Failures, Face, Fairness and Harmony: Chinese Patrons' Response to Service Situations

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Abstract

In 1982, China’s supreme leader Deng Xiaoping pronounced that it was ‘time for China to prosper, for it had been poor a thousand years...to get rich was glorious’. This pronouncement is realised in China, as Deng’s economic reform and efforts of subsequent leaders in the last three decades, have produced a phenomenal economic transformation. This transformation has propelled China into one of the world’s super economic powerhouses, creating a large and growing middle-class. Forecast to be numbered more than 520 million, the middle-class, will form the largest consumer market in the world in the next two decades. Economists normally argue that it is the middle-class with the purchasing power that will normally drive a country forward to economic maturity. Chinese consumer is also predicted to displace the U.S consumer as the engine for global economic growth by 2014. Whilst a prosperous Chinese consumer society provides ample business opportunities for firms at home and abroad, it also generates many challenges. A notable challenge in the tourism and hospitality industry is the ability of firms to understand and be able to meet the consumers’ service expectations to remain successful in a highly competitive environment. Owing to the nature of service and its process, it is difficult for firms to consistently deliver zero-defect service. Therefore, it is imperative to identify and address any service failure (service recovery) that is likely to result in consumer’s dissatisfaction and negative post-purchase behaviours. As culture is argued to shape consumer behaviour, firms must ensure that the service offered is culturally-relevant. However, despite the growing importance of the Chinese consumers, limited empirical studies are currently available to inform how contemporary mainland Chinese consumers perceive and respond to service failure and service resolution/recovery. Thus, in the present research the broad aim is to gain empirical insights into this area of service management for the Chinese consumer. The study is considered significant and timely to address a salient gap in empirical literature.

The thesis reports on two related studies. A review of the extant literature did not offer clear insights into the culturally-influenced core service value beliefs relevant to mainland Chinese consumers. Thus, a means-end value chain approach was employed in Study 1 to determine how they made sense of service failure and recovery situations, and how this sense-making activity was linked to their service value beliefs. Forty-five (45) mainland Chinese were conveniently sampled to participate in in-depth interviews. Five (5) core values themes
relating to face concerns, equity, valued patron, junzi aspiration and social harmony, emerged. The findings in Study 1 suggest that these core service values do influence Chinese consumers’ responses to failed service/service recovery, and useful insights are garnered into how the core service values may be leveraged to strategically manage failed services.

Building on the research outcomes of Study 1, the primary objective in Study 2 was to quantitatively test whether the core values influence on consumer behaviour identified in Study 1 existed when subjected to psychometric analyses. To test hypotheses, the effects of three independents variables consisted of social exposure operationalised in two conditions (public and private), interaction styles (favourable and unfavourable) and outcome (favourable and unfavourable) on dependent variables consisted of social identity, satisfaction, word-of-mouth communication and repurchase intention, were determined. An experimental design with a 2x2x2, between-groups factorial, was employed in the study. The design has eight versions of a scenario relating to incidents of restaurant’s service failure and resolution. The data were collected from the Chinese respondents in Beijing and Shanghai, China.

The findings provided empirical evidence to suggest that salient core service values do influence Chinese consumers’ post-purchase behaviours. More specially, when they were provided with favourable outcome in service recovery and was witnessed by others (social exposure – public), an elevated social identity (face) was reported, meaning a mianzi face-gain, and lower negative word-of-mouth communication. This underscores the importance consumers placed on ‘where’ face-impact occurs. High levels of satisfaction and lower negative word-of-mouth were also reported when consumers were treated convivially (favourable interaction style) and given effective service resolution (favourable outcome). This underscores the importance of ‘how’ consumers were treated in the service process (interaction style) and ‘what’ was provided in the service resolution (outcome) in gaining their satisfaction. Furthermore, consumers’ social identity (face) was elevated (gain mianzi face) when their convivial treatment by the staff, was witnessed by others (social exposure – public), even though the service recovery outcome was less favourable. This underscores the importance the public exposure of ‘how’ service recovery is delivered (process quality) relative to ‘what’ is delivered (outcome quality). These findings are argued to have important service implications.

Study 2 also extended the work in Study 1 by formulating a multi-item scale measuring service predispositions of Chinese. Factor analysis was employed to assist in the identification
of three factors: *fair exchange*, *face* and *valued patrons*. These were tested against demographic variables, suggesting younger and more educated participants were less concerned with *face* and more likely to complain than older participants.

As common to all research, the study has several limitations; the main being that the study was conducted on mainland Chinese consumers from samples collected in two large cities. However, regional Chinese may have quite different core service values. Thus, further research is recommended to replicate this study using samples from rural and regional populations as well as samples from overseas Chinese communities to identify similarities or differences to developing pertinent service strategies. These findings should be used with care as the sample was skewed towards the married, younger and more educated sections of the population whose values may differ from the single or older or less educated consumers. Nevertheless, the study is significant as it provides a start to addressing a gap in empirical service literature about the important mainland Chinese consumers in the new Century on how they may be managed in situations of service failure and recovery. The findings will benefit both practitioners and service researchers who intend to pursue further research in this important area of service management.
Statement of Originality

This work has not been previously submitted for a degree or diploma in any university. To the best of my knowledge, this thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.
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Publications for the Research

Refereed Journal Articles


Refereed Conference Papers

Chapter One

Introduction

1.1 Background to the Research

Modern consumers hold a profile that can be described as sophisticated, perceptive, demanding, assertive, being well-informed of quality in goods and services, and are not hesitant to seek for redress when services do not meet expectations (Gronroos, 2000; Lovelock, Patterson, & Walker, 2007; Berry & Parasuraman, 1991). This profile perhaps better depicts consumers of an advanced Western society, rather than consumers in developing or newly industrialised societies in Asia. Despite China’s remarkable economic progress, it is unclear where the Chinese consumer fits, yet for significant business reasons, insights into this customer must be gained urgently to enable service businesses at home and abroad to know how best to manage them in the coming decades.

China’s phenomenal economic transformation since Deng Xiaoping’s reform has resulted in an unprecedented, double-digits economic growth, sustained over a long period (Chan & Garg, 1998; Tong, 1998), to produce a large and growing middle-class or ‘xiaokang’ (little rich) (Tong, 1998), with the means for consumer goods and services (Grant & Farrell, 2006; Tong, 1998; Atsmon, Dixit, Magni, & St.Maurice, 2010). In the travel and hospitality sectors, more Chinese are reported to be travelling at home and abroad for business and recreation (Arlt, 2006; WTO, 2005). They are already one of the largest inbound travellers for many international destinations (Arlt, 2006; WTO, 2005; Xin, 2010). More Chinese are also dining out in restaurants and with greater frequency (Chow, Lau, Lo, Sha, & Yun, 2007; Garner, 2005; Li, 1998). While abroad, travellers are invariably the captured markets of restaurants.

Research in recent years has confirmed that the Chinese is the market in which firms should focus their attention, because, as Credit Suisse First Boston (Chinese research) predicts, the Chinese is likely to displace the North Americans as the engine for global growth by 2014 (cited in Garner, 2005, p.3). Also, McKinsey Global Institute’s research forecast informs that in the coming two decades, China’s urban middle-class will be one of the world’s largest single markets, numbering more than 520 million consumers (cited in Grant & Farrell, 2006. p.1). It is this middle-class or ‘xiaokang’ that will drive China’s economy forward and feed the global
businesses (Chao, 2010; Garner, 2005; Grant & Farrell, 2006).

The ample business opportunities for service firms derive from the gigantic Chinese market are also accompanied by challenges, one of which relates to the ability of firms to deliver high quality services. Of specific interest to the researcher in this study is the addressing of service failures adequately and in a culturally-efficacious manner (Becker, 2000). Owing to the nature of services and their processes, delivering zero-defect services consistently is difficult for service firms, such as restaurants, hotels, airlines and retail businesses, thus, mistakes will inevitably arise (Gronroos, 2000; McColl-Kennedy, 2003; Sparks, 2003). For consumers, the important issue is not whether service mistakes have occurred, but rather, if they are perceived to have occurred, and how they are resolved (Berry & Parasuraman, 1991; Bitner, Booms, & Tetreault, 1990; Sparks, 2001). As cultural values shape consumer behaviour, the measures to resolve service failures (service recovery) must be considered by consumers to be culturally-acceptable (Becker, 2000; Yuksel, Kilinc, & Yuksel, 2006; Wong, 2004). If service failures are not resolved or managed in a culturally-acceptable manner, consumers may feel dissatisfied, resulting in them engaging in negative word-of-mouth and/or defecting. Such behavioural responses may be costly to a firm, as it costs between five (5) to seven (7) times more to attract a new customer than to retain an existing one (Reichfield & Sasser, 1990; Holmund & Kock, 1996). On the other hand, a five (5) percent increase in customer retention may help increase a firm’s profit of between 25 to 125 percent (Reichfield & Sasser, 1990). It is based on this background that the present research is decided.

1.2 Statements of the Research Problems
Consumer’s satisfaction with service quality is defined in terms of their perceptions (Berry & Parasuraman, 1991; Oliver, 1981). Service quality exists if customers’ expectations are met, but if these expectations are unmet, service failures will occur, and consumers may become dissatisfied (Sparks, 2001). Service has failed if consumers perceive it to be so, and thus, it matters not whether a business is responsible or if consumers’ perception is fair and reasonable (Sparks, 2001). As will be noted, leaving consumers in a state of dissatisfaction after service failure may be inimical to a firm’s interests, thus, it is imperative for the firm to take efficacious action to return dissatisfied customers to a state of satisfaction, a process known as service recovery (Sparks, 2001). The question often asked is why it is necessary for service
providers who believe in delivering high quality service, be concerned with managing service failure (service resolution/recovery). Why can’t service providers just focus their attention on making sure that the service delivered the first time is error-free? The simple reason which researchers in the last few decades of the last Century discovered is that unlike managing tangible product’s quality, managing service quality is different and much more challenging owing to the nature of service and the process involved managing service (e.g., Berry, 1980; Gronroos, 1983; Sassar, Olsen, & Wyckoff, 1978; Shostack, 1977; Lewis & Booms, 1983; Parasuraman, Zeithmal, & Berry, 1985).

A service is an act, a deed, and performance (Gronroos, 2000; Lovelock, Patterson, & Walker, 2007; Reisinger, 2001b), therefore, it is intangible, and consumers may not often aware of its existence, however, its absence may be keenly felt by consumers who value service. Other service characteristics are that: it is difficult to separate the production and consumption of a service therefore, it is difficult to manage, particularly when it is delivered in real-time. Human factors are also involved in service delivery, which make it difficult to manage. Services are often delivered to customers of another culture, which, again, is challenging for firms to manage. Thus, no matter how well-intended service providers are or how hard they try, delivering zero-defect service consistently is difficult, resulting sometimes in unintended service flaws (Bitner, Booms, & Tetreault, 1990, Reisinger, 2001b; Sparks, 2003). In reality, quality service means fewer incidents of service breakdown. Research in Western societies also informs that consumers remember service flaws more readily than great service (Berry, 1995b; Hart, Heskett, & Sasser, 1990; Titz, 2001). Thus, to ensure that quality service is perceived and service in critical occasions is better remembered, managing service failure is recommended as a strategic approach to service management. Thus, it is salient for firm must manage the whole service process, which includes service flaws.

Properly resolved service failures, as empirical research in Western societies show, will enable firms to gain various benefits such as consumers’ confidence, trust, loyalty, and positive post-purchase responses, ultimately resulting in greater market shares, a competitive edge and long-term profitable (Bitner et al., 1990; Blodgett, Hill, & Tax, 1997; Hart, Heskett, & Sasser, 1990; Smith, Bolton, & Wagner, 1999; Tax & Brown, 1998). A failure to do so, however, particularly in critical service occasion or when errors are consistently repeated, may evoke ‘customer’s rage’ (Smith, & Patterson, 2005, cited in Lovelock et al. 2007). Dissatisfied customers may bad-mouth a firm or switch brand or litigate, which can be inimical to a firm’s
interest (Bitner, Booms, & Mohr, 1994; Bitner et al., 1990; Day, 1984; Reichfield, 1996; Richens, 1983a; Singh, 1988; Sparks & Bradley, 1997).

The present researcher argues that a firm’s service management approach should be one that is based on a better understanding of how consumers from a different cultural background make sense of, and assign meaning to, situations of service failure. Currently, most insights about service failure and recovery issues are derived from Western societies and it is uncertain as to what extent such insights are generalizable across cultures, and of particular interest to mainland Chinese consumers. For example, Clarke (1990) argues that the concept of customer satisfaction derived from the studies of Western consumers may be less applicable universally. To date, it is unclear from the literature review, how mainland Chinese perceive service failure and what does dissatisfaction with service means. These insights are imperative to help service firms develop efficacious service recovery measures.

Schutte and Ciarelante (1998) note that applying theories on consumer behavioral theories across cultures, are less effective unless these are modified to account for cultural differences. The much touted concept of ‘line-employee empowerment’ used in Western societies to achieve efficiency in service management (Bowen & Lawler, 1992) may theoretically be less suitable in high-power distance societies, such as Malaysia, Singapore, Hong Kong Japan, Korea, and China. For example, using junior or line-employee to attend to service failure, particularly more critical ones may be perceived as not treating the failure seriously or holding the clients in high esteem (Lockyer & Tsai, 2004). However, at present the service literature does not provide any insights into this aspect of service recovery’s management in mainland China. Wrong service recovery’s measure could be developed from anecdotal evidence or from stereo-typing.

Using Western customers complaint model unmodified, such as the one presented in Figure 2.1 (Chapter 2) may be less appropriate. For example, Liu and McClure’s (2001) study of Korean and American’s complaint behaviours and future intentions in restaurants found that Koreans were less likely to use ‘voice’ (complaint) than the Americans, and were more likely to use private actions (word-of-mouth communication or defect). Therefore, a resolution/recovery strategy that focuses on giving ‘voice’ to Korean patrons but fails to consider their ‘private actions’, may be less effective. At present, it is unclear where mainland Chinese consumers fit into this behavioural model? It appears that they are more like the
Koreans, yet there is evidence to suggest that the decision of Chinese may be situationally-motivated (Cheng & Lam, 2008), and that they may also be more likely to complain directly to the hotel (Anon, 2010). This finding if correct appears to runs counter to the general belief that Chinese do not complain directly to avoid confrontation to preserve harmony (Chen, 2002; Cheng, 2001). The Japanese, on the other hand tend to complain after the fact, by writing a letter (Anon, 2010). Clearly, a further study is required as understanding this customer’s behaviour has important implication for developing appropriate service recovery’s measures.

Asian consumers are found to be less comfortable with confrontation, and complain less, when compared with Western consumers (e.g., Lockyer & Tsai, 2004; Tocquer & Cudennec-Poon, 1998). However, do these findings apply to the modern mainland Chinese consumers, and if so to what extent? Again, very few empirical studies cited in the service literature proffers this insight about the mainland Chinese consumers, although an understanding of this behaviour is crucial for developing measures to managing service failure.

Wong (2004), who studied the role of culture in service resolution, found that while compensation improved customers’ evaluations of service in the cultures studied (U.S, Singapore and Australia). Compensation was found to only affect repurchase intentions and word-of-mouth for the U.S respondents and not for Singapore or Australian respondents. A simple ‘apology’ for service recovery was found to improve the satisfaction levels of the Singapore and Australian samples. How representative are these value findings for the mainland Chinese. Literature is unclear of this.

In other studies, it was found that customers of different cultures evaluate service quality differently (Becker, Murrmann, Murmann & Cheung, 1999; Mattila, 1999). For instance, in a cross-cultural study, these researchers found that Hong Kong Chinese valued restaurant’s service personnel to adopt a more formal service style and are also expected to show more deference when interacting with them in the service process, compared to the Americans, who preferred to be less formal. But, how pertinent is this finding in relation to serving mainland Chinese consumers? This information is salient as service styles from an important part of service management.

Owing to acculturation and other influences, it is also argued that traditional birth cultural values may have evolved overtime. Thus, it is questionable if findings on Chinese consumers residing in societies that are predominantly such as Taiwan, Singapore, Hong Kong
and Malaysia, are generalisable to the mainland Chinese. For instance, Le Claire (1993) in his study of the Complaint behaviour of Hong Kong Chinese found that the younger generation of Chinese who are more educated, wealthier, tended to adhere less to the traditional Chinese values. These younger respondents had a greater tendency to complain, care less about face or Chinese superstitious beliefs. Likewise, Kau, Richmond, & Han (1995) found that the educated and the financially more established respondents tended to be less averse to complaining when defective goods or services were received. Little is known about the mainland Chinese. Is the observance of face still prevalent in contemporary China? There appears to be some evidence to suggest the ubiquitous face phenomenon is still widely practised in contemporary China (e.g., Jia, 1997-8, 2001). This is perhaps not surprising as it has been practiced for thousands of years. However, it is useful to know from a service perspective, which sections of the Chinese society still observe face and engage in facework. For example, how are face-impacts relevant in situations of service failure and recovery, and what implication does face have in relation to service styles? These insights into the mainland Chinese are still not widely reported in service literature, and, as such will be pursued in the present study.

Culture serves to differentiate one ethnic-cultural group from another (e.g., Chinese and Indians or Malays) in one national boundary, although one ethnic group (e.g., Chinese) may share similar cultural values across different national boundaries (de Mooij, 1998; Fan, 2000). These values are often so thoroughly inculcated in people that they may persist after exposure to other cultures (Wong & Lau, 2001). Thus, despite Western cultural influence, Confucian values still persist in many Chinese and other Asian societies (Tan & McCullough, 1985). In Chinese indigenous author, Fan (2000:4) notes that a set of core cultural values exists for Chinese people, which are “unique and consistent, [having been] shaped by a tradition of 4000 years of history and maintained by the same language”, thus giving Chinese their basic identity. These views suggest that Chinese in China or overseas hold a set of common core cultural values which differentiates them from other ethnic groups. If core Chinese cultural values persist, as the literature seems to suggest, then they should still be evident in societies today. However, other studies argue that influential forces such as colonialism and its legacy, foreign education, media, economic modernism, travel and indigenous culture can and do moderate people’s birth cultural values, which in turn impact on their consumer behavior (e.g., Schutte & Ciarlante, 1998; Tse, Lee, Vertinsky & Wehrung, 1988). The suggestion here is that cultural values are not static but are evolving over time.
These views appear to raise important questions regarding the prevalence of core Chinese cultural values and their impact on Chinese consumers' behaviors in situations of service failure and service recovery. Past studies have provided useful insights into Chinese cultural values. For example, Kluckhohn & Strodbeck (1961) developed a classification system for these values, while the Chinese Culture Connection (CCC) (1987) group identified broad dimensions of Chinese values. Bond (1996) offered a profile of such values and Fan (2000) revised CCC’s work and came up with a new classification of Chinese cultural values (CCVs). Bond & Hwang (1987) proffered insights into the social behavior of Chinese, while Kindle (1982) and Yang, Ho, & Yau (1989) developed a theory for Chinese consumer behavior. This work is useful to the extent that it provides a point of reference on core Chinese values, but it is unclear on how prevalent these values are in current mainland China. To date, there is limited cited research in English which examines the impact of prevalent Chinese cultural values on their response behaviors as service customers. Although Yau’s (1994) study has provided useful insights into the influence of these values on Chinese consumer behavior, this work was related to tangible products and not services or flawed service situations. Similarly, Thorelli’s (1982) pioneer study of customer satisfaction/dissatisfaction and complaining behavior of Chinese in the PRC examined a failed product and not service. This work is now dated with the huge economic transformation in China. Chiu, Tsang & Yang’s (1987) study, which examined the role of “face”, situation and attitudinal antecedents in Chinese consumer complaint behavior, provided some useful insights on face-work issues, but the respondents are Hong Kong Chinese not mainland Chinese.

A large number of studies on the influence of culture on consumer behaviour in service seem to adopt Hofstede’s (1980) general cultural constructs. General cultural constructs are relevant if the purpose of the study is to engage a broad cross-cultural comparison of consumer behaviors but such constructs may perhaps be less effective in detecting the nuances of customer’s behavior in different situational contexts in cultural and justice studies (Morris & Leung, 2000). These authors noted that recent trends in research on culture and justice evaluations tended towards greater “specificity in the conception of cultural influence” and encourage researchers to use more specific value dimensions, specific cultural norms and beliefs, when uncovering cultural nuances and characteristics unique to a given ethnic cultural group. Thus, given the dearth of literature on the influence of Chinese culture on perception and response in situations of service failure and recovery, the present study aims to fill that
gap. As will be noted in the introduction to methodology, a relevant approach to gauge people’s core value is the means-end chain value approach. Thus, in Stage one (Study 1) of this research, which is exploratory in nature, the aim is to ascertain the core cultural values for service failure and service recovery held by Chinese consumers. The study examines how Chinese describe and make sense of negative service events, with a particular emphasis on how this sense making activity links to core service value beliefs.

In Stage two (Study 2) of the research, the core service value themes that are identified in Study 1 are developed to further investigate the effects of those service values on Chinese consumer behaviour. Five core service values consisting of Face, Equity, Value patron, Juzni aspiration, and Social harmony. It is argued in this study that these are core service values, influenced by their cultural values. As such they are considered to be relevant for application to the study of Chinese consumer in the service management’s context. Whilst the core values that emerged in Study 1 appeared to be nothing novel or new, as these value themes are found in written texts, they are, nevertheless, derived from the contemporary Chinese participants through empirical study, and not service values assumed to be held by Chinese as many studies do (Ho, 2001). Many studies also employed common cultural dimensions such as those of Hofstede (1980) which were not sufficiently specific to capture differences or nuances of, for instance, two ethnic groups (Japanese and Chinese) that share these broad cultural dimensions. Thus, the core service values applied in the parametric study were gained from the exploratory research. There is research evidence to suggest that these values are still prevalent to the sample of mainland Chinese representing the target population. Prominent aspects of the face value themes are developed into variables for parametric testing in an independent and dependent study, using an experimental design.

A review of literature yielded limited empirical work which tested core service values found in the exploratory study for their effects on mainland consumers’ response behaviours in negative service situations. Perhaps, one recent work cited in literature (Chan, Wan, & Sin, 2009) resembled a small part of the present research. Chan et al.’s (2009) study found that the relative contribution to customers’ satisfaction of outcome and process quality may be dependent on consumers’ core service value beliefs and the service circumstances faced by them. In Chan et al’s (2009) study of service failures, customers considered outcome service failure to be more important than process service failure if they subscribed to the belief in fate
(BIF). Fate is a fatalistic value held by Chinese (Chan et al., 2009). Failure in outcome was attributable to fate (bad luck), rather than to service personnel’s poor interpersonal skills (process quality). In this case, the effect of outcome failure on customers’ satisfaction was greater than process failure. On the other hand, process service failure was found to be more serious than outcome failure for those customers who valued face more highly (CFF) (Chan et al., 2009). Thus, when process services failed, customers were found to be more dissatisfied with the process service quality, for example, deficient staff’s interpersonal skills. However, it is unclear as to how the core values (CCF and BIF) that were tested in Chan et al’s (2009) study, were derived. Are these cultural values prevalent to Chinese customers and how valid are they to contemporary mainland Chinese consumers, particular the Y-generation, who grew up in a different political and economic environment? Clearly, more study is required with the face value, which forms an integral part of my present study.

Another concept which the present study will test in Study 2 is social exposure (Public vs. Private). Related closely to face, it was found in Study 1 that consumers’ face may be gained or lost by their own actions or the actions and behaviour of others, namely, the service providers, in a public more than in a private environment. This has implication for service managers when resolving incidents of service failure. Clearly, care must be taken to ensure that customer’s face is not lost if a negative incident happens in public. To the best knowledge of the present researcher, there is little evidence in literature to suggest that this particular concept was tested in situations of service failure and recovery, in reference to Chinese customers.

Since a review of the extant literature found a dearth of empirical work cited on the service predispositions of mainland Chinese, therefore, a questionnaire has been developed to survey and test these service predispositions. The development of such a survey questionnaire is a valuable contribution to literature, since no such questionnaire exists to the best knowledge of the researcher.

1.3 Justification for the Research

The broad research, which explores the culturally-influenced core service values and later tests the influence of these on consumers’ response behaviour in situations of service failure and resolution/recovery, is justified on these grounds.

As noted, China’s economic prosperity has created a large consumer society with the means and taste high quality goods and services. In the hospitality service context, this
development has created ample business opportunities, but also challenges in satisfying consumers’ needs to gain their loyalty (Davis, 2000; Li, 1998; Tong, 1998). The opportunities relate to the sizeable markets created. For example, the Chinese consumer is predicted to likely replace the Americans as the engine for growth in the world economy by 2014 (Garner, 2005). In the next few decades, China can boast to have the largest middle-class in its population in the global sense (Bird, 2010). China is also becoming one of the world’s largest sources of outbound tourism (Arlt, 2006; World Tourism Organization, 2003), predicted to grow at 20 percent per annum, reaching 100 million by 2015 (Asia-Times, 2005). However, a review of the literature has found a dearth of empirical knowledge to inform service providers on how best to manage this consumer. Thus, this present study is a timely and significant effort to meet a gap in service literature.

Chinese attach great importance to dining, which is an integral part of their social and cultural life (Chang, 1977; Chen, 1990; Dewald, 2002; Pitta, Fung, & Isherg, 1999; Tadla, 2008). Dining occasions are commonly hosted in restaurants to entertain guests to achieve relational goals, in which *renqing* (human feeling or favour) and *guanxi* (interconnectedness) are extended to in-group members (e.g., families, and friends) and in modern times, to out-group members too (e.g., business trading partners) (Chang, 1977; Chen, 2002). Thus, a dining occasion may have special social and cultural meanings for Chinese. How well the guests are provided in terms food and service quality, which includes the addressing of service breakdowns will often determine how a host is being perceived in the eyes of the guests. For example, a host’s *face* ‘may not be hung’ (loss of *face*) if the occasion is inadequately provided for the guests (e.g., Chen, 1990; Lockyer & Tsai, 2004).

On a private dining occasion where no guests are present, customers may also have certain expectations on the provisions of goods and services. Service failures may be perceived to have occurred when they are unreasonably slow or when service personnel behave discourteously, resulting in customers feeling dissatisfied. In a high powered-distance society, such as China, where positions in the society are hierarchical and more clearly defined, customers who assume a higher position than wait-persons expect to be accorded with deference or status. Thus, a ‘loss of *face*’ may occur if these services were improperly delivered or failed services unsatisfactorily addressed. For these reasons, much can be learned about Chinese consumers’ behaviour in the context of service failure and service
resolution/recovery in dining occasions. The knowledge on how best to manage services in these occasions will enable restaurateurs to satisfy their patrons, thereby, differentiating themselves from others in a highly competitive market.

China's restaurant industry is a traditional pillar industry in China's service sector (China Knowledge, 2006). However, the few empirical works cited in the literature suggests that the quality of service management is of poor quality (Chow, Lau, Lo, Sha, & Yun, 2007; Magnini & Ford, 2004). Thus, insights gained on improving service management will enable both local and foreign restaurateurs in China and abroad to strategize to stay competitive.

1.4 Methodologies for Study One (1) and Two (2)
The thesis is a two-stage investigation consisting of Study 1 and Study 2 to determine the influence of core values on consumers' behaviours in situations of service failure and service recovery. Specifically, a means-end chain method was employed in an exploratory capacity in Study 1, to ascertain the core service value beliefs held by contemporary mainland Chinese consumers. These findings were analysed to reveal core service value themes. These value themes were then developed to further study the influence of core service values on Chinese consumers' behaviours and their views on service.

In Study 2, quantitative methodologies were employed to meet two objectives. The primary objective was to evaluate the effects of specific variables (independent), developed from Study 1, on the consumers' self-identity, satisfaction, repurchase-intentions and word-of-mouth behaviours (dependent variables), using an experimental design MANOVA. For the secondary objective, a scaled survey questionnaire was developed and administered on the consumers. The objective was to identify key components of the consumers' service views and responses to service failure and resolution, using Factor analysis, as little is known about them in these areas. Demographics and personal information of the respondents were also gathered. These data were cross-tabulated with the findings on the key components in the secondary study and further tested using parametric statistics to determine for example, significant main effects of age or gender or education for face. This study was aimed to gain further insights into the profile of Chinese consumers. The data for these studies were collected in three respective sections of the 'Consumer Service Experience' questionnaire developed to achieve the objectives for Study 2. Justifications for these methodologies are highlighted below.
1.4.1 Justification of Means-end Method for Stage-one Study (Study 1)

The justification for using a means-end value chain method in Study 1 is outlined as follows. Ho (2001) notes that in the study of cultural influence on behaviour, researchers have often been criticized for employing an approach which identifies traditional cultural values from a synthesis of the literature on the characteristics of cultural values and then making inferences from these to explain consumers’ behaviour. For example, it was often noted that Chinese consumers are less confrontational because they were conditioned culturally to seek harmony. This approach may be justified if researchers can establish the prevalence of such traditional values in a contemporary society. However, in past studies, cultural prevalence was often assumed rather than established (e.g., Chen, 2002; Le Claire, 1993). As noted, due to acculturation, it is necessary to ascertain to what extent traditional core culture values are still adhered to by consumers.

Researchers such as Cheng and Yau (2007) and Morris and Leung (2000) have highlighted some drawbacks into using broad cultural dimensions such as Hofstede's (1980) Individualism or Power distance to make inferences on the behaviours of managers or consumers. This is because cultural nuances and characteristics unique to a cultural group may miss being uncovered when using broad cultural dimensions. Therefore, inferences drawn from the findings may lack unique and vital insights into a phenomenon or behaviour (Morris & Leung, 2000). Consequently, Ho (2001) recommends a 'systematic explanatory research' for the study of cultural influence on behaviour. Thus, in the present study, attempts have been made to ascertain the prevailing culturally-influenced core values and to gain insights into the cultural nuances which are salient to the understanding of participants' consumer behaviour and their views on service failure and resolution. A means-end value method, which requires a researcher to systematically interview a participant to establish a link between perceived attributes and their end values, fits this objective.

1.4.2 Justification of Stage two Methodologies (Study 2)

Building on the findings in Study 1, and the extant literature, Study 2 took a quantitative approach to test key findings in Study 1. A primary objective in Study 2 was to test hypotheses to determine the effect of core service values (independent variables) on the respondents’ social-identity, satisfaction, and other post-purchase behaviours, using an experimental design;
that is, a scientific approach to investigate research problems (Field & Hole, 2003; Spector, 1993; Trochim, 2006). A positivist holds that the purpose of science is to focus on what is observable or measurable to uncover the truth, and since research is often about ascertaining the truth or falsity of an issue or phenomenon, a scientific approach should be employed (Trochim, 2006). As the approach in the present study involves ascertaining the truth through measuring the effects of independent variables on dependent variables, a positivist’s epistemological position was adopted.

1.4.3 Procedures for Both Studies
The stage one study involved a sample of 45 participants, purposively chosen for a one-to-one, in-depth interview using the means-end value chain method. Each participant was asked to recall an incident of service failure or recovery in a full-service restaurant setting in the last six months. The participant was asked to report on issues, demeanor or manner of treatment by the service provider that had positively or negatively affected him or her, and to report as to why these issues or treatments were salient or critical to him or her. The means-end theory focuses on the cognitive linkages of a participant’s values to service choices, represented by chains linking service attributes (means) to the participant’s desired consequences, and end-values (ends). The approach provides a means to uncover the deeper meanings and nuances which participants attach to the actions associated with a service event. Key findings from Study 1 were then developed for further quantitative investigations.

In stage two, a quantitative approach was employed to achieve two objectives. The primary objective was to test hypotheses to determine the influence of consumers’ core service values on their social-identity, satisfaction, and other post-purchase behaviours, while objective two was to develop a survey questionnaire to identify key components on consumer’s service views on service failure and resolution. In addition, the respondents’ demographic and personal information were gathered to gain an enhanced insight into Chinese consumers. Five hundred and seventy-five (575) respondents were sampled in various locations in Beijing and Shanghai, China. A survey questionnaire (Consumer Service Experience) consisting of three different sets of survey question items were administered to the respondents.

As noted, the primary study to determine the effects of core service values on consumer behaviour to test hypotheses employed a 2x2x2, between-groups, experimental design. This design required eight (8) sets of scenarios to be randomly administered to the study’s
respondents. The experimental study’s data were analysed using MANOVA in the SPSS program.

To achieve the secondary objective, responses of consumer’s service views of service failure/resolution and responses were collected in a survey questionnaire and analysed using the PCA (Factor analysis).

The demographic and personal information of the study respondents were also collected in the same questionnaire. These were analysed using frequency distributions and chi-square test for goodness of fit statistics. Data from the respondents’ demographics and personal information were cross-tabulated with components derived from the Factor analysis of respondents’ service views, and tested for significant main effects of age, gender and educational level for face dimension using univariate tests.

1.5 Outline of the Thesis

An overview of the structure of this thesis is presented in Figure 1.1. Chapter 2 offers a review of literature on the management of service failure/recovery and how cultural values may influence consumer behaviour in response to negative service situations.

Chapter 3 describes and justifies the use of mean-end value chain methodology to ascertain the prevalent core service values, which influence consumers’ responses in negative service situations.

Chapter 4 presents the results of the means-end value chain study consisting of five (5) value themes. Key findings from these themes are used for the quantitative study in Study 2.

Chapter 5 discusses the development of an experimental design using findings in Study 1 for a cause-effect study to test hypotheses in Study 2. Also discussed, is a scale developed to study consumers’ service views and a survey of respondents’ demographics and personal information on travel, dining and service preferences.

Chapter 6 presents the results of Study 2
Chapter 7 presents a discussion on the findings for Study 1 and Study 2, which focus on the influence of the core service values held by Chinese consumers on *social-identity*, *satisfaction* and post-purchase behaviours in the context of service failure and service resolution/recovery situations. Implications for service management derived from the Study 1 and 2 are identified. The study's limitations are presented and areas recommended for further research identified.

*Figure 1.1 – Outline of the Thesis*

- **Chapter One**
  - Introduction

- **Chapter Two**
  - Literature Review for Study One

- **Chapter Three**
  - Methodology for Study One

- **Chapter Four**
  - Analysis & Presentation
  - Means-end Data (Study Two)

- **Chapter Five**
  - Literature Review and the Development for Study Two

- **Chapter Six**
  - Analysis & Presentation of Findings for the Two Studies

- **Chapter Seven**
  - Discussion
1.6 Definitions

The following terms used in the thesis are defined as follows.

A two-stage Study

The stage-one study (Study 1) involves an exploratory study using means-end value chain, while stage-two study (Study 2) involves an ‘experimental design’ based on restaurant service scenarios to test hypotheses; a survey of respondents’ service views of service failure and responses, and their demographics and personalized information.

Contemporary mainland Chinese consumer

The term refers to China’s modern-day ‘Middle-class consumers’ who possess the means and taste consumer goods and services. They are the market force for China and the world. These consumers predominantly reside in the urbanized region and large cities e.g., Beijing, Shanghai, Guangzhou. The term in the study refers to the consumers in the large cities and is not the average Chinese consumer.

Participant or Respondent

The term participant or respondent refers to the study’s subject. In this thesis, the term participant or subject is mostly used in means-end chain or stage-one of the study (Study 1), while respondent or study subject is used in the quantitative or stage-two of the study (Study 2). The term customer is also referred to the study’s subjects in both studies.

Negative service situation

The term refers to situations of service failure pertaining to the initial service breakdown or service recovery failure, which is an unsatisfactory attempt to resolve the initial service breakdown.

Service Recovery

The term refers to correction of service failure with compensation.

Service Resolution

The term refers to correction of service failure with or without compensation.
**Full-service restaurant**

The term refers to restaurant service style similar to an *a la carte* service style commonly used in Western societies, where patrons dining-in are provided with full-waiting services and where menu items are cooked to order.

**Culturally-relevant or culturally-pertinent service recovery strategy**

The term refers to service recovery strategies purposefully developed to manage customers of a given cultural orientation.

**Interaction style**

The term refers to the *how* or the *manner* in which the customers are treated by the service provider during the service process.

**Service outcome**

The term refers to the result or end product of a service delivery.

**Social exposure**

The term refers to whether a service failure or service resolution/recovery incident experienced by a customer occurs in *public* or *private*, which have different *face* implications. If the incident occurs in *public*, it is known or witnessed by others; but if it occurs in *private*, it is not known or witnessed by others.

**Social identity**

The term *social identity* is developed as dependent variable or construct to measure if and to what extent a customer has been accorded with *face* in relation to the treatment he/she receives from the service provider during the service resolution/recovery process or the outcome in service resolution that he/she receives.
1.7 Delimitation of Scope and Key Assumptions

The term delimitation refers to the planned, justified scope of the study beyond which generalization of the results will not apply (Perry, 1998). With reference to the present study, these delimitations are highlighted as follows:

First, the study’s findings apply to contemporary Chinese consumers of the People’s Republic of China (mainland China), who reside in the urban region and large cities. Findings may not apply to Chinese consumers in the rural regions of China, or in other Chinese societies outside mainland China. Second, core service values are limited to the ones currently held as salient by consumers, and thus, prevalent in the population concerned.

The key assumptions surrounding the present study are outlined as follows; first, whilst participants in the Stage-one, exploratory study were screened to ensure that they fit the profile of contemporary Chinese consumers examined in this research project, it was assumed, however, that respondents randomly sampled for the quantitative study were from similar population. Steps were taken to exclude minors, non-ethnic Chinese and overseas visitors in the sample. Such exclusions would ensure consumers were from the targeted population, but would not affect the generalization of the findings to the population under study.

Second, it is assumed that respondents in the quantitative study were ‘dynamic Chinese consumers’, defined as those consumers who would have the means to dine out and would dine out regularly in restaurants. The bulk of these consumers come the the middle-class of the population (Li, 1998).
1.8 Glossary of Terms

A list of Chinese terms or phrases used in this thesis

*Table 1.1 - Glossary of Terms*

<table>
<thead>
<tr>
<th>Chinese Terms or Phrases</th>
<th>Meanings</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Face (mianzi, lian)</em></td>
<td><em>Mianzi</em> and <em>lian - mianzi or social face</em> is the prestige or status that an individual may claim from in-groups and others through his or her achievement and success in life, while <em>lian</em> is the moral reputation of an individual who is born with, but is lost when he or she violates the moral standards of society, thus losing society’s trust and respect.</td>
</tr>
<tr>
<td><em>You mianzi; you diwei, you mianzi</em></td>
<td>A person has social face; has status, has face</td>
</tr>
<tr>
<td><em>Mei mianzi</em></td>
<td>A person has no social face</td>
</tr>
<tr>
<td><em>You lian</em></td>
<td>A person has moral face</td>
</tr>
<tr>
<td><em>Diu lian</em></td>
<td>A person has no moral face</td>
</tr>
<tr>
<td><em>Face-worth</em></td>
<td>The value which a person believes his/her face is worth.</td>
</tr>
<tr>
<td><em>Da wo (large self)</em></td>
<td><em>Public face is shared with others, namely zijiren (in-groups)</em></td>
</tr>
<tr>
<td><em>Xiao wo (private self)</em></td>
<td><em>Private face for self – not shared with others</em></td>
</tr>
<tr>
<td><em>Face-work</em></td>
<td>Action enacted to manage behaviour to protect or gain face</td>
</tr>
<tr>
<td><em>Gain face, save face, preserve face, restore face, elevate face</em></td>
<td>A person’s face can be elevated, saved, preserved, or restored, all of which suggest a favourable face profile.</td>
</tr>
<tr>
<td><em>Different favourable face profiles</em></td>
<td>A favourable face profile can be created by one’s own action or other’s action as face can be given by others.</td>
</tr>
<tr>
<td><em>Yaomianzi or aimiianzi</em></td>
<td>Want face or love face</td>
</tr>
<tr>
<td><em>Face-threat, face-loss</em></td>
<td><em>Face</em> is threatened or loss by one’s own and other’s behaviour</td>
</tr>
<tr>
<td><em>Guanxi</em></td>
<td>Interconnectedness – forging relationships in Chinese social or business contexts. Mutual help is rendered when guanxi is established between two parties.</td>
</tr>
<tr>
<td><em>Ren</em></td>
<td>The benevolence which Confucius exhorts people to be clothed</td>
</tr>
</tbody>
</table>
with and those who are clothed with ren will be gentle, kind, 
compassionate, and harmony-seeking. A junzi has ren.

**Renqing**

Human feeling or favour for others. Thus renqing is practised by 
Chinese socially and in business to nurture relationships.

**Renqing mianzi**

*Face* favour is given to nurture relationship in business.

**Tui yibu, fengping langjing**

A Chinese saying describing ‘conflict avoidance’. It is translated 
as ‘to retreat a step, to allow the wind to subside and waves 
calm, meaning that conflict will dissipate if parties show restrain 
and goodwill.

**Qianren hou, bu yiren chou**

Better to have a thousand friends than one foe.

**Wu lun**

Confucius’ five principles of relationship structure for family 
and society to enable harmonious living.

**Xiao kang**

‘Little rich’ — a term refers to the middle-class in China

**Zhongyong**

Moderate and reasonable behaviour

**Yi**

Confucius exhorts people to be righteous or ethical

**Zhi**

Confucius exhorts people to have wisdom

**Bao**

To reciprocate

**‘zi wo xiu yang’**

Confucius exhorts people to engage in self-cultivation

**Bu dafang**

Not generous as a host

**Mei qian**

No means (not affordable as a host)

**Bu hou kanxiang**

Not good impression as a host (*not good face in public*)

**Changmian**

The favourable *face* created in *public* through favish dinner and 
estentations living

**Keqizhongyong**

Polite and reasonable

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1.9 Conclusion

In this chapter, the general structure of the thesis was outlined. The study’s aims and objectives 
were introduced. Despite the growing importance of contemporary Chinese consumers, little is 
known empirically about them in service literature. This is particularly so for the role cultural 
values play in influencing consumer response behaviour in the context of service failure and
service recovery situations. Thus, this study is considered a timely and significant attempt to contribute to the existing body of knowledge in this area of service management. Definitions of terminology used in the thesis were presented, and the methodologies of both stages of the study described. The delimitations of scope and key assumptions of the study are acknowledged. A glossary of terms is also presented.
Chapter Two

Literature Review for Study One

2.1 Introduction

In Chapter 1, it was noted that China's phenomenal economic transformation has produced a large and growing middle-class of mainland Chinese（xiaokang or little rich）with the means and taste for consumer goods and services. Estimated to be more than 520 million people, these consumers have been forecast to form the largest global market in the next two decades (Grant & Farrell, 2006). They are predicted to likely displace the U.S consumers as the engine for global growth by 2014 (Garner, 2005). In travel/tourism, China is already the largest source market for the Asia-Pacific destinations (Apple Travel, 2010). According to the World Tourism Organisation’s forecast, China will be the world’s fourth-largest source of outbound tourists by 2020, with 100 million people travelling abroad (cited in Apple Travel, 2010).

Despite the global prominence of the Chinese consumers, very little is known empirically about them. For instance, service is an important part of people’s consumption, and a society that enjoys a rising living standard expects greater access to service provisions in terms of quality and quantity, yet, to date, little is known about their expectations in service or how they perceive and respond to situations of service failure and resolution/recovery (Fuchs, 1980; Palac-McMiken, 2005). Experience in Western societies shows that as an economy grows and people’s living standards improve, they are more discerning and aware of their rights as consumers for quality service and will demand for redress if defective/deficient services are received (e.g., Fukasaku, Ma, & Yang, 1999; Gronroos, 2000; Ho & Lo, 1987).

Much research has been devoted to uncovering how Western consumers perceive and respond in situations of service failure and recovery to gain a better insights into the consumers so that better measures can be developed (e.g., Becker, 2000; Bitner et al., 1990; Blogett, Wakefield, & Barnes, 1995; Haskett, Sasser, & Hart, 1990; Johnston, 1995; Johnston & Fern, 1999; Maxham & Netemeyer, 2002; Smith & Bolton, 1998; 2002; Sparks & Bradley, 1997; Sparks, Bradley, & Callan, 1997). A general consensus among service researchers is that managing service failure and recovery is now a strategic part of a firm’s service management weaponry, and firms able to do that efficaciously are likely to stay competitive and profitable (e.g., Bitner et al., 1990; Gronroos, 1999; 2000; Hart et al., 1990; Haskett et al., 1990; Hoffman et al., 1995; Johnston, 1995; Smith & Bolton, 1998; 2002; Sparks & McColl-Kennedy, 2001;
Tax & Brown, 1998). Yet, empirical literature currently proffers very few insights into the Chinese consumers in relation to how they perceive and respond in situations of service failure and recovery (Cheng & Lam, 2008). Therefore, it is significant and timely to pursue the present research to address this gap in empirical literature.

A valid question to pose is that since much research has been conducted on Western consumers and valuable insights are available on this branch of service management, why these insights may not necessarily represent the Chinese consumers? This question will be responded more thoroughly later in the chapter. Suffice to simply state here that not all cultural values are universal (Hofstede, 1980). Since culture plays a large part in influencing consumers’ behaviour (Brislin, 1993; Maheswaran & Shavitt, 2000), findings on consumers’ perception and response in situations of service failure and recovery which are derived predominantly from a Western society of a given cultural orientation may not necessarily represent consumers of another cultural orientation (Becker, 2000; Lee & Sparks, 2007; Wong, 2004; Yuksel et al., 2006). Moreover, owing to acculturation and other influences, it is also questionable if findings of consumer behaviours of other Asian consumers or even consumers of Chinese cultural heritage living in societies outside mainland China (e.g., Hong Kong, Singapore; Taiwan) are necessarily representative of those of mainland Chinese (March, 1998; Cheng & Lam, 2008; Lee & Sparks, 2007). Thus, in the present Chapter (Literature Review 1), the main aim is to review literature to identify core service values held by mainland Chinese in the city, that are prevalent in influencing their consumption behaviour, service failure/or recovery attitudes in situations.

First, a brief background of China’s service development since the founding of the People’s Republic is presented to proffer some explanations as to its relatively lower service standards by international comparison and the possible inexperience of Chinese consumers in relation to service failures and service recovery issues.

Second, the general concepts of service failure and recovery and the importance of these in service management, as confirmed in past empirical research, are outlined.

Third, the important role culture plays in influencing consumer behaviour, with particular reference to situations of service failure and recovery, is discussed. Gaps in literature are identified. The gaps are in relation to the insights of the culturally-determined core service values currently held by the Chinese consumer and the likely influence these may have on their perception and response in situations of service failures and recovery. Finally, the research
purpose for Study 1 is stated, and conclusion to the Chapter, made.

2.2 Background of China's Service Development

Literature is reviewed to present a brief background of China's service development in the past 60 years covering the Mao Zedong (1949-1977) and the Post-Mao (1978-2009) eras. This is aimed to offer some explanations as to the country's relatively low service standards by international comparison, and the possible inexperience of consumers in relation to service standards. Factors highlighted here may have shaped the prevailing core service values held by the Chinese consumers, to influence their expectations in service standards.

China's Service Standards under Mao Zedong (1949-77) - China faced insurmountable social and economic problems at the formation of the new Republic in 1949. The Chinese society also faced a drastic change in political ideology. This coupled with the social and economic conditions at the time might have had some appreciable impact on the traditional cultural values held by the Chinese. The country was poor and undeveloped. Moreover, it was ravaged by war and civil strife (Hsu, 1990). Faced with these economic challenges, Mao Zedong’s early efforts were focused on land and agrarian reforms. Scarce resources were thus being channeled into producing capital and export goods to earn foreign exchange, at the expense of consumption goods and services (Ho & Lo, 1987; Hsu, 1990). These policies, coupled with periods of famine resulted in the country facing huge scarcity problems, and as such, consumers have only the barest essentials and no services (Ho & Lo, 1987; Hsu, 1990).

