662
Empathy	.942	
18. Individual attention to customers’ needs		.831
19. Personal attention		.854
20. Understanding specific needs		.761
21. Have customers’ best interests at heart		.753
Eigenvalue	18.254	
% of variation explained	76.980	

Overall, three dimensions emerged from the predicted expectations data (Customer Care, Empathy, and Tangibles) explaining 76.98% of the variance in the data. This means that the solution is satisfactory from a practical perspective. The first factor extracted was Customer Care, which explained 34.60% of the variance in the data and all items had significant loadings of $>.60$. The second and third factors extracted explained roughly the same percentage of the variance in the data (Empathy = 21.55% and Tangibles =

20.82%) and all items had significant loadings of $>.70$. Scale reliabilities of the service quality expectation measure were assessed with coefficient alpha and this is presented in Table 6.1. The acceptable level of the alpha coefficient is $.70$ (Hair et al. 2010) and this was exceeded for each of the dimensions of the predicted expectations measure, ranging $\alpha=.939$ to $\alpha=.977$. The scales were thus deemed to be good measures of the constructs being investigated. While this three-factor structure is different from that presented by Parasuraman et al. (1998), it is not inconsistent with the literature. First, as outlined in Section 2.1.2, the Nordic European School presented a service quality model and a service quality approach that was largely determined by two or three dimensions (Grönroos 1984; Lehtinen and Lehtinen 1991) before Parasuraman et al. presented their model. Second, as previously outlined, several different factor structures have been found by researchers in different countries and different service contexts. Indeed, the three-factor structure is relatively popular, being identified in 7 of the 25 studies presented in Table 2.1 (p. 27).

Two of the studies presented in Table 2.1 investigated the quality of the services provided in an academic library in the USA using either the full SERVQUAL scale or the perception component only (Cook and Thompson 2000; Nitecki 1996). Both retained only three factors: Nitecki (1996) reported some overlap between the Reliability and Responsiveness dimensions, and even more overlap among the Responsiveness, Assurance, and Empathy dimensions, while Cook and Thompson (2000) reported Reliability, Tangibles, and 'Affect of service experience' as their three dimensions. Arasli et al. (2005) reported similar findings when they investigated service quality in the banking industry in Cyprus, reporting a three-factor structure made up of Tangibles, Reliability, and Responsiveness-Empathy. In the context of food services in Malaysia, Kueh and Voon (2007) measured only service quality expectations using the 22 items from the SERVQUAL scale and reported a three-factor structure for the service quality scale made up of Tangibles, Reliability, and Responsiveness-Assurance-Empathy. The fifth study (Prugsamatz et al. 2006) examined here used only 16 predicted service quality expectations items to measure the five SERVQUAL dimensions in the context

of higher education in Australia (using Chinese students). These researchers also reported a three factor structure made up of Reliability, Responsiveness, and Tangibles. Using data from American students that had previously shopped at Amazon.com, Gefen (2002) examined online service quality and reported a three factor structure identical to the one reported in this research: Tangibles and Empathy loaded on separate factors, while Reliability, Responsiveness, and Assurance loaded together on one factor. Chi Cui et al. (2003) reported a very similar make-up when they examined service quality in bank customers in South Korea, as they found that Tangibles and Empathy loaded on separate factors while Reliability and Responsiveness loaded together on one factor. The brief discussion of these seven studies shows that the make-up of these three factors in the literature is generally similar to the three factors found in this research, providing support for the three factor structure reported here.

This section has reported the results of a series of exploratory factor analyses undertaken on the data collected in this research using the expectations portion of the SERVQUAL measure. In common with many other empirical studies in the literature, limited evidence has been found in support of the five factor solution presented by SERVQUAL's developers (Arasli et al. 2005; Carman 1990; Cronin and Taylor 1992, 1994; Gounaris 2005). Instead, a three-factor structure appears to be appropriate and thus this factor structure was employed to analyse the relevant hypotheses.

To conclude the examination of this scale, assumptions of normality, linearity, and equality of variance were tested since there are all general assumptions that apply to all parametric techniques (Hair et al. 2010). First, means and standard deviations were calculated for the predicted expectations data collected in this research to provide a descriptive analysis of the data. Rather than reporting these statistics for each of the 21 items in each instrument, the statistics are presented for the three dimensions identified (Customer Care, Empathy, and Tangibles). Table 6.2 (below) shows the mean and standard

deviation for each of these dimensions. As previously noted, each of the scales was measured using a 7-point scale, where one signalled that the respondent strongly disagreed with the statement and seven signalled that the respondent strongly agreed with the statement.

Table 6.2 shows that the mean scores vary across the three factors extracted. For Tangibles expectations, the mean was 6.02 out of 7, indicating that respondents had very high expectations of the tangible elements of the service. Both Customer Care and Empathy expectations also had relatively high means, being above the 4.0 level on the 7-point scale.

Table 6.2: Descriptive Statistics of the Measured Dependent Variables				
	Mean	Std Dev	Skewness	Kurtosis
Tangibles	6.02	1.36178	.453	.255
Customer Care	5.84	1.10464	.457	.171
Empathy	5.57	1.11913	-.120	.098

To evaluate the normality of the dependent variable in the study (predicted expectations), their kurtosis and skewness statistics were examined (Tabachnick and Fidell 2006). The further the skewness and kurtosis values are away from zero, the more likely that the data are not normally distributed (Field 2009) and skewness values falling outside the range of ± 1 indicates a substantially skewed distribution (Hair et al. 2010). Table 6.2 also provides the result of this analysis. As can be seen, the kurtosis and skewness of the three dimensions of service quality expectations appear to be acceptable. Finally, analysis of scatterplots showed that there was no problem with linearity and analysis of the residuals showed no severe issues with heteroscedasticity.

6.2.2 Analysis of the Individual Cultural Values Data

This section reports the results of the exploratory factor analysis of the 26-item CVSCALE (Yoo and Donthu 2002) that was used to investigate cultural orientation at the individual level. The same procedure was used as detailed in the previous section to analyse this scale. As before, both the KMO MSA and

the Bartlett's Test of Sphericity were conducted on the CVSCALE data to determine whether the data were appropriate for factor analysis. The KMO MSA score was .840 and the Bartlett's Test of Sphericity was significant, indicating that the variables were correlated enough to provide a reasonable basis for factor analysis (Tabachnick and Fidell 2006). Following these preliminary analyses, exploratory factor analysis was conducted using principal component analysis and VARIMAX orthogonal rotation as used with the expectations portion of the SERVQUAL scale.

The factor analysis of the CVSCALE resulted in a clean solution and all 26 items loaded on the dimensions reported in Donthu and Yoo (1998), thus indicating convergent and discriminant validity (Patterson et al. 2006). However, only 25 of the items were used in the final analysis (item 20 was dropped) as explained below. In terms of practical significance, the factor solution was deemed satisfactory as the cumulative percentage of variance extracted by the five factors retained was greater than 60 percent (Hair et al. 2010). Additionally, the reliabilities of the five factors extracted were good, ranging from .702 to .875. A condensed version of the results is reported in Table 6.3 (below).

The first factor extracted was Long-term Orientation, which explained 13.95% of the variance in the data. All six items making up this sub-scale had significant loadings ranging from .595 to .795. The reliability of this factor was high, with $\alpha = .875$. The second factor extracted was Uncertainty Avoidance, which explained 13.92% of the variance in the data. All five items making up this sub-scale had significant loadings, the lowest of which was .708. The reliability of this factor was also high, with $\alpha = .873$. The third factor extracted was Individualism, which explained 13.26% of the variance in the data. The six items making up this sub-scale had significant loadings ranging from .589 to .825. The reliability of this factor was also high, with $\alpha = .830$.

Table 6.3: Dimensionality of the CVSCALE		
Scale items	Cronbach alpha	Factor loadings
Power Distance	.737	
1. Most decisions should be made by people in higher positions		.525
2. Relative unimportance of the opinions of people in lower positions		.519
3. People in higher positions should avoid social interaction with people in lower positions		.782
4. People in lower positions should not disagree with decisions by people in higher positions		.759
5. Important tasks should not be delegated to people in lower positions		.778
Uncertainty Avoidance	.873	
6. Importance of clear instructions		.708
7. Closely following instructions and procedures		.766
8. Rules and regulations are important		
9. Standardized work procedures are helpful		.828
10. Instructions for operations are important		.733
		.765
Individualism	.830	
11. Individuals should sacrifice self-interest for the group		.645
12. Individuals should stick with the group even through difficulties		.589
13. Group welfare is more important than individual rewards		.793
14. Group success is more important than individual success		.825
15. Individuals should only pursue their goals after considering the welfare of the group		.673
16. Group loyalty should be encouraged even if individual goals suffer		.644
Masculinity	.731	
17. Have a professional career is more important for men		.562
18. Men usually solve problems with logical analysis; women usually solve problems with intuition		.705
19. Solving difficult problems usually requires an active, forcible approach, which is typical of men		.706
Long-term Orientation	.875	
21. Careful management of money is important		.684
22. It is important to go on resolutely even when there is opposition		.595
23. Personal steadiness and stability are important		.785
24. It is important to plan for the long-term		.795
25. Giving up today's fun for success in the future is important		.648
26. It is important to work hard for success in the future		.736
Eigenvalue	18.254	
% of variation explained	64.78	

The fourth factor extracted was Power Distance, which explained 12.27% of the variance in the data. The five items making up this factor had significant loadings ranging from .519 to .782. The reliability of this factor was acceptable, with $\alpha = .737$. The final factor extracted was Masculinity, which explained 10.20% of the variance in the data. The four items making up this

sub-scale had significant loadings ranging from .551 to .706. The reliability of this factor was acceptable, with $\alpha = .702$, however this rose to .731 when item 20 (There are some jobs that a man can always do better than a woman) was removed. This is explained by the low item-to-total correlation (.335) of the item. It was therefore decided to remove this item from the Masculinity sub-scale since this variable had an unacceptable communality value (Hair et al. 2010). The final Masculinity sub-scale was therefore made up of items 17, 18, and 19.

Overall, all five scales were deemed to be good measures of the constructs being investigated, as all the reliability scores were above the 0.7 minimum value recommended by Hair et al. (2010). Additionally, the reliabilities reported here compare favourably with the alpha values reported by Patterson et al. (2006), Kueh and Voon (2007), Prasongsukarn (2009), and Schoefer (2010) who all recently employed the CVSCALE in their research. As reported in Section 5.3, Patterson (2007), reported alpha values of three dimensions from .61 to .80, Schoefer (2010) reported alpha values of four dimensions from .77 to .86, Kueh and Voon (2007) and Prasongsukarn (2009) reported alpha values of five dimensions from .72 to .83 and .61 to .85, respectively.

This section has reported the results of the factor analysis undertaken on the data collected in this research using Donthu and Yoo's (1998) CVSCALE scale. The results of the analysis supported the five-factor structure found by others that have used this scale (Donthu and Yoo 1998; Kueh and Voon 2007; Prasongsukarn 2009; Yoo and Donthu 2001, 2002, 2005) and so this five-factor structure was employed to analyse the relevant hypotheses.

To conclude the examination of this scale, assumptions of normality, linearity, and equality of variance were tested. First, means and standard deviations were calculated for each of the five dimensions of the CVSCALE. Table 6.4 (below) presents data on the means, standard deviation, skewness, and kurtosis of the individual-level cultural value orientation dimensions. As previously noted,

individual cultural orientation was measured on a 7-point scale, with one indicating strong disagreement with the statement and seven indicating strong agreement with the statement. The mean scores vary across the factors making up the CVSCALE, with Power Distance having a low mean considerably less than 3.5, which indicates that the sample has low Power Distance orientation. Masculinity in the sample was exactly at the midpoint of the scale. The means on Individualism and Uncertainty Avoidance are above the central point, but can still be classed as being ‘Medium’ at less than 5 out of 7. Long-term Orientation was ‘Medium-High,’ indicating that the respondents in the sample generally had a long-term orientation. Additionally, this dimension of culture had the lowest standard deviation, suggesting that there is little difference in opinion among respondents on this variable.

Table 6.4: Descriptive Statistics of the Measured Independent Variables				
The Measured Independent Variables				
	Mean	Std Dev	Skewness	Kurtosis
Power Distance	2.7076	1.17879	.833	.525
Uncertainty Avoidance	4.9835	1.16664	-.507	.071
Individualism	4.5985	1.10013	-.217	.148
Masculinity	3.5424	1.32914	.064	-.592
Long-term Orientation	5.4711	1.06349	-1.025	.973

In terms of skewness, only the Long-term Orientation set of variables fell outside the ± 1 range, indicating substantial negative skewness of the data. Long-term Orientation also had large, positive kurtosis value. These results indicate that the data are non-normal. Kurtosis was not found to be a significant problem in the rest of the sample but a large number of variables were skewed. This is not surprising because for samples that hold the same cultural values, some degree of homogeneity would be expected in their responses. In other words, students’ responses about cultural values would be expected to cluster around a certain value on the scale. For instance, Long-term Oriented individuals would be expected to have above-average ratings on the Long-term Orientation scale rather than being normally distributed. Similarly, if culture affects service quality expectations as hypothesised, groups that are culturally similar should have similar levels of service quality expectations,

hence the service quality responses would also not be normally distributed. As such, no data transformation was undertaken. Finally, as with the service quality expectations data, examination of scatterplots and residuals indicated no severe issues with linearity and heteroscedasticity.

6.3 Splitting the Variables

Table 6.5 relates to the manipulated independent variables and presents the cell counts for each of the ten manipulations.

Table 6-5: Cell Count by Manipulations	
Scenario	Count
1A: Good past experience	47
1B: Bad past experience	43
2A: Good word-of-mouth	46
2B: Bad word-of-mouth	49
3A: Many explicit promises presented in ad	51
3B: Few explicit promises presented in ad	52
4A: High implicit promises presented in high price	61
4B: Low implicit promises presented in low price	52
5A: High implicit promises presented by good firm image	42
5B: Low implicit promises presented by bad firm image	43
Total	486

All the culture variables were recoded into median-split dichotomous variables for use as independent factors in the statistical models used for testing the hypotheses and propositions. Each respondent was assigned to a Power Distance group (high, low), a Collectivist group (Collectivist, Individualist), an Uncertainty Avoidance group (high, low), a Masculinity group (high, low), and a Long-term Orientation group (Long-term oriented, Short-term oriented) on the basis of five median splits. Table 6.6 (below) presents the trait group frequency counts for the five median-split factors. Based on independent samples *t*-tests, high and low groups were significantly different in all cases. The median splits produced groups that were roughly equal, with the largest

difference between groups being 42 respondents and the smallest difference being 12 respondents.

Table 6-6: Frequencies (Cultural Groups)						
Cultural Variable	Count	Mean	Std. Dev.	t-test for Equality		
				t	df	Sig. (2-tailed)
PDI						
High	227	3.7384	.93065	-19.740	346	.000
Low	259	1.8769	.51276			
UA						
High	234	5.9402	.54473	-20.304	346	.000
Low	252	4.0880	.83411			
INDV						
High	249	5.4801	.64852	-19.114	346	.000
Low	237	3.7733	.73427			
MASC						
High	239	4.6597	.74981	-22.925	346	.000
Low	246	2.4614	.74178			
LTO						
High	222	6.3198	.34970	-16.850	346	.000
Low	264	4.7519	.92574			

Table 6-7 presents the frequency counts of all five cultural groups across the 10 manipulations. The cell counts were not significantly different from those expected.

Table 6-7: Frequencies (Cultural Groups by Manipulations)										
Cultural Variable	1A	1B	2A	2B	3A	3B	4A	4B	5A	5B
PDI										
High	21	19	20	22	22	24	29	30	20	18
Low	26	24	26	27	29	28	32	22	22	25
UA										
High	19	20	21	22	22	25	35	26	21	20
Low	28	23	25	27	29	27	26	26	21	23
INDV										
High	20	18	20	22	23	24	30	27	19	18
Low	27	25	26	27	28	28	31	25	23	25
MASC										
High	18	24	23	22	24	30	28	29	22	19
Low	29	19	23	27	27	22	36	23	20	24
LTO										
High	21	17	20	21	24	22	30	25	24	18
Low	26	26	26	28	27	30	31	27	18	25

Table 6.8 presents the mean scores of the dependent variable for each cultural group and Table 6.9 shows the correlations between the five cultural values and the service quality expectations dimensions identified in the exploratory factor analysis. The results presented in Table 6.8 indicate that low Power Distance customers had higher mean Tangibles, Customer Care, and Empathy expectations. This is in line with Donthu and Yoo's (1998) findings indicating that consumers low on Power Distance expected more responsive and reliable service. The results of the correlational analysis presented in Table 6.9 (below) indicate that Power Distance is negatively correlated with service quality, which is in line with previous research indicating that people who are high Power Distance are more tolerant of service failures and therefore have lower service quality expectations (Donthu and Yoo 1998; Kueh and Voon 2007; Tsoukatos and Rand 2007).

Table 6.8: Mean Scores (Cultural Group by Measured Dependent Variables)			
Cultural Variable	Tangibles	Customer Care	Empathy
PDI			
High	5.32	5.32	4.32
Low	6.72	6.26	5.21
UA			
High	4.63	5.32	5.32
Low	6.32	5.01	4.21
INDV			
High	6.32	5.82	4.39
Low	5.21	4.41	5.21
MASC			
High	6.28	4.31	5.32
Low	4.66	4.97	5.21
LTO			
High	5.09	6.58	6.32
Low	6.56	4.73	4.21

In this research high Uncertainty Avoidance customers also had higher mean Tangibles, Customer Care, and Empathy expectations. Uncertainty Avoidance was significantly and positively correlated with all the service quality dimensions. This is in line with previous research indicating that high Uncertainty Avoidance customer have higher expectations in all service

quality dimensions as they are more cautious and do not like unpleasant surprises. In their research Furrer et al. (2000) found positive significant relationships between Uncertainty Avoidance and Responsiveness, Reliability, Assurance, and Empathy and Kueh and Voon (2007) found positive significant relationships between Uncertainty Avoidance and Tangibles, Reliability, and Responsiveness/Assurance/Empathy.

Table 6.9: Correlation between Cultural Variables and Service Quality Expectations					
	PDI	UA	INDV	MASC	LTO
Tangibles	-.431*	.368*	.183*	.293*	-.424*
Customer Care	-.160*	.441*	.113*	-.118	.336*
Empathy	-.383*	.348*	-.170*	.013	.627*

Notes: * $p < 0.05$

More individualistic customers had higher mean Tangibles and Customer Care expectations while more Collectivistic customers expected more Empathy. Individualism was also significantly correlated with all the service quality dimensions, being positively correlated to Tangibles and Customer Care but negatively correlated to Empathy. The higher expectations of Individualists are frequently found in the literature (*cf.* Donthu and Yoo 1998; Furrer et al. 2002; Laroche et al. 2005a; Witkowski and Wolfinbarger 2002) as Individualist customers tend to be more independent and self-centred. However, researchers have found different patterns of importance, for example Donthu and Yoo (1998) found that those in Individualistic countries focused more on Empathy and Assurance while Furrer et al. (2002) found that Individualists emphasised Tangibles, Reliability, and Responsiveness over Assurance and Empathy. Collectivists could logically be expected to value Empathy more than Individualists, since this dimension is related to the degree of caring and individual attention provided to customers (Parasuraman et al. 1988) and Collectivists are more susceptible to interpersonal influence (Lam et al. 2009).

Customers with high Masculinity had higher mean Tangibles expectations but lower mean Customer Care and Empathy expectations. In the correlational

analysis Masculinity was only significantly related to the Tangibles dimensions of service quality, which confirms previous research by Furrer et al. (2000) who a weak positive relationship with tangibles. This significant positive relationship may be explained by the fact that those with a masculine orientation tend to rely on only highly available information (Meyers-Levy 1989), such as the information provided by the servicescape and are more oriented to material objects (Hofstede et al. 2010). While the correlation between Masculinity and Empathy was not significant in this research, the positive correlation is worthy of note. This result confirms research by Tsikriktsis (2002) who reported that Masculinity was significantly positively related to emotional appeal in Website service quality and Furrer et al. (2000) who found a positive, significant relationship between Masculinity and Empathy. This is possibly explained by the fact that people with a Masculine orientation may value getting individual attention. For example, in Winsted's (1997) research she found that Japanese consumers (highly Masculine culture) evaluated service encounters based on the levels of civility, personalisation, conversation, concern, and formality, which dovetail with the kinds of issues highlighted by SERVQUAL's Empathy dimension.

The correlation between Masculinity and Customer Care was also insignificant, but the directionality indicates that customers with a feminine orientation have higher expectations of service providers in terms of this dimension, which is supported by Furrer et al.'s (2000) and Tsoukatos and Rand's (2007) findings that indicate that Masculinity is negatively related to Reliability, Responsiveness, and Assurance. The direction of this relationship is congruent with the idea that customers with a feminine orientation tend to be more concerned with 'quality of life' variables (Hofstede 1998) and so may put more stock in issues such as reliability and responsiveness.

High Long-term Orientation customers had lower mean Tangibles expectations but higher mean Customer Care and Empathy expectations. Long-term Orientation was significantly and positively correlated with the Customer Care

and Empathy dimensions of service quality expectations, while being negatively correlated with Tangibles. In terms of Customer Care and Empathy, high LTO individuals' future-orientation would push them to look for evidence that it is worthwhile to return to the same service provider and as such they would have higher expectations of service quality (Kueh and Voon 2007). Additionally, dimensions such as reliability, responsiveness, and empathy are extremely important to high LTO consumers because of the close relationships they try to develop with service providers (Ordóñez de Pablos 2005; Watkins and Liu 1996; Wong and Chan 1999). In terms of Tangibles, it is not surprising that low LTO consumers are more interested in this dimension since they tend to prefer rely more on direct or explicit communication (Gudykunst et al. 1996; Gudykunst and Nishida 1993; Korac-Kakabadse et al. 2001; Levine 1985; Morden 1991). The pattern of significant relationship between LTO and service quality expectations that is found in this research is supported by previous research by Furrer et al. (2002), Kueh and Voon (2007), and Tsoukatos and Rand (2007).

Finally, Table 6.10 shows the mean scores of cultural groups based on the nationality of the students in the sample. As highlighted in Table 5.4 (p. 162), the sample largely comprised students from three countries: British (130 students, 26.7%), Chinese (88 students, 18.1%) and Malaysian (84 students, 17.3%). These countries were used to assess whether there were differences in the responses based on nationality, given that these groups had large enough sample sizes.

Table 6.10: Mean Scores (Cultural Group by Nationality)				
Cultural Variable	British	Chinese	Malaysian	Average
PD	2.05	2.91	3.17	2.71
UAI	3.38	6.53	5.03	4.98
INDV	6.07	3.08	4.62	4.59
MASC	2.97	3.73	3.18	3.54
LTO	4.64	6.60	5.47	5.57

The results presented in Table 6.10 show that the students of different nationalities behaved largely in line with Hofstede's (2001) characterisations but there were also divergences. The British students were generally low Power Distance, Uncertainty Avoidance, and Masculinity, while being very high on Individualism and 'medium-high' in terms of Long-term Orientation. Based on Hofstede's research, Britons are generally higher in Masculinity and lower in Long-term Orientation than recorded in this sample.

In terms of the Chinese students, the results were mostly in line with Hofstede's research as well. The Long-term Orientation dimension ranked the highest for Chinese students, with an average of 6.60 on the 7-point scale, which is congruent with Hofstede's research in which Chinese respondents scored highest on this dimension (Hofstede and Bond 1988). In this sample the Power Distance scores were low for the students from all three nationalities, which is at odds with Hofstede's results in which Power Distance was Chinese respondents' second highest ranked dimension. In Hofstede's research, China's score on this dimension (80) was significantly higher than other Far East Asian countries (60) and the world average (55). Instead of Power Distance being the second-highest ranked dimension, in this research Uncertainty Avoidance followed Long-term Orientation, which was on average higher for Chinese students than in Hofstede's research. Individualism and Masculinity are the two lowest ranked dimensions for Chinese students. In Hofstede's research China ranked lower than any other Asian country on the Individualism dimension, at 20 compared to an average of 24 for other Asian countries. While the Individualism average mean in this research was above that in Hofstede's research, it is still the lowest compared to the students from the other two nationalities.

Long-term Orientation was also the highest ranked dimension for Malaysian students, which was at odds with Hofstede's results. While high long-distance orientation is true for all Asian cultures (the average of scores for China, Hong Kong, Japan, South Korea, and Taiwan is 90) compared to the world average

(45), Malaysia was ranked first in terms of power distance in Hofstede's country scores (Hofstede 2001), while in this research Power Distance is the low for Malaysian students as well. Indeed the Power Distance scores in this research were below the mid-point of the scale (mean of 2.71) and were the lowest among all the cultural dimensions. This is in line with Kueh and Voon's (2007) results in their on Malaysian university students, who had a Power Distance mean score of 3.13. Uncertainty Avoidance and Long-term Orientation was high while Individualism was relatively high, and Masculinity was low. This mostly dovetailed with Kueh and Voon's (2007) results: UA (5.19), INDV (4.57), MASC (4.38), and LTO (5.76). The only difference between their results and those in this research are the Masculinity scores, which averaged 3.17 in this research compared to 4.38 in Kueh and Voon's (2007) research.

