

Emerald Publishing's Literati Awards for Excellence 2004

Professor Warden (National Changhua University of Education, Taiwan, ROC) and co-authors Tsung-Chi Liu, Chi-Hsun Lee, and Chi-Tsun Huang have won the coveted Highly Commended Award for best paper of 2003 appearing in the SSCI ranked journal *International Journal of Service Industry Management* (vol. 14 no.2), titled *Service failures away from home: benefits in intercultural service encounters*.

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2004

Awards for Excellence
Outstanding Paper Award

Award Details

Each journal published by Emerald is invited to selecting a winner of the 'Outstanding Paper' award from the last years' volume. As these are often chosen following consultation amongst the journal's editorial team, many of whom will be eminent academics or managers, the winning authors will know that their paper was one of the most impressive pieces of work the team will have seen throughout last year.

Choosing the outstanding paper

Some editors compile a short list of those papers which might merit the nomination and then the EAB members vote on their preferred choice.

There are certain factors which are prerequisites in any paper. They should provide or demonstrate:

- Contribution of something new to the body of knowledge either in terms of approach or subject matter
- Excellent structure and presentation and well written
- Rigour in terms of argument or analysis
- Relevance - to practice and further research, in most cases
- Up to date - demonstrating that the latest/key works in the field have been cited
- A work which is clearly within the editorial scope and remit of the journal.

Over and above those factors, different types of paper require different approaches and content. A top-quality literature review, an innovative conceptual exploration, and a really well constructed case study will do different things, and can all demonstrate excellence in their own way.

The deciding factor

Ultimately, an outstanding paper should have that special something – something that raises it above all others and which the editor and EAB can recognize and define for the rest of us.



Service failures away from home: benefits in intercultural service encounters

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Keywords *Service failures, Culture (sociology), Taiwan*

Abstract *Consumer travel and multinational service corporations have increased the opportunity for service failures where consumers from one culture experience service problems in another cultural setting. This study extended the Stauss and Mang model, which proposed the possibility that intercultural service failures exhibit lower seriousness ratings due to the customer's attributing errors to cultural distance. Such a possible outcome has important implications for service providers whose customers are from different cultures, such as tourist or visiting businesspeople. A pretest, employing the critical incident technique, established descriptions of common service failures and recovery strategies for the sample frame. Domestic (in Taiwan) and foreign (outside Taiwan) service encounters were then compared in both failure and recovery stages, reported in an online survey employing a modified critical incident technique. Results showed that the apparent reduction in intercultural failure seriousness can be attributed not to the error itself, but to increased acceptance of the recovery strategy. These findings broaden the Stauss and Mang model by including the importance of recovery strategies, and the benefit gained by any recovery attempt within an intercultural service setting.*

Introduction

In a scene from Verne's (1956) *Around the World in 80 Days* Phileas Fogg stopped for a meal:

Among the dishes served up to him, the landlord especially recommended a certain gilet of "native rabbit," on which he prided himself.

Mr. Fogg accordingly tasted the dish, but, despite its spiced sauce, found it far from palatable. He rang for the landlord, and, on his appearance, said, fixing his clear eyes upon him, "Is this rabbit, sir?"

"Yes, my lord," the rogue boldly replied, "rabbit from the jungles."

"And this rabbit did not mew when he was killed?"

"Mew, my lord! What, a rabbit mew!"



Increasing numbers of people find themselves in Phileas Fogg's situation of needing to eat while traveling around the world. Although such travels have more to do with the business of international commerce or personal recreation than with settling a wager, modern day travelers encounter restaurant service failures in much the same way as Phileas Fogg did. Such encounters are crossroads not only where service providers meet customers, but where widely different cultures, values, and customs come into contact, and occasionally conflict.

With eating being equally required of all travelers, restaurants are a logical starting point for researching issues surrounding intercultural service failures. While a service provider can act locally, the influx of non-locals can upset such a strategy. For example, Winsted (1997) found that consumers in Japan and America have different expectations of service encounters. This can lead to a clear mismatch between expectations and experiences. The ultimate goal of a service provider is to retain customers, which is less costly than attracting new customers (Reichheld, 1996; Sellers, 1989). Retaining customers' goodwill avoids bad word of mouth that can quickly have negative impact both locally and internationally.

This study attempts to extend the model proposed by Stauss and Mang (1999) of intercultural service encounters. That model proposed that customers perceive intercultural service failures as less serious, because they attribute the error to cultural distance. Such a possible outcome has important implications for service providers whose customers are from different cultures, such as tourist. Stauss and Mang's model did not include any influence from service failure recovery attempts, which the current research incorporates.

A pretest, employing the critical incident technique (CIT), established descriptions of common service failures and recovery strategies. This open-ended interview approach has recently been used in service recovery studies (Swanson and Kelley, 2001; Palmer *et al.*, 2000). Domestic (in Taiwan) and foreign (outside Taiwan) service encounters were then compared in both failure and recovery stages. Results showed that the apparent reduction in intercultural failure seriousness could be attributed not to the error itself, but to increased acceptance of the recovery strategy. These findings were used to extend the Stauss and Mang model by including the importance of recovery strategies. Implications for service managers are discussed as are future research directions.

Service failures

Gap research has developed as the main model for understanding how consumers of services are satisfied. When expectations of service are not met, the resulting gap leads to dissatisfaction, and when expectations are surpassed, the result is satisfaction (Zeithaml *et al.*, 1990). Zeithaml and Bitner (1996) refer to this difference between adequate service and perceived service as measure of

service adequacy (MSA). More serious service failures will have increasingly negative MSA scores and make it difficult for a customer to trust the seller. Trust is valuable because it plays a role in reducing transaction costs (Noordewier *et al.*, 1990) and is a prerequisite for even being considered as a product source when a consumer searches for alternatives (Doney and Cannon, 1997). What specific service failure will actually be detrimental depends on the consumer's subjective judgement. This means that not all service gaps are equally bad in all situations, but differ depending on a number of variables.