During the ‘Cultural revolution’ (1966-1975), Western style service and consumerism were considered as 'bourgeois excesses'. The people were told to sacrifice any consumption resembling the bourgeois comfort (Ho & Lo, 1987). Thus, 'service-giving' was regarded a "nonproductive remnant of capitalism" - a form of servitude and was rejected as it was below the dignity of a ‘liberated’ people to serve others, especially the upper class (Ho & Lo, 1987, p.129). Employment in hospitality and retail service sectors was shunned (Ho & Lo, 1987).

The scarcity of goods and services had created a seller's market (monopoly), thus, businesses had no incentive to be innovative and add value in service to attract customers. This condition bred complacency which lasted for decades (Chan & Garg, 1998). Thus, it can be concluded that during the Mao's era, Chinese consumers had no experience of value-added service and service development qualitatively and quantitatively was stunted.
China’s Service Standards Post-Mao (1978-2010) - Mao’s successor, Deng Xiaoping initiated reforms in 1978, which reintroduced a market system and open-door policy, propelling China into an era of phenomenal economic transformation, and elevating it to the status of super economic power-house. In the process a large and growing middle-class or ‘little rich’ is created which is forecast to provide a gigantic market for firms globally. Deng’s crucial reform in 1978 and the initiatives undertaken by successive Chinese leaders have provided vital impetus for China’s modernity, and in the process, effected a gradual service development. Consumers’ aspirations for higher service standards are likely to be awakened. Notwithstanding, compared to international standards, China is playing catch-up in service development. Services in the 1980s and the 1990s were reported to be in the early stage of development. For example, Ho & Lo (1987) noted that an average Chinese consumer was still a novice in the understanding and demand for service in the early 1980s. On the supply side, China’s hotel workers had little concept of good customer service in 1980s, and they were judged to be “neither helpful nor solicitous enough to provide tourists with the feeling of warmth and hospitality in service” (Ho & Lo, 1987). Realising the need for improved service to earn foreign currency from tourists, the government had urged firms to offer greater service training and reward employees with better performance (Ho & Lo, 1987). Two surveys conducted in Beijing and Shanghai in the mid-90s showed that consumers there were still ignorant of their consumer rights, although, consumer protection agencies had existed for 10 years earlier (Ho, 1997). Consumerism or consumers’ ability to discern quality, knowledge of complaint rights and skills were still relatively low.

Deng’s reform had resulted in a burgeoning of private businesses and profit increases, but much of this was diverted into wealth and property accumulation, with little investment in value-added services (Chan & Garg, 1998). These authors noted that the types of service standards known to Western consumers still elude the Chinese consumers in the 1990s (Chan & Garg, 1998). China’s slow service development and low service standard in the new Century was confirmed in its service output to GDP ratio figures. For example, in 2004, the ratio was 40.7 percent compared to 65-80 percent in advanced economies (Griffiths, 2000; National Bureau of Statistics of China, 2004). World Bank (2005) figures suggested that China’s ratio of service output to GDP was even less than the Philippines (53%) and India (50%).
China’s Key Market Demand - China’s middle-class (little rich) comprising of 40 percent of the population were found in the urban and industrial regions of China while the rest of the population who live in the rural and agricultural regions of China, share much less of the economic wealth (Davis, 2000; Ho, 1997; Schmitt, 1997; Tong, 1998). The real benefactors of China’s economic successes are the educated, skilled, and entrepreneurial class (Davis, 2000; Li, 1998; Tong, 1998). These sections of the population have the means and perhaps the sophistication, to seek for quality goods and services (Cui & Liu, 2001; Davis, 2000; Grant & Farrell, 2006; Tong, 1998). However, despite their growing importance, little has been reported in the literature about them in relation to service predispositions, especially their consumer behavioural responses in negative service situations. They offer the tourism and hospitality businesses with enormous market opportunity, but also challenges in service management, one of which relates to managing them in situations of negative service.

China’s enormous size in land and population, variations in economic development, income, living standards, influences on consumerism, and wide regional variations in customs and social practices mean it is difficult to uncover the average Chinese consumer’s expectations and needs in service (Davis, 2000; Schmitt, 1997). Thus, the present study will only focus on the population residing in China’s large urban cities, such as Beijing and Shanghai. The term mainland Chinese in the city’ is assumed when the term ‘mainland Chinese’ is used.

Efforts to Improve Service Standards - The sparse information gleaned from sources, such as government’s plan, peak hospitality bodies and public comments suggest that service standards in urban China still appear to be below international standards, although efforts to improve were evident. For China to join the World Trade Organisation in 2002, it was required to open up its service sector for greater competition to raise service standards. Also, in China’s 10th Five-year plan (2001-2005), priorities were set to ensure that its service offers reach international standards in preparation for the 2008 Olympic Games and the 2010 World Expo.

In the hospitality industry, a universal grading system of star classification for the restaurant industry introduced by the Beijing Catering Association was indicative of attempts to improve service standards (Li, 2002). Another was Beijing Commerce Bureau’s plan to train more service professionals to achieve international standards (Liu, 2006). China Cuisine Association also exhorted its members to improve their service standards (Li, 2007; also Fu, 2007). In letters to the editor of The China’s People Daily, the Shanghai public commenting on
their city’s sub-standard service lamented that even the most tolerant customers had horror stories to tell about the bad service, despite its cosmopolitan status alongside New York, London or Paris (cited by Liang, 2005, p.1) was indicative of the public’s aspiration to receive better service standards, and the need for China’s service improvement.

**Impetuses to China’s Service Improvement** - China’s open-door policy provides the impetuses for service improvement in China (China Knowledge, 2006; Cohen, 2004; Li, 2002; Palac-McMiken, 2005). For example, inbound tourists’ demand for higher service standards is one impetus for service improvement in hotels and restaurants (Palac-McMiken, 2005). Another impetus relates to Chinese tourists’ who have experienced higher service standards while abroad, demand for better service standards at home (Arlt, 2006). Foreign firms, such as McDonald’s, KFC, Pizza Hut, Hilton, and Marriott, Sheraton provide yet another impetus for their local counterparts to improve their service standards through competitions (China Knowledge, 2006; Chow et al., 2007; Cohen, 2004; Li, 2007; Liu & Li, 2003). In the restaurant industry, for example, it was reported that “after many years of competing with foreign restaurants, Chinese outlets are scampering to improve their dining environment and service” (Li, 2007, p.4). These developments and people’s rising sophistication and experience are some salient impetuses for raising China’s hospitality service standards. From the consumers’ perspective, as their expectations for higher service standards are raised, suppliers will need to respond to match these expectations to stay competitive (Albrecht, 1992). However, higher service standards do not necessarily mean error-free services, but should failures arise, which they invariably will, due to the nature and process of service, service providers are expected to resolve these errors to satisfy their consumers to stay competitive and profitable. As shall be discussed further, it is the consumers’ perceptions of service failure that is critical (Sparks, 2001). This suggests that it is imperative for insights into how Chinese consumers perceive and respond to service failure and recovery to be gained before recommendations can be made for efficacious service resolution/recovery provisions.

**2.3 Service Failure and Service Resolution/Recovery**

The nature of service and its delivery process make it difficult for a service provider to consistently delivered error-free services. As such, service failures will sometimes occur (Sparks, 2001). *Service failure* is said to occur when consumers perceive that a service
provider’s effort to deliver the purchased service as less than their expectation (outside their zone of tolerance) (Berry & Parasuraman, 1991), resulting in dissatisfaction (Sparks, 2001). Service resolution/recovery, on the other hand, is the perceived effort of a service provider to redress the failure and return the consumers to a state of satisfaction (Sparks, 2001).

Consumers’ Perception of Service Failure – It is the consumers’ perception of service providers’ failed effort to deliver the expected service that is critical in defining service failure not whether the service providers are responsible for the failure nor if consumers’ perception is fair and reasonable (Sparks, 2001). Thus, consumers from different cultural backgrounds, holding different core service values may have different perception and respond differently to situations of service failure and service recovery. In a pancultural study of consumers’ service expectations of restaurants in the United States and Hong Kong (Becker, Murrmann, Murrmann, & Cheung, 1999) it was found that the United States’ respondents expected a service attendant to make eye contact when interacting with them. Thus, an attendant with downcast eyes was perceived as a sign of shame, guilt and dishonesty. However, Hong Kong Chinese respondents considered an attendant’s downcast eyes as appropriate for an attendant who occupied a lower status, to behave when interacting with their superiors (customers).

Hong Kong’s respondents also expected to receive a respectful and unobtrusive service style, while American respondents accepted a less formal service style. But, what service style will be expected by mainland Chinese consumers? This needs to be ascertained since service style is likely to contribute to consumers’ perception of quality or lack of it, in a restaurant’s service process peppered with many moment-of-truth encounters.

The much touted concept of ‘line-employee empowerment’ practiced in Western societies to achieve efficient service management (Bowen & Lawler, 1992) may be inappropriate in high power-distance societies, such as the Japanese or Chinese. For instance, using junior or line-staff in the task of service recovery may be seen as not holding clients in high esteem or ‘giving them face’ (Lockyer & Tsai, 2004; Warden, Huang, & Chen, 2007). As such, a service recovery effort may be perceived to be of a lesser quality when a junior staff is used. This depends on the core service held by consumers. Again, insights into such service recovery approaches with the mainland Chinese needs to be ascertained.
The Significance of Feasting to Chinese - Restaurant service setting has been selected for the present study because as noted in Chapter 1, feasting has great significance for Chinese as this gastronomic activity forms an integral part of their social and cultural life (Chang, 1977; Chen, 1990; Dewald, 2002; Pitta, Fung, & Isberg, 1999; Tadla, 2008). For example, dining occasions are commonly hosted by Chinese in restaurants to establish or nurture ‘guanxi’ (interconnectedness/relationships) with in-groups and out-group members (Chang, 1977; Chen, 2002; Seligman, 1999). A Chinese host who is able to provide his/her guests with the best hospitality product (service and food) will often gain admiration and achieve other goals (Chang, 1977; Chen, 1990). However, little is empirically known about how Chinese perceive service failure in this dining situation, particularly when playing host, and how the service errors are expected to be resolved to ensure that they maintain the image they desire to project.

The Nature and Process of Service - Restaurant service like many other services, are susceptible to failure due to its service nature and process, raising many challenges for management (Gronroos, 2000; Reisinger, 2001b). Unlike food, restaurant service is intangible in nature. It is difficult if not impossible for restaurateurs to present a sample of service for consumers to ‘evaluate for suitability before buying’. In relying on the firm’s recommendation, customers will need to trust management on the type and standard of services promised and delivered. However, confusion often reigns as to what service or standards of service have exactly been promised or delivered, since consumers may find the service difficult to evaluate and quantify (Sparks, 2003). Thus, if the service or standard that consumers believed they were promised was not delivered, service failure may be perceived to have occurred. Little is known about how Chinese consumers will perceive and respond in such situation of service failure, thus, the present research will address the gap to gain insights for appropriate service recovery measures.

Many aspects of a restaurant service are simultaneously produced and consumed, which implies that staff may not be able to check for quality before the service is delivered (e.g., Gronroos, 2000; Reisinger, 2001b). As such, any errors committed, are immediately witnessed by customers and their guests. This aspect of service failure may impact negatively on a Chinese host, for culturally, it is important for him/her to present a favourable impression to his/her guests (Yang, 1981). Thus, it is important to know more about how Chinese hosts may perceive and respond to service failure such as this, and how this failure may be avoided or if
not possible, successfully recovered.

Services are also heterogeneous in nature as they are often delivered by different staff, under different service conditions, giving rise to a variation in standards (Gronroos, 2000; Reisinger, 2001b). Furthermore, due to globalization and increase in international travel, consumers may come from different cultural sources (e.g., the mainland Chinese). Thus, successful service may demand that customers’ expectations be matched by the service providers’ behaviour, a task difficult to achieve “under the conditions of time pressure and inter-customer variability” (Sparks, 2003, p. 3). It is insightful in the present research to ascertain how Chinese customers may respond to service delivered by service personnel of a Western cultural orientation, who may be oblivious to the service style deemed culturally important to them. For instance, the observance of appropriate ‘li’ (propriety) is salient to Chinese in social interaction (Chen, 2002; Cheng, 2001), and thus, may also be expected in a service setting (Chen, 1990). In other words, polite, respectful and caring interpersonal service style, or ‘process service style’ is salient to Chinese. Research in Western societies suggests that the style of interaction related to the process dimension of service quality is salient to Western customers (Gronroos, 1982; Lehtinen & Lehtinen, 1983; Sasser, Olsen, & Wyckoff, 1978). There is also evidence to suggest that this process service style is important to Hong Kong Chinese respondents, as evidenced in a pan-cultural study of restaurant service, where Chinese consumers rated highly on the ‘respectful and unobtrusive’ service styles (Becker et al., 1999, p.248). However, it is still unclear if Hong Kong Chinese consumers’ expectations in respect of service styles correspond to the preference for the service styles with the mainland Chinese. A more recent study of mainland Chinese in a restaurant service setting revealed that these consumers also rated process service style (courteous service style) as important (Chow et al., 2007). The present study aims to confirm how important the process service style is to mainland Chinese consumers.

**Customers’ Responses to Service Failures** - Due to the various factors previously discussed, service providers may not always be able to guarantee error-free services. As such, failures are likely to occur, resulting in unsatisfied customers. If consumers’ dissatisfaction is unresolved or inadequately resolved, they may engage in negative post-purchase behaviours that can be detrimental to the business. A model (framework) to represent the possible ways dissatisfied mainland Chinese consumers may respond to service failures, is adapted from Kotler
(2000) (Figure 2.1.) Although, this model was constructed from findings of empirical studies by Hirschman (1970), Day and Langdon (1977), Richens (1981), Singh (1988) and others, it is argued to be sufficiently generic to represent the possible responses of consumers from all cultural orientations. Undoubtedly, given their cultural orientation, some of the possible responses of unsatisfied Chinese consumers are represented in the model.

**Figure 2.1 – Dissatisfied Consumers’ Response Behaviours in Service Failures**

In *Figure 2.1*, it is shown that dissatisfied consumers may or may not take action. If actions are taken, they may be private or public in nature or both. Public actions may involve consumers complaining and seeking direct redress from the business, or through a third party such as private or government agencies, or through a legal firm. Consumers, who take private action, may defect or engage in negative word-of-mouth (Day, 1984; Singh, 1988). Firms that do not know why customers defect are unsure of what actions to take to prevent further defection.
(Fornell & Wenerfelt, 1987). Customers’ defections have implications for a firm’s revenue. An increase of 5% in customer retention may help increase a firm’s profit by between 25 to 125% (Reichfield & Sasser, 1990). Gaining customer loyalty is cost saving, since it costs 5 to 7 times more to recruit a new customer than retain an old one (Rosenberg & Czepiel, 1988).

Western empirical studies have found that dissatisfied consumers who choose not to seek redress may ‘get even’ (Folkes, 1984) by engaging in negative word-of-mouth, and by discontinuing or limiting their future patronage (e.g., Blodgett, Wakefield, & Barnes, 1995). Negative word-of-mouth responses are also damaging to the reputation of a business (Richens, 1983). A TARP (1995) study found that dissatisfied customers told nearly twice as many people about their negative experiences than satisfied customers who told others about their positive experiences (cited in Collier, 1995). A finding by Singh (1988) suggests that most unhappy customers prefer to defect rather than tell a business why they are dissatisfied. They also are likely to engage in negative word-of-mouth. Several studies have shown that word-of-mouth can have an extremely powerful influence on consumer purchasing decisions (Brown & Reingen, 1987; Price & Feick, 1984). However, the studies cited are associated with Western consumers, and it is unclear which behaviours best depict the Chinese consumers.

To date, very little research has been conducted to understand the complaint behaviour of the mainland Chinese consumers (Cheng & Lam, 2008). In the limited literature cited, the reasons put forward are personal, social and culture. For example, one study found that many Chinese consumers still do not have the ability, knowledge and experience to complain (Cheng & Lam, 2008). Despite the rise in consumerism, this activity is still relatively new in China. Cheng and Lam (2008) also found that the closer the relationship Chinese have with their sellers (firms), the more likely they will complain. Chinese are also found to assess the situation when deciding their intention to complain. Thus, for social and cultural reasons, if voicing of dissatisfaction (complaining) jeopardises their interpersonal relationships or interfere with their social interactions with others (families, friends, colleagues, and business partners), they are with, they will complain less. Complain behaviour is managed with the aim to seek social approval from others (Lam, Baum, & Pine, 2003). For example, they are unlikely to complain if such behaviour attracts criticism from others or if it causes others to feel uncomfortable, despite their dissatisfaction with the service.

In situations of service failure, confrontation or conflict between consumers and service
providers may develop, particularly when parties are upset. How consumers respond to these situations may depend on their cultural orientation. A study by Lowe and Corkindale (1998) argue that the desire of Chinese to be modest and humble may have contributed to their tolerance when dissatisfied and thus, refrained from complaining. Other studies attributed to their refrain to avoid conflict and maintain harmony (Ho, 1979; Kirkbride, Tang, & Westwood (1991). Conflict management literature was reviewed to inform on the behaviour of Chinese in conflict situations, as this may happen in service failure situation. The findings suggest that Chinese are less likely to engage in public action which involves direct confrontation in public (Chen, 2002; Chen, Ryan, & Chen, 2000; Chen & Starosta, 1997). This behaviour has been attributed to Chinese wanting to be in harmony with others (e.g., Ho, 1979; Hsu, 1949). In a very recent study of Mainland and non-Chinese hotel customers using the advanced web 2.0 technologies (e-complaint), mainland Chinese were found to have far less complaint items in all complaint categories compared with non-Chinese customers in the survey (Au, Law, & Buhalís, 2010). The authors maintain that this may be attributable to cultural reasons.

In terms of negative word-of-mouth communication, there is evidence to suggest that Chinese consumers’ purchase decisions are influenced by the word-of-mouth recommendations of in-group members (Cheng & Yau, 2007; Chow et al., 2007; Yau, 1994). The Study by Yau (1994) suggests that owing to their cultural orientation, Chinese may be unwilling to be involved in the process to get resolutions, particularly if the causes of a service failure is not so clear-cut or for fear of confrontation may threaten their sense of harmony (also Chen, 2002).

If Chinese consumers exit a business quietly, they may engage in negative word-of-mouth among in-group members. Evidence suggests that dissatisfied Chinese consumers are not averse to bad-mouth a firm (Yau, 1988; 1994). This response may be critical, as negative word-of-mouth may quickly spread in a collectivist network (Hwang, 1998; Yau, 1988). Since literature is still limited on this and other forms of response behaviour to service failure, they will be examined more closely in Study 2.

The use of social media has become a potent word-of-mouth communication tool globally (Brochart, 2010; Atsmon, Dixit, Magni, & St-Maurice, 20101). Brochart (2010) reports that mainland Chinese do not only use the internet as an information tool, but also as a powerful communication tool, which allows the ‘netizen’ (users of the internet) to easily connect with others. Social media relating to e-compliant internet services, such as forums, instant messaging, blogging, photo and video sharing, face-book, twitter, you-tube, the hotel’s
web 2.0 technologies and other older forms, such as talk-back radio, newspapers (Liang, 2005), are already being used as a communication tools in China (Au, Law, & Buhalis, 2010; Anon, 2010; Brochart, 2010). It is predicted that as mainland Chinese consumers become more sophisticated with service standards and aware of their consumers’ rights (Ho, 1997), they will engage in an even greater use of the social media to vent their dissatisfaction. These on-line word-of-mouth communication tools have far-reaching consequences as negative messages can be conveyed at a far greater speed and to a much wider audience. Such response may not be conducive to firms as it deprives them of an opportunity to address service failures to regain customers’ loyalty.

It is unclear if the low level of complaints from consumers is a universal behavioural trait, rather than just Chinese consumers’ behavioural trait (Cheng & Yau, 2007). It seems from the recent findings in the ‘Compaints Culture Survey National Report’ (1995) undertaken by TMI/SOCAP (2005) in a Western society (Australia), that relative few consumers complain always (5%), most of the time (22%) and about half of the time (17%). It is, however, unclear where mainland Chinese fit into this complaint culture.

<table>
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<tr>
<th>Complain culture</th>
<th>Percentage</th>
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<tr>
<td>Never</td>
<td>1%</td>
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<tr>
<td>Rarely</td>
<td>15%</td>
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<tr>
<td>Sometimes</td>
<td>40%</td>
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<tr>
<td>About half of the time</td>
<td>17%</td>
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<tr>
<td>Most of the time</td>
<td>22%</td>
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<tr>
<td>Always</td>
<td>5%</td>
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The review suggests that the response of Chinese to situation service failure needs further clarification and the present study addresses this issues so that greater insights can be gained for the development of more efficacious measures for service failure resolution/recovery.
The Importance of Service Resolution/Recovery – Literature suggests that consumers from different cultures accept that services may sometimes fail, but, they also expect the failed services to be resolved satisfactorily (Chan et al., 2007; Cheng & Yau, 2007; Bitner et al., 1990; Johnston, 1995; Mattila & Patterson, 2004). This expectation was highlighted in Bitner et al.’s, (1990) study of 700 critical service incidents in which consumers were found to accept service failure as inevitable, but confided that efficacious resolutions to the failed services were salient considerations to them. Effective resolution efforts will ultimately regain customers’ satisfaction and positive post-purchase responses. Indeed, managing service failure (service recovery) is a strategy part of the total service management process. It is perceived as an offensive rather than a defensive part of a business’ service management strategy (Andreassen, 2000; Becker, 2000).

The findings which are derived predominantly from Western societies inform that properly resolved services will gain consumers’ confidence, trust, loyalty, and positive post-purchase responses, resulting in greater market shares, a competitive edge and long-term profitability for a firm (Bitner et al., 1990; Blodgett, Hill, & Tax, 1997; Hart, Heskett, & Sasser, 1990; Smith, Bolton, & Wagner, 1999; Tax & Brown, 1998). Higher customer satisfaction was achieved by efficacious service resolution, but consumers’ dissatisfaction was magnified when the service resolution’s effort to the initial service failure was ineffective resulting in ‘double deviation’ (service failing twice), which further eroded customers’ confidence in the business (Bitner et al., 1990). However, if the failure was effectively resolved, a ‘recovery paradox’ could arise in which customers would rate their satisfaction level to be higher after experiencing an excellent recovery effort than customers who have not experienced service failure (McCollough & Bharadwaj, 1992). Effective service resolution also produces stronger customer loyalty. It is found that customers’ satisfaction levels are found to be higher when service resolution is effective, producing stronger customer loyalty (Goodwin & Ross, 1992). It is still unclear how mainland Chinese may respond to effective service resolution/recovery.

It was also found that customers who were satisfied with recovery would engage less in negative word-of-mouth (Blodgett, Granbois, & Walters, 1993). Conversely, Sparks and Bradley’s (1997) study in a hospitality setting reported that customers who were highly dissatisfied with service recovery, were more likely to engage in negative word-of-mouth and
that those who are more satisfied with service resolution, are more likely to re-purchase. It was also reported that customers expected an effective service resolution to be prompt, and when the recovery process was lengthy even a satisfactory resolution outcome could result in consumer engaging in negative word-of-mouth (Keaveney, 1995; Swanson & Kelley, 2001). Effective service resolution would also enable a business the opportunity to regain customers’ confidence, trust and loyalty (Johnston (1995). Likewise, Tax and Brown (1998) found that effective resolution produced a positive impact on customers’ trust and commitment. Customer goodwill was also created with effective service resolution (Blodgett et al., 1995). Other studies found that effective service resolution invoked a greater influence on customer’s overall satisfaction and future repurchase intention than a well-executed initial service encounter (Spreng, Harrell, & Mackoy, 1995; Webster & Sundaram, 1998). Confirming earlier studies, Maxham and Netemeyer (2002) noted that moderate to high service resolution effort significantly increased post-purchase satisfaction, re-purchase, and positive word-of-mouth while poor service resolution effort had the opposite effect. Swanson and Kelley (2001) reported that customers satisfied with service resolution, demonstrated a strong propensity to share information about their positive experience with others.

Although many empirical findings proffer insights in the benefits of efficacious service recovery's strategies, they were derived from research conducted in Western societies. It is unclear to what extent these insights may represent mainland Chinese consumers.

There is now a growing anthology of literature in this field of service management inform that the efficaciousness of a service recovery’s strategy is determined by how culturally-appropriate it is to the consumers for which it is used (Cheng & Lam, 2008; Becker, 2000; Clarke, 1990; Yuksel et al., 2006; Mattila & Patterson, 2004; Wong, 2004). However, to date, few empirical works which examine how mainland Chinese perceive and respond to situations of service failure and recovery in a restaurant service setting are cited in the extant literature. Hence the current research aims to fill this gap in literature.

2.4 Influence of Core Service Values on Perceived Service Failure and Recovery

The cultural values which people hold play an important role in shaping their core service value beliefs, and ultimately their consumer behaviour (Becker, 2000; Chan et al., 2007; Hall, 1976; Maheswaran & Shavitt, 2000; Morris & Leung, 2000; Riddle, 1992). However, the
extent to which these values can be generalized across societies may be limited for a few reasons. There may be significant differences between Western and other cultural practices, consequently, the wholesale transfer of insights gained from studies in Western societies to Asian societies, and more specifically, to mainland Chinese culture is questionable (Becker, 2000; Chan et al., 2007; Cheng & Lam, 2008; Cheng & Yau, 2007; Clarke, 1990; de mooij, 1998; Hofstede, 1980; Moschis & Bella, 1987; Richins & Verhage, 1985; Yuksel, et al., 2006; Wong, 2004).

Similarly, insights from other Asian consumers sharing broad cultural values with the Chinese may not be wholly transferrable, as there are specific differences and nuances within the broad values that are unique to each Asian society (Han, 1999; March, 1998; Morris & Leung, 2000). Thus, March notes (1998:1), “Asians ain’t all the same.”

Acculturation also means that even insights gained from consumers in other predominantly Chinese societies, such as Singapore, Hong Kong and Taiwan, may not necessarily be applicable to contemporary mainland Chinese consumers (Cheng & Lam, 2008; Kau et al., 1995; Wang, 2001; Wang, 1999; Yang et al., 1989).

In the last 60 years, mainland China has also undergone drastic political and economic changes, which lessen the influence of traditional Confucian values (Han, 1999; Tse, 1996; Wang, 1999). For instance, during the Mao Zedong era, many traditionally-Confucian Chinese values were marginalised or rejected, while Deng Xiaoping’s reform since 1978 and China’s open-door policy and political influence, have also exposed the Chinese to acculturation from the outside world (e.g., Chan & Garg, 1998; Dion & Dion, 1996; Tse, 1996; Wang, 1999). These influences include Western styles consumerism, quality issues, and consumers’ rights to redress defective goods and services (e.g., Chan & Garg, 1998; Dion & Dion, 1996; Ho, 1997; 2001; Li, 1998). State authorities within China also encourage the formation of consumer complaint bureaus (CCB) and consumers’ rights were publicized in media (e.g., Ho, 1997). It is unclear what core service values that contemporary Chinese consumers hold, which influence their perception and response in situations of service failure and recovery. Given this background to the research problem, the key task in Stage one of this study (Study 1), is to ascertain the prevalent Chinese core service values, which influence the Chinese consumers in their perception and response to service failure and resolution/recovery. The efficaciousness of a resolution/recovery’s strategy is measured by its ability to meet consumers’ cultural
expectations (e.g., Becker, 2000; de Mooij, 1998; Hui & Au, 2001; Mattila & Patterson, 2004; Wong, 2004; Yuksel et al., 2006). However, Customers’ expectations are not homogeneous due to their differing cultural orientations (Becker, 2000; March, 1998). Thus, an efficacious resolution strategy can only be developed if customers’ cultural orientations are accounted for. Failure to do so may amount to “a [recovery] faux pas that is worse than no attempt at [recovery] whatsoever” (Becker, 2000, p. 527) or likened to, in Gee’s (1994:353) words, “designing a house without knowing the habits of its occupants.”

Literature is reviewed on mainland Chinese to determine their culturally-influenced core service values, which are argued, may determine their perception and response in situations of service failure situations. The meaning of culture and its role in shaping human behaviour are first noted. Second, literature on the leveraging of appropriate cultural values for a resolution/recovery strategy is reviewed to identify gaps. The review is aimed to ascertain the prevalent cultural values of mainland Chinese. Finally, the objective of Study 1 is stated.

The Meaning of Culture and its Influence on Human Behaviours - Subjective culture is summed up as the shared beliefs, values, traditions, customs and standards, which guide members of a society to think, feel, behave and solve problems in a given way (Brislin, 1993; Hofstede, 1983; Triandis, 1994). Culture is used to differentiate societies and groups within a society e.g., Singapore, Malaysia (Hofstede, 1980). People’s expectations and perceptions of things and behaviour are shaped by the values of society in which they are born and grow up (Brislin, 1993; Hall, 1966; Maheswaran & Shavitt, 2000; Peabody, 1985; Triandis, 1995). The influence of culture on human behaviour is evident in social, work, business, service and other fields (Becker, 2000), and is also evidenced in the following literature.

Culture regulates people’s social and relational behaviours. For example, Yang (1981) argues that Confucian value of ‘interrelatedness’ (guanxi) influences Chinese to behave in a manner that enables them to gain others’ approval. It shapes people’s perceived justice (Leung, 1988), or their work behaviour or management styles (Hofstede, 1991). Researchers such as Chen (2002) and Hwang (1998) maintain that Chinese’ conflict resolution styles are culturally-influenced, as evident in their use of ‘guanxi’ (interrelatedness) and mianzi (face). Culture also influences how consumers behave (Luk, de Leon, & Li, 1993; Schutte & Ciarlante, 1998; Yang et al., 1989; Yau, 1988). For example, Yau (1988) contends that the traditional Chinese values of man-orientation (harmony) or relational-orientation (face, respect) influence consumers’
Chapter Two – Literature Review for Study One

response to different business situations. Guests’ expectations of hotel service quality and tourists’ behaviour are noted to be culturally-influenced (Mok & Armstrong, 1998; Reisinger & Turner, 2003). Becker (2000) highlights the important role culture plays in service failure and recovery, where consumer’s perceived justice (fairness) in complaint-handling or sense of fairness and satisfaction in service resolution were affected (Hui & Au, 2001; Mattila & Patterson, 2004b). As insights into some of these areas with regards to the Chinese consumers in situations of service failure and recovery are still relatively scarce, it is confident that the exploratory research (Study) can shed greater light on them. For example, it is salient to gain an insight into how Chinese consumers perceive a fair compensation when service failure occurs, or the role face plays in service recovery situations. These and other insights are valuable for service firms to have in an effort to gain their customers’ loyalty.

**Leveraging Appropriate Cultural Values in Service Resolution/Recovery** - A cogent business service resolution/recovery’s strategy must be culturally-relevant, suggesting that an accurate assessment of the key values influencing Chinese consumers’ behaviour need to be ascertained (Cheng & Lam, 2008; Cheng & Yau, 2007). A large anthology of literature proffers useful insights into service resolution approaches, such as Bittner et al. (1990); Blodgett et al. (1997); Hart et al. (1990); Smith & Bolton (1998); Sparks & McColl-Kennedy (2001); Tax & Brown (1998). However, the samples in these studies held Western cultural values, raising the issue of whether insights gained have transferability value across cultures, as the following examples highlight. The concept of consumer’s satisfaction in a service in Western societies may have different meaning in a Chinese society and therefore, needs to be culturally modified before it is meaningful (Clarke (1990). For example, service personnel that offer services that reflect a wider social divide between staff and customers may produce a higher level of satisfaction in a patron of a high power-distance society (e.g. China, Japan, and Malaysia). However, such style may be too formal and non-egalitarian for a patron in a lower power-distance society (e.g., Australia, USA), and may therefore, have less impact on his/her level of satisfaction (e.g., Becker et al., 1999). The concept of ‘line-employee empowerment’ practised in Western firms to achieve efficiency in service management (Bowen & Lawler, 1992) may be less suitable in the the high power-distanced, Asian societies. Thus, using a junior staff to manage service recovery may be seen as not holding the clients in high esteem (Chow et al., 2007; Lockyer & Tsai, 2004; Warden, Huang, & Chen, 2007).
The customer complaint behaviour model presented in Figure 2.1 is also a model based on findings in Western societies, which, if applied wholesale to another society of a different cultural background, may be less relevant. For example, in Liu and McClure’s (2001) study of the Koreans and American’s complaint behaviour and future intentions in restaurants, it was reported that Koreans were less likely to use ‘voice’ (complaint) than the Americans, and were more likely to use private actions (word-of-mouth communication or defect). Therefore, a resolution/recovery strategy that focuses on giving ‘voice’ to Korean patrons but fails to consider their ‘private actions’ may be less effective. It is unclear where mainland Chinese consumers fit into this behavioural model? It appears that they are more like the Korean, yet there is evidence to suggest that the decision of Chinese may be situational (Cheng & Lam, 2008), and may be more likely to complain directly to the hotel (Anon, 2010). This appears to runs counter to the general belief that Chinese do not complain directly, to avoid confrontation to preserve harmony (Chen, 2002; Cheng, 2001). The Japanese, on the other hand tend to complain after the fact, by writing a letter (Anon, 2010).

Asian consumers are found to be less comfortable with confrontation, and complain less compared with Western consumers (Lockyer & Tsai, 2004; Tocquer & Cudennec-Poon, 1998), again suggesting a need for service providers to adopt culturally-relevant resolution provisions to ensure consumer satisfaction. Wong (2004), who studied the role of culture in service resolution, found that while compensation improved customers’ evaluations of service in all three cultures represented, it only affected repurchase intentions and word-of-mouth for U.S respondents and not for Singapore or Australian respondents. However, an ‘apology’ was found to improve the satisfaction levels of the two latter samples. How representative are these value-driven findings on Asian consumers for mainland Chinese is unclear.

Chan et al. (2007) found that consumers holding different value predispositions may have different sensitivity to different types of service failure. In terms of customer perceived justice, Mattila & Patterson (2004b) found that in a restaurant setting, compensation (discount and apology) was effective among American customers, while explanations were preferred by East Asian customers. In another study, Patterson, Cowley, & Prasongsukarn (2006b) found that the collectivistic Thai customers perceived more interactional justice with the business-initiated service resolution. Distributive fairness was perceived to exist when high power-distance customers (East Asians) were accorded with an ‘apology from senior staff. Procedural
fairness was also perceived to exist when the same customers were given cognitive control over the service recovery process. In other words, they were allowed to voice their suggestions on how the resolution/recovery process should be delivered. Thus, these findings exemplify that effective service resolution provisions must leverage customers’ cultural expectations.

In the studies cited, the consumer behaviours identified were assumed to be influenced or underpinned by certain core service values. However, the important question to pose here is whether, the core values used in these studies were the service values that actually prevailed in the societies concerned or were they based on a set of core values presumed to exist, just because they were traditional values (e.g., Yau, 1988). Some studies may have used broad cultural value (Hofstede, 1980; 1983), for convenience (e.g., Mattila & Patterson, 2004; Patterson et al., 2006). How closely do they actually resemble the prevailing value? More importantly, how transferrable are these findings to the study of the mainland Chinese consumers in their assessment of situations of service failure and recovery? Such questions cannot be answered with certainty. As such, an exploratory study (Study 1) will be conducted to overcome the uncertainties highlighted so that prevailing core service values are identified, to ensure the findings are accurate.

The Search for Prevailing Core Service Values – Literature has been reviewed to identify the prevailing core service values considered pertinent in influencing mainland Chinese consumers in their perception and response in situations of service failure and recovery. Some known traditional model on Chinese cultural values employed in past studies have been reviewed for their suitability for the present study.

Khuckhohn and Strodbeck’s (1961) classification of traditional Chinese values was first reviewed. Under this model, Chinese are believed to have these cultural orientations: man-to-nature orientations; man-to-himself; relational orientations; time orientation; and personal activity orientation. A well accepted value feature to describe Chinese is that they are ‘relationally-orientated.’ In other words, they have the tendency to consider ‘relationships with others’ important (Schutte & Ciarante, 1998; Yau, 1988, 1994), which is a useful value to predict how Chinese may behave in a service failure/recovery situation. Although, useful, however, it is criticised to be insufficiently specific to differentiate the Chinese consumers from other Asian consumers. To explicate, the Japanese or Koreans are also relationally-orientated (Schutte & Ciarante, 1998; Triandis, 1995). However, there are also differences
between the Japanese and the Chinese. For example, the Japanese pay much more attention in creating and maintaining a smooth and pleasant relationship with people outside the kin group (family, friends, than the Chinese (Lebra, 1976; Schutte & Ciarante, 1998).

Hsu (1971) contends that people have three needs: sociability, security and status. These needs are met when they transact with their fellow human beings in a behaviour which matches the social and cultural standards observed in the society. Thus, Chinese social behaviour is conceptualized as 'relational', an idea spawning two other concepts of Chinese social behaviour, as highlighted below.

Yang (1981) uses the concept 'social orientation' to describe Chinese pattern of social behaviour, suggesting that Chinese are concerned with external opinions, seek social approvals, avoid conflict, embarrassment, ridicule, rejection and attempt to be non-belligerent when dealing with others. However, whilst, a helpful concept to study Chinese behaviour, it can be argued that the Japanese, or the Koreans also carry this value feature.

Hwang's (1987) conceptual framework on resource distribution suitable for service recovery, proffers a picture of Chinese interacting with others in exchange situations, using 'guanxi' (relationship), 'renqing' (favour), 'mianzi' (face), bao (reciprocation), and 'li' (propriety). These may have implications for service providers in managing service failure and resolution. A regular customer may invoke 'renqing' (favour) and 'guanxi' (interrelatedness) in order to secure a better outcome in service resolution. Another customer may gain face (mianzi) when a service resolution is managed by a senior staff. The extending of appropriate 'li' or propriety as courtesy, respect, or observing seniority by a service provider when interacting with Chinese customers may be salient. A loyal customer may expect a service provider to expend extra effort to resolve a service mistake as an act of 'bao' or reciprocation to his/her loyalty. Hwang's (1987) conceptual framework appears to describe the behaviour of a traditional Chinese accurately. However, this needs to be further tested to confirm its accuracy for contemporary mainland Chinese consumers in a service management context, particularly when they have been subjected to great political and economic changes in the last six (6) decades. Thus, a justification is made for an exploratory investigation (Study 1) in the present research.

Five cultural dimensions: power distance; uncertainty avoidance, individualism or collectivism and masculinity or femininity are advanced by Hofstede (1980, 1983) and
Hofstede and Bond (1988) to provide broad cultural value constructs, proffering Chinese a cultural identity for broad comparison. For example, Chinese are perceived as collectivists, while Europeans are considered individualists (Hofstede & Bond, 1988). As will be argued further, these are too broad cultural dimensions which can be also used to describe other cultural groups such as the Japanese, Koreans, and Thais, besides the Chinese.

The Chinese Culture Connection (CCC) (1987) group, classified Chinese values into four main dimensions: Integration (harmony); Human-heartedness (courtesy); Confucian work dynamism (protect face), and Moral discipline (moderation). For example, Chinese 'integrate' since they relate to others in harmony. These values need to be further tested to tease out the exact meanings for the contemporary mainland Chinese, particularly in negative service situations.

Fan (2000) reclassified CCC's cultural dimensions to form eight categories of values, identifying Chinese by their national traits (e.g., moderate, respect tradition); interpersonal relationships, ('Li' - propriety, harmony, courteous, face, reciprocate); family/social orientation, (hierarchical, status, compromise); work attitude (working hard); business philosophy ('guanxi'); personal traits (sincerity, integrity, junzi); or time orientation (a long-term view) and relationship with nature (fate). There is no dispute that some of these values are held by the Chinese, but, they are similarly held by the Japanese and Koreans. Furthermore, there may be certain aspects of the values that are unique to a given Asian group. For example, as noted later, the concept of face may be used differently by the Chinese and the Japanese. Thus, although the above literature reviewed proffers a comprehensive list of values which helps identify who the Chinese are, many of these, however, as previously argued, are equally pertinent in identifying other ethnic groups. For example, the Chinese are known to be 'relationally-orientated' (Kluckhohn & Strodbeck, 1961), or 'collectivistic' (Hofstede & Bond, 1988), or 'integrating' (Chinese Cultural Connection, 1987), or possess a strong proclivity for face (Chinese et al., 1987; Fan, 2000; Lockyer & Tsai, 2004), yet, other ethnic Asian groups such as the Japanese or the Koreans can be similarly identified (Hofstede, 1980).

Despite a lack of specificity in Hofstede's (1980) cultural value dimensions, a review of the extant service literature yielded a large number of researchers which used these broad value dimensions to investigate Chinese behaviour in different service situations (e.g., Chan et al., 2009; Hui & Au, 2001; Liu et al., 2001; Mattila & Patterson, 2004; Patterson et al., 2006;
Poon, Hui, & Au, 2004; Watkins & Liu, 1996; Wong, 2004). To explicate, in a cross-cultural study, Chan et al., (2009) used Hofstede’s (1983) *individualistic* and CCC’s (1987) *collectivistic* dimensions to differentiate Asian culture from American culture when examining the contrasting effects of culture on consumer tolerance to service failures. In this study, two constructs: *interpersonal face* and *impersonal fate* were employed. Compared to American consumers, Asian consumers were found to be more dissatisfied with *social* failure (status, esteem), but less dissatisfied with *nonsocial* failures (money, time). Furthermore, the study found that the contrasting effects of culture were sensitive to relevant contextual factors, such as the presence of in-group members or a fate-suggestive brand name. It is conceded here that using Hofstede’s (1980, 1983) broad cultural dimensions as employed in Chan et al’s (2009) study does offer a useful framework for cross-cultural studies, labelling Chinese as ‘*collectivists*’ and the Americans as ‘*individualists*’ (Hofstede, 1980; Triandis, 1995). However, the framework is less useful or accommodating if the study is used in comparing the Chinese and Japanese as both are labeled as ‘*collectivists*’ and share some broad cultural values. However, on close analysis, subtle and obvious differences can be detected between the two ethnic groups. For example, both the Chinese and Japanese are known to be collectivistic in orientation, but, in relation to the *face* issue, for which both people have a proclivity, *face* is more *individualistic* in nature for Japanese than Chinese. Zimmerman (1985) notes that to the Japanese, *face* represents ‘self-respectability’ and which serves to give them self-confidence. However, for the Chinese, a *face* concern is more *collectivistic* or shared, consisting of the *dawo* (greater me) or *social face*, for which they strive to maintain first for their in-group members – family, friends, to ensure they have respectability (Hwang, 1998). *Face-gain* for the private self or the *xiaowu* (lesser me) takes a second place. The example just highlighted suggests that adopting findings gleaned from studies of consumers which share broad cultural values (e.g., Collectivism), to explicate mainland Chinese consumer’s behaviour may be less appropriate. To requote March (2003:1): ‘*all Asians ain’t the same*’, suggesting that there is less homogeneity of culture among the Asians or the Westerners. For this reason, values specific to the consumers of a particular culture should only be leveraged for the study to account for nuances and areas unique to the group (Morris & Leung, 2000). Thus, an emic study (culturally-specific), such as the exploratory study proposed for this research is justified.

Furthermore, Tse et al. (1988) argue that cultural values evolve over time and at different rates and for different reasons, which, due to acculturation resulted in people’s birth
cultures being replaced or eroded gradually by the imported culture. Thus extrapolating findings from other Chinese consumers in societies (Hong Kong, Singapore, Taiwan) to mainland Chinese may not always be appropriate, as the ensuing discussion suggests.

In the Chinese societies of Hong Kong, Taiwan and Singapore, acculturation takes place as a result of the influence of past colonialism, local indigenous culture, and other imported cultures through modernization, modern telecommunication, art, social media, and through people studying and visiting abroad (e.g., Bond, 1996; Tse, 1996; Tse et al., 1988; Yang et al., 1989). Mainland China acculturation is affected particularly through political and economic changes from Mao Zedong and Deng Xiaoping’s reforms. After 1978, China also opened its door to the outside world, exposing the Chinese to external influences (Helou & Caddy, 2007; Li, 1998). Acculturation through political change was witnessed, for example, when traditional Chinese values, such as ‘wu lun’ (5 principles of relationships) or the family unit (danwei) were de-emphasized and even discarded under Communist rule, particularly during the Cultural Revolution. However, a re-emergence of some of the traditional Confucius values and practices are now evident in China (Dion & Dion, 1996; Jia, 2001; Yang, 1996). On the other hand, in Chinese societies outside mainland China, the observance of ‘wu lun’ still appeared to be strong in general, although the embrace of other aspects of the Chinese cultural practices, such as seeking approvals from the elders in decision making on issues such as marriage or occupation, may be waning (e.g., Tan, 1998).

The vexed question remains as to whether, and to what extent, cultural values shared by both mainland Chinese and other Chinese societies are authentic, convey similar meaning and nuances. Therefore, it has been recommended that in such study, gaining a deeper insight into the values held by consumers of a given Chinese society is imperative so that the prevalent values can be ascertained (Ho, 2001; Morris & Leung, 2000).

To date, few empirical studies cited in the extant literature specifically examined the cultural values held by mainland Chinese and their influence on consumer behaviour in the context of service failure/resolution in a hospitality service setting. However, to gain greater insights into the behaviour of mainland Chinese consumers, pertinent studies from other Chinese societies are also reviewed. An earlier study by Chiu, Tsang & Yang (1988) had found that face was important in moderating the complaint behaviour of Hong Kong Chinese.

In Le Claire’s (1993) study, 500 Hong Kong Chinese were interviewed to ascertain the
correlation between adherence to selected traditional Chinese values relating to social
harmony, moderation, face and reciprocity (bao) and complain behaviour. Firstly it was found
that majority of the interviewees still embraced the traditional values to varying degree,
although the face value was found to be less important among the young, educated and
financially successful sub-groups. Nevertheless, it remained salient to the older population.
Secondly, the younger respondents, who were less likely to embrace traditional values, were
more likely to complain, while the older respondents and house-wives, who were more likely
to embrace traditional values were less likely to complain. Thus, this study appears to confirm
that cultural values play a salient role in influencing customers' complaint behaviour.
Acculturation which resulted in the diminution of birth culture among the younger respondents
seems to increase their tendency to complain and to assert their rights. Whilst such insights into
Chinese consumer behaviour in negative service transactions proffer an understanding of the
Chinese complaint behaviour, due to time and acculturation, it is still unclear if the findings are
valid to inform on the behaviour of the contemporary mainland Chinese consumers. Moreover,
Le Claire (1993) used predetermined values gleaned from Chinese literature, rather than ones
emanated from the respondents, perhaps prohibited the uncovering of other values salient to
consumers. The proposed exploratory study using means-end value approach in the present
research is an attempt to overcome the problems just highlighted.