These discrepancies are not surprising given that Hofstede's data were collected from 1967-1973 and was based on samples of employees whereas the sample used here was made up of mostly young students in a consumption context in 2008. Other researchers that have directly measured cultural dimensions have found differences as well. For example, Fam and Merrilees (1998) also found differences between Hofstede's measures and their results based on data collected in 1995 for Australia and Hong Kong. They reported that, compared to Hofstede's scores, Australians were becoming more Collectivist while people from Hong Kong were becoming more Individualist. Similarly, Kueh and Voon (2007) and Tsoukatos and Rand (2007) reported differences between their measurements of individual level cultural values and Hofstede's scores.

There are a number of possible explanations for these differences between the results in this research and Hofstede's results. For example, the differences in the Chinese students' scores may be explained by the fact that Chinese who were educated in abroad (or otherwise in non-Chinese schools) have a weaker identification with traditional Chinese values (Fon Sim 1993), in the same way

that Chinese employees that are exposed to culturally different styles of management and/or are educated abroad become less satisfied with traditional management styles (Curtis and Lu 2004; Littrell 2002). Another possible explanation is the impact of the sample on the results. Specifically the low Power Distance results may be because of the student setting and the relatively low Masculinity results may be because of the age of the students responding. Overall, this section underscores the importance of collecting contemporary data on cultural values of individuals when undertaking this type of research since country scores may vary from the score of a specific segment in the society (Fam and Merrilees 1998; Kueh and Voon 2007; Tsoukatos and Rand 2007).

6.4 Chapter Summary

The first two stages of the data analysis were reported in this chapter. Section 6.1 presented a descriptive analysis of the key variables used in the research and the results of the tests for non-response bias. The data were screened for outliers and this was not deemed to be significant enough to warrant transformation. In terms of non-response bias, this did not seem to have a significant impact in this research based on the analysis of both item and unit non-response.

Section 6.2 presented the analyses of the measurement scales used in the research. In the analyses undertaken on the data collected using the expectations portion of the SERVQUAL measure, limited evidence has been found in support of the five-factor solution presented by SERVQUAL's developers. Instead, a three-factor structure appears to be appropriate and thus this factor structure was employed to analyse the relevant hypotheses and propositions. In the analyses undertaken on the data collected using Donthu and Yoo's (1998) CVSCALE scale, the results supported the five-factor structure found by others that have used this scale (Donthu and Yoo 1998; Kueh and Voon 2007; Patterson et al. 2006; Prasongsukarn 2009; Yoo and Donthu 2001, 2002, 2005) and so this five-factor structure was employed to

analyse the relevant hypotheses and propositions. Additionally, analysis of the final items included in both scales indicated no serious violations of the assumptions of normality, linearity, and equality of variance. Finally, Section 6.3 discussed the splitting of the variables into different cultural groups for each of the scenarios for analysis purposes.

The results of the third and final stage of the data analysis are presented in the next chapter, which are the results as they relate to the hypotheses and propositions. A full discussion of these results takes place in the final chapter, along with a discussion of the implications of the empirical findings and the limitations of the research.

CHAPTER SEVEN: PRESENTATION OF THE FINDINGS RELATED TO THE HYPOTHESES

Having presented the results of the first two stages of the data analysis in Chapter Six, this chapter presents the results of the final stage of the data analysis, which directly addresses the hypotheses and propositions set out in Chapter 4. As outlined in detail in Chapter 6, an experimental design using separate 1x2 between-subject designs was used. The manipulated independent variables were the five service quality antecedents, each at two levels (good, bad/high, low): internal sources of information (past experience), explicit service promises (advertising), implicit service promises (price and firm image), and word-of-mouth. After the measured independent variables were split into high and low groups using a median split, the result was five separate 2x2 designs. The measured independent variables were the five cultural value dimensions measured in the research: Power Distance, Uncertainty Avoidance, Individualism, Masculinity, and Long-term Orientation.

To test each group of hypotheses, five separate 2x2 between-subjects MANCOVAs were performed on the measured dependent variable (predicted service quality expectations). Analyses were also undertaken by breaking down the measured dependent variable into three dependent measures identified in this research: Tangibles, Customer Care, and Empathy. Adjustments were made for covariates. In line with Patterson et al. (2006), the cultural value orientations not included in the hypothesised interaction were all initially included as covariates in each analysis, but only those that were statistically significant in each analysis were retained. These analyses allow for the testing of the hypotheses related to the antecedents of expectation and these results are presented Section 7.1. Sections 7.2 to 7.6 present the results of the rest of the propositions related to the moderating impact of the five individual-level cultural orientation variables on the relative importance of the five information sources tested. The chapter concludes with a summary of the findings as they relate to the hypotheses.

7.1 The Antecedents of Service Quality Expectations

Zeithaml et al. (1993) hypothesise that the four main groups of antecedents examined in this research are significantly related to service quality antecedents and in this research internal and external search elements are posited to directly impact perceived service expectations as presented in Figure 2.5 (p. 57). However, some pieces of previous research have indicated that some of these information sources may not be significant antecedents of predicted expectations (Devlin et al. 2002; Dion et al. 1998). This group of analyses tested the direct relationship between predicted expectations and the five antecedents of expectations examined. These results are reported below.⁶

Past experience: The first hypothesis tested the direct relationship between internal search as measured by past experience (good, bad) and predicted expectations as outlined below:

H1-1: Past experience is a significant antecedent of predicted expectations.

Results from all five experiments were examined to determine if this hypothesis was supported. Table A4.1 in Appendix 4 shows the results relating to past experience and Power Distance. The use of Wilks' criterion showed that predicted expectations was significantly related to UA ($F(3,81) = 2.72$, $p=.05$, partial $\eta^2 = .09$) and LTO ($F(3,81) = 4.48$, $p=.01$, partial $\eta^2 = .14$) and so these were included as covariates. After controlling for these two covariates, there was a significant main effect of past experience ($F(3,81) = 8.42$, $p=.00$, partial $\eta^2 = .24$). Further examination of the relationship between past experience and predicted expectations was undertaken by examining the univariate between-subject tests, which showed that past experience was significantly related to all three dimensions of predicted expectations

⁶ For each of the hypotheses presented in this section, results were available from all of the five analyses conducted. For this reason multiple results are reported in determining whether each hypothesis is supported. Instead of repeating the tables of results (which include the results on the main effects reported here and the interaction effects reported in later sections), the main tables are presented in Appendix 4, allowing clearer presentation of the results.

(Tangibles, Customer Care, and Empathy) at the $p=.05$ level, with Tangibles having the highest F -value indicating it was the most significant of the three dimensions.

In the Uncertainty Avoidance analysis (Table A4.1), predicted expectations was significantly related to PD ($F(3,81) = 6.20$, $p=.00$, partial $\eta^2 = .19$) and LTO ($F(3,81) = 4.44$, $p=.00$, partial $\eta^2 = .14$), which were included as covariates, and past experience ($F(3,81) = 7.34$, $p=.00$, partial $\eta^2 = .22$). In the Individualism analysis (Table A4.3), predicted expectations was significantly related to PD ($F(3,81) = 5.31$, $p=.00$, partial $\eta^2 = .17$), UA ($F(3,81) = 2.44$, $p=.01$, partial $\eta^2 = .08$), and LTO ($F(3,81) = 3.88$, $p=.01$, partial $\eta^2 = .13$), which were included as covariates, and past experience ($F(3,81) = 6.68$, $p=.00$, partial $\eta^2 = .20$). In the Masculinity analysis (Table A4.4) past experience was run as a MANOVA as there were no significant covariates. The results of this analysis show that there was a significant main effect of past experience ($F(3,81) = 3.61$, $p=.02$, partial $\eta^2 = .12$). Finally, for the Long-term Orientation analysis, Table A4.5 shows that predicted expectations was significantly related to PD ($F(3,81) = 5.95$, $p=.00$, partial $\eta^2 = .18$) and UA ($F(3,81) = 3.01$, $p=.03$, partial $\eta^2 = .10$), which were included as covariates, and past experience ($F(3,81) = 6.75$, $p=.00$, partial $\eta^2 = .20$). As with past experience, all three dimensions of predicted expectations were significant at the $p=.05$ level in the remaining four scenarios, and Tangibles had the highest F -value of the three dimensions.

The results of these analyses showed that there was a significant main effect of past experience, both in the multivariate and univariate analyses, supporting H1-1. In addition to these significant relationships, the effect sizes of the relationships were all strong as indicated by the partial η^2 values.

Advertising: The second hypothesis tested the direct relationship between explicit service promises as measured by advertising (many/few service promises) and predicted expectations as outlined below:

H1-2: Advertising containing many/few service promises is a significant antecedent of predicted expectations.

Table A4.2 shows the results for advertising and Power Distance. This table shows that predicted expectations was significantly related to UA ($F(3,81) = 2.85$, $p=.04$, partial $\eta^2 = .08$), which was included as a covariate, and advertising ($F(3,81) = 3.39$, $p=.02$, partial $\eta^2 = .09$). The Advertising scenario was run as a MANOVA in the remaining four analyses as there were no significant covariates. In all of these analyses predicted expectations was significantly related to advertising: Uncertainty Avoidance ($F(3,81) = 2.82$, $p=.04$, partial $\eta^2 = .08$) (Table A4.1), Individualism $F(3,81) = 4.49$, $p=.05$, partial $\eta^2 = .12$) (Table A4.3), Masculinity ($F(3,81) = 4.23$, $p=.02$, partial $\eta^2 = .12$) (Table A4.4), and Long-term Orientation ($F(3,81) = 4.43$, $p=.00$, partial $\eta^2 = .12$) (Table A4.5).

The results from all these analyses showed that there was a significant main effect of advertising at the multivariate level, providing support for H1-2 although the effect sizes of these relationships were weak. However, of the three dimensions of predicted expectations, only the Tangibles dimension was (surprisingly) separately significant in these analyses.

Price: This hypothesis tested the direct relationship between implicit service promises as measured by price (high, low) and predicted expectations as outlined below:

H1-3: Price is a significant antecedent of predicted expectations.

In the Power Distance analysis (Table A4.2), predicted expectations was significantly related to UA ($F(3,81) = 5.75$, $p=.00$, partial $\eta^2 = .14$), MAS ($F(3,81) = 2.97$, $p=.03$, partial $\eta^2 = .08$), and IND ($F(3,81) = 4.44$, $p=.01$, partial $\eta^2 = .11$) and so these were included as covariates. Price had significant main effects after controlling for the three covariates ($F(3,81) = 2.74$, $p=.05$, partial $\eta^2 = .07$). Univariate between-subject tests showed that price was

significantly related to all three dimensions of predicted expectations, with Customer Care expectations having the highest F value.

In the Uncertainty Avoidance analysis (Table A4.1) predicted expectations was significantly related to IND ($F(3,81) = 2.84$, $p=.04$, partial $\eta^2 = .07$) and so this cultural variable was included as a covariate. Price had significant main effect after controlling for the covariate ($F(3,81) = 32.83$, $p=.04$, partial $\eta^2 = .07$). Univariate tests showed the same outcomes as in the PD analysis. For the Individualism analysis (Table A4.3), predicted expectations was significantly related to UA ($F(3,81) = 7.76$, $p=.00$, partial $\eta^2 = .18$) and LTO ($F(3,81) = 3.00$, $p=.03$, partial $\eta^2 = .078$) and so these were included as covariates. Price had significant main effects after controlling for the covariates ($F(3,81) = 3.99$, $p=.01$, partial $\eta^2 = .10$).

For the Masculinity analysis (Table A4.4), predicted expectations was significantly related to UA ($F(3,81) = 5.39$, $p=.00$, partial $\eta^2 = .13$) and IND ($F(3,81) = 4.18$, $p=.01$, partial $\eta^2 = .11$) and so these were included as covariates. Price again had significant main effects after controlling for the covariates ($F(3,81) = 2.89$, $p=.00$, partial $\eta^2 = .08$). Finally, for the Long-term Orientation analysis (Table A4.5), predicted expectations was significantly related to UA ($F(3,81) = 5.87$, $p=.00$, partial $\eta^2 = .14$) and IND ($F(3,81) = 3.38$, $p=.02$, partial $\eta^2 = .08$) and so were included as covariates. Price again had significant main effects after controlling for the covariates ($F(3,81) = 3.21$, $p=.03$, partial $\eta^2 = .08$).

Overall, the results of these analyses showed that there was a significant main effect of price, providing support for H1-3. In all five analyses there was a significant main effect of price, both in the multivariate and univariate analysis. In univariate analysis, all three dimensions of predicted expectations were significant in this group of analyses, with price being most significantly related to predicted Customer Care expectations.

Firm Image: This hypothesis tested the direct relationship between implicit service promises as measured by firm image (good, bad) and predicted expectations as outlined below:

H1-4: Firm image (as depicted by a star rating or other type of external certification) is a significant antecedent of predicted expectations.

In the Power Distance analysis (Table A4.2), UA ($F(3,81) = 1.72$, $p=.07$, partial $\eta^2 = .06$), MAS ($F(3,81) = 1.11$, $p=.09$, partial $\eta^2 = .04$), and IND ($F(3,81) = 2.70$, $p=.05$, partial $\eta^2 = .09$) were useful in the analysis of the firm image scenario and were included as covariates. Firm image had significant main effects after controlling for the three covariates ($F(3,81) = 4.52$, $p=.01$, partial $\eta^2 = .15$). Firm image were significantly related to all three dimensions of predicted expectations, with Tangibles expectations having the highest F value in the firm image scenario.

In the Uncertainty Avoidance analysis (Table A4.1) predicted expectations was significantly related to PD ($F(3,81) = 7.00$, $p=.00$, partial $\eta^2 = .21$) and so this cultural variable was included as a covariate. Firm image had significant main effects after controlling for the covariates ($F(3,81) = 4.20$, $p=.01$, partial $\eta^2 = .14$). Univariate tests showed the same outcomes as in the PD analysis. For the Individualism analysis (Table A4.3), predicted expectations was significantly related to PD ($F(3,81) = 5.99$, $p=.00$, partial $\eta^2 = .19$) and this cultural variable was included as a covariate. Firm image had significant main effects after controlling for the covariates ($F(3,81) = 3.23$, $p=.03$, partial $\eta^2 = .11$). In the firm image analysis the Tangibles dimension was again the most significant in univariate analysis, but the Empathy dimension was not significant.

For the Masculinity analysis (Table A4.4), predicted expectations was significantly related to PD ($F(3,81) = 4.29$, $p=.01$, partial $\eta^2 = .14$) and IND ($F(3,81) = 3.04$, $p=.03$, partial $\eta^2 = .11$) and so these were included as covariates. Firm image again had significant main effects after controlling for the covariates ($F(3,81) = 3.56$, $p=.02$, partial $\eta^2 = .12$). Finally, for the Long-

term Orientation analysis (Table A4.5), predicted expectations was significantly related to PD ($F(3,81) = 4.55$, $p=.01$, partial $\eta^2 = .15$), IND ($F(3,81) = 1.77$, $p=.05$, partial $\eta^2 = .06$), and MAS ($F(3,81) = 1.16$, $p=.03$, partial $\eta^2 = .08$) and so were included as covariates. Firm image again had significant main effects after controlling for the covariates ($F(3,81) = 2.85$, $p=.04$, partial $\eta^2 = .10$).

Overall, the results of these analyses showed that there was a significant main effect of firm image, providing support for H1-4. In all five analyses there was a significant main effect of firm image, both in the multivariate and univariate analyses. In univariate analysis, all three dimensions of predicted expectations were significant in this group of analyses, with firm image being most significantly related to predicted Tangibles expectations.

Word-of-mouth: The penultimate hypothesis in this section tested the direct relationship between word-of-mouth (good, bad) and predicted expectations as outlined below:

H1-5: Word-of-mouth (operationalised as eWOM) is a significant antecedent of predicted expectations.

In the Power Distance analysis, Table A4.2 shows that predicted expectations was significantly related to IND ($F(3,81) = 4.24$, $p=.01$, partial $\eta^2 = .13$) and MAS ($F(3,81) = 6.21$, $p=.00$, partial $\eta^2 = .18$), which were included as covariates, and word-of-mouth ($F(3,81) = 8.73$, $p=.00$, partial $\eta^2 = .23$). In the Uncertainty Avoidance analysis (Table A4.1), predicted expectations was significantly related to IND ($F(3,81) = 3.55$, $p=.02$, partial $\eta^2 = .11$) and MAS ($F(3,81) = 6.40$, $p=.00$, partial $\eta^2 = .18$), which were included as covariates, and word-of-mouth ($F(3,81) = 9.51$, $p=.00$, partial $\eta^2 = .25$). In the Individualism analysis (Table A4.3), the results show that predicted expectations was significantly related to MAS ($F(3,81) = 5.78$, $p=.00$, partial $\eta^2 = .17$), which was included as a covariate, and word-of-mouth ($F(3,81) = 10.77$, $p=.00$, partial $\eta^2 = .27$).

In the Masculinity analysis (Table A4.4) the word-of-mouth scenario was run as a MANOVA as there were no significant covariates. There was a significant main effect of word-of-mouth ($F(3,81) = 9.40, p=.00, \text{partial } \eta^2 = .24$). Finally, in the Long-term Orientation analysis (Table A4.5), predicted expectations was significantly related to IND ($F(3,81) = 3.24, p=.03, \text{partial } \eta^2 = .10$) and MAS ($F(3,81) = 5.73, p=.00, \text{partial } \eta^2 = .17$), which were included as covariates, and word-of-mouth ($F(3,81) = 10.78, p=.00, \text{partial } \eta^2 = .27$). In univariate analysis, all three dimensions of predicted expectations were significant in all analyses, with the Empathy dimension having the highest F value in all five cases, although the Customer Care and Tangibles dimensions also had very high F -values and significant p -values.

The results of these analyses showed that there was a significant main effect of word-of-mouth, both in the multivariate and univariate analyses, supporting H1-5. In addition to these significant relationships, the effect sizes of the relationships were the strongest as indicated by the partial η^2 values.

The final hypothesis in this section tested the relative importance of the five different antecedents in helping consumers to form their expectations as outlined below:

H1-6: Past experience and word-of-mouth are more significant antecedents of predicted expectations than advertising, price, and firm image.

Based on the F -values and effect sizes, past experience and word-of-mouth seemed to be more significant antecedents of predicted expectations than advertising, price, and firm image, supporting H1-6. Of these five antecedents, word-of-mouth had the highest F -values and effect sizes ranging from .23 to .27. Past experience had the second highest F -values, with effect sizes ranging from .20 to .24 (except in the Masculinity scenario, where the effect size was .12). Advertising, price, and firm image tended to have smaller large effect sizes than past experience and word-of-mouth. For advertising, the effect sizes

ranged from .08 to .12, for price the range was from .07 to .10, and for firm image the range was from .10 to .15.

Summary

The results of the MANOVAs/MANCOVAs indicate that past experience, advertising, price, firm image, and word-of-mouth are all significant antecedents of predicted service quality expectations, supporting H1-1 to H1-5. However, there are some interesting findings from the multivariate univariate analyses. First, some of the dimensions WOM and past experience consistently had higher *F*-values and larger effect sizes than the other three antecedents examined. The key importance of WOM and past experience is in line with previous research showing that source credibility is the strongest predictor of type of information sources used (Kerstetter and Cho 2004). Additionally, since information search activity is entered into with the intent of lowering the consumer's overall perceived risk level (Cho and Lee 2006; Ha 2002; Klein and Ford 2003; Pires et al. 2004; Schmidt and Spreng 1996), WOM and past experience ('active' information searching) are more likely to influence consumer perceived risk (Harris et al. 1999; Jarvenpaa and Todd 1997), which is supported by the findings here. Previous research also indicates that price plays a smaller role in influencing service expectations and selection of a service compared to more personal sources of information (Sweeney et al. 1992) and advertising is less relevant as a quality cue when consumers develop alternative sources of product/vendor-related information (Ha 2002; Laband 1986), results that are supported by the findings here.

Second, advertising seems to be a significant antecedent of only the Tangibles dimension of the predicted expectations construct. This indicates that respondents were only able to properly develop expectations about the tangible elements of the hotel service (such as grounds, accommodation, restaurant, and beach setting) from the service promises presented in the ads but little about the functional/process aspects that would allow them to form expectations of

how efficient, reliable, or empathic staff would be at either type of hotel represented.

Third, like advertising, past experience and firm image were most significant as antecedents of predicted Tangibles expectations although these antecedents were also significantly related to predicted Customer Care expectations and predicted Empathy expectations. This indicates that the price and awards/star ratings contain additional information that allowed respondents to form Customer Care and Empathy expectations, which are related to service performance rather than tangible elements of the servicescape. Fourth, price was most significant as an antecedent of predicted Customer Care expectations while WOM was most significant as an antecedent of the predicted Empathy expectations. This indicates that staff performance is more influential than quality of room facilities in determining service quality in hotels (Callan and Bowman 2000; Lockyer 2002; Qu et al. 2000; Shanahan and Hyman 2007) and that consumers are best able to form Empathy expectations based on WOM, which is congruent with the research indicating that WOM (and especially eWOM) generates empathy among readers (Barber et al. 2009; Barsade 2002; Bickart and Schindler 2001; Schindler and Bickart 2005).

Overall the results indicate that word-of-mouth and internal search (past experience) explain more of the variation in predicted expectations than explicit and implicit service promises. The fact that these five antecedents are significant is not surprising given that the manipulations had been checked thoroughly *ex ante* (see Section 5.2.2), but the results are reassuring nonetheless. In addition, the reassessment indicated that advertising a significant antecedent of only the Tangibles dimension, which is an interesting finding and not previously highlighted in the literature. The rest of this chapter reports the results of the experiments investigating the impact of individual cultural variables on the antecedents of predicted expectations. The importance of the covariates is discussed in Section 8.2.

7.2 Uncertainty Avoidance

Although not formally hypothesised, each section comments on the proposed main effects of the cultural variables before moving on to the specific hypothesis testing. In this section, the direct relationship between Uncertainty Avoidance and predicted expectations is briefly examined. As shown in Tables A4.1 in Appendix 4, there was a significant main effect of Uncertainty Avoidance in the past experience scenario ($F(3,81) = 3.22$, $p=.03$, partial $\eta^2 = .11$), in the advertising scenario ($F(3,81) = 2.32$, $p=.08$, partial $\eta^2 = .07$), and in the price scenario ($F(3,81) = 5.42$, $p=.00$, partial $\eta^2 = .03$), but not in the firm image scenario ($F(3,81) = 1.12$, $p=.35$, partial $\eta^2 = .04$) nor the word-of-mouth scenario ($F(3,81) = .15$, $p=.93$, partial $\eta^2 = .01$).

This indicates that high and low Uncertainty Avoidance individuals are sometimes significantly different in the level of predicted expectations. Next, this group of analyses attempted to test the moderating influence of Uncertainty Avoidance on the relationship between predicted expectations and its antecedents. The results are presented below for each of the five antecedents of expectations studied.

Past experience: The first proposition in this section tested the moderating impact of Uncertainty Avoidance on the relationship between internal search as measured by past experience (good, bad) and predicted expectations as below:

P1-1: For high Uncertainty Avoidance individuals, *positive* [negative] past experience will lead to *higher* [lower] predicted expectations compared to low Uncertainty Avoidance individuals.

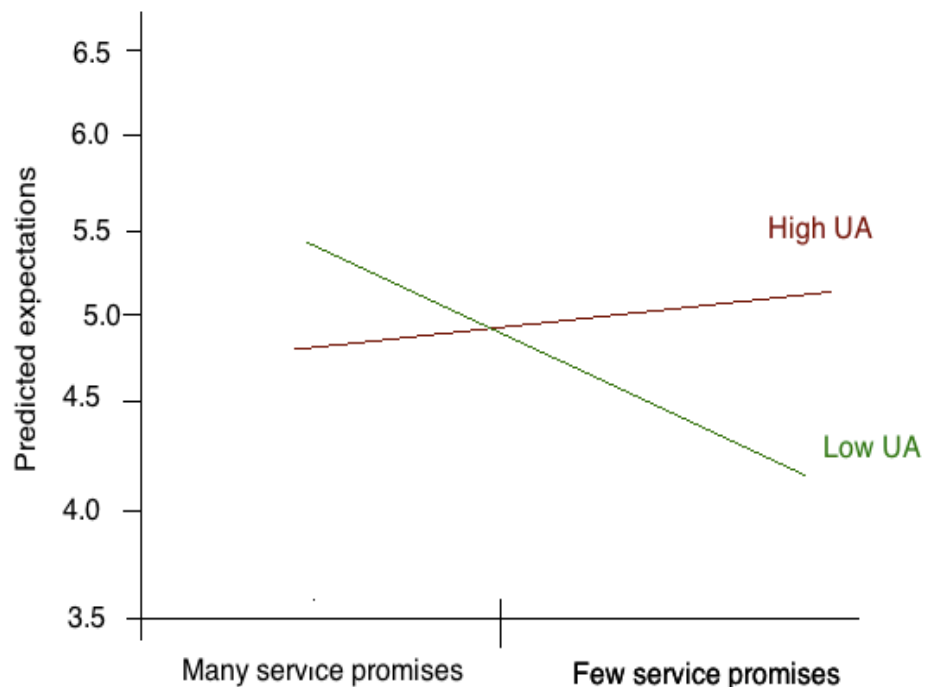
As shown in Table A4.1 (Appendix 4), the dependent variable (predicted expectations) was not significantly related to the interaction of past experience and Uncertainty Avoidance after controlling for the covariates ($F(3,81) = 1.97$, $p=.07$, partial $\eta^2 = .12$), thus P1-1 was not supported.