Role of culture

While all services are characterized by inseparability (customers are part of the product), intercultural encounters complicate this by introducing consumers to a foreign culture. Seen from another perspective, the service provider must attempt to understand foreign expectations if the customer is to be satisfied. A service failure may occur when expectations of the customer are not met (Zeithaml *et al.*, 1990). Such expectations are subjective judgements, on the part of the customer, which may depend on cultural background.

Many commonalities in service expectations certainly exist among consumers from different cultures, however, the more distant any two cultures are, the more opportunity there is to have expectations of service that are not shared. Hofstede (1980, 1984, 1995, 1997) discussed the concept of cultural distance through examining the distance between members of different cultures on numerous behavioral dichotomies. All six of Hofstede's (1991) combined matrixes show Chinese and US culture to be located in opposite quadrants (see Table I). Although Hofstede's measures are derived from the work environment, measures such as power distance, individualism, and uncertainty avoidance would appear to have a role to play in intercultural service encounters.

In the case of Hofstede's power distance dimension, service providers and customers must participate in an exchange that will include assumptions about who is permitted to display and exercise power. A person from a high power distance culture may expect restaurant staff to follow his/her requests correctly, while a staff person from a low power distance culture may expect more of an equitable interaction. Thus, the opportunity for service failures to occur is increased (see Figure 1).

Although a consumer could elect to follow the philosophy of "when in Rome, do as the Romans do", the nature of cultural difference makes it difficult, without experience, to know what it is that a culture accepts as normal. Kasper *et al.*'s (1999) correspondence analysis of Hofstede's data showed that countries geographically close may none-the-less be culturally distant, meaning that any assumption about similarity based on geographic distance may be risky. According to the communication model (Schramm and Roberts, 1971) the lack of any common field of experience means no effective communication can take

	Power distance and individualism	Power distance and masculinity	Masculinity and individualism	Masculinity and uncertainty avoidance	Uncertainty avoidance and individualism	Power distance and uncertainty avoidance
USA	Small power distance Individualist PDI: 40 IDV: 91	Small power distance Masculine PDI: 40 MAS: 62	Individualist Masculine MAS: 62 IDV: 91	Weak uncertainty avoidance Masculine MAS: 62 UAI: 46	Weak uncertainty avoidance Individualist UAI: 46 IDV: 91	Small power distance Weak uncertainty avoidance PDI: 40 UAI: 46
Taiwan	Large power distance Collectivist PDI: 58 IDV: 17	Large power distance Feminine PDI: 58 MAS: 45	Collectivist Feminine MAS: 45 IDV: 17	Strong uncertainty avoidance Feminine MAS: 45 UAI: 69	Strong uncertainty avoidance Collectivist UAI: 69 IDV: 17	Large power distance Strong uncertainty avoidance PDI: 58 UAI: 69

Notes: PDI = power distance index, IDV = individualism index, MAS = masculinity index, UAI = uncertainty avoidance index

Table I.
Hofstede's six
combined distance
measures for the
USA and Taiwan

place, raising the potential for misunderstanding even among people within the same region.

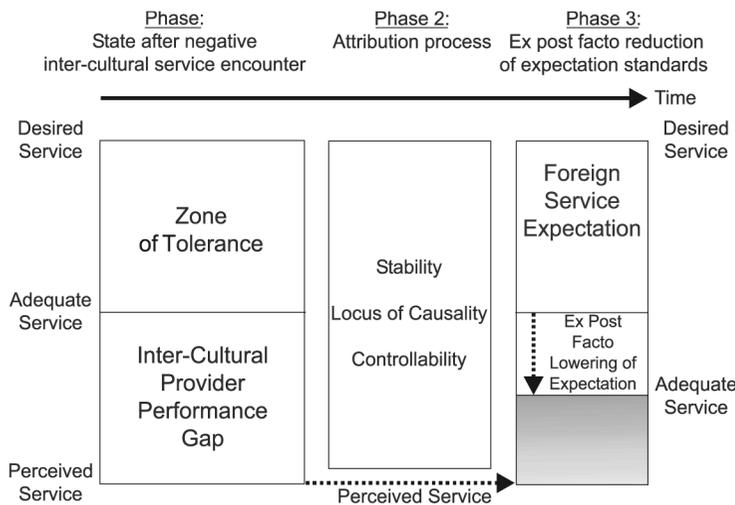
Stauss and Mang (1999) hypothesized that the construct of cultural distance, based on work from Hofstede (1980, 1995), Hall (1976), and Riddle (1986), could increase the opportunity for service gaps as well as increasing a customer's consciousness of the event. Results from Stauss and Mangs' CIT interviews found that intercultural service failures were actually reported in lower frequencies than intra-cultural failures, raising the possibility there may exist an inverse relationship, where service satisfaction expectations are lowered as a result of an intercultural setting. Stauss and Mang (1999) explained this finding by asserting that a consumer will attribute a service failure, at least in part, to the intercultural setting, resulting in a wider zone of tolerance and a narrowed provider service gap. This attribution process takes place after the service failure, *ex post facto*, and before a final judgement of satisfaction is made (see Figure 2). While the actual, objective, service quality is unchanged, a customer's subjective judgment does change.

