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This article presents a meta-review of 30 academic articles that have been published about China's outbound tourism market. The articles have been categorized into three research streams: market overview, destination specific from secondary

data, and destination specific from primary consumer data. Implications for future research are included.

KEYWORDS. Chinese outbound tourism, meta-review, Chinese tourist

- Analysis of Chinese Travellers' Attitudes
Toward Holidaying in New Zealand:
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Asad Mohsin

The aim of this study is to explore the attitude of the Mainland Chinese holidaymakers, their interest in the tourism and hospitality features of New Zealand, and the impact of socio-demographic variables on their travel motivation. The findings should assist the marketing strategies to promote tourism and hospitality product of New Zealand to the Mainland China. A survey questionnaire using Leisure Motivation Scale was designed originally in English, and then it was translated into Chinese Language (Mandarin) before being administered. The study was undertaken in Beijing, Shanghai and Guangzhou—the top three Mainland Chinese cities with highest trend to travel abroad. The analysis involved descriptive statistics; independent sample t-test and ANOVA. The influence of five different demographic variables such as gender, educational level, income level, marital status and age are considered. Overall the study shows the significant features of the attitude of Chinese travellers and how demographic variables influence their attitude. The study explores sparsely researched specificities of influence of socio-demographic variables of Chinese holidaymakers in relation to tourism activities and features of New Zealand.

KEYWORDS. China, holiday motivation, socio-demographic, tourism, hospitality, New Zealand

- The Outbound Mainland China Market to the United States:
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Misty M. Johanson

It is essential for U.S. travel industry leaders to learn more about the characteristics and needs of the Mainland Chinese visitor as these travelers have high expectations for the quality of the tourist product and services. This empirical study profiles 351 Mainland Chinese tourists traveling to the U.S. uncovering their travel habits, preferences, satisfaction levels, motivations, and what will retain the traveler for future visits, as well as identifying why the traveler would not return to the destination. Results suggest that industry leaders focus on ways to reduce or eliminate travel barriers as many new competitive travel opportunities become available to the Mainland Chinese traveler. Marketing implications are detailed and analyzed.

KEYWORDS. Outbound Mainland China market, travel preferences, satisfaction levels, travel characteristics, motivations, travel barriers

- Travel Activity Preferences
of Chinese Outbound Tourists
for Overseas Destinations 61
Ivy Chow
Peter Murphy

A major new market in international tourism is the rapidly expanding Chinese tour group segment. To better serve this market more analysis of its particular cultural traits and preferences will be needed. This study examines the travel activity preferences of Chinese outbound tourists for overseas destinations, using Australia as an example. The results showed while this sample's travel activity preferences generally support industry and expert opinions, some differences in travel activity preferences were found, and it was noted that the Chinese market should not be treated as a single homogeneous entity.

KEYWORDS. Chinese outbound tourist, travel activity preferences, overseas destinations, geographical origins, overseas travel experience

- Segmenting Chinese Visitors to Macau
by Information Source Variables 81
Soojin Choi
Xinran Y. Lehto
Alastair M. Morrison

This study examined Chinese tourists' information behaviors from multi-dimensional perspectives. The goal was to uncover outbound Chinese tourist information acquisition patterns and characteristics and thus provide meaningful implications for communication strategies for this emerging outbound market. Data were gathered in Macau through onsite personal interviews of Chinese visitors. By adopting a multi-dimensional approach, this research incorporated measures that take into consideration of where and when individuals access information during their vacation planning and how extensively they use each information source. The results indicated first-time Chinese tourists to Macau resorted to multiple information sources at various decision stages and that they can be classified into four segments by their information acquisition patterns: (1) minimal information seekers, (2) active seekers, (3) package travelers, and (4) independent travelers.

KEYWORDS. Chinese tourists, information sourcing behavior, segmentation of Chinese outbound travel market, Macau tourism

- Intra-Cultural Variance of Chinese Tourists
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Anna Kwek
Young-Sook Lee

This paper investigates the notion of "intra-cultural variance" among Chinese tourists/leisure markets. The concept of "intra-cultural variance" in tourism and leisure

studies has been under-researched to date, often being located under the umbrella of "cross-cultural" research (Kim & Prideaux, 2005; Tai & Tam, 1996; Tse, Belk & Zhou, 1989). In order to demonstrate the relevance and significance of the "intra-cultural variance" concept in tourism/leisure marketing, particularly within the growing Chinese markets, this paper studied two Chinese markets: namely Mainland Chinese and Singaporean Chinese in Queensland, Australia. This study employed a qualitative approach, utilising tourists/leisure marketing materials in the respective markets. Based upon content and semiotics analyses of 323 marketing materials for Mainland Chinese market and 329 for the Singaporean Chinese market, this paper identifies current marketing themes in each group. It further elaborates comparative elements in the two markets, providing recommendations to the industry marketers. It is finally argued that the concept of "intra-cultural variance" in the Chinese markets has significant marketing implications and continuing research on the notion is essential.

KEYWORDS. Intra-cultural variance, Chinese markets, tourism/leisure in Queensland, Australia

- Customers' Responses to Crowded Restaurant Environments:
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Dae-Young Kim
Sangwon Park

The study aims at demonstrating cultural differences between Americans and Chinese in terms of customer's perceptions and satisfaction of crowded environments within the context of restaurant settings. It has been noted that culture has a substantial impact on customer affection and judgment, and crowding in service environments is a critical antecedent of customer satisfaction. Considering these main themes, this study examined how cultural differences play a role in predicting customer satisfaction within the crowded restaurant setting. With the use of customers from the two different cultures in an experimental study, participants' responses to similarly crowded environments in a restaurant were compared. It is revealed that customer perceptions of crowdedness negatively influence their satisfaction, but the relationships vary depending on customer's cultural background. Cultural differences also appear to be substantial in predicting customer satisfaction.

KEYWORDS. Cultural differences, crowdedness, customer satisfaction, hierarchical regression

- Restaurant Service Failure Recoveries:
Role Expectations in a Chinese Cultural Setting 159
Clyde A. Warden
Stephen Chi-Tsun Huang
Judy F. Chen

This research explores service failure-recovery strategies within the Chinese context in order to create a consumer-centered typology of failure types and expected

roles of restaurant service providers in recovery attempts. Findings indicate that consumers classify recovery strategies into three categories of human intervention, monetary incentives, and no response. Any recovery attempt is far more beneficial than none. Human intervention is expected from the service provider when the failure is part of the core service product while monetary incentives are expected when the failure is peripheral to the core product. Although this finding confirms previous research from the West, culture is found to influence what the definitions of peripheral and core products are, with the Chinese cultural emphasis on collectivism influencing both failure seriousness ratings and expectations for recovery strategies. The importance of culture within the restaurant context is discussed. Implications for restaurant service providers are included.