Advertising: The second proposition tested the moderating impact of Uncertainty Avoidance on the relationship between explicit service promises as measured by advertising (many/few service promises) and predicted expectations as below:

P1-2: For high Uncertainty Avoidance individuals, advertising with many [few] service promises will lead to *lower* [higher] predicted expectations compared to low Uncertainty Avoidance individuals.

Table A4.1 (Appendix 4) shows that the dependent variable (predicted expectations) was moderately related to the interaction of past experience ($F(3,81) = 2.08$, $p=.06$, partial $\eta^2 = .10$), indicating that P1-2 may be supported (Figure 7.1).

Figure 7.1: Two-way Interaction: Advertising x Uncertainty Avoidance



Further examination of the significant interaction between advertising and Uncertainty Avoidance led to the investigation of the effects of advertising on the dependent variable broken down into three components of service quality

(Tangibles, Customer Care, and Empathy) in univariate analysis. When the results for these components of the dependent variable were considered separately, both Tangibles and Customer Care were statistically significant, while Empathy was not. The cell means for each of these interactions were then examined for further information (Table 7.1). Examination of the means scores showed that, as proposed, high (low) Uncertainty Avoidance respondents had lower (higher) predicted Tangibles and Customer Care expectations when advertising had many explicit service promises (good advertising), and vice versa.

Table 7.1: Means: P1-2 (Interaction Effects, Advertising x Uncertainty Avoidance)		
	Many service promises	Few service promises
Tangibles		
Low UA	5.40	4.32
High UA	4.90	5.25
Customer care		
Low UA	5.08	4.54
High UA	4.80	5.24

These results support for P1-2, indicating that high uncertainty avoidance individuals are less reliant on advertising as an information source compared to low uncertainty avoidance individuals. This is consistent with previous results reported by Dawar et al. (1996), Money and Crofts (2003), and Litvin et al. (2004) that high uncertainty avoidance consumers relied on marketing-dominated sources such as advertisements less than low uncertainty avoidance consumers.

Price: The third proposition tested the moderating impact of Uncertainty Avoidance on the relationship between implicit service promises as measured by price (high, low) and predicted expectations as below:

P1-3: For high Uncertainty Avoidance individuals, *higher* [lower] price will lead to *higher* [lower] predicted expectations compared to low Uncertainty Avoidance individuals.

As shown in Table A4.1 (Appendix 4), predicted expectations was not significantly related to the interaction of price and Uncertainty Avoidance after controlling for the covariates, indicating that P1-3 was not supported.

Firm Image: The fourth proposition tested the moderating impact of Uncertainty Avoidance on the relationship between implicit service promises as measured by firm image (good, bad) and predicted expectations as below:

P1-4: For high Uncertainty Avoidance individuals, *positive* [negative] firm image will lead to *higher* [lower] predicted expectations compared to low Uncertainty Avoidance individuals.

Table A4.1 (Appendix 4) shows that predicted expectations was not significantly related to the interaction of firm image and Uncertainty Avoidance after controlling for the covariates, indicating that P1-4 was not supported.

Word-of-mouth: The final proposition in this section tested the moderating impact of Uncertainty Avoidance on the relationship between WOM (good, bad) and predicted expectations as below:

P1-5: For high Uncertainty Avoidance individuals, *positive* [negative] word-of-mouth will lead to *higher* [lower] predicted expectations compared to low Uncertainty Avoidance individuals.

As shown in Table A4.1 (Appendix 4), predicted expectations was not significantly related to the interaction of WOM and Uncertainty Avoidance after controlling for the covariates. The non-significant interaction effect means that P1-5 was not supported, as no statistically significant difference was found between high and low Uncertainty Avoidance individuals in terms of the relative importance of WOM in forming their predicted expectations.

Summary

The results indicate that, of the five manipulated independent variables, Uncertainty Avoidance interacted significantly with advertising on the dependent variable in the multivariate 2x2 models that were run. This significant interaction indicates that high and low Uncertainty Avoidance differed in the relative important they place on advertising in developing their expectations. As hypothesised in H2-2, low Uncertainty Avoidance individuals put relatively more emphasis on advertising as an information source in forming their predicted expectations.

7.3 Power Distance

The direct relationship between Power Distance and predicted expectations is first briefly examined. As shown in Table A4.2 in Appendix 4, there was a significant main effect of Power Distance in the past experience scenario ($F(3,81) = 8.57$, $p=.00$, partial $\eta^2 = .24$), and in the firm image scenario ($F(3,81) = 4.31$, $p=.01$, partial $\eta^2 = .03$), but not in the advertising scenario ($F(3,81) = .89$, $p=.44$, partial $\eta^2 = .03$), the price scenario ($F(3,81) = 1.10$, $p=.35$, partial $\eta^2 = .03$), nor the word-of-mouth scenario ($F(3,81) = .20$, $p=.89$, partial $\eta^2 = .01$). This indicates that high and low Power Distance individuals are sometimes significantly different in the level of predicted expectations.

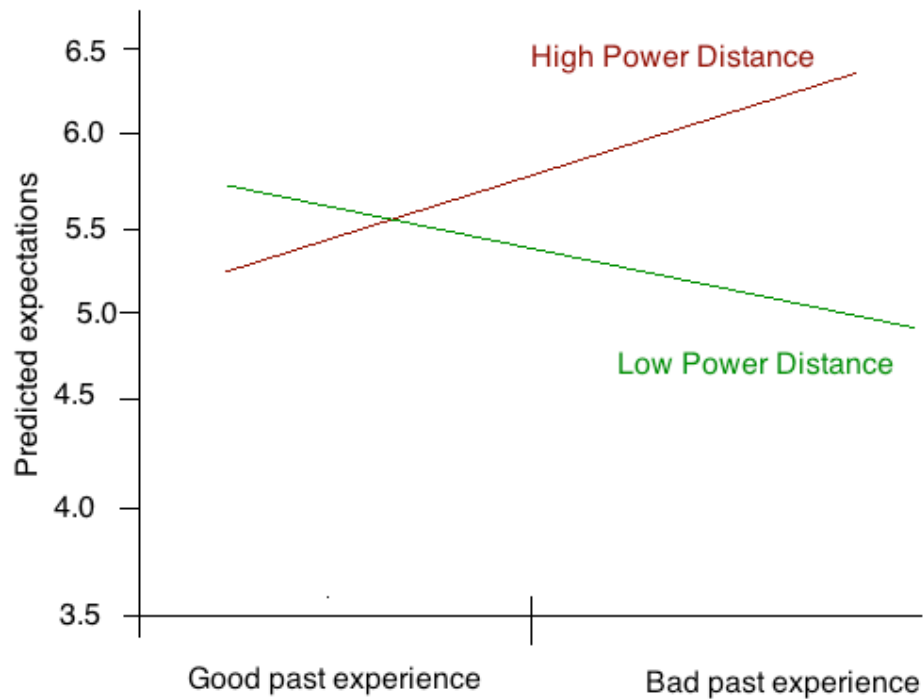
Next is the group of analyses that attempted to test the moderating influence of Power Distance orientation on the relationship between predicted expectations and its antecedents. The results are presented below for each of the five antecedents of expectations studied.

Past experience: This first proposition tested the moderating impact of Power Distance on the relationship between internal search as measured by past experience (good, bad) and predicted expectations as below:

P2-1: For high Power Distance individuals, *positive* [negative] past experience will lead to *lower* [higher] predicted expectations compared to low Power Distance individuals.

As shown in Table A4.2 (Appendix 4), there was a significant interaction between past experience and Power Distance ($F(3,81) = 7.15$, $p=.00$, partial $\eta^2 = .21$) after controlling for the two covariates (Figure 7.2).

Figure 7.2: Two-way Interaction: Past Experience x Power Distance



In examining the significant interaction between past experience and Power Distance, the effects of past experience on the three components of the dependent variable after adjustment for the covariate were investigated in univariate analysis. When the results for the dependent variables were considered separately, all three dimensions of predicted expectation were statistically significant. The statistically significant interaction of past experience and Power Distance on the three components of the dependent variable indicates that high and low PD individuals are significantly different from each other in terms of how they use past experience to develop their predicted expectations. However, whether P2-1 is supported by the data can only be determined by examining the cell means for each of these interactions (Table 7.2).

Table 7.2: Means: P2-1 (Interaction Effects, Past Experience x Power Distance)		
	Good Past experience	Bad Past experience
Tangibles		
Low PD	5.61	5.09
High PD	5.45	6.28
Customer care		
Low PD	5.46	5.27
High PD	5.39	6.31
Empathy		
Low PD	5.58	5.32
High PD	4.93	5.83

Examination of the means showed that, contrary to the proposition, respondents with low Power Distance orientation had higher mean scores on past experience than those with high Power Distance orientation when internal search led to the recall of *positive* past experiences. However, these results were in the opposite direction when past experiences were negative. That is, when internal search led to the recall of *negative* past experiences, respondents with high Power Distance orientation had higher mean scores on all three components of the dependent variable. These results contradict P2-1.

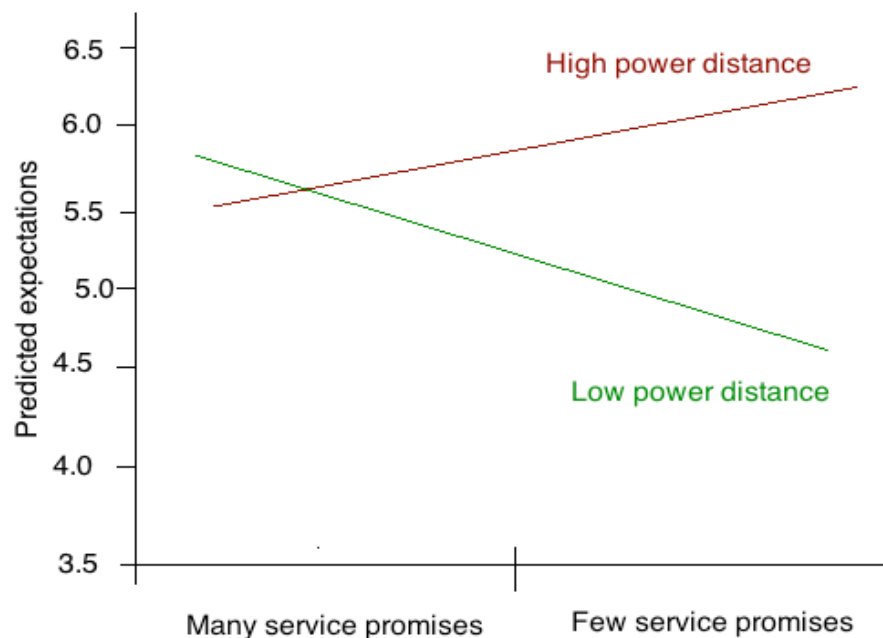
This surprising result is possibly explained by the relationship between Power Distance and consumer self-efficacy. Research indicates that low Power Distance consumers have higher levels of self-efficacy (Koh and Lim 2007; Sue-Chan and Ong 2002), and consumers with higher levels of self-efficacy are more likely to put more stock in their own past experiences with a service. Low Power Distance consumers would also be less dependent on the service provider (Kueh and Voon 2007) and are confident in their own learning (Koh and Lim 2007). Additionally, high Power Distance consumers tend to be more oriented toward absolute fonts of knowledge (Dawar et al. 1996) and are therefore more likely to rely on the information provided by the service provider (Kueh and Voon 2007). Self-efficacy thus helps to explain why low Power Distance consumers would rely on their past experiences more in developing their expectations than high Power Distance consumers.

Advertising: The next proposition tested the moderating impact of Power Distance on the relationship between explicit service promises as measured by advertising (many/few service promises) and predicted expectations as below:

P2-2: For high Power Distance individuals, advertising with *many* [few] service promises will lead to *lower* [higher] predicted expectations compared to low Power Distance individuals.

Table A4.2 (Appendix 4) shows that predicted expectations was significantly related to the interaction of past experience and Power Distance ($F(3,81) = 7.46, p=.00, \text{partial } \eta^2 = .19$) after controlling for the covariate (Figure 7.3).

Figure 7.3: Two-way Interaction: Advertising x Power Distance



In examining the significant interaction between advertising and Power Distance, the effects of past experience on the three components of the dependent variable after adjustment for the covariate were investigated in univariate analysis. When the results for the three components of the dependent variable were considered separately, all three dimensions of predicted expectation were statistically significant: Tangibles ($F(1,83) = 19.37, p=.00$), Customer Care ($F(1,83) = 9.49, p=.00$), and Empathy ($F(1,83) = 8.93,$

$p=.00$). The next step was to examine the cell means for each of these interactions to determine whether P2-2 was supported (Table 7.3).

Table 7.3: Means: P2-2 (Interaction Effects, Advertising x Power Distance)		
	Many service promises	Few service promises
Tangibles		
Low PD	5.89	5.17
High PD	5.89	6.15
Customer care		
Low PD	5.81	5.35
High PD	5.92	6.20
Empathy		
Low PD	5.33	4.81
High PD	5.22	5.82

Examination of the means showed that respondents with high Power Distance orientation had higher mean scores on advertising than those with low Power Distance when advertising had few explicit service promises, in which case high Power Distance individuals had higher means than low Power Distance individuals, supporting P2-2. However, when advertising had many explicit service promises, high and low Power Distance respondents had almost identical means on all three dimensions, which means that P2-2 is only partially supported. This result indicates that high and low Power Distance consumers rely to an equal degree on the promises made by service providers however when these promises are lacking (few service promises) low Power Distance customers are likely to take this as a particularly bad sign and so have lower expectations of the service to be received compared to high Power Distance consumers.

Price: The third proposition tested the moderating impact of Power Distance on the relationship between implicit service promises as measured by price (high, low) and predicted expectations as below:

P2-3: For high Power Distance individuals, *higher* [lower] price will lead to *higher* [lower] predicted expectations compared to low Power Distance individuals.

As shown in Table A4.2 (Appendix 4), predicted expectations was significantly related to the interaction of price and Power Distance ($F(3,81) = 3.07$, $p=.03$, partial $\eta^2 = .08$) after controlling for the covariates (Figure 7.4).

Figure 7.4: Two-way Interaction: Price x Power Distance



When the results for significant interactions were considered separately, all three components of service quality expectations variables were statistically significant for price. Examination of the cell means for each of these interactions is used to determine whether P2-3 was supported based on directionality.

The results presented in Table 7.4 show that when the price is high (many implicit service promises), high Power Distance individuals had higher mean expectations than low Power Distance individuals, supporting P2-3. This indicates that high Power Distance individuals rely on price more than those low in Power Distance, which may be because high Power Distance

individuals take more steps to reduce the pre-purchase uncertainty surrounding the consumption of services (Litvin et al. 2004; Money and Crofts 2003).

Table 7.4: Means: P2-3 (Interaction Effects, Power Distance)		
	High Price	Low Price
Tangibles		
Low PD	6.05	5.48
High PD	6.34	5.39
Customer care		
Low PD	5.98	5.71
High PD	6.41	5.69
Empathy		
Low PD	5.36	4.68
High PD	5.976	4.62

When price is low, low Power Distance individuals had higher mean expectations than high Power Distance individuals supporting P2-3, although it should be noted that low Power Distance individuals had only marginally higher means when price is low. This indicates that both high and low Power Distance consumers had relatively low expectation of the service to be received when the price is low, which is congruent with the literature showing that many consumers perceive price in a broader sense and use price as a quality cue (Boyle and Lathrop 2009; Völckner 2008; Völckner and Hofmann 2007; Völckner and Sattler 2005), specifically that price contribute negatively to service quality expectations, in that lower priced services leads to lower service quality expectations (Sweeney et al. 1992).

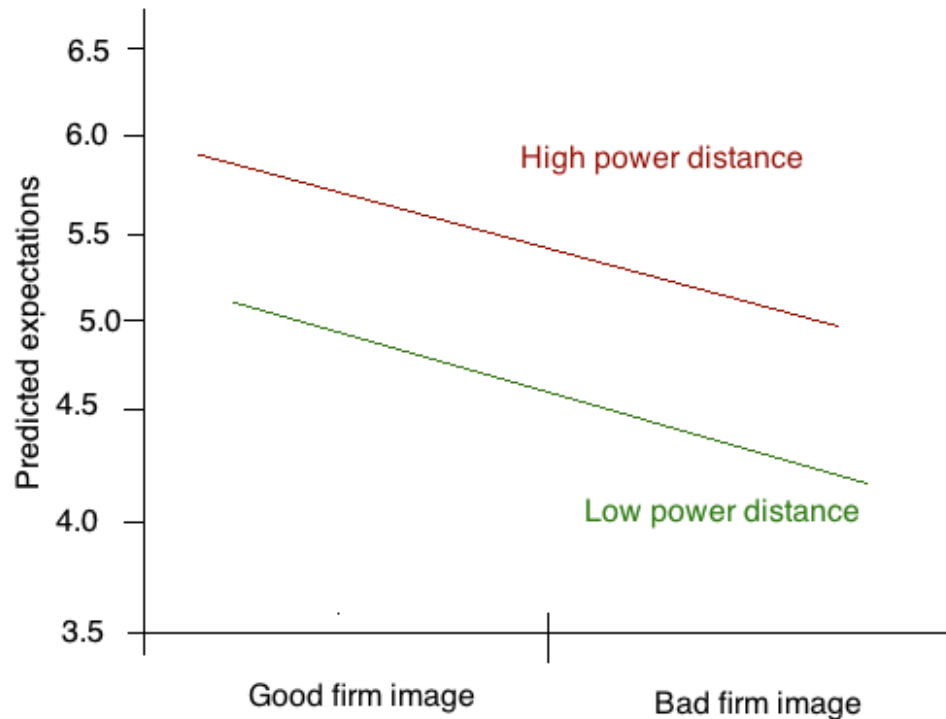
Firm Image: The fourth proposition tested the moderating impact of Power Distance on the relationship between implicit service promises as measured by firm image (good, bad) and predicted expectations as below:

P2-4: For high Power Distance individuals, *positive* [negative] firm image will lead to *higher* [lower] predicted expectations compared to low Power Distance individuals.

As shown in Table A4.2 (Appendix 4), predicted expectations was significantly related to the interaction of firm image and Power Distance

($F(3,81) = 2.94$, $p=.04$, partial $\eta^2 = .10$) after controlling for the covariates (Figure 7.5).

Figure 7.5: Two-way Interaction: Firm Image x Power Distance



When the results for significant interactions were considered separately, all the three components of predicted expectations were statistically significant for firm image. Examination of the cell means for each of these interactions (Table 7.5) is used to determine whether P2-4 was supported based on directionality. According to the results presented in Table 7.5, the first set of means provide support for P2-4 since when firm image is good, high Power Distance individuals had higher means than low Power Distance individuals on all the dimension of predicted expectations, as hypothesised. This indicates that high Power Distance individuals rely on firm image more than those low in Power Distance, which is likely to because these cues can be used to reduce pre-purchase uncertainty (Litvin et al. 2004; Money and Crotts 2003).

Contrary to the hypothesis, high Power Distance individuals also had higher mean expectations when the firm image was poor, meaning that P2-4 is only

partially supported. Star ratings and external awards help to reduce the information asymmetry between customers and service providers (Fotopoulos and Krystallis 2003) and help consumers to transform credence or experience attributes into ‘quasi-search attributes’ for which consumer can more easily search (Danziger et al. 2006; Israeli and Uriely 2000; Jahn et al. 2005). Thus for high Power Distance consumers, the two star rating may still provide valuable information that reduced pre-purchase uncertainty, leading to higher predicted expectations.

Table 7.5: Means: P2-4 (Interaction Effects, Firm Image x Power Distance)		
	Good Firm image	Bad Firm image
Tangibles		
Low PD	5.11	4.60
High PD	5.98	5.70
Customer care		
Low PD	5.58	4.75
High PD	6.08	5.70
Empathy		
Low PD	5.31	4.71
High PD	6.01	5.04

Word-of-mouth: The final proposition in this section tested the moderating impact of Power Distance on the relationship between WOM (good, bad) and predicted expectations as below:

P2-5: For high Power Distance individuals, *positive* [negative] word-of-mouth will lead to *higher* [lower] predicted expectations compared to low Power Distance individuals.

Table A4.2 (Appendix 4) shows that predicted expectations was not significantly related to the interaction of WOM and Power Distance ($F(3,81) = 1.59$, $p=.19$, partial $\eta^2 = .05$) after controlling for the covariates. The non-significant interaction effect means that P2-5 was not supported.

Summary

The results of this group of MANCOVAs indicate that Power Distance interacted significantly with four of the five antecedents of predicted expectations at the $p=.05$ level in multivariate 2x2 models. The significant interactions indicate that low Power Distance individuals are different from high Power Distance individuals in the relative importance they place on past experience, advertising, price, and firm image in formulating their predicted expectations.

The results provide support for P2-3, while providing partial support for P2-2 and P2-4. As hypothesised, price proved to be relatively more important in forming expectations for high Power Distance individuals and there is partial support for the proposition that the service promises made in advertising is relatively more important for low Power Distance individuals and that firm image is relatively more important for high Power Distance individuals. The results did not support P2-1 as it indicated that past experience was relatively more important in forming expectations for low Power Distance individuals, contrary to the hypothesis. Finally, the results failed to support P2-5, with the analysis showing no statistically significant difference between high and low Power Distance individuals in the relative importance of word-of-mouth.

7.4 Individualism

The direct relationship between Individualism and predicted expectations is first briefly examined. As shown in Table A4.3 in Appendix 4, there was a significant main effect of Individualism in the past experience scenario ($F(3,81) = .60$, $p=.62$, partial $\eta^2 = .02$), in the firm image scenario ($F(3,81) = 2.16$, $p= .09$, partial $\eta^2 = .08$), and the word-of-mouth scenario ($F(3,81) = 3.81$, $p= .01$, partial $\eta^2 = .12$). However, predicted expectations was not significantly related to Individualism in the advertising scenario ($F(3,81) = .34$, $p=.79$, partial $\eta^2 = .01$) nor in the price scenario ($F(3,81) = 2.00$, $p= .12$, partial $\eta^2 = .05$). This indicates that Individualists and Collectivists are sometimes significantly different in the level of predicted expectations.

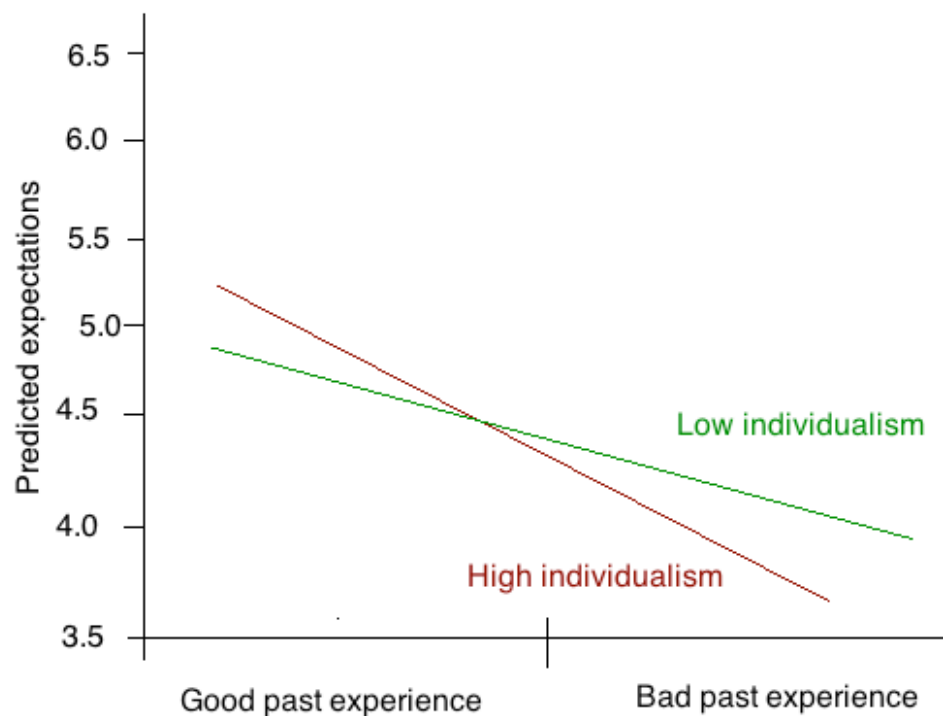
This group of analyses attempted to test the moderating influence of Individualism on the relationship between predicted expectations and its antecedents. The results are presented below for each of the five antecedents of expectations studied.

