Organizational culture on customer delight in the hospitality industry

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ABSTRACT

Compared with customer satisfaction, customer delight is considered a more effective indicator of customer relationship management in the hospitality industry. As researches have suggested that organizational culture plays a vital role in providing customer delight service in the hospitality industry, this study initiated to investigate customer delight from the perspective of organizational culture. The investigation was based on multilayer cultural theories, and the domains of customer delight culture were identified in this study by applying a qualitative approach and content analysis. Finally, a framework of the customer delight culture was then developed to clearly understand the insights of organizational culture on customer delight.

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1. Introduction

Customer delight is created during the process of service delivery (Kwong and Yau, 2002), and delighted customers are those who have had extraordinary service experiences. According to Patterson (1997), customer delight entailed a stronger emotional state than satisfaction and created a pleasurable experience for the customers. Compared with customer satisfaction, customer delight demonstrates a stronger effect on affective loyalty (Kim, 2011), repetitive purchase behaviors (Wang, 2011), and competitive advantages (Torres and Kline, 2006). Therefore, some researchers suggested that company should move the service standard from satisfaction to delight (i.g., Skogland and Siguaw, 2004; Torres and Kline, 2006).

Service experience is considered as the result of interactions among organizations' processes, service employees, and customers (Bitner et al., 1997). It implies that front-line employees as well as organization play an important role in creating a delightful service experience for the customers. Organizational culture, the core of organization, is considered as the DNA of organization life, which strongly influences employee behaviors and attitudes (Schein 1992). As a result, studies on delivering customer delight must examine organizational culture.

Although customer delight has attracted considerable research attention in literature (e.g., Oliver et al., 1997; Cook et al., 2002; Kwong and Yau, 2002; Finn, 2005; Leung and Kwong, 2009; Barnes et al., 2011; Loureiro, 2010; Loureiro and Kastenholz, 2011; Loureiro et al., 2014), most of them have mainly concentrated on delight's antecedents as well as consequences, and the strategic importance of delighting customer in rising competition. For example, customer delight models have been developed for retailers (Arnold et al., 2005), the banking industry (Hasan et al., 2011), and the hotel industry (Torres and Kline, 2006, 2013). In their study of hotel customer delight typology, Torres and Kline (2013) even depicted that organizational culture could foster customer delight. But, none of the study has investigated the customer delight from perspectives of organizational culture. As organizational culture and customer delight has shown the close relationship from previous literature, the central aim of this study is to thoroughly investigate the concept of organizational culture on customer delight.

Organizational culture is considered to be multilayered (Kemp, 2005) and comprises four distinguishable and interrelated components: shared basic values, norms, artifacts, and organizational behaviors (Homburg and Pflesser, 2000; Hogan and Coote, 2014). This concept of cultural layers was proved to be a useful analytical tool for studying organizational culture and for a detailed understanding the path that culture influences employees in organizations (Homburg and Pflesser, 2000; Hogan and Coote, 2014). As such, on the basis of this cultural layered model, this current study pioneered to explore customer delight from an organizational perspective and examine how the processes of cultural values and norms impact on customer delight behaviors. A framework of the

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multilayered customer delight culture was thus developed in this study.

2. Literature review

2.1. Customer delight

In service encounters, customers' expectations are related to the perceived value of services they hope to receive from providers. Customer satisfaction is thus defined as customers' evaluation of the performance of a product or service relative to their expectations. In 1984, Kano's model of customer satisfaction (Kano et al., 1984) highlighted the relevance of "excitement factors" of any product or service in addition to "basic factors" and "performance factors" in providing delight to customers. Previous studies evaluated customer delight on the basis of a disconfirmation paradigm and reported that customer delight is when customers feel that their experiences exceed their expectations and derive pleasure from such experiences (Patterson, 1997). Oliver et al. (1997) noted that a product or service performance, which positively surprises a customer, results in arousal in a customer's mind and causes a positive effect on the customer. And this emotional transition leads to customer delight. Although researchers suggested that customer delight and customer satisfaction are distinct constructs (e.g., Finn, 2005; Loureiro, 2010; Loureiro and Kastenholz, 2011), the post-consumption memory created by delight motivates customers to adopt behaviors to recreate the experience (Rust and Oliver, 2000) and the disconfirmation becomes an important predictor of delight (Loureiro, 2010).