Attribution theory, as formalized by Weiner (1985, 2000), is used in phase 2 of the model to explain how visitors to a foreign restaurant could actually experience lower levels of dissatisfaction. A customer's original zone of tolerance reflects acceptable service quality. If the perceived service level does not reach the zone of tolerance (adequate service at minimum) then the result is a gap, which in this case is labeled intercultural provider performance gap. The three central constructs of attribution theory are encountered during the attribution process stage and can contribute to reducing the seriousness of the service failure:

- (1) *Stability*. If the failure is an exception (normally expectations are met) the customer may tend to overlook such an event. Since, in the case of a short stay, the customer is only visiting, he/she may assume that this failure is indeed the exception and not the rule.
- (2) *Locus of causality*. The cause of the problem may not lie with the service provider, but instead with unrealistic or culturally biased assumptions of

		Service Provider	
		High Power Distance	Low Power Distance
Customer	High Power Distance	Acceptable	Failure Opportunity Increased
	Low Power Distance	Failure Opportunity Increased	Acceptable

Figure 1.
Power distance differences between customer and service provider



Source: Adapted from Stauss and Mang (1999)

Figure 2.
Ex post facto lowering of
service expectation

the customer. Thus, a visitor may assume that he/she had expectations that were too high and not blame the provider.

- (3) *Controllability*. Although the service provider has not provided the service expected by the customer, the provider has no way to know the foreign customer's standards. Such an assumption on the part of the customer will reduce the service failure seriousness in his/her own mind.

To extend the work of Stauss and Mang (1999), a more fine-grained approach was undertaken through examination of negative MSA (dissatisfaction) results in intra-cultural and intercultural settings. Although an initially negative MSA could become positive (according to Stauss and Mang), *ex post facto*, any research into such a transformation would require identifying service encounters perceived by the customer as first negative and then undergoing a cognitive shift to positive (through the attribution process). Asking a consumer to identify such an initial state may be impossible, since his/her memory would be influenced by the final positive state – making it difficult to be sure there was any failure to begin with. Yet, it is necessary to operationalize any measure of actual change after an initial failure. By examining those service encounters that resulted ultimately in dissatisfaction, rather than satisfaction, any difference in MSA between two cultural settings can be measured accurately since the initial state was dissatisfaction. Inasmuch as the Stauss and Mang model posit a lowering of adequate service expectations, the MSA should exhibit less negative ratings for the same service failure when experienced in an intercultural setting, leading to the first hypothesis:

H1. Consumers traveling outside their home culture setting will report lower seriousness ratings for failures than when the same failures are experienced in the home culture setting.

Service recoveries

Service failures are often followed by recovery attempts on the part of the service provider. Such recovery strategies are well documented as playing an important role in a consumer's final level of satisfaction (Bitner *et al.*, 1990; Hoffman *et al.*, 1995; Kelley *et al.*, 1993; de Ruyter and Wetzels, 2000; Swanson and Kelley, 2001). If the service failure is not followed by a recovery attempt, the consumer will lock in the experience (Hart *et al.*, 1990) and evaluate the service relatively low. Although a service failure recovery strategy may not be exactly what the customer expects, it may be enough to create satisfaction. Bitner *et al.* (1990) found that responses to failure incidents, such as apologies, compensatory actions, and explanations, could lessen the dissatisfaction of customers. Bitner *et al.* (1990) found that even the simple act of offering an apology can increase satisfaction and overcome many service failures. A failure event may even present an opportunity to obtain higher ratings from customers than if the failure had never happened (Etzel and Silverman, 1981; McCollough and Bharadwaj, 1992; Michel, 2001; Tax and Brown, 1998). Although work by Andreassen (2001) and McCollough *et al.* (2000) did not support the existence of a recovery paradox, it did support the importance of recovery in diminishing dissatisfaction. Andreassen's (2000) results showed that recovery satisfaction levels were not affected by the specific failure, and that a recovery improves customers' satisfaction, although not a valid replacement of good service at the start.

When considered within the context of intercultural service encounters, an effective recovery strategy should contribute to the attribution of a service failure to the category of an exception (unstable attribution) as the customer perceives the service provider as having normally good service and this specific failure as a rare event. Because a tourist is only visiting, a recovery attempt will reinforce the perception that an error is an unusual case. Sensitivity to the possibility of cultural differences will also encourage the customer to perceive a failure as being caused by cultural misunderstanding (locus of causality) and not intentional on the service provider's part. Such favorable attribution, however, could be lost, if no recovery were attempted. This would lead to attributing a failure to the service provider and the failure retaining its initial seriousness. With a recovery, an increase in the zone of tolerance can occur, closing the provider performance gap and improving the MSA further, a parallel and reinforcing path to explain Stauss and Mang's (1999) findings, leading to the second hypothesis:

H2. Consumers traveling outside their home cultural settings will be more satisfied with failure recovery strategies than the same strategies implemented at home.

Methodology

Restaurant service failure and recovery classifications, within the sample frame, were first established in a pretest employing CIT interviews. Differences in the seriousness of service failures and the effectiveness of recovery strategies between two cultural settings were then tested using a computer-assisted self-administered survey instrument. Such implementations of traditional survey techniques often exhibit higher accuracy when dealing with personal issues (Tourangeau and Smith, 1996).