A decade later, Lam and Tang's (2003) study which examined the relationships
between demographic characteristics and complaint behaviour of Hong Kong Chinese in Hong
Kong hotel restaurants, confirmed Le Claire's (1993) earlier findings that the younger, better-
educated and higher income-earners were the more vocal and active complainers. These
findings were also backed-up by Heung and Lam's (2003) study of the complaint behaviour of
similar ethnic grouping and service setting in Hong Kong, suggesting that the younger, well-
educated, female customers seem to complain more than older and less educated customers.
Furthermore, Chinese customers were found more likely to engage in private action, such as
word-of-mouth communication and defecting. The study highlighted that the complaint
intentions among the older and less educated Chinese customers were quite low and they were
passive about communicating dissatisfaction to restaurateurs. How representative are these
findings for the mainland Chinese who are subjected to different political, economic and
educational systems and influence are still unclear. The service system and consumerism which
are likely to influence consumers' core service values are also more developed in those
Chinese societies outside mainland China, such as Taiwan, Hong Kong, and Singapore.

In another study in Singapore, Kau, Richmond & Han (1995) found that the older, better educated and higher income-earning sub-groups were more likely to complain. They were more assertive and had greater self-confidence and individualistic traits. The non-complainants by contrast, were more conservative and had negative attitudes toward complaining. Like Le Claire’s (1993) findings, those adhering less to traditional Chinese values (acculturated), were found to complain more. It is unclear if these behaviours are representative of the mainland Chinese.

In Watkins and Liu’s (1996) cross-cultures study, which compared consumer complaint behaviour of mainland Chinese with Western respondents, it was found that the Chinese consumers compared to the Western consumers tended to avoid complaining to ‘protect face’, and were also more likely to ‘save other’s face’. The salience of face value was also reported in Jia’s (2001) study of the ‘remaking of Chinese character and identity in the 21st Century’. The study reports that face value is still prevalent in all strata of the mainland Chinese population. Similarly to other findings, Jia (2001) and Li (1998) had also found that the more educated and higher income Y-generation appeared to be less face-conscious. Nevertheless, this face value feature needs to be further confirmed empirically in the present exploratory study.

In a study of justice in service, Hui and Au (2001) examined the influence of culture on the perceived justice of three complaint-handling approaches among mainland Chinese and Canadians. The findings suggested that the voice (inform staff) impact on fairness appeared to be greater for the Chinese than the Canadian respondents. This was being interpreted as Chinese attaching greater value to status and respect, since ‘voicing’ their dissatisfaction enabled them to receive greater attention from staff (Cheng & Yau, 2007). However, it has been assumed in the past that Chinese do not often voice their dissatisfaction publicly with the aim to maintain social harmony (Cheng & Yau, 2007). The compensation effect on fairness was greater for Canadians, who attached greater value to equity (getting compensation). Clearly further empirical research is warranted to confirm this.

In a later study, Cheng and Yau (2007) claimed that situation factors (seniority, impression management, and in-group and out-group) might moderate the relationship between consumers’ cultural values (harmony, the Mean and face) and their complaint behaviour. Although Chinese are known to complain less, they may complain at times in
unsatisfactory service situations to show their status or power in front of others (in-groups). Moreover, success in securing an apology or compensation through complaining may ‘elevate their face’ (Cheng & Yau, 2007, p. 161). It must be noted that the Chinese respondents in Cheng and Yau’s (2007) study are Hong Kong-based, and as argued before, these consumers may differ in their value adherence, which influenced their consumer behaviour.

The issue of customer’s face in the context of service resolution strategy is also revealed in a Taiwanese study by Warden, Huang, & Chen (2007). They examined how customers expect staff to respond in restaurant’s service resolution, and found that staff intervention is imperative in core service failure situations, such as poor employees’ behaviour or defective goods. They noted that these failures were difficult to resolve with monetary compensation, but which might lead to a customer’s ‘loss of face’. On the other hand, peripheral service failures, such as slow service or lost order, could be more easily resolved through monetary reward. They also found that any attempt to resolve service is more beneficial than none. The respondents in this study were Taiwan-based and it is questioned if Taiwanese respondents are representative of mainland Chinese.

In a rare study of mainland Chinese cited in literature, Cheng and Lam (2008) proffer insights into some factors that are responsible for consumers’ intention to complain. They found that the respondents’ complaints would depend on how they believed others would judge them. Thus, they would complain less if other disapproved as it interfered with the relationships or interactions. A complaint was also more likely if the customers’ relationships with the sellers were closer, as their complaints were perceived to be responded to more positively. Their intention would also depend on knowing how to complain. These findings on mainland Chinese are insightful, however, due to China’s enormous size in population and land, as well as large regional variations in income distribution, social, customs and other practices, insights into consumer behaviour in one region, such the cities or urban areas, may not be representative of consumers in the regional or rural regions as they may have different service values. Hence, further empirical research is justified and needed.

A review of the extant literature indicates that despite the growing importance of mainland Chinese consumers, little is empirically known about the Chinese consumers. No clear insights into the prevailing cultural values, which shape their behaviour in situations of service failure and service resolution, have been found. Such insights are imperative as they
enable the service providers to develop efficacious service resolution/recovery’s management strategies. The literature reveals that studies in consumers’ behavioural responses to service failure/resolution area have predominantly employed Hofstede’s (1980) general cultural constructs (e.g., Zhang, Beatty, & Walsh, 2008). While general cultural constructs may be useful if the study’s purpose is a broad cross-cultural comparison of customer behaviours, they may be considered inadequate in detecting the specific meanings and nuances of customer’s behaviour in different situational contexts as evident in cultural and justice studies (Cheng & Yau, 2007; Morris & Leung, 2000). As Morris and Leung (2000) report, recent trends in research on culture and justice evaluations have tended toward greater “specificity in the conception of cultural influence” and recommend researchers to use more specific value dimensions, specific cultural norms and beliefs, when uncovering cultural nuances and characteristics unique to a given ethnic group. Others like Cheng and Yau (2007) have argued that in Chinese cultural studies, employing models, such as Hofstede’s (1980), using cultural constructs, has “under-examined [the] characteristics of Chinese culture.” Ho (2001:75) also argues against the superficial approach of merely identifying Chinese cultural values from a synthesis of traditional Chinese writings (e.g., Le Claire, 1993), and then making inferences about their influence on complaint behaviour. More systematic explanatory research is recommended to establish the relationships between variables in order to reach a more accurate and meaningful outcome. Furthermore, using pre-determined traditional cultural values for a study (e.g., Le Claire, 1993), does not allow the prevailing values which may be salient to the consumers studied, to be included in the study. Due to China’s huge land and population size, many more studies are warranted to establish a broader picture of the mainland Chinese consumers of the different regions. In a true sense, there is not one homogeneous mainland Chinese consumer, but many. The findings in one or two studies at best represent Chinese consumers in the given region/s stipulated, but it is questionable if the findings necessarily mirror consumers in other regions (e.g., north and south). Thus, given the above reasons, arguments and justifications, further insights into the prevailing culturally-influenced core service values to consumers in the large cities of China will be proposed for this study (Study 1), using means-end value approach.

2.5 The Study
The study aims to ascertain the core cultural values for service failure and service recovery
held by Chinese consumers. Specifically, it examines how Chinese describe and make sense of negative service events, with a particular emphasis on how this sense-making activity links to core service value beliefs.

2.6 Conclusion

In this chapter, the literature was reviewed to provide a brief background of China’s service development and the current state of affair. Key literature has been reviewed to explain the concepts of service failure and recovery and the justification for their study. The literature reviewed informs that consumers’ behaviour is shaped by their culture, thus insights gained of consumer behaviour in one culture may not necessarily be applicable to other cultures, or even to other regions within a national boundary. The present study investigates on mainland Chinese consumers in large cities in China. An extensive review of the literature proffered little empirical studies on this consumer on the topic of interest, which is consumer’s perception and response to situations of service failure and recovery, thus, prompted the present research effort. The model (e.g., Hofstede’s cultural dimensions) that has been commonly used in service management’s studies was considered too broad to be meaningful and accurate. It was also argued that findings from Western societies, or other Asian societies or Chinese societies outside China would not necessarily represent mainland Chinese consumers. It was also argued that due to China’s huge land and population size with different regional differences in sub-culture, social customs and practices, findings from a study conducted in the city will only represent the targeted city population rather the whole population. The literature reviewed has recommended that due to acculturation, and other factors of influence, it is imperative to gain insights into the core service values that are pertinent and prevalent to the consumers in the region being study.
Chapter Three

Methodology for Study One (Exploratory)

3.1 Introduction
This research is a two-stage approach, consisting of a qualitative study in stage-one (Study 1), using the means-end value chain method as presented in the present chapter, and a quantitative study in stage-two (Study 2), using a 2x2x2 between-groups, experimental design, presented in chapter six. This chapter first provides a description and justification of the means-end chain method, followed by an explanation of the study’s procedure and requirements, interview procedure and data analysis.

3.2 The Means-end Methodology
The means-end interviews of study subjects (participants) are based on the means-end chain or laddering theory (Reynolds & Gutman, 1988), which can be used to determine the end value of a product or service to consumers. In the context of service for the present study, the theory focused on investigating the cognitive linkages connecting consumers’ end values to service choices, represented by chains linking service attributes (means) to the participants’ desired consequences, and ultimate end-values (ends) for which they held as salient. The diagram of a simple means-end value chain is presented in Figure 3.1.

Figure 3.1 – The Three levels of Categorisation in the Means-end Value Chain

End-value

Equity

Threat to Face

Consequences

Upset – treated unfairly

Humiliated – no deference

Service Attribute (negative)

Discourteous service provider

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Each participant was interviewed separately. Subjects were requested to respond objectively to the interview questions. They were asked to recount a personal experience of a critical incident of service failure or recovery in a restaurant setting which affected them either positively or negatively within the past six month. The recency of the participants' service experience is considered important to ensure that more accurate responses are gathered (Sekaran, 2003).

Referring to the means-end value chain method illustrated in Figure 3.1, a subject reported an incident where he/she was being treated discourteously by a service provider in a full-service restaurant (negative service attribute), shown here as the lowest level of the three categories in the means-end chain.

The interview procedure involved the subject being probed at appropriate junctures, so after the subject had recounted the incident, he/she was asked to explain as to how the discourteous treatment (service failure) had affected him/her. In this illustrative case, the subject indicated of being upset and humiliated as a result of the discourteous treatment (consequences) by the service provider shown here as the second level in the chain.

The subject was probed deeper into the reason/s for why he/she was upset and humiliated by the discourteous treatment and why being treated courteously was important to him/she. The aim in this higher level in the chain is to tap the deeper reasons as to why the subjects might find a certain service event favorable or unfavorable. In this case, the subject had indicated that he/she was upset because the quality of service received was perceived to be below expectation. He/she believed that as a customer, it was important that the service provider should relate to him/her in a fair manner interpersonally (Interactional justice). Therefore, his/her sense of fairness which was related to his/her ‘value of equity’ (end-value) was violated, shown here as the highest level in the chain.

Furthermore, in a customer-service provider relationship, a customer is assumed to hold a higher social position than the server, not unlike a master-servant relationship. Thus, in hierarchical society, such as China (Bond & Hwang, 1987), it is expected that people holding higher social positions, are being given deference by those holding a lower social position (e.g., Brunner & Wang, 1988). Thus, when this social position is violated, particularly when
those holding higher positions are being humiliated by those in a more lowly position, the former’s face is threatened (end-value) (Wee, 2001).

It is suggested here that the mean-end method offers a means to uncover the deeper meanings and nuances in which participants attached to the service provider’s demeanour associated with a service event (Reynolds & Gutman, 1988). In a service management’ study, insight such as this enables pertinent provisions for service recovery to be developed to meet the cultural needs of customers.

3.3 The Study Sample, Selection Criteria and Selection Procedures
Unlike other qualitative method, a larger sample with a size of 60-70 participants is not uncommon in a means-end study (Reynolds & Gutman, 1988). Given that a constraint on cost exists in research, an important objective is to employ a sampling method that is cost-effective (e.g., Jennings, 2001; Zikmund, 1994). In the present study, purposive sampling was chosen over convenience sampling as it was considered a more cost-effective method. This means that the sample chosen using purposive sampling represents the study population more closely than convenience sampling, which means the sample selected contains many of the characteristics in the study population (Sekaran, 2003). For the present study, a moderate size sample of 45 mainland Chinese participants was selected using purposive sampling on the basis of the following criteria. It is argued that the the deeper probing of customers’ responses in a means-end interview, would produce less ambiguous information, as issues can be clarified in a means-end study approach (Reynolds & Gutman).

The primary objective in Study One was to examine how Chinese consumers described and made sense of negative service events, with particular emphasis on how this sense-making activity is linked to culturally-determined core service value beliefs.

Hence to ascertain the culturally-determined core service value beliefs, selected sample of participants were to comprise of ethnic Chinese, who were permanent residents of Beijing, China and who spoke Chinese and observed Chinese cultural traditions and customs. These selection criteria are deemed important as the selected participants must hold service value beliefs that reflect Chinese cultural influence and a city-dweller, as the target population is one from a large Chinese city. They were selected from both genders representing different demographics in terms of age, social and occupation groups. This is
because studies have shown that respondents from different age groups will have different consumer behaviour (e.g., Lam & Tang, 2003; Hueng & Lam, 2003; Le Claire, 1993). For example, Le Claire found that Younger Chinese in Hong Kong were less concern about face value and adhered less to traditions. Lam and Tang (2003) found that younger Hong Kong and female gender were not averse to complain when service goes awry. Only participants who had dined in full-service Chinese restaurants (a la carte) for at least once every ten days on average in the past six months were selected. The Chinese national average is 4.6 times per month or more than once a week (Garner, 2005), although it must be noted that the frequency noted in the national average figure relates to dining in restaurants and not necessarily pertaining to full-service restaurants. The rationale behind this criterion was that subjects who dine out frequently in restaurants would expect to be familiar with such services and could recount negative service incidents and indicate preferences for service recovery in restaurants.

With the assistance of two research assistants, who were familiar with the local custom, environment and who were able to contact potential participants for the study, a total of 65 Chinese in the city of Beijing, China were listed as potential subjects and were approached by the research assistants to participate in the study. The research assistants, who were briefed about the sample's requirements, were tasked to vet the potential subjects, to ensure that they met the criteria stipulated for the study. The profiles of the selected participants are cross-checked with the researcher to ensure all set criteria were strictly adhered to in the selection.

Of the 65 potential subjects listed, and approached, 55 had consented to participate in the study, and ten (10) had declined. The remaining 55 potential participants were then tested for eligibility to participate, but only 50 were eligible. The five (5) who failed to meet the selection criteria had dined out less than once a month in the past six months or had difficulty recalling a positive or negative service event in restaurants, and were eliminated from the list. Thus, only 50 consented participants had met most of the selection criteria, except dining frequency. After some deliberations, it was decided that the selection criterion for ‘dining frequency’ was relaxed from an average of once every ten days to once every fortnight, to allow for the selection of several subjects in the ‘50 and above’ age groups, who indicated that they dined out less than once every ten days.
Of the 50 participants, four (4) had withdrawn before the scheduled interview for personal and other reasons, and one (1) did not show, thus a total of 45 subjects were eventually selected and interviewed out of a target of 65 potential subjects.

3.4 Interview Procedure
All the interviews were conducted by the present researcher. Contact details such as, telephone numbers and email addresses and other information were collected from the selected participants to contact for the interviews. An interview schedule was set up by the research assistants. Twenty-fours (24) hours before the scheduled interview, the participants were contacted to confirm the time and place for the interviews. For the participants’ convenience, each interview was scheduled at a time and venue to suit them. The interviews were conducted either at the researcher’s hotel or locations nominated by the participants.

All interviews were conducted over a three-week period. The interviews were conducted using Putong hua (Chinese language) and where possible in English. Each interview was approximately of 40-45 minute duration, and was taped and scripted with the permission of the participant. At the conclusion of an interview, the participant was thanked and given a small gift worth RMB 20 Yuan (AUD $3.30) as an expression of gratitude.

3.5 Treatment of Data
The audio-recorded transcripts of the interviews in Chinese were translated into English and back-translated into Chinese in written form by two experienced bi-lingual translator, who were blind to the study. The transcript was translated by one translator into English, and was back-translated into Chinese by the second translator. The translation was cross-checked for accuracy by the researcher. The translators were chosen not only for their translation skills, but also for their understanding of Chinese culture as the transcript contained words, terms and phrases that have cultural meanings.

In the analytical phase, two Chinese professionals steeped in Chinese culture and had some knowledge of research, were co-opted to analyse the data using content analysis. Each assistant, who was blind to the aims of the study, analysed the data separately. They were
first briefed about the means-end methods and then instructed to categorise the data into three (3) levels – service attributes (service failure or service recovery); consequences, and end-values. A means-ends chain for the three levels consisting of service attribute, consequence and end-value was established for each of the 45 participants. After this task was completed, the researcher met with the two assistants to compare their categorisations in the three levels of the means-end chain to identify areas of agreement and disagreement. In areas of disagreement, further discussions were entered into to reach a final position for the findings. A final categorisation was then decided with the means-end chain established for each of the 45 participants as summarised Table 4.1 and presented in details in Appendix 1 in the appendices. Value themes emerged from these analyses, the results of which are presented in Chapter four.

3.6 Justifications of Means-end Value Chain Method

As noted in chapter two, due to acculturation, it is unclear as to the currency of values held by the Chinese consumers in question. Ho (2001) notes that a method often used to study the influence of traditional cultural values on Chinese behaviour involves a synthesis of literature on the characteristics of traditional Chinese cultural values and then making inferences from these on the subjects’ behaviour. For example, a Confucian-influenced cultural value, which Chinese are commonly assumed to hold, is social harmony (Jia, 1997-8). It is inferred from this that Chinese are less likely to confront or complain in conflict or dispute situations (e.g., Chen, 2002; Yang et al., 1989; Yau, 1988). While it may be justified to make inferences on Chinese’ consumer behavior from traditional values gleaned from literature (Fan, 2000), it is, however, necessary to ascertain if these values are pertinent to the consumers and are still prevalence in the society, that is, society still in fact adhere to these values (Cheng & Yau, 2007). As Ho (2001) also notes, using traditional Chinese values synthesized from literature for a study lacks a systematic explanation for relationships between value and consumer behaviour.

Chinese are also known to be situational-orientated (Yang, Ho, & Yau, 1989), which means that their behaviour is determined by how they assess the situation is at hand. For example, although, Chinese are known to have the tendency to avoid confrontation, they are also found at times to confront the service providers for a prompt redress of a mistake. This
may occur when service fails and confronting the service provider enables them to affirm their status and elevate their *face* in the company of in-group members (e.g., Cheng & Yau, 2007). Thus, it may be inaccurate to suggest that Chinese do not confront because they adhere to the value of *social harmony*. A more accurate finding is only possible from a more *emic* (cultural-specific) approach and a more systematic analysis of the relationship between value and consumer behavior.

It is noted in Zhang et al.'s. (2008) study that a large number of service researchers have used Hofstede's (1980) broad cultural dimensions to study the influence of culture on consumer behaviour in the context of service failure management. While these cultural dimensions provide broad basis for comparisons and are valid for cross-cultural studies, they may be inadequate to detect more specific meanings and nuances of customer's behavior within a given cultural group. To overcome this problem, Morris and Leung (2000) have recommended the use of specified value dimensions, cultural norms and beliefs that are pertinent to the cultural group concerned to uncover *cultural nuances* and characteristics unique to group. Given these needs, the *means-end* value chain is deemed a suitable method for the present study as the approach can overcome the problem raised by Ho (2001), who argued that values synthesized from literature lacks a systematic explanation for relationships between value and consumer behavior. The means-end method may also overcome the problem relating to a lack of cultural specificity when Hofstede's (1980) broad cultural dimensions were used in an *emic* approach in the present study (Morris & Leung, 2000).

The *means-end value* method has been found to be suitable for research in a large field of studies. For example, in the marketing and consumer behavioral studies, it is found to be appropriate in investigating the connections between consumers' perceived product attributes and their end-values (Gutman, 1982). It is also considered valid in the study of consumer values and their action plans (Pieters, Baumgartner, & Allen, 1995), or consumers' choices and the end values in a social context (Manyiwa & Crawford, 2002). It is further found to be useful in the study of perceived brand's attributes, benefits and consumer's personal satisfaction (Wansink, 2003).

In service, the *means-end* method has been found to offer a powerful tool in determining benefit segmentations (Botschen, Thelan, & Pieters, 1999). In hospitality research, it is noted to be appropriate for examining consumer perceived value and
satisfaction in foodservice operation (Bojanic & Kashyap, 2000) and in situations of service failure and recovery in hotels (Lewis & McCann, 2004).

3.7 Conclusion
In this chapter, the methodology was described; followed by an explanation of the study sample, selection criteria, selection procedures, interview procedure and treatment of data, and ends with the justifications for the methodology.

A more in-depth study was required to ascertain the salient values held by the participants, and means-end chain was considered a suitable methodology over others, such as making inferences from traditional Chinese concepts derived through the synthesis of literature or Hofstede's cultural dimensions, which is a more suitable approach for cross-cultural studies. Thus, an exploratory study using the means-end methodology was conducted in the stage-one study (Study 1). The results of Study 1 are presented in the following chapter.
Chapter Four

Presentation of the Means-end Results for Study One

4.1 Introduction

As noted in chapter three, the means-end data were content-analysed and relevant findings were classified under three categories with service attribute forming the lowest level of the chain, consequences and end-values forming the middle and highest levels of the chain respectively. As highlighted in Figure 3.1, a service incident such as ‘discourteous service’ caused a customer to feel upset and humiliated. This negative emotion was linked cognitively to his/her end-values such as equity and face. Thus, the means-end study taps the deeper reasons for the participants finding certain service event favourable or unfavourable. For example, discourteous service caused the participants humiliation and posed a threat to their face’. The means-end data derived from the participants’ accounts of negative and positive service incidents were content-analyzed to reveal 67 service incidents (service failure and resolution) derived from five (5) value themes consisting of face, equity, valued patron, junzi aspiration and social harmony (Table 4.1).

<table>
<thead>
<tr>
<th>Total Service incidents</th>
<th>Face</th>
<th>Equity</th>
<th>Valued patron</th>
<th>Junzi aspiration</th>
<th>Social harmony</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>27</td>
<td>14</td>
<td>11</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Means-end data of the study

The demographical information of the 45 participants is presented in Table 4.2. The means-end findings of the 67 service failure incidents recounted by the 45 participants in the study are presented in Table 4.3.

4.1.1 Demographics

As Table 4.2 reveals, 57.8% and 42.2% of the study sample were female and male respectively, which was a slightly skewed representation of gender, although this was not considered problematic. All age groups from 20-70 were represented in the sample with
68.9% of the subjects below 50 years old. These age groups were physically more active groups in society, and as such were expected to dine-out more regularly. In the interviews it was found that the participants between the age of 20 and 49 years old dined out on average 4.3 times per month or slightly more than once a week, while the age groups 50 and over, dined out on average 3 times a month. The study subjects were derived from a variety of occupational backgrounds as revealed in Table 4.2.

Table 4.2 -- Frequency Distribution of the Sample's Demographics (N=45)

<table>
<thead>
<tr>
<th>Gender distribution</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>19</td>
<td>42.2</td>
<td>42.2</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>26</td>
<td>57.8</td>
<td>57.8</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marital status</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>13</td>
<td>28.8</td>
<td>28.8</td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>32</td>
<td>71.1</td>
<td>71.1</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age distribution</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-29</td>
<td>7</td>
<td>15.5</td>
<td>15.5</td>
<td></td>
</tr>
<tr>
<td>30-39</td>
<td>12</td>
<td>26.7</td>
<td>26.7</td>
<td>42.2</td>
</tr>
<tr>
<td>40-49</td>
<td>12</td>
<td>26.7</td>
<td>26.7</td>
<td>68.9</td>
</tr>
<tr>
<td>50-59</td>
<td>6</td>
<td>13.3</td>
<td>13.3</td>
<td>82.2</td>
</tr>
<tr>
<td>60 &amp; over</td>
<td>8</td>
<td>17.8</td>
<td>17.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100.0</td>
<td>100.0</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>5</td>
<td>11.1</td>
<td>11.1</td>
<td></td>
</tr>
<tr>
<td>Teaching (Schools &amp; Tertiary)</td>
<td>7</td>
<td>15.6</td>
<td>15.6</td>
<td>26.7</td>
</tr>
<tr>
<td>Business &amp; Administration (Manager, travel, bank)</td>
<td>11</td>
<td>24.4</td>
<td>24.4</td>
<td>51.1</td>
</tr>
<tr>
<td>Professional (Medicine, law, engineering, Music)</td>
<td>7</td>
<td>15.6</td>
<td>15.6</td>
<td>66.7</td>
</tr>
<tr>
<td>Trade &amp; Semi professionals (Chef, grocer, cleaning, clerk, sales, driving)</td>
<td>10</td>
<td>22.2</td>
<td>22.2</td>
<td>88.9</td>
</tr>
<tr>
<td>Home-maker &amp; Retiree</td>
<td>5</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.1.2 Recruitment of Study Subjects

The research objective in Study 1 was to ascertain the culturally-determined core service value beliefs held by Chinese consumers. Purposive sampling was considered the most appropriate method as the study subjects chosen were more likely to possess the characteristics in the study population (Sekaran, 2003). Since the subjects were not randomly selected, no selection order was required (Sekaran, 2003).

*How, where and why* these study subjects were chosen, are explained (See also *Section 3.3* in Chapter 3). Two indigenous assistants familiar with the research protocol, conversant with local custom and environment were briefed on the recruitment criteria to assist with the selection of study subjects. Potential subjects were vetted to ensure the selection criteria were met. The criteria stipulated that the subjects must be ethnic Han Chinese residing permanently in Beijing, spoke Chinese and practised Chinese culture and customs, e.g., observing Chinese festivals. They were selected on demographical factors representing *gender, age, marital status* and *occupation* backgrounds, as studies showed that subjects from different demographical backgrounds appeared to have different consumer behaviour (e.g., Lam & Tang, 2003; Hueng & Lam, 2003; Le Claire, 1993). Subjects qualified for selection must have dined in *full-service* Chinese restaurants (*a la carte*) at least once every ten days on average, in the past six months. Such dining frequency was stipulated to ensure the subjects selected were conversant with restaurant services and could recount negative service incidents and indicate preferences for service recovery in the interviews, thus proffering better quality findings. The subjects were purposively selected based strictly on the selection criteria in private abodes, various businesses, trades, professional and semi-professional firms, educational institutions and travel agents.

A summary of the findings of means-end value themes are presented in *Table 4.3*. A brief demographic of the participants are first summarised. The nature of service failure/resolution recounted by the participants is presented next. Thirdly, the consequences of the negative service incidents, which impacted on the participants, are highlighted. Finally, the participants’ end-values are identified. A detailed set of means-end values cases of the 45 participants are found in *Appendix One* of the appendice section in the thesis. The five means-end value themes and reasons given by the participants for their salience in situations of service failure and service resolution are presented verbatim in the following five sections.
# Table 4.3 - Summary of Findings of Means-Ends Value Themes

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Service incidents</th>
<th>Consequences</th>
<th>COMMON VALUE THEMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>(N=45)</td>
<td></td>
<td></td>
<td>1 Face (E) 2 Equity (V) 3 Valued patrons (J) 4 Ideal person (F) 5 Harmony (H)</td>
</tr>
<tr>
<td><strong>Code No</strong></td>
<td><strong>Service attributes</strong></td>
<td><strong>Consequences</strong></td>
<td><strong>E</strong></td>
</tr>
<tr>
<td>C011310</td>
<td>Private room not ready</td>
<td>Embarrassed (F)</td>
<td></td>
</tr>
<tr>
<td>M-30s-Bank staff</td>
<td>Manager's quick action 2</td>
<td>Restored face (F)</td>
<td></td>
</tr>
<tr>
<td>C021310</td>
<td>Manager's conviviality</td>
<td>Felt welcomed (F)</td>
<td></td>
</tr>
<tr>
<td>M-30s-Engineer</td>
<td>Slow service 2</td>
<td>Moderation (J)</td>
<td></td>
</tr>
<tr>
<td>C0331310</td>
<td>Hard to get refund</td>
<td>Refund forfeited (E)</td>
<td></td>
</tr>
<tr>
<td>M-40s-Lecturer</td>
<td>Charged meal twice 2</td>
<td>Unhappy (E)</td>
<td></td>
</tr>
<tr>
<td>C041310</td>
<td>Unprofessional staff</td>
<td>Humiliated (F)</td>
<td></td>
</tr>
<tr>
<td>F-30s-Manager</td>
<td>Inadequate recovery 2</td>
<td>Disappointed (E)</td>
<td></td>
</tr>
<tr>
<td>C051410</td>
<td>Slow service</td>
<td>Embarrassed &amp;</td>
<td></td>
</tr>
<tr>
<td>M-50s-Business</td>
<td>Discourteous manager 2</td>
<td>Humiliated (F)</td>
<td></td>
</tr>
<tr>
<td>C061410</td>
<td>No effort to recover</td>
<td>Insulted (V)</td>
<td></td>
</tr>
<tr>
<td>F-30s-Homemaker</td>
<td>Unethical sales tactic 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C071410</td>
<td>Insincere apology</td>
<td>Humiliated (V)</td>
<td></td>
</tr>
<tr>
<td>M-60-Professor</td>
<td>Disrespectful waitress 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C081410</td>
<td>Had to vacate table, request</td>
<td>No remarig given</td>
<td></td>
</tr>
<tr>
<td>F-70s-Retiree</td>
<td>accommodated 2</td>
<td>Humiliated (F)</td>
<td></td>
</tr>
<tr>
<td>C091510</td>
<td>Impolite staff. Only apology</td>
<td>Insulted (F)</td>
<td></td>
</tr>
<tr>
<td>F-70s-Retiree</td>
<td>Poor recovery 2</td>
<td>Disappointed (H)</td>
<td></td>
</tr>
<tr>
<td>C101510</td>
<td>Felt looked down &amp; being lectured to 2</td>
<td>Humiliated &amp; Offended (F)</td>
<td></td>
</tr>
<tr>
<td>F-20s-Student</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C111510</td>
<td>No Reservation 1</td>
<td>Embarrassed (F)</td>
<td></td>
</tr>
<tr>
<td>M-20s-Student</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C121510</td>
<td>Blamed customers</td>
<td>Shocked/upset (V)</td>
<td></td>
</tr>
<tr>
<td>F-50s-Teacher</td>
<td>Wrong meal offered 1</td>
<td>No retaliation (J)</td>
<td></td>
</tr>
<tr>
<td>C131610</td>
<td>Incessant interrogation, felt integrity questioned 1</td>
<td>Humiliated (F)</td>
<td></td>
</tr>
<tr>
<td>F-30s-Tradesman</td>
<td></td>
<td>Unimpressed (V)</td>
<td></td>
</tr>
<tr>
<td>C141610</td>
<td>Condescending remark</td>
<td>Humiliated (F)</td>
<td></td>
</tr>
<tr>
<td>F-50s-Sales</td>
<td>Refused to recook meal 2</td>
<td>Displeased (E)</td>
<td></td>
</tr>
<tr>
<td>C151610</td>
<td>Poor service, but helped by</td>
<td>Embarrassed (V)</td>
<td></td>
</tr>
<tr>
<td>F-40s-Nurse</td>
<td>manager own action 2</td>
<td>Face restored (F)</td>
<td></td>
</tr>
<tr>
<td>C161610</td>
<td>Maître'd accused patron of</td>
<td>Humiliated/offended</td>
<td></td>
</tr>
<tr>
<td>M-20s-Office</td>
<td>insobriety 1</td>
<td>Spoilt reunion (F)</td>
<td></td>
</tr>
<tr>
<td>C171710</td>
<td>Poor service - show-casing</td>
<td>Embarrassed (F)</td>
<td></td>
</tr>
<tr>
<td>M-40s-Tour staff</td>
<td>overseas visitors 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C181710</td>
<td>Contaminated food but good recovery 1</td>
<td>Horrified/dissatisfied (F)</td>
<td></td>
</tr>
<tr>
<td>F-40s-Teacher</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C191710</td>
<td>Inhospiatble host and rushed meal 2</td>
<td>Humiliated (V)</td>
<td></td>
</tr>
<tr>
<td>M-30s-Lecturer</td>
<td></td>
<td>Spoilt enjoyment</td>
<td></td>
</tr>
<tr>
<td>C201710</td>
<td>Delayed table service</td>
<td>Angry for unfair service procedure (E)</td>
<td></td>
</tr>
<tr>
<td>M-40s-Business</td>
<td>No service recovery 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C211810</td>
<td>Sarcastic remark of staff</td>
<td>Highly insulted (F)</td>
<td></td>
</tr>
<tr>
<td>M-20s-Student</td>
<td>when asked dish's name 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C221810</td>
<td>Broken promise, but dislike alienating others 1</td>
<td>Disappointed (H)</td>
<td></td>
</tr>
<tr>
<td>F-30s-Musician</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C231810</td>
<td>Late delivery &amp; inaction to a regular patron 2</td>
<td>No remarig face (E)</td>
<td></td>
</tr>
<tr>
<td>M-30s-Chef</td>
<td></td>
<td>Not good effort (E)</td>
<td></td>
</tr>
</tbody>
</table>
### Table 4.3 – Summary of Findings of Means-Ends Value Themes (cont’d)

<table>
<thead>
<tr>
<th>Participants</th>
<th>Service incidents</th>
<th>Consequences</th>
<th>COMMON VALUE THEMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code No</td>
<td>Service attributes</td>
<td></td>
<td>1 Face 2 Equity 3 Valued 4 Ideal 5 Harmony</td>
</tr>
<tr>
<td>Gender-Age-Job</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C241810 F-60s-Cleaner</td>
<td>Discrimination 1</td>
<td>Upset - had self-control (F)</td>
<td>✓</td>
</tr>
<tr>
<td>M-60s-Manager</td>
<td>Unethical sales</td>
<td>Showed self-control (F)</td>
<td>✓</td>
</tr>
<tr>
<td>C261910 M-60s-Manager</td>
<td>Cashier was insulting 1</td>
<td>Unreasonableness (E)</td>
<td>✓</td>
</tr>
<tr>
<td>C271910 M-60s-Lawyer</td>
<td>Dishonest sales practice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C281910 F-50s-Sales</td>
<td>Abused by manager when complained of the offer 1</td>
<td>Upset for being treated rudely (E)</td>
<td>✓</td>
</tr>
<tr>
<td>C292010 M-40s-Doctor</td>
<td>Discriminated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C302100 F-20s-Student</td>
<td>Disrespectful proprietor 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C312010 F-20s-Student</td>
<td>Misinformation</td>
<td>Embarrassed (F)</td>
<td>✓</td>
</tr>
<tr>
<td>C322010 F-30s-Journalist</td>
<td>Service neglect 1</td>
<td>Upset &amp; displeased</td>
<td>✓</td>
</tr>
<tr>
<td>C332110 F-20s-Teacher</td>
<td>Unethical service tactic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C342110 M-40s-officer</td>
<td>Staff’s sarcasm</td>
<td>Embarrassed (F)</td>
<td>✓</td>
</tr>
<tr>
<td>C352110 F-60s-Manager</td>
<td>Poor food and harsh replacement policy 2</td>
<td>Upset (E)</td>
<td>✓</td>
</tr>
<tr>
<td>C362110 M-50s-Salesman</td>
<td>Wrong meal given</td>
<td>Felt special (E)</td>
<td>✓</td>
</tr>
<tr>
<td>C372110 F-40s-Manager</td>
<td>Cost un-itemized – error to settle bill in public 2</td>
<td>Upset/no fight (H)</td>
<td>✓</td>
</tr>
<tr>
<td>C382110 F-40s-driver</td>
<td>Rushed meal service, so celebration spoiled 1</td>
<td>Dissatisfied, but unwilling to confront (H)</td>
<td>✓</td>
</tr>
<tr>
<td>C392110 F-40s-Business</td>
<td>Inattentive server</td>
<td>Didn’t retaliate (I)</td>
<td>✓</td>
</tr>
<tr>
<td>C402310 F-30s-Clerk</td>
<td>Discrimination but no retaliation 1</td>
<td>Humiliated &amp; exited (F)</td>
<td>✓</td>
</tr>
<tr>
<td>C412310 F-40s-Bank staff</td>
<td>Table unavailable, but owner personally helped 1</td>
<td>Delighted &amp; appreciative (F)</td>
<td>✓</td>
</tr>
<tr>
<td>C422310 M-60s-Manager</td>
<td>Non-kosher food given</td>
<td>Embarrassed (F)</td>
<td>✓</td>
</tr>
<tr>
<td>C432310 F-50s-Principal</td>
<td>No smoke-free area, but understood difficulty 1</td>
<td>Disappointed but showed goodwill (J)</td>
<td>✓</td>
</tr>
<tr>
<td>C442310 F-30s-Travel agent</td>
<td>Favourite dish sold out, but no service recovery 1</td>
<td>Astonished but patron understood (J)</td>
<td>✓</td>
</tr>
<tr>
<td>C452410 M-45-Grocer</td>
<td>Long-wait, but manager helped, good recovery 2</td>
<td>Empathy shown (H)</td>
<td>✓</td>
</tr>
<tr>
<td>Count</td>
<td>67</td>
<td>65</td>
<td>27</td>
</tr>
</tbody>
</table>

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4.2 Value Theme – *Face*

In the means-end interviews in Study 1, the Chinese participants were asked to recount a critical service incident that they experienced in a restaurant about which they felt very happy or unhappy, and to explain the reasons for their positive or negative experiences. A critical service incident was defined for them as a happening that favourably or adversely affected their material and emotional interest. For example, they felt deeply unhappy because they felt the service was not value for money (material loss) and the service personnel was discourteous, and they felt humiliated (emotional loss).

A major value theme that emerged in the participants’ responses appeared to be related to the phenomenon of *face*. As Table 4.1 shows, in 40.2 percent of the critical service incidents reported, *face* was identified as the focal issue, indicating that the participants had a high proclivity for *face*. In these incidents, participants explicitly or implicitly reported that *face* was impacted either favourably or unfavourably.

*A face-impact* is defined as the service provider’s action, which has the effect of causing a patron to experience a favourable or unfavourable *face* – meaning gain or lose *face*. Three contexts in which a participant’s *face* has been reported to be favourably or unfavourably impacted in the means-end study will be presented with supporting cases later. Meanwhile, the contexts are briefly outlined in the following.

First, the action might be in the context of *how* a service provider interacted with a patron, which caused the patron to gain or lose *face*. Thus, a favourable *face-impact* might be experienced by a patron, when he/she was treated with great respect by the service provider causing him/her to gain in *face*. His/her *face* might be saved or protected by how well he/she was treated, which was also a favourable *face-impact*. On the other hand, An unfavourable or adverse *face-impact* might occur when the service provider treated the patron with little respect, causing the latter to feel humiliated resulting in a ‘diminution’ or a ‘loss’ of *face*.

Second, the service provider’s action might be in the context of *what* was delivered to the patron, which was also found in the means-end study to cause the patron a gain or a loss of *face*. Thus, a favourable *face-impact* was when a service provider expended greater effort to properly resolve a problem, causing a patron to feel special, thus, elevating his/her *face*. Conversely, if the *face-impact* was unfavourable because what was delivered (outcome) was sub-standard, a patron might feel neglected, and might suffer a loss of *face*.

Third, *where* the *face-impact* took place was also been found to have a favourable or
unfavourable face-impact on the patron. The concepts of face are first discussed to provide a background understanding of the face phenomenon highlighted in cases presented in this chapter.

4.2.1 The Concepts of Face
The two concepts of Chinese face identified in Study 1 are mianzi and lian. They are sometimes distinguished in face literature. For example, Hu (1944:45) notes that ‘mianzi is a kind of prestige or status which people claim from their success or achievement and is displayed through ostentatious living. The meaning of mianzi has been further explored by King and Myers (1977), and Bond and Lee (1981), who note mianzi as people’s social face consisting of a personal and non-personal dimension. The personal dimension of face refers to people’s skills, abilities, altruism and social connections. This dimension of face is also noted by Lim (1994), who writes that face represents people’s ‘competency’, reflected in their social, scholastic or business achievements. Thus, in Study 1, participants were keen to ensure that their abilities to discern service quality or organization of dinners were not unfavourably scrutinized by the guests. Non-personal dimension relates to material possessions such as wealth and property. Thus, the mianzi face concept determines ‘who they are socially’.

On the other hand, lian face is referred by Hu (1944:61) as the “confidence of society in the integrity of [people’s] ego’s moral character, the loss of which makes it impossible for [them] to function properly within the community.” Others researchers, such as King and Myers (1977) or Bond and Lee (1981), also mentioned lian face in their studies and referred it to people’s moral reputation, calling it the moral face. Ho (1976:870) contends that mankind is entitled to have lian as member of a society, but may be lost through their unacceptable moral conduct. Ho (1994:277) further notes that when Chinese lose lian, they do not only feel embarrassed or humiliated, but, also ashamed, because their moral integrity is lost, which means a loss of “an inalienable right to human dignity”. As Hu (1944) and Yang (1945) note, a loss of moral integrity makes them less able to function properly in society. Morality is also linked to face in the present study, where participants claimed that their face (lian) was threatened or lost, when their moral reputation, such as self-control, honesty, integrity, sobriety or family upbringing were being questioned or implicated. Lian face determines ‘who they are morally’.
4.2.2 Chinese Consumers’ Needs Hierarchy Model

*Face* is a form of ‘social capital’ (Chan & Wan, 2008; 2009), which people claim from others to satisfy their higher socio-psychological needs. These needs can be explained in Schutte and Ciarlante’s (1998) needs’ model (See Figure 4.1). Their model was adopted from Maslow’s (1970) hierarchy of needs, where Maslow’s needs of belongingness, prestige (self-esteem) and self-actualization were substituted for the Chinese needs for *affiliation*, *admiration* and *status*. Schutte and Ciarlante (1998) contend that Chinese seek to gain *acceptance* from group members (*affiliation*). People’s *face-worth* depends on ‘who they are’, how successful they are and ‘how they are accepted’ socially and morally (e.g., Bond & Lee, 1981; Bond & Hwang, 1987; Ho, 1976; 1944; Hu, 1944; Hwang, 1998; Kipnis, 1995; Lim, 1994). Thus, when they meet the group’s standards and are accepted by them, they are said to *have face* (*you mianzi*) but when they fail to do so and are rejected by the group, they are said to *have no face* (*mei mianzi*) (e.g., Kipnis, 1995).

The model also suggests that people gain *admiration* (e.g., respect, adulation) from others. For example, people gain admiration from others for being successful in their education, business, politics or sporting pursuit (Bond & Lee, 1981; Lim, 1994). As a result of the admiration, people who achieve success will receive adulation and respect from others. They will claim that they are given *mianzi* by others. They are said to ‘have face’ (*you mianzi*). Thus, when participants in Study 1 failed to host a dinner successfully, they lost the *admiration* of others because they could not provide adequately for the guests, therefore, a loss of *mianzi* *face* occurred (e.g., Chen, 1990). The opposite would result in a *face-gain* as their *face-worth* would be elevated.

Thus, it was not surprising in Study 1, to find that the participants were keen to ensure that the dining occasions in which they hosted or organized, were without blemishes. Conversely, they displayed weariness, concern and actively engaged in *face-work* to ensure their organizing and financial ability were free from unfavourable scrutiny by others. Pejorative scrutiny by others might result in a loss of admiration, and therefore, *face*. They also made attempts to check their own behaviour (self-control) to ensure their moral reputation (*lian face*) was preserved or protected.

The highest order in Schutte and Ciarlante’s (1998) needs hierarchy is *status*.
Evidence in Study 1 suggests that the participants were keen to seek *status*, which is defined as *mianzi face* here. For example, they lamented at not being given the *status* of esteemed guests in well-appointed venues. They clearly expected to receive a high standard of service in a well-appointed establishment, but when the expected service standard was missing, they felt disappointed and humiliated, resulting in a *face-loss*.

A high service standard offered in a well-appointed establishment means that guests expect to be especially ‘looked after’ and ‘being treated with importance’. Such service treatments were perceived by customers to have been accorded *status*, thus, *mianzi*.

The discussion of the ‘Needs model’ provides an understanding that *face* is the highest order of the needs hierarchy of people who show a high proclivity for *mianzi face*, which as noted, are often found in Chinese. This is also evident in the Chinese participants in Study 1.

*Figure 4.1 - Chinese Consumers’ Needs Hierarchy*

Source: Adapted from Schutte & Ciarlante (1998, p. 93)

4.2.3 The Contexts of Face-Impact

A *face*-impact is noted to have occurred, when the action of a service provider causes a patron to have a favourable or unfavourable *face*. The context of *how, what* and *where* a participant’s *face*-impact was experienced are presented and supported with means-end
values cases. These face-impacts incidents determine whether he/she has incurred a face-gain or face-loss.

The Context of How the Face Impact Occurs

The present means-end findings suggest that the context of how or the manner in which service providers treated or interacted with the participants, were reported to have caused an unfavourable face or a favourable face. As the cases show, face-threat or face-loss were caused by either the service providers’ verbal or non-verbal interaction styles. Verbal interaction styles refer to the use of spoken languages by the service providers when communicating with customers during interactions (DeJanasz-Dowd-Schneider, 2006). On the other hand, non-verbal forms relate to the use of body language such as facial and hand gestures, posture; and appearance to convey messages (Hynes, 2004; Smith & Bond, 1986).

Service Providers’ Pejorative Verbal Interaction Style

The following cases show that the participants’ face-worth was unfavourably impacted by the staff’s pejorative verbal interaction styles. A list of interaction styles which the Chinese participants considered as pejorative and which had caused them to experience an unfavourable face-worth (face-threat or face-loss) are presented as follow. They indicated that they disliked to be communicated to either verbally or non-verbally in a condescending, sarcastic, cynical and insinuating manner.

Thus, in the first case presented, a participant C141610 reported that when she complained about the under-cooked dish, she was spoken to in a condescending manner by the service personnel, causing her to be humiliated and incurred a loss of face. She said:

“I was humiliated...it’s the way she spoke to me. In a loud voice among other customers she asked if I’ve had the dish before and perhaps, I’d not learnt to appreciate the dish...she shouldn’t speak to customers so condescendingly...I knew how I liked the dish cooked as I’ve had it since young...I wasn’t a novice...”

An illustrative means-end chain representing cases for face salience is shown in Figure 4.2. The negative service attribute in this case was related to a participant feeling humiliated by the service provider’s condescending remark which caused her a loss of mianzi face.
Other participants also reported that perjorative verbal interaction styles were unacceptable manners of communicating to a patron when created an unfavourable face-impact. For example, participant C091510 felt insulted by the service personnel’s remark and felt that she was not extended with proper ‘li’ (propriety). She complained:

"The waitress was impatient when I was indecisive. Her comment I was a ‘slow coach’ was very impolite (‘jin mei li’) translated to mean a lack of propriety..."

In the next case, participant C211810 recalled a face-losing incident when a service personnel spoke to her in a sarcastic manner. She remembered:

"...it was only right to tell customers what they (the dishes) were. I was really insulted when she sarcastically asked if I didn’t know what I’d ordered."

Participant C051410 was humiliated by the manager’s cynical remarks. He recalled:

"...he humiliated me...he cynically told me that I’d come to a wrong restaurant and that if I’d no time I should go to a ‘xiao chi’*

* A xiao chi is a fast-food, small eatery, catering to customers wanting a quick and inexpensive meal.

Participant C261910, who had queried about the add-on items in the bill, was humiliated
when a junior staff insinuated that he was tight-fisted when hosting a dinner. He complained:

"It was humiliating to be spoken to like that by a junior staff. I didn’t know those items weren’t complimentary. Her remarks that I queried on a small amount insinuated I was stingy, which was very insulting."