KEYWORDS. Service failure, recoveries, role expectations, Chinese culture

- Chinese Tourist Satisfaction with Yunnan Province, China 181
Jingxue (Jessica) Yuan
Chikang (Kenny) Wu
Jianren Zhang
Ben K. Goh
Betty L. Stout

As the rapid tourism development continues, many challenges emerge in the travel industry in Yunnan Province, China. Using data collected from a survey, this article presents the findings of a research study determining the destination attributes critical to the overall satisfaction level of Chinese tourists visiting Yunnan Province, China. A total of 29 satisfaction attributes were grouped under five travel dimensions (factors), namely tourist facilities and service, destination attractiveness, professionalism of the tour guide, itinerary/schedule and dynamics of the tour group. Results of two-stage least squares regression analysis indicated that destination attractiveness, professionalism of the tour guide and dynamics of tour group are significant predictors of domestic tourists' overall satisfaction level. Implications with regard to the sustainable tourism development in Yunnan Province were finally discussed.

KEYWORDS. Tourist satisfaction, tourism satisfaction attributes, Yunnan Province, China

- An Exploratory Study on the Satisfaction and Barriers
of Online Trip Planning to China:
American College Students' Experience 203
Bing Pan
Xiang (Robert) Li
Lixuan (Grace) Zhang
Wayne W. Smith

The Internet is one of the major information sources for trip planning. However, sometimes it can be difficult to use, especially for planning a trip to a novel desti-

nation with a different culture. Using mixed methods which comprise process tracing, think-aloud protocol, and clickstream analysis, this research explores the usability problems and barriers when American college students are planning trips to China online. The results illustrate that American students had a frustrating planning experience. While some of the problems are technical or functional in nature, more than half of the problems encountered were due to cultural barriers. As the dominant information portal most American students used, Google.com induces bias in travel information space and is not a suitable tool for trip planning to China.

KEYWORDS. Trip planning, satisfaction, barriers, China

ABOUT THE EDITOR

Bonnie J. Knutson, PhD, has extensive experience in research and strategic market planning. An authority on emerging consumer lifestyles, she works with hospitality and tourism organizations that want to understand and take advantage of changing consumer demands. An insightful trend forecaster, dynamic speaker, and author of numerous research and marketing articles, her work has been featured in publications such as *The Wall Street Journal*, *USA Today*, and on *CNN*. Dr. Knutson's research interests include service quality, experience marketing, and the growth of the club and spa industries. She is on the Advisory Boards of the *Journal of Marketing Theory and Practice*, *The Disabled Traveler*, and the Travel, Tourism and Recreation Resource Center.

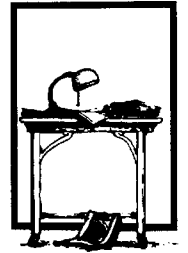
In 1991, the Advertising Education Foundation named Dr. Knutson a National Scholar. She was the first faculty not in an advertising college or department to receive this honor. In 1996, she won the Golden Key Teaching Award at MSU for dedication to students and continued excellence in teaching. In 2002, Dr. Knutson was awarded the John D. and Dortha J. Withrow Teacher/Scholar Award for distinguished service to Michigan State University and to the student body through excellence in institutional and scholarly activities. Dr. Knutson is Professor in *The School of Hospitality Business* in the Eli Broad College of Business at Michigan State University.

ABOUT THE GUEST EDITOR

Liping A. Cai, PhD, is Professor and Director, Purdue Tourism & Hospitality Research Center, Purdue University. His research and consulting experiences include destination image and branding, rural tourism development and marketing, resident and visitor relationships and behavioral and psychographic profiles of travelers. Dr. Cai has conducted over 30 industry projects for destination communities and a variety of tourism businesses, and has published over 100 refereed papers. He has written extensively on China tourism and Chinese tourists.

Dr. Cai worked in various sectors of tourism in China for 10 years. He was involved in the early development and marketing of four regional destinations and a dozen special-interest tourism products in China's Yangtze River Delta. Since 2001, Dr. Cai has participated in six tourism planning and marketing projects in China. He also serves on the Indiana Governor's Tourism Council, and was Tourism Industry Expert to the World Economic Forum in 2005 and 2006. He is the Senior Academic Advisor to the study of the China outbound market conducted by the Alfred P. Sloan Foundation Travel & Tourism Industry Center for the United States Department of Commerce and Travel Industry Association.

EDITORIAL AND ACKNOWLEDGMENTS



What was planned as a special thematic issue on Asia's hospitality and tourism marketing has resulted in a fine collection of nine articles on the Chinese consumers. The wisdom of contributors and reviewers alike is strong recognition that, while an emerging market only a few years ago, Chinese tourism—its outbound market in particular—is becoming a major driving force of change in the global marketplace. Today's outbound annual demand from China is more than 30 million person trips, as compared to less than six million only 10 years ago. Today's outbound departures are 80 percent financed by personal funds, while 10 years ago it was less than 50 percent.

The global tourism marketplace will continue to witness growing consumer demand brought about by an evolving economic and social structure. However, the world has yet to be prepared for it. Ideological, psychological, social, and cultural barriers remain on the part of hosting communities to accept and embrace the Chinese tourists, albeit their governments and businesses are eager to roll out welcoming mats. Yet, how much do international tourism organizations know about their Chinese guests and consumers? Even if they think they do, the source of their information can be ideologically biased and historically dated. Outside China, informed literature about the Chinese consumers, scholarly and

popular media alike, is scarce. From within China, in the most prestigious academic journal of *Tourism Tribune*, less than eight percent of its articles in the three most recent volumes offer readers insights about Chinese tourists. There is an urgent need to inform and educate, both the academy and industry alike, about the characteristics, the needs and wants, and the value of outbound Chinese tourists. To this end, this special issue is presented.

The first article by Liping A. Cai, Mimi Li, and Bonnie J. Knutson presents a meta-review of 30 academic articles that have been published about the outbound Chinese tourist market and segments them into three research streams.

Four articles in this issue examined the outbound Chinese tourists' attitude, motivation, activity preference, and information search behavior. Asad Mohsin explored the Mainland Chinese holidaymakers' motivations and their attitude toward and interest in the tourism and hospitality features of New Zealand. Misty M. Johanson provided a profile of Hawaii-bound Chinese tourists, detailing their travel habits, preferences, satisfaction levels, and motivations. Ivy Chow and Peter Murphy investigated the Chinese tourists' activity preferences for Australia. Soojin Choi, Xinran Y. Lehto, and Alastair M. Morrison examined various aspects of information acquisition patterns of the Chinese tourists to Macau as a segmentation tool.

