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CULTURAL IMPACT ON CUSTOMER PERCEPTION OF SERVICE
QUALITY IN THE HOTEL INDUSTRY: A COMPARATIVE
STUDY OF EASTERN AND WESTERN RESPONDENTS

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Business Administration

by
Jing Fen Chiang
December 2006

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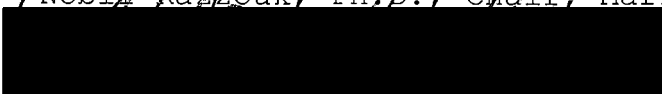
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ABSTRACT

This study focused on the cultural impact on perception of service quality in the hotel industry between Eastern and Western cultures. A questionnaire was developed to assess cultural differences on perceptions of service quality. The convenience sample consisted of students enrolled in a Western university. Findings indicated that there were no significant differences regarding Eastern and Western cultures and perceptions of service quality. Implications were then discussed.

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CHAPTER ONE

INTRODUCTION

Customers' desired for service quality has become increasingly demanding. Service has risen to be a strategic consideration and an important task for businesses to promote a competitive advantage and sustain customer relationships. In many industries, service quality has a critical relationship with a business' success or failure. It is obvious that services have become more and more important worldwide. In the U.S., the service sector accounted for more than 78.3 percent of the GDP in 2005 (The World Factbook 2005) and 80 percent of the workforce has come from the service sectors (Czinkota & Ronkainen 2002).

In addition, as global competition increases, there is a challenge that consumers' perceptions of what constitutes a good service inevitably is culturally bound (Zeithaml, Bitner, & Gremler, 2002). Therefore, understanding the cultural impact of service perception becomes more critical for service firms (Riddle, 1992). Moreover, the increasing numbers of immigrants to the United States, especially in California (Yearbook of Immigration Statistics, 2003) as well as, the growing

importance of cross-cultural businesses suggest the need to examine the relationship between cultural diversity and service quality perceptions.

Thus, understanding the cultural differences that influence the perception of service quality is important for marketing in a multicultural environment. This study focused on the cultural impact on customer perceptions of service quality between Eastern and Western cultures.

Purpose and Objectives

The purpose of the study was to investigate cultural aspects that influence customers' perception of service quality in the hotel industry between Eastern and Western respondents. The objective was to examine how cultural differences between Eastern and Western cultures influence customers' perceptions of service quality in hotel industry on different dimensions. Specifically, the study sought to determine the following objectives:

1. Determine how Eastern and Western respondents define service quality of hotels.
2. Determine the number of factors that define service quality between Eastern and Western cultures.

3. Determine if there are any differences between Eastern and Western respondents when evaluating tangible, reliability, responsiveness, assurance and empathy dimensions of service quality in the hotel industry.

The findings will provide a new level of understanding between Eastern and Western cultures on perceive service quality in the hotel industry. Additionally, the findings will offer service sectors an opportunity to gain a competitive advantage in service quality.

Organization of the Project

The project was divided into five chapters. Chapter one provided an introduction to the subject area and purpose of the project. Chapter two consisted of a review of relevant literature about cultural impact, perceived service quality, and the relationships between them. Chapter three presented the research methodology. Chapter four presented the results of the study and Chapter five presented the conclusion and implications of the study.

CHAPTER TWO

REVIEW OF THE LITERATURE

Introduction

The influence of culture is paramount because perceptions are filtered through it, and perceived performance has been demonstrated to affect perceived service quality directly (Halstead, Hartman, & Schmidt 1994).

Hence, the review of literature covers three broad areas: 1) cultural impact including cultural concepts, dimensions and its differences between Eastern and Western cultures; 2) perceived service quality, including the service quality concept, its dimensions, expectations and measurement; and 3) the relationship between culture and service quality.

The Impact of Culture

Cultural Concept

"Culture is a set of shared and enduring meanings, values, and beliefs that characterize national, ethnic or other groups, orienting their behavior." (Hendon et. al. 1999, p. 17) Culture directs judgment and opinion and describes the criteria for what is good or bad (Mattila & Patterson, 2004)..

Culture also can be defined as the sum of learned beliefs, values, and customs that create behavioral norms for a given society (Yau, 1994, p. 49). In other words, it is an accumulation of learned meaning within a human population that provides rules that guide behavior.