On the other hand, a convivial verbal interaction style had the effect of enabling a patron to experience ‘face elevation’ (gain face) as exemplified in this case. Participant C021310 reported that the proprietor’s warm and welcoming words to him on arrival were perceived as a convivial interaction style, which elevated his face. He said:

"The proprietor’s warm and welcoming words give me the feeling that I’m important...I tend to overlook the problem when I’m treated nicely..."

**Service Providers’ Pejorative Non-Verbal Interaction Style**

Non-verbal interactional styles involve the service providers conveying subtle message to the participants through *body language* and *conduct*, which like the *verbal* style, also appeared to affect *mianzi*. As noted, body languages comprise of facial and hand gestures, posture; and appearance, as the findings suggest. For example, participant C402210 reported being humiliated by a service personnel’s facial gesture when she had only wanted a light meal. She perceived the gesture had conveyed to her a pejorative message implying she was not the patron they wanted, causing her a loss of *face*. She recounted:

"When I said I’d only wanted something light, his face showed I wasn’t worth serving...I felt humiliated of course...I wasn’t worth their effort!"

*Figure 4.3* provides an illustrative case of means-end chain representing cases indicating *face* salience. The chain service attribute was related to the waiter’s pejorative *facial gesture* which she interpreted to mean she was not welcomed because of her small order. As a consequence, she was humiliated and suffered a loss of *mianzi*. 

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Four other cases also exemplify that the pejorative manner (how) in which a service personnel interacted with the participants also resulted in them experiencing an unfavourable face-impact. Thus, in one case, participant **C191710** reported being greeted in an up-market restaurant by a cold and business-like hostess. This participant felt that such pejorative body language had conveyed to him the impression that the service provider was inhospitable. He reported:

"*We were humiliated by her cold, aloof and inhospitable manner...her body language showed that she was not that keen to extend hospitality to us.*"

Participant **C041310** in another case recalled being disrespectfully treated by the waiter, who had not bothered to make eye contact with her or acknowledge her request for assistance. The waiter had just dumped the water in front of her and walked off, without a word to her. She said:

"*I was insulted (he) didn’t bother to speak to me or acknowledge me... expected better treatment in a five star hotel.*"

Participant **C101510** also perceived that the head-waiter’s body language had conveyed to her a message that she and her party were unimportant, which humiliated her. She explained:

"*I sensed the captain (head waiter) wasn’t welcoming, knowing we’re students - low spent customers...it showed in his body language and we were being treated*
casually...They looked down on us..."

These cases indicated that the participants’ lian or moral face was unfavourable impacted and was lost, when their moral integrity was questioned. For example, participant C131610 reported that the restaurant manager had treated him with suspicion by quizzing him incessantly over the disputed food-bill, which made him feel like a cheat, impacted unfavourably on his moral face. He said:

"The manager’s conduct was totally unnecessary...humiliated by how he quizzed me...I’d indeed cancelled the items...treated as if I was a cheat...An honest customer shouldn’t have to go through this – it was degrading! I’ve high moral value...being honest is important to me."

In another case, participant C161610, who was celebrating a reunion with his old classmates, was deeply humiliated for being accused of lacking in self-control, since he was accused of insobriety and misbehaviour in the past. He was warned of an eviction if it was repeated. Although a mistaken identity, the head-waitress’ accusatory words had damaged his moral image. He complained:

"...she accused me of something I wasn’t... assassinated my character... ‘diu lian’ (loss of face)...my friends didn’t know if it was true or not... it was untrue, she’d mistaken me for someone else...important my character wasn’t tarnished."

**Summary of Findings on How the Service was Delivered and Face**

These means-end values cases presented highlighted a number of areas in which a customer’s face may be unfavourably and favourably impacted by the manner (how) in which they are treated by a service provider. The findings suggest that mianzi face can be lost through the pejorative verbal or non-verbal interaction styles of the service provider. Verbal interaction styles that are judged as pejorative may include communicating with customers in a sarcastic, condescending, cynical, and insinuating manner, or in a manner that lacks ‘li’. These can all cause customers to feel humiliated, insulted or belittled, and therefore an unfavourable (mianzi) face-impact. Likewise non-verbal interactional styles that are conveyed through a service provider’s body-language can also have a pejorative effect on customers’ face. On the
other hand, a convivial or congenial interaction style may have the opposite effect of customers’ face-worth. Face-worth is defined in the style as how a person’s face is impacted by other’s actions. A favourable face-worth means that a person’s face is elevated, saved and protected while an unfavourable face-worth means that his/her face is lost or diminished.

‘Li’ (propriety) was referred to as a form of protocol or a set of social protocol that guide people in social interactions in Chinese culture, and as such is expected to be observed (Chen, 2002; Gabrenya & Hwang, 1996; Huang, Huang, & Wu, 1996; Hwang, 1987). People who fail to observe is described as ‘ren meli’. As this is commonly observed by Chinese, it is important for service providers to observe in their interaction with Chinese customers.

There is also evidence to suggest that Chinese customers like to treat people with moral intrigue. A pejorative treatment which violates their moral reputation can cause them to feel a loss of lian face.

The Context of What was Received and the Face Impact

Face was also favourably or unfavourably impacted in the context of what was received (in a service failure resolution. For example, face was reported to be gained (favourable face-impact), when a proprietor personally helped to redress a service failure incident, but was lost in other cases where no effort in service resolution was perceived. The means-end values cases presented here identify this context of face-impact. Evidence in these cases suggests that the quality of a service resolution outcome has a favourable or unfavourable influence on the participants’ mianzi face. When outcome quality was favourable, the participants reported a ‘mianzi-restoration’ or ‘mianzi-gain’, but when it was unfavourable, a ‘mianzi-threat or mianzi-loss’ was reported, as the following cases exemplify. For example, participant C011310 reported that the manager’s prompt action in finding him another room to host his guests was perceived as a favorable service resolution outcome. He recalled:

"He [manager] apologized and promptly found me a room.....I felt he’d saved me from embarrassment under a delicate situation”

Figure 4.4 is an illustrative means-end chain representing cases in which favourable service resolution outcome resulted in customers’ face-saving. The chain attributes here relate to the manager’s effective service resolution actions. His apology and prompt preparation of
another room for the customer to host his important guests was perceived as a favorable service resolution outcome, restoring his *mianzi face* as it was threatened or lost when the room was not ready on arrival. It was a critical service failure incident, as he was hosting his manager and senior colleagues.

*Figure 4.4 - Illustrative Means-end Value for Mianzi (Service Resolution Outcome)*

These other cases also provide evidence of the effect of *what* was delivered to the participants and *what* the *face*-impact would be. Thus, participant C111510, who was tasked to organise a table for a graduation celebration with classmates, had failed to secure one, was pleased, when the manager’s promptly found him a table despite a full restaurant. The success in the service resolution had helped to restore his *mianzi* among his classmates. He said:

"I was anxious when there wasn’t a booking [however] the manager quickly got us a table with some juggling...very pleased with the effort...made me look better..."

In a similarly case, participant C151610 suffered a *face*-loss when the restaurant service she had spoken highly of was poor. However, when the proprietor knew about it, he had personally taken charge to serve her party. This favourable *outcome* had restored her *mianzi*. She said:

"I ask the proprietor for help, who immediately took over from the staff...he restored my face in front of my guests...my face was lost and regained".
The importance of a favourable service outcome for face was also exemplified in another case where participant C412310 had arrived late for a New Year reunion dinner with his family. Due to heavy demand for tables, it was given away. Giving renqing-mianzi to the customer, the manager had personally directed for a table to be set up for him. He said:

"Knowing it was a special dinner, he'd [manager] himself helped in setting up a table... had he not helped, we might not have got one anywhere on New Year's eve... felt very important and special."

On the other hand, when the service resolution outcome was less successful, the participants' reported a loss of face as these cases suggest. Thus, a participant C091510, who overheard rude jokes made about her by the waiting staff for her indecisiveness with menu ordering, had complained to the supervisor. However, the supervisor did nothing much. She said:

"... Insulted, we're discourteously treated... like 'second-rate customers' in an 'expensive place'... we complained, but the supervisor did nothing, only apologized... very unsatisfactory."

In another case, participant C081410, a regular, who was denied a special request to occupy a table longer in a farewell party, due to overbooking, had felt 'renqing mianzi' was not extended to her by the manager. This was perceived as unfavourable service outcome, which resulted in her exiting from the restaurant. She explained:

"Women shi changke, dan ta mei gei women mianzi." Translated as: 'We were regular customers but she didn't give us renqing-mianzi (face)'

A poor service resolution outcome was mentioned by participant C171710. He had hosted some tourism colleagues from overseas to show-case the exemplar restaurant in town. The food was special but the service was not up to standard. He recounted:

"I'd already told the manager beforehand that they were in the spotlight, and the service captain was prompted about the poor service during dining, but they were unprepared for the busy night, and as a result the service didn't improve... which was hugely embarrassing... My judgment of quality was clearly opened to question."
In a final case, participant C422310 was hosting some important overseas business clients. Arrangement was made earlier with management to ensure the dinner would go smoothly. An important request was that no pork be served in the meal as the clients could not partake of pork for religious reason. Despite the arrangement, a dish with pork ingredients was served, which highly embarrassed the host, and caused him a concern that the clients could be offended. He recalled:

"I'd complained to the manager about the mistake after the guests had left, but he said sorry and blamed the kitchen for the mistake and did nothing. I was angry for after all the planning, they still got it wrong. I would have been happier with the outcome if they did more to compensate to express they were indeed sorry..."

Trade-off between Interaction Style and Service Resolution and Face

Some findings in the means-end study appeared to suggest that a trade-off existed between staff’s interaction styles and service resolution outcome, which affected face. Participants reported a mianzi-loss due to staff’s unfavourable interaction styles could be restored if the service resolution outcome was favourable and vice-versa, as the following cases suggest. Thus, in one case, Participant C021310 informed that the proprietor’s congenial manner of relating (favourable interaction style) which accorded him mianzi, despite the slow service experienced (unfavourable service resolution outcome). He explained:

"...the proprietor’s warm and welcoming words gave me the feeling that we were important [‘face-gain’]...tend to overlook the problem ...

In another case, participant C041310 confided that the staff’s unfavourable interaction style in the form of rude treatment, had humiliated her, resulting in a face-loss but, said that better compensation (favourable resolution outcome) could have restored her mianzi, which appeared to suggest that good service recovery effort could return her to a state of satisfaction. She informed:

"...humiliated by the discourteous and unprofessional treatment...the manager could have done more when things went wrong to ensure customer felt valued."
Participant C051410 also indicated that favourable interaction style, such as apology and for being given more attention, could have ‘save his face’, when he was embarrassed by the slow service (unfavourable service outcome) while hosting business clients. He intimated:

"...the slow service was embarrassing when I'd guests...he [the manager] should have apologized, be nice and tried to win me back."

**Summary of Findings on Outcome and Mianzi face**

The means-end value cases just presented highlighted a number of areas in which a customer’s face may be unfavourably and favourably impacted by what they received (resolution) from the service providers in service failure situation. Thus, the quality of outcome delivered to a customer can either elevate his/her face (face-gain) or diminished his/her face. Effort expended by senior staff, manager or proprietor can be interpreted as a good service or service failure resolution outcome, which appears to have the effect of elevating a customer’s face. Granting special face favour (renqing mianzi) to regular or long term customer was also found to be important and had the effect of elevating face. When this was ignored, not only will customers lose face, but they may also exist from the firm. Customers also want recovery action from the service provider when service failure occurs. A mere apology may not be adequate, particularly in up-market establishments where customers have expectations for higher level of service failure resolution. A service failure must be adequately addressed in terms of outcome to ensure that a customer’s face is protected when he/she is hosting guests. The findings also suggest that a trade-off exists between how the customers are treated and what the outcome of service delivery is. It appears that customers’ face may be ‘saved’ if an unfavourable outcome is compensated by favourable style of treatment and vice versa. However, it is unclear as to which is more important to effect a face elevation. A further test is expected for this finding in Study 2.

**The Context of Where Face-Impact Service Occur**

*Face* was reported to be impacted favourably or unfavourably in the context of where the face-impact incident took place. Two conditons were found in Study 1 to exist – a *public* or *private* condition. A *public* was defined as one a face-impact incident was witnessed by
others. In other words, it was a front-stage occurrence, whereas a *private* condition was one, where the *face*-impact incident was not witnessed by others, since it was a back-stage occurrence. The participants reported that *face* more 'threatened' or even 'lost' when a negative *face*-impact incident took place under a *public* condition than under a *private* condition. However, if it took place in *private*, *face*-threat or *face*-loss was diminished. *Face* was also said to be 'protected' or 'saved' if a negative *face*-impact incident was screened from being witnessed by others. In other words, it was a *private* condition. A positive *face*-impact incident that occurred in *public* was more likely to result in a *face*-gain for a participant.

*The Public Condition of Face*

The means-end cases presented here relate to *where* the service or service resolution was delivered, which were found to cause the participants' a favourable or unfavourable *face*-impact. The means-end findings appear to suggest that *mianzi* *face* was more likely to be gained or lost under the *public* than *private* condition. This is exemplified in a case where participant C051410 reported of being humiliated by the manager under a *public* condition when he complained about the slowness of service. Instead of receiving an apology, he was mockingly told by the manager to choose a 'xiaochi' (fast food eatery) in future if time was a factor. This was a disrespectful remark by itself, but was exacerbated when it was made in *public*, that was made in the gaze of his business clients. He said:

"...he humiliated me in front of my clients...He shaved my beard in public".

*Figure 4.5* provides an illustrative means-end chain representing cases where *face* was salient to the participants. The service attribute was related to the manager's mocking remark made to the host in front of his business clients causing him a 'loss of mianzi'. This pejorative remark also caused his guests to feel embarrassed in front of his clients.
Figure 45 - Illustrative Means-end Value Theme for Mianzi (face)

End value
Mianzi (face)

Consequence
Humiliated in public

Service Recovery
Manager's cynical remarks

Service failure
Promised prompt service undelivered

Other means-end cases also demonstrate that participants incurred a loss of face when a face-impact incident occurs in public. Thus participant C302010, who had disputed the high corkage fee for incorrect corkage information, was spoken to in a threatening manner by the manager in front of her guests. The confrontation, which occurred in public, had caused the host and her guests a loss of face. She recounted:

“When I discreetly protested to the wait person about the amount, the manager came over to settle the issue. Not only did he refuse to negotiate, the manner he related to me was threatening...which shocked and embarrassed me in front of my guests. I felt this embarrassed my guests too...”

Competency to Perform and Face

The public context of face is also exemplified in cases relating to the performance of tasks. Lim (1994) noted that peoples’ face is gained or lost depending on how competent they are in accomplishing a task. This was also identified in cases where the participants reported a face concern when their 'competency' to play host, organise dinner venues, or judgement of quality were at risk of being scrutinized unfavourably by guests. In other words, they feared their weaknesses or incompetencies are being exposed. Thus, in one case, participant C011310 reported a face concern because he had failed to ensure that a private room was made available to host VIPs, as was highlighted in the case in Figure 4.6. He remarked:

“I was hugely embarrassed as it reflected badly on me as an organiser...how would I explain this mistake...what would the GM think and senior colleagues think of me?”
Other cases also provided further evidence to suggest that participants’ mainzi face appeared to be ‘threatened’ when unfavourable face-impact incidents occurred in public. Thus, participant C111510 was worried that a failure to secure a table for a celebratory dinner would attract unfavourable scrutiny from others (public), thus, threatening his mainzi. He said:

"...I was responsible to get a table for this special occasion...worried how my classmates would think me..."

The fear of being judged as incompetent in the front-stage (public) was also evident in this case. Participant C151610 failed to ensure that a venue selected to host her visiting relatives measured up to the high standards she bragged about earlier. The sub-standard service received later exposed her ability to judge quality (public), resulted in a loss of face. She said:

"The service was very poor, ‘jin buhaoyishi’ (very embarrassing), especially after I’d told my relatives how good the place was..."

In a similar case, participant, C171710, who was showing-casing China’s restaurants to foreign tourists, was embarrassed when the service turned out to be unprofessional, exposing
his poor judgement to show-case good service in restaurant. The poor service had negatively impacted his *face*. He reported:

"...I was made to look like a liar and a fool...Very embarrassed...my judgment of quality was clearly opened to question."

**Avoiding Being Scrutinised for Unaffordability or being Ungenerous**

The *public* concept of *face* is further exemplified in cases where participants attempted to manage *face* in *public* (*face-work*). *Face-work* was performed by participants to avoid being scrutinized by guests over their affordability or generosity to host a dinner. Simply put, participants performed *face-work* to protect *face* (from being scrutinized) Thus in one case, participant **C261910** had discreetly gone to the restaurant counter to settle a disputed food-bill (private condition) to avoid being scrutinized by guests. He explained:

"...embarrassing for a host to query the bill in front of guests as it might be seen as mei you quan or bu dafang" ('can't pay or tight-fisted').

In another case, participant **C302010** resented for being approached in her guests’ presence (*public*) to settle the corkage fee, as she disliked being scrutinized by guests over her affordability to host a dinner. She said:

"He threatened to detain me in front of my guests if I refused to pay the amount, it embarrassed me...it reflected my ability to play host when I'd to haggle..."

The *face-work* performed to protect a loss of *face* in *public* was also evident with participant **C372210**, when she was asked to resolve a mistake with the food-bill in *private*. However, the manager mistakenly did it in front of her guests (*public*), causing her embarrassment. She said:

"The manager should be more discreet...didn’t want to discuss the bill in front of my guests...it was ‘bu hao kan xiang’ (Not good impression/face)."
Behaving with Self-control, Restrain and Moral Face

It is important for Chinese to project a favourable moral face in public. Hwang's (1998) called this the ('dawo'). The necessity to project a good moral face in public is because a person can demonstrate that he/she has moral integrity and dignity to function in society (Ho, 1976; 1994; Hu, 1944). Their moral face is lost if they are judged by the public to behave in ways that violated society's moral standards, although there seems to be less face consequences when people's indiscretions are kept in private. Thus, it was not surprising to find that participants performed face-work to modify their behaviour in public, as these cases suggest. In one case, participant C021310 persuaded his father to avoid confronting the staff over a slow service. This was aimed at protecting his lian face in public. He said:

"...not comfortable to confront others angrily in public as it causes a slur on the family's reputation...when you're angry in public, others won't know who is wrong or right but judge you on how you behave."

Figure 4.7 provides an illustrative chain representing cases where the participants held lian to be salient. The chain service attribute was related to a long wait for service, which angered the participant's parent, who had wanted to confront the staff to complain. However, to avert a confronting scene in public, the participant had talked his 'significant other' out of it.

Figure 4.7 - Means-end Value Theme for Lian (face) in Public
In another case, participant C241810 had avoided a *public* outburst at service personnel who was rude and discriminatory towards her. The reason for this was to be dignified. She said she preferred to complain *privately* to save *liam*. She recalled:

"...didn't have an outburst...didn't want an audience; like to sort things out of the public view...conscious of how others may see me".

Participant C181710 also showed restraint in a confrontational situation. She informed that although horrified that her food was contaminated, she was more restraint and had not angrily complained to the staff about the incident to avoid attracting public attention to protect *liam*. She confided:

"...my husband was very upset and had angrily complained to the waiter, whereas I was more restrained, and just told him that I was disappointed with contamination and had asked for a replacement..." She added: "Generally, I'm more restrained as it's not a good image to behave aggressively."

Self-control was shown by participant C011310 who, although annoyed with the manager for failing to have a private function room ready, had not expressed anger at him, particularly in the midst of his GM and senior colleagues. He reported:

"It wasn't nice to show your annoyance in front of guests...especially your boss...it showed you couldn't control your emotion. Being in control of one's emotion in public is valued in my culture."

Self-control was also exercise to preserve moral face. For example, participant C251910 was confronted by a belligerent chef, but had refrained from the fray to avoid being judged for not being able to exercise self-control, resulting in a loss of *liam* face. He said:

"The chef was aggressive...pointless to argue with an unreasonable person, you might be right but the bystanders wouldn't know. All they knew was there was an argument... might think you're the problem..."

Participant C322010 had also demonstrated self-control in front of her senior colleagues, when she refrained from complaining for the service neglect. She explained:
“...careful not to lose my cool in front of my colleagues as I felt one’s good reputation was important. I’d tried to control my frustration.”

Contrary Evidence to Face Protection in Public
Despite the findings in the means-end study that participants desired to protect face in public, there was contrary evidence to suggest some participants, who although valued face, was less averse to protecting it in public. For example, participant C101510, who was told by the maitre d’ to show respect to a group of elderly patrons, had retaliated, in front of others (publicly). She recounted:

“In lecturing me about respect for the elderly, she implied that my upbringing was improper...an attack on me and my family...highly insulted...yes, she insulted me in front of others, and I told her she was rude and to mind her own business...”

This was followed by another case where participant C131610 confided of being assertive and less averse to confront others who wronged him in public. He informed:

“If humiliated and I knew I was right, I would tell him what I thought... I would protect my interest...no, I’m not afraid to express my feeling in public, I don’t mean fighting...just make my point strongly”.

Participant C211810 had shown his displeasure at a waitress who demonstrated a rude attitude towards him when he asked about the names of dishes delivered. He recalled:

“I was really insulted by her rude attitude...she sarcastically said, ‘You mean you don’t know what you’ve ordered’...it was unacceptable for not being treated with due respect as a customer... I confronted and told her publicly what I thought of her. Generally, these days, young Chinese would speak out when things weren’t right *

Similarly, participant C231810 reported of being upset and confronted the staff publicly when an important menu item was not delivered on time. He recounted:

“We didn’t get the important dish on time...wouldn’t be afraid to speak my mind if
things weren’t right, not worried what others thought, but would control myself a bit
on a happy occasion.”

Summary of Findings on the Public and Private Conditions and Face

The findings just presented relate to the context of ‘where’ the face-impact incidents took
place – public or private could cause the participants to gain or lose face. Public is defined as
an act being witnessed by others, while private is one where the act was screened from
others. The findings showed that the participants demonstrated a strong proclivity to protect
mianzi (social face) and lian (moral face) from being lost in public.

First, the participants were keen to avoid being scrutinised by others over their
competency to perform tasks. In other words, they fear of being exposed for lack of ability.

Second, when playing host, they expressed concern that they were not judged for their
affordability (jiiong) or generosity (bu dafang) to host guests. Hence, they were keen not to
negotiate or haggle over financial matters in front of guests to protect mianzi face.

Third, they showed a high proclivity to protect their moral integrity (moral face) in
public, by showing self-control and restraint in situations of dispute or confrontation, even
when they were being challenged.

There was some evidence to suggest that younger Chinese participants were not
averse to express their views and displeasure towards others in public.
4.3 Value Theme – Equity

The second value theme to emerge in the study was ‘equity’, with 21 percent of the service incidents recounted by the participants indicated that they expected to be treated fairly by the service provider in a service recovery situation (Table 4.1). In human activities, the issues of social justice arise when decisions to allocate resources relating to outcome and context are made (e.g., Adams, 1965; Barrett-Howard & Tyler, 1986; Thibaut & Walker, 1975). Outcome-related decisions are linked to the distributive form of social justice, while context-related decisions are linked to the procedural and interactional forms of justice (e.g., Alexander & Ruderman, 1987; Bies & Moag, 1986; Bies & Shapiro, 1987; Deutsch, 1975; Greensberg & Folger, 1983; Lerner, 1975; Leventhal, 1980; Lind & Tyler, 1988; Thibaut & Walker, 1975; Tyler, 1994). Social justice or fairness issues were originally examined in the legal, organisational, management, marketing and service fields (Adams, 1965; Blodgett et al., 1993; Blodgett et al., 1997; Clemmer, 1993; Clemmer & Schneider, 1996; Cropanzano & Greenberg, 1997; Folger & Konovsky, 1989; Greenberg & Cropanzano, 2001; Leventhal, Weiss, & Long, 1969). They were further examined in the retail and service management areas. For example, justice was studied in conjunction with consumer’s post-complaint behaviour and remedies for defective goods and services in retail businesses (e.g., Bitner et al., 1990; Blodgett et al., 1993; Blodgett et al., 1997; Goodwin & Ross, 1992; Kelley et al., 1993; McCollough & Bharadwaj, 1992). More recently, the fairness issues were examined in hospitality service relating to service failure and recovery (e.g., McColl-Kennedy & Sparks, 2003; Sparks, 2001; Sparks & McColl-Kennedy, 2001b).

From the Chinese perspective, extant literature has on the whole provided relatively few empirical studies which examine how fairness is perceived by customers, much less on how they perceive fairness in terms of a service recovery in negative hospitality service. The few exceptions include the work of Hui & Au (2001) and Mattila & Patterson (2004b). As noted, three forms of fairness are evaluated by participants, which appear to suggest that modern mainland Chinese share similar perceptions of fairness with Western customers. They appear to subscribe to the same outcome (distributive) and context-related (procedural and interactional) forms of justice or fairness.
4.3.1 *Distributive (outcome) Fairness*

*Distributive* fairness is concerned with a fair *outcome* in resource allocation (Adams, 1965; Blau, 1964). Findings in the present study indicated that service providers’ mis-management of service had impacted negatively on Chinese customers’ sense of *distributive* fairness. For instance, unfavourable compensation in service recovery was reported. They appear to suggest that Chinese customers, like their western counterparts, subscribe to the *outcome*-related form of fairness. Moreover, customers have provided some clues as to whether fairness has been met in service *outcome*. Their reports that compensation was ‘*not forth coming*’ or ‘*inadequate*’, suggested that they expected more.

The ‘*equity*’ principle which states that a fair *outcome* is achieved when people’s receipt is in proportion to their contribution was one of the *distributive* justice principles. This appears to apply here (Adams, 1965), as the following cases show.

In the first case, participant **C312010** was denied a refund for contaminated food, although she expected to be fairly compensated when receiving contaminated food. She said:

"*To not refund us for the badly contaminated white tofu item ‘na zen bu gong ping de’* (grossly unfair)...*should be compensated even more for bad food.*"

*Figure 4.8* provides an illustrative means-end chain, representing cases where participants expected to be treated fairly. The chain attribute in this case relates to a participant being denied a refund for contaminated food, which was a critical service recovery failure, causing him to invoke the notion of *distributive* fairness.
In another case supporting the finding on *distributive* fairness, participant C041310 reported that just an apology was *insufficient compensation* for unprofessional service received in a well-appointed establishment. She recounted:

"...the manager just said sorry and that was that...I was hugely disappointed...certainly (I) didn't get value for money..."

In a further case regarding *distributive* fairness, C231810 informed that although the manager was repeatedly reminded, the important dish for a birthday celebratory dinner was not delivered on time. Upset at this long wait and not afraid to speak his mind, he went to the manager to express his dissatisfaction. The manager was apologetic and courteous, but did nothing more to appease him.

"Would be happier if he didn't just apologize and did something more, such as, to tell the kitchen to hurry up...but, he did nothing...we paid to go there and we expected a better outcome".

The concept of distributive fairness was also implied when participant C141610 reported that she had asked for a dish to be redone as it was still raw, but the chef had refused, causing her to question the fairness of the exchange, implying that she did not get what she paid for. She said:
"I'd asked for the dish to be redone, but the chef refused...they should provide what the customer wanted, after all they paid for it..."

4.3.2 Procedural and Interactional Fairness

Two other forms of social justice relating to the context in which resources are allocated are evident in the findings. The first is procedural fairness, which relates to whether the process or procedure used in obtaining the outcome is just (e.g., Leventhal, 1980; Lind & Tyler, 1988; McColl-Kennedy, 2003; McColl-Kennedy & Sparks, 2003).

Customers' level of satisfaction may be influenced by how 'fair' the 'process' used in addressing the service failure is, irrespective of the outcome (distributive) quality of the service resolution (McColl-Kennedy, 2003; Sparks & McColl-Kennedy, 2001). Injustice may be perceived if the favourable outcome in service recovery is not backed-up by the process used in addressing the service failure, as exemplified in the present study. It was found in the study that participants perceived procedural injustice when the policy or procedure to claim compensation was inflexible or inconvenient or when the staff used excuses to deflect blame as the cases presented here exemplify. Thus, participant C031310 reported that the wait person had forgotten to amend the bill for the cancelled food items, and he could not claim a refund because only the proprietor was allowed to authorise refunds and he was not in-house. This, the participant perceived, was an unfair procedure to claim compensation as evident in his recount. He said:

"She (cashier) couldn't refund me because the proprietor was out and she needed her permission. This meant I'd to come back later, but I was too busy for that...they certainly didn't think much of my interest..."

Figure 4.9 provides an illustrative means-end chain, representing cases where participants expected to be treated fairly. The chain attribute in this case relates to a participant being denied a refund because only the proprietor was authorised to refund customers, but he was out. The participant, in this case, seemed to adhere to the notion of procedural fairness in the recount.
Likewise, participant C201710 complained of being in a dinner where he and his party were discriminated against, but the manager denied, saying that it was how their service system normally operated. He recounted:

"...Angry... 'Na bu gong ping de' (That was unfair)...we should have been served first as our order was before the other group..."

The compensation policy was perceived to be unfair. Here participant C271910 informed that the promised special menu items were just ordinary items dolled-up with exotic names. Feeling cheated, he had asked for compensation. He remembered:

"I'd to bargain hard to get a small compensation for very ordinary menu items...that was unfair ..."

Similarly, participant C352110 had to negotiate hard to get a replacement for a poor meal, causing her to question about the fairness of the procedure. She argued:

"...if it was lousy meal...shouldn't have to haggle, but should get an automatic replacement...they gave me one begrudgingly...felt like beggar, rather not have it..."
Chapter Four - Presentation of the Means-end Results for Study One

The second context-related form of justice in resource allocation is *interactional* justice, which relates to the *manner* in which a resource giver treats a recipient interpersonally (e.g., Bies & Moag, 1986; Lind & Tyler, 1988). In service interactions, this treatment may pertain to the propriety, care, empathy, concern, and sensitivity shown by a staff towards customers. Previous research indicates that how customers are treated interpersonally will influence the way they perceive service quality and their post-purchase decisions (Bies & Moag, 1986; Bitner et al., 1990; Gronroos, 2000; Hocutt, Chakraborty, & Mowen, 1997; Johnston, 1995; Sparks, 1998; Zeithaml, Berry, & Parasuraman, 1996).

In the present study, *interactional* unfairness is perceived in service situations where customers complain of staff discourtesy, discrimination or threat in dispute situations. These interactional styles of treatment bear the hallmark of improper delivery of ‘*li*’ (propriety). Being extended proper ‘*li*’ (propriety) by others is salient to Chinese, for they hold an ‘*other-oriented*’ perspective culturally, and are thus, highly concerned about how others view and treat them (Graham, 1989; Ting-Toomey, 1988). Thus, being treated justly to the Chinese may mean being related to in proper ‘*li*’ (e.g., rites, decorum, good manner, politeness, respectfulness), as cases here exemplify.

Participants appeared to suggest *how* (manner) they were treated by the staff was linked to the concept of *interactional* justice, as cases here suggest. For example, participant C091510 reported that it was unfair to be treated rudely. She said:

> “*Although the food and atmosphere were good, the service staff ‘jin mei li’ (no propriety). This spoilt our dinner.*”

*Figure 4.10* shows an illustrative means-end chain, representing cases where participants valued to be treated with equity in service recovery. The chain attribute in this case relates to the waiting staff making jokes about the participant for being slow with the food ordering, which she overheard. She had complained to the manager, but the latter only apologised and did nothing. As a result, she felt highly insulted, causing her to feel being unfairly treated.
Referreing to another case of *interactional* fairness, C241810 reported unfair treatment when a receptionist interacted with her in a manner which lacked 'li'. She recounted:

*We felted being treated unfairly when she rudely prevented us from entering [the restaurant], we wouldn't have mind so much, had she treated us with correct 'li'... meantime she let people who looked like her relatives and friends in, although they'd arrived later, while I and the others were kept waiting...It was unfair to be treated rudely and discriminated...weren't we paying customer too?*

*Interactional* fairness was also implied by participant C251910, who was suspicious that he had received a mixture of beef and mutton dish, instead of the beef he ordered, which upset him, as he did not like mutton. Felt cheated, he complained, but could not believe when the chef did not just deny it but berated him for false accusation. He felt that it was unfair for a chef to treat a patron with no 'li', implying the manner of treatment lacked propriety. He reported:

*...instead of appeasing me, he argued with me...'Zhe hen bu heli.'* (This violated the Chinese protocol of proper interacting).
Interactional fairness was also implied in the rude manner participant C281910 treated. She reported of being unfairly treated when the manager was discourteous to her. She was welcomed to dine in near closing time, but was given reheated food and no service. When she complained, she was rudely told by the manager that she was lucky to be allowed to dine. The unfair part was the rude manner she was treated. She recalled:

"I was very upset as the man [manager] was so rude...he said I should be grateful to be invited in. It was so unjust the way I was treated when I gave him the business..."

The unfairness in the manager’s style of treatment was recounted by participant C302010 in this case. She complained that the manager had threatened her to get her to pay up for the high corkage fee was unfair, particularly when she was misinformed of the charge. She said:

"...the threatening manner in which he related to me to get me to pay up was unfair...after all, his staff had misinformed me..."

Finally, participant C362110 also implied that the congenial way the manager had treated her in the service resolution process was perceived as fairness. He informed that compensation for service failure did not always have to be in kind, but that the sensitive manner of interaction was just as important. He reported:

"...they were so apologetic and polite about it [mistake], I was reasonable and didn’t blame them either...He treated me in a sensitive manner...if you’re valued and being treated nicely, you felt special...tend to ignore mistake and compensation tended to be less important...didn’t have to be material things."

In summary, the means-end findings suggest that Chinese participants’ notions of fairness seem to show some resemblance to those commonly adhered to by Western consumers. The three forms of the justice that are practised in the Western societies related to distributive, procedural and interactional fairness seemed evident in the responses. Fairness in interpersonal treatment or interactional fairness was considered as particularly important by the participants as the manner of interpersonal relationship is highly emphasise in Chinese social interaction.
4.4 Value Theme – Valued Patron

A third theme to emerge was valued patrons, as the value was mentioned in 16.4 percent of the service incidents reported by the participants (see Table 4.1). Customers are noted to have emotionally-bound intrinsic needs, and one such need is the expectation of being treated as a ‘value patron’ (e.g., Lovelock et al., 2007; Schneider & Bowen, 1995; Smith & Bolton, 2002). Others as previously noted among the Chinese participants in the study, pertained to be given face or treated fairly by service providers. Schneider and Bowen (1995) argue that in a service transaction, customers often enter into an unwritten and unspoken emotional contract with service providers. They have an expectation that their intrinsic needs such as to be treated as valued patrons, or be respected are satisfactorily met. Thus, if these and other needs are not met, a customer’s emotional contract may be broken, resulting in dissatisfaction and negative post-purchase behaviours (Schneider & Bowen, 1995; Smith & Bolton, 2002).

The intrinsic need of wanting to be treated a ‘valued patron’ had been identified in a few areas among the Chinese participants, as exemplified in the present cases from means-end study. They wanted to be accommodated and given prompt, diligent, caring help. They also expected to be offered a sincere apology and help when mistakes occurred, and to not being blamed for the service problem or be discriminated in service.

*Accommodating Staff and effort from Senior Staff*

The first area pertains to the participants’ expectation to be accommodated, given personal care, diligent and prompt effort in resolving service problems, as these cases exemplified. Thus, participant C412310 and his family had arrived at a much later time than booked, for the important New Year reunion dinner, resulting in their table being reallocated to other customers. Despite, a full-house, the manager was accommodating, and had personally helped with getting a table for him, which made him felt valued. He reported:

“...it was our fault, we're late and hadn't rung-up...Yes, we were very appreciative and grateful for his accommodation...felt being treated a valued customer.”

The illustrative chain in Figure 4.11 shows a representative case of the participants expecting
to be treated as ‘valued patrons’. The service attribute relates to a reserved table being given away due to the customer’s late arrival, but the manager’s effort in finding another table for him despite a fully booked venue enabled him to feel being treated as a ‘valued patron’.

*Figure 4.11 Illustrative Means-end Value Theme of Valued Patron*

The prompt action taken to correct a service mistake by the manager had impressed participant C392210 who complained that the waitress was rude to her. She said:

“I did mention to the manager about the rude waitress, and he [the manager] was respectful and had apologized profusely and personally looked after us...we felt being treated with much respect in the end...when they meant what they said and took action to correct things immediately, you felt being valued”.

*Unethical Tactic - Not treated as Valued Patron*

By comparison, these examples showed that the participants felt not being valued as patrons. Thus, participant C061410 reported she and her friends had travelled a long way to enjoy the widely advertised ‘value for money’ meal, to find that they were poor in quality, and the value deal was nothing but a ploy to get patrons in, and when she told the manager about these, the latter had done nothing to regain her loyalty. She lamented:

“...really disappointed, we came all the way for the meal, but when we challenged him, he was cavalier about it and did nothing to appease us...really didn’t value our custom...if he valued us, he would have been more diligent in getting things right.”
Participant C312010 reported of being given contaminated food twice and was then denied compensation, which she complained was a manifested lack of customer care. She said:

"A restaurant that didn't care about its customers' well-being...didn't deserve their patronage... I wouldn't patronize such a restaurant."

Similarly, participant C131610 reported being unimpressed for the lack of care shown to him. He was being quizzed incessantly over the food items that had been cancelled, but were charged. Being an honest person, he felt degraded for being suspected of cheating. The manner he was treated showed he was not valued as a customer. He complained:

"I wasn’t impressed, I felt he didn’t really care how I felt. He didn’t value me as a customer."

Not Given Sincere Apology and Assistance – Not Valued Patron

The second area identified under this theme relates to being offered sincere apology and help when mistakes occurred. This is evident in the following case. Participant C071410 recounted that when he complained about the rudeness of the waitress, the manager had apologised, although this was not perceived as sincere, an apology was not followed by action. He recalled:

"...he just said sorry, but did nothing to win me over. I'd a feeling that his apology was not sincere at all – you can see in the way he said it and his action that followed – he did nothing. I expected to be treated better, if he valued me as a customer"

The issue of discrimination was the third area identified in the study relating to the theme ‘valued patron’, as exemplified in these cases. Thus, Participant C101510 felt that she and her fellow classmates were discriminated because they were students, and as such low-spent customers. She said:

"I sensed the captain wasn’t welcoming, knowing we’re students - low spent customers and it showed in his body language and we were treated casually...Ta kanbuqi women...(he looked down on us)...such attitude was unacceptable to us."

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In another case, C191710 and his group who had specially chosen to patronise one restaurant were humiliated by the host’s inhospitable treatment. He said:

“We were humiliated by her [head-waitress] cold, business-like and inhospitable manner...she wasn’t keen to extend hospitality to us...felt discriminated and unvalued.”

**Being Discriminated – Not Valued Patron**

In this case, participant C292010 felt discriminated because of his inability to communicate with the waiting staff in their language. He reported:

“...because of my inability to speak English, I felt being discriminated. I felt I wasn’t treated with courtesy given to other customers...”

In a last case, C342110 had complained that the waiter’s sarcastic comments made during the menu selections were disrespectful and discriminatory. He said:

“We felt being discriminated by the type of comment made about us. He implied that we were country pumpkins...we weren’t valued as much as the city dweller...”

**Attributing Blame – Not Valued Patron**

The fourth area identified in the theme of ‘valued patron’ was in the context of attributing blame for the service mistake caused. Thus, participant C121510, who failed to receive a salt-free meal, had returned the meal, which incensed the chef, who then came out to berate and blame her. She explained:

“...shocked by the chef’s behavior...scolded me for being difficult...it was disrespectful of him...made me looked like I was the guilty party. He more or less blamed me for the problem when it wasn’t my fault. You don’t blame the customers if something goes wrong. If you do, it shows you don’t value your customers.”

It appears from the findings that Chinese participants perceived being treated a ‘valued patron’ meant that service providers are accommodating, diligent and prompt in resolving service problems. They dislike being discriminated in service and seemed very aware of such
treatment. They also resented unethical sales tactics. In service failure, they informed that the apology offered by the service providers must be sincere, and that it must be followed by action to resolve problem. Finally, they do not appreciate being blamed for mistakes that occur. Thus, they resent being the scape-goat should service failures occur.
4.5 Value Theme – Junzi Aspiration (Ideal personhood)

The fourth value theme to emerge relates to junzi-like aspiration with 10.4 percent of the service incidents reported by participants suggesting that they held this aspiration when interacting with others in negative service exchange situations (Table 4.1). The finding on this theme provides some evidence to suggest that contemporary Chinese still subscribe to traditional Chinese values. In the Confucian Chinese tradition, a junzi has been referred variously as the ‘ideal personhood’, a ‘cultured’ or ‘perfect gentleman’ (e.g., Cheu, 2000; Hwang, 1998; Huang, 2001; Leys, 1997). Thus, Cheu (2000:1) notes, a ‘junzi’ is a ‘noble or cultured’ person, fully clothed with the virtue of ‘ren’. This is briefly explained to provide a better understanding of the concept of junzi in the Confucian tradition.

It is noted that Confucius believed the conflicts in his time could be resolved if people aspire to live like a junzi, a belief which perpetuates through modern times as Chinese are exhorted to live a junzi-like life (e.g., Cheng, 2001; Yang, 2006). In their daily living, a junzi is guided by the moral and social Confucian concepts of ‘ren’, ‘yi’, ‘li’, ‘zhi’ (Chen, 2002; Cheng, 2001; Huang, 2000; Welty, 1976; Yang, 2006). ‘Ren’ is the moral force which motivates people to relate to others with benevolence, gentleness, kindness, compassion, generosity, consideration and tolerance, while ‘zhi’, is the knowledge or wisdom which people acquire through education and self-cultivation (‘zi wo xiu yang’), thereby enabling them to practise ren and deal with others in yi (ethical manner) (Cheng, 2001; Huang, 2000; Yang, 2006). A junzi, who is clothed with ‘ren’, ‘yi’ and ‘zhi’, also deals with others in ‘li’, where ‘li’ as noted, is a set of social principles guiding him/her to relate to others in an appropriate manner according to social standings (Chen, 2002; Cheng, 2001, Welty, 1976; Yang, 2006). In practical terms, a person who exercises ‘li’ will relate to others in a polite, modest and respectful manner, observing the appropriate rules of conduct and speech, which includes respecting others and giving them face (Chan and Wan, 2008; Chen, 2002; Huang, 2000; Yang, 2006). In negative or dispute situations, he/she will be expected to manifest self-control, restraint, moderation in demand, avoid confrontation, and extend goodwill to others to maintain peace (Chan, 1963; Chen, 2002; Cheng, 2001; Graham, 1989; Yang, 1986; Yang, 2006). The behavior of a junzi is highlighted in a comprehensive study undertaken by Yang (1986) on the ‘personality of Chinese’ which finds that those who aspire to be a junzi are
generally more restraint, cautious, patient and self-contained, spontaneous and natural. These findings seem to confirm the types of the demeanour described by the participants in the present study. Although disadvantaged by negative services, the participants indicated that it was salient for them to relate to others in a polite, restraint and moderate manner, citing how a 'cultured, refined, genteel, civilized and educated' person should behave, as the following cases exemplified. Thus, participant C021310 was disappointed with the slow service in a birthday dinner, but had remained ‘keqi zhongyong’, meaning, ‘polite, restrain & reasonable towards the staff. He reported:

"It is best to be 'Keqi zhongyong'...that's how a junzi should behave, always seek to remain in good terms with others."

Figure 4.12 is an illustrative means-end chain showing participants' aspiration to be a 'junzi'. The negative service attribute in this representative case was related to the 'slow service' in a birthday dinner, which angered the participant's parent. Fearing his parent might confront the staff and threatened his junzi-like image, he had persuaded his father to remain 'keqi zhongyong' to protect his 'junzi-like' image.

Figure 4.12 - Illustrative Means-end Value for Junzi Aspiration

The junzi-like behavior is also evident in other cases below. Thus, participant C111510 was not given the table he had reserved, but he had refrained from blaming the manager. Instead, he had shown goodwill. He recalled:
"I was upset, but...didn’t blame anybody as I wanted to be amicable, it showed you’re a gentleman...mistakes do occur, but with goodwill, things can be resolved...the manager quickly got us a table with some juggling...very pleased with the effort, it made me look better..." 

A junzi-like manner was demonstrated by participant C121510 who although was confronted by an aggressive chef, had not retaliated as she wanted to manage a refined image. She confided:

"I didn’t retaliate...believed a cultured person shouldn’t fight, but dealt in a refined manner...if unhappy... I wouldn’t return..." 

Like-wise, participant C322110 had shown self-control in an incident, while dining with her old colleagues. She was upset for being neglected by the waitress in drink service, but had shown self-control, reasonableness and acted with propriety. She remembered:

"It’s best to adopt a junzi behavior when dealing with others when something goes wrong...brought up to behave in a gentlyly — ‘zhongyong he youli’ (moderate, and with propriety), tolerant and be in control of one’s emotion."

In another case, participant C392210 was treated rudely by a waitress, who responded with civility to project a positive image and maintain peace. She explained:

"I wasn’t bothered by the discourtesy...a civilized person rises above this ...had continued to relate [to her] with cordiality to maintain peace...."

Participant C432310, who was promised a smoke-free by the manager, was disappointed for not being given one, but had remained reasonable (Zhong yong). She said:

"I guess one who chooses to practise ‘zhongyong’ (moderation), shouldn’t always only think of one’s interest. Sometimes we may have to accept negative outcome and consider other people’s interests...it requires understanding & goodwill...but the reasons given for the problems must also be reasonable..."
Participant C442410, who expressed disappointment for being unable to order her favourite item, had asked for an explanation, but the wait person had responded aggressively which shocked her. However, instead of entering into a fray, she had reacted congenially which disarmed the wait person. She recalled:

"I didn't really like confronting others aggressively, tried to show an understanding of his situation and you could say I acted like a junzi, which disarmed him eventually and he apologized. By responding congenially, I'd managed to turn him around...no refined person like to be in conflict with others."

In summary, the findings on the junzi value theme suggest that this time old Confucian tradition which regulates how people should relate to one another continues to be practised by the Chinese participants. They reported it was salient for them to be junzi-like in their interaction with the service providers. Despite being disadvantaged in these situations, they had dealt with others in a polite, tolerant, congenial, restraint, and moderate manners, and considering their interest by showing understanding and goodwill. This value theme is closely intertwined with the value of social harmony.
4.6 Value Theme – Social Harmony

The fifth value theme to emerge was social harmony with 12 percent of the service incidents reported by the participants suggesting that it was salient for them to relate to service providers harmoniously in negative service situations. The participants’ responses in this theme seem to resemble the theme on junzi aspiration. For instance, it is noted in the Analects that a junzi seeks to live in harmony with others (Leys, 1997).

Literature reveals that the value of social harmony in the Chinese cultural tradition is still practised in modern times. The core of traditional Chinese culture with its basis in Confucianism, exhorts people to live harmoniously with one another in family and society (e.g., Bond & Hwang, 1987; Chen & Starosta, 1997; Cheng, 1991; Cheng, 1986; Cheng, 2001; Huang, 2001; Ting-Toomey & Gudykunst, 1996; Yang 2006). Scholars of neo-Confucianism affirm that the influence of traditional Confucian values in modern Chinese social life, maintaining that these core values and norms guiding behaviour are still significant today despite differences in ancient and modern Chinese living (Huang, 2001). For example, the moral principle of ren (benevolence), which Confucius taught as integral for people to possess to attain justice, equality, harmony in ancient Chinese society continues to be taught and emphasised in modern Chinese society. Likewise, other principles such as li (propriety) and yi (righteousness, morality, ethicality), which guided people to harmonious behaviour and social order in Confucian time, continue to be widely observed in Chinese societies today (e.g., Cheng, 2001; Guo & Song, 2004; Huang, 2001; Xiao, 2002).