The second concept of customer delight is based on the needs theory. Schneider and Bowen (1999) argued the customer delight stems from fulfilling customers' security, justice, and self-esteem needs. They suggested that fulfilling customers' security and justice needs leads to customer satisfaction, whereas fulfilling their self-esteem needs may lead to customer delight. To achieve customer delight in service encounters, Kwong and Yau (2002) also proposed a framework involving five basic human needs (justice, esteem, security, trust, and variety) for increasing customer delight.

From the perspective of human emotion, Kumar et al. (2001) explored and defined customer delight as an emotion composed of joy, exhilaration, thrill, or exuberance. It is customers' positive emotional reactions when they receive a service or product (Berman, 2005). There are chances that customers do not have clearly expectations before service experience. Barnes et al. (2011) then suggested that customer delight would originate from affective drive, the emotional state.

Recent researchers have different arguments upon the relationship between customer delight and customer loyalty (e.g., Loureiro, 2010; Loureiro and Kastenholz, 2011; Loureiro et al., 2014); however, delight has been shown to have powerful effects on customers' psychological and behavioral state responding to the service experiences. For instance, the highly positive arousal level is able to create emotional bonds as well as stronger memories for customers (Arnold et al., 2005). Consequently, creating customer delight experience is essentially and increasingly important in hospitality industry.

2.2. Layers of culture

Organizational culture is similar to the social force that influences organizational behaviors beyond formal control systems, procedures, and authority (O'Reilly et al., 1991). Muafi (2009) defined organizational culture as the value, ideology, philosophy, trust, rituals, symbols, and norms that influence organizational performance. Organizational culture can be considered an effec-

tive system to elicit desired behaviors leading to better business outcomes. For instance, Ekini et al. (2008) emphasized that organizational culture supports front-line employees' desires to delight customers.

Cultural phenomenon is difficult to decipher; therefore, Schein (1992) proposed a well-known model containing three levels of cultural phenomenon in organizations: visible manifestations, values, and basic underlying assumptions. While Schein (1992) regarded the unconscious basic assumptions as the deepest level and the essence of culture, other researchers considered the basic values as the deepest level. For instance, in the study of marketing, Deshpande and Webster (1989) defined organizational culture as shared values and beliefs that provide employees with norms for behaviors in the organization. Combining Schein's model and Deshpande and Webster's (1989) definition of culture, Homburg and Pflesser (2000) concluded that organizational culture consists of four distinct but interrelated components presented in three layers: shared basic values (first layer), norms (second layer), and artifacts and behaviors (third layer). Values are the social principles or philosophies in the organization. Norms are organizational expectations of employees' behaviors. Organizational norms derive from values and are manifest in artifacts. In other words, values underlie norms as well as artifacts, and determine the desired patterns of behaviors. For instance, employee's customer delight behaviors can be resulted from values and guided by norms in the organization. The advantage of the multilayer cultural model is to get deeper level of understanding the process of culture, to decipher cultural phenomenon, and to understand the paths that culture fosters desired patterns of behaviors in organization. Therefore, the conceptual framework of the customer delight culture was explored in this study by adopting this multilayer cultural model.

2.3. Conceptualization of the customer delight culture

2.3.1. Shared basic values

Value is a type of social cognition that facilitates employees' adaptation to their organization's environment (Wiener, 1988) and enhances social contagion among coworkers for information sharing and interpreting environmental conditions. Studies suggested that culture derives from values, manifested by norms and artifacts, and reinforce daily practice (e.g., Higgins and McAllaster, 2002). According to Khazanchi et al. (2007) value profiles orient employees' decisions as well as actions, but congruent values enable a more cohesive culture by setting a common expectation for behaviors. Therefore, it is vital to explore the shared values in the customer delight culture in order to enhance organizational goal alignment.

If customer delight is fulfilling customer needs (Schneider and Bowen, 1999), the value of customer orientation which emphasizes (a) pampering the customer, (b) reading the customer's needs, (c) keeping relationship, and (d) delivering the service required (Donavan et al., 2004) should be found in the customer delight culture. Customer orientation is a set of beliefs and values that draw organization attention to prioritizing customers' interests. In order to deliver delightful service, Pimpakorn and Patterson (2010) suggested that service personnel should possess a customer-centric service concerns. Insomuch, the shared values of customer orientation should be acquired in customer delight culture.

Deliver quality to customers is one of the most powerful competitive strategies (Schneider and Bowen, 1999), and Edvardsson (2005) suggested that service experiences may result in both cognitive and emotional responses, which cause the basis for perceived service quality. In particular, some favorable service experiences that strongly impact customers' quality perceptions would stay in customers' memory for a long time. The hospitality industry has its unique characteristics, and front-line employees not only deliver physical products, but also intangible products such as