Anna Kwek and Young-Sook Lee compared the intra-cultural differences of how destination image is projected in marketing materials targeting the Chinese tourists from the Mainland China and Singapore, respectively. Dae-Young Kim and Sangwon Park examined cross-cultural differences between the U.S. and Chinese customers in their responses to crowded environment in a restaurant setting. Clyde A. Warden, Stephen Chi-Tsun Huang, and Judy F. Chen investigated the role expectations of Chinese culture in relation to service failure recoveries in restaurants. Jingxue (Jessica) Yuan, Chikang (Kenny) Wu, Jianren Zhang, Ben K. Goh, and Betty L. Stout surveyed the domestic Chinese tourists to Yunnan Province, and investigated the relationship between their satisfaction and destination attributes. Bing Pan, Xiang (Robert) Li, Lixuan (Grace) Zhang, and Wayne W. Smith explored the online usability and barriers when the college students in the United States were planning trips to China.

These nine articles were selected from among 32 initial submissions through triple-blind reviews which involved the diligent work of 34 outstanding colleagues. Their names are listed alphabetically as follows:

John Ap
Billy Bai
Soyoung (Vicky) Boo
Jiaolan Bowden
Andrew Chan
Rachel Chen
Po-Ju Chen
Mary Conran
Larry Dwyer
Yingzhi Guo
Vincent Heung
Clark Hu
Johye Hwang
Soo Cheong Jang
Dae-Young Kim
Hyounggon Kim
Alan Lew

Robert Li
Yiping Li
Abby Liu
Anna Mattila
Bob Mc Kercher
Fang Meng
Steve Morse
Daniel Mount
Minkyung Park
Amy So
Henry Tsai
Raymond Wang
Karin Weber
Honggen Xiao
Feifan Xie
Larry Yu
Jessica Yuan

To these individuals and the authors we express our deepest appreciation for their contributions to this special issue.

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Restaurant Service Failure Recoveries: Role Expectations in a Chinese Cultural Setting

Clyde A. Warden
Stephen Chi-Tsun Huang
Judy F. Chen

ABSTRACT. This research explores service failure-recovery strategies within the Chinese context in order to create a consumer-centered typology of failure types and expected roles of restaurant service providers in recovery attempts. Findings indicate that consumers classify recovery strategies into three categories of human intervention, monetary incentives, and no response. Any recovery attempt is far more beneficial than none. Human intervention is expected from the service provider when the failure is part of the core service product while monetary incentives are expected when the failure is peripheral to the core product. Although this finding confirms previous research from the West, culture is found to influence what the definitions of peripheral and core products are, with the Chinese cultural emphasis on collectivism influencing both failure seriousness ratings and expectations for recovery strategies. The importance

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of culture within the restaurant context is discussed. Implications for restaurant service providers are included. doi:10.1080/10507050802097057 [Article copies available for a fee from The Haworth Document Delivery Service: 1-800-HAWORTH. E-mail address: <docdelivery@haworthpress.com> Website: <http://www.HaworthPress.com> © 2007 by The Haworth Press. All rights reserved.]

KEYWORDS. Service failure, recoveries, role expectations, Chinese culture

亡羊補牢，時猶未晚

[If you can correct your mistake, it is not too late]

—From *Strategies of the Warring States*

The most serious of restaurant service failures are difficult to overcome and have the potential to drive customers away, yet everyday errors, though less catastrophic, are no less important. The full range of service errors deserves our attention since it is these errors that inform consumers' overall attitudes toward a restaurant. Not formed in a single surprising encounter, but over a number of visits, customers have expectations about how such service errors should be addressed. Rather than broadly declaring that service errors should be avoided, knowing which recoveries are expected by customers when errors do occur can have the dual benefit of improving the customers' attitude while also avoiding more costly solutions that may not fulfill expectations.

Research into restaurant service failures has tended to over-sample serious failures since the most egregious service errors are easily remembered by survey respondents. Survey respondents are likely to justify serious failure scores by giving little credit to recovery attempts. Through a simulation approach, the outcome of all possible recoveries can be evaluated for each service failure, describing the maximum recovery strategy for each failure, while also avoiding the inconsistencies of sampling involved in memory-based approaches. Previous restaurant service research and theory has been developed in Western settings, although eating is a universal human activity, and Western eating styles differ drastically from other traditions. Testing previously developed approaches and theories in a Chinese context opens an opportunity to understand the

level of universalism in restaurant service failures and recoveries while also exploring the special issues managers must pay attention to when moving into this developing market. A more complete and consistent data set based both on simulations and a new sample frame can uncover groupings of failures and the recoveries that consumers expect of service providers for a range of service errors while improving the robustness of service theory. Employing this emphasis, the current research attempts to answer the following questions:

1. For what type of service failure is each recovery strategy most and least suited?
2. What recovery strategies are perceived by consumers as substitutable?
3. For what type of service failures are groups of recovery strategies suited?
4. Can a simple typology of failure groups and recovery groups be used to create a rule-of-thumb for service employees to deal with real-time service failures?
5. What is the influence of the Chinese cultural setting on expectations of service failures and recovery strategies?

LITERATURE REVIEW

Customers entering a restaurant bring with them both a cumulative level of satisfaction (Johnson and Fornell 1991) and a specific expectation of service transactions (Cronin and Taylor 1992). When service failures take place, the responses to customer complaints often reinforce negative feelings created by the errors (Hart, Heskett, and Sasser 1990) changing the perceived value of the transaction and acting as an antecedent to future perceived quality (Bitner 1990; Bolton and Drew 1991). Over a number of transactions, consumers will form an overall market-level expectation of their own satisfaction level (Johnson, Anderson, and Fornell 1995). In the long-term, relationship-based factors, such as trust, can play a role in buyer-seller relationships, reducing transaction costs (Noordewier, John, and Nevin 1990) and even acting as a prerequisite for being considered as a product source (Doney and Cannon 1997). Service employees, however, must remain concerned with meeting and surpassing customers' expectations in a specific service setting, since it is the specific experience that will influence customers' future restaurant choices. Front line employees respond to errors with recoveries. A re-

covery is the action taken by a firm in response to defects or failures (Gronroos 1988) and if done well may even present an opportunity to obtain higher ratings from customers than if the failure had never happened, as long as the recovery is effective (Etzel and Silverman 1981; McCollough and Bharadwaj 1992; McDougall and Levesque 1998; Tax and Brown 1998). This means that customer satisfaction is still possible, despite service errors.