It is noted in literature that Chinese will avoid conflict at all cost, particularly if it is a ‘direct’ one, as it can create ‘luan’ (chaos), and harm relationships and social harmony (Gao, Ting-Toomey & Gudykunst, 1996; Yang, 2006). Achieving a harmonious relationship is seen as people’s "greatest spiritual accomplishment" in life (Chang & Holt, 1994; Tu, 1976).

Several cases in the present means-end study reveal that the value of social harmony has been adhered to by the participants. It has been noted that when people’s interests are jeopardised, they can be assertive or even confrontational, particularly if service providers are aggressive or disrespectful (Singh, 1990a) as such responses may help them regain their dignity and economic interests. However, customers in the present study appeared to respond in a manner not unlike those customers who displayed a junzi-like behaviour noted earlier.
They reported showing restraint, self-control, tolerance, moderation and even goodwill, when being treated in a negative manner, and no evidence exists to suggest they were weak or timid in character. To the contrary, some participants had openly stated that they were not averse to assert themselves more strongly, but preferred to adopt a more assuaging manner. For example, participant C181710 was horrified to find some foreign matter in her meal, but avoided a confrontation with the staff and remained conciliatory, suggesting an adherence to the value of social harmony. She said:

"I know my rights, but don't like confrontation, as it creates ill-will and angst... you tend to gain respect and get on better with others if you are more conciliatory..."

Figure 4.13 below provides an illustrative means-end chain, representing cases where participants reported the salience of being in harmony with others. The failed service was related to the participant finding a contaminant in the meal, which horrified her, but she had acted conciliatorily towards the staff to avoid ill-will and angst.

The emphasis of social harmony is also noted in other cases. For example, participant C221810 was disappointed for not receiving the promised prompt service, causing her to be late for a music rehearsal, but showed understanding towards the manager who explained that the delay was due to a shortage of staff. Expressing a desire to relate to others with goodwill, and harmony, she said:
"I normally don't like to alienate others, but if need be I will push for my interest...however, things can be resolved quickly when relationships are not frayed". She continues:

"I think Chinese generally prefer to deal with others harmoniously and things will be worked out to benefit all parties...relationships can remain cordial in the future"

In another case, participant C271910 was upset for being short-changed by the manager who promised him a top-of-the-range banquet, but had delivered some common dishes disguised in exotic names. He was further given some lame excuses as to why those common dishes were included. Despite being disadvantaged, he had remained 'zhonghe' (reasonable and peaceful). He said:

"I didn't like how I was treated, but, I was also not keen to be in conflict with others. He continued: "I believe that problems can be resolved amicably...I like to be zhonghe (moderate and peaceful), which people observed in my country."

Although participant C292010 was disappointed by the proprietor's flippant remarks when he complained that wrong dish was given, he had avoided a row for harmony sake. He said:

"Harmony will prevail if you "tui yibu, feng ping, lang jing", translated as 'retreats one step, the wind will quelled, and wave subside', which means that if parties are prepared to back way from a conflict, harmony are likely to occur.

Likewise, participant C332110, while waiting for her family, was encouraged to browse at the food display counter. However, on returning, her table was occupied, and although assured of another one, she was not given one, and had to wait in a queue. Although, upset by the unethical tactic, she had kept peace, informing:

"I saw no point in pushing the issue further as it would only develop into a confrontation, which I tried to avoid...I tolerated the treatment just to keep peace with others, although this didn't mean I was timid, just chose to be less confronting...but, I would not return."

To keep harmony, participant C372210, was choosing to resolve a dispute over the food-bill
in a harmonious manner. She recalled:

"I wondered why some of the food items were not itemised... so I asked to see the manager to clarify things, but I never like to argue nor want conflict with others... it's just me, I guess I was influenced by my grandmother who always reminded me 'Bu yao tong ren naoshi' (don't quarrel with others), instead try to relate to others in harmony... it was part of my upbringing...""

Participant C382210 had requested to be able to occupy a table longer, since he felt being rushed with the dinner service. The answer from management was unclear, but a group of diners was encouraged to wait nearby giving a subtle hint for the table to be vacated soon. Although unhappy, he had not confronted the manager for the devious tactic. He felt confrontation would not help resolve the problem, but instead create ill-will. In giving the reason for his action, he quoted a common Chinese saying:

"I was upset, but, didn't bother to see the manager, as it served no purpose... there's a common saying "Qian ren hao bu yi ren di" (it's better to have one thousand friends than one foe). He added: "I didn't complain too much, as I didn't like confrontation. I believe how you treat others, so will you be treated. I believe 'tien hui bao' (Chinese), meaning 'the heaven will revenge'."

In summary, the findings on value theme of social harmony just presented showed that the participants appeared to display a degree of moral fortitude motivated by their cultural influence. Like the participants who aspired to be a junzi, these participants also reported similar behavioural traits which showed restraint, self-control, tolerance, moderation, goodwill and understanding, when interacting with the service providers under negative service situations, to achieve peace and social harmony.

4.7 Summary of Findings from the Means-end, Exploratory Study

Five core service value beliefs pertaining to face, equity, valued patrons, junzi aspiration and social harmony emerged from the study. These values, some of which seemed to be culturally-determined, were reported by the participants as salient in influencing their consumer behaviour. Face was a major value theme to emerge from the study. The findings

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on the value theme appeared to suggest that Chinese participants have a strong proclivity for \textit{face} which in the present context relates to situations of service failures and service resolution. Two concepts of \textit{face} – \textit{mi ani} and \textit{li an} were referred to explicitly or implicitly by the participants. \textit{Mi ani} is social \textit{face} representing their personal qualities and socio-economic success in life, while \textit{li an} is moral \textit{face}, representing their moral integrity. The findings suggest the participants' \textit{face} can be protected, gained, threatened or lost. \textit{Face-work} was found to be performed by the participants to ensure their \textit{face} is protected or gained. The \textit{face} phenomenon appears to influence how the participants behave as consumers in situations of service failure. Thus, the findings suggest that the \textit{face} forms an important part of the Chinese participants' core service value. As such careful management of customers' \textit{face} in business transactions may be important and have important implications for service businesses. Key findings suggest that the contexts in which \textit{face} are impacted appears to be significant for consideration and further investigations. Thus, 'where' the \textit{face}-impact incident occurs may be important to examine. The study seems to suggest that \textit{face} has real meanings for the participants only in \textit{public} rather than in \textit{private}, since \textit{face} is 'claimed from' and 'given by' others. This was manifested by the participants' strong proclivity to project a favourable \textit{face} in \textit{public} rather than in \textit{private} as evident in the \textit{face-work} performed by the participants. Any activities that had the effect of impacting unfavourably on participants were carefully managed using \textit{face-work}. For example, participants were concern that their short-comings or anything concerning their affordability or generosity to host guests were protected from the scrutiny of guests. Second, 'how' or 'the manner' in which they were treated in incidents of service failures/resolution also appeared to have an important impact on the participants' \textit{face} and their consumer behaviour. Finally, 'what' was delivered or the quality of \textit{outcome} in service resolution also appeared to have an impact on the participants' \textit{face}. The three contexts in which the participants' \textit{face} appeared to be impacted will be further investigated quantitatively in Study 2. As Chapter five will show, the three contexts of \textit{face}-impact will form the ingredients for a principal study using an experimental design to investigate the effects of independent variables on dependent variables to test hypotheses.

In terms of equity, participants' notions of fairness in exchange seemed to resemble those practice by consumers in Western societici. In business transaction, they seemed to subscribe to the concept of distributive fairness, based on the equity principle. Thus, if a service failed, it would be their expectation to be compensated to an amount that they had
contributed. They expected the claim-procedure for compensation to be fair. Importantly, they indicated that the treatment by service providers in a service failure situation ought to be fair. In other words, they believed the interpersonal treatment ought to be fair.

Being treated as a *valued patron* in service failure situations also emerged to be important to them. The findings included the need to be treated ethically in sales. Service providers need to be more accommodating when service failure occurred. They expected greater effort to help them resolve problems. Any apology offered must be sincere. The also disliked being blame for mistakes. One serious aspect of service failure relates to be discriminated.

The findings on the value of being junzi-like and social harmony suggest that these two values seem to be intertwined. The adherence of these values seems to be strongly influenced by the traditional Chinese culture, where a person’s behaviour should be guarded at all times to ensure he/she is dignified, shows self-control and aims to live in harmony with others. These seem lofty values to live up to in practice, and it is doubtful if people can always be able to do so. Nonetheless, these are values they reported suggesting that they are important to them.
Chapter Five

Literature Review and the Development for Study Two

5.1 The Introduction

The growing importance of service sector in the last few decades of the 20th Century has caused service researchers to rethink on how best to manage service quality (e.g., Berry, 1980; Bitner et al., 1990; Heskett, Sasser, & Hart, 1990; Johnston, 1995; Lewis & Boom, 1983; Parasuraman et al., 1985; Shostack, 1977; Sasser, Olsen, & Wyckoff, 1978). The traditional management paradigm used in managing product quality was unsuited to managing service quality, owing to the nature of service such as its intangibility, inseparability of production and consumption, its heterogenous nature in the delivery process, and the involvement of human labour (e.g., Berry, 1980; Shostack, 1977). Thus, managing service quality is much more challenging, and service failures are sometimes unavoidable, no matter how committed the service providers are in their tasks (Bitner et al., 1990; Sparks, 2001). Service failures, if ineffectively redressed will result in unhappy customers exiting the firms, and/or engaging in post-purchase behaviour, thus, harming firms’ interests (e.g., Bitner et al., 1990; Gronroos, 1999; Johnston, 1995; Johnston & Fern, 1999; Smith & Bolton, 2002). To overcome these, firms are advised to develop effective strategies to manage failed service (service recovery). Research suggests effective recovery strategies are likely to ensure firms remain competitive and profitable (e.g., Hart et al., 1990; Johnston, 1995). Economic progress, globalisation and increase travels mean that firms often serve consumers from different cultural backgrounds (Becker, 2000; Clarke, 1990). Researchers generally agree that consumer’s perceptions of service quality (and failures) and responses are culturally-determined, meaning these are shaped by the cultural values held by them (Becker et al, 1999; Chan, Wan, & Sin, 2007; de Mooij, 1998; Le Claire, 1993; Maheswaran & Shavitt, 2000). Chan et al., (2007:532) confirm that people’s cultural values are indeed “important explanatory variables of consumer behaviour.” If how consumers perceive and respond to service issues is influenced by their cultural values, then it is strategic for progressive firms to leverage on these values to develop effective service recovery measures (e.g., Becker, 2000; Cheng & Yau, 2007; Becker, 2000; Lee & Sparks, 2007; Liu & McClure, 2001; Wong, 2004; Yuksel et al., 2006). To effectively do that, firms must know how customers actually perceive
and respond in situations of service failure and recovery. In other words, insights must be gained into the core service values customers hold. However, most research relating to the managing of service failure and recovery were conducted in Western societies, which suggests that the core service values held by consumers were orientated to Western cultural influenced. Thus, service researchers have argued that findings from this research may be less appropriate to help in understanding the Chinese consumers' core service values (e.g., Chan et al., 2007; Cheng & Lam, 2008; Cheng & Yau, 2007). As was argued in Chapter 2 of this thesis, owing to acculturation and other influences on people's birth cultural values, the suitability of research findings on consumers even in societies such as Hong Kong, Singapore, and Taiwan, although they share similar cultural values with mainland Chinese consumers. For example, Le Clarise's (1993) findings on Chinese complaint behaviour were based on Hong Kong's Chinese respondents, while Kau, Richmond, & Han's (1995) study which examined the determinants of consumers' behaviour, was based on a mix of ethnic consumers consisting of Singapore Chinese, Malay and Indian. Warden, Huang, & Chen's (2007) study on restaurant service failure recoveries which examined the role expectations in a Chinese cultural setting was based on Taiwanese Chinese consumers. Chan, Wan, & Sin's (2007) study of hospitality service failures, examining customers' satisfaction, sampled a mix of Asian consumers based in Hong Kong. Lam & Tang's (2003), as well as Heung and Lam's (2003) studies, which examined the demographic characteristics and complaint behaviour of Chinese used Hong Kong respondents. Wong's (2004) study which examined the role of culture on consumers' preference for service recovery, used respondents from Australia, and ethnic groups from South East Asia. As reported in Chapter 2 of this thesis, due to unclear insights into the prevailing core service values held by the mainland Chinese consumer gleaned from the extant literature, an exploratory study using means-end value approach was conducted to ascertain these core service values (Study 1).

Five core service values relating to face, equity, valued customers, junzi aspiration and social harmony, were reported by a sample of mainland Chinese participants. These core service values were found in Study 1 to influence participants' response to the situations surrounding the service failure situations, some of which pertained to the quality of interaction style of the service providers (process service quality) or the quality of outcome received (outcome quality).
The core service values findings in Study 1 are believed to be representative of some of the core service values prevailing in the targeted study's population, which are China's 'middle-class consumers' residing in the cities and urban regions (See Chapter 2). The identified core service values in Study 1 are expected to likely wield an influence on Chinese consumers' behaviour, as evidence appeared to indicate in Study 1. However, to confirm this likely expectation, prominent findings on the core service value and responses of mainland Chinese in Study 1 are identified and developed for further quantitative investigations in Study 2. Study 2 is conducted with two research objectives in mind.

5.2 The Objectives of Study Two
The primary objective for Study 2 is to employ an experimental design using a 2x2x2 between-subjects factorial to determine the effects which service providers' interaction styles and outcome, delivered under a public or private condition, have on Chinese consumers' social identity, satisfaction, intention to repurchase and word-of-mouth recommendation.

The secondary objective of Study 2 is to employ a preliminary scale with questions items developed from the core service values derived from Study 1, to survey Chinese consumers, to gain a greater insight into their views and responses to service failure and resolution issues. Findings from this study are statistically tested against the respondent’s demographic and personal findings to gain a greater understanding of the service needs of these consumers.

5.3 Justification for an Experimental Approach
A scientific approach based on an experimental design is adopted to achieve the primary research objective of Study 2. A scientific approach is justified for the present study since the objective is to empirically determine how the independent variables pertaining to the service providers' interaction styles and outcome when resolving service failures under stipulated service conditions, have impacted on customers' social identity, satisfaction and post-purchase behaviour (Creswell, 2003; Field & Hole, 2003; Spector, 1993; Trochim, 2006a, 2006b). Given that a scientific approach is taken, the present researcher has taken a positivist epistemological position in this study, arguing that the basic goal in science is to uncover the
truth. Since empirical research is about establishing the truth of a happening or behaviour, a research methodology must necessarily be scientifically-based. This means that findings are only accepted if they are supported by measurable or observable evidence (e.g., Trochim, 2006). Creswell (2003) suggests that positivism is a philosophical stance which holds that causes determine effects and that the 'empisteme' accumulated through such perspective is often based on an objective measure of things through scientific approach. Johnston & Duberley (2000) view positivism as assumptions relating to the aims of the research, the appropriateness of a research methodology and so on. Thus, they argue that an appropriate research methodology must be one that can replicate natural sciences. This means that the methodology must be able to generate findings that can suitably meet the considerations expected in research such as internal validity (approximating truth about the causal relationships), external validity (generalisability), reliability (the measure which can produce same results in same conditions) and operationalisation (measurable).

The experimental methodology employed in the present study is scientific in nature and therefore fits in the mould of a positivistic approach. It offers the best opportunity to establish the cause and effect relationships (Field and Hole, 2003). In fact, the advantage of a between-groups experimental design, such as that employed in the present study is its simplicity and easiness to administer, as a researcher only has to ensure that respondents are randomly allocated to different conditions in the experiment (Field & Hole, 2003).

5.4 Selection of Means-end Value for the Experimental Study

As reported in Chapter 4, face value was identified as the most prominent of the five service value themes. Explicit or implicit references to face and face-work (actions to manage face) were made by the participants in more than 40 percent of the service failure incidents recounted in Study 1, indicating that they have a strong proclivity for face. The face value was selected as a key focus in the experimental study. It is perhaps not surprising to find a strong face proclivity among the participants, as the importance of face to Chinese is well-documented in literature. For example, it is documented that face exists mostly in the minds of the Americans, while Chinese are conscious of face practice all the time (Hu & Groves, 1991). Highlighting the importance of face to Chinese, a well-known Chinese author, Lin Yutang, once wrote, "...face is what Chinese men die for and what women fight for and is
prized above all earthly possessions.” (1935, p. 200). A common Chinese saying proclaims: “People have face, trees have barks” (“Ren yao mian, shu yao pi”) (Yan, 1995, pp. 359-360), suggesting that face is so important to Chinese that they cannot function properly in society without face, just like trees cannot survive without barks. Another saying conveys the message that Chinese treat face so seriously that a loss of face from being insulted or humiliated by others is worst than being killed (“shi ke sha, bu ke ru”) (cited in Wee, 2001, p. 188). The poignancy of this saying was played out during the Chinese Cultural Revolution (1965-1975), when those Chinese publicly denounced for engaging in Capitalistic activities chose to commit suicide rather than be humiliated and suffered a loss of face (Brunner & Wang, 1988).

Despite the importance of face to Chinese, and that much is written about this social and psychological phenomenon (e.g., Ting-Toomey, 1994), a paucity of empirical work has been cited in hospitality service management literature which reported on customers’ face issues in relation to their behaviour in negative service situations. In particular, how face of customers were impacted by the manner of treatment they received. In other words, the style in which the service providers interacted with them (process service). This was found to be important in Study 1.

To further justify the study to be taken, a review of literature was undertaken, which yielded only a few empirical studies, although as noted earlier, these studies did not survey respondents from mainland China, and thus, a question is raised here as to the generalisability of these findings. In the first study, Le Claire’s (1993) examined the degree of adherence to traditional value such as face observance by the respondents and the likelihood that they would engage in complaint behaviour. However, it did not examine how face could be impacted by the service providers’ service actions, yet, a review of face literature informs that when Chinese are treated in a pejorative manner, face is lost (e.g., Chang & Holt, 1994; Hwang, 1998; Kipnis, 1995; Lim, 1994). Hence, this should be examined more closely, particularly because of its important service implications in the hospitality industry.

In a second study, Chan et al., (2007) examined the topic of hospitality service failures in a hotel and restaurant setting using a ethnic mix of Asian respondents. The study examined respondents’ face consciousness and fate submissiveness in the context of dissatisfaction with process and outcome service failures. They found that respondents who had a high level of face-consciousness experienced a greater level of dissatisfaction in service failure when the
process service was unfavourable, meaning when they were not treated in a manner that conveyed them much social capital ‘face’ (not given face). Those respondents who tended to submit to fate (fatalistic thinking) experienced a greater level of dissatisfaction in the service failure if the service outcome or the core service delivered was less favourable. While these are valuable insights into consumers’ service values, which influenced their behaviour, it is unclear, however, if the findings from these respondents who were Asian University students studying for an executive MBA course in Hong Kong, can be generalised to mainland Chinese consumers. Thus, the present study was conducted using sample from mainland Chinese to confirm if and to what extent the interaction style of a service provider may impact on consumers’ face value. This is particularly important, as how a service provider interacts with a customer in commercial setting has salient hospitality service management’s implication.

In Watkins and Liu’s (1996) cross-cultural study, comparing consumer complaint behaviour of mainland Chinese with Western respondents, it was found that Chinese consumers tended to complained less to protect their own and other’s face. This was confirmed in Study 1 in the present research.

It is argued here that if Chinese consumers have a strong concern for face, as indicated in Study 1, their face interests are likely to be unfavourably affected when they experience deficient service. Given that more empirical research on consumers’ face in the context of hospitality service failure and recovery is required, the current study is justified. It is argued that greater insights into consumer’s behavioural responses to the context which services are delivered (interaction style), will inform how best to develop culturally-appropriate service strategies. The present study intends to fulfil this gap in literature.

Findings in Study 1 were analysed to identify the context of service delivery in which participants reported face-impact incidents, and these were quantitatively tested in Study 2 to determine their favourable or unfavourably impact on customers’ social identity (face), satisfaction, repurchase intention and word-of-mouth engagement. As these were argued to have important service management implications, they warranted further research. As presented in Chapter 4, three service delivery contexts relating to incidents of critical service failure were targeted. Only critical service failure incidents which invoked participants’ positive or negative responses were reported; minor failures were left out.
5.4.1 - The Context of *How, What and Where* Service was Delivered

First, the context of *how* or the *manner* participants were ‘related to’ or ‘treated’ by the service providers in situations of service failure and resolution, which impacted on their *face*, *satisfaction* and post-purchase responses, were tested. When the interaction was favourable, participants’ *face* was reported to also be impacted favourably, resulted in *face-gain*, while unfavourable interaction resulted in *face-loss*. There were also some evidence to suggest that *how* they were treated in the service delivery situations determined their *satisfaction* level, *intention to repurchase* and *word-of-mouth*.

Second, in the context of *what* was delivered by the service-providers in service failure resolution, *face-gain* or *face-loss* was also reported by the participants, depending on what was delivered. They indicated that a favourable outcome would mean they were more *satisfied*, more likely to repurchase and engage in positive *word-of-mouth*, and vice versa.

Third, participants’ reported *how* the *face-impact* service was delivered and what *what* was delivered was depended on ‘where’ these incidents in terms of service failure and resolution took place. *Face* was reported to be more favourably impacted when the service occurred under a *public* rather than a *private* condition. A *public* condition was defined where a *face-impact* incident was witnessed by others, while a *private* condition was when no third party had witnessed the incident.

There was some evidence in Study 1 to suggest that *how, what and where* the service was delivered appeared to impact on the participants’ *social identity, satisfaction* and their other post-purchase behaviour. Nevertheless, further tests are necessary to confirm these impacts, which, as argued in this thesis, have implications for service firms and their business profitability. Thus, these three different contexts in terms of *how, what and where* the service was delivered in response to the incidents of service failures were further examined in a primary *cause-and-effect* study to tested hypotheses posited to validate early findings. Justifications were made in the following sections in developing and adopting these service contexts as independent variables for the study.
5.4.2 Development of the Service Contexts as Independent Variables

The contexts of how, what and where the service resolution was delivered in response to the incidents of service failures are further explained to highlight the importance of these in service failure management to justify their development as independent variables for the experimental design in Study 2.

The Service Delivery Context on How Customers was Treated

The ‘how’ context relates to the ‘manner’ in which participants is treated by the service providers in service failure/resolution incidents. In Study 1, participants indicated that they expected the service providers during interaction in the moments-of-truth encounters, to treat them in manner that is warm, polite, and respectful and to show deference and proper ‘Li’ (propriety). The aforementioned attributes of propriety expected of service personnel in the many Moments-of-truth encounters in a service process are related to their interaction styles, which were identified in Study 1 as: the service personnel’s verbal and non-verbal styles of interaction. These were found to play a critical role in determining the how the customers felt being treated which as noted in Study 1 had a face-impact on participants. There were also some evidence to indicate that the quality of interaction (how or manner) determined participants’ level of satisfaction with the service resolution delivered, their repurchase intention and word-of-mouth behaviour recommendations.

The term verbal interaction styles refers to service personnel’s spoken language when interacting with customers (DeJanasz-Dowd-Schneider, 2006, p.129), while ‘non-verbal interaction style’ refers to their body language, such as facial expression, hand gestures and posture (Hynes, 2004; Smith & Bond, 1998). In Study 1, pejorative verbal interaction styles were reported when the service personnel were condescending, impolite, sarcastic, cynical, and insinuating. Pejorative non-verbal interaction styles were also reported to cause a ‘face-threat’ or face-loss’, as evident when participants were received by a cold and business-like personnel or treated as an unworthy customer because a small food order was placed. The pejorative styles of interaction were described in literature as process service failure or in the Chinese cultural context as the service interaction that lacks ‘Li’ (propriety).
**Literature on Process Quality in service (Interaction Style)**

Service literature informs that consumers are likely to evaluate the total service quality consisting of both the outcome and process quality (e.g., Gronroos, 1982; 2000; Lehtinen & Lehtinen, 1983). It means that consumers evaluate the quality of 'what' they get in the core services (meal quality or service efficiency) known as technical or output (outcome) quality, and 'how' or the quality they are being related to or served during in the process known as functional or process quality (e.g., Driver & Johnston, 2001; Gronroos, 1982, 2000; Kandampully, 2007; Lehtinen, 1983; Martin, 1986; Mohr & Bitner, 1995; Normann, 1984, 2000). In literature, quality process service is perceived when 'how' or 'the manners' in which service providers interact with customers manifest courteous, respectful, sensitive or empathetic, and are noted as commonly expected by customers in a service-production process (Lehtinen, 1983). Thus, when customers are treated in the opposite manners, process service failures have occurred, which can result in the customers losing important social capital such as status or esteem (Driver & Johnston, 2001; Smith et al., 1999) or mianzi face in the Chinese case, as Study 1 revealed.

Research on Western consumers suggests that their perception of process service quality is relatively more important in evaluating service standard, although a satisfactory service outcome is "necessary and a prerequisite" for them to conclude the overall service quality is high (e.g., Gronroos, 2000, p. 51). Service offering process quality has also been found to be important to consumers in collectivist cultures (e.g. Chinese, Japanese and Koreans), which emphasise on social-relatedness, collective interests, and obligation to others (Chan & Wan, 2008; Zhang, 2006). Thus, Chinese consumers are expected to put a high premium on receiving quality process service, however, evidence cited in service literature on this evaluation still appears to be scarce, hence, the present research's effort was taken.

Restaurant service was chosen as a setting for the present study, as it involves a high level of interaction in the many moments-of-truth encounters, and as such, process service is likely to be a focus of quality evaluation by consumers (Chan et al., 2007; Kandampully, 2007, p. 81). For example, to assess process quality in their dining experience, consumers may evaluate 'how well' they are treated by service personnel during the process. A failure situation is made even more pronounced when consumers who have already incurred in material loses then have to further endure deficient interpersonal treatment. Moreover, it is
often the memory of the process quality in service that reminds consumers of how good the previous dining experience, as product such as a restaurant meal offers no property to take home (Gronroos, 2000). Thus, it is the service process quality that often influences consumers’ post-purchase behaviour such as whether they will repurchase or not, or the type of word-of-mouth communication in which they will engage (Gronroos, 2000). Furthermore, consumers from different cultural backgrounds may have different process service needs in relation to social interactions (Chan & Wan, 2008). In theory, Chinese are commonly known to value harmonious relationships with others highly, and are keen to observe social interrelatedness (Chen, 2002; Cheng, 2001; Fan, 2000; Hwang, 1998; Zhang, 2006). This implies that they are not keen to be in conflict with others (Chen, 2002). As such, they are likely to place a high premium in the appropriate manner in social interaction to create peace and harmony. As noted, for Chinese, ‘li’ (propriety) or the principles regulating interaction, is commonly used to determine the quality of social interaction (Chen, 2002; Cheng, 2001). To gain an insight into how Chinese social interactions are regulated, two traditional principles are highlighted here.

*The Principles of ‘Wu lun’ (Five Cardinal Rules of Relationships) and ‘Li’ (Propriety)*

Great emphasis has been placed on people living in harmony with others in Chinese culture (Cheng, 2001). Thus, to ensure social harmony, the principles of ‘wu lun’ (Confucian five principles of relationships) and ‘li’ (propriety) are passed down from Confucius time to guide and regulate people’s social interactions in contemporary Chinese societies (Bond & Hwang, 1987; Chan, 2009; Hwang, 1998).

Although ‘Wu lun’ is traditionally used to regulate and nurture relationships within family units, it is also extended to society at large (Hwang, 1998). The essence in ‘wu lun’ is that each member in a family knows the appropriate manner of relating within the hierarchy. The father, who occupies a senior position commands deference and obedience from the son. Extending ‘wu lun’ to a wider society, restaurant guests who adhere to this cultural influence would believe that they occupy a higher social position than the service personnel. This may mean that status-conscious guests will expect the service personnel to interact with them in a manner that reflect their social position, otherwise, a loss of status may be experienced and such guests may behave in ways that may be inimical to a business.
Another important set of principles which guide Chinese in the appropriate manner of social interactions is ‘li’ (propriety) (Cheng, 1986; Cheng, 2001; Gabrenya & Hwang, 1996; Hwang, 1987; Hwang, 1998). Service providers may be expected to practise ‘li’ in the context of their verbal and non-verbal styles when interacting with consumers. Put simply, these imply showing ‘li’ (propriety), which is translated to mean interacting with good manners, respect, politeness, and paying deference to seniority, status, as well as understanding their position as waiting staff in the hierarchy. It is noted that a Chinese who interacts with others in proper ‘li’, expects to be reciprocated with appropriate ‘li’ by others (e.g., Chen, 2002; Chen & Starosta, 1997). This means by behaving with appropriate ‘li’ as patrons, they expect in return to be treated with kindness, courtesy, respectfulness, given deference and consideration. They are likely to expect the service providers to act reasonably, rather than selfishly or aggressively in events of negative service situations. Thus, in events of dispute, Chinese customers will expect to be offered ‘space or opportunity’ to manoeuvre to reach an amicable settlement (Cheng, 2001). Insistence on one’s right by one party in a transaction will harm relationship (guanxi). The ideal and ultimate in good relationship for Chinese is to treat and be treated by others with benevolence (ren), and ‘li’ plays an important role in fulfilling ‘ren’ (the display of humanity). In so doing, face, which is a highly desired social capital, is accorded (Chan & Wan, 2008; Hwang, 1998; Jia, 2001). Evidence in Study 1 suggests that Chinese customers want service staff to interact with them in manners that reflect quality in ‘process’ service. This finding will be confirmed in Study 2.

The ‘How’ Context and Consumers’ Post-purchase Behaviour

There is some evidence in Study 1 to suggest that Chinese participants incurred a ‘loss of face’ when the ‘process’ service quality was deficient (Chapter 4). As indicated, there were also some suggestions that when treated unfavourably in the service resolution process, participants were dissatisfied, and intended to exit from the business and would engage in negative word-of-mouth. It is not unreasonable to suggest that if customers ‘lose face’ because of the deficient process service, they are less likely to be satisfied consumers, and will perhaps not repurchase, and/or are more likely to engage in negative word-of-mouth.

As noted earlier, in recent study, the issue of process quality failure in relation to consumers’ concern for face and its effect on their post-complaint behaviour was examined by Chan, Wan & Sin (2009). Asian respondents were investigated in their ‘concern for face’
(CFF) and 'belief in fate' (BIF). These variables were found to have a moderating influence on the respondents' service dissatisfaction. The findings suggest that respondents with a higher degree of CFF (BIF) had a higher (lower) degree of dissatisfaction when process outcome quality failed. Essentially, the findings suggest that customers who showed a high proclivity for face, became more dissatisfied when the process quality (interpersonal treatment) was deficient compared to service outcome (outcome) quality. Those respondents high in BIF on the other hand were more dissatisfied with deficient outcome quality, compared to process quality. In addition to the effects on satisfaction found for the two independent variables (CFF and BIF), the effects on respondents' subsequent complaint behaviour were also found. Those high in 'concern for face' (CFF) tended to complain less to business, but were more likely to spread negative word-of-mouth, compared to those who held the belief in fate (BIF). However, since Asian respondents were used in this study, it is argued that findings may not generalise to mainland Chinese, thus, the present study is warranted.

For the present study, it is argued that consumers' already heightened negative emotions caused by failed non-social services (e.g., slow service, no table reservation) were further exacerbated by deficient functional or process service (pejorative interaction styles) causing them to feel even more dissatisfied with the service. Thus, it is suggested that in service failure situations, the extending of appropriate 'li' (propriety) in the form of service providers' congenial interaction styles, are all the more pronounced (Cheng, 1986; Cheng, 2001; Gabrenya & Hwang, 1996; Hwang, 1998). For this reason, the test to determine the effect of how customers are treated (process quality) on their face, satisfaction and post-purchase responses, become important issues to investigate in the primary study. The process service quality or the service context related to 'how' customers are treated is framed as the service providers' interaction styles for the independent variable in the study. To gauge the main and interaction effects of interaction styles on face, satisfaction, and other post-purchase responses such as repurchase intention and negative word-of-mouth, a null hypothesis was posited. This and other hypotheses are formally presented in Section 5.5 in this Chapter.
The Service Context on What was Delivered

Favourable or unfavourable face-impact was reported by the Chinese participants in Study 1, relating to ‘what’ they received in outcome for service or service resolutions. Favourable mianzi face was reported when failed services were successfully resolved (favourable outcome). Likewise, positive statements were made in terms their post-purchase responses, when service resolution outcome was favourable. For example, when a participant was promptly given a private room to host his GM when one was not initially available, he reported that this action had saved him from embarrassment (face-loss). He also indicated satisfaction with the manager’s effort (outcome) and would intend to repurchase. Face-gain was again reported when a table was promptly found for a participant to celebrate an important occasion. In other cases, a proprietor’s personal effort to ensure that the defective service was resolved was also perceived a favourable outcome, resulting customer’s face-gain. Satisfaction and repurchase intention were also reported in the case. Another customer had expressed feeling special and important (face-gain) when given special help by the proprietor to secure a table for the important New Year family reunion dinner. Satisfaction and positive word-of-mouth were also reported by the customer for good service outcome.

Conversely, negative face-impact (loss of face) was reported by the participants in Study 1 when unfavourable service outcome was received. Thus, in one case, a customer (host) who was entertaining foreign guests was hugely embarrassed as the pre-arranged dinner had not met his guests’ religious requirements the mistake was unresolved, resulting in the customer’s face-loss. He expressed dissatisfaction with the exchange and vowed not to repurchase. Face was also lost as a result sub-standard service delivered to a tourism agent who was showing-casing a popular food outlet to foreign visitors.

It seems in regard to the aforementioned service failure situations identified in Study 1, the main concern for customers was to gain a quick resolution (favourable outcome) to the service problem at hand. As they were hosting guests, favorable outcome in service resolution was considered critical to ‘save face’. As such, the outcome quality may be considered to be more important than the process quality (congenial interaction styles) in some situations. Findings in Study 1 provided some evidence to suggest that both service outcome and process service were important in protecting or elevating the Chinese participants’ face. However, the picture is still unclear as to the relative importance in which Chinese customers place on the
process and outcome service quality. It is also unclear as to how their face-worth or their satisfaction level and post-purchase responses (word-of-mouth and repurchase intention) are impacted if a business deliver them with favourable process quality, but unfavourably outcome, and vice-versa. Thus, it is aimed in the present study to formulate the process and outcome service qualities into independent variables and test the impact of these on customers' face, satisfaction and other post-purchase response behaviours in posited hypotheses. The importance of 'what is delivered' in service or outcome quality is further reviewed in literature.

Literature on Outcome Quality in Service

As noted earlier, literature reveals that consumers are likely to evaluate service quality from a total service package consisting outcome and process quality (e.g., Gronroos, 1982, 2000; Kandampully, 2007; Lehtinen & Lehtinen, 1983; Martin, 1986). Outcome quality is evaluated by customers for 'what' is delivered to them, which implies the final output of a service production (Kandampully, 2007, p. 85). Outcome is noted as 'impersonal' in nature and a failure will result in a loss of people's economic resources (money or time) (e.g., Chan et al., 2009; Driver & Johnston, 2001; Smith et al., 1999), but as Study 1 shows, it also has a face-impact effect and are likely to affect consumers' satisfaction level and other post-purchase behaviours. In the pursuit of the primary objective in Study 2, it is hoped that insights into this aspect of the Chinese consumer behaviour can be gained.

Gronroos (2000) notes that a service firm which purports to offer high quality service or service resolution, must first and foremost be able to take care of the quality in service outcome. For example, while guests in a restaurant expect service personnel to be courteous, empathetic, helpful and friendly (process quality service), they also expect the service or any service failures to be resolved promptly, adequately and professionally (outcome quality). Thus, satisfactory service outcome means offering customers with high quality food product served by technically skilful staff in a timely manner. In event of service failure, service personnel can address mistakes promptly and skilfully (e.g., Gronroos, 2000).

Literature shows, that the relative contribution to customers' satisfaction of outcome and process quality may be dependent on consumers' core service value beliefs and the service circumstances faced by them (Chan et al., 2009). Thus, in their study of service failures, customers considered outcome service failure to be more important than process
service failure when they subscribed to the belief in fate (BIF) (Chan et al., 2009). Failure in outcome was attributable to fate (bad luck), rather than to service personnel’s poor interpersonal skills (process quality). In this case, the effect of outcome failure on customers’ satisfaction was greater than process failure. On the other hand, process service failure was found to be more serious than outcome failure for those customers who valued face more highly (CFF) (Chan et al., 2009). Thus, when process services failed, customers were found to be more dissatisfied with the process service quality, for example, deficient staff’s interpersonal skills. Given these findings and the scarcity in the extant literature as to the importance of outcome quality to mainland Chinese consumers, the service context relating to ‘what’ was delivered or outcome will form the second independent variable for the cause-effect study to test hypotheses posited for Study 2. As noted, the findings in Study 1 suggest that favourable outcome has the effect of elevating the face of Chinese customers, and vice versa, as well as the effect on other variables pertaining to customers’ post-purchase behaviours. Thus, the main, interaction and simple effects of outcome are tested on face, customers’ levels of satisfaction; their likelihood of repurchasing or engaging in negative word-of-mouth communication. Outcome for service resolution forms the second independent variable in Study 2. The hypotheses posited relates to the effects in which favourable and unfavourable outcomes have on customers’ face, satisfaction and other post-purchase behaviours. The next service context in which face-impact was identified relates to ‘where’ the service incident took place.

However, it must be argued that while Chan et al’s study (2009) provided valuable insights into the relative importance of process and outcome service to consumers, the study used respondents from society outside mainland China. Such findings need to be confirmed in study using mainland Chinese respondents.

**The Service Context Relating to Where it was Delivered**
The context of ‘where’ the service delivery took place was found to be an important concern for the Chinese participants in Study 1. This was evident in cases in which they expressed face concerns in relation to incidents of service failure which they were hosts or organisers of a dining occasion. They reported that the negative service incidents exposed them guests’ speculations on their status as hosts, causing them to experience a face-threat or face-loss.
In Study 1, the negative service incidents where face concerns were expressed were related to: others’ speculations of their ability to play host or select a venue which could provide quality meal or service. In the concern to protect face, participants also chose to settle disputes over food-bill away from guests to avoid them scrutinizing, whether real or imagined, over their ‘affordability’ or ‘generosity’ to play hosts. Thus, participants were avoided quibbling or haggling over money issues in front of the guests. This tactic was to avoid projecting an unfavourable image as these activities reflect unfavourably on their public image (bu hao kan xiang). Thus, they engaged in face-work activities (actions to manage face) to prevent revealing their short-comings or exposing their financial position. They avoided from being perceived as poor (jiong) or ‘tight-fistedness (bu dafang”).

These face-work performance appeared to indicate that ‘where’ the negative service incident took place could impact their face. Favourable service delivery which resulted in a favourable face-impact in public put them in a favourable light, thus, elevating their face (face-gain). The opposite situation put them in an unfavourable light, thereby diminishing their face. These participants in Study 1 were keen to avoid any pejorative situations in public which could cast them in a negative light face-wise.

The insights gleaned from Study 1 suggested that two conditions which define ‘where’ the service incidents took place can cause a favourable or unfavourable face-impact. One condition is related to public exposure, while the other condition, to private exposure.

To define, public exposure is a condition in which the favourable or unfavourable experience of a service incident is witnessed and evaluated by others. Thus, a participant in Study 1 felt a face-threat when confronted by an unscrupulous manager threatening her in front of guests (public) of house-detention if she refused to pay a high corkage charge.

Conversely, private exposure relates to the condition where a negative service incident, which has the potential to expose a host’s short-comings or inadequacies, is kept hidden from public gaze or knowledge. For example, a third party, a dinner guest is oblivious to a host’s short-comings or inadequacies, so that the latter’s face is protected or preserved. Literature is reviewed here to confirm that face has a public and private condition.

**Literature on the Public and Private Conditions of Face**

Literature reveals that people’s face is claimed from and given by others. Thus, in terms of face image, what people opine about themselves, in terms of ‘who they are socially’ or ‘how
much they are worth’, is less important than what they believe others opine them to be worth (Bond & Lee, 1981; Lim, 1994). Thus, people may experience being accorded much face when they believe others are cognizant of their abilities, success or wealth as evidence through public salutation of their achievements either orally or in media (Bond & Lee, 1981; Brown & Levinson, 1978; Goffman, 1955; Ho, 1976; Hu, 1944; Yang, 1945). They are said to have face (you mianzi) under this condition, while a failure to receive such public recognition will result in them having no face (mei mianzi). It appears then that a public condition of face for a face-lover is more important than a private condition. In literature, the public condition of face is described as the “projection of one’s ‘social self in the public domain’”. It refers to an individual attempting to show who he/she is socially and ‘how much he/she is worth’ to gain recognition or mianzi face from significant others (Ho, 1994, p. 273), This is often exemplified in people indulging in ostentatious living (Hu, 1944).

Lim (1994) describes face as a public self-image, a valuable social capital claimed from others through social interactions. For example, a dining occasion (Chen, 1990).

The public and private conditions of face are best illustrated by Goffman (1955; 1967) who depicts people’s face-work as a front and back-stage theatrical performance of life. In the front-stage of life (public), people attempt to maintain an appropriate social identity or image to meet the social approval of others, but act in an authentic manner back-stage (private). The public nature of face is also implied in Brown & Levinson’s (1978:66) study which maintains that people behave in a manner to gain social approval, validation, inclusion and positive regards from others, suggesting that face is gained from other under a public condition.

In two indigenous Chinese studies, the public and private conditions of face are also explicated. For example, Yang (1981:161) notes that Chinese are ‘socially-orientated’, meaning they have the proclivity to behave according to external expectations and society’s norms (public) rather than own internal wishes (private). Hwang’s (1998) insights into the Chinese face concepts of the ‘da wo’ and ‘xiao wo’ further explicate the public and private nature of face. Chinese are often exhorted to strive for success in social and business relationships, as well as scholastic and professional pursuits (Cheng, 2001; Fan, 2000; Ho, 1987; Stevenson & Lee, 1996). When successes are attained, these are often made known to others, through congratulatory messages from significant others in print media. This social practice has the effect of elevating the face-recipients’ ‘da wo’ in public (e.g., Chan & Holt,
Chapter Five - Literature Review and the Development for Study Two

1994; Chen, 1990; Hu & Grove, 1991; Hwang, 1998; Kipnis, 1995). The *face* worth conferred by significant others who themselves have *face*, such as the manager, or proprietor, is greater than those who do not have *face*, such as servants (Kipnis, 1995).

From a cultural perspective, Chinese' ‘*da wo*’ is often elevated in *public* for example, through feasting, which is a common, but important vehicle in extending hospitality to guests, since feasting is an integral part of the Chinese socio-cultural life (Chen, 1990; Fitzgerald, 2002; Zhang, 2004). Chinese ‘*da wo*’ (*public face*) is elevated when a banquet produces ‘*changmian*’ or ‘grand appearance’ in *public*; which means that a dining occasion has grandeur and ostentation when held at a reputable venue, graced by prominent guests, served with a large amount of food and first rate service (Chen, 1990; Gabrenya & Hwang, 1996). Thus, in a dinner occasion, Chinese hosts gain a ‘favourable *da wo*’ (*public face*) for their capacity to play hosts, which demonstrates that they are able financially (*you qian*) and generous (*dafang*). Besides, through this social occasion, they are able to extend ‘*ræning*’ (human favour) and ‘*quanxi*’ (interconnectedness) to significant others.

There is some evidence in popular literature on *face* and also evident in Study 1 to suggest that the ‘*where*’ context in which a service incident occurs may impact favourably or unfavourably on Chinese customers’ *face* and their post-purchase responses. However, there are few empirical literature studies cited in service literature which offer insights into the ‘*where*’ context of service delivery, therefore, in the primary study, the *private* and *public* conditions which constitute the ‘*where*’ context are framed under the third independent variable - *social exposure*.

The primary objective in Study 2 was to determine if and to what extent the culturally-influenced core service values held by Chinese consumers had impact on them and post-purchase behaviours. The core service values as identified in Study 1 consist of the *interaction styles* of service providers, the service *outcome* and the *private* and *public* conditions or social exposure under which the services are delivered.

Specifically, the primary objective in Study 2, which is a *cause* and *effect* investigation, was to determine if the *main*, *interaction* and *simple effects* of the three culturally-influenced core service values which form the independent variables, are significantly found for the dependent variables to be examined below. It is argued here that the findings in Study 1 and insights gleaned from service literature have not provided
sufficient empirical evidence as to how Chinese consumers may feel about their face-worth in response to the manner of interpersonal treatment during service resolution (process quality) and the outcome of service resolution received (outcome quality). Other questions that need further empirical answers relate to what consumers’ post-purchase responses may be when being delivered favourable process quality in service failure resolution, and/or favourable or unfavourable outcome under public or private condition and vice-versa.

Thus, for example, one hypothesis posited will be that Chinese consumers’ face is more elevated (greater) if they are treated with congeniality (favourable interaction style), and received excellent service resolution outcome (favourable outcome) under a public rather than a private (social exposure) condition. Other hypotheses posited will be if consumers are more (or less) satisfied, or will (will not) repurchase, or will (will not) engage in negative word-of-mouth communication if delivered with favourable interaction style of service, but unfavourable outcome or under a public or private conditions and vice versa. These hypotheses will be formally presented in Section 5.5. The development of the dependent variables for the primary objective of Study 2 will now be discussed.

Face as Dependent Variable

In Study 1, the Chinese participants showed a strong proclivity for face, and face literature has highlighted the salient of face to Chinese. Previous discussions have noted that Chinese participants’ mianzi face was favourably or unfavourably affected by how they were treated by the service providers (process quality) and what they received in outcome (outcome quality) and where these took place. It appears from the findings in Study 1 that customers’ face was impacted more favourably (face-gain) when favourable process quality or outcome quality in service failure resolution was delivered under a condition of public rather than a private social exposure. But to the knowledge of the present researcher, the extant service management literature proffers very little empirical work on this. For this reason, an important aspect of the primary objective in Study 2 is to empirically test the effect of process and outcome quality in service failure resolution under different conditions of social exposure, on consumers’ face. Adopted as a dependent variable, face is operationalised as social identity.

The term ‘social identity’ aptly describes face because, as Tajfel (1981:255) notes, an individual’s social identity is ‘that aspect of an individual’s self-concept derived from his
knowledge of his [her] memberships in a social group (or groups) together with his [her] value and emotional significance attached to that membership'. This definition suggests that people's social identity or mianzi face is their opinion of how others perceive them to be socially (Brown & Levinson, 1978; Goffman, 1967). Thus, people claim social identity for being capable and rich because others recognize and accord them social identity.

The use of the term social identity for face is also appropriate because face, according to Hwang (1998) is public in nature. He notes that Chinese public or social face is 'da wo'. Thus people's 'da wo' (large me) or public face is their social identity.

Outcome and Process Quality in Service and Customers' Post-purchase Behaviour
Limited empirical studies are cited in service literature in relation to how Chinese consumers respond to deficient process and outcome service failures and how these responses influence their social identity and post-purchase behaviours. However, ample studies of Western consumers were conducted on these concepts, and these will be briefly reviewed to gain some insights into their influence on consumers' post-purchase behaviours. Consumer satisfaction is the concept commonly studied. This will be another dependent variable to be tested.