Culture consists of patterned ways of thinking, feeling and reacting. Furthermore, culture is about permanent beliefs that an individual develops in their own native culture or in the culture with that they are associated (Daghfous, Petrof, & Pons, 1999). These beliefs condition the way people view the world, hence, culture influences attitudes and perceptions toward marketing stimuli (Lowę & Corkindale 1998). Hofstede (1994) defined culture as the "collective programming of mind which distinguishes the members of one group or category of people from those of another" (p.4). In cross-cultural studies, one of the most commonly used sets of measures is Hofstede's (1980) schema, consisting of four dimensions: power distance, individualism - collectivism, masculinity vs. femininity, and uncertainty avoidance. Individualism - collectivism is frequently applied in the development of cross-cultural models where there is Eastern and Western contrasts (Straughan & Albers-Miller 2001). Individualism vs. collectivism is one key dimension in understanding

cross-cultural differences in attitudes and behavior (Azevedo, Drost, & Mullen 2002). In service marketing research, some researchers applied Hofstede's five dimensions (e.g., Donothu & Yoo 1998; Espinoza 1999; Furrer et al. 2000), while others compared other cultures against the U.S. without utilizing specific cultural dimensions (e.g., Sultan & Simpason 2000; Witkowski & Wolfinbarger 2002).

Cultural Dimensions

Hofstede's (1984, 1991) work on cultural dimensions has been frequently used to classify cultures and countries, as well as, the basis for understanding cultural differences. According to Hofstede (1984, 1991), individualism is present when people in a society focus more on individual achievement rather than on group goals. Individuals are encouraged to have free will, self-determination, and to determine their own sets of beliefs and behavior. However, in an individualistic culture, people are controlled more through internal pressure, and therefore focus on taking care of themselves and their family (Hofstede, 1991). The best example of an individualistic country would be the United States, which was given an extremely high individualism score by

Hofstede (1991). However, people in a collectivist culture are expected to look out for members of their group. Goals are defined by the group, rewards are group-based, and loyalty is expected from all members. In a collectivistic society, there is a broader focus on building relationships with various groups and with businesses.

Power distance is defined as the extent to which members of a society empower institutions and organizations that are distributed unequally (Hofstede, 1984). In countries with a high power distance ranking, status and titles are very important. They are also at the core of social relationships and social formalities. Moreover, these countries typically are very populous and have an unequal distribution of wealth (Hofstede, 1984, 1991). However, in a culture low on power distance the importance of status is not emphasized. Hofstede (1991) also found that countries that ranked high on individualism ranked very low on power distance.

Uncertainty avoidance measures the extent to which the members of a culture feel threatened by uncertain or unknown situations (Hofstede, 1991). In high uncertainty avoidance countries, people have regulations and controls to reduce the amount of uncertainty since they have a low tolerance for ambiguity and uncertainty.

In masculine cultures there are socially defined gender roles that are distinct where men are supposed to be assertive, achievers and have material success. On the other hand, women are supposed to take a secondary role that emphasizes modesty and nurturing (Hofstede, 1991).

Cultural Differences between the East and West

The religious and cultural traditions of the East and West are deeply rooted in people's attitudes (Kugler, 1998). The culture-based variable that might explain the differences in service expectations among Eastern and Western customers is power distance (Hofstede, 1980). The culture in most Eastern countries (i.e. Taiwan, China, India, Japan, & Thailand) is characterized by relatively large power distances (1991) that reflect social hierarchies. For example, the Chinese culture focuses on courteous ritual that encourages individuals to maintain the hierarchical social order (Hwang, 1983). In such cultures, customers think that service employees are of a lower social status that requires them to provide service in a polite and courteous manner.

In contrast, the cultures of Western countries (i.e. USA and Germany) are characterized by small power distances (Hofstede, 1991). Customers from these cultures

are less accepting of status differences and tend to expect more equal service. Based on differences of the power distance dimension among Eastern and Western cultures, it can be expected that Eastern and Western customers have dissimilar perceptions of service quality particular in the hotel industry.

