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Effect of Cultural Distance on Customer Service Satisfaction: A Theoretical Framework and Research Agenda

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The topic of customer service satisfaction (CSS) has received extensive attention in the marketing literature, motivated by the fact that when customers perceive a high level of satisfaction they become repeat customers, and that also helps a firm attract new customers through word-of-mouth. Even small increases in CSS can have a significant positive impact on a company’s profits because satisfied customers tend to increase their spending, while the marketing costs of retaining these customers are much lower than acquiring new ones (Dawkins and Reichheld 1990; Fornell and Wernerfelt 1987; Payne and Rickard 1993; Reichheld and Sasser 1990; Rose 1990). Several researchers have thus focused on identifying the key drivers of CSS (e.g. service performance and service expectations models of Oliver, 1997 and Zeithaml, Berry, and Parasuraman, 1993) and potential moderators to this process (cf. Smith, Bolton, and Wagner, 1999 for the relative effect of service interactions vs. service outcomes).

That being said, within the existing literature on CSS, relatively little research has focused on the effect of culture on service satisfaction (see Winsted 1997 and Stauss and Mang 1999 for exceptions). This seems to be a striking deficiency given that in the contemporary multi-cultural society of North America and the increasingly global presence of business firms, a service provider is often confronted with customers from different cultural and ethnic backgrounds. Cultural differences often cause miscommunications, and conflicts are more likely when the two cultures are very different than when they are similar. Technically, this difference is called “cultural distance” (Triandis 2000). In the context of services, cultural distance can affect satisfaction in two ways. Firstly, since customer expectations are culturally based, cultural distance between the customer and provider can affect the evaluation of service performance. Secondly, in the case of service failures, either due to the disconfirmation of expectations or due to the actual service performance, customers may attribute the causes of failure differently depending on their culture. For instance, it has been found that customers from individualist (western) cultures tend to attribute failures more to the service provider; whereas, those from collectivist (eastern) cultures tend to attribute failure to the service context or situation (Krull 1993). The latter difference in attributions would affect service satisfaction.

Thus, adapting the policies and systems to fit the expectations and dispositions of culturally diverse customers can help global service firms (e.g. airlines) achieve a higher level of service satisfaction. Similarly, understanding the effect of culture on service satisfaction would also aid local firms operating in the North American context of customers from diverse cultures and ethnicities. Finally, understanding the responses and biases of culturally diverse constituencies also has broader policy implications for government and community services.

Stauss and Mang (1999) were the first to empirically investigate the role of culture in the context of services. They found that the cultural distance between the service provider and the customer had a significant impact on CSS. Specifically, they found that customers from Germany, the United States, and Japan, while traveling with the same international airline, had significant differences in their satisfaction with the service provider (i.e. airline staff). Stauss and Mang suggested that the differences in the culturally biased service expectations of the customers, and their subsequent attributions of the service providers’ responses, might have been a cause for these discrepant findings. However, they did not investigate the underlying mechanisms and the cause for these differences in CSS in inter-cultural service encounters.

In this paper, building on the initial findings in inter-cultural service encounters, we present a theoretical framework for explaining how CSS is affected by cultural distance between the customer and the service provider. We propose a theoretical model to investigate the effect of culture on consumer’s responses to service failures and the ensuing effect on their satisfaction judgments. To empirically test the model we propose a unique quasi-experimental, web-based research design. The design employs a projective technique wherein respondents view hypothetical scenarios of service failures occurring in a restaurant. The scenarios manipulate the cultural background of the service provider and assess the impact of cultural distance on customers’ responses to these failures, and the resulting effect on CSS. We also propose to investigate the moderating effect of the type of service failure (outcome vs. process) and service context (strong vs. weak) on the customer’s response to service failure. To make the scenarios more realistic, and thus increase the validity of the research, multi-media stimulus material (viz., video clips of hypothetical service encounters in a restaurant) will be used in contrast to conventional paper-and-pencil studies that employ text-based scenarios. These multi-media stimuli will be integrated with an on-line questionnaire, and the entire study is to be conducted via the Internet.

In the sections to follow, the model and a set of hypotheses pertaining to the effects of cultural distance on CSS in service encounters are first presented. Thereafter, the research design is discussed in detail, including methodology, sampling procedure, factor manipulations, and the development and pre-testing of the multi-media stimulus materials. Finally, we discuss the managerial implications and theoretical contributions of our research agenda.