Past experience: The first proposition in this section tested the moderating impact of Individualism on the relationship between internal search as measured by past experience (good, bad) and predicted expectations as below:

P3-1: For Individualists (high Individualism), *positive* [negative] past experience will lead to *lower* [higher] predicted expectations compared to Collectivists (low Individualism).

As shown in Table A4.3 (Appendix 4), there was a significant interaction between past experience and Individualism ($F(3,81) = 2.40$, $p=.07$, partial $\eta^2 = .08$) after controlling for the three covariates (Figure 7.6).

Figure 7.6: Two-way Interaction: Past Experience x Individualism



Further univariate between-subject analysis of the three components of predicted expectations showed that Empathy expectations were significant but the other two dimensions were not. Further examination of the cell means of these interactions (Table 7.6) showed that Individualists had higher (lower) means on the Empathy dimension when past experience was positive (negative) contrary to the proposition. The results indicate that the effect of past experience on predicted service expectations would be greater for Individualists than for Collectivists, meaning that P3-1 was not supported.

Table 7.6: Means: P3-1 (Interaction Effects, Past Experience x Individualism)		
	Good Past experience	Bad Past experience
Empathy		
Low IND	4.80	4.36
High IND	5.37	3.86

This result is contrary to the proposition but is not surprising. Although it is contrary to the results reported by Laroche et al. (2005a), who found that internal sources of information were relatively more important antecedents of expectations for Collectivists than for Individualists, it is in line with bulk of the theory that suggests that Collectivists would be less self-reliant because of their strong in-group orientation and may therefore not rely on their own recollections in developing their expectations (Ordóñez de Pablos 2005). This theory is supported by Doran's (2002) research indicating that Individualist consumers relied more on their own experience when developing their expectations than Collectivist consumers. Thus while P3-1 is not supported, the results reported here have support in the literature.

Advertising: The second proposition tested the moderating impact of Individualism on the relationship between explicit service promises as measured by advertising (many/few service promises) and predicted expectations as below:

P3-2: For Individualists (high Individualism), advertising with *many* [few] service promises will lead to *higher* [lower] predicted expectations compared to Collectivists (low Individualism).

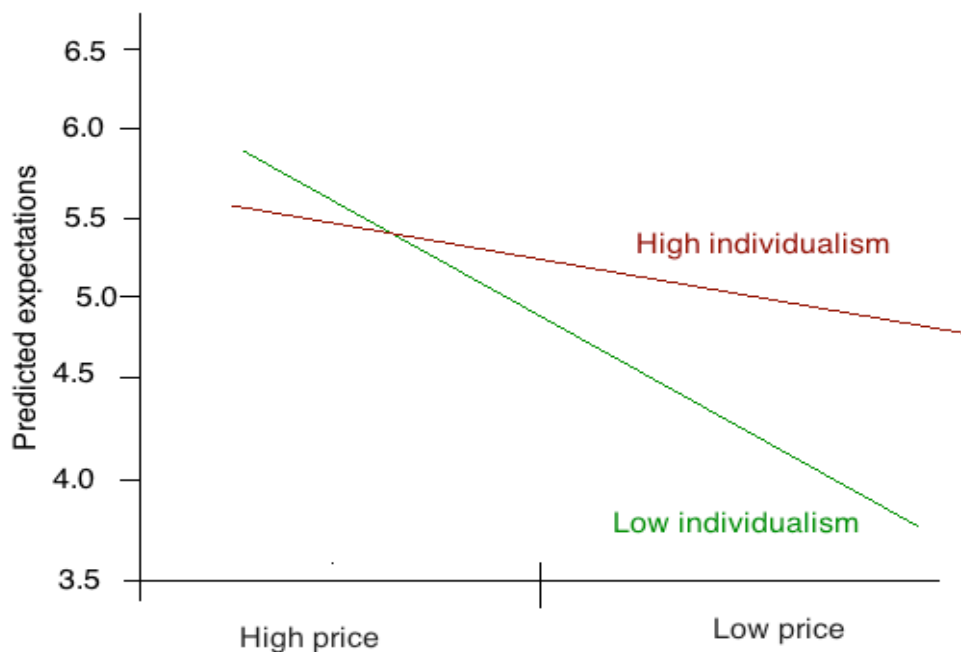
As shown in Table A4.3 (Appendix 4), predicted expectations was not significantly related to the interaction of advertising and Individualism ($F(3,81) = .08, p=.97, \text{partial } \eta^2 = .00$) meaning that P3-2 was not supported.

Price: The next proposition tested the moderating impact of Individualism on the relationship between implicit service promises as measured by price (high, low) and predicted expectations as below:

P3-3: For Individualists (high Individualism), *higher* [lower] price will lead to *lower* [higher] predicted expectations compared to Collectivists (low Individualism).

As shown in Table A4.3 (Appendix 4), predicted expectations was significantly related to the interaction of price and Individualism ($F(3,81) = 10.60, p=.00, \text{partial } \eta^2 = .23$) after adjusting for the covariates (Figure 7.7).

Figure 7.7: Two-way Interaction: Price x Individualism



Further examination was needed to determine whether P3-3 was supported based on directionality (Table 7.7).

Table 7.7: Means P3-3 (Interaction Effects, Price x Individualism)		
	High Price	Low Price
Tangibles		
Low IND	5.90	4.48
High IND	5.56	5.96
Customer care		
Low IND	5.68	4.19
High IND	5.23	5.68
Empathy		
Low IND	5.35	3.86
High IND	5.07	5.16

When the results for the three components of predicted expectations were considered separately, all three dimensions were statistically significant, indicating that Individualist and Collectivists are significantly different from each other in terms of how they use price to develop their predicted expectations. Examination of the cell means for each of these interactions showed that Individualists had lower (higher) means when price was high (low) as hypothesised, supporting P3-3. This result is congruent with the idea that price would have a greater impact on expectation among Collectivists as opposed to Individualists because price contain cues that are more easily ‘read’ by those from high-context, Collectivist cultures (Gudykunst et al. 1988; Korac-Kakabadse et al. 2001).

Firm Image: The fourth proposition tested the moderating impact of Individualism on the relationship between implicit service promises as measured by firm image (good, bad) and predicted expectations as below:

P3-4: For Individualists (high Individualism), *positive* [negative] firm image will lead to *lower* [higher] predicted expectations compared to Collectivists (low Individualism).

As shown in Table A4.3 (Appendix 4), predicted expectations was not significantly related to the interaction of firm image and Individualism

($F(3,81) = 1.21$, $p=.31$, partial $\eta^2 = .04$), after adjusting for the covariates. The non-significant interaction of firm image and Individualism means that P3-4 was not supported.

Word-of-mouth: The final proposition in this section tested the moderating impact of Individualism on the relationship between WOM (good, bad) and predicted expectations as below:

P3-5: For Individualists (high Individualism), *positive* [negative] word-of-mouth will lead to *lower* [higher] predicted expectations compared to Collectivists (low Individualism).

As shown in Table A4.3 (Appendix 4), predicted expectations was not significantly related to the interaction of WOM and Individualism after controlling for the covariate, meaning that P3-5 was not supported, indicating that Individualists and Collectivists were not significantly different in the relative importance of WOM in forming predicted expectations.

Summary

The results of this group of MANCOVAs indicate that Individualism interacted significantly with both past experience and price on predicted expectations in multivariate 2x2 models. These significant interactions indicate that Individualists are significantly different from Collectivists in the relative importance they place on past experience and price in developing their predicted expectations. These results support P3-3 as proposed, as Individualists had higher (lower) expectations when price was high (low), indicating that price was relatively more important for Individualists. However, there was no directional support for P3-1 even though the results showed that Individualists and Collectivists put differential emphasis on past experience in developing their Empathy expectations. Finally, the results fail to support P3-2, P3-4, and P3-5, as the results showed no statistically significant differences between Individualists and Collectivists in the relative emphasis on advertising, firm image, and WOM in forming their predicted expectations.

7.5 Masculinity

The direct relationship between the direct relationship between Masculinity and predicted expectations is first briefly examined. As shown in Table A4.4 in Appendix 4, there was a significant main effect of Masculinity in the past experience scenario ($F(3,81) = 2.19$, $p=.09$, partial $\eta^2 = .07$), in the price scenario ($F(3,81) = 2.56$, $p= .06$, partial $\eta^2 = .07$), and the word-of-mouth scenario ($F(3,81) = 6.07$, $p= .00$, partial $\eta^2 = .17$). However, predicted expectations was not significantly related to Masculinity in the advertising scenario ($F(3,81) = .13$, $p= .93$, partial $\eta^2 = .00$) nor in the firm image scenario ($F(3,81) = .50$, $p= .68$, partial $\eta^2 = .02$).

This indicates that high and low Masculinity individuals are sometimes significantly different in the level of predicted expectations. The next results reported relate to the group of analyses attempted to test the moderating influence of Individualism on the relationship between predicted expectations and its antecedents. The results are presented below for each of the five antecedents of expectations studied.

Past experience: The first proposition in this section tested the moderating impact of Masculinity on the relationship between internal search as measured by past experience (good, bad) and predicted expectations as below:

P4-1: For high Masculinity individuals, *positive* [negative] past experience will lead to *higher* [lower] predicted expectations compared to low Masculinity individuals.

As shown in Table A4.4 (Appendix 4), there was a marginally significant interaction between past experience and Masculinity ($F(3,81) = 2.35$, $p=.08$) accompanied by a weak effect size (partial $\eta^2 = .08$) on the dependent variable (Figure 7.8). This indicates that high and low Masculinity individuals are significantly different from each other in the relative importance of past experience in developing their predicted expectations.

Figure 7.8: Two-way Interaction: Past Experience x Masculinity

When the results for the three components of predicted expectations were considered separately, only the Tangibles dimension was statistically significant. Further examination of the cell means (Table 7.8) showed that P4-1 was supported. The results indicate that high Masculinity individuals had higher (lower) mean Tangibles expectations when past experience is good (bad), meaning that those with a more masculine orientation relied on past experience more for developing their predicted Tangibles expectations.

Table 7.8: Means: P4-1 (Interaction Effects, Past Experience x Masculinity)		
	Good Past experience	Bad Past experience
Tangibles		
Low MASC	4.37	4.39
High MASC	5.61	4.00

The results support the proposition and can be explained by the fact that people with more Masculine orientations had strong beliefs in self-efficacy (Chang 2006) and a tendency to rely on their own opinions (Meyers-Levy 1989), while those with a Feminine orientation were less likely to rely on internal sources of

information (Kim et al. 2007; Meyers-Levy 1989). The univariate analysis highlighted a particularly interesting finding, which was the fact that it is specifically the Tangibles dimension of predicted service quality expectation on which people with Masculine and Feminine orientations differ significantly. This is congruent with Hofstede's (1991) claim that those with Masculine orientations focus more on material things and Furrer et al.'s (2000) results indicating that Masculinity was positively related to the Tangibles dimension of service quality at the 0.05 significance level.

Advertising: The second proposition tested the moderating impact of Masculinity on the relationship between explicit service promises as measured by advertising (many/few service promises) and predicted expectations as below:

P4-2: For high Masculinity individuals, advertising with *many* [few] service promises will lead to *higher* [lower] predicted expectations compared to low Masculinity individuals.

As shown in Table A.4 (Appendix 4), predicted expectations was not significantly related to the interaction of advertising and Masculinity ($F(3,81) = .48, p=.69, \text{partial } \eta^2 = .01$), meaning that P4-2 was not supported.

Price: The third proposition in this section tested the moderating impact of Masculinity on the relationship between implicit service promises as measured by price (high, low) and predicted expectations as below:

P4-3: For high Masculinity individuals, *higher* [lower] price will lead to *lower* [higher] predicted expectations compared to low Masculinity individuals.

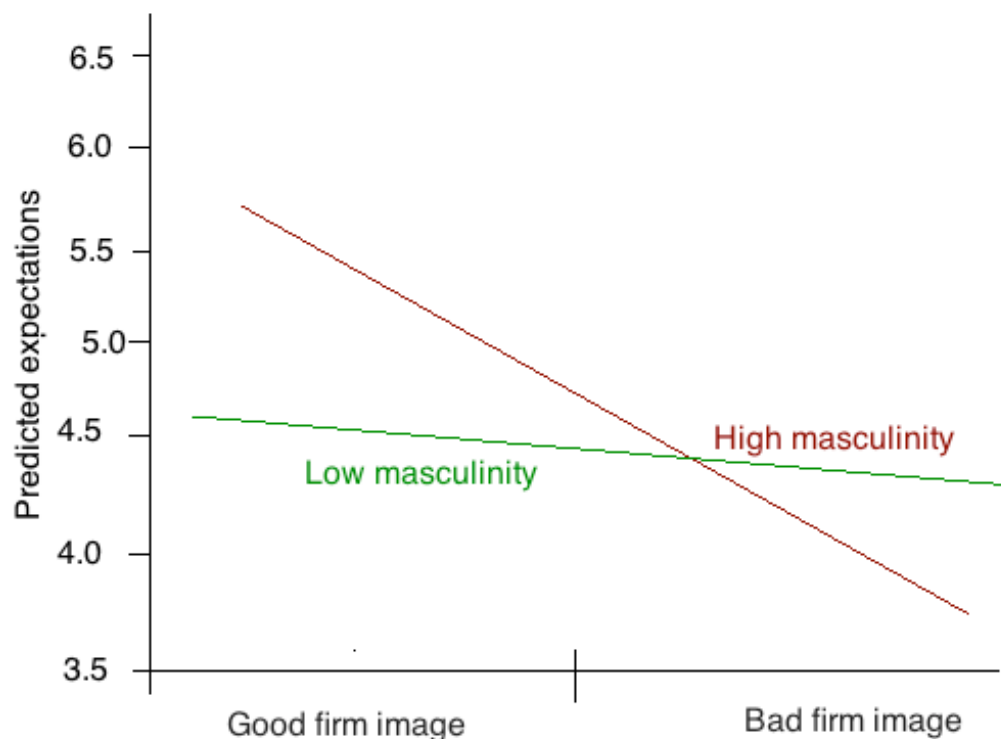
As shown in Table A4.4 (Appendix 4), predicted expectations was not significantly related to the interaction of price and Masculinity ($F(3,81) = .68, p=.57, \text{partial } \eta^2 = .02$) after controlling for the covariates. This indicated that P4-3 was not supported.

Firm Image: The fourth proposition in this section tested the moderating impact of Masculinity on the relationship between implicit service promises as measured by firm image (good, bad) and predicted expectations as below:

P4-4: For high Masculinity individuals, *positive* [negative] firm image will lead to *lower* [higher] predicted expectations compared to low Masculinity individuals.

As shown in Table A4.4 (Appendix 4), predicted expectations was significantly related to the interaction of firm image and Masculinity ($F(3,81) = 6.34, p=.00, \text{partial } \eta^2 = .20$) (Figure 7.9).

Figure 7.9: Two-way Interaction: Firm Image x Masculinity



Further examination was warranted to determine whether H5-4 was supported based on directionality. Univariate between-subject analysis showed that all three dimensions of predicted service expectations were significant, but directionality could only be determined by examining the cell means for each of these interactions (Table 7.9).

Table 7.9: Means P4-4 (Interaction Effects, Firm Image x Masculinity)		
	Good Firm image	Bad Firm image
Tangibles		
Low MASC	4.72	4.73
High MASC	5.35	4.55
Customer care		
Low MASC	4.50	4.56
High MASC	5.77	4.43
Empathy		
Low MASC	4.65	4.32
High MASC	5.81	3.97

The results showed that high Masculinity individuals had higher (lower) means when firm image is good (bad), which is contrary to the relationship proposed in P4-4. While it was expected that those with Masculine orientations would pay less attention (and thus be less affected by) context cues such as firm image, it may well be the case that firm image is one of the sources of highly available information upon which those with Masculine orientations rely (Bakewell and Mitchell 2004; Meyers-Levy 1989) or that consumer behaviour in masculine cultures is characterised by status buying (Foscht et al. 2008).

Word-of-mouth: The final proposition in this section tested the moderating impact of Masculinity on the relationship between WOM (good, bad) and predicted expectations as below:

P4-5: For high Masculinity individuals, *positive* [negative] word-of-mouth will lead to *lower* [higher] predicted expectations compared to low Masculinity individuals.

As shown in Table A4.4 (Appendix 4), predicted expectations was not significantly related to the interaction of WOM and Masculinity, meaning means that P4-5 was not supported.

Summary

Results of this group of MANCOVAs indicate that Masculinity interacted significantly with both past experience and firm image on predicted

expectations in multivariate 2x2 models. These significant interactions indicate that low Masculinity individuals are significantly different from high Masculinity individuals in the relative emphasis they place on past experience and firm image in developing their predicted expectations. These results supported P4-1, as high Masculinity individuals put relatively more importance on past experience in forming their expectations but contradicted P4-4, as high Masculinity individuals put relatively more emphasis on firm image in forming their expectations, which was not expected. Finally, P4-2, P4-3, and P4-5 were not supported by the analysis as the results showed no statistically significant difference between high and low Masculinity in the relative emphasis they place on advertising, price, and WOM in forming their predicted expectations.

7.6 Long-Term Orientation

The direct relationship between Long-term Orientation and predicted expectations is first briefly examined. As shown in Table A4.5 in Appendix 4, there was a significant main effect of LTO in the past experience scenario ($F(3,81) = 4.12$, $p=.01$, partial $\eta^2 = .13$) and in the firm image scenario ($F(3,81) = 4.43$, $p=.00$, partial $\eta^2 = .14$). However, predicted expectations was not significantly related to LTO in the advertising scenario ($F(3,81) = .13$, $p=.94$, partial $\eta^2 = .00$), in the price scenario ($F(3,81) = 1.15$, $p=.33$, partial $\eta^2 = .03$), nor in the word-of-mouth scenario ($F(3,81) = 1.45$, $p=.23$, partial $\eta^2 = .05$). This indicates that short- and long-term oriented individuals are sometimes significantly different in the level of predicted expectations.

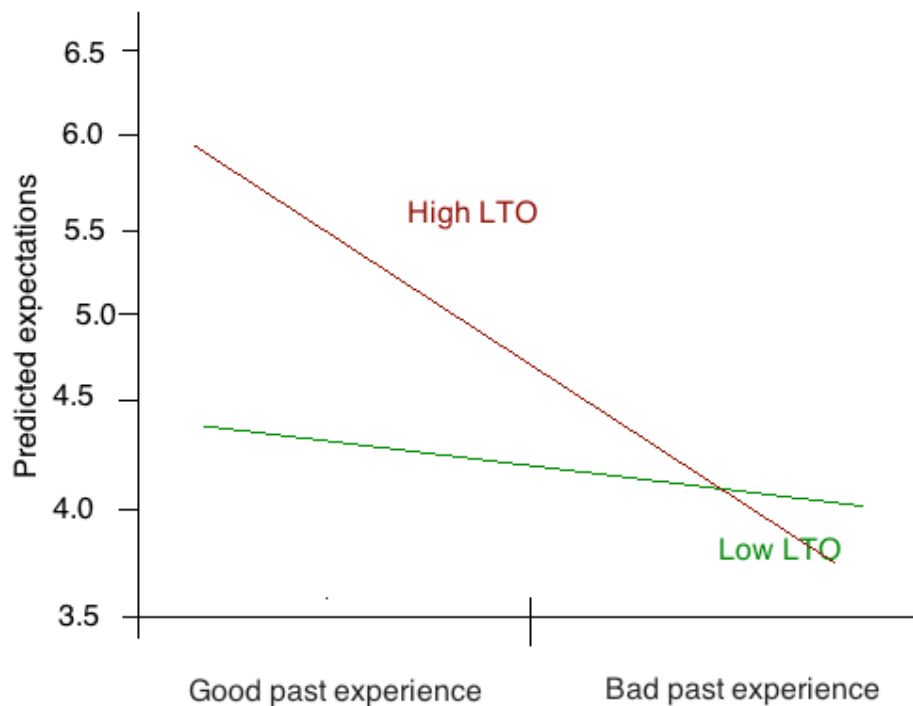
The final set of results reported in this Chapter relate to the group of analyses that tested the moderating influence of Long-term Orientation on the relationship between predicted expectations and its antecedents. The results are presented below for each of the five antecedents of expectations studied.

Past experience: This proposition tested the moderating impact of LTO on the relationship between internal search as measured by past experience (good, bad) and predicted expectations as below:

P5-1: For Long-term Oriented individuals (high LTO), *positive* [negative] past experience will lead to *higher* [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).

As shown in Table A4.5 (Appendix 4), there was a marginally significant interaction between past experience and LTO ($F(3,81) = 2.34$, $p=.08$, partial $\eta^2 = .08$) on predicted expectations after adjusting for the covariates (Figure 7.10). This indicates that high and low LTO individuals are significantly different from each other in their relative emphasis on past experience to developing their predicted expectations.

Figure 7.10: Two-way Interaction: Past Experience x LTO



When the results for the three dimensions of the dependent variable were considered separately, Customer Care was statistically significant. Examination of the cell means (Table 7.10) shows that high LTO individuals

had higher (lower) means when past experience is good (bad), supporting P5-1.

Table 7.10: Means: P5-1 (Interaction Effects, Past Experience x LTO)		
	Good Past experience	Bad Past experience
Customer care		
Low LTO	4.93	4.12
High LTO	5.97	4.02

This indicates that high LTO individuals use their past experience with a service provider as a rich source of information in forming expectations of future and thus rely on this more than low LTO individuals (Fan 2000; Mok and Defranco 2000; Prugsamatz et al. 2006; Wang et al. 2005).

Advertising: The second proposition tested the moderating impact of LTO on the relationship between explicit service promises as measured by advertising (many/few service promises) and predicted expectations as below:

P5-2: For Long-term Oriented individuals (high LTO), advertising with *many* [few] service promises will lead to *lower* [higher] predicted expectations compared to Short-term Oriented individuals (low LTO).

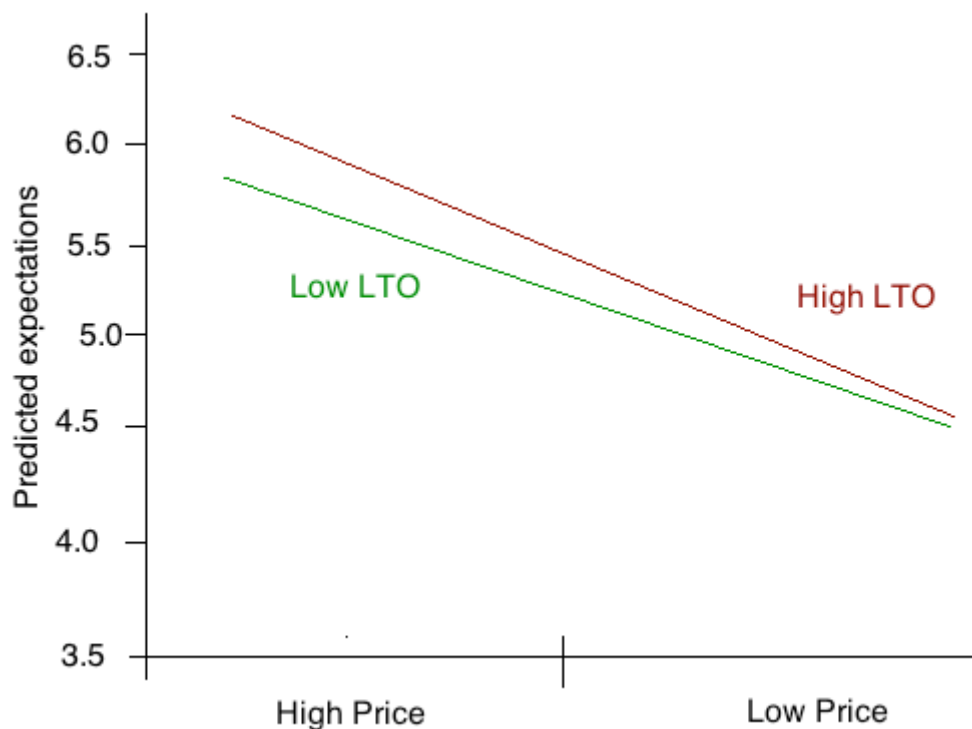
As shown in Table A4.5 (Appendix 4), predicted expectations was not significantly related to the interaction of advertising and LTO ($F(3,81) = .49$, $p = .69$, partial $\eta^2 = .01$), meaning that P5-2 was not supported.

Price: The third proposition tested the moderating impact of LTO on the relationship between implicit service promises as measured by price (high, low) and predicted expectations as below:

P5-3: For Long-term Oriented individuals (high LTO), *higher* [lower] price will lead to *higher* [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).