Pretest

A pretest employed the CIT approach to categorize service failures and recoveries of Taiwan citizens in their own culture, i.e. the Chinese culture. Interviews were collected from 342 respondents and the restaurant failures and recovery strategies classified, in an approach similar to Hoffman *et al.* (1995), with an inter-rater agreement rate of 92 percent and 96 percent for failure and recovery strategies respectively. A total of 13 incident categories were found (see Table II), 11 of which aligned with Hoffman *et al.*'s (1995) published results. The two additional categories, not previously reported in the literature, were "spillage of liquid" (liquid spilled from serving plates during food delivery) and "served out of order" (patrons arriving at a later time being seated or served ahead of respondent). Recovery strategies exhibited nine categories, eight of which had been previously described by Hoffman *et al.* (1995). The single additional recovery category was "blame customer", where the employee blamed the failure on the respondent or a member of the respondent's party, which parallels the same failure described by Bitner *et al.* (1994) when they examined critical service encounters from the employee's perspective. These

Failure category	Respondents reporting	Recovery category	Respondents reporting
Product defect	23.1	Nothing	26.3
Slow/unavailable service	19.3	Free food	21.6
Employee behavior	13.3	Correction	17.3
Wrong order	9.9	Replacement	10.8
Lost order	6.4	Apology	8
Spillage	5.3	Blame customer	4.1
Facility problems	4.7	Management intervention	3.7
Seating problem	3.5	Other	3.5
Out of stock	3.4	Discount	2.9
Not cooked to order	3.2	Coupon	1.8
Served out of order	2.3	Total	≈100
Unclear policy	2.3		
Other	2		
Mischarged	1.2		
Total	≈100		

Table II.
Service encounter
failures CIT (percent
of occurrence)

resulting failure and recovery categories were next used as the basis for the online survey.

Procedure

A computer assisted survey instrument (CASI), deployed over the Web, asked respondents to answer questions about four different negative restaurant service encounters:

- (1) domestic location with a positive outcome;
- (2) domestic location with a negative outcome;
- (3) foreign location with a positive outcome; and
- (4) foreign location with a negative outcome (see Appendix 1).

Each participant chose any or all of the four situations to respond to (list order randomized). If a respondent, for example, could not recall having a negative outcome service encounter while overseas, then the relevant section could be passed over.

After choosing one of the location/satisfaction combinations, the incident description was typed into a textbox, giving participants freedom to describe the experience (in the CIT method this stage is oral). After completing the description, a dropdown menu of incident choices was offered, from which the best matching incident could be chosen (randomly ordered). These choices were directly drawn from the pretest (see Table II) and included "other" as a final option. These steps were then repeated for the recovery experienced for the same incident. Participants' classifications of the failures and recoveries were later compared to the researchers' independent classifications of the written critical incident descriptions and found to match 90 percent and 95 percent for the failure and recovery descriptions respectively, lending confidence to the capability of CIT adaptation to self administered online use.

Participants

Participants were drawn to the research Web site through a banner located on a commercial Web portal in Taiwan during a one-week period. Eliminating incomplete responses, corrupted data, and repeated entries resulted in 393 respondents. Mean age of respondents was 27, with 41 percent female and 59 percent male. Respondents were not required to indicate either domestic or foreign service failures if not actually experienced (avoiding false reports), thus, domestic service failures outnumbered foreign service failures. Domestic (in Taiwan) service failures were reported by 271 respondents and foreign failures reported by 122 respondents (52 percent North America, 20 percent Western Europe, 12 percent Japan, and the remainder spread among other Asian countries, Australia, New Zealand, South America, and South Africa).

Results

In order to avoid over sampling of a failure in one of the two cultures, only failures that were equally represented in both cultural settings (based on Chi-squared results) were included in the analysis. Initially, frequency of intercultural failure types (see Table III and Appendix 2) did not match between Chinese and non-Chinese cultural settings (Chi-squared = 38.63, $df = 13, n = 416, p < 0.001$). Failure categories that were the largest offenders were removed until the overall Chi-squared measure showed no difference between the two settings. To this end, removal of facility, out of stock, and mischarged failure types resulted in similar frequencies in the two cultural settings for the remaining eleven categories (Chi-squared = 13.77, $df = 10, n = 375, p = NS$).

Frequencies for the recovery strategies implemented overseas, compared to domestically, showed no significant difference (Chi-squared = 15.57, $df = 9, n = 414, p = NS$) and thus allowed direct comparison without any adjustment. Restaurant type was tested and no significant difference was found between the domestic and foreign restaurant settings (i.e. fast food, high class, etc.). Testing for any country-of-origin effect, ANOVA analysis found no statistically significant differences in failure and recovery scores among the different national settings outside of Taiwan, allowing the numerous countries where service failures were experienced to be treated as a single construct: “Chinese in other culture”.

A comparison of means (from 1 (minor seriousness) to 10 (major seriousness)) did not show any significant difference between the domestic

Failure category	Percent of occurrence		Recovery category	Percent of occurrence	
	C in other	C in C		C in other	C in C
Slow/unavailable service	23.8	23.3	Nothing	26.2	28.8
Wrong order	14.3	8	Apology	15.1	9
Product defect	11.9	22.9	Free food	11.9	11.1
Employee behavior	11.1	10	Replacement	11.1	13.2
Lost order	7.1	8.7	Blame customer	10.3	6.6
Out of stock	5.6	1	Correction	9.5	6.6
Spillage	5.6	4.9	Management intervention	7.1	4.5
Mischarged	5.6	0.4	Discount	4	5.2
Not cooked to order	4	2.8	Other	4	9.7
Seating problem	3.2	5.6	Coupon	0.8	5.2
Unclear policy	3.2	2.8	Total	≈100	≈100
Served out of order	2.4	2.4			
Facility problems	1.6	7.3			
Other	0.8	0			
Total	≈100	≈100			

Notes: C in C = Chinese consumer in Chinese culture; C in other = Chinese in other culture

Table III.
Intercultural service
encounter failures
CASI (percent of
occurrence)

and foreign failure seriousness ratings (see Table IV). This does not support the *H1* that the seriousness of the failure will be lower when experienced away from home and raises a question about the role of attribution in intercultural service failures. Recovery strategy effectiveness ratings (from 1 (very poor effectiveness) to 10 (very good effectiveness)) did show a statistically significant difference in the mean comparison, with recoveries overseas rated higher than domestic recoveries. This result confirms *H2* that recovery strategies will exhibit higher satisfaction ratings when experienced in a foreign culture setting.