THEORETICAL FRAMEWORK

Theoretical Model and Hypotheses

Figure 1 depicts our model for understanding CSS in inter-cultural service encounters. We propose to investigate the model in the context of service failures and show how the customer attribution process mediates the effect of cultural distance on CSS. In other words, we contend that when a service failure occurs in inter-cultural service encounters, CSS depends on the extent to which a customer attributes the failure to the service provider.

In our model we propose that when the cultural distance is large (e.g. an Anglo-American customer interacting with a Hispanic waiter in a restaurant), service failures would elicit more situational attributions (e.g. blaming failures on the cultural disparity with the service provider) than dispositional attributions (e.g. blaming failures to the person). In contrast, when cultural distance is small there are more dispositional attributions than situational ones. Thus, it can be expected that CSS would be positively related to cultural distance. The model also suggests that the attribution process would be affected by the culturally biased dispositions of the customer. Specifically, while customers with idiosyncratic dispositions (from individualist cultures, like Americans) who tend to use traits in describing other people (Duff and Newman 1997)
would focus on internal dispositions in making attributions (Menon, Morris, Chie, and Hong 1999), those with allocentric dispositions (from collectivist cultures, like Hispanics) would make attributions using the context, the situation, and group dispositions (Choi, Nesbett, and Norenzayan 1999). Finally, also included in the model are the potential effects of variables specific to the service encounter, namely the type of service failure (process vs. outcome) and, the service context (weak vs. strong). The model suggests that these two factors would interact with cultural distance to either enhance or attenuate situational versus dispositional attributions, and thus have a moderating effect on the resulting CSS. To be consistent with the literature, the model also includes the effect of expectancy disconfirmation (i.e. the differences between customer expectations and the actual performance) on CSS (cf. Oliver 1997). However, that is not the focus of this model and is only employed to control for variations in CSS due to differences in customers’ a-priori expectations.

Each of the different constructs included in the model is now elaborated upon, and hypotheses for their effect on the attribution process and on CSS are proposed.

**Effect of Cultural Distance on CSS**

Service satisfaction (or dissatisfaction) is the customer’s response, based on his/her personal judgment, that a service encounter provided a pleasant (or unpleasant) experience (Oliver 1997). A service encounter is a period of time during which a customer directly interacts with a service (Shostack 1985), and with a few exceptions, always involves an interpersonal, interaction between a customer and a service provider (Norman 1991). Since service encounters are interpersonal social encounters, a customer’s personal judgment of satisfaction or dissatisfaction is based on rules and expectations that vary from culture to culture (McCallum and Harrison 1985; Czepiel 1990). A customer therefore attaches meaning to a service encounter by comparing it to his/her culturally based standard or expectation.

Culture is a shared meaning system. It is a learned phenomenon that simultaneously determines the perceptions of an individual and affects his/her behavior. Customers and service providers can each be expected to automatically act in ways that are specific to their respective cultures. Cultural differences between customers and service providers can often cause miscommunications and conflicts, due to the differences in their culturally biased norms and scripts of appropriate behavior. Such conflicts are likely to be greater when the two cultures are very different than when they are similar, referred to as “cultural distance” (Triandis 1994). While Hofstede (2001) classifies cultures along five dimensions (individualism/collectivism, masculinity/femininity, power distance, uncertainty avoidance and time orientation), according to Triandis (1996) the individualism-collectivism syndrome appears to be the most significant cultural difference among cultures. As per Triandis (2001), Shweder and Bourne (1984), and Mills and Clark (1982) individualist societies (i.e. “Western” societies) value personal initiative, autonomy, leadership, and achievement over social harmony, conformity, cooperation, and tradition. Individualist societies also give priority to personal goals over the goals of in-groups and people behave primarily on the basis of their attitudes rather than the norms of their in-groups. On the other hand, collectivist societies (i.e. “Eastern” societies) value social harmony, conformity, cooperation, and tradition over personal initiative, autonomy, leadership, and achievement. Collectivist societies are especially concerned with relationships and people are interdependent within their in-groups, give priority to the goals of their in-groups, and shape their behavior primarily on the basis of in-group norms. The latter aspect of cultural differences (i.e., individualism-collectivism) would be the focus of our conceptualization of “cultural distance” between the customer and the provider in inter-cultural service encounters.