As shown in Table A4.5 (Appendix 4), predicted expectations was significantly related to the interaction of price and LTO ($F(3,81) = 3.96, p=.01$, partial $\eta^2 = .10$) after controlling for the covariates (Figure 7.11). These statistically significant interactions on the dependent variable indicates that high and low LTO individuals were significantly different from each other in terms of their relative emphasis on price in developing their predicted expectations.

Figure 7.11: Two-way Interaction: Price x LTO



When the results for the three dimensions of the dependent variable were considered separately, Customer Care and Empathy were statistically significant for price. Examination of the cell means for each of these interactions (Table 7.11) showed that for long-term oriented respondents consistently had higher mean expectations than short-term oriented respondents regardless of whether price was high or low, providing only partial support for P5-3.

Table 7.11: Means: P5-3 (Interaction Effects, Price x LTO)		
	High Price	Low Price
Customer care		
Low LTO	5.58	4.64
High LTO	5.73	5.37
Empathy		
Low LTO	5.20	4.12
High LTO	6.03	4.75

This seems to indicate that long-term oriented respondents rely on price as a cue of quality more than short-term orientated and even when prices are low the presence of the prices may reduce the pre-purchase uncertainty of high LTO consumers more, leading to higher predicted expectations.

Firm Image: The fourth proposition tested the moderating impact of LTO on the relationship between implicit service promises as measured by firm image (good, bad) and predicted expectations as below:

P5-4: For Long-term Oriented individuals (high LTO), *positive* [negative] firm image will lead to *higher* [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).

As shown in Table A4.5 (Appendix 4), predicted expectations was significantly related to the interaction of firm image and LTO ($F(3,81) = 2.94$, $p=.04$, partial $\eta^2 = .10$) after controlling for the covariates (Figure 7.12).

When the results for the three dimensions of the dependent variable were considered separately, Customer Care was statistically significant for firm image. Examination of the cell means for each of these interactions (Table 7.12) showed that for long-term oriented respondents consistently had higher means than short-term oriented respondents regardless of whether firm image was high or low, partially supporting P5-4. As with price, this may indicate that firm image, another an implicit service promise contained more information for high LTO versus low LTO consumers and so for high LTO consumers the two star rating may still provide valuable information that

reduced pre-purchase uncertainty (Danziger et al. 2006; Israeli and Uriely 2000; Jahn et al. 2005), leading to higher predicted expectations.

Figure 7.12: Two-way Interaction: Firm Image x LTO

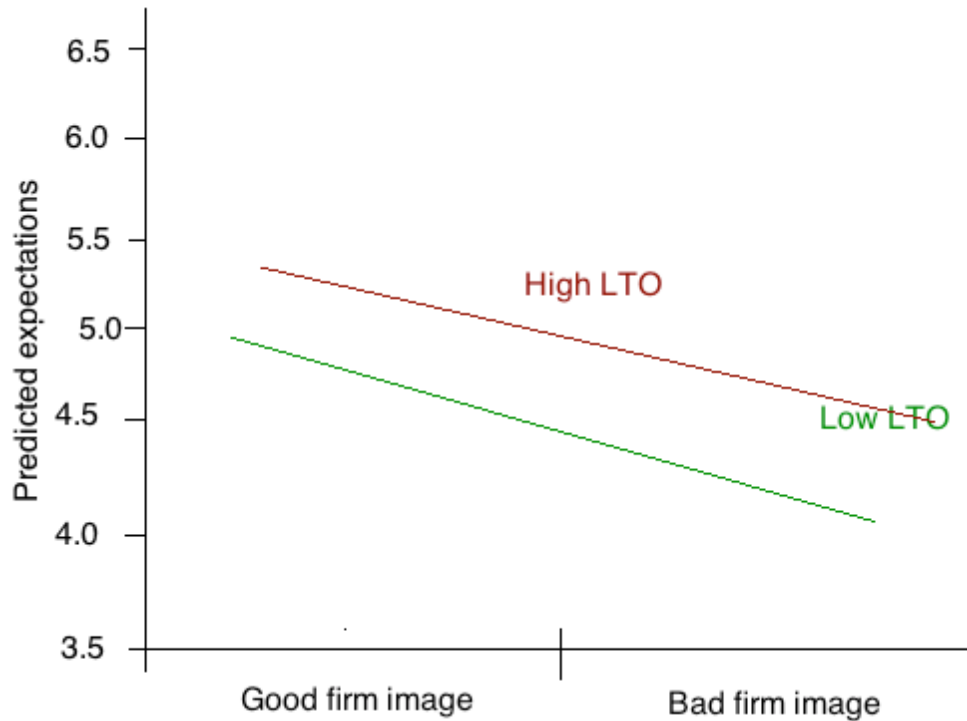


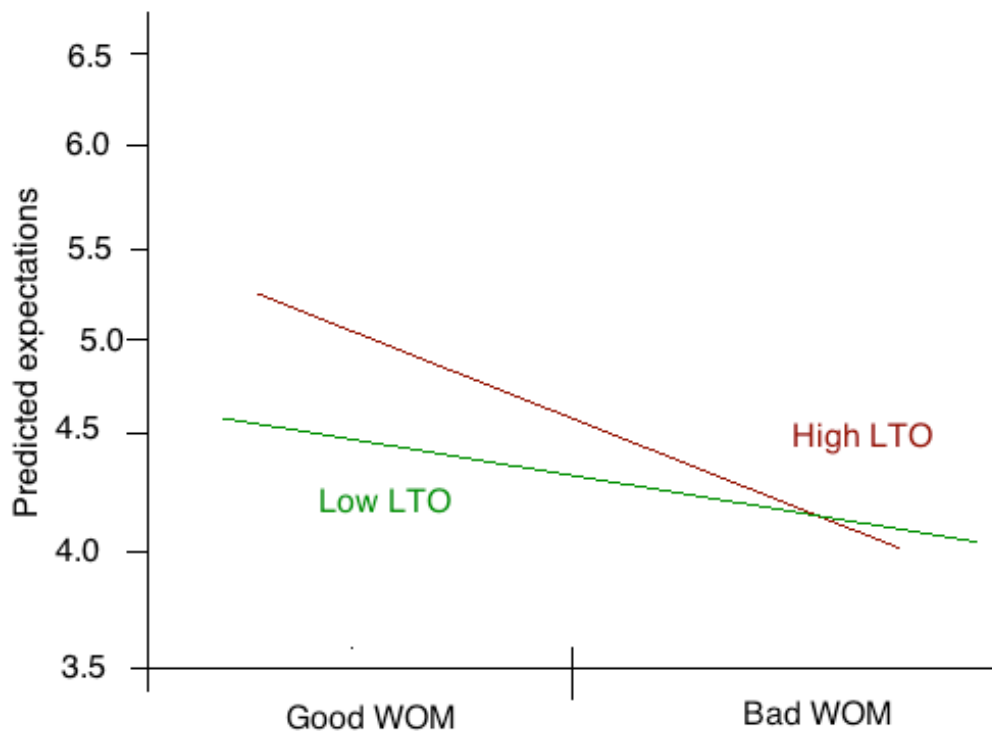
Table 7.12: Means: P5-4 (Interaction Effects, Firm Image x LTO)		
	Good Firm image	Bad Firm image
Customer care		
Low LTO	4.99	4.12
High LTO	5.29	4.92

Word-of-mouth: The final proposition in this chapter tested the moderating impact of LTO on the relationship between WOM (good, bad) and predicted expectations as below:

P5-5: For Long-term Oriented individuals (high LTO), *positive* [negative] word-of-mouth will lead to *higher* [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).

For the first time in these analyses, predicted expectations was significantly related to the interaction of WOM and the cultural variable, LTO ($F(3,81) = 4.88$, $p=.00$, partial $\eta^2 = .14$) (Table A4.5), after controlling for the covariates (Figure 7.13). This indicates that long-term oriented and short-term oriented individuals are significantly different from each other in the relative importance they place on word-of-mouth when developing their predicted expectations.

Figure 7.13: Two-way Interaction: Word-of-Mouth x LTO



When the results for the three dimensions of the dependent variable were considered separately, Tangibles and Customer Care dimensions were significant, warranting further investigation. Examination of the cell means showed that long-term oriented respondents had higher (lower) means when word-of-mouth was good (bad) as hypothesised (Table 7.13). Overall, P5-5 was supported.

Table 7.13: Means: P5-5 (Interaction Effects, Word-of-Mouth x LTO)		
	Good WOM	Bad WOM
Tangibles		
Low LTO	4.46	2.93
High LTO	5.42	3.94
Customer care		
Low LTO	4.64	3.12
High LTO	5.17	4.00

These results indicate that WOM is extremely important for long-term oriented customers and this is explained by their strong group orientation (de Mooij 2004; Doran 2002; Fong and Burton 2006; Lam et al. 2009; Money 2000; Mourali et al. 2005b; Singh 2006) as well as their propensity towards relationship building (Laroche et al. 2005a; Ordóñez de Pablos 2005; Watkins and Liu 1996; Wong and Chan 1999).

Summary

The results of this final group of MANCOVAs indicate that the interaction of Long-term Orientation was significant in the case of three of the four antecedents of predicted expectations in multivariate 2x2 models. The significant interactions indicate that Long-term Oriented individuals are significantly different from Short-term Oriented individuals on how they use past experience, price, firm image, and word-of-mouth in developing their predicted expectations. Significantly the interaction with advertising and LTO on the dependent variables was insignificant in this group of analyses, while the interaction of WOM and the cultural variable (in this case, LTO) on the dependent variables was significant for the first time.

As proposed in P5-1, P5-3, P5-4, and P5-5, the results provide support for the theory that long-term oriented individuals put more emphasis on past experience, price, firm image, and word-of-mouth in developing their predicted expectations than short-term oriented individuals. Finally, the results fail to support P5-2, as the analysis showed no statistically significant

difference in the relative importance long- and short-term oriented individuals place on advertising in forming their predicted expectations.

7.7 Chapter Summary

This chapter presented the results as they relate to the hypotheses and propositions outlined in Chapter 4. The first section presented the results of the first group of hypotheses, which proposed that past experience, advertising, price, firm image, and word-of-mouth are direct antecedents of predicted expectations. The results discussed (summarised in Table 7.14) above support these hypotheses and also indicated that past experience and word-of-mouth are relatively more important for forming consumers' expectations than explicit and implicit service promises. Word-of-mouth was the most important information source, being a highly significant antecedent for all three dimensions of service quality and accounting for more than 20% of the variance in predicted expectations in each experiment and Empathy expectations was most significantly related to eWOM. Past experience was the second most important information source, also accounting for more than 20% of the variance in predicted expectations, except in one case. Tangibles expectations were most significantly related to past experience, as well as to advertising and firm image. On the other hand, price was most significant as an antecedent of Customer Care expectations.

The next stage of the main analysis tested the five sets of propositions related to the moderating impact of Power Distance, Uncertainty Avoidance, Individualism, Masculinity, and Long-term Orientation on the relationship between past experience, advertising, price, firm image, and word-of-mouth and consumers' predicted expectations. The results of these five sets of analyses indicate that Power Distance and Long-term Orientation are the most important cultural variables moderating the relationship between the five information sources examined and service quality expectations.

Power Distance interacted significantly with four of the five antecedents of predicted expectations, indicating that low Power Distance individuals are significantly different from high Power Distance individuals in the relative importance they place on past experience, advertising, price, and firm image in developing their predicted expectations. The results provide support for P2-3 and partial support for P2-2 and P2-4, while contradicting P2-1 and failing to support P2-5. The results support the propositions made in this research that high Power Distance individuals put *less* emphasis on advertising and *more* emphasis on price and firm image in their forming expectations. However, the results indicated that high Power Distance individuals put less emphasis on past experience, contrary to the propositions. There was no support for the hypothesis that Power Distance moderates the relationship between word-of-mouth and predicted expectations.

The results indicated that Long-term Orientation interacted significantly with four of the five antecedents of predicted expectations, indicating that Long-term Oriented individuals are significantly different from Short-term Oriented individuals in the relative importance they place on past experience, price, firm image, and word-of-mouth in developing their predicted expectations. As proposed in P5-1, P5-3, P5-4, and P5-5, the results provide support for the theory that long-term oriented individuals put *more* emphasis on past experience, price, firm image, and word-of-mouth in developing their predicted expectations than short-term oriented individuals. There was no support for the theory that short-term oriented individuals put more emphasis on advertising than long-term oriented individuals.

Individualism and Masculinity each interacted significantly with two of the antecedents. The results indicate that that Individualists are significantly different from Collectivists in the relative importance they place on past experience and price in developing their predicted expectations. These results support H3-3, but provide no directional support for H3-1. The results support the theory that Individualists put more emphasis on price in developing their

expectations than Collectivists. However, contrary to the propositions, Individualists seem to put more emphasis on past experience in developing Empathy expectations. There was no support for the proposition that Individualism moderates the relationship between advertising, firm image, and word-of-mouth and predicted expectations.

In terms of Masculinity, the results indicate that low Masculinity individuals were significantly different from high Masculinity individuals in their relative emphasis on past experience and firm image in developing their predicted expectations. The results provide some support for P4-1, supporting the theory that high Masculinity individuals put more emphasis on past expectations but was contrary to P4-4 as the results indicated that high Masculinity individuals also put more emphasis on and firm image in developing expectations. However, there is no support for the propositions that Masculinity moderates the relationship between advertising, price, and word-of-mouth and predicted expectations.

Finally, Uncertainty Avoidance interacted significantly with one of the antecedents of expectations. The results indicate that high and low Uncertainty Avoidance respondents differed significantly in how they used advertising to develop their expectations, with low Uncertainty Avoidance respondents putting more emphasis on advertising as an information source in forming their expectations. This provides support for P1-2 but there is no support for the propositions that Uncertainty Avoidance moderates the relationship between advertising, price, firm image, and word-of-mouth and predicted expectations.

Table 7.14: Results of Testing Hypotheses and Propositions	
Hypotheses	Results
Antecedents of Expectations	
H1-1: Past experience is a significant antecedent of predicted expectations.	Supported
H1-2: Advertising containing many/few service promises is a significant antecedent of predicted expectations.	Partially supported
H1-3: Price is a significant antecedent of predicted expectations.	Supported
H1-4: Firm image (as depicted by a star rating or other type of external certification) is a significant antecedent of predicted expectations.	Supported
H1-5: Word-of-mouth (operationalised as eWOM) is a significant antecedent of predicted expectations.	Supported
H1-6: Past experience and word-of-mouth are more significant antecedents of predicted expectations than advertising, price, and firm image.	Supported
Propositions	
Uncertainty Avoidance	
P1-1: For high Uncertainty Avoidance individuals, <i>positive</i> [negative] <u>past experience</u> will lead to <i>higher</i> [lower] predicted expectations compared to low Uncertainty Avoidance individuals.	Not supported
P1-2: For high Uncertainty Avoidance individuals, <u>advertising</u> with <i>many</i> [few] service promises will lead to <i>lower</i> [higher] predicted expectations compared to low Uncertainty Avoidance individuals.	Supported
P1-3: For high Uncertainty Avoidance individuals, <i>higher</i> [lower] <u>price</u> will lead to <i>higher</i> [lower] predicted expectations compared to low Uncertainty Avoidance individuals.	Not supported
P1-4: For high Uncertainty Avoidance individuals, <i>positive</i> [negative] <u>firm image</u> will lead to <i>higher</i> [lower] predicted expectations compared to low Uncertainty Avoidance individuals.	Not supported
P1-5: For high Uncertainty Avoidance individuals, <i>positive</i> [negative] <u>word-of-mouth</u> will lead to <i>higher</i> [lower] predicted expectations compared to low Uncertainty Avoidance individuals.	Not supported
Power Distance	
P2-1: For high Power Distance individuals, <i>positive</i> [negative] <u>past experience</u> will lead to <i>lower</i> [higher] predicted expectations compared to low Power Distance individuals.	Not supported
P2-2: For high Power Distance individuals, <u>advertising</u> with <i>many</i> [few] service promises will lead to <i>lower</i> [higher] predicted expectations compared to low Power Distance individuals.	Partially supported
P2-3: For high Power Distance individuals, <i>higher</i> [lower] <u>price</u> will lead to <i>higher</i> [lower] predicted expectations compared to low Power Distance individuals.	Supported
P2-4: For high Power Distance individuals, <i>positive</i> [negative] <u>firm image</u> will lead to <i>higher</i> [lower] predicted expectations compared to low Power Distance individuals.	Partially supported
P2-5: For high Power Distance individuals, <i>positive</i> [negative] <u>word-of-mouth</u> will lead to <i>higher</i> [lower] predicted expectations compared to low Power Distance individuals.	Not supported
Individualism	
P3-1: For Individualists (high Individualism), <i>positive</i> [negative] <u>past experience</u> will lead to <i>lower</i> [higher] predicted expectations compared to Collectivists (low Individualism).	Not supported
P3-2: For Individualists (high Individualism), <u>advertising</u> with <i>many</i> [few] service promises will lead to <i>higher</i> [lower] predicted expectations compared to Collectivists (low Individualism).	Not supported
P3-3: For Individualists (high Individualism), <i>higher</i> [lower] <u>price</u> will lead to <i>lower</i> [higher] predicted expectations compared to Collectivists (low Individualism).	Supported
P3-4: For Individualists (high Individualism), <i>positive</i> [negative] <u>firm image</u> will lead to <i>lower</i> [higher] predicted expectations compared to Collectivists (low Individualism).	Not supported
P3-5: For Individualists (high Individualism), <i>positive</i> [negative] <u>word-of-mouth</u>	Not supported

Table 7.14: Results of Testing Hypotheses and Propositions	
Hypotheses	Results
will lead to <i>lower</i> [higher] predicted expectations compared to Collectivists (low Individualism).	
Masculinity	
P4-1: For high Masculinity individuals, <i>positive</i> [negative] <u>past experience</u> will lead to <i>higher</i> [lower] predicted expectations compared to low Masculinity individuals.	Supported
P4-2: For high Masculinity individuals, <u>advertising</u> with <i>many</i> [few] service promises will lead to <i>higher</i> [lower] predicted expectations compared to low Masculinity individuals.	Not supported
P4-3: For high Masculinity individuals, <i>higher</i> [lower] <u>price</u> will lead to <i>lower</i> [higher] predicted expectations compared to low Masculinity individuals.	Not supported
P4-4: For high Masculinity individuals, <i>positive</i> [negative] <u>firm image</u> will lead to <i>lower</i> [higher] predicted expectations compared to low Masculinity individuals.	Not supported
P4-5: For high Masculinity individuals, <i>positive</i> [negative] <u>word-of-mouth</u> will lead to <i>lower</i> [higher] predicted expectations compared to low Masculinity individuals.	Not supported
Long-term Orientation	
P5-1: For Long-term Oriented individuals (high LTO), <i>positive</i> [negative] <u>past experience</u> will lead to <i>higher</i> [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).	Supported
P5-2: For Long-term Oriented individuals (high LTO), <u>advertising</u> with <i>many</i> [few] service promises will lead to <i>lower</i> [higher] predicted expectations compared to Short-term Oriented individuals (low LTO).	Not supported
P5-3: For Long-term Oriented individuals (high LTO), <i>higher</i> [lower] <u>price</u> will lead to <i>higher</i> [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).	Partially supported
P5-4: For Long-term Oriented individuals (high LTO), <i>positive</i> [negative] <u>firm image</u> will lead to <i>higher</i> [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).	Supported
P5-5: For Long-term Oriented individuals (high LTO), <i>positive</i> [negative] <u>word-of-mouth</u> will lead to <i>higher</i> [lower] predicted expectations compared to Short-term Oriented individuals (low LTO).	Supported

Chapter Eight is the closing chapter and offers a profile of the research, the theoretical conclusion that can be drawn from the results, and the empirical implications. This chapter concludes with an outline of the limitations of the research and the directions for future research in the area of cultural value orientation and consumer behaviour.

CHAPTER EIGHT: DISCUSSION AND CONCLUSION

At the start of the new millennium, more than half of the world's multinationals were engaged in services, which is part of an overall rapid increase in the marketing of services worldwide (Francois and Hoekman 2010; Knight 1999). Moreover, services also serve as crucial inputs into the production of most non-services (Grönroos 1990, 2006; Lovelock and Wirtz 2007). The importance of services has been reflected in the emergence, especially since the mid-1980s, of several streams of research investigating the influence of culture on consumer behaviour (Douglas and Craig 1997; Espinoza 1999).

This exploratory research set out to contribute to the understanding of consumer behaviour across cultures, with a focus on consumer expectation formation. Even though the impact of culture on consumers' decision-making processes has been extensively studied, the impact of cultural variables on consumers' use of various information sources to form expectations has not been given much attention by researchers. Consumers use various cues and information sources to form their expectations of an upcoming service encounter (Clow and Beisel 1995; Coye 2004; Murali et al. 2005a; Sweeney et al. 1992) and this has significant implications for their eventual service quality evaluations and other outcomes (Kim and Moon 2009; Sharma and Stafford 2000). Therefore, where consumers search for and acquire decision-relevant information, the cues they use in decision-making, and the antecedents of expectations are important areas of research (Cronin 2003; Moorthy et al. 1997; Stigler 1961; Urbany 1986). From a practitioner perspective, comparative studies of markets and consumers are often needed before marketing strategies are transferred abroad. These questions are important because when a marketer goes overseas, she cannot conveniently assume that the foreign market is like home, and that the same information sources proven effective in one market can be adopted in other markets as well.

In response to the main research problem concerned with *the impact of individual-level cultural orientation on the relative importance of information sources used by consumers in forming their expectations*, two objectives guided this research:

1. To develop a conceptual framework of service quality expectations that links cultural factors to the formation of expectations, by synthesising the literature on service expectations and cultural values; and,
2. To empirically evaluate the proposed framework in a multicultural setting to explore similarities and differences between customers with significantly different cultural values.

Based on the conceptual framework developed and the empirical evaluation of this, this exploratory research presents several insights and contributions and these are discussed in this chapter. This chapter is divided into four sections. Section 8.1 discusses the results of the empirical data collected to test the hypotheses and propositions and outlines the research implications of these findings. Following on this Section 8.2 discusses the implications for managers. Section 8.3 discusses the limitation of the research and presents suggestions for future academic research, and Section 8.4 concludes the thesis.

8.1 Discussion of the Results and Research Implications

While the manipulation checks conducted prior to the main data collection analysis (Section 5.2.2) ensured that respondents would identify the five antecedents (the manipulated variables) as significantly different, the results from the main stage of the analysis still provide some interesting insights that need to be examined, particularly in terms of relative importance of the five dimensions (as measured by the level of significance and the partial η^2). These findings concerning the relative importance of the antecedents of service quality expectations are presented in Section 8.1.1. The core of the research relates to the moderating impact of individual-level cultural value orientation

on the relationship between key antecedents and predicted expectations and these findings are discussed in Section 8.1.2.

8.1.1 The Relative Importance of the Antecedents of Expectations

The literature suggests that there are four main categories of antecedents of expectations and that these factors determine consumers' expectations of the service to be received (Clow et al. 1997; Devlin et al. 2002; Kalamas et al. 2002; Zeithaml et al. 1993). This was reconfirmed in this study. The results of the analyses indicate that internal search (past experience), explicit service promises (advertising), implicit service promises (price and firm image), and word-of-mouth are all significant antecedents of predicted service quality expectations.

In terms of the relative importance of the five antecedents, word-of-mouth explained the greatest percentage of variance based on the partial η^2 scores. This is in line with the literature showing word-of-mouth communication, as an (inter)personal source of information, as the primary means by which consumers gather information about services (Bolton and Drew 1991b; Buttle 1998; Grönroos 1984, 1990; Zeithaml et al. 1993) and thus one of the most significant antecedent in developing expectations (Bansal and Voyer 2000; Barber et al. 2009; Buttle 1998; de Matos and Rossi 2008; Edwards et al. 2009; Ha 2002; Kalamas et al. 2002; Litvin et al. 2008). Given that WOM was operationalised using eWOM this research also provides insight into the importance of eWOM. The high percentage of variance explained suggests that eWOM was the most referential information source (de Matos and Rossi 2008; Edwards et al. 2009; Edwards et al. 2007; Fong and Burton 2006; Gruen et al. 2005; Höpken et al. 2009; Litvin et al. 2008; Pornpitakpan 2004b). This may be because the Internet makes communication less intimidating as Web users can choose to be anonymous, take on another persona, or manifest their true selves from the privacy of their computers. Another important finding is fact that word-of-mouth was most significant as an antecedent of predicted Empathy expectations, indicating that consumers were best able to form

Empathy expectations based on eWOM. This is congruent with research indicating that eWOM generates empathy among readers (Bickart and Schindler 2001; Schindler and Bickart 2005) because the reviewers' stories and recountings create a kind of vicarious experience for the reader (Barber et al. 2009; Barsade 2002; Deighton et al. 1989; Hatfield et al. 1994; Pugh 2001). This indicates that WOM may be particularly important in services where Empathy dimensions are most important, which may explain findings such as Devlin et al. (2002), who investigated antecedents of expectation in the context student banking and found that WOM was not statistically significant.