Consumer Satisfaction Defined
According to Oliver (1997:13), the term satisfaction refers to customer's fulfilment response, which involves both their cognitive (thinking) and emotional (feeling) elements in the judgement that a product or service feature, or the product or service itself, can provide a pleasurable level of consumption-related fulfilment - levels of under-or-over-fulfilment.

Service research in Western societies has long established a link between successful service delivery (outcome) and customer's satisfaction (e.g., Bitner, 1990; Bolton & Drew, 1991; Cronin & Taylor, 1992; Iacobucci, Grayson, & Ostrom, 1994).

Customer Satisfaction in Service Failure Resolution
The judgements of satisfaction in service can also be applied to service resolution. For example, studies confirm that a service provider's effort to manage service failure is judged to be successful when customers are returned from a dissatisfaction state to a satisfaction state (e.g., Sparks, 2003). In recent research, the studies on customer satisfaction in service
quality's evaluation were extended to both the process and outcome dimensions of service failure (e.g., Hill, 2003; Smith & Bolton, 1998; 2002; Smith, Bolton, & Wagner, 1999).

**Process quality and Satisfaction in Service Resolution**

Bitner et al. (1990) note that 'how' service providers manage customers' plight in service breakdowns (process), are likely to determine their levels of satisfaction. It is noted that hospitality services are largely intangible, thus the quality of interaction (interaction styles) in those moments-of-truth encounters becomes important in influencing customer's satisfaction (Sparks, 2001). For example, staff's show of empathy (process quality) is also an important determinant of service quality and customer satisfaction (Zeithaml & Bitner, 1996). Process quality evaluation was also used by customers in service failure situations. Customers were found to be most satisfied when service personnel can demonstrate a high level of empathy and responsiveness in a service failure resolution process (e.g., Hocutt, Chakraborty, & Mowen, 1997). Similarly, the magnitude of concern shown by staff towards customers was particularly important in determining how satisfactory the later was in service recovery (e.g., Sparks & McColl-Kennedy, 2001). In recent studies (e.g., Chan & Wan, 2008, 2009; Chan et al., 2007, 2009), it was found that 'how' the service failure was managed, or 'what' was delivered in resolution had an influence on how satisfied Asian respondents were (e.g., Chan & Wan, 2008, 2009; Chan et al., 2007, 2009). As noted, those respondents who were concerned for face, were more satisfied, when the process to address service failure was adequate compared with those respondents who believed in fate, who reported being more satisfied when the outcome of service failure resolution was adequate. It is hoped that such insights may be gained from the Chinese subjects in Study 2.

**Outcome Quality and Satisfaction in Service Resolution**

In terms of outcome quality in service recovery, how customers are compensated is an important determinant of their levels of satisfaction. For example, Goodwin and Ross (1990) reported that customer indicated satisfaction on receiving a tangible outcome when service failed. Bitner et al., (1990) note that when compensation is offered after service failure, customers experience satisfaction as service provider is perceived to have control of the situation and that the failure is, but a temporary lapse of concentration in service delivery. However, Blodgett, Wakefield and Barnes (1995) find that compensation (outcome) may
only make a possible difference to customer satisfaction if it is accompanied by high level process quality (courtesy and respect). A successful link was also made between successful service recovery (outcome) and customer’s satisfaction (e.g., Sparks, 2001, 2002). Little is, however, known about how the process and outcome quality dimensions affect satisfaction in service resolution among contemporary mainland Chinese consumers. Recent study by Chan et al., (2009) noted that Asian consumers reported greater satisfaction with the process than the outcome dimension in service delivery. The reason given is that the quality of interpersonal interaction (process quality) is important in a society with a collectivist orientation, such as the Chinese, who place great emphasis on harmonious relationships, and this is cultivated through the use of process quality service (e.g., ‘li’). Nevertheless, more research is still needed to clarify how Chinese consumers’ perceptions of process and outcome quality in service resolution affect their level of satisfaction, hypothese are posited to determine the effects of the independent variables – process (interaction style) and/or outcome (outcome) under a public or private condition (social exposure), on the independent variable representing customers’ satisfaction.

**Process and Output on Repurchase intention**

Repurchase intention is another customers’ post-purchase response behaviour determined by how service failures are managed. Thus, if a failed service that is critical to the customers’ interests is not properly managed such that the service resolution or service recovery action is not taken or is ineffective, disaffected customers may switch brand or loyalty (Dube & Maute, 1996; Keaveney, 1995). However, whether they take such action may also depend on the ease of switching due to availability of substitutes, switching cost and the strength of relationship with the firms (e.g., Day & Langdon, 1977; Hirschman, 1970; Porter, 1980).

Western studies show that when service failures occur, customers, who are more satisfied with the responses in service resolution recovery, are more likely to repurchase from the firms (Fornell & Wernerfelt, 1987; Gilly, 1987; Goodwin & Ross, 1990; Kelley et al., 1993; Sparks & Bradley, 1997). As Kelley et al. (1993) note, effective recovery has been found to generate a customer’s retention rate of more than 70 percent. A firm will gain the opportunity to regain customers’ confidence, trust and loyalty with effective recovery (Johnston, 1995), and produce positive impact on customers’ trust and commitment (Tax & Brown, 1998). Similarly, Maxham and Netemeyer (2002) found that moderate to high service
recovery's effort significantly increased customers re-patronage intention, while poor service efforts produced the opposite effects. Despite much empirical work on consumers' repurchase intention were conducted on Western consumers, little work was done on mainland Chinese consumers in the context of service failure/resolution. For example, little is empirically known about how the process quality in service failure resolution and/or outcome quality under the private or public condition, affect likelihood of Chinese consumers' intention to repurchase. Given the paucity of of this type of investigation, it is salient for the variable repurchase intention to be included as one of the dependent variables in the study. Hypotheses posited on these independent-dependent variables are presented in Section 5.5.

Process and Outcome Quality on Word-of-Mouth

Word of mouth communication is consumers' post-purchase behaviour in a service recovery process (Sparks, 2001). They may be positive or negative comments of customers usually made to others privately about the process or outcome quality of a service recovery. Dissatisfied customers may exit a firm silently (without complaining) when service failures are not or inadequately addressed (e.g., Day & Langdon, 1977; Richins, 1981; Singh, 1988). They may then 'get even' with the firm by engaging in negative word-of-mouth (Folkes, 1984). Singh (1988) reported that most dissatisfied customers who defected rather than complained were likely engaged in negative word-of-mouth. This finding was confirmed by Blodgett et al. (1995) who noted that disaffected customers, whose grievances were unresolved, were likely to engage in negative word-of-mouth. However, research suggests that consumers from a collectivistic culture such as the Korean and Chinese culture may respond differently from those of an individualistic culture. For example, Liu and McClure (2001) reported that dissatisfied Korean consumers tended not to complain, but engaged in negative word-of-mouth. Cheng & Yau (2007) also reported that Chinese rarely expressed their dissatisfaction through complaints for cultural reason. Le Claire (1993) noted that the proclivity to not complain may be due to the desire of Chinese consumers to protect face, as face would be lost when a complaint failed to secure a satisfactory outcome. Chinese consumers were also reported to dislike complaining, as confrontation might arise to damage their desire for social harmony (Cheng & Yau, 2007).

Several earlier studies showed that word-of-mouth communication could have an extremely powerful influence on consumer purchasing process (Brown & Reingen, 1987;
Price & Feick, 1984). These insights are important for service providers to consider when catering for Chinese consumers for these reasons. For example, Chinese are strongly collective, which suggests that many contacts occur among group members (e.g., Yau, 1988). These contacts are informal channels of communications which may be used to quickly convey positive or negative messages among group members in a collectivistic setting (Yau, 1988, 1994). Evidence suggests that Chinese consumers' purchase decisions are influenced by in-group members' word-of-mouth recommendations (Cheng & Yau, 2007; Chow et al., 2007; Kindle, 1985; Yau, 1994). They tend to be brand loyal and will conform to group norms, which mean that they are likely to purchase the brand of product or service recommended by group's members (Chow et al., 2007; Kindle, 1985; Yau, 1988, 1994). There is also evidence to suggest that it is strategic for a firm to establish a reference group among the Chinese consumers, because customers are unlikely to deviate from the accepted recommendation of a reference group, which again highlights the importance of word-of-mouth (Kindle, 1985; Yau, 1988, 1994). Since insights into the word-of-mouth behaviour of mainland Chinese in the service area are still scarce particularly in the area of service failure/resolution management it is therefore, pertinent to examine the Word-of-mouth as another dependent variable in the study.

Past research in service recovery process have reported that Western consumers who were treated with courtesy and respect (process quality) were more likely to engage in positive word-of-mouth communication while those receiving discourteous service were more likely to engage in negative word-of-mouth (Blodgett et al., 1997). Little is also known about how Chinese' word-of-mouth behaviour is influenced by outcome quality in service failure resolution. Hence these independent variables will be tested in hypotheses posited for the effects on the dependent variables, word-of-mouth communication presented in Section 5.5

5.5 Presentation of Hypotheses

These hypotheses are posited on the basis of the means-end value findings from Study 1 and insights gleaned for the review of service and face literature presented in Section 5.4.

H10: The service providers' interaction styles in the service or service failure resolution do not significantly influence customers':

(a) social identity (face);
(b) satisfaction;
(c) repurchase intention and;
(d) negative word-of-mouth

H2o: The outcome in service or service failure resolution delivered does not significantly influence consumers’:
(a) social identity (face);
(b) satisfaction;
(c) repurchase intention and;
(d) negative word-of-mouth

H3o: The service providers’ interaction styles in service or in resolving service failure and where this occurs (social exposure), do not significantly influence consumers’:
(a) social identity (face);
(b) satisfaction;
(c) repurchase intention and;
(d) negative word-of-mouth

H4o: The outcome in service or service failure resolution and where this occurs (social exposure), do not significantly influence consumers’:
(a) social identity (face);
(b) satisfaction;
(c) repurchase intention and;
(d) negative word-of-mouth

H5o: The service providers’ interaction styles in service or in resolving service failure and the outcome in service or service failure resolution do not significantly influence consumers’:
(a) social identity (face);
(b) satisfaction;
(c) repurchase intention and;
(d) negative word-of-mouth

H6o: The service providers’ interaction styles in service or in resolving service failure, and the outcome in service or service failure resolution delivered, and where these occur (social exposure), do not significantly influence consumers’:
(a) social identity (face);
(b) satisfaction;
(c) repurchase intention and;
(d) negative word-of-mouth

H7: Consumers who experience service providers’ favourable interaction styles in service or in resolving service failure under a public rather than private condition (social exposure) will significantly:
(a) gain social identity (face);
(b) experience greater satisfaction;
(c) be more likely to repurchase and;
(d) engage in less negative word-of-mouth

H8: Consumers, who are delivered favourable outcome in service or service failure resolution under a public rather than private condition in social exposure, will significantly:
(e) gain in social identity (face);
(f) experience greater satisfaction;
(g) repurchase and;
(h) engage less in negative word-of-mouth

H9: Consumers who experience service providers’ favourable interaction styles in service or in resolving service failure and are delivered favourable outcome, will significantly:
(i) gain in social identity (face-gain);
(j) experience greater satisfaction;
(k) repurchase and;
(l) engage less in negative word-of-mouth
H10: In service or service failure's resolution, consumers who experience favourable interaction styles of treatment, but unfavourable outcome compared to receiving favourable outcome, but unfavourably interaction styles of treatment, will significantly:
(a) gain in social identity (face-gain);
(b) experience greater satisfaction;
(c) repurchase and;
(d) engage less in negative word-of-mouth.

H11: In service or service failure's resolution, consumers who experience favourable interaction style of treatment, and receive favourable outcome and these favourable encounters are witnessed by guests in a public rather than private condition (social exposure) will significantly:
(a) gain in social identity (face-gain);
(b) experience greater satisfaction;
(c) repurchase and;
(d) engage less in negative word-of-mouth.
5.6 The Experimental Design for the Study

A 2x2x2 between-groups experimental design was employed to achieve the primary objective in Study 2. The Study consists of eight versions of a scenario made up of incidents of service failure and service resolution of a restaurant setting as the model in Figure 5.1 shows.

*Figure 5.1 – A 2x2x2 Experimental Design Model*

The experimental design model (Figure 5.1) consisted of three (3) independent variables developed from Study 1’s findings on the face theme and the face literature. Eight (8) versions of the scenario to be manipulated in the study were listed. For each of the three independent variables, two conditions were manipulated. Thus, for social exposure, the dimensions pertaining to ‘where’ the failures in service or recovery were experienced were manipulated as public and private conditions, while the context of ‘how’ the interactions were managed (interaction styles) were manipulated as favourable or unfavourable. Likewise, outcomes relating to ‘what’ were finally delivered were manipulated as favourable or
unfavourable. Using MANOVA, the three independent variables were tested for their effects on four dependent variables operationalised as customers’ social identity; satisfaction, repurchase intention; and word-of-mouth.

5.6.1 The Scenario
The scenario in the study depicts incidents of service failure at a full-service, popular family restaurant. It relates to a patron hosting a dinner to honour visiting relatives. To ensure that the dinner is suitably organised to impress her guests, an advanced reservation is made and confirmed just 24 hours prior. Despite careful planning, a table was not reserved on arrival. In the 2x2x2 design, eight (8) cells (groups of subjects) were employed in the study with a different version assigned to each of the eight cells. Two versions of the scenario are described here. The remaining six (6) versions of the scenario depict the patron experiencing the different combinations of the three variables - social exposure interaction style and outcome. The survey instrument for this study is presented in the Appendices section of the thesis as Appendix Two.

In version 1, the scenario depicts a patron arriving at the restaurant with her relatives, where they were received by a staff, who seemed welcoming at the lobby. Upon checking the reservation, the patron was courteously told that although a reservation was believed to have been made, it was not found, and the restaurant was fully-booked [favourable interaction style]. After consulting the manager, the patron and her guests were informed that a table would be available in a 15 minutes time [favourable outcome]. The whole service incident was witnessed by the relatives [social exposure – public].

In version 8, the scenario depicts a patron arriving at the restaurant with her relatives but finding no staff at the lobby to receive them, the patron had gone inside the restaurant alone to find the staff. The staff seemed unwelcoming and upon checking the reservation book, had discourteously told the customer that no reservation was recorded and they were fully-booked. He also expressed doubt that a reservation was made [unfavourable interaction style]. Upon consulting the manager, the patron was informed that a table would only be available in 60 minutes time [unfavourable outcome]. The whole service incident was not witnessed by the relatives [social exposure – private].
5.6.2 Pilot Study
A pilot study was conducted on 80 Chinese University students to test the design with the eight versions of a scenario, to ensure that the manipulations possessed both discriminant and convergent validity. Manipulation checks on the data showed that the subjects were able to perceive differences between each dimension of the experimental conditions, indicating the manipulations had both convergent and discriminant validity. No substantial changes were made on the design, but comments from the subjects were used to improve on some of the terms used in the scenario. The realism checks conducted found that the eight versions of the scenario were relevant and believable to the subjects in real life (Stangor, 2004), as presented in Table 5.1 shows.

Table 5.1 - Realism Check of Scenario from Pilot Study N=80.

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think the service problem like this does occur in restaurants in real life</td>
<td>5.9859</td>
<td>1.1401</td>
</tr>
<tr>
<td>The scenario about the service problem in the restaurant is believable</td>
<td>5.7465</td>
<td>1.3386</td>
</tr>
<tr>
<td>I feel I can identify with the customer in the scenario described</td>
<td>5.1127</td>
<td>1.3892</td>
</tr>
<tr>
<td>I believe there are waiters who behave like this in restaurants</td>
<td>5.9155</td>
<td>1.0921</td>
</tr>
</tbody>
</table>

Alpha = 0.7907, Standardized item alpha = 0.7974

Note. All items were measured on a 7-point scale with a value of 1 indicating strong disagreement and a value of 7 indicating strong agreement.

5.6.3 The Survey Statements Framed for Three Independent Variables
The survey statements framed for the three independent variables are presented in the following sub-sections. These survey statements were framed on the basis of findings from Study 1 and concepts from the review of literature, presented in Section 5.4.

Social Exposure
The first set of survey questions were framed for the independent variable social exposure as shown in Table 5.2. This construct has two conditions – public and private conditions. Public condition refers to a situation where an incident/conversation/drama is witnessed or heard by others. In other words, it is a front-stage occurrence (Goffman, 1967; Hwang, 1998). On the other hand, a private condition refers to a situation where an incident/conversation/drama is
Table 5.2 – Survey Questions for Social Exposure in the Experimental Study

<table>
<thead>
<tr>
<th>Items</th>
<th>Independent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>In this scenario, my relatives were likely to hear my whole dialogue with the waiter over the service problem from where they were standing at the restaurant</td>
<td>Social exposure</td>
</tr>
<tr>
<td>From where my relatives were standing at this restaurant, I felt that they were able to observe my interaction with the waiter</td>
<td></td>
</tr>
<tr>
<td>My interaction with the waiter was conducted in private (i.e., unlikely to be witnessed by others)</td>
<td></td>
</tr>
</tbody>
</table>

Interaction Style

The second set of survey questions were framed for the independent variable interaction style as shown in Table 5.3. This construct has two conditions – favourable and unfavourable styles. Favourable interaction style means that a customer is treated by a service provider in a manner that is courteous, warm, generating trust, congenial, uplifting, face-elevating, interactionally fair, cordial, harmony building and has ‘li’ (propriety). Unfavourable interaction style will result in an opposite experience of these for the customers.

Table 5.3 – Survey Questions for Interaction Style in the Experimental Study

<table>
<thead>
<tr>
<th>Items</th>
<th>Independent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>The waiter at this restaurant made me feel welcomed;</td>
<td>Interaction styles</td>
</tr>
<tr>
<td>The waiter at this restaurant treated me in a courteous manner;</td>
<td></td>
</tr>
<tr>
<td>The waiter believed I had reserved a table at this restaurant;</td>
<td></td>
</tr>
</tbody>
</table>

Outcome

The third set of survey questions were framed for the independent variable outcome (Service or service resolution outcome) as shown in Table 5.4. This construct also has two conditions – favourable and unfavourable styles. Favourable outcome means that the resolution to a
service failure has been successfully addressed by a service provider. In other word, it was fair, timely and good overall. The opposite of these represent failures to do so.

<table>
<thead>
<tr>
<th>Table 5.4 – Survey Questions for Interaction Style in the Experimental Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items</td>
</tr>
<tr>
<td>I felt that the restaurant fairly addressed the service problem I encountered;</td>
</tr>
<tr>
<td>I felt that the duration I had to wait for a table was a favourable outcome;</td>
</tr>
<tr>
<td>The overall service outcome at this restaurant was a good one.</td>
</tr>
</tbody>
</table>

5.6.4 The Survey Statements Framed for Four Dependent Variables
The survey statements framed for the four dependent variables are presented in the following sub-sections. These survey statements were framed on the basis of findings from Study 1 and literature, presented in Section 5.4.

**Social Identity**
The dependent variable *social identity* is specially developed as a construct in this study to measure customers’ *face*-worth (gain or loss *face*) in a business or service management context. There was evidence in Study 1 to suggest that *how* participants were treated or *what* they received in service failure resolution and where these incidents took place determined their *face*-worth (gain or lose *face*). These findings in Study 1 are tested in the experimental study. Survey questions presented in Table 5.5 are framed for the purpose.

<table>
<thead>
<tr>
<th>Table 5.5 – Survey Questions for Social Identity in the Experimental Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items</td>
</tr>
<tr>
<td>The waiter’s action showed he cared about me as a customer at this restaurant;</td>
</tr>
<tr>
<td>The waiter at this restaurant showed me correct ‘<em>li</em>’ when dealing with me;</td>
</tr>
<tr>
<td>The treatment of the waiter at this restaurant made me feel valued as a customer;</td>
</tr>
<tr>
<td>The way I was treated at this restaurant made me looked respectable to others;</td>
</tr>
<tr>
<td>The services I received at this restaurant ‘gave me *face’;</td>
</tr>
<tr>
<td>I felt that the waiter made sure that I did not ‘lose face’ when dealing with me.</td>
</tr>
</tbody>
</table>
Satisfaction

Studies confirm that a service provider’s effort to manage service failure is judged to be successful when customers are returned from a state of dissatisfaction to a state of satisfaction (e.g., Sparks, 2003). In recent research, the studies on customer satisfaction in service quality’s evaluation were extended to both the process and outcome dimensions of service failure (e.g., Smith & Bolton, 1998; 2002; Smith, Bolton, & Wagner, 1999).

In an earlier study, Bitner et al. (1990) note that ‘how’ service providers manage customers’ plight in service breakdowns (process), are likely to determine their levels of satisfaction. It is noted that services are largely intangible, thus the quality of interaction (interaction styles) becomes important in influencing customer’s satisfaction (Sparks, 2001).

Staff’s show of empathy (process quality) is also an important determinant of service quality and customer satisfaction (Zeithaml & Bitner, 1996). Process quality evaluation was also used by customers in service failure situations. For example, customers were to be most satisfied when service personnel can demonstrate high levels of empathy and responsiveness when in the service failure resolution process (e.g., Hocutt, Chakraborty, & Mowen, 1997). Similarly, it was reported that the magnitude of concern shown by staff towards customers was particularly important in determining how satisfactory the later were in service recovery (e.g., Sparks & McColl-Kennedy, 2001). In recent studies (e.g., Chan & Wan, 2008, 2009; Chan et al., 2007, 2009), it was found that ‘how’ the service failure was managed, or ‘what’ was delivered in resolution had an influence on how satisfied Asian respondents were (e.g., Chan & Wan, 2008, 2009; Chan et al., 2007, 2009). As noted, those respondents who were concerned for face, were more satisfied, when the process to address service failure was adequate, compared with those respondents who believed in fate, had reported of being more satisfied when the outcome of service failure resolution was adequate.

In terms of outcome quality in service recovery, how customers are compensated is an important determinant of their levels of satisfaction. Bitner et al., (1990) note that when compensation is offered after service failure, customers experience satisfaction as they perceive that service provider has control of the situation and believe that the failure is, but a ‘temporary lapse of service’. However, Blodgett, Wakefield and Barnes (1995) find that compensation (outcome) may only make a possible difference in customer satisfaction if this is accompanied by high level process quality (courtesy and respect). Little is, however, known about how the process and outcome quality dimensions affect satisfaction in service
resolution among contemporary mainland Chinese consumers. Recent study by Chan et al., (2009) noted that Asian consumers reported greater satisfaction with the process than the outcome dimension in service delivery. The reason given is that the quality of interpersonal interaction (process quality) is important in a society with a collectivist orientation, such as the Chinese, which place great emphasis on harmonious relationships. It is still unclear as to how Chinese consumers’ perceptions of process and outcome quality in service resolution affect their level of satisfaction. Thus, these question items presented in Table 5.6 are framed to determine their satisfaction level as a result of service failure and effort to resolve the problem.

Table 5.6 – Survey Questions for Satisfaction in the Experimental Study

<table>
<thead>
<tr>
<th>Items</th>
<th>Dependent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>The waiter did an extremely good job in attending to the service problem</td>
<td>Satisfaction</td>
</tr>
<tr>
<td>I felt that the duration I had to wait for a table was a favourable outcome</td>
<td></td>
</tr>
<tr>
<td>As a customer I would be extremely pleased with the service at this restaurant</td>
<td></td>
</tr>
<tr>
<td>As a customer, I would be extremely contented with the service at this restaurant</td>
<td></td>
</tr>
<tr>
<td>I was extremely happy with the service at this restaurant</td>
<td></td>
</tr>
<tr>
<td>I was extremely satisfied with the service at this restaurant</td>
<td></td>
</tr>
</tbody>
</table>
Repurchase Intention

Repurchase intention is a customers' post-purchase response behaviour dependent on how service or service failures are managed. If service critical to the customers' interests are not properly managed, particularly if failed services were not adequately resolved, disaffected customers may switch brand or loyalty (Dube & Maute, 1996; Keaveney, 1995). It may also depend on the ease of switching due switching cost, availability of substitutes and the relationship with firms (e.g., Day & Langdon, 1977; Hirschman, 1970; Porter, 1980).

Western studies show that when service failures occur, customers satisfied with the responses to failed services were more likely to repurchase from the firms (Fornell & Wernerfelt, 1987; Gilly, 1987; Goodwin & Ross, 1990; Kelley et al., 1993; Sparks & Bradley, 1997). Kelley et al. (1993) note that a firm's effective service recovery can generate a customer's retention rate of more than 70 percent. It may also have the opportunity to regain customers' confidence, trust and loyalty (Johnston, 1995), and produce positive impact on customers' trust and commitment (Tay & Brown, 1998). It seems clear that service firms can gain much insight into how best to manage customers under situations of service failure and service resolution to ensure they repurchase. Research reveals that it costs five times less to keep an existing customer than it does to attract a new one (Reichheld & Sasser, 1990; Holmung & Kock, 1996). Despite much empirical work was conducted on Western consumers in terms of their experience with service failure/resolution and intention to repurchase, little empirical studies on this issue was done for mainland Chinese consumers. Thus, given this paucity of work, and its salient implication for business profit, this variable is included in the present study. Question items framed to test the impact of service failure/resolution experience and repurchase intention are presented in Table 5.7.

<table>
<thead>
<tr>
<th>Items</th>
<th>Dependent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>If this service problem had happened to me, I would never dine at this restaurant;</td>
<td>Repurchase Intention</td>
</tr>
<tr>
<td>If this problem had happened to me, I would still dine at this restaurant in future;</td>
<td></td>
</tr>
<tr>
<td>There is a likelihood that I will dine at this restaurant in future.</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.7 – Survey Questions for Repurchase Intention in the Experimental Study
**Word-of-Mouth Recommendation**

Western studies showed that *word-of-mouth* could have an extremely powerful influence on consumer purchasing process (Brown & Reingen, 1987; Price & Feick, 1984), and WOM is commonly used among consumers in a collectivistic culture, such as with the Chinese. It is noted that Chinese engage in many contacts among group members (Yau, 1988; 1994). These contacts are informal channels of communications which may often quickly spread positive or negative messages among group members in a collectivist setting (Yau, 1988, 1994).

Evidence also suggests that Chinese consumers’ purchase decisions are influenced by in-group members’ *word-of-mouth* recommendations (Cheng & Yau, 2007; Chow et al., 2007; Kindle, 1985; Yau, 1994). They tend to be brand-loyal and will conform to group norms, which mean that they are likely to purchase the brand recommended by members (Chow et al., 2007; Kindle, 1985; Yau, 1988, 1994). It is also strategic for a firm to establish a reference group among the Chinese consumers, because customers are unlikely to deviate from recommendation by a reference group, thus highlighting the importance use of *word-of-mouth* among the Chinese (Kindle, 1985; Yau, 1988, 1994). However, insights into the *word-of-mouth* behaviour of mainland Chinese in the service management area are still scarce hence it is salient to include this variable in the study.

Past research in the service recovery process have reported that Western consumers who are treated with courtesy and respect (*process quality*) are more likely to engage in positive *word-of-mouth*, while those receiving discourteous service are more likely to engage in negative *word-of-mouth* (Blodgett et al., 1997). There were some evidence in Study 1 to suggest that Chinese participants would engage negative *word-of-mouth* if they were unhappy with the service. This post-purchase behaviour among the Chinese will be tested in the study.

<table>
<thead>
<tr>
<th>Table 5.8 – Survey Questions for Word-of-Mouth in the Experimental Study</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Items</strong></td>
</tr>
<tr>
<td>If this service problem had happened to me, I would complain to my relatives and friends about the restaurant;</td>
</tr>
<tr>
<td>I would very likely warn my relatives and friends not to dine at this restaurant;</td>
</tr>
<tr>
<td>If this service problem had happened to me, I would make sure to tell my friends and relatives not to dine at this restaurant.</td>
</tr>
</tbody>
</table>
5.7 Exploring Chinese Consumer’s Predisposition to Service Delivery

A review of the extant literature offered limited insights of an empirical nature, into Chinese consumers’ service views on service failure/resolution and responses. Thus, a secondary objective in Study 2 was to explore these views and responses to gain a better understanding of Chinese consumers’ service predispositions and needs. Twenty-eight (28) survey statements were developed from pertinent findings in the five value themes (face, equity, valued patrons, jinzi aspiration and social harmony) in Study 1 and the extant literature. The data were collected in Section B of the Consumer Service Experience (CSE) questionnaire.

The Face Value Theme

As noted, a strong proclivity for face was found among the Chinese participants in Study 1. Much has been discussed on the face phenomenon in the literature review (Chang & Holt, 1994; Ho, 1976; Hu, 1944; Kipnis, 1995; Lin, 1935). It was found in Study 1 that Chinese share the social capital face with others. Culturally, Chinese practice ‘others-relatedness,’ meaning that they are likely to consider the impact of their behaviour on others’ face. For example, participants in Study 1 had refrained from criticising a service provider too strongly in order to protect his/her face (not embarrassing him/her). The participants also expected this to be reciprocated (bao). Honesty is an important traditional virtue for Chinese (e.g., Fan, 2000), thus, to be questioned about their moral integrity may cause them to lose lian (moral face). Complaining loudly or making a scene in public may also result in a loss of face, which Chinese participants in Study 1 had avoided. On the basis of these and other insights previously discussed, the survey items framed for face are presented in Table 5.9.

Table 5.9 – Survey Questions for Face in Respondents’ Service Views

<table>
<thead>
<tr>
<th>Items</th>
<th>Service Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers expect a service firm to ‘protect their face’ at all cost;</td>
<td>Face</td>
</tr>
<tr>
<td>A service business should always protect its customers’ ‘face’ by extending goodwill to them in a dispute;</td>
<td></td>
</tr>
<tr>
<td>Questioning customers’ integrity (i.e., honesty) under any circumstances will cause them to ‘lose face’;</td>
<td></td>
</tr>
</tbody>
</table>
A customer's 'face' is lost for complaining loudly to a service person in public about a service problem; Customers should avoid creating a scene in public when complaining about a service problem; Customers should behave in a manner so as not to cause a service person to 'lose face'.

The Equity Value Theme

Equity or fairness was another value theme to emerge in Study 1. Participants reported the need to be dealt with fairly in service resolution. Three forms of fairness akin to those used in Western societies appeared to be evident (Collie, Sparks, & Bradley, 2000; McColl-Kennedy & Sparks, 2003). In the outcome-related or distributive justice (Adams, 1965; Blau, 1964) for service resolution, the question of what was the fair compensation arose. In the outcome-related justice cases, the participants in in Study 1 appeared to adopt the 'equity' principle of which is a dimension of distributive justice. For example, the participants reported that it was unfair for not being given refund or adequate compensation. Under the 'equity principle, a fair compensation is one where customers receive an amount equivalent to their outlay and what others are also receiving (Adams, 1965; Van den Bos; Vermunt; & Wilkes, 1997). Given these insights, the following survey items presented in Table 5.10 are framed to determine how Chinese customers perceive distributive fairness in resolution.

In a second fairness dimension, service providers' decisions on how the service recovery process should be conducted is context-related and is known as procedural justice (Sparks & McColl-Kennedy, 2001). For example, in Study 1, the Chinese participants reported perceiving procedural unfairness when the policy or procedure to claim compensation was inflexible or inconvenient or when staff used excuses to deflect blame for service mistakes. Based on these insights, the survey items framed to gauge customers' views on service recovery which reflect procedure fairness are likewise presented in Table 5.10.

A third dimension of fairness is interactional. It relates to how or the manner in which a service provider interacts with a customer (Bies & Moag, 1986). Thus, in Study 1, interactional fairness was evaluated in terms of the interpersonal manner in which service providers interacted with the participants. Evidence suggests that participants felt unfairly

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treated when being discriminated against or related to in manners that lacked 'li' or propriety. A review of literature reveals that Chinese place high premium on 'li' (the appropriate way to interact) (Chen, 2002; Cheng, 2001; Gabrenya & Hwang, 1996; Jia, 1997-8). Thus, 'li' may be violated if customers are being treated discourteously and disrespectfully which harm interpersonal relationships (Chan, 1963; Chen, 2002; Cheng, 2001; Cheng & Lam, 2008; Zhang, 2006). On the basis of these insights, the survey statements framed for interactional fairness are also presented in Table 5.10.

**Table 5.10 – Survey Questions for Equity Value in Respondents' Service Views**

<table>
<thead>
<tr>
<th>Items</th>
<th>Service Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is fair that customers should receive the standard of service for which they have paid;</td>
<td>Equity- distributive</td>
</tr>
<tr>
<td>Customers should only ask for the level of compensation that matches the size of the service problem;</td>
<td></td>
</tr>
<tr>
<td>Customers should expect a service firm to compensate them for more than what they had paid for the service, if problem arise;</td>
<td></td>
</tr>
<tr>
<td>A service business should reciprocate (bao) positively to a reasonable demand by customers for compensations when service problems occur.</td>
<td></td>
</tr>
<tr>
<td>A service business should make it simple for customers to claim compensations when mistakes occur;</td>
<td>Equity - procedural</td>
</tr>
<tr>
<td>Customers should always expect a service person to treat them in a sensitive manner;</td>
<td>Equity - interactional</td>
</tr>
<tr>
<td>Courteous treatment by a service person should be paramount under most service situations;</td>
<td></td>
</tr>
<tr>
<td>A service person should relate to their customers with correct 'li' (e.g., politeness).</td>
<td></td>
</tr>
</tbody>
</table>

**The Valued Patron Theme**

In Study 1, the participants indicated that ‘being treated as a valued patron’ meant being accommodated and given prompt, diligent, and caring help. It also meant being offered sincere apology and help when mistakes occurred, and also not being blamed for problems or be discriminated against. It is noted that customers have emotionally-bound intrinsic needs, such as 'being valued' 'being respected' or 'being recognised', which is expected to be met
in a quality-perceived hospitality service transaction (Andreassen, 2001; Schneider & Bowen, 1995; Smith & Bolton, 2002). In a given transaction, it was found that customers entered into an emotional contract with the service providers for the formers' intrinsic needs to be met (Schneider & Bowen, 1995). One salient need relates to being treated a ‘valued patron’ (Loveland et al., 2007; Sparks, 2003). Thus, when this need is not met, customers’ emotional contract may be broken, resulting in dissatisfaction (Schneider & Bowen, 1995; Smith & Bolton, 2002). On the basis of Study 1’s findings and literature review, survey items are framed for this value theme is presented in Table 5.11.

**Table 5.11 – Survey Questions for Valued Patron in Respondents’ Service Views Service**

<table>
<thead>
<tr>
<th>Items</th>
<th>Service Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>If a service business values its customers, it should demonstrate a diligent effort in resolving service problems.</td>
<td>Valued patrons</td>
</tr>
<tr>
<td>Customers should expect sincere apologies from a service business for service mistakes</td>
<td></td>
</tr>
<tr>
<td>A service business has no right to value some customers more highly than others</td>
<td></td>
</tr>
<tr>
<td>A service business should not under any circumstances blame its customers for the cause of a service problem</td>
<td></td>
</tr>
</tbody>
</table>

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Junzi Aspiration

In Study 1, participants were found to aspire to be junzi-like in their dealings with service providers. A junzi is a person guided by Confucian concepts of ‘ren’ ‘yi’ ‘li’ ‘zhi’ in their relationships with others (Cheng, 2001; Welty, 1976). ‘Ren’ is the moral resource that enables people to relate to others with benevolence. This means relating to others with kindness, compassion, generosity, consideration or tolerance, while ‘zhi’, is the knowledge or wisdom acquired through education and self-cultivation which enables people to practise ren and deal with others in yi (ethically) (Cheng, 2001; Yang, 2006). Thus, a junzi, who is imbued with ‘ren’ ‘yi’ and ‘zhi’, also deals with others in ‘li’ (propriety) (Cheng, 2001; Yang, 2006). A person who exercises ‘li’ will relate to others in a polite, modest and respectful manner, observing the appropriate rules of conduct and speech, which includes respecting others, showing consideration, and caring about their face (Chen, 2002). In negative or dispute situations, a junzi is likely to manifest self-control, restraint, moderation, avoid confrontation and extend goodwill to others to maintain peace (Chan, 1963; Chen, 2002; Cheng, 2001; Graham, 1989; Yang, 1986). Similarly, Yang and Hui’s (1986) study revealed that a junzi tend to be more restraint, cautious, patient, self-contained, spontaneous and natural. These junzi’s characteristics junzi resemble those identified in the participants in Study 1. For example, the participants informed that in negative service situations and where disputes occurred, they attempted to relate to others in a ‘keqi zhongyong’ manner (polite, restraint and reasonable). They also reported being amiable, congenial, extending understanding and goodwill in service failure/disputes situations. Given these insights from Study 1 and from literature, the survey question items framed to confirm the junzi’s behaviour in response to negative service situations in this study are presented in Table 5.12.

<table>
<thead>
<tr>
<th>Table 5.12 – Survey Questions for Junzi Aspiration in Respondents’ Service Views</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items</td>
</tr>
<tr>
<td>Customers should adopt a 'junzi' (benevolent person – kind, noble, generous) behaviour when dealing with a service person over a service problem</td>
</tr>
<tr>
<td>In a dispute over a service problem, customers should adopt a 'junzi' behaviour by avoiding a confrontation with the service person - 'hui yibu, hai kuo tian kong' (do not argue to give opportunity for negotiation)</td>
</tr>
</tbody>
</table>
Social Harmony

A closely associated value with the *junzi* theme to emerge in Study 1 is social harmony. The core of traditional Chinese culture states that people should live in harmony with one another both in family and society (Chen, 2002; Chen & Starosta, 1997; Cheng, 1986; Cheng, 2001; Yang, 1986). People who are able to live harmoniously with others are said to have the ‘greatest spiritual accomplishment’ in life (Chang & Holt, 1994; Tu, 1976).

As reported in Study 1, this value seemed to be ‘threatened’ as customers felt disappointed, ‘unhappy’, ‘upset’ and even ‘offended’ by the service providers’ negative treatment in services. Depending on people’s cultural orientations, when their interests are jeopardized, they may act in different ways to protect their interests and restore their dignity, particularly after being confronted aggressively or disrespectfully (Chen, 2002; Singh, 1990b; Yang, 1986). Despite the pejorative treatment, participants in Study 1 reported that they had responded in manners not unlike those displayed in the *junzi* aspiration’s theme, describing these responses as ‘restrained’, ‘self-controlled’, ‘tolerant’, ‘moderate’ and ‘offering goodwill’. Thus, based on Study’s 1 findings and literature, the survey question items framed to confirm the proclivity of mainland Chinese consumer for harmonious relationship in negative service/disputes situations are presented in Table 5.13.

| Table 5.13 – Survey Questions for Social Harmony in Respondents’ Service View |
|-------------------------------------------------|----------------------|
| Items                                                                 | Service Dimension    |
| Customers should always deal with the service person harmoniously;       | Social harmony        |
| Customers should expect a service person to deal with them in a ‘zhonghe’ |                      |
| (reasonable and harmonious) manner;                                      |                      |
| Respect is gained when customers relate to a service person in a non-aggressive manner over a service problem; |
| A dispute in a service problem can be resolved quickly if parties to the disputes are willing to extend goodwill to each other. |
Service Recovery/Service Resolution

As noted in Literature Review one presented in Chapter 2, ample empirical studies now exist to offers insights into the response behaviour of Western consumers in situations of service failure and service resolution/recovery. However, the extant literature provided little insights into the response behaviour to negative service situations of contemporary mainland Chinese. Thus, the following survey items in Table 5.14 are framed to gain these insights.

Table 5.14 – Survey Questions for Service Recovery in Respondents’ Service Views

<table>
<thead>
<tr>
<th>Items</th>
<th>Service Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers are more likely to patronize a service business which adequately addresses a service problem;</td>
<td>Service recovery</td>
</tr>
<tr>
<td>Customers nearly always feel unfairly treated when service problems are poorly handled;</td>
<td></td>
</tr>
<tr>
<td>Customers should always expect a service business to correct a service problem satisfactorily, no matter who is at fault.</td>
<td></td>
</tr>
<tr>
<td>A dispute in a service problem can be restored quickly if parties to the disputes are willing to extend goodwill to each other;</td>
<td></td>
</tr>
<tr>
<td>Service problems may sometimes be inevitable, but customers expect a business to do all it can to make things right again.</td>
<td></td>
</tr>
</tbody>
</table>

5.8 Customer’s Demographic and Personal information

The objective for this part of Study 2 was aimed at gaining greater insights into the demographical and the personal background of the Chinese respondents, to develop a consumer profile. Such demographic factors are gender, age, marital status, occupation, and educational level. Personal information cover a respondent’s travel and dining preference, perceived service quality and critical service failure, complaint styles and preference for service resolution. Common to most business and social research, these insights help the researcher to gain a more comprehensive understanding of the study subjects. This was exemplified in Le Claire’s (1993) study which found that demographically, younger, more educated, higher income earning Hong Kong Chinese were less likely to adhere to traditional Chinese values. They were also more likely to complain when service failed. On the other
hand, older, less educated and lower income groups, who also showed greater adherence to traditional values were more adverse to complaint and showed a higher proclivity for face. The importance of examining the relationships between respondents’ demographics and complaint patterns were also confirmed in Heung and Lam’s (2003) and Lam and Tang’s (2003) studies, which found that younger and more educated Hong Kong Chinese respondents were less adversed to complain. These are valuable insights for the researcher and had therefore been included in the survey questions.

A review of literature supports a general belief that food and dining is very important to Chinese, and such activity is integral to their social and cultural life and has been for thousand of years (Chang, 1977; Chen, 1990; Redding, 1990). To Chinese, a dining occasion is not only about eating to satisfy hungry pain or even for pleasure, important as these may be, but, is also a means for social interaction and communication to achieve relational and socio-cultural goals (Chang, 1977; Chen, 1990; Pitta et al., 1999; Redding, 1990; Tidla, 2008). As Chinese are motivated by external social and cultural needs such as, affiliation, admiration and status (Schutte & Ciarlante, 1998; Yang, 1995), a dining occasion serves to fulfill these needs and goals. With this background and the fact that little is cited in empirical literature about the profile and demeanour of Chinese consumers in a restaurant service setting, some personal information, such as the importance of Chinese food, choice of restaurant, dining frequency, expectations of service standard, complaint behaviour, and preference for travel destination while visiting abroad, are included in the survey questionnaire. This information will enhance the researcher’s general understandings of the consumer. Having discussed how the survey questionnaire is developed, the next section presents how the survey data will be collected.

5.9 The Data Collection and Procedure
The data were collected with the assistance of four experienced assistants, who were trained in data collection, and were carefully briefed by the researcher on the procedure and protocol in regards to this survey. The data were collected in the cities of Beijing and Shanghai, China, in the month of October. In Beijing municipality, the data were collected in the various sites within the 4 rings as depicted in the Beijing tourist map published in 2002 by the Beijing transport and tourism authority (ISBN 7-5031-2577-2/K – 1057). As these rings were the older, more developed and more populated parts of Beijing located in the inner rings of the
municipality, it was considered appropriate to conduct survey there. In Shanghai, data collections were conducted in sites of the various districts of the municipality as shown in the Shanghai map (2005) published by Sinomaps Press (ISBN 7 - 5031 - 3006 - &/K - 1453).

**Duration, Date and Time of Data Collection**

The total period of data collection in Beijing and Shanghai was 24 days, commenced from the 24th of October, 2005 to the 20th of November, 2005, with a 4 days break, from the 5th of November to the 8th of November, 2005. The collection duration in Beijing was 12 days, from the 24th of October, 2005 to the 4th of November, 2005. In Shanghai, it was 12 days, from the 9th of November, 2005 to the 20th of November, 2005. The time duration of collection per day was 8 hours, although the commencing time for some sites was scheduled to coincide with the commencement of commercial activities, when human traffic will be higher. For instance, data collection began at 10.30am at shopping plazas since businesses began trading around 10am and human traffic increased at the sites.

**The Study Subjects**

The study subjects were required to fulfil a set of criteria to be eligible to participate in the study. They needed to be ethnic Chinese, 20 years of age and above, residing in Beijing and Shanghai and had dined in a Chinese restaurant equivalent to a full-service, a la carte service style in the last 3 months.

**Sample Size**

As noted, responses from eight cells were required for the study. To meet the assumption on cell size which underpins the use of MANOVA, it is necessary to have more subjects in each cell than the number of dependent variables (Coakes, Steed, & Dzidic, 2006). Thus, if the cell size is greater than 30, assumptions of normality and equal variances are not of concern. Although equal cell size is ideal, it is not essential. However, ratios of the smallest to largest size greater than 1:1.5 may be problematic (Coakes et al., 2006, p. 144). Attempts were made in this study to collect 640 responses, with a size of 80 subjects per cell. However, since with some of the responses collected were unusable, these and some of the usable responses, 64 in total, were discarded to make up an equal number of responses for each cell, which was 72, or a total of 576 responses for the 8 cells for MANOVA.
Collection procedure

The normal data collection protocol and ethical standards were observed. Upon establishing the eligibility of a respondent, the subject was invited to participate in the study. In a between-groups experimental design, an important procedure was observed, whereby subjects were randomly allocated to the experimental conditions to avoid any systematic differences between the groups on any variable other than the one being manipulated experimentally (Field & Hole, 2003, p. 77). This was achieved by mixing the 8 versions of the questionnaires before they were distributed to the respondents.

Prior to reading the scenario, respondents were asked to imagine that the situation described in the scenario actually happened to them, and to imagine how they would have felt and what they would have done subsequently (Blodgett et al., 1997). Whilst, it was a self-report questionnaire, the respondents were helped with clarification if required, but, care was taken to not prompt them with answers. To increase the number of useable responses, respondents were urged to complete the questionnaire fully. The questionnaire took between 15-20 minutes to complete. Upon completion, the subjects were thanked, and presented a token gift of RMB 5.00 Yuan (AUD $0.80).

5.10 Summary

In this Chapter, the development for Study 2 has been presented. The study comprised of two study objectives; the primary objective was to employ a 2x2x2, between-subjects, experimental design to determine the effects of the independent variables, representing customers' core service values on the dependent variables, representing social identity (face), satisfaction and post-purchase behaviours, to test hypotheses. A secondary study was mounted to explore the service predispositions of the general service of Chinese consumer, while the respondents' demographics and personal information were also collected to develop a general profile of a mainland Chinese consumer. Based on the findings of Study 1 and the extant literature, question items statements for the scaled, survey questionnaires developed specifically for the study were framed. The independent and dependent variables and scenario, which were developed from the chosen face value theme for the experimental study, were presented. Hypotheses for the study were stated.
Chapter Six

Analysis and Presentation of Findings for the Two Studies

6.1 Introduction

The broad purpose of the research was to determine the influence of consumers’ core cultural values on their behaviours in situations of negative services. However, values are evolving due to acculturation, and thus, it is unclear in extant literature as to the prevailing core service values held by contemporary mainland Chinese and the extent to which these influence their consumer behaviours today. As a consequence, qualitative research using a means-end approach was conducted to explore and ascertain these values in Study 1. As discussed in Chapter 4, five key value themes were identified to be especially pertinent and were further tested quantitatively. As noted, Study 2 was undertaken to achieve a principal and secondary objectives. A principal objective was to test the effects of identified service values of cultural pertinence, consisting of social exposure, interaction styles and outcome on consumers’ response behaviours in hypotheses. An experimental approach with a 2x2x2, between-groups factorial design was employed for the study. The design consisted of eight versions of a scenario relating to incidents of restaurant’s service failure and resolution. Due to limited insights in literature, a secondary objective aimed to explore the consumers’ view about service, service failure, and service resolution to incidents of service failure in a cultural context. The tests’ results were analyzed and reported in the present chapter. Before reporting the main results, demographic and personal details of the sample are presented.