In addition, Eastern cultures place a primary emphasis on the quality of interpersonal relationships, whereby the quality of interaction between employees and customers might be a key factor in Eastern customers' service quality evaluation (Riddle, 1992). In Western cultures, a primary emphasis is on goal completion, and customers prefer efficient delivery even though the service may be impersonal (1992). Efficiency and time-savings are considered more important than interpersonal relationships.

Service Quality Perception

Services

The three characteristics of services that distinguish them from manufacturing are: intangibility, heterogeneity, and inseparability (Parasuraman, Zeithaml, & Berry, 1985). Most services are intangible and cannot be counted and measured in advance to ensure quality. In

addition, services are heterogeneous and vary from employee to employee, as well as, from customer to customer, and from day to day (Parasuraman et al., 1985). It is extremely hard to make services consistent all the time because of the human interaction between providers and customers that is almost impossible to regulate. Finally, the production and consumption of services are inseparable (Parasuraman et al., 1985), whereas, service is produced and consumed at the same time. This characteristic distinguishes services from the manufacturing industry, where producers have the opportunity to fix the product before it reaches customers, thus providing quality to the target market. Therefore, those three characteristics make it difficult for service providers to assure quality and for customers to evaluate service quality.

Service Quality

There is no single definition of service quality in the literature. Parasuraman, Zeithaml, and Berry (1985; 1988) proposed that service quality is an "abstract and elusive construct." According to Zeithaml (1988), service quality is the consumer's judgment about the overall excellence or superiority of a service; and, can be

defined as the extent of discrepancy between customers' expectations and their perceptions (1990, p. 65).

Gronroos (1982, p.37) defined service quality as "the outcome of an evaluation process where consumers compare their expectations with what has been perceived as received." Parasuraman et al. (1988) proposed that service quality as the gap between consumers' expectations and their perceptions of the actual service. They view expectations as desires or wants relating to what the consumer feels the service provider should offer than what he would offer. Therefore, perceived service is measured against expected service.

The common definition of service quality is that it is the result of the comparison customers make between their expectations about a service and their perceptions of the way the service has been performed (Caruana, 2002). The perceived service quality refers to consumer judgment or evaluation of the quality (Arora & Stoner, 1996). The most popular way to measure this is through the SERVQUAL model, which standardizes the measurement of service quality, based on examining this gap across several service quality dimensions (Bateson & Hoffman, 1999). Parasuraman, Berry and Zeithaml (1988) conducted studies in different industries and developed the SERVQUAL

instrument that has been widely used by industry managers to measure customer perceptions of service quality.

SERVQUAL Dimensions

The SERVQUAL instrument establishes five key dimensions as a basis for measurement of service quality: 1) reliability, 2) responsiveness, 3) assurance, 4) empathy, and, 5) tangibles (Parasuraman et al., 1990). Reliability is the ability to perform the promised service dependably and accurately. This implies that when a firm promises to do something by a certain time, for example, deliver on time, it does so. Responsiveness is the willingness to help customers and provide prompt service (Parasuraman et al., 1990). This dimension includes telling customers exactly when the services will be performed and responding to them quickly. Assurance is the knowledge and courtesy of employees and their ability to convey trust and confidence (1990). This is best described by trustworthy employees and the feeling of being safe when doing transactions. Empathy is caring, individualized attention provided to customers and includes employees who give them personal attention, and who know what their needs are. Finally, it also implies a firm that keeps offers convenient operating hours. Tangibles are the

appearance of physical facilities, equipment, personnel, and communication. This includes whether or not the firm possesses up to date equipment and whether or not its appearance is in keeping with the type of service provided (Parasuraman et al., 1988).

Service Expectations

As mentioned previously, perceived service quality is primarily dependent upon gaps between expected and perceived service (Howcroft, 1993). Hence, service expectations influence customer's perception of service quality. For example, in many Eastern countries, store opening hours are longer than in Western area. This is likely to influence customer expectations regarding service availability. Moreover, customer service calls in Eastern countries generally are answered by a person rather than a computerized operation that lets customers enter the numbers to handle their problems. Dealing with requests through a computer may make many people feel inconvenient and think the service is not good.

