The effects of acculturation, social distinctiveness, and social presence in a service failure situation

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ABSTRACT

Going beyond the traditional East/West consumer differentiation in studying service failure, this article examined the effect of acculturation, both independently and together with social distinctiveness and social presence, on the perceptions and behavioral responses of Chinese–Australian consumers. The research employed a $3 \times 2 \times 2$ between-subject experimental design in which data were collected from 224 Chinese–Australians. Results showed that the different acculturation levels of these consumers did not affect their perceptions and behavior in a service failure situation. Instead, where and with whom a service failure was experienced had pronounced effects on consumer behavior depending on the extent to which the consumers acculturated to the culture of their host country. Implications of these findings and directions for future research are also discussed.

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1. Introduction

According to an increasing number of studies, the cultural background of consumers affects their service consumption experiences, including their service expectations, evaluations, and intentions (Wang and Mattila, 2011; Zhang et al., 2008). Early service failure/recovery studies have primarily focused on service failures (SFs) in a domestic context without explicitly considering the effect of culture. Therefore, these situations may have been primarily intra-cultural in nature, in which the customer and the service provider both share the same cultural background. However, given the rapid globalization and the significant increase in international travel, situations in which the customer and service provider possess dissimilar cultural backgrounds (i.e., in inter-cultural SFs), have attracted increasing research attention (e.g., Chan and Wan, 2008; Chan et al., 2007; Mattila and Patterson, 2004). Such SFs are often highly complex; according to role theory (Solomon et al., 1985), customers and employees from different cultures have varying role expectations and service scripts in their memory. Consequently, dissimilar cultural backgrounds can easily create misunderstandings and result in dissatisfied customers, frustrated service employees, and loss of business (Cushner and Brislin, 1996; Mohr and Bitner, 1991; Wan and Mattila, 2011).

However, a notable research gap exists in assessing SFs that are neither strictly intra-cultural nor inter-cultural in nature. Specifically, SFs that are experienced by consumers who have migrated to and reside in countries with unfamiliar cultural backgrounds have received little research attention (Weber et al., 2014). This is surprising for the following reasons: a) Western societies have become more multi-cultural in nature due to successive waves of immigration (Koopmans, 2013), b) the economic importance of these immigrants has made them a prime target for marketers, and c) potential significant differences are observed between those immigrants and consumers who are still living in the country of origin of immigrants. Such potential differences must be investigated to help hospitality marketers provide more customized services in the current global environment. Investigating such differences is especially important in SF situations due to their potentially significant effects on the satisfaction and repeat purchase intentions of customers (e.g., Smith and Bolton, 1999) and consequently on the profitability of service providers (e.g., Tax et al., 1998).

By drawing on acculturation theory (Berry, 1980) and social distinctiveness theory (McGuire and McGuire, 1979) as well as by assessing the effect of social presence, this study aims to provide insights into the varying responses and behaviors of ethnic Chinese immigrants after encountering a SF situation. The extent to which these ethnic consumers have acculturated to the mainstream Western society can affect their responses in a SF situation in itself and in combination with social distinctiveness and the social context. This article will determine the extent to which

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1) the varying levels of acculturation among Chinese–Australian consumers can affect their responses to a SF situation;
2) the social distinctiveness in the location of the SF (in the country of current residence (CCR)/host country versus the country of ethnic origin (CEO)) affects the evaluations and behaviors of Chinese–Australian customers; and
3) the social presence (of family members versus business associates) in a SF situation can affect the evaluations and behaviors of Chinese–Australian customers.

Chinese–Australian consumers are selected for this study as they form an important consumer segment in Australia; this market segment is targeted by both mainstream and ethnic marketers because of its geographical concentration and its increasing size, purchasing power, and tendency towards brand loyalty (Chan, 2006; Huang et al., 2013; Pires and Stanton, 2005). These consumers account for 4% of the Australian population (865,000 inhabitants), making them the largest ethnic group in the country (Australian Bureau of Statistics (ABS, 2011). Primarily concentrated in Sydney and Melbourne, this ethnic group invests highly in education; therefore, these consumers have higher levels of education than the general population (ABS, 2011).

We select a restaurant as the research setting for the following reasons:

1) A restaurant not only allows frequent contact between the service provider and a customer but also offers a context where group situations are typical because people usually dine in restaurants with others rather than by themselves. Therefore, a SF may affect not only the individual who is the aggrieved party but also the other individuals in the dining party.
2) Restaurants operate in an extremely competitive environment (Ladhari et al., 2008) where growth surpasses demand (Dutta et al., 2007). Furthermore, the large number of restaurants increases customer expectations for service and value for money, thereby challenging restaurants in sustaining their respective competitive advantages (Enz, 2008).