6.2 The Profile of the Consumer

The demographic and personal data of the sample were analysed to answer a few research questions to gain further insights into respondents’ travel and dining preference, views on service standards, service failure, and complaint behaviours. Within a cultural context, demographic factors such as gender, martial status, age, education, and occupation, are found to influence consumer’s views and behavior towards negative service situations (Lam & Tang, 2003; Le Claire, 1993). A general observation using the statistics of frequency distribution were first made for both sets of data, followed by an analysis using Chi-Square Test for goodness of fit statistics and Crosstabulation.
6.2.1 Demographic Information

The results of a general observation on the demographical information relating to gender, marital status, age, education and occupation using frequency distribution, are presented in Table 6.1. Chi-Square Test for goodness of fit statistic was performed to determine the differences in the distributions of the demographic factors, the results of which are discussed.

Table 6.1 — Frequency Distribution of the Sample’s Demographics (N=576)

<table>
<thead>
<tr>
<th>Gender distribution</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid male</td>
<td>274</td>
<td>47.6</td>
<td>47.6</td>
<td>47.6</td>
</tr>
<tr>
<td>female</td>
<td>302</td>
<td>52.4</td>
<td>52.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid single</td>
<td>191</td>
<td>33.2</td>
<td>35.2</td>
<td>35.2</td>
</tr>
<tr>
<td>married</td>
<td>351</td>
<td>60.9</td>
<td>64.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>542</td>
<td>94.1</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing other</td>
<td>34</td>
<td>5.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age distribution</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid 20-29</td>
<td>186</td>
<td>32.3</td>
<td>32.3</td>
<td>32.3</td>
</tr>
<tr>
<td>30-39</td>
<td>194</td>
<td>33.7</td>
<td>33.7</td>
<td>66.0</td>
</tr>
<tr>
<td>40+</td>
<td>196</td>
<td>34.0</td>
<td>34.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Secondary or below</td>
<td>74</td>
<td>12.8</td>
<td>15.8</td>
<td>15.8</td>
</tr>
<tr>
<td>College (Diploma)</td>
<td>186</td>
<td>32.3</td>
<td>39.7</td>
<td>55.6</td>
</tr>
<tr>
<td>University (Bachelor degree)</td>
<td>168</td>
<td>29.2</td>
<td>35.9</td>
<td>91.5</td>
</tr>
<tr>
<td>University (Postgraduate)</td>
<td>40</td>
<td>6.9</td>
<td>8.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>468</td>
<td>81.3</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>108</td>
<td>18.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 6.1 (cont'd) – Frequency Distribution of the Sample’s Demographics (N=576)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business, commerce, finance</td>
<td>68</td>
<td>11.8</td>
<td>11.8</td>
<td>11.8</td>
</tr>
<tr>
<td>Students</td>
<td>48</td>
<td>8.3</td>
<td>8.3</td>
<td>20.1</td>
</tr>
<tr>
<td>Education</td>
<td>85</td>
<td>14.8</td>
<td>14.8</td>
<td>34.9</td>
</tr>
<tr>
<td>Legal</td>
<td>39</td>
<td>6.8</td>
<td>6.8</td>
<td>41.7</td>
</tr>
<tr>
<td>Sciences &amp; medicines</td>
<td>49</td>
<td>8.5</td>
<td>8.5</td>
<td>50.2</td>
</tr>
<tr>
<td>Engineering &amp; technology</td>
<td>44</td>
<td>7.6</td>
<td>7.6</td>
<td>57.8</td>
</tr>
<tr>
<td>Sports, leisure &amp; recreation</td>
<td>46</td>
<td>8.0</td>
<td>8.0</td>
<td>65.8</td>
</tr>
<tr>
<td>Government, community services</td>
<td>48</td>
<td>8.3</td>
<td>8.3</td>
<td>74.1</td>
</tr>
<tr>
<td>Transport (road, rail, &amp; Air)</td>
<td>36</td>
<td>6.3</td>
<td>6.3</td>
<td>80.4</td>
</tr>
<tr>
<td>Retail, hospitality, tourism</td>
<td>50</td>
<td>8.7</td>
<td>8.7</td>
<td>89.1</td>
</tr>
<tr>
<td>Others</td>
<td>63</td>
<td>10.9</td>
<td>10.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

6.2.2 Determining the Suitability of the Sample Data

The demographic data were statistically tested using non-parametric statistics to determine the suitability of the data.

Gender Distribution

Past studies by Keng et al (1995) and Slama and Williams (1991) found that females were more likely to complain than males, but in a more recent study of Hong Kong Chinese in a hotel restaurant, Lam & Tang (2003) found no gender difference in complaint behavior. To confirm that there was no gender biases, Chi Squared test was conducted for gender distribution. The result of \( \chi^2 \) (1, n =576) =1.361, \( p = 0.243 \) indicates that gender difference in the sample was not significant, with only slightly more female (52.4%) than male (47.6%), so gender bias was not a problem in the present sample.

Marital Status

The test result for marital status for the sample was \( \chi^2 \) (1, n =576) = 47.23, \( p < .001 \), suggesting that significantly more married subjects (61%) than single subjects (33.2%) were represented in sample. Others accounted for (6%). It is unclear as to whether married or
single respondents dined-out more in restaurants, nevertheless, this should be noted as a skewed distribution.

**Age Distributions**

The test result for age distribution was $\chi^2(2, \, n=576) = .292, \, p = .864$, indicating that there was also no significant difference in terms of the size of each of the three age groups represented in the sample, with 32.3% in the 20-29 age group, 33.7% in the 30-39 age group and 34 percent in the 40 and above age group. Thus, views from the three different age groups on issues pertaining to service delivery, service failure and resolutions to service failures were represented in the sample. Nevertheless, it should be reported that the distribution was bias towards the younger respondents, as 68 percent of the sample came from the younger age groups (i.e., below 40) (see Table 6.1). Thus, it would be expected that nearly two-third majority of the views expressed would emanate from the younger age groups. Recent studies suggest that the younger customers (45 and below) are more likely to undertake various types of complaints or prefer certain methods of complaints compared to older customers (Lam & Tang, 2003; Le Claire, 1993). These are useful insights for service providers when managing service failures, and were investigated in Study 2.

**Education Levels**

In terms of the education level of the samples, the test result was $\chi^2(4, \, n=576) = 314.538, \, p < .001$, indicating that significantly more respondents possessed tertiary education compared with those who had only secondary and primary education.

**Occupations**

The test result for the sample’s occupation distribution was $\chi^2(10, \, n=576) = 38.854, \, p < .001$, suggesting that there were significant differences in size of occupational groups represented, with more from educational, business, finance and commerce than the rest of the fields. The pertinent point to consider here is not from which occupations the sample was derived, rather if the subjects were employed, which a high percentage of the subjects indicated that they were. It means that the respondents would have the means to dine in restaurants and were therefore, likely to dine-out in restaurant since this is a common social activity for Chinese
(Dewald, 2002; FitzGerald, 2002). It also means that the respondents sampled are more likely to have experienced failed services in restaurants and are more able to offer the information sought for, in the study.

**Frequency of Dining in Restaurants**

The important issue to argued here is that the more frequently respondents are reported to dine-out in restaurants, the more able they are to report on experiences in situations of failed service. Finding from the present study on the frequency of dining by respondents in Beijing and Shanghai, indicated that 45.1 percent of the respondents dined-out once a week or four times a month, as shown in Table 6.2.

<table>
<thead>
<tr>
<th>Frequency of Dining</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least once a week</td>
<td>260</td>
<td>45.1</td>
<td>45.1</td>
</tr>
<tr>
<td>At least once a month</td>
<td>260</td>
<td>45.1</td>
<td>90.3</td>
</tr>
<tr>
<td>At least once in 3 months</td>
<td>42</td>
<td>7.3</td>
<td>97.6</td>
</tr>
<tr>
<td>At least once in 6 months</td>
<td>10</td>
<td>1.7</td>
<td>99.3</td>
</tr>
<tr>
<td>Less often</td>
<td>4</td>
<td>.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Chi-Square Test for goodness of fit was performed to determine the respondents’ frequency in dining-out in restaurants in Beijing and Shanghai. Test statistics: $\chi^2 (4, n=576) = 693.131, p <.001$ indicated that a significant number of subjects dined-out frequently in restaurants in these cities. The finding was supported in a study by Credit Suisse First Boston, which reported that on average, Chinese dined-out 3.4 times or 5.6 time per month in Beijing and Shanghai respectively (Garner, 2005).

**6.2.3 Personal Information**

To gain a further understanding of consumers, some personal information was sought. They were asked to report on the importance of Chinese food and dining activities to them while travelling, including their choice of restaurants, perception of service standards in popular
restaurants, service failures that offended them, their preferred method of complaint in service failure situations, and choice of destinations for their travel abroad. Descriptive statistics of frequency distributions and non-parametric techniques (chi-square test for goodness of fit) were also employed for the analysis, the results of which are presented in the follow sub-sections.

Importance of Dining and Chinese Food
Respondents were asked about the importance of dining activity and the type of food while travelling within and outside China. A general observation using frequency distribution revealed that 39 percent indicated it was very important. 58 percent said, it was important, while a low 2.4 percent informed that it was not important (see Table 6.3). The test, $\chi^2 (2, n=576) = 277.906, p < .001$, suggests that a significantly large percentage of the respondents reported that dining activities and Chinese food were important to them while travelling within China and abroad. A large number of Chinese are travelling within and outside China (Arlt, 2006; WTO, 2003), which means that restaurateurs globally are facing a growing market, but also challenges on the best way to manage these customers. Thus, insights into their service needs are useful for restaurateurs.

Common Choice of Restaurants
Respondents were found to significantly choose to dine in popular or fine-dining restaurants than other restaurant types in Beijing and Shanghai. This was confirmed, as nearly 55% of the respondents chose these restaurant types (see Table 6.3). Chi-square test: $\chi^2 (5, n=576) = 335.042, p < .001$ confirmed this choice, thus, the choice of this category of restaurant for the study’s subject was suitable for the study.
### Table 6.3 – Food, Dining Activity During Travel and Restaurants Patronised

#### Importance of food and dining activity while travelling

<table>
<thead>
<tr>
<th>Eating and dining activities</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td>227</td>
<td>39.4</td>
<td>39.4</td>
</tr>
<tr>
<td>Important</td>
<td>335</td>
<td>58.2</td>
<td>97.6</td>
</tr>
<tr>
<td>Not important</td>
<td>14</td>
<td>2.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

#### Importance of Chinese food while travelling within or outside China

<table>
<thead>
<tr>
<th>Eating and dining activities</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td>203</td>
<td>35.2</td>
<td>35.2</td>
</tr>
<tr>
<td>Important</td>
<td>311</td>
<td>54.0</td>
<td>89.2</td>
</tr>
<tr>
<td>Not important</td>
<td>62</td>
<td>10.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

#### Commonly patronized restaurants in Beijing and Shanghai

<table>
<thead>
<tr>
<th>Restaurant Type</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiao Chi (Economy)</td>
<td>179</td>
<td>31.1</td>
<td>31.1</td>
</tr>
<tr>
<td>Popular restaurant (Chinese)</td>
<td>185</td>
<td>32.1</td>
<td>63.2</td>
</tr>
<tr>
<td>Fine-dining (Chinese)</td>
<td>130</td>
<td>22.6</td>
<td>85.8</td>
</tr>
<tr>
<td>Western or Eastern restaurants</td>
<td>18</td>
<td>3.1</td>
<td>88.9</td>
</tr>
<tr>
<td>Fast-food restaurant (Western)</td>
<td>63</td>
<td>10.9</td>
<td>99.8</td>
</tr>
<tr>
<td>Western fine-dining restaurant</td>
<td>1</td>
<td>0.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Service Standard of Restaurants in Beijing and Shanghai** - It was also reported that 70 percent of the respondents rated the service standards of restaurants in Beijing or Shanghai to be ‘at least’ ‘meeting their expectations,’ as shown in Table 6.4. This was confirmed in the Chi-Square Test result: $\chi^2 (2, n=576) = 251.5$, $p<.001$. However, further improvement in standard was needed as nearly a third of the respondents (30%) also rated the service standard to be ‘below expectations’. If service was below the respondents’ expectations, what areas of service were they dissatisfied, which service failure most offended them, and how they preferred to handle their complaints? These were questions posed to the respondents.
Table 6.4 – Consumer’s Perception of Service Standard and Most Offensive Service Failure

<table>
<thead>
<tr>
<th>Rating of service standard in popular Chinese restaurant in Beijing or Shanghai</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Usually exceeds expectations</td>
<td>47</td>
<td>8.2</td>
<td>8.2</td>
</tr>
<tr>
<td>Usually meets expectations</td>
<td>356</td>
<td>61.8</td>
<td>70.0</td>
</tr>
<tr>
<td>Usually is below expectations</td>
<td>173</td>
<td>30.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

| Restaurant’s service failure that most offended customers                      |           |         |                    |
| Slow service                                                                  | 123       | 21.4    | 21.4               |
| Discourteous staff                                                            | 178       | 30.9    | 52.3               |
| Wrong bill                                                                    | 108       | 18.8    | 71.0               |
| Unskilled staff                                                               | 93        | 16.1    | 87.2               |
| No table reserved                                                             | .74       | 12.8    | 100.0              |
| Total                                                                         | 576       | 100.0   |                    |

**Most Offensive Service Failure**

A general observation using frequency distributions found that 30.9 percent of the respondents reported that ‘Staff’s discourtesy’ was the service failure most offended them, indicating that ‘how’ or ‘the manner’ in which they were treated by the service providers as most important to them (process service quality) (see Table 6.4). This was followed by 21.4 percent of the respondents who rated ‘slow service’ as the failure most offended them, while 18.8 percent nominated ‘wrong bill’, and 16.1 percent nominated ‘unskilled staff’, while 12.8 percent nominated ‘no table reservation’. The latter services are related to technical service quality. Chi-square test was performed to determine if there were differences in the types of service failures which offended respondents the most. The result of $\chi^2 (4, n=576) = 54.23, p < .001$ confirmed that significant differences existed between the service failure identified as ‘process’ and ‘technical’ failures.
**Method of Complaining About a Serious Service Failure** -- Respondents were further asked about their preferred method of complaining to the service manager about an incident of serious service failure. Frequency distribution test was performed to provide the test results presented in Table 6.5.

<table>
<thead>
<tr>
<th>Percent % Would not hesitate to complain to manager in front of guests (public)</th>
<th>Percent % Preferred to complained somewhere in private (private)</th>
<th>Percent % Would not hesitate to complain loudly in public (public)</th>
<th>Percent % Preferred to write a letter to complain (private)</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.8%</td>
<td>44.4%</td>
<td>6.5%</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

Chi Square test was performed, $\chi^2$ (3, n=576) = 205.7, $p < .001$, which suggests there were significant differences in the respondents’ preferred methods of complaining about a serious service failure. The frequency distribution statistics indicate that significantly more respondents preferred to complain privately than publicly.

Cross tabulation was performed to determine the relationship between age and complaint styles, which yielded the results in Table 6.6. The results showed that the younger respondents (below 40) compared to older respondents (40 and above) appear to be less hesitant to complain in front of their guests (i.e., in public), while older respondents appeared to be more hesitant to complain in front of guests (i.e., public). They expressed a greater preference to complain in private and write a complaint letter to the firm than the younger respondents. All three age groups reported that they would not be hesitant to complain loudly in public, although these respondents only represented a small percentage of the sample population (6.6 %). The test result show a significant difference in the respondents’ age and complaint styles, $\chi^2$ (6, n =576) =16.316, $p < .012$. The results appear to suggest that the younger age groups are less hesitant to complain publicly than the older age groups.
**Table 6.6 – Cross-tabulation’s Results of Age and Customers’ Complaint Styles. N=576**

<table>
<thead>
<tr>
<th>Age groups</th>
<th>Percent (%) Would not hesitate to complain in front of my guests</th>
<th>Percent (%) Preferred to complain to him or her somewhere in private</th>
<th>Percent (%) Would not hesitate to complain loudly in public</th>
<th>Percent (%) Preferred to write a letter to complain</th>
<th>Percent (%) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-29</td>
<td>42.5</td>
<td>27.3</td>
<td>34.2</td>
<td>23</td>
<td>32.3</td>
</tr>
<tr>
<td>30-39</td>
<td>30.3</td>
<td>35.5</td>
<td>31.6</td>
<td>36.8</td>
<td>33.7</td>
</tr>
<tr>
<td>40 &amp; above</td>
<td>27.2</td>
<td>37.2</td>
<td>34.2</td>
<td>40.2</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>33.9</td>
<td>44.4</td>
<td>6.6</td>
<td>15.1</td>
<td>100</td>
</tr>
</tbody>
</table>

**Choice of Travel Destination**

Finally, a general observation of subjects’ choice of travel destination abroad in Table 6.7, showed that 55.6 percent was most eager to visit Western countries (Europe, Australasia, and the Americas), while 37.74 percent selected Asia and South-east Asia, suggesting opportunities for businesses abroad in Western tourist destinations, but also challenges as service providers to develop culturally-sensitive service provisions for the market.

**Table 6.7 – Choice of Travel Destination Abroad**

<table>
<thead>
<tr>
<th>Country subjects most eager to travel outside of China</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>South East Asia</td>
<td>77</td>
<td>13.3</td>
<td>13.3</td>
</tr>
<tr>
<td>East Asia</td>
<td>120</td>
<td>20.8</td>
<td>34.1</td>
</tr>
<tr>
<td>South Asia</td>
<td>21</td>
<td>3.64</td>
<td>37.74</td>
</tr>
<tr>
<td>UK &amp; Europe</td>
<td>120</td>
<td>21</td>
<td>58.74</td>
</tr>
<tr>
<td>Australia, NZ &amp; Pacific Island</td>
<td>122</td>
<td>21</td>
<td>79.74</td>
</tr>
<tr>
<td>Americas (North &amp; South)</td>
<td>79</td>
<td>13.6</td>
<td>93.34</td>
</tr>
<tr>
<td>Africa</td>
<td>24</td>
<td>4.16</td>
<td>97.5</td>
</tr>
<tr>
<td>Middle East</td>
<td>15</td>
<td>2.5</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>576</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

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In the next section of the chapter, results pertaining to the primary study using an experimental design are presented.

6.3 Preliminary Data Analysis

To explain the treatment of data from the study, exploratory analysis was first conducted on the 19 items representing the four dependent variables of the study: social identity, satisfaction, repurchased intention and word-of-mouth recommendations. A screening of outliers and bivariate correlations was made on the items. Second, scale reliability (Cronbach's alpha) analysis was also conducted on them.

6.3.1 Exploratory Analysis of the Main Dependent Variables

The items measuring social identity, satisfaction, re-purchase intention and word-of-mouth recommendation were inspected for normality and outliers using histograms, box-plots, standardized measures of skewness and kurtosis. Analyses were conducted for each of the eight scenarios. Given the sample size (n=576), standardized measures for skewness and kurtosis were evaluated using a cut-off of 3.29 (p <.001), on a 7-point Likert scale.

Satisfaction

Visual inspection and examination of standardized skew values revealed significant negative skew on several groups for the satisfaction variable, but, on closer inspection, it was seen that this skew could be attributed to most subjects responding very favourably. Since the skew was in the same direction, it was not considered problematic.

Social Identity, Re-purchase and Word-of-Mouth

The standardized kurtosis values indicated some small but significant kurtosis for the social identity, re-purchase intention and word-of-mouth variables. However, in all cases the kurtosis was positive and would not be problematic (Hair, Anderson, Tatham, & Black, 1995). As such, no action was taken.
Univariate Outliers

The distribution of satisfaction scores for the groups revealed some univariate outliers, using a critical value of 3.29. These data points were examined, but removal of them could not be justified because, although they had lower satisfaction scores, they appeared to belong to the population investigated. Tests suggested that when these scores were removed, they made no significant change to the results and thus, a decision was made to retain these in the analysis.

Scale reliability analysis (Cronbach’s Alpha) was conducted on the four dependent variable scales, and values showed very high internal reliability for each of these (see Table 6.8).

Table 6.8 - Reliability Statistics for Four Dependent Variables

<table>
<thead>
<tr>
<th>Dependent Variables</th>
<th>Cronbach’s Alpha</th>
<th>No of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>social identity</td>
<td>.94</td>
<td>7</td>
</tr>
<tr>
<td>satisfaction</td>
<td>.95</td>
<td>6</td>
</tr>
<tr>
<td>repurchase Intention</td>
<td>.97</td>
<td>3</td>
</tr>
<tr>
<td>word-of-mouth Recommendation</td>
<td>.89</td>
<td>3</td>
</tr>
</tbody>
</table>

Bivariate correlations and scatter plots were conducted for the four dependent variables, and the results in Table 6.9 indicated moderate to strong linear correlations.

Table 6.9 - Bivariate Correlations of Social identity, Satisfaction, Repurchase Intention & Word-of-Mouth Recommendation (N=576)

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>social identity</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>satisfaction</td>
<td>.80**</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>repurchase intention</td>
<td>.44**</td>
<td>.47**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>word of mouth</td>
<td>-.59**</td>
<td>-.73**</td>
<td>-.47**</td>
<td>-</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
Based on these analyses and the involvement of multiple dependent variables (Tabachnick & Fidell, 2001) in the study, the use of MANOVA was justified for the testing of the factorial design. The next section presents results for manipulation tests for the independent variables.

6.3.2 Manipulation Checks

As explained in Chapter Five, the present study employed a 2x2x2 between-groups experimental design consisting of eight versions of a scenario relating to incidents of service failure and service response in a restaurant setting. The independent variables for the study were manipulated to establish the cause-and-effect relationships in the testing of hypotheses posited for the study. Common to this type of design, checks using ANOVAs were run to determine if manipulations would produce the intended impact on the independent variables (Cook & Campbell, 1979; Perdue & Summers, 1986). The checks assessed the convergent and discriminant validity of the independent variables (Cook & Campbell, 1979).

In this study, three 2x2x2 factorial ANOVAs, (with social exposure, interaction styles, and outcomes presented as dependent variables for the check), were employed to assess convergent validity and discriminant validity. First, convergent validity would be established if the subjects (participants) could indeed perceive significant differences between a public or private conditions (social exposure), favourable and unfavourable styles of interaction, and favourable and unfavourable outcome. Public condition referred to a situation where the service incident was being witnessed by significant others, while private condition was where the incident was not witnessed by others. The results of the three ANOVAs are presented in Table 6.10 and explained.

The first ANOVA indicated that subjects' perceptions of the public condition (mean = 5.31) were significantly different from the private condition (mean = 2.80), (F = 1119, p = .000). The second ANOVA revealed that subjects who were exposed to favourable condition of interaction style (mean = 4.96) did perceive more favourable interaction style than those subjects who were exposed to the unfavourable interaction style (mean = 2.70), (F = 587, p = .000). The third ANOVA indicated that subjects who were exposed to favourable outcome (mean = 4.36) did indeed perceive favourable outcome, than those who were exposed to unfavourable outcome (mean = 2.96), (F = 259, p = .000). Thus, convergent
validity was confirmed in the manipulations.

Second, the three ANOVAs were also used to establish the discriminant validity of the manipulations. This validity would be established if it could be shown that none of the manipulations were confounded by one another, suggesting that the subjects could differentiate between the independent variables manipulated. The results of the three ANOVAs were again presented in Table 6.10 and they indicated that for social exposure (the condition where the interactions took place), it was 'clean', but slight amounts of confounding were present for interaction style (the manner of treatment by the service provider) and outcome (the result of action undertaken to resolve the service failure).

The checks for social exposure showed significant effects of manipulation and non-significant effects of the confounding variables - interaction style and service outcome. The calculation of effect size using $\omega^2$ (Omega-squared) for the manipulation of social exposure revealed ($\omega^2 = 0.663$), which meant that more than 36 percent of subjects could significantly discriminate between social exposure and the two confounding variables — interaction style ($\omega^2 = .000$) and outcome ($\omega^2 = .002$), indicating a very large (strong) effect of the manipulations.
### Table 6.10 - Manipulations and Confounding Checks of Independent Variables

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Types of Check</th>
<th>Conditions (Mean*)</th>
<th>F</th>
<th>p</th>
<th>$\omega^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Public</td>
<td>Private</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social exposure</strong></td>
<td>Manipulation</td>
<td>5.31</td>
<td>2.79</td>
<td>1119.004</td>
<td>.000</td>
</tr>
<tr>
<td><strong>Interaction style</strong></td>
<td>Confounding</td>
<td>4.06</td>
<td>4.03</td>
<td>0.135</td>
<td>.713</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Confounding</td>
<td>4.11</td>
<td>4.23</td>
<td>1.022</td>
<td>.312</td>
</tr>
</tbody>
</table>

**(A) Dependent Variable: Social Exposure**

**(B) Dependent Variable: Interaction Style**

<table>
<thead>
<tr>
<th></th>
<th>Favourable</th>
<th>Unfavourable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social exposure</strong></td>
<td>Confounding</td>
<td>3.87</td>
</tr>
<tr>
<td><strong>Interaction style</strong></td>
<td>Manipulation</td>
<td>4.96</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Confounding</td>
<td>4.03</td>
</tr>
</tbody>
</table>

**(C) Dependent Variable: Outcome**

<table>
<thead>
<tr>
<th></th>
<th>Favourable</th>
<th>Unfavourable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social exposure</strong></td>
<td>Confounding</td>
<td>3.72</td>
</tr>
<tr>
<td><strong>Interaction style</strong></td>
<td>Confounding</td>
<td>4.18</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Manipulation</td>
<td>4.36</td>
</tr>
</tbody>
</table>

*a.* 7-point *Likert* scale. 1 = Strongly disagree, 7 = Strongly agree.

The manipulation checks for *interaction style* indicated that there was no significant confounding effect for *social exposure* ($\omega^2 = .001$). However, *outcome* produced significant confounding effect. A possible explanation for this confound might be, that some respondents
found it difficult to differentiate between interaction style and outcome, as both variables were related to services delivered in the process by the service provider, which impacted on the subjects’ interests. As such, some subjects might have perceived the two variables to be one and the same kind. In the event that the manipulation produces confounding results, it is recommend that further analysis using $\omega^2$ (omega-squared) to determine if the degree of confounding is sufficiently critical to prejudice the interpretation of the experiment's results should be undertaken (Field, 2006; Perdue & Summers, 1986). In the present situation, $\omega^2$ is the preferred measure to Eta squared ($\eta^2$), since the latter is slightly biased, as it is based purely on sums of squares from the sample, while for $\omega^2$, adjustment has not been made to estimate the effect size in the population, thus, producing a truer picture of the effect size (Field, 2006, p. 357). The calculation of $\omega^2$ here revealed that although the manipulation of interaction style was not as strong as social exposure, there was still a large effect ($\omega^2 = .508$), suggesting that more than 25 percent of the subjects were able to discriminate between the two independent variables. Inspection of the effect size showed that although the confounding effect of outcome was significant, it was very weak ($\omega^2=.030$), or only less than 1 percent (.09%) of subjects could not discriminate the two variables. Therefore, the confounding effect was not considered problematic.

Manipulation checks of significant manipulation for outcome indicated that there was no significant confounding effect for social exposure ($\omega^2 =.003$), but a significant confounding effect for interaction style ($\omega^2 =.181$). As Table 6.10 shows, the effect size for the outcome manipulation was large ($\omega^2 =.316$ or $> 9\%$), however, this was significantly less than either the manipulation for social exposure or interaction style noted previously, which indicated that the manipulation of outcome was less successful.

The effect size for the confounding influence of outcome for interaction style ($\omega^2 =.181$) was moderate as the effect size of outcome ($\omega^2 =.316$) was greater than the confounding effect of interaction style. This suggests that the manipulation for outcome was still reasonably robust, and therefore, would not likely be problematic (Blodgett et al., 1997, p. 196). On the basis of these findings, it would be argued that the degree of confounding effect would not be sufficiently critical to prejudice the interpretation of the results from the main experiment. The results indicated that the scenarios were significantly discriminated between private and public exposure, and favourable and unfavourable interaction styles and
outcome, thus, establishing discriminant validity.

6.3.3 Realism Check

To create effectiveness of manipulations, question items used in the scenario must be relevant and believable to the subjects (Stangor, 2004). For the present study, realism checks were conducted using four scaled items to confirm that subjects could indeed relate these service incidents to real life experiences and as such, could be used in the study. They were asked to respond to the scenario scripts by imaging themselves as customers of the restaurant. Table 6.11 provides descriptive statistics for each of the four realism checks, showing high aggregate mean values ranging from 5.21 to 5.80 for the scale items. These results confirmed that the subjects did indeed find the service incidents in the scenario relevant and believable, and that they could identify with customer depicted in the scenario.

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean *</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think that the service problems like this does occur in restaurants in real life</td>
<td>5.65</td>
<td>.93</td>
</tr>
<tr>
<td>The scenario about the service problem in the restaurant is believable</td>
<td>5.62</td>
<td>.97</td>
</tr>
<tr>
<td>I feel I could identify with the customer in the scenario described</td>
<td>5.21</td>
<td>1.21</td>
</tr>
<tr>
<td>I believe there are waiters who behave like this in restaurants</td>
<td>5.80</td>
<td>.84</td>
</tr>
</tbody>
</table>

* Note. All items were measured on a 7-point Likert scale with a value of 1 indicating strong disagreement and a value of 7 indicating strong agreement.

6.3.4 Main Analyses and Findings

Data were analysed using the Statistical Package for the Social Sciences (SPSS) version 14.0. Data scores on the dependent variables of social identity, satisfaction, repurchase intention, and word-of-mouth communication were analyzed in a 2 (private v public) x 2 (favourable v unfavourable interaction style) x (favourable v unfavourable outcome) between-groups factorial multivariate analysis of variance (MANOVA). For this study, a sample of N=576 subjects were allocated to eight (8) cells of equal size, with each cell comprising of (n = 72).
The cell size was sufficiently large to produce high power in the analysis (Howell, 2002). In the multivariate analysis, the effect size of independent variables on dependent variables was measured by using Cohen's (1988) Partial Eta Squared ($\eta^2$). The square root of $\eta^2$ value is the effect size $r$ (Field, 2005, p.357; Field & Hole, 2003, p. 153). The value $r$ is a measure of the observed effect strength of the relationships between variables based on the sums of squares.

Cohen (1988) offers some widely accepted suggestion about what constitute a large or small effect. When $r = 0.10$, the effect size is small, as it explains 1 percent of the total variance. When $r = 0.30$, the effect size is medium, where it accounts for 9 percent of the total variance, and when $r = 0.50$, the effect size is large, where $r$ accounts for 25 percent of the variance.

Descriptive statistics for the findings of the eight scenario conditions on the dependent variables are presented in Table 6.12.
### Table 6.12 - Mean & Standard Deviation for Scenario Conditions on the Dependant Variables (N = 576)

<table>
<thead>
<tr>
<th>Group conditions</th>
<th>social identity</th>
<th>satisfaction</th>
<th>repurchase intention</th>
<th>word-of-mouth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public exposure</strong></td>
<td>mean 5.13</td>
<td>SD 0.95</td>
<td>mean 5.13</td>
<td>SD 0.73</td>
</tr>
<tr>
<td>Favourable interaction style</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Favourable outcome</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public exposure</strong></td>
<td>mean 4.38</td>
<td>SD 1.19</td>
<td>mean 3.42</td>
<td>SD 1.02</td>
</tr>
<tr>
<td>Favourable interaction style</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unfavourable outcome</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private exposure</strong></td>
<td>mean 5.08</td>
<td>SD 0.69</td>
<td>mean 5.16</td>
<td>SD 0.73</td>
</tr>
<tr>
<td>Favourable interaction style</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Favourable outcome</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private exposure</strong></td>
<td>mean 4.37</td>
<td>SD 1.18</td>
<td>mean 3.40</td>
<td>SD 1.31</td>
</tr>
<tr>
<td>Favourable interaction style</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unfavorable outcome</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public exposure</strong></td>
<td>mean 3.00</td>
<td>SD 1.07</td>
<td>mean 3.19</td>
<td>SD 1.08</td>
</tr>
<tr>
<td>Unfavorable interaction style</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Favourable outcome</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public exposure</strong></td>
<td>mean 2.97</td>
<td>SD 0.93</td>
<td>mean 2.40</td>
<td>SD 0.99</td>
</tr>
<tr>
<td>Unfavorable interaction style</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unfavourable outcome</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private exposure</strong></td>
<td>mean 3.31</td>
<td>SD 0.92</td>
<td>mean 3.08</td>
<td>SD 1.10</td>
</tr>
<tr>
<td>Unfavorable interaction style</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Favourable outcome</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private exposure</strong></td>
<td>mean 2.40</td>
<td>SD 0.75</td>
<td>mean 2.31</td>
<td>SD 0.86</td>
</tr>
<tr>
<td>Unfavorable interaction style</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unfavourable outcome</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. 7-point Likert scale, 1 = Strongly disagree, 7 = Strongly agree.*
6.3.5 MANOVA Assumptions

*Homogeneity of Covariance Matrices* - Investigation of the MANOVA assumptions revealed that the assumption of homogeneity of covariance matrices, Box's M showed a significant value \( p < .01 \) indicating a violation of this assumption. Inspection of mahalanobis distances identified two multivariate outliers, neither of these had a significant impact on the analysis so were included in the final analysis.

*Multicolinearity* - Tolerance statistics for the dependent variables ranged from 273 to 736, indicating no problems with multicolinearity. Inspection of scatter-plots showed that the assumption of linearity appeared to be met.

*Levene's Test* - Levene's test was significant \( p < .01 \) for all four dependent variables, indicating a violation of the homogeneity of variance across the conditions. Fmax tests showed that all values for the ratio of largest to smallest variance were less than three, which were not deemed problematic (Tabachnick & Fidell, 2001). Random sampling of subjects into each condition ensured independence of observations.

6.3.6 The Findings for Main and Simply Effects

*Main Effects for Dependent Variables* - The analysis revealed no significant multivariate effect for *social exposure*: \( F(4, 565) = 0.789, p = 0.533, \eta^2 \) or effect size \( r = 0.006 \), but significant multivariate main effects for *interaction style*: \( F(4, 565) = 168.31, p < .001, r = 0.544 \), and for *outcome*: \( F(4, 565) = 101.95, p < .001, r = 0.419 \). Based on Cohen's (1988) benchmarks \( r \) the main effect size found for *interaction style* \( (r = 0.544) \), was strong, where \( r \) accounted for more than 25 percent of the total variance. For *outcome* \( (r = 0.419) \), it was found to be medium to strong, where \( r \) accounted for more than 9 percent of the total variance.

The main effects were qualified by a significant, albeit, weak multivariate three-way interactions on *social exposure, interaction style* and *outcome*, \( F(4, 565) = 7.074, p < .001, r = 0.048 \). The main effects were also qualified by significant two-way multivariate interactions between *social exposure* and *outcome*, \( F(4, 565) = 5.94, p < .001, r = 0.040 \) and
between interaction style and outcome, \( F(4, 565) = 30.39, p < .001, r = 0.117 \), which is a small effect size (e.g., Field & Hole, 153). The two-way interaction effect on social exposure by interaction style was not significant, \( F(4, 565) = 0.555, p > .001, r = -0.004 \). The results of the simple effects tests for the two and three-way interaction identified are also presented.

To protect against possible increases to Type 1 error, all univariate tests were evaluated using a Bonferroni correction to significance levels. As there were four dependent variables, each univariate analysis was conducted at an alpha level of \( p = .0125 \). The findings of main effects on interaction style and outcome for social identity, satisfaction, repurchase intention and negative word-of-mouth will be presented in the following passages.

**Simple Effects Analysis** – The main effects and interaction are related to testing the null hypotheses that no significant difference exists between the means scores of the various levels of one independent variable when the scores at the different levels of other independent variables are combined into one group. However, the study also intended to test that significant difference in fact exits between the two conditions of an independent variable such as social exposure (public or private), for a particular level of the other independent variables, such as interaction style (favourable or unfavourable) and/or outcome (favourable or unfavourable), a simple effects test was conducted (Field, 2005).

**Interaction Styles (favourable, unfavourable) Main Effect** - Univariate analysis found significant main effect differences between favourable and unfavourable interaction styles for social identity, \( F(1, 565) = 501, p < .001, r = 0.469 \), satisfaction \( F(1, 565) = 317, p < .001, r = 0.358 \), re-purchase intention \( F(1, 565) = 171.26, p < .001, r = 0.232 \) and word-of-mouth, \( F(1, 565) = 273.33, p < .001, r = 0.325 \). The effect size of interaction styles on social identity was large \( (r = .469) \), on satisfaction, was medium \( (r = 0.358) \), on repurchase intention was small \( (r = 0.232) \), and on word-of-mouth, was medium \( (r = 0.325) \). Descriptive statistics were also used to explain the main effect and these are presented in Table 6.13.
Table 6.13 - Mean and Standard Error
Interaction Style for Dependant Variables (N=576)

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Interaction style</th>
<th>Mean</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>social identity mean</td>
<td>favourable</td>
<td>4.74</td>
<td>.06</td>
</tr>
<tr>
<td></td>
<td>unfavourable</td>
<td>2.92</td>
<td>.06</td>
</tr>
<tr>
<td>satisfaction mean</td>
<td>favourable</td>
<td>4.23</td>
<td>.06</td>
</tr>
<tr>
<td></td>
<td>unfavourable</td>
<td>2.75</td>
<td>.06</td>
</tr>
<tr>
<td>repurchase intention mean</td>
<td>favourable</td>
<td>4.55</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>unfavourable</td>
<td>3.13</td>
<td>.08</td>
</tr>
<tr>
<td>negative word-of-mouth mean</td>
<td>favourable</td>
<td>3.78</td>
<td>.06</td>
</tr>
<tr>
<td></td>
<td>unfavourable</td>
<td>5.11</td>
<td>.06</td>
</tr>
</tbody>
</table>

*a 7-point Likert scale, 1 = Strongly disagree, 7 = Strongly agree.

The descriptive statistics in Tables 6.13 show that in all cases, the mean scores were higher in favourable interaction styles for all dependent variables except negative word-of-mouth. The significant main effect findings of interaction style on dependent variables suggest that when service providers interacted congenially (favourably) with subjects (customers), the latter reported an enhanced social identity (operationalized as face), greater satisfaction, and a greater likelihood to repurchase from the firm. As for negative word-of-mouth, higher mean score in the unfavourable condition means higher negative word-of-mouth. The mean scores for negative word-of-mouth, were significantly higher in the unfavourable conditions (5.11) than favourable conditions (3.78), suggesting respondents who were treated uncongenially (unfavourable interaction style) were more likely to engage in negative word-of-mouth.

Outcome (favourable, unfavourable) Effect - Significant main effect differences between favourable and unfavourable outcomes were found for social identity, F(1, 565) = 54.70, p < .001, r = 0.088, satisfaction, F(1, 565) = 234.14, p < .001, r = 0.292, repurchase intention, F(1, 565) = 100.58, p < .001, r = 0.150, and negative word-of-mouth, F(1, 565) = 268.59, p
<.001 \( r = 0.321 \). The effect size of outcome for social identity \((r = 0.088)\) was small, for satisfaction \((r = 0.292)\), was small to medium, for repurchase intention \((r = 0.150)\), was small, and for negative word-of-mouth, was medium \((r = 0.321)\).

Descriptive statistics in Table 6.14 explain the main effect of independent variable on all four dependent variables. In all cases, mean scores were shown to be higher for favourable outcome for all dependent variables, except negative word-of-mouth. The significant main effect findings of favourable outcome for social identity appeared to suggest that respondents who received favourable outcome perceived that their social identity (face) was enhanced; that they would be more satisfied and were more likely to repurchase from the firm. The reverse situation was true for negative word-of-mouth for favourable outcome as this would mean that respondents were less likely to engage in negative word-of-mouth as evidenced in the lower mean score (3.79). This is compared with the mean score of (5.11) for unfavourable outcome, when they were more likely to engage in negative word-of-mouth.

**Table 6.14 - Mean and Standard Error of Outcome Effect for Dependent Variables (N=576)**

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Outcome</th>
<th>Mean (^a)</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>social identity mean</td>
<td>favourable</td>
<td>4.13</td>
<td>.06</td>
</tr>
<tr>
<td></td>
<td>unfavourable</td>
<td>3.33</td>
<td>.06</td>
</tr>
<tr>
<td>satisfaction mean</td>
<td>favourable</td>
<td>4.10</td>
<td>.06</td>
</tr>
<tr>
<td></td>
<td>unfavourable</td>
<td>2.85</td>
<td>.06</td>
</tr>
<tr>
<td>repurchase mean</td>
<td>favourable</td>
<td>4.38</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>unfavourable</td>
<td>3.30</td>
<td>.08</td>
</tr>
<tr>
<td>negative word-of-mouth mean</td>
<td>favourable</td>
<td>3.79</td>
<td>.06</td>
</tr>
<tr>
<td></td>
<td>unfavourable</td>
<td>5.11</td>
<td>.06</td>
</tr>
</tbody>
</table>

\(^a\) 7-point Likert scale. 1 - Strongly disagree, 7 - Strongly agree.

**Two-way Interaction Effects for Dependent Variables** - The main effects presented previously were qualified by significant two-way multivariate interactions between:
1) *Social exposure* by *outcome*, $F(4, 565) = 5.94, p < .001, r = 0.040$, and

2) *Interaction style* by *outcome*, $F(4, 565) = 5.94, p < .001, r = 0.177$.

These are discussed further.

*Significant Two-way Interaction Effects* - Univariate tests of between-subject effects found significant two-way interaction effects on *social exposure* by *outcome* for only two of the dependent variables, namely, *social identity*, $F(1, 565) = 6.672, p < .001, r = 0.012$; and negative *word-of-mouth* $F(1, 565) = 8.463, p = 0.004, r = 0.015$. The effect size of the two-way interaction on *social exposure* by *outcome* for *social identity* ($r = 0.012$) and for negative *word-of-mouth* ($r = 0.015$) were both small.

Descriptive statistics in Table 6.15 explain the significant two-way interaction effects of *social exposure* by *outcome* for the dependent variables: *social identity* and for negative *word-of-mouth*. This is followed by a presentation of simple effect tests of the interaction for *social exposure* by *outcome* for *social identity* and for negative *word-of-mouth*.

*Table 6.15 - Mean and Standard Error of Social Exposure by Outcomes for Social Identity and Word-of-Mouth (N=576)*

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Social exposure</th>
<th>Outcome</th>
<th>Mean</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>social identity mean</em></td>
<td>Public</td>
<td>favourable</td>
<td>4.10</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable</td>
<td>3.68</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>Private</td>
<td>favourable</td>
<td>4.20</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable</td>
<td>3.40</td>
<td>.08</td>
</tr>
<tr>
<td><em>negative word-of-mouth mean</em></td>
<td>Public</td>
<td>favourable</td>
<td>3.61</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable</td>
<td>5.16</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>Private</td>
<td>favourable</td>
<td>3.97</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable</td>
<td>5.05</td>
<td>.08</td>
</tr>
</tbody>
</table>

*a 7-point Likert scale. 1 = Strongly disagree, 7 = Strongly agree.*
Mean Score for Social Identity - Descriptive statistics in Tables 6.15 show that the mean scores for significant two-way interaction effects on social exposure and outcome for social identity were higher when outcome was favourable for both public (4.10) and private conditions (social exposure) (4.20) than when outcome was unfavourable for both public (3.68) and private conditions (social exposure) (3.40). This means that social identity (face) was elevated when outcome in both social exposure conditions was favourable. However, mean score was even higher in the private versus public condition when outcome was favourable, suggesting that face was even more elevated in a private condition.

Simple Effect Tests of Social Exposure by Outcome on Social-Identity – Simple effects test was conducted for the social exposure by outcome interaction for social Identity. Simply effect test, (F(1, 573) = 26.39, p < .001 showed that social identity (face) was more elevated, when the outcome was favourable rather than unfavourable for the private (social exposure) condition. There was a smaller significant difference within the public (social exposure) condition, F(1,573) = 6.14, p < .014. Therefore, it can be concluded that a respondent’s social identity (face) is more elevated by outcome when delivered in a private as opposed to a public condition. Line graph for social identity is presented in Figure 6.1(a)

Figure 6.1(a) – Line Graphs for Social Identity
Mean Scores for Negative Word-of-Mouth - Descriptive statistics in Tables 6.15 show that the mean scores for significant two-way interaction effects of social exposure by outcome for negative word-of-mouth were higher when outcome was unfavourable in both public (social exposure) condition (5.16) and private (social exposure) (5.05) conditions than when the outcome was favourable for both public (3.61) and private (3.97) conditions. The higher mean scores reported for unfavourable outcome mean that customers have more reasons to engage in negative word-of-mouth, whether under public or private conditions.

Simple Effect of Social Exposure by Outcome for Negative Word-of-Mouth – Simple effect test was conducted on social exposure by outcome interaction for negative word-of-mouth. The test result, F(1,573) = 113.02, p < .001 showed that negative word-of-mouth was greater when the outcome was unfavourable rather than favourable for the public (social exposure) condition; there was a smaller significant difference within the private (social exposure) condition, F(1, 573) = 55.15, p < .001. Therefore, it can be concluded that a respondent is likely to engage in negative word-of-mouth when the outcome is unfavourable than favourable, but this difference is greater under public (social exposure) condition.

Figure 6.1(b) – Line Graphs for Negative Word-of-Mouth
Significant Two-way Interaction Effects for Dependent Variables - Univariate tests found significant two-way interactions effects of interaction style by outcome for two dependent variables, namely, satisfaction, \( F(1, 565) = 34,800, p < .001, r = 0.058 \); and negative word-of-mouth \( F(1, 565) = 8463, p < .001, r = 0.144 \). The effect size of the two-way interaction on interaction style by outcome for satisfaction was small \( (r = 0.058) \), and for negative word-of-mouth \( (r = 0.144) \), moderate. The significant two-way interaction effects on interaction style by outcome for satisfaction and word-of-mouth are explained first with descriptive statistics in Tables 6.16, followed by simple effect tests.

### Table 6.16 - Mean and Standard Error of Interaction Style by Outcomes for Satisfaction and Negative Word-of-Mouth (N=576)

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Interaction style</th>
<th>Outcome</th>
<th>Mean(^a)</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>satisfaction mean</td>
<td>favoured style</td>
<td>favourable</td>
<td>5.11</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable</td>
<td>3.35</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>unfavourable style</td>
<td>favourable</td>
<td>3.14</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable</td>
<td>2.36</td>
<td>.08</td>
</tr>
<tr>
<td>negative word-of-mouth mean</td>
<td>favoured style</td>
<td>favourable</td>
<td>2.73</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable</td>
<td>4.83</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>unfavourable style</td>
<td>favourable</td>
<td>4.85</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable</td>
<td>5.38</td>
<td>.08</td>
</tr>
</tbody>
</table>

\(^a\) 7-point Likert scale. 1 = Strongly disagree, 7 = Strongly agree.