Sultan and Simpson (2000) found in a study of airline service quality that U.S. airline passengers had higher expectations of service quality than Europeans; while Europeans found service quality of U.S. airlines to be lower than their international carriers. Similarly,

Witkowski and Wolfinbarger (2000) compared German and American customers' ratings of the five dimensions of service quality with different businesses and found that German respondents had lower service expectations and generally perceived lower service outcomes than Americans. These findings suggest that expectations can affect customer perceptions of service quality.

The Relationship Between Culture and Perceived Service Quality

It has been argued that different cultures tend to value different service quality dimensions (Donthu & Yoo, 1998; Furrer et al., 2000). Based on an understanding of cultures, more feminine cultures may be more likely to emphasize empathy than more masculine cultures because empathy is often perceived as a feminine trait (Kunyk & Olson, 2001).

According to Markus and Kitayama (1991), culture influences consumers' perceptions, dispositions, and behavior. This is consistent with the service literature and with the major services paradigm, such as the SERVQUAL model (Lovelock & Wirtz 2004). Malhotra and Ulgado (1994) conducted a study regarding a comparative evaluation of the dimensions of service quality between developed and developing countries. They used a conceptual framework of

the determinants of service quality that consisted of ten dimensions: reliability, access, understanding of the customer, responsiveness, competence, courtesy, communication, credibility, security, and tangible considerations (Parasuraman et al., 1985). The developed and developing countries were also evaluated on individualism, collectivism, power distance, time value, and communication. They proposed that developing countries that are high in power distance and collectivism, place greater emphasis on human touch and personal contact than reliability in evaluating service quality.

Winsted (1997) examined cross cultural service quality from another perspective. The dimensions of authenticity, caring, control, courtesy, formality, friendliness, personalization, and promptness were introduced as important factors that influenced service encounters. The researcher used these dimensions in a comparison of restaurants in Japan and the United states. Results showed significant differences between the service quality dimensions in Japan and in the United States.

Donthu and Yoo (1998) examined the relationship of the SERVQUAL dimensions with Hofstede's classification of culture in the banking industry across four countries - U.S., Canada, UK, and India. They found that the structure

of SERVQUAL dimensions varied across cultures and related highly with Hofstede's culture dimensions. Particularly, customers high on the uncertainty orientation had higher overall service quality expectations than those who were low on this dimension. Furthermore, customers low on power distance had high service quality expectations, such as, expecting more responsive and reliable service. In contrast, customers from individualistic countries also had high expectations; however, they focused on empathy and assurance.

Mattila (1999) used physical environment, personal service component and hedonic dimensions for evaluating services between Eastern and Western customers in the hotel industry. Results showed that Western leisure travelers in hotels perceived service be higher quality than did Eastern customers. Furthermore, customers with a Western cultural background relied more on tangible cues than those from the East. Hedonic dimensions were more important for Westerners than for Easterners. Similarly, Strauss and Mang (1999) noted that cultural differences had a significant effect on service evaluation.

In Furrer, Liu, and Sudharshan's study (2000), they tested a conceptual link between all five cultural dimensions developed by Hofstede (1980, 1991) and

variations in the relative importance of all five SERVQUAL dimensions. They found that in cultures where individualism was valued, consumers were more likely to expect reliability and responsiveness from service providers, while they did not expect assurance. Assurance was not valued in individualistic cultures because of the self-confidence and independent nature of the people. In an individualistic society like the United States, customers are likely to expect reliability and responsiveness from service providers regardless of whether they feel they have a relationship with the provider.

According to Sultan and Simpson (2000), the relative importance of SERVQUAL dimensions were significantly different for reliability and tangibility, but not for responsiveness, assurance, or empathy. Differences in terms of expectations and service quality perceptions were also found to be significant.

Imrie et al. (2002) also argued that culture had an impact on perceived service quality. In the US culture, more highly individualist customers rely on their own decision making more than on group consensus. Therefore, they perceive service quality more strongly than customers from collectivist cultures, who rely more on what the

group does and less on their own evaluation of the service (Malhotra & McCort 2001).

Recently, Malai and Speece (2005, p. 32) found that individualism has a significant positive effect on perceived service quality. Hence, the perceived service quality is stronger when individualism is higher. Whereas, Eastern consumers are more collectivist in nature, they perceive lower service quality.