Satisfaction research has been dominated by the prevailing confirmation/disconfirmation paradigm (Oliver 1980) and includes variations and extensions into such areas as contrast theory (Cardozo 1965); assimilation theory (Anderson 1973); and equity theory (Oliver and Swan 1989). Quantification of service failures in specific service settings and industries has included failures from both the customer perspective as well as the service employee perspective (Bitner, 1992; Bitner, Booms, and Mohr 1994; Bitner, Booms, and Tetreault 1990; Hoffman, Kelley, and Rotalsky 1995; Kelley, Hoffman, and Davis 1993). The ultimate goal of service firms is to retain customers, as such a strategy is less costly than attracting new customers (Reicheld 1996; Sellers 1989).

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 (Zeithaml et al. 1990). Different types of service failures may actually influence these subjective judgements, meaning that not all service gaps are equally bad. Bitner et al. (1990) examined specific events and behaviors in order to explore the dimensions of satisfaction in the service encounter. Across three industries, hotels, restaurants, and airlines, Bitner et al. classified all satisfactory and dissatisfactory incidents. An important finding was that responses to failure incidents, such as apologies, compensatory actions, and explanations, could help lessen the dissatisfaction of customers.

Hoffman et al. (1995) applied the critical incident technique (CIT) method, as well as Bitner et al.'s (1990) classification schema, to the restaurant industry in the U.S., finding the service failures that respondents remembered as most serious. Stauss and Mang (1999) used the same methods for their study on restaurant service failure differentials among different cultures. 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). 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 specific service failure-recovery strat-

egy may not be exactly what the customer expects, it may be enough to create satisfaction. Bitner et al. found that even the simple act of offering an apology can lead to increased satisfaction and overcome many service failures. Missing from previous studies is a matching of recoveries to failures that can inform service employees how to react to specific situations. This may be an artifact of the research methods employed when studying restaurant service failures, which often rely on recalling previous experiences.

Matching Recoveries with Failures

Smith, Bolton, and Wagner (1999) found that recovery efforts differ in their level of success depending on both the type and severity of the service failure. Failures were modeled as either procedural, involving delivery of service, or outcome, concerning the core product. Outcome failures were represented by unavailable service (*out of stock* in the current study) and inattentive service (*slow service* in the current study) with both having two levels of severity. McDougall and Levesque (1998) showed that two types of recoveries, compensation (monetary remuneration) and assistance (service provider interaction with customer), were similar in their usefulness but possibly influenced by contextual factors. The research design did not include the whole range of service failures or recovery strategies, with only unavailable service implemented as the failure followed with three levels of assistance and two levels of compensation. These recent studies point to the possibility that both failures and recoveries are linked in a way that involves role expectations on the part of the customer.

Role theory centers on the relationship of context with behavior (Biddle 1979). The social exchange that takes place in service settings can be understood by examining expected and adopted roles of the participants (Broderick 1999). Restaurant service settings are often used in service research due to the high level of experience consumers have eating out. It is clear that such a common behavior would also be accompanied by expectations about the role of the service provider, especially when involving common failures. Unlike previous CIT-based studies, emphasizing categorization of failures and recovery strategies, the McDougall and Levesque (1998) and Smith et al. (1999) studies asked participants to respond to simulated failures and recovery strategies. This approach allowed an exploration of preferences, but the limited number of failures and recoveries may have overlooked the complexity of issues that CIT studies capture so well. The current research attempts to combine

the richness of CIT-based failure and recovery classifications with simulated restaurant encounters so that expectations of recoveries can be examined.

Cultural Issues

Hofstede's (1997) cultural dimensions describe differences among cultures in how issues are approached and solved. The current sample frame of ethnic Chinese presents an opportunity to examine the general categories of both failures and recoveries in a new context. Much of what we understand about service failures has been developed from research performed in the West. A quick comparison of Hofstede's dimensions (see Table 1) reveals that Chinese and American cultures consistently lie in opposite quadrants, indicating increased cultural distance and fundamentally different approaches to social issues.

Trompenaars and Hampden-Turner (1998) expressed doubt over the mutual exclusivity of Hofstede's (1997) categories and have pointed out that context plays an important role, yet also find that Chinese and American cultures often approach issues with very different values. Hofstede (1997) employs the category of long-term and short-term orientation, derived from Bond's work on the Chinese value survey (CVS)

TABLE 1. Cultural Dimensions Contrasted Between American and Chinese Cultures

	Power Distance and individualism	Power Distance and Masculinity	Masculinity and Individualism	Masculinity and Uncertainty Avoidance	Uncertainty Avoidance and Individualism	Power Distance and Uncertainty Avoidance
U.S.A.	Small power Distance/ Individualist	Small power Distance/ Masculine	Individualist/ Masculine	Weak Uncertainty Avoidance/ Masculine	Weak Uncertainty Avoidance/ Individualist	Small power distance/ Weak Uncertainty Avoidance
Taiwan	Large power Distance/ Collectivist	Large power Distance/ Feminine	Collectivist/ Feminine	Strong Uncertainty Avoidance/ Feminine	Strong Uncertainty Avoidance/ Collectivist	Large Power Distance/ Strong Uncertainty Avoidance

Source: Adapted from Hofstede 1997.

(Hofstede and Bond 1988) in an attempt to incorporate a more balanced view and include Confucian values. The implication for restaurants is that a Chinese cultural emphasis will influence what is interpreted as a service failure as well as expectations of recovery strategies. Usunier (1996) points out that eating, and all the surrounding behaviors, is at the core of cultural conventions. From food purchase and preparation to accompanying beverages and serving sizes, all the steps of this universal behavior vary widely among cultures but are stable within a culture. Thus, fast food in France may not be fast to an American. In Taiwan, restaurants that are clean and have extensive interior décor are looked upon with suspicion, while a run down shack may be seriously considered as long as there is a line of customers. Through pre-testing, employing the inductive CIT approach, basic assumptions of what constitute service failures and recoveries for Chinese consumers can be described without a risk to external validity that an adoption of imported failure categories could introduce.