Discussion

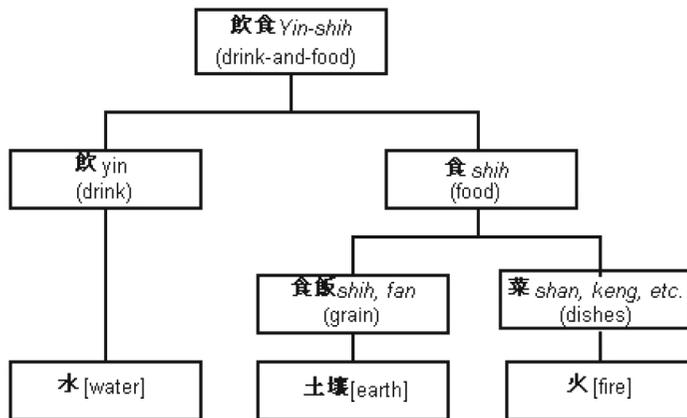
Failures and recovery strategies described in the pretest that have not been previously included in the service literature may be linked directly to what is accepted as normal cuisine in Chinese culture. The appearance of spillage as a failure type points to specific cultural differences. Chang (1977), in his anthropological and historical study of the role food plays in Chinese culture, points out that Chinese meal compositions are determined by a balance of food types derived from the traditional Chinese concepts of water, earth, and fire (see Figure 3).

Drink is often represented at meals by wine (water) and soup (fire: *keng* in Figure 3). The rice bowl is used for soup, being handled as a drinking cup, after the rice is consumed. Thus, while spillage certainly does exist in Western restaurants, it usually involves glasses or pitchers of refreshments and is rare enough to not have appeared in previously published research. The infamous McDonald's coffee case may be seen as an example of spillage, but in fact, that case centered on the 180 degree serving temperature of the coffee and not a spillage accident in a restaurant as a result of service failure (Consumer Law, 2000). Chinese meals, on the other hand, depend on bowls of soup for drinking[1]. The increased use of such soups at every meal inevitably amplifies the opportunity for spillage and this sensitizes Chinese diners to such a service failure. When traveling, this sensitivity is not left at home and reported even when eating in a setting where liquids do not play such a central role. The same is true for the reported incident of being served out of order.

	<i>n</i>	Failure mean	Recovery mean
C in C	287	6.44 (2.56)	3.89 (2.84)
C in other	125	6.46 (2.58)	4.86 (3.23)
<i>t</i> (df = 410)		0.049	3.04*

Table IV.
Failure/recovery
ratings and *t*-test
values

Notes: * $p < 0.01$; Values enclosed in parentheses represent standard deviations.
C in C = Chinese consumer in Chinese culture; C in other = Chinese in other culture.
Higher scores represent greater failure seriousness and high recovery effectiveness



Source: Adapted from Chang (1977, p. 40)

Figure 3.
Chinese hierarchy of food

Usunier (1996) points out that waiting is tied up with the concept of power distance (Hofstede, 1997) where high power distance cultures expect differential waiting times based on an individual's importance. Whether in a Chinese setting or overseas, the perception of unfairly being asked to wait, behind other customers, seems to be consistent in these results. Although visiting Chinese customers can be told that the restaurant follows a first-come-first-served policy, it is not clear that the Chinese visitors will interpret the rule to include everyone irrelevant of their perceived importance. In Taiwan, there are no signs or other written policies stating that more important customers will be served ahead of less important customers. These restaurants also follow a first-come-first-served policy, but such a policy is necessarily influenced by the power distance characteristics of the culture the restaurant functions within, resulting in more important customers being served, or expecting to be served, ahead of less important customers, irregardless of arrival time.

Applying the consumer decision-making process model, evaluation of the consumption experience is influenced by the consumer's background characteristics, including: demographics, personality, psychographics, lifestyle, culture, values, and reference groups (Wells and Prensky, 1996). Given the current results, there is little reason to suspect that any of these characteristics would undergo change during a service encounter. An American who subjectively decides a restaurant service encounter is a failure, when he or she is served food not cooked to order, will have the same culturally learned reaction when visiting a restaurant in the USA or in China. The characteristics and internalized values of a consumer do not undergo a change simply because of international location. Usunier (1996) points out this phenomenon by repeating the observations of Misako Kamamoto (1984), chief

conductor of the Japan Travel bureau, commenting on Japanese tourists. She states that even after being warned that European restaurant service is slow, Japanese tourist often become impatient and complain about the bad service.

The internalized expectations of service quality will remain constant, irrelevant of location. Even a conscious attempt at being open to cultural differences presents a conflict. For example, if a meal is undercooked, should one simply accept it as normal, or complain and risk breaking a social norm in the foreign culture. It could even be the case that not bringing up the problem is socially unacceptable. American visitors to China often end up overeating at meals as they attempt to finish all the food they are served, assumed to be a sign of respect. For the Chinese host, however, it would be a loss of face to allow the guest to leave without having offered another helping – leaving unfinished food is the clear signal of being full and having enjoyed the meal. Zeithaml and Bitner (1996, p. 441) state that services in the international context include special issues: “Differences in thinking processes and decision-making processes are the most subtle problem area”. This echoes Hofstede’s assertion that culture is the “software of the mind” specifically in relation to what he labels “culture two”, defined as “. . . the collective programming of the mind which distinguishes the member of one group or category of people from another” (Hofstede, 1997, p. 5). Without a learned-knowledge of acceptable service and customer behavior, consumers must rely on what they already know and try their best to get on with it. This may occasionally lead to serious unintended problems.