In conclusion, it appears that Hofstede's cultural dimensions seem to be a dominant framework for comparing cross-cultural service research. Moreover, SERVQUAL is the major framework applied to measure service quality. Overall, culture influences consumer's expectations and evaluation on service quality.

Hypotheses

Derived from the literature review, some previous studies suggest that different types of behavior indicated good service in different cultures (Winsted, 1997) Based on the understanding of Hofsteds' cultural dimensions, more feminine cultures may be more likely to emphasize empathy than more masculine cultures. Besides, in general, service styles in the East are more people-oriented than in the West and Eastern cultures place a primary emphasis

on the quality of interpersonal relationships. The quality of interaction between employee and customer might be a key factor when Eastern customers evaluate service quality (Riddle, 1992). Therefore, it is expected that Eastern customers will emphasize employees' behavior to determine service quality. Hence, the following hypotheses were tested:

H1: Eastern customers are more likely to assign greater value to the empathy dimension of service quality in the hotel industry than Western ones.

In contrast, in Western cultures, the primary focus is on goal completion, thus Western customers might prefer efficient delivery even if that delivery is impersonal (Riddle, 1992).

H2: Western customers are more likely to assign greater value to the tangibles dimension of service quality than Eastern ones.

H3: Western customers are more likely to assign greater value to the reliability dimension of service quality than Eastern ones.

H4: Western customers are more likely to assign greater value to the responsiveness dimension of service quality than Eastern ones.

H5: Western customers are more likely to assign greater value to the assurance dimension of service quality in the hotel industry than Eastern ones.

Conclusion

The purpose of this chapter was to review the literature on cross-cultural service marketing research to draw attention to culture concept, service quality concept and the relationship between them. As discussed in the literature review, although there have been many studies investigating the role of culture in expectation, evaluation and perceptions of service quality, there is still much more needed to explore to better understand perceptions of service quality across different cultures. Furthermore, this literature review also provided the basis in formatting the stated hypotheses. The next chapter will feature the methodology used in this study.

CHAPTER THREE

METHODOLOGY

Introduction

To understand the differences in service quality perception among people from different cultures, a survey instrument was developed to obtain the necessary information. This chapter explains the research methods utilized in the study, describes the research process, and the data analysis method.

Population and Sample Instrument Design

Based on the literature review of service quality and culture, it can be concluded that different cultures tend to value different service quality dimensions (Donthu & Yoo, 1998; Furrer et al., 2000; Mattila, 1999). For this study, the focus is comparing the differences in perceptions of service quality in the hotel industry among people from different cultures. Cultures were grouped into two main categories: Eastern and Western. A convenience sample was used in the present study. Students enrolled in the MBA program at a Western university served as respondents. This group represented typical consumers in a homogeneous social background with diverse cultural backgrounds.

The sample consisted of 152 respondents who were born in different countries. As shown in Table 1, the sample consisted of 53 Eastern respondents (34.9%) and 88 Western respondents (57.9%).

Table 1. Respondents' Countries of Origin

	Frequency	Percent
USA	54	35.5
Taiwan	53	34.9
China	7	4.6
South America	1	.7
Thailand	10	6.6
Korea	1	.7
India	5	3.3
Japan	4	2.6
other Asia country	7	4.6
Mexico	5	3.3
Europe country	5	3.3
Total	152	100.0

To measure the relative importance of the different service dimensions, a modified SEVQUAL scale was included in the instrument (Parasuraman, 1985). A questionnaire was developed to measure customer perceptions of service quality in the hotel industry and compared the differences between Eastern and Western respondents.

Questionnaire Design

The first part of the questionnaire included one open-ended question regarding defined service quality in the hotel industry and the next question rated how important each factor in question one was. The importances of each of these factors were measured using a modified Likert scale ranging from 1- "a little important" to 10- "very important."

The second part measured service quality perceptions using a modified version of the SERVQUAL scales (Parasuraman et al., 1991). There were 23 questions that represented five dimensions of service quality, see Appendix A for questionnaire. Respondents were asked to indicate their agreement ranging from 1- Strongly disagree to 7- Strongly agree with the 23 statements based on SERVQUAL items developed by Parasuraman et al. (1991) and used in numerous studies (Donthu & Yoo, 1998; Espinoza, 1999; Malai & Speece, 2005). Table 2 shows the content of the questionnaire that measured the five service quality dimensions.