METHOD

The CIT technique, an inductive research method that draws out categories of incidents from interview data, has been widely used in studying the service industry. Developed during World War II, the United States Army Air Forces used the technique in selecting aircrews (Flanagan 1954). Interviewers may not have the expertise and/or experience to ask just the right questions that get at important and critical aspects of whatever topic is under study. By letting respondents freely recount the most critical incidents, CIT uncovers important issues that would otherwise be missed. In the service setting, CIT has been useful in discovering the range of failure and recovery types, but variability in the service encounter makes accurate and detailed measurement difficult, and in many cases respondents may not remember details surrounding a previous service encounter (Walsh, 2000). The CIT method draws out those encounters that are most memorable, but at a price in over-sampling the negative aspects of a respondent's experience. Chung, Beth, and Hoffman (1998) found the most serious restaurant failures in their study to have occurred an average of 590 days before the interview. That serious errors will be retained in customers' memories is undeniable, but the amount of attention such errors require on a daily basis is more open to doubt. Additionally, many CIT studies completely ignore any responses given to the service failure. Since an attempt at recovery is vital

to overcoming a failure, it is possible that at least some of the most memorable failures reported in CIT interviews were exacerbated by a lack of, or an inappropriate, response. When the most serious problems uncovered by the CIT approach are irreversible or even life threatening, such as drug administration (Cheek 1997), CIT allows managers/administrators to formalize procedures that create a zero-tolerance work environment. Rather than a life and death issue, restaurant patrons will perceive a service failure within the context of the service delivery, which by its nature is highly vulnerable to numerous, less serious, failures.

Since the use of scenarios has the advantage of overcoming the biases associated with memory-based survey approaches, such as CIT, an extensive effort was made to assure that service scenarios used in this study followed the possible failures encountered by members of the sampling frame. Internet-based sampling was chosen and also tested for its comparative validity with face-to-face interviews. Two rounds of pre-testing addressed these concerns and resulted in a Web-based survey that presented respondents with a full range of recovery strategies to each service failure. Factor analysis was used to reduce the recovery strategies to three categories. These recovery categories were then used with chi-squared automatic interaction detector (CHAID) analysis to describe how failure types and seriousness scores combined in resulting recovery satisfaction scores. CHAID classifies categorical data by splitting a group into segments that differ significantly in respect to a dependent variable based on interaction effects. Resulting segments are mutually exclusive and exhaustive and the attributes of the segments can be used as predictors in the model. CHAID's resulting categories are presented in an easy to interpret tree diagram with each node of the tree representing a subgroup of the sample and the root node containing the whole sample. Each level of the tree is then divided by the best predictor of the dependent variable.

Pre-Testing

The first pre-testing stage employed CIT interviews to describe failures in a similar method to Hoffman et al. (1995) and Chung and Hoffman (1998). Interviews, which were recorded and later analyzed, averaged 25-30 minutes and were usually conducted in public locations, always interviewing ethnic Chinese in Taiwan, employing an intercept method. A total of 342 interviews were conducted, resulting in 684 critical incident reports (half positive outcomes and half negative outcomes). A deductive process of grouping was completed, following the approach

of Bitner et al. (1990). A total of 13 failure categories and nine recovery strategies were found. Eleven of the failures and eight of the recoveries perfectly aligned with the Hoffman et al. (1995) published results. The additional categories, not found in previous studies, were the failures *spillage of liquid* (liquid from serving plates), *served out of order* (patrons arriving at a later time being seated or served ahead of respondent) and the recovery *blame-customer* (a recovery strategy). These three categories possibly reflect differences in dining between cultures, as liquids play an important role in Chinese dining. The new categories were included in a follow-up pre-test with blame-customer combined with the do-nothing recovery, as the negative aspect of this recovery is obvious and would always obtain low recovery scores.

A second pre-test employed a survey instrument created to run on a Web site. This hybrid survey was completed over the Internet and included a CIT approach replacing interviews with text boxes where respondents typed descriptions of their experiences. A similar approach was implemented by Meuter, Ostrom, Roundtree, and Bitner (2000). Results confirmed that online responses showed similar failure types and frequencies of reporting as the earlier interview technique. This confirmed that the sample frame of Internet users did not exhibit significant differences in restaurant service failure and recovery experience, and that the Internet sampling approach obtained similar results to traditional interviewing approaches.

Sample

Failure types and recovery strategies reported in the first two pre-tests were converted to scenarios with one failure described on a Web page and all recovery strategies then listed. Respondents first rated the seriousness of the failure and then rated each recovery strategy for the specific failure (both using a 7-point scale). When complete, the next failure and the accompanying recoveries were displayed and rated by the user. This process was repeated until all failures had been viewed. Both the failure types and the matching recoveries were randomized in presentation order. As in the pre-testing stage, respondents were drawn to the Web site through advertisements placed on local Web portals sites. A total of 547 participants completed the online survey. Fifty-six percent of respondents were female with a mean age of 27, 21 percent married, and 66 percent with a university undergraduate degree.

RESULTS

Overall failure seriousness and recovery ratings can be seen in Table 2 where higher failure scores represent increased seriousness of the failure and higher recovery scores represent increased levels of satisfaction. Generally, service error patterns of seriousness follow previous findings with the exception of the *out-of-stock* error. The out-of-stock error Chung and Hoffman (1998) and Hoffman et al. (1995) found to be one of the most serious failures was here found to be one of the least serious (3.74 in the failure seriousness column). This first finding informs us how important the cultural context is in informing the role of the service provider and customer during the encounter. Since Chinese food rarely depends on one single main course, the absence of one item from the menu is quite a frequent occurrence. This causes little trouble, since the normal Chinese meal is made up of many dishes, all independent of each other and shared by all the members of a party. An out-of-stock dish is most often replaced by another dish on the menu. Thus, waiters often recommend other dishes, reduce prices, or make small refunds if customers find the missing dish important to the meal.

Responses to the simulated service failures exhibited a Cronbach's alpha of 0.85 and a Guttman split-half reliability of 0.84, displaying an acceptable level of internal reliability. A Bartlett's test of sphericity ($\chi^2 = 25353, p < 0.000$) and the measure of sampling adequacy ($MSA = 0.87$) both revealed correlation among the 8 recovery strategies, thus making the sample suitable for factor analysis. Exploratory factor analysis was separately performed for each service failure type and revealed a high similarity in loadings for all recovery strategies, consistently resulting in three factors. Factor analysis of the recovery strategies across all combined failures, using oblique rotation, resulted in three factors accounting for 75.9 percent of total variance. Factor 1 included free food, discount, and coupon, all monetary recoveries, hence this factor was labeled *compensation*. Factor 2 included management intervention, replacement, correction, and apology, all human-related responses, hence this factor was labeled *assistance*. Having no response was the only recovery strategy contained in the last factor, making it a special case of responses, and clearly the least desirable response, here labeled *nothing*.