Beginning with Winsted’s (1997) observation that customers from different cultures evaluate services differently, Stauss and Mang (1999) hypothesized that “problematic encounters” would be
more frequent among inter-cultural service interactions involving a large cultural distance between customer and service provider than among those involving a small cultural distance. They tested their hypotheses by conducting an empirical study with German, Japanese, and American passengers during the airport check-in process in Tokyo, Frankfurt, and Atlanta. The results of their study were in direct opposition to their hypotheses. They concluded that, “In the study, negative critical incidents do not prevail among inter-cultural encounters but—again all expectations—among intra-cultural encounters” (p. 340).

To explain their discrepant findings, Stauss and Mang (1999) conjectured that the higher level of service satisfaction in inter-cultural service encounters might be explained by considering the effect of cultural distance on the expectancy disconfirmation (ED) process. Customer service expectations are established based on the customer’s cultural standards. It is against those standards that expectations are established, and against which actual service is compared in the ED process. With small cultural distance, the customer may feel that the service provider should know his/her standards and therefore feel that the service provider should provide service accordingly. With large cultural distance, however, the customer may feel that performance failure by a service provider is partly due to a mismatch between his/her cultural standards so that the service provider did not know the a-priori standards in the customer’s culture. The following hypothesis is suggested by Stauss and Mang’s (1999) finding:

**H1**: The cultural distance between the customer and service provider would have a positive effect on CSS, such that satisfaction would be higher when the cultural distance is large than when it is small.

**Effect of Customer’s Cultural Disposition on the Attribution Processes**

Although Stauss and Mang’s (1999) arguments about the role of ED in inter-cultural service encounters is important, it is not sufficient to explain its effect on satisfaction judgments. After ED occurs there is an intermediate attribution process that leads customers to make satisfaction/dissatisfaction judgments. Positioning of the attribution process after ED and before CSS is consistent with work in consumer behavior by Bitner (1990), Folkes, Koletsky, and Graham (1987), and Oliver and DeSarbo (1988). Attributions are what people perceive to be the causes of their own behavior, the behaviors of others, and the events they observe. Weiner (1985) found that people make spontaneous causal attributions, particularly in cases of unexpected and negative events such as in service failures. According to attribution theory, a customer (i.e. the observer) attributes the cause of a service failure to either the service provider or to the situation (e.g. the management or someone or something other than the service provider such as the situation or environment). Attribution to the service provider is referred to as a dispositional attribution and attribution to the management, situation, or environment is referred to as a situational attribution. Does culture affect customer’s attributions of service failures?

An extensive body of research (e.g. Crittendon 1991; Fletcher and Ward 1988; Miller 1984, 1986; Schuster, Fostering, and Weiner 1989; Shweder and Bourne 1984; Smith and Whitehead 1984) has found that people from collectivist cultures tend to make more situational attributions (i.e. attribute the cause to the context or environment), whereas those from individualist cultures make more dispositional ones (i.e. attribute the cause to the person’s attitudes and intentions). Thus, it can be expected that in the context of service failures, people from individualist cultures would tend to make disposition-heavy attributions and those from collectivist cultures would make situation-heavy attributions. A dispositional attribution would correspond to a customer blaming the service provider, either his competence or motivation in performing the service; whereas a situational attribution would correspond to attributing the discrepant service performance to the provider’s cultural norms or to the lack of understanding of the customer’s culturally biased expectations.

Recently it has been suggested that while individualism-collectivism are appropriate constructs to discriminate cultures at the societal level, they do not capture the individual-level differences within a culture. Trainidis, Leung, Villareal, and Clack (1985) and Smith and Bond (1999) have proposed the concepts of idiocentrism and allocentrism to describe individual-level attributes of cultural values. Individuals who are more individualist in self-concept have been termed “idiocentric,” whereas those who are more collectivist are “allocentric.” Both of these self-concepts have horizontal and vertical dimensions based on social relationships. Horizontal patterns accept equality as a given (i.e. assume that one self is more or less like every other self). Vertical patterns accept hierarchy as a given (i.e. accept that one self is different from other self). Individuals within a culture may differ on the extent to which they are idiocentric or allocentric, but at the societal level people from individualist cultures are higher on idiocentrism and those from collectivist cultures are higher on allocentrism. Corresponding to the differences in predispositions described earlier for individualist versus collectivist cultures, idiocentrics tend to focus on internal dispositions in making attributions (Menon, Morris, Chiu, and Hong 1999), while allocentrics tend to use the context, situation, and group dispositions (Choi, Nisbett, and Norenzayan 1999). The following hypotheses pertain to the effect of the customer’s cultural disposition:

**H2**: The customer’s cultural disposition will affect the attribution process such that:

a) Idiocentrism will have a positive effect on dispositional attributions.

b) Allocentrism will have a positive effect on situational attributions.