Table 2. The Service Quality Dimensions as used in the Questionnaire

Dimensions of service quality	Items
Tangibles	<ol style="list-style-type: none"> 1. The hotel must have up-to-date equipment. 2. The hotel must have appealing physical facility 3. Employees must be well dressed and appear neat. 4. The appearance of the physical facilities of this hotel is in keeping with the type of service provided.
Reliability	<ol style="list-style-type: none"> 5. The hotel provides the service at the time it promise to do so. 6. When you have problem, the hotel shows a sincere interest in solving it. 7. They perform their service right the first time. 8. Employees are competent. 9. They should keep their records accurately.
Responsiveness	<ol style="list-style-type: none"> 10. Telling the customer exactly when the service will be performed. 11. Employees of the hotel give you prompt service. 12. Employees of the hotel are always willing to help you. 13. Employees of the hotel are never too busy to respond to customer request.
Assurance	<ol style="list-style-type: none"> 14. Employees who instill confidence in customers. 15. Making customers feel safe in their transaction. 16. Employees of the hotel are consistently courteous to you. 17. Employees of the hotel have knowledge to answer your questions.
Empathy	<ol style="list-style-type: none"> 18. Giving customers individual attention. 19. Employees are polite. 20. Convenient operating hours. 21. Employees who deal with customers in a caring fashion. 22. Employees who know what your needs are. 23. Having customer's best interest at heart.

In the last part of the questionnaire, demographic characteristics, such as gender, ethnic background, how long they lived in the USA and their own country of origin were sought. This section included the question of ethnicity and the country where the respondents were born and raised.

Data Collection

Data were gathered from graduate students enrolled in a number of business courses, such as Marketing, Finance, Accounting, Information Management, Supply Chain Management, Organization Theory and Behavior and Marketing Strategy. The students were asked to complete the survey during class time and return it immediately after completion. Thus, the response rate remained high and the data were complete for analysis.

Data Analysis

Data were analyzed using Statistical Package for the Social Sciences (SPSS). Data analysis consisted of descriptive statistics, such as frequencies and cross tabulations. Cross tabulations allow the researcher to cross tab variables in conjunction with other variables. Moreover, one-way analysis of variance (ANOVA) test was

employed to test the hypotheses proposed. The level of significance for the tests was $p < .05$.

CHAPTER FOUR

SURVEY RESULTS

Demographic Background

A total of 152 respondents participated in the study. Of those respondents, 64.5 percent were male and 35.5 percent were female. Table 3 presents the ethnic background of the respondents.

Table 3. Ethnic Background of Respondents

	Frequency	Percent
African American	3	2.0
Caucasian	30	19.7
Hispanic	20	13.2
Asian/Taiwanese	59	38.8
Asian non-Taiwanese	29	19.1
Others	11	7.2
Total	152	100.0

For the purposes of this analysis, the respondents were grouped into two culture related group: Western and Eastern. Western respondents included African Americans, Caucasians and Hispanics; Eastern respondents included Taiwanese and non-Taiwanese respondents born in China, Thai, Korean, Indian, Japanese and other Asian citizens. Hence, the sample consisted of 34.9 percent Western

respondents, 57.9 percent Asian and 7.2 percent respondents who checked "others", as shown in Table 4.

Table 4. Breakdown of Respondents by Cultural Background

	Frequency	Percent
Eastern	53	34.9
Western	88	57.9
Total	141	92.8
Others	11	7.2
Total	152	100.0

Of the total respondents, 42.8 percent were not sure if their views represented the views of people who live in their country of origin, as shown in Table 5.

Table 5. How Representative are the Respondents' Views of Others in their Country of Origin?

	Frequency	Percent
Very Typical	13	8.6
Typical	32	21.1
Not Sure	65	42.8
Not Typical	37	24.3
Not Very Typical	5	3.3
Total	152	100.0

Major Research Findings

Regarding service quality in the hotel industry, the respondents were instructed to list as many factors as they considered applicable. Table 6 shows a total of 23 factors reported to be important by the respondents.