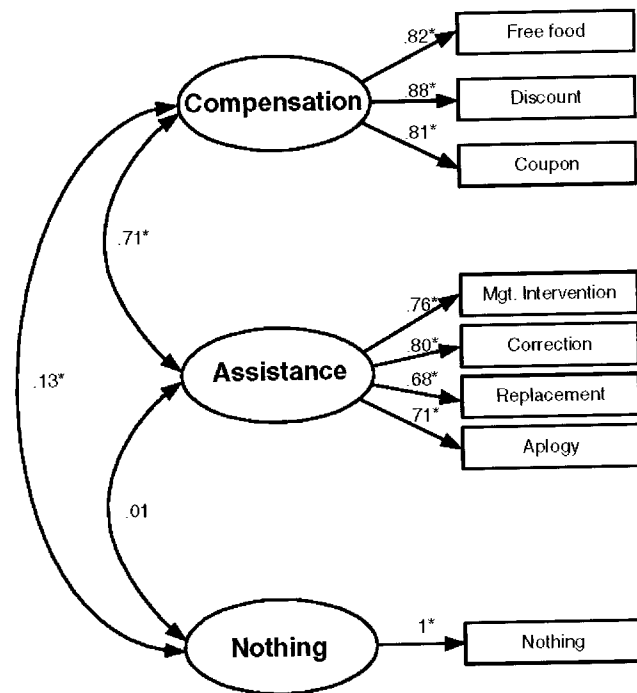
Confirmatory factor analysis employing structural equation modeling (see Figure 1) was undertaken with Amos 4.0 (Arbuckle and Wothke 1999). The three-factor model obtained a Goodness-of-Fit Index of 0.95, with a chi-square value of 75.33 (df = 18, P = 0.000). Table 3

TABLE 2. Service Failure Seriousness Scores and Corresponding Recovery Satisfaction Ratings

Service Failures	Failure Seriousness	Recovery Strategies							
		Free Food	Discount	Coupon	Mgt. Intervention	Replacement	Correction	Apology	Do Nothing
Product defect	6.58 (1.19)	2.91 (1.84)	2.98 (1.88)	3.16 (1.91)	3.94 (2.03)	4.32 (2.14)	3.69 (2.09)	3.03 (1.85)	1.26 (.98)
Slow service	5.6 (1.32)	4.36 (1.70)	4.72 (1.63)	4.73 (1.65)	4.72 (1.59)	4.15 (1.77)	4.56 (1.64)	4.17 (1.60)	1.44 (1.10)
Facility problem	5.72 (1.41)	3.84 (1.76)	4.09 (1.72)	4.10 (1.77)	4.68 (1.68)	3.70 (1.79)	4.71 (1.73)	3.95 (1.65)	1.51 (1.15)
Unclear policy	4.44 (1.67)	4.36 (1.79)	4.69 (1.69)	4.57 (1.75)	4.83 (1.63)	4.03 (1.80)	4.65 (1.68)	4.28 (1.69)	1.77 (1.39)
Out of stock	3.74 (1.68)	4.73 (1.66)	5.12 (1.55)	5.27 (1.56)	5.04 (1.54)	4.84 (1.65)	4.72 (1.63)	4.51 (1.63)	2.03 (1.43)
Served out of order	5.66 (1.36)	4.28 (1.66)	4.65 (1.65)	4.55 (1.71)	4.72 (1.69)	4.07 (1.73)	4.61 (1.70)	4.09 (1.66)	1.45 (1.08)
Not cooked to order	5.08 (1.54)	4.22 (1.73)	4.53 (1.63)	4.65 (1.69)	4.78 (1.65)	5.71 (1.59)	5.26 (1.60)	4.02 (1.64)	1.55 (1.24)
Seating problem	6.3 (1.27)	3.68 (1.76)	4.10 (1.82)	3.84 (1.85)	4.57 (1.81)	3.44 (1.87)	4.76 (1.82)	3.60 (1.78)	1.38 (1.07)
Employee behavior	5.9 (1.42)	3.99 (1.73)	4.24 (1.76)	4.27 (1.81)	4.86 (1.71)	3.90 (1.83)	4.52 (1.70)	4.42 (1.76)	1.52 (1.19)
Wrong order	4.91 (1.54)	4.42 (1.72)	4.78 (1.65)	4.83 (1.69)	4.91 (1.56)	5.55 (1.52)	5.36 (1.57)	4.26 (1.62)	1.44 (1.12)
Lost order	5.43 (1.45)	4.35 (1.70)	4.82 (1.61)	4.72 (1.65)	4.80 (1.61)	4.49 (1.68)	4.47 (1.70)	4.28 (1.69)	1.47 (1.19)
Mischarged	5.02 (1.7)	4.48 (1.81)	5.09 (1.68)	5.02 (1.71)	5.04 (1.60)	3.86 (1.83)	5.16 (1.63)	4.66 (1.63)	1.52 (1.20)
Spillage	5.58 (1.49)	3.96 (1.79)	4.27 (1.72)	4.31 (1.76)	4.57 (1.69)	3.86 (1.82)	4.02 (1.77)	4.21 (1.72)	1.51 (1.26)

Note: Failure scores represent seriousness (1 not serious to 7 very serious) and recovery scores represent satisfaction (1 unsatisfied to 7 satisfied). Numbers in parentheses represent standard deviation. N = 547.

FIGURE 1. Confirmatory Factor Analysis Model



Note: Scores represent standardized regression weights.
 $p < 0.05$.

reports fit measures, showing the factor structure fits the data relatively well.

Holding the recovery satisfaction score as the dependent variable, the two constructive recovery strategy factors (compensation and assistance) were separately analyzed with CHAID analysis to describe groups of failures that had similar recovery satisfaction scores. For the compensation strategy, predictors included two levels, the first being the failure type and the second the failure seriousness score (see Figure 2). Product defect was clearly the most serious failure and the failure for which financial compensation was least effective (mean 3.02). Respondents interpreted the failure seriousness differently and tended to form two distinct groups, the first being those that scored the seriousness as 1-5 and those that felt the failure was more serious and scored it 6-7.

TABLE 3. Fit Measures for Confirmatory Factor Analysis

Fit Measure	Default Model	Null Model
Discrepancy	75.329	1348.717
Degrees of freedom	18	28
p	0.000	0.000
Discrepancy / df	4.185	48.168
RMR	0.147	1.282
GFI	0.952	0.413
Adjusted GFI	0.904	0.246
Parsimony-adjusted GFI	0.476	0.321
RMSEA	0.092	0.339

N = 547.

Less than 1 percent of the respondents reported this failure as less than 6 in seriousness, with nearly 7 percent reporting a high seriousness level.