It appears that the recovery strategy employed by the service provider plays an important role in the consumer’s final impression of the service encounter. A positive recovery attempt will begin a cognitive process where the consumer must consider the service provider’s perspective, thus shifting the frame of the recovery (Burton and Babin, 1989). At this stage it is likely that cognitive dissonance appears (Cummings and Venkatesan, 1976), as the customer must reconcile the service failure with a now shifted frame that considers the service provider’s situation. The circumstances of the failure can then be attributed to the intercultural context, resulting in more credit being given to the service provider for his/her recovery attempt and moving the locus to the customer. If a recovery attempt is made, it brings up the point that this was indeed an error and is recognized by the service provider as such. It is at this stage that the consumer can attribute some of the blame to his/her own cultural script (still not changing original expectations).

Based on these findings, we now make an addition to the Stauss and Mang (1999) model by including the recovery attempt (see Figure 4). No recovery attempt leaves the original service provider performance gap unchanged (a positive MSA will remain positive and a negative MSA will remain negative). A positive recovery attempt in a domestic setting will increase the level of perceived service, thus reducing the service provider

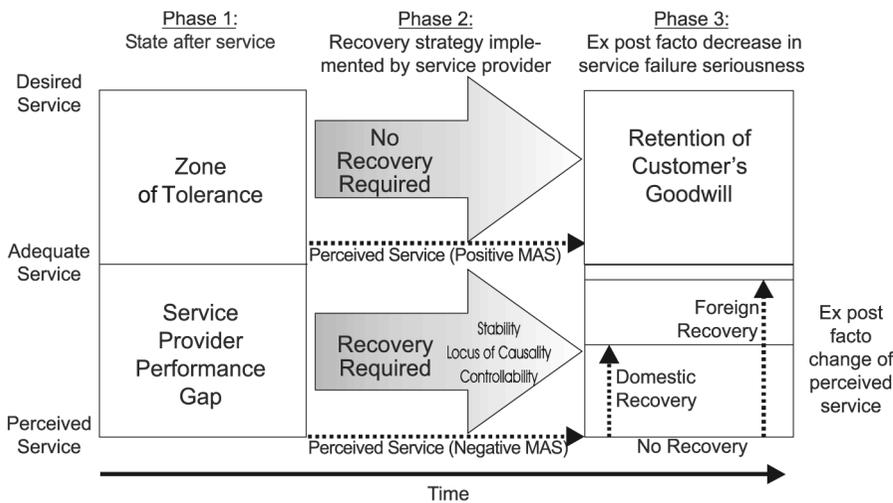


Figure 4.
Ex post facto increase of
intercultural recovery
effectiveness

performance gap (improving the MSA). This pattern is repeated for intercultural encounters where the recovery attempt is given more weight due to assumed differences in culture (further improving the MSA). The customer's resulting perception of the service provider performance gap is effectively reduced, increasing the likelihood of a satisfactory outcome (assuming the recovery is provided immediately after failure, which was the condition examined here). Although the original service remains unsatisfactory, the recovery attempt can increase goodwill. The current study was restricted to MSA results in phase 3, which were still negative, although improved over phase 1. Based on this MSA boost, phase 1 failures could become phase 3 tolerated results, i.e. positive MSA. This could then explain why Stauss and Mang (1999) did not find more service failures in intercultural settings, as predicted.

While the consumerism of the West is fast becoming a world-wide standard, the specific attributes of individual cultures are experiencing a renaissance (Featherstone, 1995; Usunier, 1996). As the current study shows, consumers retain their own culturally specific values when traveling. Mintz (1998) pointed out international culture theme parks, such as Busch Gardens: The Old Country, and Disney's World Showcase at EPCOT Center (both located in the USA), claim to introduce foreign cultures, but are still very rooted in their own domestic traditional values. Even when looking to experience a foreign culture, theme park visitors still feel most comfortable with their own internalized values. In these American simulated foreign tourism experiences, Mintz observed that a sample of German food is still very much American fast food in the USA, and the views of other cultures are still very rooted in American cultural norms. A comparison of two theme parks that use American history as

their main themes, Disney's Main Street (in the USA) and The American Adventure (in the UK), show quite different perspectives that are clearly in line with each park's own visitors' local beliefs (Salamone and Salamone, 1999). Disney, for example, avoids any type of reference to violence, while violence plays a role, albeit romanticized, in The American Adventure. Service providers must stay in line with consumers' values and perspectives. Usunier (1996) makes a similar observation when he emphasizes the importance of localization, such as fast food that is served slowly, in France and Pizza that is very different in nearly every country it is found in.

Management implications

When customers are coming from outside cultures these ideas still stand, yet it is virtually impossible to understand all the cultures of customers who may purchase a firm's service. This study's results show that simply being an intercultural event may have inherent advantages. When a service failure does occur, a positive attempt at recovery will trigger a positive reaction from the consumer that has increased benefit, surpassing intra-culture recoveries.

This finding again confirms the importance of taking any constructive action, even if only an apology, in the face of a service failure. The current sample reveals over a quarter of all failures resulted in no recovery attempt at all, clearly indicating that the importance of recovery has yet to be realized by all service providers. Worse yet, a number of failures were followed with blaming behavior.