Past experience explained the second largest greatest percentage of variance in the dependent variable, which is also in line with both theoretical (Faché 2000; Kerstetter and Cho 2004; Oliver and Burke 1999; Peracchio and Tybout 1996; Söderlund 2002; Zeithaml et al. 1993) and empirical evidence (Clow and Beisel 1995; Clow et al. 1997; Dion et al. 1998; Johnson and Mathews 1997; Webster 1991) of the impact of past experience on expectations. Another significant finding was that past experience was most significant as an antecedent of predicted Tangibles expectations. This may be because customers know that service staff vary with each encounter (Zeithaml et al. 1985, 2006), and so the functional elements of the encounter are likely to vary from the last experience while the tangible elements of the experience are mostly likely to remain the same from the last experience. Alternatively, it may be that it is the most tangible elements of the service that remain in the consumers' memory and this may thus be the reason that consumers' Tangible expectations would be most affected by their past experience.

Advertising, price, and firm image had smaller effect sizes than word-of-mouth and past experience, indicating that these marketing controlled forms of communication may be less important in developing customers' service quality expectations than non-marketing controlled forms of communication. In terms of advertising, the relatively less emphasis on this antecedent may be because advertising is seen as more important in earlier stages of the consumer

decision-making process. Advertising is a mechanism for consumer education (Chandran et al. 1979; Smith 1996; Zhang and Buda 1999) and so consumers that are more exposed to media advertising may learn more about the product category but not much more. According to Ha (2002), the advertising in magazines is intended to improve brand awareness and so although consumers find a lot of information through magazines, they use other sources to collect ‘optimal’ information. Thus advertising may be more important in the need recognition stage, allowing the consumer to delimit the consideration set but this antecedent seems to have less of an impact on expectation formation. Additionally, the relatively less emphasis on advertising as an antecedent may also be explained by the fact that advertising is less relevant as a signal when consumers develop alternative sources of product/vendor-related information (Laband 1986). This may also explain the mixed results found in the literature (*cf.* Clow et al. 1997; Dion et al. 1998; Kalamas 2002; Webster 1991) as research has shown that high choice uncertainty leads to higher information search while knowledge uncertainty (where advertising may be important) does not significantly affect information search (Ha 2002; Ha and Hoch 1989; Lee and Cranage 2010; Urbany et al. 1989).

In addition to these information sources, price has proven to be an important marketplace cue (Monroe 2003; Stiving 2000; Verhoeven et al. 2009; Völckner and Hofmann 2007; Yeoman and McMahon-Beattie 2006). As was found here, previous research indicated that price plays a smaller role in influencing service expectations and selection of a service compared to more personal sources of information (Sweeney et al. 1992). This is likely to be because price may be less important as a quality cue in services than in non-services (Bijmolt et al. 2005; Boyle and Lathrop 2009; Völckner and Hofmann 2007). A possible explanation for this result is that consumers tend to be less motivated to engage in extensive decision making for non-services such as fast-moving consumer goods than for services and are therefore more likely to use easily recognisable cues such as price to facilitate their shopping for consumer goods than for services, in which case they are more likely to engage in using internal and external information sources. So instead of consumers

relying more than price in complex situations as hypothesised by some researchers (Danziger et al. 2006; Danziger and Segev 2006; Fiorentino 1995; Israeli 2002; Kardes et al. 2004; Rao 2005; Verhoeven et al. 2009), consumers may engage in more elaborate search activities (actively seeking information from memory or from online reviews) and use price cues only as supplementary information when purchasing services.

Hotel star ratings/external awards were used in this research to examine consumers' use of firm image in developing their expectations. This was because of the service context being investigated and because star rating has been shown to contain more information than corporate affiliation and hotel brand (Israeli 2002; Israeli et al. 2001). The importance of star rating in this research supports the hypothesis that quality awards in tourism are perceived to raise the public profile and enhance the popularity of a hotel (Nicolau and Sellers 2010). The information provided in these star ratings are designed to provide the consumer with product quality information, hence reducing the information asymmetry between customers and service providers (Fotopoulos and Krystallis 2003), and thus assisting the ill-informed consumer by transforming credence or experience attributes into 'quasi-search attributes' for which consumer can more easily search (Danziger et al. 2006; Israeli and Uriely 2000; Jahn et al. 2005).

The results of this research indicate that price was most significant as an antecedent of the Customer Care dimension. This may be because the quality of staff performance has been shown to be more influential than quality of room facilities in determining service quality in hotels (Qu et al. 2000). Other important 'Customer Care' factors reported in the literature are staff professionalism, friendliness, and courtesy (Callan and Bowman 2000; Knutson 1988; Lockyer 2002; Qu et al. 2000; Shanahan and Hyman 2007; Weaver and McCleary 1991; Weaver and Oh 1993; Wilensky and Buttle 1988). Indeed, empirical research also indicates that bellman services and concierge service discriminated luxury hotel properties from mid-priced properties

(Griffin et al. 1997). These results from previous research support the findings here, which indicate that Customer Care elements become very important for hotel customers when price is a salient feature.

Surprisingly, advertising seems to be a significant antecedent of only the Tangibles dimension of the predicted expectations construct. The explicit service promises conveyed in advertising was operationalised using a well-done ad with many explicit service promises related to several dimensions, such as Assurance (easy-going staff) and Tangibles (sumptuous food), and a shoddy ad with few service promises. However, it seems that respondents were only able to properly develop expectations about the tangible elements of the hotel service (such as grounds, accommodation, restaurant, and beach setting) from this source but little about the functional/process aspects that would allow them to form expectations of how efficient or empathic staff would be at either type of hotel represented. At first glance this may seem to be because of the visual nature of print advertising. However, both price and firm image were manipulated using ads as well, with the results indicating that price was most significantly related to predicted Customer Care expectations and firm image was most significantly related to predicted Tangibles expectations and both price and firm image were related to all three dimensions of service quality expectations examined. This indicates that price and firm image contain additional information for consumers, over and above that which is contained in an ad without these cues. For example, previous research has indicated that providing price information with general service information, as done here, exert a significant influence on risk perceptions (Boshoff 2002).

Similarly, Tangibles expectation may be the most well formed based on the star rating/awards information provided because providing information in this way made the tangible elements of the service more salient. However, unlike the ads presented with no awards/star ratings, the firm image manipulation seemed to contain additional information that allowed respondents to form Customer Care and Empathy expectations, which are related to service

performance rather than tangible elements of the servicescape. As with price, firm image, such as presented through star ratings and quality awards, seems to allow consumers to develop a wealth of expectations about the service they would receive, over and above that provided by the explicit service promises contained in the ad (Chang and Cheung 2005; Font 2002; Jahn et al. 2005; Mishra 2006; Nield and Kozak 1999). These results indicate that not all ads are made equal and that studying different antecedents in conjunction may provide greater insight into consumer expectation formation (Boshoff 2002).

8.1.2 Impact of Cultural Dimensions on Expectation Formation

Empirical evidence from this exploratory research supported the proposition that Power Distance, Uncertainty Avoidance, Individualism, Masculinity, and Long-term Orientation moderated the relationship between past experience, advertising, price, firm image, and word-of-mouth and consumers' predicted expectations to come degree. First, the importance of word-of-mouth is reconfirmed by the fact that consumers relied heavily on word-of-mouth regardless of their Uncertainty Avoidance, Power Distance, Individualism, and Masculinity orientations. Second, all five aspects of culture investigated here appear to influence the antecedents on which consumers chose to rely, although the cultural dimensions did not moderate the expectation formation process to the same degree. Hofstede (1980) himself suggested that some cultural dimensions are more influential than others in specific situations. The results of these five group of analyses indicate that Power Distance and Long-term Orientation are the most powerful cultural variables moderating the relationship between the five information sources examined and service quality expectations.

Power Distance interacted significantly with four of the five antecedents of predicted expectations, indicating that low Power Distance individuals are significantly different from high Power Distance individuals in the relative importance they place on past experience, advertising, price, and firm image in developing their predicted expectations. In line with the propositions, high

Power Distance individuals put *less* emphasis on advertising and *more* emphasis on price and firm image in their forming expectations. This indicates that high Power Distance individuals rely more on implicit cues of quality (high context), while low Power Distance individuals rely more on explicit cues of quality (low context). However, the results indicated that high Power Distance individuals put *less* emphasis on past experience, contrary to the proposition. This may be because low Power Distance consumers have higher levels of self-efficacy (Koh and Lim 2007; Sue-Chan and Ong 2002) and are therefore more likely to rely on their own past experiences with a service (Koh and Lim 2007). Self-efficacy thus helps to explain why low Power Distance consumers would rely on their past experiences more in developing their expectations than high Power Distance consumers.

Long-term Orientation also interacted significantly with four of the five antecedents of predicted expectations, indicating that long-term oriented individuals put more emphasis on past experience, price, firm image, and word-of-mouth in developing their predicted expectations than short-term oriented individuals. These results indicate that long-term oriented consumers rely on multiple antecedents when making a decision and process information in a more exhaustive and interpretive way by relying on a broad variety of information. In this research, Long-term Orientation was the only cultural variable that moderated the WOM-predicted expectations relationship. This indicates that WOM is extremely important for long-term oriented customers (Lui et al. 2001) and this is explained by their strong group orientation (de Mooij 2004; Doran 2002; Fong and Burton 2006; Lam et al. 2009; Money 2000; Murali et al. 2005b; Singh 2006) as well as their propensity towards relationship building (Laroche et al. 2005a; Ordóñez de Pablos 2005; Watkins and Liu 1996; Wong and Chan 1999). Additionally, since this significant hypothesised relationship (and others) were not found with collectivism/individualism, there is some degree discriminant validity between the two constructs, even though some researchers argue that they are interrelated (Yeh and Lawrence 1995).

Individualism and Masculinity each interacted significantly with two of the antecedents. The results indicate that that Individualists put *more* emphasis on past experience and price in developing their expectations than Collectivists. The fact that the results of this research indicate that Individualists put more emphasis on past experience in developing their predicted expectations is in line with Laroche et al.'s (2005a) initial hypothesis but contrary to their actual research findings. However, these results are congruent with other theory about how Collectivists are expected to use past experience, specifically that Collectivists are less self-reliant because of their strong in-group orientation and may therefore not rely on their own recollections in developing their expectations (Doran 2002; Ordóñez de Pablos 2005). These results were significant for the predicted Empathy expectations, and this may be because Individualists tend to be interested in individual or personal attention, while those with a Collectivist orientation may not be expecting individual or personal attention (Mattila 1999b).

In terms of Masculinity, the research shows that high Masculinity consumers put *more* emphasis on past experience and firm image in developing their expectations than low Masculinity consumers. This former result is in line with the proposition, explained by the fact that masculine personalities are more self-reliant and tend to rely on highly available information (Chang 2006; Kim et al. 2007; Meyers-Levy 1989; Meyers-Levy and Maheswaran 1991). However, the results relating to firm image are contrary to this proposition, which expected that individuals with more feminine orientation would rely more on context cues. This finding may be due to the fact consumer behaviour in masculine cultures is characterised by status buying (Foscht et al. 2008). Additionally, it may be that star ratings/awards provide a ready heuristic that men could easily use, allowing them to make decisions quickly (Bakewell and Mitchell 2004; Meyers-Levy 1989). This may indicate that some quality cues are more explicit, since star ratings and external certifications are directly related to quality (Font 2002; Jahn et al. 2005; Nicolau and Sellers 2010), and may provide more ready information than cues such as price.

Finally, Uncertainty Avoidance interacted significantly with one antecedent of expectations. The results indicate that low Uncertainty Avoidance respondents putting *more* emphasis on advertising as an information source in forming their expectations. This indicates, as proposed, that high uncertainty avoidance individuals are less reliant on advertising as an information source compared to low uncertainty avoidance individuals. This is consistent with previous results reported by Dawar et al. (1996), Money and Crotts (2003), and Litvin et al. (2004) that high uncertainty avoidance consumers relied on marketing-dominated sources such as advertisements less than low uncertainty avoidance consumers.

These analyses also demonstrated that more than one cultural orientation simultaneously helped in explaining customer expectation formation. In each experiment the remaining four cultural values were included as covariates in testing the hypotheses and proposition and the results of this (the significant covariates) were reported in Chapter 7 (and presented in Appendix 4). In 19 of the 25 analyses, the analyses were undertaken as MANCOVAs because one or more of the remaining cultural values simultaneously helped in explaining customer expectation formation.

Power Distance seems to be the construct most interrelated with other constructs. In line with the research indicating that Power Distance and Uncertainty Avoidance are interrelated (Dawar et al. 1996; Hofstede et al. 2010), Uncertainty Avoidance was a significant covariate in four of the five Power Distance analyses and Power Distance was a significant covariate in four of the five Uncertainty Avoidance analyses. Masculinity and Individualism were also significant in three of the five Power Distance analyses, always appearing together, indicating some relationship between Masculinity and Individualism that may warrant further research. Additionally, Long-term Orientation was also significant in one of the five sets of analyses.

In line with the research indicating that Collectivism and Long-term Orientation are interrelated constructs (Yeh and Lawrence 1995), Long-term Orientation was a significant covariate in two of the Individualism analyses and Individualism was a significant covariate in three of the Long-term Orientation analyses. However, as noted above, the two constructs seem to have discriminant validity even though they may be interrelated. Masculinity was the least related to the other constructs, with three sets of analyses being run as MANOVAs, and where other covariates were significant, Long-term Orientation was not one of these. Individualism did not always appear as a covariate in the Masculinity analyses, but in the seven times Masculinity appeared as a covariate, Individualism was also a covariate in six of those instances. Individualism, Power Distance, and Uncertainty Avoidance consistently appeared together, indicating there is some overlap among these dimensions or that consumers tend to hold these orientations in a consistent pattern. For example, high Individualism, low Power Distance, and low Uncertainty Avoidance orientations are expected to appear together (Furrer et al. 2000). Overall, the research results indicate that the cultural dimensions are significantly interrelated and may do more in explaining consumer behaviour when studied together than when studied independently.

These results suggest that researchers may start to develop a cultural service personality profile as suggested by Zhang et al. (2008), but at the individual level. For example, in this research, results showed that past experience was most used by consumers with high Individualism, low Power Distance, high LTO, and high Masculinity orientation. It can be expected consumers with a combination of these would rely on past experience more than a consumer with only one of the applicable dimensions. From these results, it may be possible to identify three different profiles of customers that would place particular emphasis on past experience: (1) high Individualism, low Power Distance consumers, (2) long-term oriented, high Masculinity consumers, and (3) high Individualism, high Masculinity consumers.

Finally, several of the cultural variables examined have been represented well in the literature, especially Individualism, while others have been virtually ignored in the cross-cultural consumer behaviour literature, particularly Masculinity and Long-term Orientation. The results presented here offer insights but more research using these cultural orientations are warranted. In this research Masculinity was useful in discriminating between consumers' use of several antecedents however whether this result is applicable across service categories needs to be investigated. In terms of Long-term Orientation, this dimension also proved to discriminate well between consumers' use of antecedents in developing their expectations, containing information not contained in Collectivism (although they are thought to be highly interrelated constructs). Again, whether this result is applicable across service categories needs to be investigated, with confirmation of this result in other contexts indicating that this dimension would be very valuable to managers and academics in explaining and understanding consumer behaviour across cultures.

8.2 Managerial Implications

In a competitive marketplace, information trying to influence consumer choices is abundant. Indeed, a successful marketer is often the one most effective in communicating information to the target audience. There are many vehicles available to a marketer to transmit information to consumers and so an optimal utilisation of the alternatives involves an understanding of where customers seek information and how they rate information sources (Chen and Gursoy 2000; Gursoy and Chen 2000; Gursoy and Umbreit 2004; Laroche et al. 2005a; Tan and Dolich 1983; Uysal et al. 1990; Wilson 1997). Managers should actively participate in the expectations formation process by controlling as best they can the information sources used by consumers. In this context, managing the destination image and the quality of the tourist experience is extremely important for managers. This can only be achieved by knowing what drives customer expectations and where these expectations stand, allowing companies to be better able to match them, use them for segmentation purposes, and distinguish themselves from the competition (Laroche et al.

2005a; Robledo 2001; Webster 1991). In particular, this research has highlighted that managers have to recognise that customers' usage of various antecedents in forming service expectations is partially culturally determined.

In this study, the findings stress the importance of word-of-mouth in shaping the expectations of all respondents – and especially the expectations of long-term oriented customers. These customers are more likely to give positive WOM feedback if the experience is good (Liu et al. 2001) and if they are talking to other long-term oriented customers then this is good for the firm. while these consumers are less likely to give negative WOM feedback if their experience is bad (Liu et al. 2001), they are also particularly susceptible to WOM (Lam et al. 2009; Yaveroglu and Donthu 2002) and so in cases where they receive negative reviews of the firm, this is likely to be particularly detrimental to their expectations. Since satisfied customers act as vehicles of positive information, managers should try to build strong customer relationships to encourage them to relay such information (or discourage them from sharing negative information as the case may be).

eWOM is particularly used by consumers because the reviewers can openly express their grievances or be as effusive with their praise as they would like to be (Pitta and Fowler 2005). It also means readers can examine many reviews, so this may benefit practitioners as one bad review in twenty may be overlooked by consumers who are savvy enough to recognise that a few bad reviews does not mean the service is poor. This however does not mean that service providers should not try to delight customers at every turn since customers with grievances tend to engage in voice more than those that are merely satisfied (Bearden and Teel 1983; Westbrook 1987). Additionally, savvy service providers can monitor these sites to gauge customer response to their services. Marketing practitioners should view customer complaints as opportunities for improvement as e-reviews tend to be specific about the aspects in which the service failed and sometimes may even suggest recovery measures that they would have found acceptable. This is important since

customers prefer to receive recovery resources that ‘match’ the type of failure they experience in ‘amounts’ that are commensurate with the magnitude of the failure that occurs (Smith et al. 1999). In this way firms can actively manage consumer complaints and can translate negative feedback into opportunities for improvement (Bickart and Schindler 2001; Ha 2002; Pitta and Fowler 2005; Schindler and Bickart 2005).

Personalised service may be more appealing to long-term oriented consumers who are used to sharing with others (Mattila 1999a, b) as well as to customers with high Masculinity orientation (Furrer et al. 2000; Tsikriktsis 2002; Winsted 1997). Managers must therefore identify strategies to encourage and allow employees to provide consistently good service, which may include decisions regarding staffing and improvements in technology to aid reliability. The demonstrated importance of Empathy and Customer Care dimensions also means that managers must also ensure that service levels are consistently high, emphasising on-going and well-maintained quality programmes. This would also include decisions about investments in the tangible elements of the service since the tangible dimensions of a service encounter seem to be the most memorable for some consumers.

There are also implications for pricing. Consumer may complain about the price because the functional aspects of the service are lacking. At low prices consumers expect the Customer Care aspects to be most affected, that is, what is delivered may be the same but how it is delivered may be what distinguishes between high/low price services for consumers. So for marketers seeking to charge a higher price than competitors, they should focus on the functional elements after the technical elements of the service have been covered. Additionally, since long-term oriented and high power-distance are expected to pay more attention to functional aspects of a service (Mattila 1999a), these process elements should be a key focus of managers of luxury hotels and other expensive services that may deal with these consumers.

In terms of advertising, the results suggest that advertising may be particularly useful for service providers seeking to ‘tangibilise’ their service offering, which has been suggested as a key success factor in services marketing (Berry and Parasuraman 1991; Bhat and Reddy 1998; Mittal 2002; Reddy et al. 1993). This is done by making the service benefits understood through the service communication since previous studies that examined the effects of tangible cues and advertising appeals suggests improving perceived tangibility and advertising effectiveness by making services appear more ‘physically concrete’ in advertisement (Mittal 2002). Additionally, Reddy et al. (1993) points out that it is easier to ‘tangibilise’ the image of a firm and so firm image and advertising seem good for highlighting tangible elements of a service. In terms of firm image, external certification/star ratings contain additional information for consumers, especially those with a masculine orientation, long-term oriented, high power-distance oriented consumers, and so an ad may be more powerful by including such awards, at least in the hotel industry, and this would lead to more effective ads in countries like Japan where many consumers are expected to be high in term of Masculinity, Long-term Orientation, and Power Distance.

Finally, since the results show that the information sources customers use are dependent on their cultural orientation, firms may be better able to influence these expectations if they know individual customers’ cultural value orientations. Such information can be embedded in customer relationship management (CRM) systems used by hotels and other service providers (Lin and Su 2003; Sigala 2005). Today technology has enabled firms to segment customers into finer and finer categories (Dibb 2001) and has created a radical new business model that alters the dynamic of customer service (Brady 2000; Noone et al. 2003; Sigala 2005; Verhoef 2003). For high quality hotel enterprises, the application of CRM is a great opportunity to increase customer value and provides a way to systematically attract, acquire, and retain customers (Lin and Su 2003; Reinartz et al. 2004). There is still room for hotel enterprises to improve their knowledge about customers (Lin and Su 2003) and this additional information about customers’ value orientation could easily be

added and would provide valuable information to hoteliers. Hence with sophisticated CRM systems and instant online access to customer profiles, there is no reason for cultural value orientations not to be captured via survey research (using for example the CVSCALE) and added to individual customer profiles. This profile might only be kept for high net worth or frequent customers (Cao and Gruca 2005). In this way the findings of this study might usefully guide management actions, such as in terms of the information sources to use to target consumers with certain cultural service profiles.

8.3 Limitations and Areas for Future Research

This research has been valuable in systematically addressing several of the theories and propositions that have been developed in the cross-cultural service expectations literature, allowing me to learn a great deal about this particular aspect of consumer behaviour as well as about the many obstacles and limitations encountered when undertaking research. Using the benefit of hindsight, this section discusses the main limitations of this research, issues that I would have tackled differently, and based on these I also make suggestions for future research.

First, the main issue I had to wrestle with was how to deal with the concept of culture in this research. Conceptually, this study's roots are in the etic tradition of culture research and assume that underlying cultural dimensions apply to all people. Although it represents a valuable contribution to the field, the etic approach has shortcomings (Berry 1999; Maheswaran and Shavitt 2000). An etic research framework was adopted because of the objectives of this research, which made a comparative research approach most appropriate and also because the etic approach made it easier to achieve the goal of isolating specific components of culture and presenting testable hypotheses (Morris et al. 1999), allowing the researcher to explain cross-cultural differences in behaviour (Chanchani and Theivanathampillai 2001; Schwartz and Ros 1995). While I do not necessarily think that I would have chosen to undertake this research from an emic perspective in hindsight, I would have definitely given

more thought to how I would operationalise the construct of culture while formulating the research objectives. In other words, what I realised in writing Chapter 3 was that some of my choices in terms of culture were constrained by the implicit choices I had made previously about the stream of literature to which I would seek to contribute.

As in the wider marketing literature, consumer behaviour researchers have mostly engaged in comparative analysis of various aspects of consumer attitudes and behaviour (Douglas and Craig 1997) and tend to rely on an etic perspective (Maheswaran and Shavitt 2000; Taras et al. 2009). This is consistent with the implicitly instrumental perspective of much of the comparative consumer behaviour literature (Saker and Smith 1997) as well as the fact that the more traditional structural/functionalist views of culture, as embodied in this literature stream, are more theoretically and methodologically consistent with the social psychology perspective in which much marketing and management literature is implicitly grounded (Deshpandé and Webster 1989). What this meant is that I viewed culture as a critical variable capable of influencing consumer behaviour, a variable that can be measured, manipulated, and controlled (Deshpandé and Webster 1989; Smircich 1983), and this conceptualisation (which I had made implicitly at the time of developing my research question and objectives) affected how I could operationalise culture later on in the research. This is one of the most explicit cases in this research where I realised that the methodologies available to me were constrained by the assumptions I had made without realising (Krauss 2005; Morgan 1980). I think that future research in consumer expectation formation could examine the validity of the framework in this study by applying it to emic discussions and for this to happen I think researchers would have to examine the questions that they are asking as these have underlying ontological and epistemological assumptions that determine ‘correct’ scientific undertakings and what are ‘acceptable’ questions to research (Boddewyn et al. 2004; Ding and Foo 2002).

Having decided to use an etic framework, a taxonomic approach using Hofstede's dimensions was used in this research. While Hofstede's dimensions have proven useful and reliable over time, alternative categorisations of culture or less explored dimensions may allow for a broadening of perspectives and outcomes. For this reason I had tried (but failed) to obtain a copy of Steenkamp's (2001) taxonomy to use in this research (which is an analysis of the overlap of Hofstede's and Schein's frameworks that suggests the following four national cultural dimensions: autonomy versus collectivism, egalitarianism versus hierarchy, mastery versus nurturance, and uncertainty avoidance). While I do not think that my use of Hofstede's dimensions was a limitation *per se*, I would have liked to use Steenkamp's (2001) categorisation of culture rather than Hofstede's since it is important for cross-cultural consumer behaviour research to develop and review all potential cultural theories to aid in making hypotheses and propositions rather than just using the most convenient ones. Thus I think that researchers could extend the research undertaken here by using another set of cultural dimensions to measure the culture construct.