Other failure types formed groups of similar reactions to the compensation recovery strategy, with out of stock and mischarged obtaining the highest recovery scores when treated with compensation (mean 4.95). Most of the failures showed a split between high failure seriousness scores (usually 7) and all other scores. When a respondent felt that the service failure was very serious, based on his/her personal judgment, the recovery effectiveness dropped off, what Liu, Warden, Lee, and Huang, (2001) labeled *fatal failures*. Outside of this extreme judgement, most other levels of failure seriousness can be treated equally well with a recovery strategy. An exception to this is the group of failures unclear policy, served out of order and not cooked to order. Recovery satisfaction from these errors was highly dependent on the perceived seriousness of the failure ranging from the least serious (1 and 2) to the most serious (7).

Analysis of the assistance recovery strategies resulted in a similar finding (see Figure 3), with most failures split between the most serious failure score (7) and all other scores forming a single group (1-6). Product defect again exhibited the lowest recovery satisfaction score, but higher than the corresponding score when treated with a compensation strategy. Not cooked to order and wrong order obtained the highest recovery score (mean 4.98), which differed from when the compensation recovery strategy was used. Between the two types of recovery strategies, only product defect and the group of out of stock and wrong order appeared to form similar segments. All other failures grouped differently when ex-

FIGURE 2. Predictors of Recovery Scores When Employing Compensation Strategy

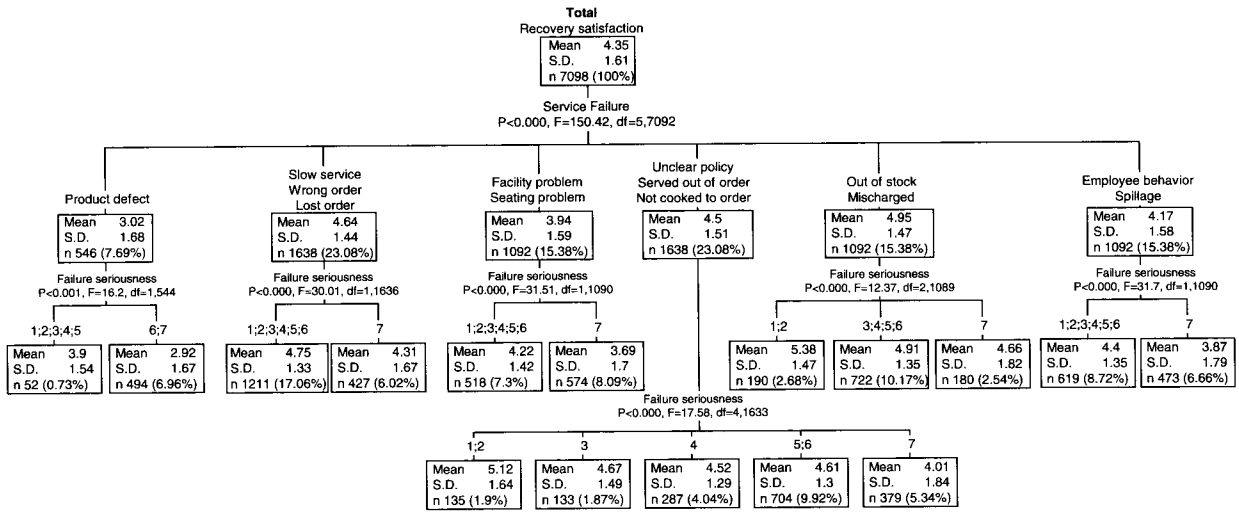


FIGURE 3. Predictors of Recovery Satisfaction Scores When Employing Assistance Strategy

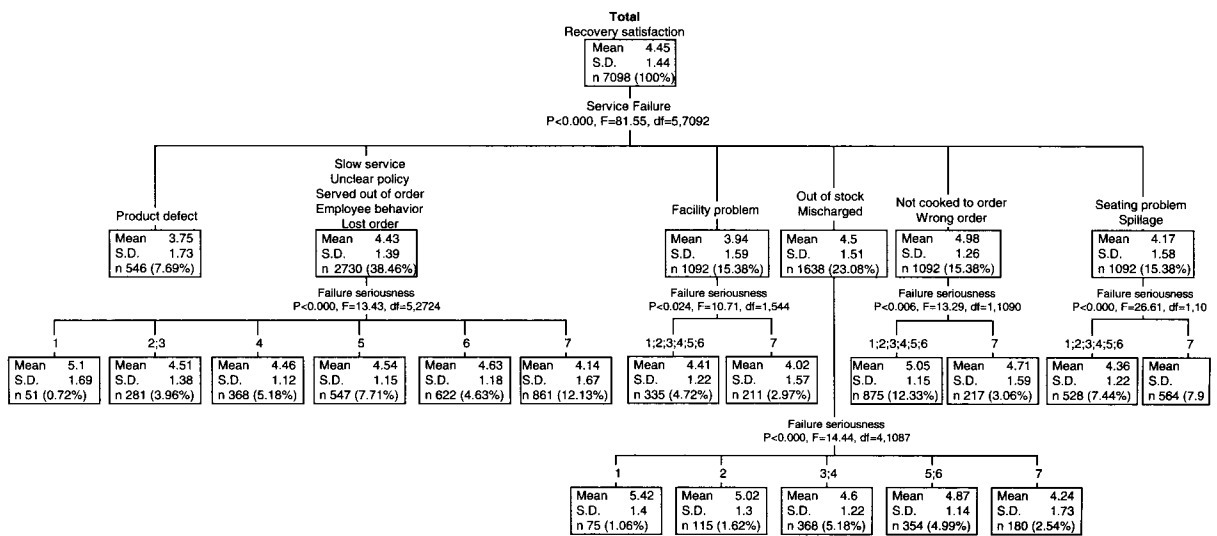


TABLE 4. Matching Failures with the Most Effective Recovery Strategy

	Compensation	Assistance	t
Out of stock	4.95 (1.47)	4.73 (1.35)	4.92**
Mischarged	4.95 (1.47)	4.73 (1.35)	3.25**
Slow service	4.64 (1.44)	4.43 (1.39)	3.57**
Lost order	4.64 (1.44)	4.43 (1.39)	2.22 *
Unclear policy	4.5 (1.51)	4.43 (1.39)	1.77
Served out of order	4.5 (1.51)	4.43 (1.39)	2.34 *
Spillage	4.17 (1.58)	4.13 (1.44)	.27
Product defect	3.02 (1.68)	3.75 (1.73)	11.69**
Not cooked to order	4.5 (1.51)	4.98 (1.26)	7.92**
Wrong order	4.64 (1.44)	4.98 (1.26)	5.97**
Facility problem	3.94 (1.59)	4.26 (1.37)	4.49**
Employee behavior	4.17 (1.58)	4.43 (1.39)	4.7**
Seating problem	3.94 (1.59)	4.13 (1.44)	3.85**

Note: Numbers in parentheses represent standard deviation.
N = 547; * $p < .05$, ** $p < .01$.

amined on the basis of their resulting recovery satisfaction scores. This finding suggests that the recovery score depends on a matching between failure and recovery. Respondents had an expectation of the role the service provider was to perform when a certain type of failure occurred, not simply reacting to higher levels of compensation.