Perception of such extreme behavior is possibly a sign of culturally-based sensitivity to the recovery attempt as Kasper *et al.* (1999, p. 204) point out Taiwan consumers consider good service to include politeness, friendliness, respectfulness, feeling important, and competent/Knowledgeable sales people while bad service includes impoliteness/impersonal and feeling ignored. Thus, the response of do nothing may be classified by some Taiwan respondents as the more extreme blame customer simply because this set of respondents is most sensitive to this behavior as negative. Blaming behavior was first found in the pretest CIT interviews with respondents in Taiwan. Whatever its source, this recovery clearly is not constructive and reinforces the need for improvement in handling failures. While a service provider may not be able to change a consumer's internal expectations, no matter how unrealistic they may be in a foreign culture context, cognitive dissonance can be introduced, through a recovery strategy that causes the consumer to attribute some degree of the failure to cultural factors.

Business strategy implications

Service providers that often have contact with customers from foreign cultures need to build into their corporate cultures not only an atmosphere of tolerance, but also a proactive behavior towards solving service problems. Training for employees is clearly an implication of this study for two reasons:

- (1) any positive recovery attempt is better than none;
- (2) recovery attempts involving customers from foreign cultures get a free boost in effectiveness.

By familiarizing employees with the most effective recovery strategies, service failures can be turned around and the customer's goodwill retained. Key to such an approach is to empower service employees so that they can make decisions quickly when dealing with unhappy customers (Boshoff and Allen, 2000; Bowen and Johnston, 1999). When simple apologies are effective in reducing the service gap, it is all the more important to give employees the flexibility to deal with unforeseen issues.

Limitations and future directions

Since this study's subjects were all members of the Chinese culture, mostly visiting Western settings, the findings are most valid under similar circumstances. Replication of this study with consumers from various cultures visiting distant settings will help to test if the subjective nature of service failures is in fact universal. Additionally, the *ex post facto* increase in perceived service may differ in degree depending on the culture being visited. Like a country-of-origin effect, consumers may attribute more effectiveness to recovery attempts in cultures they perceive as better or more advanced in some way than their home culture (although not found in the current study, sample size and the use Chinese culture may have influenced this result). If true, it is also possible that a consumer visiting what is perceived as a less advanced culture may not appreciate any recovery attempt. This may exclude the possibility of a universal increased level of perceived service simply due to cultural distance.

The boost in perceived service observed after a recovery attempt may be enhanced by a culturally specific phenomenon. In this case (Chinese traveling overseas), an acknowledgement of an error may help to reinforce the Chinese consumers' feelings of the importance of relationship building and the power structure of such a relationship. *Guanxi* (generally translated as relationship) has been widely recognized as central to Chinese exchanges (Wong and Chan, 1999). While visiting a foreign country, Chinese tourist encountering service failures may consider a cooperative service provider as building a relationship (getting more *guanxi*). This effort can be part of fitting into the power distance and uncertainty avoidance paradigm of the Chinese customer. In effect, changing from an outsider to an insider and deserving of increased consideration. Such possible influences from specific cultural assumptions make analysis difficult, but not impossible. Phileas Fogg's fictional travels are today a reality with increasing levels of intercultural exchanges, making understanding these subtle but important cultural influences on consumer behavior more important than ever.

Note

1. Wine and other forms of alcohol are often included on social occasions, but such drinks follow a strict protocol, often based on family hierarchy, such that the alcohol cannot be drunk at any time or simply to quench thirst.

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Appendix 1

Failure category		1			2			3			4			5		
		A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Free food	CinO	4	26.7	26.7	1	3.3	6.7				1	25	6.7	1	14.3	6.7
	CinC	8	12.1	25	9	13.4	28.1	1	4.8	3.1	2	25	6.3			
Discount	CinO				2	6.7	40				1	25	20			
	CinC	1	1.5	6.7	3	4.5	20	2	9.5	13.3						
Coupon	CinO															
	CinC	2	3	13.3	3	4.5	20	2	9.5	13.3						
Intervention	CinO	1	6.7	11.1	5	16.7	55.6									
	CinC	5	7.6	38.5	2	3	15.4	1	4.8	7.7						
Replacement	CinO	3	20	21.4										2	28.6	14.3
	CinC	18	27.3	47.4	6	9	15.8	3	14.3	7.9						
Correction	CinO				3	10	25				1	25	8.3	1	14.3	8.3
	CinC	4	6.1	21.1	3	4.5	15.8				1	12.5	5.3			
Apology	CinO	1	6.7	5.3	6	20	31.6				1	25	5.3	2	28.6	10.5
	CinC	7	10.6	26.9	11	16.4	42.3									
Nothing	CinO	5	33.3	15.2	8	26.7	24.2	1	50	3				1	14.3	3
	CinC	11	16.7	13.3	23	34.3	27.7	7	33.3	8.4	2	25	2.4	2	66.7	2.4
Blame	CinO	1	6.7	7.7	2	6.7	15.4	1	50	7.7						
	CinC	5	7.58	26.3	2	3	10.5				1	12.5	5.3	1	33.3	5.3
Other	CinO				3	10	60									
	CinC	5	7.6	17.9	5	7.5	17.9	5	23.8	17.9	2	25	7.1			
Approx. total	CinO	15	100	11.9	30	100	23.8	2	100	1.6	4	100	3.2	7	100	5.6
	CinC	66	100	22.9	67	100	23.3	21	100	7.3	8	100	2.8	3	100	1

Table A1.
Failure and recovery frequency summary – part 1

Notes: 1 = product defect, 2 = slow/unavailable service, 3 = facility problems, 4 = unclear policy, 5 = out of stock. A = count, B = percentage within failure, C = percentage within recovery. CinC = Chinese consumers in Chinese culture; CinO = Chinese in other culture