The top five items reported by respondents were:

1. Polite/ courteous/ and helpful staff
2. Cleanness/ orderly
3. Amenity/ facility
4. Comfortable/ luxuries
5. Convenience of location/ parking/ traffic

Most respondents thought polite, courteous, and helpful hotel employees equated with good service quality. Moreover, it was also the most important factor when they chose a hotel.

Table 6. Determinants of Service Quality in the Hotel

Industry

Determinants of service quality	Frequency	Percent
Cleanness/orderly	83	11.2
Polite/courteous/helpful staff	91	12.3
Security/safety	48	6.5
Amenity/facility	68	9.2
Reasonable price/value for money	47	6.4
Convenience of reservation /check in-out	30	4.1
Fast service /fast response/fast check in-out	27	3.6
Service/Room Availability	28	3.8
Responded to request/solving problems	16	2.2
Responsiveness	17	2.3
Attentiveness/know customer's needs	13	1.8
Convenience of location/parking/traffic	49	6.6
Professional/knowledgeable employees	11	1.5
Quietness	11	1.5
Good customer service	36	4.9
Good food	28	3.8
Reliability	10	1.4
Entertainment (TV channel etc.)	17	2.3
Comfortable/Luxurious	58	7.8
Ratings/prestigious	10	1.4
Prompt service	23	3.1
Restaurant/bar/shop	8	1.1
Organized/managed	11	1.5

In addition, when listing the factors they put for service quality in the hotel industry, most Eastern respondents listed less than four factors, while most Western respondents listed five or more factors, as shown in Table 7. Therefore, Eastern respondents seem more likely to consider fewer factors to determine service quality compare to Western respondents who were more likely to consider more factors.

Table 7. Numbers of Factors and Ethnicity Cross Tabulation

Number of determinants	Ethnicity		Total
	Eastern	Western	
1	0	1	1
2	3	11	14
3	13	20	33
4	8	16	24
5	13	16	29
6	5	8	13
7	3	7	10
8	3	3	6
9	1	2	3
10	4	4	8
Total	53	88	141

Testing the Hypotheses

The following hypotheses were tested using one-way analysis of variance (ANOVA).

- H1: Eastern customers are more likely to assign greater value to the empathy dimension of service quality in the hotel industry than Western ones.
- H2: Western customers are more likely to assign greater value to the tangibles dimension of service quality than Eastern ones.
- H3: Western customers are more likely to assign greater value to the reliability dimension of service quality than Eastern ones.
- H4: Western customers are more likely to assign greater value to the responsiveness dimension of service quality than Eastern ones.
- H5: Western customers are more likely to assign greater value to the assurance dimension of service quality in the hotel industry than Eastern ones

This method of analysis was selected because the objective was to observe whether there were significant differences between sets of two variables: the independent variable - ethnicity and the dependent variable - perception of service quality.

The statistical analysis found that there were no significant differences between Eastern and Western

respondents with respect to all five service quality dimensions where $p < .05$, as shown in Table 8.

Table 8. ANOVA Results of Ethnicity and Service Quality

	Sum of Squares	df	Mean Square	F	Sig.
Tangibles	12.196	1	12.196	.889	.347
Reliability	10.359	1	10.359	.644	.424
Responsiveness	.890	1	.890	.096	.758
Assurance	.286	1	.286	.023	.880
Empathy	.009	1	.009	.000	.982

Therefore, all five hypotheses were rejected according to the results of ANOVA test.

CHAPTER FIVE

CONCLUSION AND IMPLICATION

Service organizations, operating in a multi-ethnic country like the United States, or involved in international ventures need to be particularly sensitive to the cultural diversity of their customer base (Mattila & Patterson, 2004).

This study contributed to marketing in the hotel industry by investigating the cultural impact on customer perceptions of service quality between Eastern and Western cultures. The findings suggest that there were no significant differences between Eastern and Western respondents when they assigned value to tangible, responsiveness, reliability, assurance and empathy dimensions of service quality. However, Eastern respondents put fewer factors when defining service quality of hotel than Western respondents.

Research Implications

This study links two important fields of marketing research: service quality and cultural diversity. Although many studies have independently discussed those two topics, few of them have actually combined the two. This

study provided hotel management with a framework to understand their customers from different cultures.