Comparing the two recovery strategies (see Table 4), reveals the recovery that fits best with each failure type. Compensation-based recovery strategies were most effective for the failures out of stock, mischarged, slow service, and lost order. The failures unclear policy, served out of order, and spillage were marginally better when treated with compensation than with assistance.

A larger difference was observed for those failures that were better addressed with the assistance recovery strategy than the compensation

strategy. The failures product defect, not cooked to order, facility problem, employee behavior, and seating problem all were best addressed by the assistance recovery strategy. These failures are related to the core service product or the outcome. The failures best addressed by a compensation strategy appear to be part of the service delivery, or process errors. These classifications (outcome and process) are very similar to those used by Smith et al. (1999), with the exception of out of stock, which they used as an example of an outcome failure. For the sample frame, it appears that out of stock, as used in the simulation description, is more in line with a process failure, since the respondents were all ethnic Chinese living in Taiwan and the scenario presented was concerning a Chinese food restaurant (see earlier discussion).

DISCUSSION

While easy to say, it is difficult to seriously recommend to service providers that they only commit errors that are less serious. If service errors were so easily addressed, restaurant owners could simply adopt a zero defect goal. The reality of service variability makes such an approach an unrealistic target. Role congruence may be more practical in overcoming service failures than simply stamping out errors or raising recovery costs in the hope that more expensive recoveries will have increased benefits.

The role expectations of customers are likely to be highly influenced by such overarching factors as culture. The current results fit well with previous findings in so far as process failures (those activities related to the delivery of the service) should be addressed with compensation-based recovery efforts, while outcome failures (those involving the core service product) should be followed up with human-based assistance (see Figure 4). Offering compensation for outcome failures is not what the respondents in this study expected. While far better than doing nothing, assistance is a more appropriate response. Such assistance can also be used in process errors, with little difference in results, but needs to be balanced against the costs. Compensation, through the use of a coupon or discount, may have lower associated costs than having food replaced, or the manager intervene, and is in line with the role expectations of these respondents.

What types of errors make up process or outcome, and what type of recoveries constitute assistance or compensation needs to be explored since the role expectations of the customers can be influenced by many

FIGURE 4. Appropriate Use of Recovery Strategies

	Process	Outcome
Compensation	Appropriate	Inappropriate
Assistance	Somewhat Inappropriate	Appropriate

contextual factors, with culture primary among them. In the current study, out of stock clearly loaded with process failures, yet Smith et al. (1999) categorized this failure as an outcome, based on *extensive pre-testing* (p. 362). Hoffman et al. (1995) found the out-of-stock failure to be ranked most serious, while the current study's respondents ranked this failure as the least serious, in line with previous restaurant service failure research in Taiwan (Liu et al. 2001). Differences between Western and Eastern eating customs explain some of this variation, yet cultural values lie at its source.

Eating is a central part of Chinese culture in a way that is rarely seen in other cultures (Chang 1977). Restaurant quality is inferred from how many people are inside a restaurant, how noisy it is, and how generally busy it is. The Mandarin *ren duo*, (人多) translated as "many people," or *re nao* (熱鬧) translated as "bustling and exciting," when used in the context of restaurants are clearly interpreted as signals of a restaurant's quality. In a similar way, an English speaker might refer to a restaurant as always busy, or always booked up, but the Chinese means much more as it also infers a social situation that is sought after as part of the norm in the Chinese collective culture.

In a collectivist society (Hofstede 1997), harmony takes precedence over the individual. Feminine cultures emphasize relationships, while

masculine cultures emphasize materialism. Such a perspective fits well with Chinese in a social setting (collective and feminine), such as a restaurant, where issues surrounding the process of service delivery, mostly out of sight, are less serious and can be handled by the front line employee. Out of stock, slow and lost orders can be deflected by the employee offering other options, such as drinks, and replacement dishes, but service failures that cause a loss of face within the visiting group are not so easily overcome. Issues such as defects, employee behavior, and being seated in an uncomfortable location or near troublesome patrons all can lead to a loss of face for the customers. Such issues are not overcome with monetary gifts, but require a higher level intervention on the part of people in the organization, such as managers.

In China, going out to dinner with family, friends, and business associates is rarely an adjunct to other activities, but is often a goal onto itself. Much of the social fabric of Chinese family and professional life is sewn around the dinner table in a collective and sharing activity. This emphasis on eating as a social value influences how service failures are viewed and what are the expected recovery strategies. Thus, the collective group gives pressure to people within the group to keep their face. The risk is that errors to the core product can cause a loss of face within the group. An emphasis on communicating and working out issues, reaching a state of harmony, benefits serious errors, as customers would like to compromise, as long as a social interaction takes place.

Rather than starting with failures, which may be serious but relatively rare, these findings show that viewing recoveries as part of the flow of interaction with the customer can have the advantage of understanding more clearly what the customer expects. If the service provider's behavior matches the customer's role expectations, then a relationship can be perpetuated. Rather than begin with an *a priori* assumption of failures and recoveries, managers may want to consider first building an inductive base of information that is culturally relative to local customers.

Finally, it is clear that understanding the service failure as part of a failure-recovery process, which should be described from the perspective of what the consumer expects, can bring benefits in the real world where service failures are bound to happen. However, some consumers are more sensitive than others to specific failures. The recovery attempt is always less appreciated by those that view the service failure as being most serious. Outside of this extreme view though, customers across the range of seriousness ratings accept a recovery effort equally well.

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Chinese Tourist Satisfaction with Yunnan Province, China

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ABSTRACT. As the rapid tourism development continues, many challenges emerge in the travel industry in Yunnan Province, China. Using data collected from a survey, this article presents the findings of a research study determining the destination attributes critical to the overall satisfaction level of Chinese tourists visiting Yunnan Province, China. A total of 29 satisfaction attributes were grouped under five travel dimensions (factors), namely tourist facilities and service, destination attractiveness, professionalism of the tour guide, itinerary/schedule and dynamics of the tour group. Results of two-stage least squares regression analysis indicated that destination attractiveness, professionalism of the tour guide and dynamics of tour group are significant predictors of domestic tourists' overall satisfaction level. Implications with regard to the

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