Furthermore,

**H3**: The customer’s cultural disposition will moderate the effect of cultural distance on the attribution process such that:

a) Cultural distance will have a greater positive effect on situational attributions in the case of customers with an allocentric cultural disposition compared to those with an idiocentric cultural disposition.

b) Cultural distance will have a greater negative effect on dispositional attributions in the case of customers with an allocentric cultural disposition compared to those with an idiocentric cultural disposition.

**Effect of Service Failure Type and Service Context**

*Service failure type.* When the results of a service encounter are below the customer’s expectations, the service encounter may be termed a failure, of which there are two general types, outcome and process (Bitner, Booms and Tetreault 1990; Hoffman, Kelley and Rottalsky 1995; Keaveney 1995; Mohr and Bitner 1995). Outcome is what customers receive from the service, and process involves the manner in which the service is delivered. In an outcome failure the organization does not fulfill the basic need of the customer (e.g. a restaurant does not provide a meal of the type or quality that a customer orders). In a process failure the delivery of
the service is flawed or deficient in some way (e.g. a waiter in a restaurant provides slow or inattentive service). Smith, Bolton, and Wagner (1999) found that in both restaurant and hotel service encounters, customers who experience process failures were more dissatisfied than those who experience outcome failures, suggesting that face-to-face encounters which are directly attributable to the behavior of the service provider result in a lower level of CSS than outcome failures which result from events not directly observed by the customer. This finding is also consistent with reports by Bitner, Booms, and Tetreault (1990) and Keaveney (1995) that customers often cite process failures more frequently than outcome failures for evaluating service encounters. Hence it is proposed that:

\[ H4: \] The type of service failure will moderate the effect of cultural distance on the attribution processes such that:

a) Cultural distance will have a greater positive effect on situational attributions when there is an outcome failure as compared to a process failure in service performance.  
b) Cultural distance will have a greater negative effect on dispositional attributions when there is an outcome failure as compared to a process failure in service performance.

**Service context.** The context, or setting, of a service interaction may possibly influence the attribution processes. In a strong context wherein the customer’s culture and the ethnic ambience of the service setting are dissimilar (e.g. an Anglo customer in a Cuban restaurant), cultural distance with the service provider may be more salient to the customer, and this would amplify its effect on attribution and CSS. In a weak context wherein the customer’s culture and the ethnic ambience of the service setting are similar (e.g. an Anglo customer in an American restaurant), cultural distance would attenuate the effects of cultural distance. Therefore, it is posited:

\[ H5: \] The service context will moderate the effect of cultural distance on the attribution processes such that:

a) Cultural distance will have a greater positive effect on situational attributions when the service context is strong as compared to when it is weak.  
b) Cultural distance will have a greater negative effect on dispositional attributions when the service context is strong as compared to when it is weak.

We propose to test our theoretical model using a web-based study with a quasi-experimental design employing video-clips of hypothetical service encounters. We now describe the research design and methodology in detail.

**RESEARCH DESIGN AND METHODOLOGY**

**Research Design**

The proposed study will utilize a 2 x 2 x 2 between-subjects design, in which the cultural distance (small vs. large), service failure type (process vs. outcome), and service setting context (weak versus strong) would be manipulated using scenarios of hypothetical service encounters in a restaurant. Respondents would be asked to project themselves into the scenario and then respond to questions on a computer-mediated questionnaire administered over the Internet.