To the best of our knowledge, this article is one of the first to go beyond the traditional East/West consumer distinction in studying SF by examining the effects of consumer acculturation in itself and together with other variables of interest. By extending prior research (e.g., He et al., 2012a,b; Weber et al., 2014, 2015), this study enriches and expands the existing knowledge on consumer responses in SF situations by highlighting the fact that SFs may have a pronounced effect on the perception and behavior of customers depending on the extent to which they have acculturated to the culture of their host country. This understanding is particularly important in a highly globalized world where migration produces multi-cultural societies and can help hospitality practitioners deal with SFs effectively and devise more appropriate service recovery strategies.

2. Theoretical background

2.1. Acculturation theory

Acculturation theory has a long history in social and behavioral sciences (Berry, 1997). Redfield, Linton, and Herskovits (1936, p.149) advanced the classical definition of acculturation as "those phenomena which result when groups of individuals having different cultures come into continuous first-hand contact with subsequent changes in the original culture patterns of either or both groups." Therefore, the dimensions of *cultural maintenance* (the extent to which cultural identity and characteristics are

maintained and considered important) and *contact and participation* (the extent to which individuals must involve themselves in other cultural groups or remain primarily among themselves) are crucial in determining the extent of acculturation. Based on the various combinations of these two key dimensions, Berry (1980) has proposed four distinct acculturation strategies that are commonly identified in the literature. These strategies include *assimilation,* whereby individuals seek daily interactions with their host culture and refuse to maintain their original cultural identity; *separation,* whereby individuals value and hold on to their original culture while avoiding interaction with their host culture; *integration,* whereby individuals simultaneously maintain their original culture and seek daily interactions with their host culture, thereby gradually changing the nature of the host culture; and *marginalization,* whereby an individual is either uninterested or unable to maintain his/her original culture or to interact with the host culture. Therefore, marginalization is of little interest from a marketer's perspective (e.g., Penaloza, 1994) and to this study.

Numerous studies have focused on the acculturation of Chinese consumers, including Chinese–Americans (e.g., Kaufman-Scarborough, 2000; Ownbey and Horridge, 1997), Chinese–Canadians (e.g., Chen et al., 2005; Chia and Costigan, 2006), and Chinese–Australians (e.g., Quester and Chong, 2001; Quester et al., 2001). Acculturation has also received some attention in the hospitality literature, with some studies examining the effects of acculturation on the dining-out behavior of Chinese and Korean immigrants in US and Canada (Bojanic and Xu, 2006; Rajagopal et al., 2009; Yang, 2010), the restaurant selection of Korean–Americans versus that of US-born non-Koreans (Magnini, 2010), and the travel behavior of Korean–Australians (Lee and Cox, 2007). These studies found that the extent of acculturation produced significant differences among respondents in terms of their dining-out behavior, restaurant selection, and travel behavior.

Only one study program, to the best of our knowledge, has examined the effect of acculturation in a SF situation. Weber et al., (2014,2015) argued that Chinese–American consumers differed in their responses to a SF situation depending on the extent of their acculturation. Those who adopted a separation strategy showed the highest ratings for satisfaction and repeat purchase intentions, while those who adopted an assimilation strategy displayed the lowest ratings. Weber et al. conducted their study in the hotel context and collected their data from the US. However, similar findings may be obtained from another hospitality setting (i.e., restaurants) in a different Western country. Therefore, based on the findings of prior acculturation studies, we expect that Chinese–Australians will display varying perceptions and behaviors in a SF situation depending on the extent of their acculturation. We propose the following:

H1. There are significant differences in perceptions and behavioral responses to a SF among individuals (Chinese-Australians) adopting different acculturation strategies, with those who adopt a separation strategy having significantly higher ratings than those who adopt an assimilation strategy.

Weber et al. (2014, 2015) not only examined the effect of acculturation per se but in a particular SF situation that was characterized by differences in the presence of staff of a particular ethnicity and where the SF took place (in a particular hotel). We also examine the effects of social presence and SF location, albeit from a different perspective. First, instead of focusing on the consumer–staff encounter, we investigate the effect of the presence of other customers in a SF situation. Second, instead of narrowly defining the SF location to a particular venue, we investigate the effect of a SF taking place either in the country of current residence of the consumer or in his/her country of ethnic origin. We emphasize the cultural distance between these two locations (Shenkar,