Limitations

The results of this study differed from those of the previous studies that showed differences in service quality evaluations and expectations among different cultures (Donthu & Yoo, 1998; Espinoza, 1999; Furrer et al., 2000; Malai & Speece, 2005) may have been due to the following reasons:

1. The sample chosen was small compared to the other samples, and therefore might have affected the results.
2. The sample was comprised of 64.5 percent male and 35.5 percent female. This may have affected the evaluation of some service quality dimensions, such as empathy.
3. Respondents selected in this study all lived in the United States for a while and were being educated at a Western university. This may have affected their perceptions.
4. The survey was based solely on students' perceptions of their culture and service quality expectations. It did not measure customers'

usage experience in the hotel, and thus led to two problems. First, respondents may have had difficulty evaluating themselves accurately because they had not used a hotel for a long time or not at all. Second, absence of specific service sectors being evaluated may have also affected the results because they may have evaluated the hotel service quality based on different countries.

Future Research

Future research might involve the creation of an unbiased method to accurately measure service quality perceptions among diverse ethnicities. Furthermore, future research could include gender factors as a differentiating variable on perceptions of service quality.

APPENDIX
QUESTIONNAIRE

Dear Participant:

The following questionnaire is designed to understand better customers' perceptions of service quality in the Hotel Industry. Please answer the questions in the order they are presented and return immediately after completion.

Thank you for your assistance.

1. How would you define service quality in the hotel industry? (Please list on the long lines below as many factors as you consider applicable)

a. _____

b. _____

c. _____

d. _____

e. _____

f. _____

g. _____

h. _____

i. _____

j. _____

2. For each of the responses you listed in question one. Please indicate how important to you is each of the factors when deciding on a hotel to stay in while on a vacation trip. Use a scale of 1 to 10, one being only a little important, and 10 being very important for your decision. Please place the number of your choice in the space to the right of the items that you have listed above in question

A little important Very important
1 -----2 -----3 -----4 -----5 -----6 -----7 -----8 -----9 -----10

Please turn over the page

3. The following statements relate to your feelings about hotel service quality. For each statement, please show the extent to which you believe that a good hotel service must possess the feature described by the statement. Placing a **seven** on a line means you strongly **agree** that a hotel should possess that feature, and a **one** means you strongly **disagree**. You may use any of the numbers in the middle as well to show how strong your feelings are.

Strongly disagree Strongly agree
1 -----2 -----3 -----4 -----5 -----6 -----7

- _____ 1. The hotel must have up-to-date equipment.
- _____ 2. The hotel must have appealing physical facility
- _____ 3. Employees must be well dressed and appear neat.
- _____ 4. The appearance of the physical facilities of this hotel is in keeping with the type of service provided.
- _____ 5. The hotel provides the service at the time it promise to do so.
- _____ 6. When you have problem, the hotel shows a sincere interest in solving it.
- _____ 7. They performs their service right the first time.
- _____ 8. Employees are competent.
- _____ 9. They should keep their records accurately.
- _____ 10. Telling the customer exactly when the service will be performed.
- _____ 11. Employees of the hotel give you prompt service.
- _____ 12. Employees of the hotel are always willing to help you.
- _____ 13. Employees of the hotel are never too busy to respond to customer request.
- _____ 14. Employees who instill confidence in customers.
- _____ 15. Making customers feel safe in their transaction.
- _____ 16. Employees of the hotel are consistently courteous to you.
- _____ 17. Employees of the hotel have knowledge to answer your questions.
- _____ 18. Giving customers individual attention.
- _____ 19. Employees are polite.
- _____ 20. Convenient operating hours.
- _____ 21. Employees who deal with customers in a caring fashion.
- _____ 22. Employees who know what your needs are.
- _____ 23. Having customer's best interest at heart.

4. The following data will be collected for statistical purpose only and the information you provide will be confidential.

1. Please check your gender

- Male
- Female

2. Please check your ethnic background

- African American
- Caucasian
- Hispanic
- Asian/Taiwanese
- Asian non-Taiwanese
- Others

3. Which country were you born in?

4. How long have you lived in the U.S?

5. How typical do you consider your views to be of people who live in the country in which you were born? Please circle one number from 1 to 5.

Very Typical Not very typical
1-----2 ----- 3 ----- 4 ----- 5

Thank you for your participation

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