Failure category		6			7			8			9			10		
		A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Free food	CinO				1	25	6.7				1	5.6	6.7	3	33.3	20
	CinC	1	12.5	3.1				4	13.8	12.5	2	8.7	6.3	3	12	9.4
Discount	CinO	1	20	20										1	11.1	20
	CinC	1	12.5	6.7	2	12.5	13.3	1	3.5	6.7	2	8.7	13.3	1	4	6.7
Coupon	CinO										1	5.56	100			
	CinC	1	12.5	6.7	1	6.3	6.7				4	17.4	26.7			
Intervention	CinO							1	7.1	11.1				1	11.1	11.1
	CinC							1	3.5	7.7	1	4.4	7.7	2	8	15.4
Replacement	CinO							1	7.1	7.1	7	38.9	50			
	CinC	1	12.5	2.6				2	6.9	5.3	1	4.4	2.6	5	20	13.2
Correction	CinO	1	20	8.3							2	11.1	16.7	2	22.2	16.7
	CinC	1	12.5	5.3							7	30.4	36.8	2	8	10.5
Apology	CinO	1	20	5.3							1	5.6	5.3	1	11.1	5.3
	CinC				2	12.5	7.7	1	3.5	3.9	1	4.4	3.9	1	4	3.9
Nothing	CinO				2	50	6.1	8	57.1	24.2	3	16.7	9.1	1	11.1	3
	CinC	2	25	2.4	5	31.3	6	18	62.1	21.7	3	13	3.6	4	16	4.8
Blame	CinO	2	40	15.4				3	21.4	23.1	3	16.7	23.1			
	CinC				2	12.5	10.5	1	3.5	5.3	2	8.7	10.5	4	16	21.1
Other	CinO				1	25	20	1	7.1	14.20						
	CinC	1	12.5	3.6	4	25	14.3	1	3.5	3.6				3	12	10.7
Approx. total	CinO	5	100	4	4	100	3.2	14	100	11.1	18	100	14.3	9	100	7.1
	CinC	8	100	2.8	16	100	5.6	29	100	10	23	100	8	25	100	8.7

Notes: 6 = not cooked to order, 7 = seating problem, 8 = employee behavior, 9 = wrong order, 10 = lost order. A = count, B = percentage within failure, C = percentage within recovery. CinC = Chinese consumers in Chinese culture; CinO = Chinese in other culture

Table AII.
Failure and
recovery frequency
summary – part 2

Failure category		11			12			13			14			15	16	17
		A	B	C	A	B	C	A	B	C	A	B	C			
Free food	CinO	1	14.3	6.7				2	28.6	13.3			0	15	11.9	100
	CinC							2	14.3	6.3			0	32	11.1	100
Discount	CinO												0	5	4	100
	CinC							2	14.3	13.3			0	15	5.2	100
Coupon	CinO												0	1	0.8	100
	CinC	1	100	6.7				1	7.1	6.7			0	15	5.2	100
Intervention	CinO										1	100	11.1	9	7.1	100
	CinC							1	7.1	7.7			0	13	4.5	100
Replacement	CinO				1	33.3	7.1						0	14	11.1	100
	CinC							2	14.3	5.3			0	38	13.2	100
Correction	CinO	2	28.6	16.7									0	12	9.5	100
	CinC				1	14.3	5.3						0	19	6.6	100
Apology	CinO	1	14.3	5.3	1	33.3	5.3	4	57.1	21.1			0	19	15.1	100
	CinC				2	28.6	7.7	1	7.1	3.9			0	26	9	100
Nothing	CinO	2	28.6	6.1	1	33.3	3.03	1	14.3	3			0	33	26.2	100
	CinC				4	57.1	4.8	2	14.3	2.4			0	83	18.8	100
Blame	CinO	1	14.3	7.7									0	13	10.3	100
	CinC							1	7.1	5.3			0	19	6.6	100
Other	CinO												0	5	4	100
	CinC							2	14.3	7.1			0	28	9.7	100
Approx. total	CinO	7	100	5.6	3	100	2.4	7	100	5.6	1	100	0.8	126	100	100
	CinC	1	100	0.4	7	100	2.4	14	100	4.9	0	0	0	288	100	100

Table AIII.
Failure and
recovery frequency
summary – part 3

Notes: 11 = mischarged, 12 = served out of order, 13 = spillage, 14 = other, 15 = total count, 16 = approx. percentage within failure, 17 = approx. percentage within recovery. A = count, B = percentage within failure, C = percentage within recovery. CinC = Chinese consumers in Chinese culture; CinO = Chinese in other culture

[Confused? Here's Help!](#)

In the West

1. Answer questions about a **conclusion to a bad restaurant experience you had.**
Next:

2. Answer questions about a **conclusion to a bad restaurant experience you had.**
Next:

In Taiwan

3. Answer questions about a **conclusion to a bad restaurant experience you had.**
Next:

4. Answer questions about a **conclusion to a bad restaurant experience you had.**
Next:

5. When **tell us where to send your free meal coupon.**

In Taiwan & Satisfactory Result

1) Did you ever have a bad restaurant experience in Taiwan that ended satisfactorily?

Yes No

Problem Description

1) In which country was the restaurant located:

2) At what type of restaurant did this event happen?

Fast food **2** **3** **4** **5** **6** **7** **8** **9** **10**

High class

3) What type of food was served at this restaurant?

Western food **Chinese food** **Other**

4) Please write a short description of the problem you experienced:

5) Please Choose the Type of Problem Experienced

6) If you cannot find your problem in the list, please write it here:

7) Please rate the **seriousness of the problem you experienced:**

Minor **2** **3** **4** **5** **6** **7** **8** **9** **10** **Major**

Response Description

Figure A1.
Online survey form
example (translated from
Chinese)