The third limitation relates to the way in which the key variables in the research were operationalised. While the measured independent variables were operationalised in a standardised way (using surveys that have been developed and tested in various research contexts and country settings), the manipulated independent variables were operationalised in a manner specific for this research and this in particular was a learning process for me since I had not written scenarios or created pictorial representations before. For this reason I took my time and engaged in a lengthy iterative process in developing the manipulation but there were still several drawbacks to the finished products. One, the way in which advertising is presented affects the impact on expectations, for example Jaeger and MacFie (2001) found that the expectations resulting from exposure to advertising communicating textual only versus textual and pictorial information differed. Two different ads were used to manipulate the antecedent related to many (few) explicit service promises and therefore it is possible that this affected the outcome of the

research. This also indicates that future research can investigate the impact that different types of advertising (text versus pictures) with many and few service promises might have on expectations.

Two, WOM was operationalised as eWOM by using a proxy to an online review, which I thought was the best thing to use given the prevalence of eWOM. However, the extent to which eWOM is an appropriate way to operationalise WOM is not clear and the manipulation used (the online review) could have been strengthened by matching it more fully to the ‘past experience’ description. Thus future researchers can improve on the manipulations of the antecedents of service quality expectations used in this study. Another suggestion for future researchers is to strengthen the research design, for example, by using controls as an extension of the research design. In putting together the research design and data analysis I was partially guided by previous cross-cultural consumer behaviour research, which guided me in making decision such as using a median split to classify respondents while also using continuous variables for covariate controls. While this allowed me to better compare my results to previous research in this area, I think that future researchers could use other research design and data analysis strategies, for example replacing median splits with continuous variables although dichotomization is popular since it produces meaningful findings that are easily understood by a wide audience (Farrington and Loeber 2000).

Finally, this research has provided insights on the fact that other cross-cultural commonalities that are likely to be highly useful to marketing practitioners, and researchers are encouraged to conduct additional empirical investigations of consumer behaviour across cultures. For example, although the effects of WOM on service expectations are well researched, the concept “[has not] been explicitly studied in [a] cross-cultural sense” (Watkins and Liu 1996, p. 7). One recent study has sought to tackle this (Lam et al. 2009), yet variation in the weight attributed to WOM by consumers with different cultural orientations still need require further exploration.

8.4 Conclusion

In consumer research, “a key imperative today is the ‘reinterpretation’ of models and theories from the perspective of different cultural and social realities” (Wong 2004, p. 962). This is because the globalisation of the markets and how this process is shaping the cultural characteristics of people around the world is a critical issue facing international marketing managers (Laroche 2007). This researcher has reviewed and consolidated prior research and current theoretical models from several fields of study. This consolidation prompted a framework that can guide future research aimed at explaining and predicting services customer behaviour that can also be managerially useful. This study has contributed to research in the area of cross-cultural consumer research and several important issues in the literature have been addressed. The findings from this exploratory study suggest that consumers’ preference for the various antecedents of predicted expectations depends on their cultural orientation and despite the limitations outlined, the results of the study are valuable in shedding light on previously under-researched areas and have several managerial implications as discussed in detail above. This research is a small step in that direction and one that will hopefully encourage additional exploration in cross-cultural expectation formation.

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APPENDICES

Appendix 1: Final Manipulations

Manipulation 1A – Good Past Experience

Read the scenario below CAREFULLY, imagining that you are the customer involved.

Your last summer vacation, you visited Hamilton Beach Hotel, a 4-star hotel, for the first time. You arrived at the hotel in the late evening. You noticed that the grounds were beautiful and well-kept. The valet greeted you with a smile, took your car keys, and directed you to reception.

The hotel was beautiful, with pleasant background music playing in the lobby, contributing to the relaxing soothing atmosphere. The hotel clerk at the reception desk also greeted you with a smile and welcomed you warmly to the Hamilton Beach Hotel. The check-in process was smooth and efficient, and the clerk kept up friendly chatter throughout the processes. She asked about your vacation plans, offered suggestions of things to do and places in the area to visit, and overall seemed interested in making your stay pleasurable.

At the end of the check-in process, the clerk assigned you a room and the bellhop helped you with your luggage and showed you to your room. He was friendly and smiling and was knowledgeable when you asked him about activities at the hotel, room service, etc. The room assigned was very nice, with a colourful and cheerful décor. You noticed that the room was pleasantly cool because the air conditioning had been turned on in anticipation of your arrival. You decided to take a shower before dinner in the large, well-appointed bathroom. The hot water in the cool bathroom was lovely.

After your shower you went down to the hotel restaurant, which was located right by the beach. You were promptly seated by a smiling maitre d'. The tables were lit by candles and the atmosphere was great. The menu offered a wide selection of dishes, including several vegetarian options. The service was prompt and the menu items, especially the drinks, were varied at your request. The food was delicious and not too expensive.

On the last day of your stay, you received your wake-up call as requested. The bellhop who helped you with your luggage was friendly and genuinely interested in your visit. The hotel clerk checking you out was also friendly and smiling, allowing you time to check your bill to ensure everything was in order and then offering you several choices for payment of your account. After the valet got your car, the bellhop helped you with your luggage and both the valet and bellhop thanked you for visiting the Hamilton. The entire experience was immensely pleasurable.

Manipulation 1B – Bad Past Experience

Read the scenario below CAREFULLY, imagining that you are the customer involved.

You last summer vacation, you visited Hamilton Beach Hotel, a 4-star hotel, for the first time. The grounds were not very well-kept. The valet who took your keys looked preoccupied and did not greet you.

Inside the hotel was shabby and worn. The pleasant background music playing in the hotel was out of place. There was one harried hotel clerk to deal with several arrivals and so it took several minutes to get to the counter. When you got to the reception desk, the hotel clerk seemed preoccupied and frowned at you, neglecting to welcome you to the Hamilton Beach Hotel. The clerk told you that the computerized check-in system was working slowly by way of explanation as to why the check-in process took so long. While you were checking in, the clerk continued to frown and generally did not seem interested in you or your plans. After taking over ten minutes to get checked in, the clerk then informed you that your assigned room was not yet ready and asked you to wait, without telling you how long you would be expected to wait.

Twenty minutes later you were informed that your room was ready. A disinterested bellhop helped you with your luggage and showed you to your room. He also lacked knowledge about activities at the hotel, room service, etc. The room assigned was functional but badly decorated and after waiting 20 minutes the room still seemed hastily cleaned. The room was also unpleasantly hot even though the air conditioning had been turned on in anticipation of your arrival. You decided to take a shower before dinner but had problems because the water pressure was low and the hot water did not work. You called and complained to the front desk but the person you spoke to did not seem to care.

After your shower you went down to the hotel restaurant. The dining room was adequate but it took a long time to be seated even though there were only a few other people there. The menu selection was limited and the food was mediocre when it finally arrived.

On the last day of your stay, you woke up half-hour later than you wanted because you did not receive a wake-up call, even though you had requested one. At the check-out desk, the hotel clerk was frowning and did not want to give you time to check your bill to ensure everything is in order. When you found an error on the bill the clerk was not pleased and it took several minutes for you to get the matter sorted out. To make matters worse, the clerk informed you that you that cheques and debit cards were not accepted and so you had to pay by credit card. After the valet got your car, the bellhop unsmilingly helped you with your luggage. Neither the valet nor bellhop thanked you for visiting the Hamilton Beach Hotel. The entire experience was thoroughly unpleasant.

Manipulation 2A – Good Review

Read the scenario below CAREFULLY, imagining that you are the customer involved.

You are planning a birthday weekend for your best friend. You have decided to take your friend for a two-night stay at an island hotel.

You check out several hotels online using a free travel guide and research website that hosts user reviews and offers people ‘real advice from real travellers.’

You find the following detailed review of the **Hamilton Beach Hotel**, which is one of the hotels you are considering.

Review of Hamilton Beach Hotel

My friends and I stayed at the Hamilton Beach Hotel in January 2009, and we had a great time!

The food is very good overall, particularly the main dishes and soups. Traditional local dishes were especially good.

Snacks and drinks are plentiful at all times of day. Drinks were particularly good.

The grounds are well kept and have beautiful views of the surrounding area and water. The sunsets are gorgeous.

Staff is very friendly and usually goes out of their way to help and ensure you’re happy and enjoying your stay.

Excellent spa with very good service. View from spa is beautiful.

The décor of the rooms are cheerful and colourful.

Nice wide beach with comfortable lounges and shade if desired. The weekly beach party with a live band was great fun and well attended. They barbequed seafood and meats.

Special thanks to Paul, Patrick, Elvis, Imran & Zoom for taking such good care of us and making us laugh every day! For anyone wanting a pampered break from reality, Hamilton Beach Hotel is perfect.

Manipulation 2B – Bad Review

Read the scenario below CAREFULLY, imagining that you are the customer involved.

You are planning a birthday weekend for your best friend. You have decided to take your friend for a two-night stay at an island hotel.

You check out several hotels online using a free travel guide and research website that hosts user reviews and offers people ‘real advice from real travellers.’

You find the following detailed review of the **Hamilton Beach Hotel**, which is one of the hotels you are considering.

Review of Hamilton Beach Hotel

My friends and I stayed at the Hamilton Beach Hotel in January 2009. Our disappointment began upon arrival. There were no valet carts to help with unloading. The person at the information desk could not tell us what time zone we were in nor if any of the restaurants were open.

The staff on my 2 night stay from check in, to bell stand, concierge, waitstaff, and bartenders were extremely rude and arrogant.

The bedspread, the carpet, etc. were all old, but not in a charming old fashion way.

Meals at the hotel restaurant were average at best, and service was slow.

Showers have low pressure and it took 16 minutes for hot water to arrive for a shower (I timed it).

The beach was small and cramped. The weekly beach party with a live band was not as fun as expected and there were few people there. The barbequed seafood and meats tasted awful.

There are no phones or are only poorly working phones in some rooms.

For a supposedly upscale hotel this was sorely lacking. The Hamilton Beach Hotel claims it is a ‘splendid’ hotel. I think they depend on their size and location rather than any hint of quality service to stay in business. I wouldn’t stay at the Hamilton Beach Hotel again, nor recommend it to anyone who wants to visit this beautiful place.

Manipulation 3A – Ad with Many Service Promises

When you are ready to get away from it all, the luxurious Hamilton Beach offers the perfect escape! The lushness of the gardens, the staff's easygoing warmth and the ever-present, soothing sound of the beach – you'll find time slipping away as you become one with the carefree island state of mind.

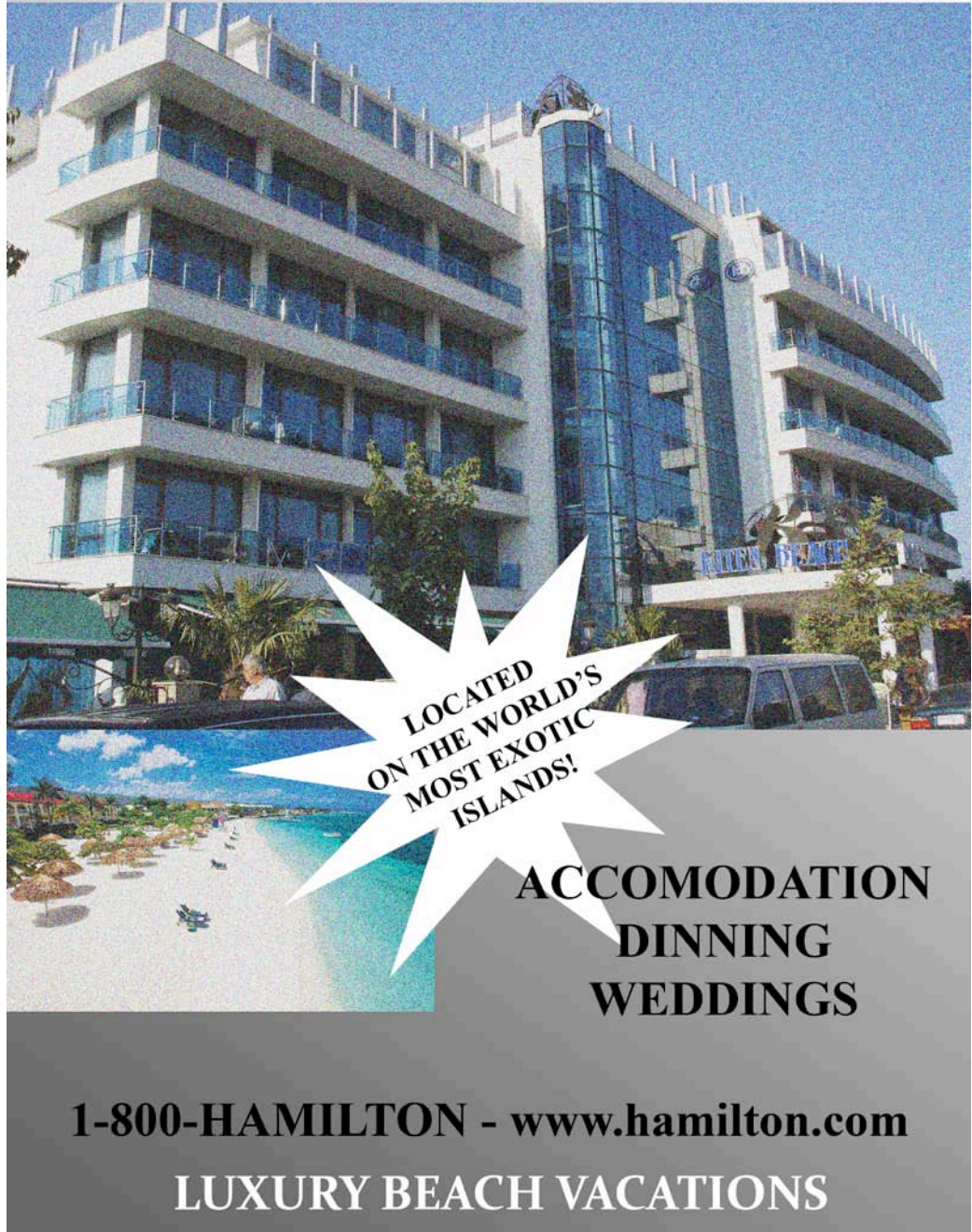
Picture some of the most sumptuous accommodations imaginable; nestled amidst tropical gardens, all set just steps away from a half-mile stretch of powdery white-sand beach and the sparkling, azure sea. Add mouth-watering international cooking as our Master Chefs take your palate on a journey around the globe. Whether your idea of fun is a day jam-packed with action – ranging from scuba diving to a state-of-the-art rock climbing wall – or hours spent in peaceful relaxation at our two spas – your ideal vacation awaits you at Hamilton Beach Hotels.

**Call your Travel Agent or
1-800-HAMILTON hamilton.com**

Hamilton
Luxury Vacations

Manipulation 3B – Ad with Few Service Promises

HAMILTON HOTELS



The advertisement features a large, modern hotel building with multiple balconies and a glass-enclosed tower. Below the building is a smaller inset image of a tropical beach with white sand, palm trees, and turquoise water. A large white starburst graphic is overlaid on the beach image, containing the text: "LOCATED ON THE WORLD'S MOST EXOTIC ISLANDS!". To the right of the starburst, the text "ACCOMODATION DINNING WEDDINGS" is displayed in a bold, sans-serif font. At the bottom of the advertisement, the contact information "1-800-HAMILTON - www.hamilton.com" and the phrase "LUXURY BEACH VACATIONS" are presented in a bold, sans-serif font.

**LOCATED
ON THE WORLD'S
MOST EXOTIC
ISLANDS!**

**ACCOMODATION
DINNING
WEDDINGS**

1-800-HAMILTON - www.hamilton.com

LUXURY BEACH VACATIONS

Manipulation 4A – High Price

MAGNIFICENT HAMILTON BEACH HOTELS

located on one of the world's most exotic islands



ROOM RATES FROM
£ **198** PER
PERSON
PER
NIGHT

When you are ready to get away from it all, the luxurious Hamilton Beach offers the perfect escape! The lushness of the gardens, the staff's easygoing warmth and the ever-present, soothing sound of the beach – you'll find time slipping away as you become one with the carefree island state of mind.

Picture some of the most sumptuous accommodations imaginable; nestled amidst tropical gardens, all set just steps away from a half-mile stretch of powdery white-sand beach and the sparkling, azure sea. Add mouth-watering international cooking as our Master Chefs take your palate on a journey around the globe. Whether your idea of fun is a day jam-packed with action – ranging from scuba diving to a state-of the-art rock climbing wall – or hours spent in peaceful relaxation at out two spas – your ideal vacation awaits you at Hamilton Beach Hotels.

Call your Travel Agent or
1-800-HAMILTON hamilton.com

Hamilton
Luxury Vacations

Manipulation 4B – Low Price

MAGNIFICENT HAMILTON BEACH HOTELS

located on one of the world's most exotic islands



ROOM RATES FROM
£ **34** PER
PERSON
PER
NIGHT

When you are ready to get away from it all, the luxurious Hamilton Beach offers the perfect escape! The lushness of the gardens, the staff's easygoing warmth and the ever-present, soothing sound of the beach – you'll find time slipping away as you become one with the carefree island state of mind.

Picture some of the most sumptuous accommodations imaginable; nestled amidst tropical gardens, all set just steps away from a half-mile stretch of powdery white-sand beach and the sparkling, azure sea. Add mouth-watering international cooking as our Master Chefs take your palate on a journey around the globe. Whether your idea of fun is a day jam-packed with action – ranging from scuba diving to a state-of-the-art rock climbing wall – or hours spent in peaceful relaxation at our two spas – your ideal vacation awaits you at Hamilton Beach Hotels.

Call your Travel Agent or
1-800-HAMILTON hamilton.com

Hamilton
Luxury Vacations

Manipulation 5A – Good Reputation

MAGNIFICENT HAMILTON BEACH HOTELS

located on one of the world's most exotic islands



When you are ready to get away from it all, the luxurious Hamilton Beach offers the perfect escape! The lushness of the gardens, the staff's easygoing warmth and the ever-present, soothing sound of the beach – you'll find time slipping away as you become one with the carefree island state of mind.

Picture some of the most sumptuous accommodations imaginable; nestled amidst tropical gardens, all set just steps away from a half-mile stretch of powdery white-sand beach and the sparkling, azure sea. Add mouth-watering international cooking as our Master Chefs take your palate on a journey around the globe. Whether your idea of fun is a day jam-packed with action – ranging from scuba diving to a state-of-the-art rock climbing wall – or hours spent in peaceful relaxation at our two spas – your ideal vacation awaits you at Hamilton Beach Hotels.

**VOTED THE WORLD'S BEST
AT THE WORLD TRAVEL SHOW
2004-2008**

**Call your Travel Agent or
1-800-HAMILTON hamilton.com**

Hamilton
Luxury Vacations

Manipulation 5B – Bad Reputation

When you are ready to get away from it all, the luxurious Hamilton Beach offers the perfect escape!

The lushness of the gardens, the staff's easygoing warmth and the ever-present, soothing sound of the beach – you'll find time slipping away as you become one with the carefree island state of mind.

Picture some of the most sumptuous accommodations imaginable; nestled amidst tropical gardens, all set just steps away from a half-mile stretch of powdery white-sand beach and the sparkling, azure sea. Add mouth-watering international cooking as our Master Chefs take your palate on a journey around the globe. Whether your idea of fun is a day jam-packed with action – ranging from scuba diving to a state-of-the-art rock climbing wall – or hours spent in peaceful relaxation at our two spas – your ideal vacation awaits you at Hamilton Beach Hotels.



**Call your Travel Agent or
1-800-HAMILTON hamilton.com**

Hamilton
Luxury Vacations

Appendix 2: Manipulation Checks

2.1 Example of Manipulation Checks for the Scenario Manipulations

SCENARIO PILOTING

Thank you for participating in this academic research study. Your responses are completely anonymous.

Survey

Please read the passage below relating to a course completed at a fictitious hotel.

You are planning a birthday weekend for your best friend. You have decided to take your friend for a two-night stay at an island hotel. You check out some hotels online at hoteinfo.com, a free travel guide and research website that hosts user reviews and offers people “real advice from real travellers.” You find the following detailed review of the Hamilton Beach Hotel, which is one of the hotels you are considering.

Review of Hamilton Beach Hotel

My friends and I stayed at the Hamilton Beach Hotel in January 2009. Our disappointment began upon arrival. There were no valet carts to help with unloading. The person at the information desk could not tell us what time zone we were in nor if any of the restaurants were open.

The staff on my 4 night stay from check in, to bell stand, concierge, waitstaff, and bartenders were extremely rude and arrogant.

The bedspread, the carpet, etc. were all old, but not in a charming old fashion way.

Meals at the hotel restaurant were average at best, and service was slow.

Showers have low pressure and it took 16 minutes for hot water to arrive for a shower.

The beach was small and cramped. The weekly beach party with a live band was not as fun as expected and there were few people there. The barbequed seafood and meats tasted awful.

There are no phones or are only poorly working phones in some rooms.

For a supposedly upscale hotel this was sorely lacking. The Hamilton Beach Hotel claims it is a ‘splendid’ hotel. I think they depend on their size and location rather

than any hint of quality service to stay in business. I wouldn't stay at the Hamilton Beach Hotel again, nor recommend it to anyone who wants to visit this beautiful island.

The questions below relate to the passage that you have just read.

1) Overall, how would you rate the experience of Hamilton Beach Hotel as described in the review? (Feel free to refer back to the description if you need to.)

Bad	1	2	3	4	5	6	7	Good
Poor	1	2	3	4	5	6	7	Excellent
Low quality	1	2	3	4	5	6	7	High quality
Negative	1	2	3	4	5	6	7	Positive

2) Overall, how believable was the experience of Hamilton Beach Hotel as described in the review?

Not at all believable	1	2	3	4	5	6	7	Very believable
-----------------------	---	---	---	---	---	---	---	-----------------

3) Overall, how realistic was the experience of Hamilton Beach Hotel as described in the review?

Not at all realistic	1	2	3	4	5	6	7	Very realistic
----------------------	---	---	---	---	---	---	---	----------------

4) If you had to choose something in this review that was especially unrealistic or unbelievable, what one thing would it be?

5) Next, think about what is usually important to you in determining your **overall satisfaction** with a hotel. Is there anything else important to you that was not mentioned in the review you just read? If so, please list as many examples as you can think of (that were not mentioned) below:

Thank you very much for your time and participation in this survey.

2.2 Manipulation Checks for the Pictorial Manipulation

QUESTIONNAIRE

Thank you for participating in this academic research study. Your responses are completely anonymous.

Survey

Please answer the questions below related to the attached advertisement at a fictitious hotel.

<<<<Ad here>>>>

On the basis of this ad, do you expect the experience at Hamilton Beach Hotel to be:

Good	1	2	3	4	5	6	7	Bad
Appealing	1	2	3	4	5	6	7	Unappealing
Poor	1	2	3	4	5	6	7	Excellent
Pleasant	1	2	3	4	5	6	7	Unpleasant
Low quality	1	2	3	4	5	6	7	High quality

2) Overall, how believable are the promises made in the ad?

Not at all believable	1	2	3	4	5	6	7	Very believable
-----------------------	---	---	---	---	---	---	---	-----------------

3) Overall, how realistic are the promises made in the ad?

Not at all realistic	1	2	3	4	5	6	7	Very realistic
----------------------	---	---	---	---	---	---	---	----------------

4) If you had to choose something in this ad that was especially unrealistic or unbelievable, what one thing would it be?

5) Next, think about what is usually important to you in determining your **overall satisfaction** with a hotel. Is there anything else important to you that was not outlined in the ad you just looked at? If so, please list as many examples as you can think of (that were not outlined) below:

Thank you very much for your time and participation in this survey.

Appendix 3: Example of Measurement Instrument

QUESTIONNAIRE

Welcome!

Thank you for participating in this survey, which should take no more than 30 minutes to complete. Your responses are **completely anonymous**.

You are being asked to complete the entire survey. **HOWEVER** you can exit this survey at any point.

At the end of the survey you can choose to be entered into the **PRIZE DRAW** to win **one of two £100 vouchers**.

Part A asks about your background.

Part B relates to expectations of a fictitious hotel.

Part C asks your views on society in general.

Although some questions investigate similar issues, **please treat each one as being unrelated to any other question** and be sure to give all questions equal attention.

Start Survey!

PART A

Please tell us about yourself. Your answers to the following are completely anonymous, and will be used for classification purposes only. Please tick the appropriate response or fill in the blank as needed.