**Stimulus Development**

The selection of service encounters in a restaurant setting was the result of extensive pretesting of scenarios in text form. Scenarios were created that involved an American customer in supermarket, restaurant, bank, and lawyer’s office contexts in both Canadian and Japanese settings. Scenarios were tested for realism using a convenience sample of MBA students at a Midwestern US University, with the restaurant context appearing to be the most credible. In order to make the study more relevant to contemporary society in the United States, the settings for the restaurant interactions were revised to be Cuban and American, and the number of scenarios expanded to eight versions with manipulations of the three factors of interest (i.e. cultural distance, service failure type, and context). Cultural distance was manipulated by the cultural differences between the customer and the provider, namely the waiter in the scenarios (American vs. Hispanic) and the respondent’s reported ethnicity (Anglo vs. Hispanic). Service failure type was manipulated by varying the service performance in the scenarios, such that in one condition the service delivery is slow (a process failure) and in the other condition the delivered food is inconsistent with what was ordered (an outcome failure). Context manipulation was achieved by the match/mismatch between the waiter’s cultural background (American vs. Hispanic) and the type of restaurant (American vs. Cuban). Thus, for example, a Hispanic waiter in an American restaurant would be a weak context and a Hispanic waiter in a Cuban restaurant would signify a strong context. The eight scenarios were pre-tested in a think-aloud exercise with a convenience sample consisting of both Hispanics and White Anglos. The pre-test consisted of a “think-aloud” exercise wherein respondents were asked to read aloud the scenarios and provide a verbal assessment and interpretation of the scenario situation. There were no major problems with the clarity of the scenarios and factors manipulations. Students of the National Broadcasting Society’s Alpha Epsilon Rho national honor society (under the supervision of a faculty member) then filmed the text-based scenarios in a television production studio at the University of Miami’s School of Communication. The raw film clips were edited to produce eight broadcast quality videos, each of four to five minute duration. These digital videos were then integrated into a web-based electronic questionnaire. The web-based questionnaires were then pretested for their ease of use, downloading time, and clarity of instructions using a convenience sample in Miami-Dade County, Florida. No significant problems were identified in the web-based administration of the questionnaire.

**Methodology**

**Procedure.** Using a personal computer, respondents would log on to a website dedicated to our research and complete the survey online. Pretesting indicates that approximately ten minutes will be required for each respondent to complete the survey.

**Respondent population.** Respondents would be recruited from the middle class population of White Anglos and Hispanics in culturally diverse Miami-Dade County M-DC), Florida. M-DC’s population of 2,246,000 is an amalgamation of three major cultural groups, 57.6% Hispanics (including Cuban and non-Cuban), 21.5% White Anglos (White non-Hispanics), and 20.9% Black (African American and Haitian). This population has been chosen to enhance the external validity of the study such that the respondent sample is representative of the actual customer response in inter-cultural service encounters.

**Respondent recruitment.** Respondents will be recruited by distributing flyers at various locations in Miami-Dade County, Florida and by direct e-mail solicitation. Both the flyer and the e-mail solicitation will invite prospective respondents to log on to the website dedicated to the study. An incentive will be offered in the form of an opportunity to participate in a raffle, if desired, in which five prizes of $100 each will be offered.
CONTRIBUTIONS

The theoretical contributions of our proposed research agenda are twofold. First and foremost, we will shed light on the role of culture in customer satisfaction with service encounters. Although the concept of culture has a long and rich history of research in social psychology, it has hitherto not been given adequate attention in the CSS literature. We hope to fill this gap by examining the effect of culture at both an individual level (i.e. attribution process) and at an inter-personal level (i.e. cultural distance). We propose that at an individual level, cultural dispositions can directly affect the extent to which a customer attributes a service failure to the provider, thus decreasing CSS. On the other hand, at an inter-personal level, cultural-differences between the customer and provider can decrease these attributions to the service provider and thus attenuate the effect on CSS. Integrating the effect of cultural differences and attributions with the current CSS literature would enrich our understanding of service encounters in the multi-cultural context of the US society. Secondly, we also hope to make a methodological contribution by enhancing the efficacy of using projective techniques in studying service interactions. Specifically, our use of enriched multi-media stimuli would help circumvent the criticisms about the validity of hypothetical scenarios as an investigatory technique. Moreover, the web-based administration of the study among representative populations highlights how technology can enhance the external validity of academic research. The latter is particularly valuable to managers who are often skeptical about the applicability of research that utilize convenience sampling (e.g. undergraduate students).

The proposed research agenda also has important practical implications. The insights provided by this research could help firms to effectively manage the service delivery process, particularly those services that involve inter-personal interactions. Firstly, by being cognizant of the culturally biased expectations of different cultural or ethnic groups. For instance, while Anglo Americans—idiocentrics—might prefer to have more instrumental, goal-based expectations from the provider, Hispanics—allocentrics—may want the provider to be more friendly and approachable. The service provider could differentially emphasize these two elements in the performance as well as advertisements. Secondly, by understanding the culturally predisposed attribution processes, and accordingly adapting the service delivery (e.g. bank or restaurant in a Hispanic neighborhood) to avoid dispositional attributions of slow service, marketers could emphasize the contextual elements by creating a distinctive cultural ambiance in the premises.

To summarize, it is our hope that this research would provide a theoretical framework to incorporate culture into the extensive body of knowledge in the CSS literature. From a more pragmatic standpoint, we hope to sensitize service providers to specific elements of the cultural or ethnic background that affect customer satisfaction judgments.

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