Faculty Business ☐ Other (specify) _____

Level of Study Undergraduate ☐ Postgraduate ☐

Year of Study 1st ☐ 2nd ☐ 3rd ☐ 4th ☐ Other ☐

Year of Birth 19 _____

Gender Male ☐ Female ☐

Length of time in the UK Less than 1 year ☐ 1-2 years ☐ 2-3 years ☐ 4-5 years ☐ More than 5 years ☐ Since birth ☐

First Language _____

Nationality _____

Country of Birth _____

Country of Usual Residence _____

Where did you live for the *majority* of the first ten years of your life?

Country of Birth ☐ Country of Residence ☐ Other _____

Ethnic Background (please select one that best describes you):

- | | | |
|---|---|--|
| <input type="checkbox"/> White – British | <input type="checkbox"/> Asian/Asian British - Indian | <input type="checkbox"/> Mixed-White and Black Caribbean |
| <input type="checkbox"/> White – Irish | <input type="checkbox"/> Asian/Asian British- Pakistani | <input type="checkbox"/> Mixed-White and Black African |
| <input type="checkbox"/> Other White Background | <input type="checkbox"/> Asian/Asian British- Bangladeshi | <input type="checkbox"/> Mixed-White and Asian |
| <input type="checkbox"/> Black/Black British- Caribbean | <input type="checkbox"/> Other Asian Background | <input type="checkbox"/> Other Mixed Background |
| <input type="checkbox"/> Black/Black British- African | <input type="checkbox"/> Chinese/Chinese British | <input type="checkbox"/> Other Ethnic Background |
| <input type="checkbox"/> Other Black Background | <input type="checkbox"/> Other Chinese Background | |

PART B

Read the scenario below CAREFULLY, **imagining that you are the customer involved.**

You last summer vacation, you visited Hamilton Beach Hotel, a 4-star hotel, for the first time. The grounds were not very well-kept. The valet who took your keys looked preoccupied and did not greet you.

Inside the hotel was shabby and worn. The pleasant background music playing in the hotel was out of place. There was one harried hotel clerk to deal with several arrivals and so it took several minutes to get to the counter. When you got to the reception desk, the hotel clerk seemed preoccupied and frowned at you, neglecting to welcome you to the Hamilton Beach Hotel. The clerk told you that the computerized check-in system was working slowly by way of explanation as to why the check-in process took so long. While you were checking in, the clerk continued to frown and generally did not seem interested in you or your plans. After taking over ten minutes to get checked in, the clerk then informed you that your assigned room was not yet ready and asked you to wait, without telling you how long you would be expected to wait.

Twenty minutes later you were informed that your room was ready. A disinterested bellhop helped you with your luggage and showed you to your room. He also lacked knowledge about activities at the hotel, room service, etc. The room assigned was functional but badly decorated and after waiting 20 minutes the room still seemed hastily cleaned. The room was also unpleasantly hot even though the air conditioning had been turned on in anticipation of your arrival. You decided to take a shower before dinner but had problems because the water pressure was low and the hot water did not work. You called and complained to the front desk but the person you spoke to did not seem to care.

After your shower you went down to the hotel restaurant. The dining room was adequate but it took a long time to be seated even though there were only a few other people there. The menu selection was limited and the food was mediocre when it finally arrived.

On the last day of your stay, you woke up half-hour later than you wanted because you did not receive a wake-up call, even though you had requested one. At the check-out desk, the hotel clerk was frowning and did not want to give you time to check your bill to ensure everything is in order. When you found an error on the bill the clerk was not pleased and it took several minutes for you to get the matter sorted out. To make matters worse, the clerk informed you that you that cheques and debit cards were not accepted and so you had to pay by credit card. After the valet got your car, the bellhop unsmilingly helped you with your luggage. Neither the valet nor bellhop thanked you for visiting the Hamilton Beach Hotel. The entire experience was thoroughly unpleasant.

BASED ON THE SCENARIO YOU HAVE JUST READ, for the following statements consider the level of service that you **would expect** if you visited Hamilton Beach Hotel (as depicted in the scenario) and circle a number on the scale. Feel free to read the scenario again if you need to.

Please answer **ALL** the questions making inferences as necessary.

	Strongly Disagree	Strongly Agree
1. Hamilton Beach Hotel will have modern equipment and technology.	1 2 3	4 5 6 7
2. Hamilton Beach Hotel's physical facilities will be physically appealing.	1 2 3	4 5 6 7
3. Hamilton Beach Hotel's employees will be neat and professional.	1 2 3	4 5 6 7
4. The appearance of the material associated with Hamilton Beach Hotel will be visually appealing.	1 2 3	4 5 6 7
5. When Hamilton Beach Hotel promises to do something by a certain time, they will do so.	1 2 3	4 5 6 7
6. When you have a problem, Hamilton Beach Hotel will have a sincere interest in dealing with it.	1 2 3	4 5 6 7
7. Hamilton Beach Hotel will get things right the first time.	1 2 3	4 5 6 7
8. Hamilton Beach Hotel will provide its services at the time it promises to do so.	1 2 3	4 5 6 7
9. Hamilton Beach Hotel will ensure its records are accurate.	1 2 3	4 5 6 7
10. Hamilton Beach Hotel's employees will be able to tell you exactly when services will be performed.	1 2 3	4 5 6 7
11. You will be able to expect prompt service from Hamilton Beach Hotel.	1 2 3	4 5 6 7
12. Hamilton Beach Hotel's staff will always be willing to help you.	1 2 3	4 5 6 7
13. Hamilton Beach Hotel's staff will never be too busy to respond to your requests.	1 2 3	4 5 6 7
14. The behaviour of Hamilton Beach Hotel's staff will instil confidence in you.	1 2 3	4 5 6 7
15. You will feel safe in your dealings with Hamilton Beach Hotel.	1 2 3	4 5 6 7

	Strongly Disagree	Strongly Agree
16. Hamilton Beach Hotel's will always be polite to you.	1 2 3	4 5 6 7
17. Hamilton Beach Hotel's staff will have enough knowledge to answer your questions.	1 2 3	4 5 6 7
18. Hamilton Beach Hotel's staff will always give you individual attention.	1 2 3	4 5 6 7
19. Hamilton Beach Hotel's staff will always give you personal attention.	1 2 3	4 5 6 7
20. Hamilton Beach Hotel's staff will understand your specific needs.	1 2 3	4 5 6 7
21. Hamilton Beach Hotel will have your best interests at heart.	1 2 3	4 5 6 7

PART C

This section asks your opinions on relations in society. These questions are to find out the way in which different people view society. Be sure to respond based on what you actually believe to be true rather than what you think you should choose or the one you would like to be true.

These are measures of personal belief so there are no right or wrong answers, just tell us your honest opinion.

Using the scale below, choose a point on the scale that best describes your opinion relating to each statement. Please treat each question as being unrelated to any other question and be sure to give all questions equal attention.

	Strongly Disagree	Strongly Agree
1. People in higher positions should make most decisions without consulting people in lower positions.	1 2 3	4 5 6 7
2. People in higher positions should not ask the opinions of people in lower positions too frequently.	1 2 3	4 5 6 7
3. People in higher positions should avoid social interaction with people in lower positions.	1 2 3	4 5 6 7
4. People in lower positions should not disagree with decisions by people in higher positions.	1 2 3	4 5 6 7
5. People in higher positions should not delegate important tasks to people in lower positions.	1 2 3	4 5 6 7
6. It is important to have instructions spelled out in detail so that I always know what I'm expected to do.	1 2 3	4 5 6 7
7. It is important to closely follow instructions and procedures.	1 2 3	4 5 6 7
8. Rules and regulations are important because they inform me of what is expected of me.	1 2 3	4 5 6 7
9. Standardized work procedures are helpful.	1 2 3	4 5 6 7
10. Instructions for operations are important.	1 2 3	4 5 6 7
11. Individuals should sacrifice self-interest for the group (either at school or the work place).	1 2 3	4 5 6 7
12. Individuals should stick with the group even through difficulties.	1 2 3	4 5 6 7
13. Group welfare is more important than individual rewards.	1 2 3	4 5 6 7

	Strongly Disagree	Strongly Agree
14. Group success is more important than individual success.	1 2 3	4 5 6 7
15. Individuals should only pursue their goals after considering the welfare of the group.	1 2 3	4 5 6 7
16. Group loyalty should be encouraged even if individual goals suffer.	1 2 3	4 5 6 7
17. It is more important for men to have a professional career than it is for women.	1 2 3	4 5 6 7
18. Men usually solve problems with logical analysis; women usually solve problems with intuition.	1 2 3	4 5 6 7
19. Solving difficult problems usually requires an active, forcible approach, which is typical of men.	1 2 3	4 5 6 7
20. There are some jobs that a man can always do better than a woman.	1 2 3	4 5 6 7
21. Careful management of money is important.	1 2 3	4 5 6 7
22. It is important to go on resolutely even when there is opposition.	1 2 3	4 5 6 7
23. Personal steadiness and stability are important.	1 2 3	4 5 6 7
24. It is important to plan for the long-term.	1 2 3	4 5 6 7
25. Giving up today's fun for success in the future is important.	1 2 3	4 5 6 7
26. It is important to work hard for success in the future.	1 2 3	4 5 6 7

English Language Proficiency

	Very difficult	Very Easy
How easy it was completing this questionnaire in English.	1 2 3	4 5 6 7

Complete!

If you would like to be entered into the Prize Draw, please enter your email address here. Your email address is not linked to your responses and your confidentiality is assured. Your email address will not be used or distributed for any marketing purposes and after the prize is drawn it will be securely removed from our system.

Email address: _____

If you have provided your email address, it will be used to contact you in the event that you win **one of the two £100 vouchers**.

Good luck!

Thank you for your time. ☺

Appendix 4: Summary of MANCOVA Results

4.1 Uncertainty Avoidance

Table A4.1: Past Experience and Uncertainty Avoidance							
	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F-value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
Past Experience							
<i>Covariates</i>							
PD	.81	.19	6.20	.00	6.97 (.01)	.95 (.33)	.35 (.56)
LTO	.86	.14	4.44	.00	2.99 (.09)	.22 (.64)	3.49 (.06)
<i>Main effects</i>							
Scenario	.78	.22	7.34	.00	19.48 (.00)	10.59 (.00)	8.37 (.00)
UA	.89	.11	3.22	.03	.09 (.76)	.40 (.53)	4.65 (.04)
<i>Interaction</i>							
Scenario x UA	.93	.07	1.97	.12	1.34 (.25)	.53 (.47)	1.97 (.19)
Advertising							
<i>Main effects</i>							
Scenario	.92	.08	2.82	.04	3.32 (.03)	.05 (.82)	.87 (.35)
UA	.93	.07	2.32	.08	4.70 (.03)	.98 (.32)	1.21 (.27)
<i>Interaction</i>							
Scenario x UA	.94	.06	2.08	.10	2.97 (.09)	5.17 (.02)	1.82 (.18)
Price							
<i>Covariates</i>							
IND	.93	.07	2.84	.04	6.11 (.01)	4.51 (.04)	.76 (.55)
<i>Main effects</i>							
Scenario	.93	.07	2.83	.04	5.25 (.02)	7.80 (.01)	5.80 (.02)
UA	.87	.13	5.42	.00	3.18 (.08)	1.60 (.21)	7.77 (.01)
<i>Interaction</i>							
Scenario x UA	.96	.04	1.37	.25	.79 (.38)	1.02 (.31)	.03 (.86)
Firm Image							
<i>Covariates</i>							
PD	.79	.21	7.00	.00	3.03 (.09)	.17 (.68)	5.11 (.03)
<i>Main effects</i>							
Scenario	.86	.14	4.20	.01	12.82 (.00)	6.12 (.01)	3.18 (.08)

Table A4.1: Past Experience and Uncertainty Avoidance

	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F- value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
UA	.96	.04	1.12	.35	2.43 (.12)	2.29 (.11)	1.78 (.18)
<i>Interaction</i>							
Scenario x UA	.92	.08	2.18	.11	.33 (.57)	.00 (.97)	2.27 (.14)
Word-of-Mouth							
<i>Covariates</i>							
IND	.89	.11	3.55	.02	8.65 (.00)	8.40 (.00)	2.86 (.09)
MAS	.82	.18	6.40	.00	.75 (.39)	7.21 (.01)	4.40 (.04)
<i>Main effects</i>							
Scenario	.75	.25	9.51	.00	23.21 (.00)	22.46 (.00)	27.32 (.00)
UA	.99	.01	.15	.93	.09 (.75)	.29 (.59)	.23 (.63)
<i>Interaction</i>							
Scenario x UA	.98	.02	.50	.68	.09 (.75)	.50 (.48)	.04 (.84)

* Table provides F-values; p-values are provided in parentheses.

4.2 Power Distance

Table A4.2: Past Experience and Power Distance							
	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F-value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
Past Experience							
<i>Covariates</i>							
UA	.91	.09	2.72	.05	.06 (.80)	.55 (.46)	.30 (.58)
LTO	.86	.14	4.48	.01	2.89 (.09)	.28 (.59)	4.18 (.04)
<i>Main effects</i>							
Scenario	.76	.24	8.42	.00	17.37 (.00)	9.04 (.00)	5.15 (.03)
PD	.76	.24	8.57	.00	6.08 (.02)	.58 (.45)	.01 (.93)
<i>Interaction</i>							
Scenario x PD	.79	.21	7.15	.00	3.51 (.06)	4.83 (.03)	5.54 (.02)
Advertising							
<i>Covariates</i>							
UA	.92	.08	2.85	.04	5.47 (.02)	.80 (.37)	.98 (.33)
<i>Main effects</i>							
Scenario	.90	.09	3.39	.02	3.56 (.06)	.35 (.55)	1.81 (.18)
PD	.97	.03	.89	.44	1.66 (.20)	.18 (.67)	.06 (.81)
<i>Interaction</i>							
Scenario x PD	.81	.19	7.46	.00	19.37 (.00)	9.49 (.00)	8.93 (.00)
Price							
<i>Covariates</i>							
UA	.86	.14	5.75	.00	2.75 (.10)	1.14 (.29)	7.32 (.01)
MAS	.87	.08	2.97	.03	.57 (.45)	.10 (.75)	3.60 (.06)
IND	.89	.11	4.44	.01	7.50 (.01)	4.73 (.03)	.09 (.76)
<i>Main effects</i>							
Scenario	.93	.07	2.74	.05	3.31 (.07)	6.76 (.01)	7.58 (.01)
PD	.97	.03	1.10	.35	1.75 (.19)	2.54 (.11)	.73 (.40)
<i>Interaction</i>							
Scenario x PD	.92	.08	3.07	.03	4.36 (.04)	5.41 (.03)	6.14 (.02)
Firm Image							
<i>Covariates</i>							
UA	.94	.06	1.72	.07	1.69 (.19)	4.63 (.03)	1.74 (.19)

Table A4.2: Past Experience and Power Distance

	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F-value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
MAS	.96	.04	1.11	.09	1.04 (.31)	3.25 (.07)	2.56 (.11)
IND	.90	.09	2.70	.05	4.65 (.03)	2.01 (.15)	3.74 (.06)
<i>Main effects</i>							
Scenario	.85	.15	4.52	.01	13.64 (.00)	8.65 (.00)	4.07 (.05)
PD	.90	.15	4.31	.01	1.91 (.17)	.01 (.93)	4.95 (.03)
<i>Interaction</i>							
Scenario x PD	.90	.10	2.94	.04	5.16 (.03)	8.93 (.00)	6.03 (.02)
Word-of-Mouth							
<i>Covariates</i>							
IND	.87	.13	4.24	.01	10.71 (.00)	10.71 (.00)	4.00 (.05)
MAS	.82	.18	6.21	.00	.72 (.39)	7.19 (.01)	4.49 (.04)
<i>Main effects</i>							
Scenario	.77	.23	8.73	.00	21.01 (.00)	19.71 (.00)	24.80 (.00)
PD	.99	.01	.20	.89	.10 (.75)	.34 (.56)	.09 (.76)
<i>Interaction</i>							
Scenario x PD	.95	.05	1.59	.19	3.51 (.06)	4.83 (.03)	3.65 (.06)

* Table provides F-values; p-values are provided in parentheses.

4.3 Individualism

Table A4.3: Individualism							
	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F-value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
Past Experience							
<i>Covariates</i>							
PD	.83	.17	5.31	.00	5.42 (.02)	.71 (.40)	.23 (.63)
UA	.91	.08	2.44	.01	.09 (.76)	.55 (.46)	.18 (.68)
LTO	.87	.13	3.88	.01	3.09 (.08)	.20 (.65)	2.85 (.09)
<i>Main effects</i>							
Scenario	.80	.20	6.68	.00	17.57 (.00)	10.49 (.00)	7.65 (.01)
IND	.98	.02	.60	.62	.61 (.44)	.29 (.59)	.02 (.89)
<i>Interaction</i>							
Scenario x IND	.91	.08	2.40	.07	.00 (.99)	.36 (.54)	2.91 (.05)
Advertising							
<i>Main effects</i>							
Scenario	.88	.12	4.49	.05	5.39 (.02)	.55 (.46)	2.15 (.15)
IND	.99	.01	.34	.79	.10 (.75)	.39 (.53)	.93 (.34)
<i>Interaction</i>							
Scenario x IND	.99	.00	.08	.97	.13 (.72)	.00 (.96)	.00 (.98)
Price							
<i>Covariates</i>							
UA	.82	.18	7.76	.00	6.43 (.01)	4.65 (.03)	13.52 (.00)
LTO	.92	.08	3.00	.03	3.66 (.06)	8.43 (.00)	3.05 (.08)
<i>Main effects</i>							
Scenario	.90	.10	3.99	.01	6.82 (.01)	10.7 (.00)	7.10 (.01)
IND	.95	.05	2.00	.12	2.95 (.13)	2.53 (.11)	.18 (.67)
<i>Interaction</i>							
Scenario x IND	.77	.23	10.60	.00	17.62 (.00)	25.1 (.00)	21.47 (.00)
Firm Image							
<i>Covariates</i>							
PD	.81	.19	5.99	.00	4.29 (.04)	1.2 (.27)	2.78 (.14)
<i>Main effects</i>							
Scenario	.88	.11	3.23	.03	9.66 (.00)	4.27 (.04)	2.23 (.14)

Table A4.3: Individualism							
	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F- value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
IND	.92	.08	2.16	.09	3.90 (.05)	1.32 (.25)	2.26 (.14)
<i>Interaction</i>							
Scenario x IND	.95	.04	1.21	.31	.84 (.36)	1.61 (.21)	.06 (.81)
Word-of-Mouth							
<i>Covariates</i>							
MAS	.83	.17	5.78	.00	.38 (.54)	5.79 (.02)	3.50 (.06)
<i>Main effects</i>							
Scenario	.73	.27	10.77	.00	26.06 (.00)	24.25 (.00)	30.15 (.00)
IND	.88	.12	3.81	.01	9.60 (.00)	9.26 (.00)	3.37 (.07)
<i>Interaction</i>							
Scenario x IND	.97	.03	.89	.45	2.37 (.13)	2.05 (.16)	2.33 (.13)

* Table provides F-values; p-values are provided in parentheses.

4.4 Masculinity

Table A4.4: Masculinity							
	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F-value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
Past Experience							
<i>Main effects</i>							
Scenario	.88	.12	3.61	.02	9.57 (.00)	5.54 (.02)	4.61 (.03)
MAS	.93	.07	2.19	.09	4.72 (.03)	3.81 (.05)	1.41 (.24)
<i>Interaction</i>							
Scenario x MAS	.92	.08	2.35	.08	3.48 (.06)	.44 (.51)	1.23 (.27)
Advertising							
<i>Main effects</i>							
Scenario	.88	.12	4.23	.02	5.50 (.02)	.51 (.48)	1.84 (.18)
MAS	.99	.00	.13	.93	.03 (.86)	.05 (.82)	.15 (.70)
<i>Interaction</i>							
Scenario x MAS	.98	.01	.48	.69	.03 (.86)	.19 (.67)	.00 (.95)
Price							
<i>Covariates</i>							
UA	.87	.13	5.39	.00	3.64 (.06)	1.76 (.19)	7.81 (.01)
IND	.89	.11	4.18	.01	8.10 (.00)	5.19 (.02)	.22 (.64)
<i>Main effects</i>							
Scenario	.92	.08	2.89	.04	3.93 (.05)	7.67 (.01)	7.54 (.01)
MAS	.93	.07	2.56	.06	1.22 (.27)	.00 (.99)	3.37 (.09)
<i>Interaction</i>							
Scenario x MAS	.98	.02	.68	.57	1.25 (.27)	.71 (.40)	1.08 (.30)
Firm Image							
<i>Covariates</i>							
PD	.85	.14	4.29	.01	2.12 (.15)	.00 (.99)	3.85 (.05)
IND	.89	.11	3.04	.03	3.59 (.06)	.99 (.32)	2.69 (.10)
<i>Main effects</i>							
Scenario	.88	.12	3.56	.02	10.86 (.00)	5.65 (.02)	2.66 (.10)
MAS	.98	.02	.50	.68	.36 (.55)	1.37 (.25)	1.33 (.25)
<i>Interaction</i>							
Scenario x MAS	.80	.20	6.34	.00	7.01 (.03)	5.83 (.04)	5.60 (.04)

Table A4.4: Masculinity							
	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F- value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
Word-of-Mouth							
<i>Main effects</i>							
Scenario	.76	.24	9.40	.00	21.86 (.00)	20.14 (.00)	26.88 (.00)
MAS	.83	.17	6.07	.00	.36 (.55)	5.47 (.02)	3.72 (.06)
<i>Interaction</i>							
Scenario x MAS	.95	.05	1.40	.25	2.09 (.18)	1.32 (.25)	1.28 (.26)

* Table provides F-values; p-values are provided in parentheses.

4.5 Long-Term Orientation

Table A4.5: Long-term Orientation							
	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F-value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
Past Experience							
<i>Covariates</i>							
PD	.82	.18	5.95	.00	6.48 (.01)	1.14 (.29)	.22 (.64)
UA	.90	.10	3.01	.03	.07 (.79)	.40 (.53)	.57 (.45)
<i>Main effects</i>							
Scenario	.80	.20	6.75	.00	17.37 (.00)	12.41 (.00)	7.01 (.01)
LTO	.87	.13	4.12	.01	2.93 (.09)	.26 (.61)	3.35 (.07)
<i>Interaction</i>							
Scenario x LTO	.92	.08	2.34	.08	.18 (.67)	4.36 (.03)	.49 (.48)
Advertising							
<i>Main effects</i>							
Scenario	.88	.12	4.43	.00	5.50 (.02)	.51 (.48)	1.84 (.18)
LTO	.99	.00	.13	.94	.03 (.86)	.05 (.82)	.15 (.70)
<i>Interaction</i>							
Scenario x LTO	.98	.01	.49	.69	.03 (.86)	.19 (.67)	.00 (.95)
Price							
<i>Covariates</i>							
UA	.86	.14	5.87	.00	4.40 (.04)	6.01 (.02)	13.76 (.00)
IND	.91	.08	3.28	.02	6.75 (.01)	7.87 (.01)	2.37 (.13)
<i>Main effects</i>							
Scenario	.91	.08	3.21	.03	5.72 (.02)	9.15 (.00)	6.09 (.01)
LTO	.96	.03	1.15	.33	.05 (.82)	.71 (.40)	.03 (.86)
<i>Interaction</i>							
Scenario x LTO	.90	.10	3.96	.01	1.29 (.25)	11.1 (.00)	8.32 (.00)
Firm Image							
<i>Covariates</i>							
PD	.85	.15	4.55	.01	2.40 (.12)	.49 (.49)	2.55 (.11)
IND	.93	.06	1.77	.05	1.35 (.25)	.39 (.63)	1.59 (.21)
MAS	.95	.08	1.16	.03	.83 (.36)	3.20 (.08)	2.08 (.15)
<i>Main effects</i>							

Table A4.5: Long-term Orientation							
	MANCOVA				ANCOVA*		
	Wilks'	Partial η^2	F-value	Sig	Dependent variables:		
					Tangibles	Customer Care	Empathy
Scenario	.89	.10	2.85	.04	8.67 (.00)	5.37 (.02)	2.71 (.10)
LTO	.99	.14	4.43	.00	5.50 (.02)	.51 (.48)	1.84 (.18)
<i>Interaction</i>							
Scenario x LTO	.89	.10	2.94	.04	1.28 (.26)	6.13 (.01)	1.99 (.16)
Word-of-Mouth							
<i>Covariates</i>							
IND	.90	.10	3.24	.03	8.92 (.00)	8.86 (.00)	4.57 (.03)
MAS	.83	.17	5.73	.00	2.27 (.13)	9.57 (.00)	4.03 (.05)
<i>Main effects</i>							
Scenario	.73	.27	10.78	.00	29.01 (.00)	26.00 (.00)	28.90 (.00)
LTO	.95	.05	1.45	.23	.25 (.61)	.44 (.50)	2.67 (.10)
<i>Interaction</i>							
Scenario x LTO	.85	.14	4.88	.00	10.87 (.00)	7.77 (.01)	1.76 (.19)

* Table provides F-values; p-values are provided in parentheses.