Mean Score for Satisfaction - Descriptive statistics in Tables 6.16 show that the mean scores for the significant two-way interaction effects of interaction style by outcome for satisfaction was higher, when interaction style and outcome were favourable (5.11) than when they were unfavourable (2.36). Moreover, the mean score for satisfaction was higher when interaction style was favourable and outcome unfavourable (3.5), compared with the mean score of satisfaction when interaction style was unfavourable, but outcome, favourable (3.14), indicating that the respondents perceived outcome to be even better when they were treated
favourably by the service provider (*interaction style*). This is explained by the *simple* effect tests.

**Simple Effect of Interaction Style by Outcome for Satisfaction** - *Simple* effect tests were conducted for the *interaction style by outcome* for *satisfaction*. The test result, $F(1,573) = 145.23, p < .001$, showed that *satisfaction* was greater when the *outcome* condition was favourable rather than unfavourable for the favourable condition of *interaction style*; the favourable *outcome* was perceived by the respondent to be much more positively, $F(1, 573) = 200.01, p < .000$ when the *interaction style* was favourable versus unfavourable. As such, a favourable *outcome* is greatly enhanced when combined with a favourable *interaction style*. The situation is demonstrated by the *Line graph* for *satisfaction* in Figure 6.2(a).

**Figure 6.2(a) – Line Graphs for Satisfaction**
**Mean Scores for Negative Word-of-Mouth** - Descriptive statistics in *Tables 6.16* show that the mean score for negative *word-of-mouth* was higher when both the *interaction style* and *outcome* were unfavourable (5.38), compared to when these were favourable (2.73). This is because when the *interaction style* and *outcome* were unfavourable, respondents would expected to be significantly more dissatisfied and would more likely to engage in negative *word-of-mouth*. The converse was true, when the both *interaction style* and *outcome* conditions were favourable, as the respondents under these favourable conditions were significantly less likely to bad-mouth the firm.

The mean score the negative *word-of-mouth* was higher when *interaction style* was unfavourable, although *outcome* was favourable (4.85) compared with the situation where *interaction style* was favourable but *outcome* unfavourable (4.83). The finding seems to indicate that service provider's unfavourable *interaction style* exacerbated the respondents' negative feeling, resulted in greater likelihood of them engaging in negative *word-of-mouth*, again, thus underlining the importance of a favorable *interaction style* of service.

**Simple Effect of Interaction Style by Outcome for Negative Word-of-Mouth** - Simple effect tests were conducted for the *interaction style* by *outcome* for negative *word-of-mouth*. The test result, F(1,573) = 228.62, p < .001 showed that negative *word-of-mouth* was lower when the *outcome* was favourable rather than unfavourable for the favourable *interaction style* condition; the favourable *outcome* was perceived much more positively, resulting is less negative *word-of-mouth*, F(573) = 232.43, p < .000 when the *interaction style* was favourable then when it was unfavourable. As such, it can be concluded that a respondent is likely to engage in much less negative *word-of-mouth* when the *outcome* is favourable and the service provider's *interaction style* is favourable, suggesting an 'enhancement' effect. See Line graph 6.2(b).
Three-Way Interaction Effects on Dependent Variables - The main effects were qualified by a significant multivariate three-way interactions effects between social exposure, interaction style and outcome, F(4, 565) = 7.074, p < .001, r = 0.048. Univariate analyses provided the following findings. First, no significant univariate three-way interaction effects of social exposure by interaction style and by outcome were found for satisfaction and repurchase intention. Univariate analysis showed a weak, but significant three-way interaction effects of the independent variables (social exposure, interaction style and outcome) for self-identity F(1, 565) = 8.129, p = .005, r = 0.014.

On first examination, significant univariate three-way interaction effects of social exposure by interaction style by outcome were also found for negative word-of-mouth, F(1,
565) = 4.919, \( p = .027 \), \( r = 0.009 \), however, as explained before, to protect against possible increases to type 1 error, all univariate tests were evaluated using a Bonferroni correction to significance levels. As there were four dependent variables, each univariate analysis was conducted at an alpha level of \( p = .0125 \), however, the p-value for negative word-of-mouth was 0.027, and as such, it was deemed not significant after Bonferroni correction was performed. Descriptive statistics in Table 6.17 is first presented to explain the three-way interaction effects on social exposure by interaction style by outcome for social identity (face). This is further explained by simple effect test results and a line graph presentation.

**Table 6.17 - Mean & Standard Error of 3-way Interaction Effects of Social Exposure by Interaction Style by Outcome for Social-identity (N=576)**

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Social exposure</th>
<th>Interaction style</th>
<th>Outcome</th>
<th>Mean*</th>
<th>Std Error</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public</td>
<td>favourable style</td>
<td>favourable</td>
<td>5.13</td>
<td>.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>unfavourable</td>
<td>4.38</td>
<td>.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable style</td>
<td>favourable</td>
<td>3.25</td>
<td>.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>unfavourable</td>
<td>2.97</td>
<td>.12</td>
</tr>
<tr>
<td></td>
<td>Private</td>
<td>favourable style</td>
<td>favourable</td>
<td>5.08</td>
<td>.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>unfavourable</td>
<td>4.37</td>
<td>.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unfavourable style</td>
<td>favourable</td>
<td>3.31</td>
<td>.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>unfavourable</td>
<td>2.40</td>
<td>.12</td>
</tr>
</tbody>
</table>

*a - 7-point Likert scale. 1 = Strongly disagree, 7 = Strongly agree

**Mean Scores for Social-Identity (face)** - Descriptive statistics in Table 6.17 provides explanations of the significant three-way interaction effects of social exposure by interaction style by outcome for social-identity (face).
First, the mean score for social-identity (face) was higher when both interaction style and outcome were favourable (5.13) in a public (social exposure) condition than when both of these were unfavourable (2.97) under the same condition.

Second, the mean score for social-identity was higher when the interaction style was favourable and outcome unfavourable (4.38) in a public condition than when interaction style was unfavourable and outcome favourable (3.25) in the same condition. This finding underlines the relative importance of the process quality of service to the customers when compared to outcome quality.

Third, the mean score for social identity was higher when both the interaction style and outcome in a private (social exposure) condition (5.08) were favourable than when both of these were unfavourable in the same condition (2.40).

Fourth, the mean score for social identity was higher when interaction style was favourable and outcome unfavourable (4.37) than when interaction style was unfavourable and outcome favourable (3.31) in a private condition. Again, the finding underlines the relative importance of the process quality of service to the respondents when compared to outcome. Social identity was even more enhanced when favourable outcome combined with favourable interaction style.

Fifth, the mean score for social identity was significantly higher when both interaction style and service outcome were favourable in a public (5.13) than in a private condition (2.40). This finding seems to suggest that consumers' social identity was significantly higher when both interaction styles and outcome were favourable in the public than the private condition.

Simple Effect Tests of Social exposure by Interaction Style by Outcome for Social-identity - Simple effects tests were conducted for the three-way interaction. First, under the public condition (witnessed by others in public) (see Figure 6.3(a), tests were conducted for the interaction style by outcome interaction. Simple effect tests, F(1,287) = 7.39, p = 0.007 showed that social identity (face) was greater (face-gain) when the outcome was favourable rather than unfavourable for the favourable interaction style condition. There was no significant difference for the unfavourable interaction style by outcome (p > .05). Within both the unfavourable and favourable outcome conditions, a favourable interaction style resulted in higher self-identity (face-gain) than did an unfavourable interaction style, F(1,287) = 63.14
p < .001 (unfavourable outcome) and F(1,287) = 135.51 p < .001 (favourable outcome), respectively.

Second, under the private condition (not witnessed by others) (see Figure 6.3b), simple effect tests were conducted for the interaction style by outcome interaction. Simple effect tests, F(1,287) = 6.47, p = .012 showed that social-identity (face) was greater (face-gain) when the outcome was favourable rather than unfavourable for the favourable interaction style condition; self identity (face) was also greater (face-gain) when the outcome was unfavourable rather than favourable for the favourable interaction style condition F(1,287) = 18.82, p < .001. Within both the unfavourable and favourable outcome conditions, a favourable interaction style resulted in higher self identity than did an unfavourable interaction style F(1,287) = 106.06, p < .001 (unfavourable outcome) and F(1,287) 161.12 p < .001 (favourable outcome), respectively.

Taken together, these simple effect results indicated that respondents reported lower levels of self-identity (face) when the incident of service failure occurred in private and both the outcome and interaction style were unfavourable.

Figure 6.3(a) Line Graph of Simple Effects Test for the Three-way Interaction
6.4 Analysis of Respondents’ Views of Service, Service Failure and Resolution

The literature review undertaken in this study yielded little insights of an empirical nature, into Chinese consumer behavior in relation to service, service failure and resolution issues. Therefore, a secondary objective in Study 2 was to explore Chinese consumers’ views on these for effective service management. Twenty-eight item statements were developed for Section B of the Consumer Service Experience (CSE) questionnaire. The data were collected from a sample of 576 subjects, and were analyzed using factor analysis.

6.4.1 Factor Analysis of Service Issues

Factor analysis using the Principal Component Analysis (PCA) technique was performed on the data to identify potential underlying groups or clusters of variables amongst the 28 item statements. As the primary aim in the present study was to reduce the 28 variables down to a smaller number of components, and to extract maximum variance from the data set with each
component, Principal Component Analysis (PCA) was considered a useful method as an initial step in factor analysis (Field, 2005; Tabachnick & Fidell, 2001). Assumption testing was undertaken for the data.

6.4.2 Assumption Testing

The assumptions underlying the use of Principal Component Analysis were met here. The sample size for the present study of 576 subjects was considered good since a minimum of five subjects per variable was required for Factor analysis (Coakes, Steed, & Dzidic, 2006; Field, 2005). Factor analysis is robust to assumptions of normality (Coakes et al., 2006). Test of normality was performed on the variables and they were found to be mostly normally distributed, with some slightly positively skewed. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy score of (0.890) indicated that the sample size (n=576) was good for the number of variables entered into the analysis and Bartlett’s Test of Sphericity was significant, \( x^2_{(378)} = 6510.91, p < .001 \), indicating that there was structure within the observed correlation matrix and that therefore, a components analysis would be appropriate (Coakes et al., 2006; Field, 2005; Tabachnick & Fidell, 2001).

6.4.3 Eigenvalues (> 1)

With an initial set of 28 variables entered into the analysis, it is normally expected that between 5 and 9 components will be extracted when the criterion is the number of eigenvalues greater than unity (Field, 2005; Tabachnick & Fidell, 2001). The number of extracted components was consistent with that expectation: 6 components were extracted, accounting for 59.70 percent of the total variance as presented in Table 6.18.

One method to reduce the number of components to something below that found by using the 'eigenvalue greater than unity' rule is to apply the scree test for the number of factors (Cattell, 1966). Its application to this data set led to the conclusion that the first three factor components could be accepted. On that basis, four factors were extracted \textit{a priori} after the removal of three variables with complex loadings or low communalities on the first analysis as shown in Table 6.18. The rotated (Varimax) component loadings for the four factors were 50.71 percent of the total variance explained (see Table 6.18). A cut-off of 0.500 was applied to determine significant factor loadings on each component. A scree plot, which graphically
displays the eigenvalues for each factor is presented in Figure 6.4 below and suggests that pure variables which have loadings of 0.5 or greater are found in the factors.

\textit{Table 6.18 - Initial Principal Component Analysis of Subjects' View of Service}

<table>
<thead>
<tr>
<th>Component</th>
<th>Eigenvalues</th>
<th>Percentage of Variance explained</th>
<th>Cumulative Percentage of Variance Explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6.65</td>
<td>27.6</td>
<td>27.62</td>
</tr>
<tr>
<td>2</td>
<td>3.40</td>
<td>14.8</td>
<td>42.39</td>
</tr>
<tr>
<td>3</td>
<td>1.77</td>
<td>7.7</td>
<td>50.00</td>
</tr>
</tbody>
</table>

\textit{Figure 6.4 - Scree Plot Displaying the Eigenvalues for Each Factor}

![Scree Plot](image)

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### Table 6.19 - Rotated (Varimax) Component Loadings on Consumers' Views on Service, Service Failure and Resolutions

<table>
<thead>
<tr>
<th>Items</th>
<th>Components</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component One - Fairness</strong></td>
<td>1</td>
</tr>
<tr>
<td>A service firm should reciprocate (bao) positively to a reasonable demand by customers for compensations when service problems occur;</td>
<td>.80</td>
</tr>
<tr>
<td>Customers should expect sincere apologies from a service firm for service mistakes;</td>
<td>.76</td>
</tr>
<tr>
<td>Customers should always expect a service person to treat them in a sensitive manner;</td>
<td>.76</td>
</tr>
<tr>
<td>Courteous treatment by a service person should be paramount under most service situations</td>
<td>.73</td>
</tr>
<tr>
<td>A service person should relate to their customers with <em>correct li</em> (propriety e.g. politeness);</td>
<td>.71</td>
</tr>
<tr>
<td>Service problems may sometimes be inevitable, but customers expect a firm to do all it can to make things right again;</td>
<td>.70</td>
</tr>
<tr>
<td>If a firm values its customers it should demonstrate a diligent effort in resolving service problem;</td>
<td>.66</td>
</tr>
<tr>
<td>A service firm should make it simple for customers to claim compensations when mistakes occur</td>
<td>.64</td>
</tr>
<tr>
<td>A dispute in a service problem can be resolved quickly if parties to the disputes are willing to extend goodwill to each other;</td>
<td>.60</td>
</tr>
<tr>
<td>Customers should expect a service person to deal with them in a ‘zhonghe’ (reasonable and harmonious) manner;</td>
<td>.59</td>
</tr>
<tr>
<td>Customers nearly always feel unfairly treated when service problems are poorly handled;</td>
<td>.58</td>
</tr>
<tr>
<td>It is fair that customers should receive the standard of service for which they have paid;</td>
<td>.55</td>
</tr>
<tr>
<td>A service firm should not under any circumstances blame its customers for the cause of a service problem;</td>
<td>.51</td>
</tr>
<tr>
<td>Customers should only ask for the level of compensation that matches the size of the service problem;</td>
<td>.49</td>
</tr>
<tr>
<td><strong>Component Two - Face</strong></td>
<td></td>
</tr>
<tr>
<td>In a dispute over a service problem, customers should adopt a ‘junzi’ behaviour by avoiding a confrontation with the service person - ‘tui yibu, hai kuo hui kong’ (do not argue to give opportunity for negotiation), as this is face-saving;</td>
<td></td>
</tr>
<tr>
<td>Customers should adopt a ‘junzi’ (benevolent person – kind, noble, generous) behaviour when dealing with a service person over a service problem to ‘give face’;</td>
<td>.77</td>
</tr>
<tr>
<td>Respect is gained when customers relate to a service person in a non-aggressive manner over a service problem;</td>
<td>.76</td>
</tr>
<tr>
<td>Customers should avoid creating a scene in public to protect face when complaining about a service problem;</td>
<td>.74</td>
</tr>
<tr>
<td>A customer’s ‘face is lost’ for complaining loudly to a service person in public about a service problem;</td>
<td>.74</td>
</tr>
<tr>
<td>Customers should behave in a manner so as not to cause a service person to ‘lose face’;</td>
<td>.70</td>
</tr>
<tr>
<td><strong>Component Three - Valued customers</strong></td>
<td></td>
</tr>
<tr>
<td>Customers expect a service firm to ‘protect their face’ at all cost as valued customers;</td>
<td>.79</td>
</tr>
<tr>
<td>Customers should expect a service firm which valued them, to compensate them for more than what they had paid for the service, if problems occur;</td>
<td>.76</td>
</tr>
<tr>
<td>Customers should always expect a service firm that considered them to be important, to correct a service problem satisfactorily no matter who was at fault;</td>
<td>.58</td>
</tr>
</tbody>
</table>

6.4.4 Interpretation of Components and Assigning of Labels

Table 6.19 shows that three (3) components (factors) have emerged from the analysis of the respondents' responses to question items posed in Study 2. The component labels were selected on the basis of the principal orientation of items loaded against each component.

Component One: Fairness - Examination of the seven items loaded to Component One appears to represent a conceptually distinct aspect from other components to be labelled as a different component. Items that primarily provide the structure for Component One pertains to issues of justice or fairness in service delivery. It appears that items loaded onto this component strongly point to the respondents' expectations to be treated fairly in service failure situations. As such, the label 'Fairness' seems to be appropriate for Component One. This component is distinguishable from Component Two, which is face.

Component Two: Face - Items loaded to Component two, point to the respondents' concern for face. For example, dealing with others in a 'Junzi' (ideal personhood) manner is a form of 'giving face' to others, and also 'saving face' for one self. Hence face seems to be an appropriate label for Component Two.

Component Three: Valued customer - Items loaded to Component Three seem to suggest that respondents wanted to be treated as a 'valued customer'. Respondents reported feeling being 'valued' if they were 'given face' irrespective of cost was. Likewise being compensated for more than what they paid for in a failed transaction; or being given satisfactory resolutions to failed services with no attribution of blame, was also perceived as being 'valued', hence the term 'valued customer' seems an appropriate label for this Component.

6.4.5 Reliability Analysis

A reliability analysis was conducted for each of the three sets of items used to create these new composite measures and the results are presented in Table 6.20.
Table 6.20 - Reliability Statistics (Cronbach’s Alpha) for the Three Components

<table>
<thead>
<tr>
<th>Components</th>
<th>Cronbach’s Alpha</th>
<th>No of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1 – Fairness</td>
<td>.88</td>
<td>14</td>
</tr>
<tr>
<td>Component 2 – Face</td>
<td>.81</td>
<td>6</td>
</tr>
<tr>
<td>Component 3 – Valued customer</td>
<td>.65</td>
<td>3</td>
</tr>
</tbody>
</table>

As Table 6.20 shows that the values for Components One (Fairness) and Two (Face) are 0.80 and over, displayed very good levels of reliability. The coefficient alpha for Component Three (Valued customer) of 0.65 is within a range that is acceptable, since a cut-off value of 0.500 was applied to determine significant factor loadings on each component.

6.4.5 – Preliminary Scale Development

The aim of the secondary objective in Study 2 was to develop a scale to determine the views of mainland Chinese consumers on service, service failure and resolution to service failure, issues, since a paucity of empirical studies exist in service literature to inform on these. The three components - fairness, face and valued customers that emerged from the factor analysis of items are defined as ‘dimensions’ representing the Chinese respondents’ views of service failure and resolution issues. For preliminary scale development, these dimensions were tested using parametric analysis for significant difference in demographic factors relating to age, gender, education and complaint style. The three dimensions were computed into composite variables, with the mean and standard deviation shown in Table 6.21.

Table 6.21 – Mean and Standard Deviation for the Three Composite Variables

<table>
<thead>
<tr>
<th>Composite Variables</th>
<th>Mean*</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairness</td>
<td>5.92</td>
<td>0.59</td>
</tr>
<tr>
<td>Face</td>
<td>5.00</td>
<td>0.93</td>
</tr>
<tr>
<td>Valued customer</td>
<td>5.45</td>
<td>0.84</td>
</tr>
</tbody>
</table>

a - 7-point Likert scale. 1 = Strongly disagree, 7 = Strongly agree
6.4.6 - Determining the Main Effects of Independent for Dependent Variables

Univariate analyses (ANOVA) were conducted to determine significant main effects of the independent variables of respondents' age, gender, education and complaint style, for the dependent variables represented by these dimensions: fairness, face and valued consumers.

**Age and Gender for Face** – In terms of age, ANOVA tests results confirmed a significant main effect of age for face $F(2, 570) = 3.64, p < .027, r = 0.013$. Significant main effect of gender was also found for face, $F(1, 570) = 3.99, p < .046, r = 0.007$. No significant main effects of age or gender were found for other dimensions - fairness or valued customer.

No significant main effect of age by gender group was found for face.

Post hoc analysis performed on the age variable showed that for the youngest age group (20-29), protecting or gaining face was less important than the oldest age group (40 and above), with the youngest age group registering a mean of 4.86 compared with the oldest age group, which registered a mean of 5.10. The middle age group (30-39) was not different from the younger or older age group.

**Education Level for Fair Exchange, Face and Valued Customer** – ANOVAs were conducted to determine the main effects of education (independent variable) for each dependent variable: fairness, face and valued customer. A significant main effect was found for valued customer dimension only, $F(3, 464) = 4.39, r = 0.028, p = .005$.

Post hoc tests showed that respondents with post-graduate levels of education rated the 'valued customer' dimension as more important than those respondents with lower levels of education. Those with post-graduate education registered a mean of 5.68, compared with a mean of 5.29 for the holders of a college diploma, or those with a secondary and below education, which registered a mean of 5.14.

**Complaint Style for Fairness, Face and Valued Customer** – An ANOVA was conducted on respondents' complaint style (preference to complain in private or public) for each of the dimensions – fairness, face and valued customer.
Complaint Style and Fairness – A main effect of complaint style (private or public) was found for the fairness dimension with the test result: F(1, 466) = 11.26, p < .001, r = 0.024. This result presented in Table 6.22 suggests that those respondents, who have a preference to complain in public versus private condition, also had higher expectation regarding fairness.

Table 6.22 – Mean and Standard Deviation of Complaint Style for Fairness

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean^a</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complain publicly</td>
<td>6.08</td>
<td>.603</td>
</tr>
<tr>
<td>Complain privately</td>
<td>5.89</td>
<td>.623</td>
</tr>
</tbody>
</table>

^a - 7-point Likert scale. 1 = Strongly disagree, 7 = Strongly agree

Complaint Style and Face – A significant main effect of complaint style (preference to complain in private or public) was also found for face, with the test result of F(1, 466) = 38.13, r = 0.076, p < .001. Respondents reported higher levels of face-saving when they preferred to complain under private than under public condition, as evident in Table 6.23.

Table 6.23 – Mean and Standard Deviation Complaint Style for Face

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean^a</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complain publicly</td>
<td>4.58</td>
<td>1.09</td>
</tr>
<tr>
<td>Complain privately</td>
<td>5.13</td>
<td>.74</td>
</tr>
</tbody>
</table>

^a - 7-point Likert scale. 1 = Strongly disagree, 7 = Strongly agree

No significant main effect of complaint Style for the dimension ‘valued customer’.

Complaint Style by Age – There are some evidence in Study 1 and extant literature (e.g., Cheng & Lam, 2008), which suggest that younger generation consumers appeared to be more likely to complain under public rather than under private condition, while older generations (40 and above) were less likely to complain under public condition. This is confirmed, where a Chi Square result of (2, 468) = 8.69, p < .013 showed that respondents in the younger age group (20-29) in the present study were significantly less hesitant to complain under public
condition, while those in the older age group (40 and above) were more hesitant to complain under public condition. In other words, the older age group was more likely to complain under private than under public condition. A Cross-tabulation test was conducted on age by complaint style (privatelpublic). The test results, as presented in Table 6.24, show that in the younger age group (20-29), 42.2 percent indicated that they would not hesitate to complain in ‘front of guests’ defined as public, but preferred less to complain in private defined as ‘somewhere private’ (27.3 percent) or ‘writing a letter’ (23 percent). These compared with the oldest age group (40 and above), where only 27.2 percent reported that they would not hesitate to complain in front of guests (public), but 37.2 percent of this age group informed that they would prefer to make a complaint in private, such as ‘somewhere private’ and 40.2 percent reported that they would ‘write a letter to complain’ (private). It can be concluded that the respondents in the younger age group are more likely to complain under public condition while the older age group, under private condition.

<table>
<thead>
<tr>
<th>Table 6.24 – Cross-tabulation’s Results of Age and Customers’ Complaint Styles. N=576</th>
</tr>
</thead>
<tbody>
<tr>
<td>How would you complain to a restaurant manager about a serious service failure?</td>
</tr>
<tr>
<td>Age groups</td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>20-29</td>
</tr>
<tr>
<td>30-39</td>
</tr>
<tr>
<td>40 &amp; over</td>
</tr>
<tr>
<td>Total %</td>
</tr>
</tbody>
</table>
6.5 Summary of Outcomes of Hypotheses

The hypotheses posited for Study 2 and presented in Chapter 5, were tested and their summaries and presented in this section.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>H10: The service providers' interaction styles in the service or in resolving service failure, do not significantly influence consumers' social identity (face); satisfaction; repurchase intention and; negative word-of-mouth</td>
<td>The null hypothesis was not supported</td>
</tr>
<tr>
<td>H20: The outcome in service or service failure resolution delivered to consumers does not significantly influence their social identity (face); satisfaction; repurchase intention and negative word-of-mouth</td>
<td>The null hypothesis was not supported</td>
</tr>
<tr>
<td>H30: The service providers' interaction styles in the service or in resolving service failure and where this occurs (social exposure), do not significantly influence consumers’ social identity (face); satisfaction; repurchase intention and; negative word-of-mouth</td>
<td>The null hypothesis was supported</td>
</tr>
<tr>
<td>H40: The outcome in service or service failure resolution and where this is delivered (social exposure) to consumers do not significantly influence their social identity; satisfaction; repurchase intention and; negative word-of-mouth</td>
<td>The null hypothesis was partly supported: for satisfaction and intention to repurchase, but not supported for: social identity and negative word-of-mouth</td>
</tr>
<tr>
<td>H50: The service providers’ interaction styles in service or in resolving service failure and the outcome in service or service failure resolution, do not significantly influence consumers’ social identity (face); satisfaction; repurchase intention and negative word-of-mouth</td>
<td>The null hypothesis was partly supported: for social identity, Intention to repurchase, but not supported: for satisfaction and negative word-of-mouth</td>
</tr>
</tbody>
</table>
**Table 6.25 (Cont'd I) – Summary of Outcomes of Hypotheses**

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>H6o: The service providers’ interaction styles in service or in resolving service failure and the outcome in service or service failure resolution, and where these are delivered (social exposure), do not significantly influence consumers’ social identity; satisfaction; repurchase intention and negative word-of-mouth</td>
<td>The null hypothesis was partly supported: for satisfaction, repurchase intention and word-of-mouth, but not for social identity</td>
</tr>
<tr>
<td>H7: Consumers who experience service providers’ favourable interaction styles in service or in resolving service failure, under a public rather than private condition (social exposure), will significantly: gain in social identity; experience greater satisfaction; repurchase and disengage in negative word-of-mouth</td>
<td>The hypothesis was not supported</td>
</tr>
<tr>
<td>H8: Consumers who are delivered favourable outcome in service or service failure resolution under a public rather than private condition (social exposure), will significantly: gain in social identity, experience greater satisfaction; repurchase and engage less in negative word-of-mouth</td>
<td>The hypothesis was partly supported: for social identity and more in private than public condition and for negative word-of-mouth</td>
</tr>
<tr>
<td>H9: Consumers who experience service providers’ favourable interaction styles in service or in resolving service failure, and are delivered favourable outcome, will significantly: gain in social identity, experience greater satisfaction, repurchase and engage less in negative word-of-mouth</td>
<td>The hypothesis was partly supported: for satisfaction and negative word-of-mouth, but not supported: for social identity, repurchase intention</td>
</tr>
</tbody>
</table>

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Table 6.25 (Cont'd 2) – Summary of Outcomes of Hypotheses

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>H10: In service or service failure resolution, consumers who experience favourable interaction styles of treatment in service or in resolving service failure, but unfavourable outcome compared to favourable outcome, but unfavourably interaction styles of treatment, will significantly gain in social identity (face-gain); experience greater satisfaction; repurchase and engage less in negative word-of-mouth.</td>
<td>The hypothesis was partly supported: for satisfaction and for negative word-of-mouth.</td>
</tr>
<tr>
<td>H11: In service or service failure resolution, consumers who experience favourable interaction styles in service or in resolving service failure, receive favourable outcome and under a public rather than private condition (social exposure), will significantly gain in social identity, experience greater satisfaction, repurchase, and engage less in negative word-of-mouth.</td>
<td>The hypothesis was partly supported: for social identity more in a private rather than public condition. The hypothesis was not supported for satisfaction, repurchase intention and word-of-mouth.</td>
</tr>
</tbody>
</table>

6.6 Summary of Findings

A summary of the results of Study 2 is presented in this section. Demographically, there was no significant gender bias in the sample. Three age groups (20-29; 30-39 and 40 and above) were represented, although the distributed was skewed towards the younger age groups (20-29, 30-39). More respondents possessed tertiary education (university degrees). More than 80 percent of the respondents were employed in a wide distribution of occupations, although more came from educational, business, finance and commerce than others. Significantly more respondents were married than single. Forty-five percent of the respondents indicated that they dined out 4 times a week comparable with 3.4 and 5.4 times per month for Beijing and Shanghai respectively.

To gain a further understanding of the Chinese consumers, personal information was sought. Dining activities and Chinese cuisine are important to them when travelling domestically and abroad. They preferred to dine in popular and fine dining restaurants in Beijing and Shanghai, and rated the service standards in the industry to at least 'meet their
expectations'. However, one-third reported the service standard as 'below expectations'. A significantly high number of respondents nominated failure in 'process service failure' – 'discourteous staff' as the service failure that most offended them, although more 'technical' nature of service quality were also important to them e.g., slow service or incorrect bill. In terms of complaint styles on serious service failure incidents, significantly more respondents in the younger generation (20-29) were found to be not hesitant in complaining under public condition, compared with the older respondents (40 and above), who preferred to complain under private condition.

In the principal study, an experimental, 2x2x2 factorial design was used to examine the influence of core service values in social exposure, interaction style and outcome on respondents' self-identity (face), satisfaction, repurchase intention and negative word-of-mouth. Univariate and multivariate tests showed significant main and interaction effects for some dependent variables. Two-way interaction of the social exposure and outcome variables was found for self-identity and negative word-of-mouth. It means that people’s face was elevated (given face) when favourable outcome was delivered and in both the public and private conditions, but that face was even more elevated when the favourable outcome was delivered in private than public condition. Respondents’ negative WOM was heightened even more when they were offered unfavourable outcome in private than public. Simple effect tests were also conducted which confirmed that significant simply effects existed in the two-way interaction. Significant two-way interaction of interactional style and outcome was also found for satisfaction and negative word-of-mouth. The findings suggest that if the unfavourable outcome in service failure or resolution to failure was accompanied by unfavourable interaction style (deficient process service), the respondents were likely to engage in even greater negative word-of-mouth, which was confirmed in simple effect test.

Significant three-way interaction effects of social exposure, interaction styles and outcome were found for social identity (face) which likewise was confirmed by simple effect tests. The findings indicated that respondents’ social identity (face) was significantly elevated when, they were delivered favourable outcome and treated congenially (interaction styles) under both the public and private conditions. However, the interaction effect on face was
even more significant when favourable outcome was enhanced by favourable interaction style under private condition.

A development of a preliminary Survey scale was undertaken to gain a greater understanding of the views of Chinese consumers in relation to issues of service failure and resolution from a list of 28 survey items. Using factor analysis, three components (factors) emerged. Labelled as dimensions, they included fair exchange, face and valued customer. These dimensions were tested against the respondents’ age, gender, educational level and complaint style. Tests using ANOVA and Cross-tabulation suggest that there was a significant main effect of age and gender for face. Post hoc tests of different age groups for face showed that face was less important for the youngest age group (20-29) than the oldest age group (40 and above). Main effect of education was found for the dimension ‘valued customer’. Post hoc analysis showed that respondents with higher levels of education was more likely to rate the dimension - ‘valued customer’ as more important than those with lower levels of education.

A significant main effect of complaint style (private or public) was also found for fairness, which suggests that those respondents, who have a preference to complain under public versus private condition, also had higher expectation regarding fairness. A significant main effect on complaint style was also found for face, where respondents informed a preference to complain under a private than public condition, perhaps to ‘save face’. The test results showed that respondents in the younger age group were less hesitant to complain under public condition, while respondents in the older age group were more hesitant to do so, as they preferred to complain under private condition more.

The summary of the hypotheses posited for Study 2 are presented in the chapter. The results from Study 2 presented in this chapter will be discussed with the context of the broader literature in Chapter 7.
Chapter Seven

Discussion

7.1 Introduction

China's former supreme leader, Deng Xiaoping pronounced in 1982 that it was time for China to prosper, since it had been poor for a thousand years (cited in Garner, 2005, p.13). Indeed, in the last few decades, China has grown to become a super economic powerhouse generating a high rate of sustained growth (Chan & Garg, 1998; Garner, 2005). Importantly, China's phenomenal transformation has produced a large consumer society with the means and sophistication to demand for goods and services of high quality (Garner, 2005; Li, 1998). They are now considered the consumer of global significance (Garner, 2005). McKinsey Global Institute's research forecasts that the Chinese urban middle-class will form one of the world's largest markets with more than 520 million consumers in the next two decades (Grant & Farrell, 2006). It is this large middle class that will drive China's economy forward and the economic spin-off for markets abroad (Rostow, 1960).

The mainland Chinese are also travelling widely at home and abroad for business and leisure which provides business opportunities as well as challenges for tourism and hospitality firms, such as restaurants, hotels, airlines and others which provide the main bulk of services consumed by travellers (Arlt, 2006; Grant & Farrell, 2006; Palac-McMiken, 2005; WTO, 2003, 2005). Specifically, the service challenge relates to knowing how best to deliver the standards of service that meet consumers' needs in highly competitive markets. Added challenges for many providers are, knowing how to resolve service failures and also meeting the cultural needs their consumers.

However, despite the significance of mainland Chinese as a global consumer, a review of the extant literature yielded very few empirical work which examined them, and even much less work on how their consumer behaviours are influenced by their core service values under negative service situations. In fact, there is uncertainty as to the prevailing core service values held by the mainland Chinese. Hence, it is considered timely and significant for the present research to be undertaken. The key objective in Study 1 was to employ an exploratory approach using means-end value chain to identify the prevailing, culturally-determined core service values held by mainland Chinese consumers, which have
implications for service failure/resolution management. The exploratory findings of core service values were further tested to determine their influence on the consumer behaviour under negative service situations. To facilitate the discussions on findings, the objectives of the two studies in the present research are restated:

**Study 1 - objective:**
The primary objective in Study 1 was to ascertain the core service values held by Chinese consumers in the context of service failure/resolution. Specifically, it examined how Chinese described and made sense of negative service events, with a particular emphasis on how this sense-making activity was linked to core service value beliefs.

**Study 2 - Primary objective:**
The primary objective for Study 2 was to determine the effects of service providers' prominent core service values operationalised as interaction styles and outcome delivered under a public or private condition, have on Chinese consumers' social identity, satisfaction, intention to repurchase and word-of-mouth recommendation.

**Study 2 - Secondary objective:**
The secondary objective of Study 2 is to survey Chinese consumers, to gain a greater insight into their views and responses to service failure and resolution issues under the influence of the core service values held by them. The findings of components are further studied in relation to the consumers' demographic and personal findings to gain a greater understanding of their perceptions of service failure and service resolution's needs.

To summarise, in Study 1, a means-end value chain approach was employed to determine the prevailing core service values held by Chinese. These service value beliefs appeared to have their roots in the consumers' cultural background. Forty-five (45) mainland Chinese were conveniently sampled to participate in a one-to-one, in-depth interviews. Five (5) core service value themes were identified and they were: face concerns, equity, valued patron, junzi aspiration and social harmony. The findings in Study 1, suggest that the core service values that emerged did have an influence on the consumers in their responses to events of failed
service or service resolution. The Study proffers useful insights into how these values may be leveraged to best manage service failure and resolution.

Building on the research outcome of Study 1, the primary objective in Study 2 was to posit hypotheses and quantitatively test these to determine the influence of prominent aspects of a core service value identified as face held by the Chinese on their consumer behaviour. An experimental design using a 2x2x2, between-groups, factorial was employed in the study. The design model consisted of eight versions of a scenario relating to incidents of restaurant’s service failure and resolution. The data were collected from the mainland Chinese respondents in Beijing and Shanghai, China.

To test the hypotheses, the effects of three independents variables consisted of 1) social exposure operationalised under two conditions (public and private); 2) interaction styles (favourable and unfavourable) and; 3) outcome (favourable and unfavourable); on the dependent variables consisted of social identity, satisfaction, repurchase intention and word-of-mouth were determined. The findings provided empirical evidence to suggest that the prominent aspect of a core service value held by mainland Chinese did influence their post-purchase behaviours. More specifically, in terms of outcome, when these consumers were provided with favourable outcome in service resolution, which was witnessed by others (social exposure, that is, public), they reported an elevation of social identity (face) indicating a gain in mianzi face. This also had the effect of lowering their negative word-of-mouth communication. This finding underscores the importance Chinese consumers placed on ‘where’ face-impact occurs.

Consumers also reported high level of satisfaction, and lower negative word-of-mouth when they were treated convivially (favourable interaction style), and provided with an effective service response (favourable outcome). This underscores the importance consumers placed on ‘how’ or the ‘manner’ in which they were treated in service (interaction style) as well as ‘what’ was provided in the service resolution (outcome) in gaining their satisfaction.

Furthermore, consumers’ social identity (face) was more likely to be elevated (gained mianzi face) when witnessed by others (social exposure = public) for being treated convivially, even though the outcome for service resolution was less favourable. This indicated that ‘how’ or ‘the manner’ in which service resolution was delivered (process quality), was relatively more important than ‘what’ was delivered (outcome quality) in public.
All shall be discussed all these effects have important implications for service management.

In the secondary objective of Study 2, other core service values that emerged from Study 1 were used in developing a preliminary multi-item scales measuring service views and responses of the Chinese consumers since little was known about them, much less in terms of how they view service failure/resolution. Factor analysis was employed for this part of the study to reveal three components (factors): *fair exchange, face and valued customers*. These components were further quantitatively tested against the findings of demographic and personal information of Chinese consumers. The parametric test results suggested that the younger (20-29) age group was not averse to complaining and was also less concern with *face* than the older age group (40 and above). On the other hand, the older age group showed a preference to complain in *private* than *public*, suggesting they did want others to witness their complaint behaviour. These findings concur with Lam and Tang’s (2003) or Le Claire’s (1993), which also revealed that the younger Chinese age group in Hong Kong was not averse to complain in *public*, and was less concern with *face*. Thus, it appears that younger Chinese consumers whether in Hong Kong or mainland China, are not averse to complain and less concern with *face*. This empirical finding informs service firms that it is important to segment in the market in terms of age when developing service failure’s management strategy. The present study further found that more educated Chinese consumers (i.e., diploma holders) were more concerned about being treated fairly, than the less educated ones, thus providing further evidence of a need to segment the markets for service policy measures. The present study also found that the female gender was more likely to complain than male gender in the older age group (40 and above). They also preferred to complain in *private*.

Lastly, in this part of Study 2, food and dining activities were found to be important to Chinese while travelling, thus, confirming that an important and fast growing market for restaurateurs and other hospitality service firms at home and abroad (Arlt, 2006). Common to all research, there were several limitations in this part of the study, which are presented later.

In the following section, some insights gained in the exploratory, means-end value chain approach in Study 1 will be discussed highlighting important areas where service providers should to focus attention when managing service failure/resolution.
7.2 Discussion of Findings from Study 1 and Service Management Implications

The five core service value themes that emerged from Study 1: *face concern, equity, valued patrons, junzi aspiration and social harmony*, offer useful insights into Chinese consumers’ likely behaviour when responding to situations of service failure/resolution. These insights help firms to develop efficacious provisions to meet consumers’ needs as discussed in the ensuing sections.

7.2.1 *Face Concern* Value Theme

A high proclivity for *face* was reported in Study 1. This was further confirmed in the secondary research objective of Study 2, where it also emerged as one of the three (3) components through factor analysing the data gathered from Chinese consumers in the preliminary multi-item scales developed to measure their service views and responses. Although much has been written about the importance about *face* is to Chinese and other Asian groups in social literature, few empirical studies, however, have been undertaken to ascertain its value in the service management literature. The present study can be claimed to be the few studies in which the *face* value of mainland Chinese consumers was discussed to reveal its influence on their consumer behaviour thus, providing valuable insights into how this core value can be leveraged to manage service failure/resolution.

The present findings suggest that hospitality service firms such as restaurateurs and hoteliers should focus on efficacious management of Chinese consumers’ *face*-work. An aged-old value, *face* has been observed by the Chinese for many thousands of years, and continues to be widely observed, socially and in business (Brunner & Wang, 1988; Chang & Holt, 1994; Jia, 1997-8, 2001; Kipnis, 1995). The importance of ‘protecting’ or ‘elevating *face* for Chinese is noted for instance, in Yau’s (1988, 1994) studies. He maintains that it is a serious assault on a Chinese’ social psyche, when he/she is made to *lose face*, noting that a party who causes another party to *lose face* is ‘acting in aggression’, while one who acts to enable others to *have or gain face* is acting with consideration. Wee (2001), another author notes that a party that causes another party to lose *face* will not be forgiven or forgotten. In fact, Chinese takes *face* so seriously that ‘they rather be killed than be humiliated’ ("shi ke sha, bu ke ru") (cited in Wee, 2001, p. 188).
Findings on the salience of face to the Chinese participants were evident in Study 1, reporting that the manner in which different negative service incidents were managed had a favourable or unfavourable impact on face. These proffer useful insights into how service failure and resolution can be managed to meet customers’ face needs. The discussions of these findings are anchored on two Chinese face concepts, as these face concepts were evident in the Chinese participants’ account of their experiences in service failure situations in Study 1.

**Two Chinese Face Concepts** – The two face concepts - mianzi and lian were reported in Study 1. Unique to Chinese, these face concepts were mentioned in some seminal literature on Chinese face culture (Bond & Lee, 1981; Ho, 1976; Hu, 1944). People’s mianzi and lian concerns are noted to have different influence on their behaviours and will need to be managed differently.

**The Mianzi Concept** - Mianzi is people’s social status, image, prestige gained or earned from others on the basis of their achievements (social, economic, scholastic) in life (Bond & Lee, 1981; Hu, 1944). It defines ‘who they are socially.’ Schutte and Ciarante (1998) suggest that status is the highest need in the needs hierarchy of the Chinese. Since mianzi means status, image or prestige, therefore, when Chinese seek to fulfil their need for status, they are effectively seeking for mianzi.

People’s mianzi can be gained or lost through their own efforts or others’ behaviour, as evident in Study 1. For example, the participants gained mianzi from other through being generous or altruistic. Thus, in the study, Chinese generosity in hosting dinners was found to gain mianzi from guests. This is confirmed in other findings (e.g., Chen, 1990). Likewise, their philanthropic work also serves to gain mianzi face from the community (Lim, 1994). Conversely, mianzi face can be lost through people’s meanness or ineptness. Thus, a fear of losing mianzi face was evident in Study 1 when participants performed face-work (action to manage face) to ensure that any mistakes made were not exposed to the guests to prevent a face-loss. This suggests that service providers must be circumspective when managing face-loving consumers hosting guests to ensure their actions or activities do not cause the Chinese hosts to lose face in front of guests. In fact, they can help protect the face of Chinese host in a face-threatening situation. Practical ways a service firm can use to protect a host’s face may
be to avoid haggling with him/her over an issue of dispute such as the price to charge, in front of his/her guests, as this may cause undue embarrassment to a host and face may thus be lost as evident in Study 1.

*People's mianzi face* may be impacted favourably or unfavourably by the efforts or behaviours of other people (e.g., service provider). Evidence in Study 1 suggests how customers' mianzi was impacted was dependent on 'how' or 'the manner' in which they were being treated by the service providers (e.g., interactional styles), 'what' outcome they were delivered in service resolution (outcome) and where these took place (social exposure). These face-impact issues which have service management implications are further tested in the hypotheses posited by the researcher in Study 2, the results of which are discussed later. Of interest here is that how face-loving customers were treated by the service providers (interaction style) determined whether they 'gain' or 'lose' mianzi. For example, mianzi was 'gained' when they were treated courteously by the service providers. Furthermore, the 'gain' or 'loss' in mianzi was also dependent on what was received in the service or service resolution. In other words, outcome also determines the Chinese face-worth. An unfavourable outcome would result a 'loss' of mianzi while a favourable outcome would result a 'gain' in mianzi. The findings in Study 1 offer useful insights into the managing of customers' mianzi, to gain quality service. For example, the personal efforts of senior management have the effect of conferring mianzi face to customers. However, using 'line-staff' to attend to address service failure events may have the opposite effect on Chinese customers. The status or reputation of an establishment also confers mianzi to customers. The service provider's skill and sensitivity in looking after a customer's mianzi is a highly valued service as a favourable mianzi is an important social capital to a Chinese (Chan et al., 2007). Granting renqing (favour) to loyal and regular customers is found to confer renqing-mianzi, and such practice also helps build new market. These findings are discussed and their implications for service management identified.

**Personal Effort of Senior Management** – In Study 1, a participant reported feeling 'special and important' when a manager made a personal effort to secure a table for him in an important dining occasion. Here, the proprietor's personal involvement in providing service in critical occasion such as hosting guests was claimed to restore the customer's (host)
mianzi. Mianzi holds greater value when conferred by those who have status or mianzi, such as the proprietor (Cheng & Yau, 2007; Hwang, 1998; Kipnis, 1995). This is also supported in other studies where an apology from an employee of seniority (a manager) was perceived to worth more, resulting in a higher perceived distributive justice and satisfaction in a service recovery effort, than when this was conveyed by a junior employee (Mattila & Patterson, 2004a; Patterson, Cowley, & Prasongsakarn, 2006).

Implications for Service management

Clearly if mianzi is highly valued by a Chinese customer, it benefits a service firm to leverage this form of social capital to nurture guanxi (business relationships) creating loyal and new customer base. The practice of senior employees to attend and resolve customers' problems in all situations of service failure may not always be possible or practical. Nevertheless, it is still important for employees of seniority to personally attend to more critical incidents of service failure. Special designated staff members with authority to resolve service problems are more likely to be perceived by customers to confer them with mianzi. A simple acknowledgement of customers’ valued patronage by senior personnel at all times, rather than only in situations of service failure, may also serve to elevate customers’ mianzi face.

The Status or Reputation of the Establishment and Mianzi Expectation

In Study 1, participants expected to be conferred mianzi when patronising an establishment of status or reputation. Thus, they reported dissatisfaction after receiving unprofessional service resolution in up-market establishments. For example, one participant was insulted when being “treated like a second-class customer in an expensive place”, while another expecting “better treatment in a five star hotel restaurant” was denied such mianzi-giving treatment. A third customer was embarrassed when the establishment he chose to show-case to international guests had offered poor service. These findings suggest that participants expected the service received at reputable venue to confer mianzi. Thus, a reputable venue is expected to live up to reputation and deliver high standard service to satisfy customers’ mianzi needs. The service implication of this finding will be considered later.
Service providers’ Sensitivity to Customers’ Need for Face Protection

Customers’ mianzi may sometimes need protection. In Study 1, several customers had expressed a face concern as to how their guests might judge them as host or organizer, when critical services broke down. As Goffman (1967) notes, face is a form of impression management, so people are keen to present their best front-foot to others to gain social approval (also Yang, 1981). Furthermore, Chinese’ public face (da wo or large self) is shared with in-group members. Thus, a loss of ‘da wo’ can impact unfavourably on the face not just on the individual concerned, but also the face of his/her in-group members and and vice versa (Hwang, 1998). If a dinner host is well-looked after his ‘da wo’ is elevated, but this ‘da wo’ also bring face or respectability to his dinner guests. Conversely, when a dinner host is not being looked after, his ‘da wo’ is diminished, but also his/her guests.

Service providers should also be aware some Chinese dinner hosts’ fear that their failure to present a good image as host to their guests because of their own oversights, such as forgetting to confirm a table. Such oversight may risk being evaluated pejoratively by others and suffer a lost of face. However, such fear can be averted if the service personnel instigate prompt actions to resolve the problems. This will help to protect the customers’ mianzi. This is evident in Study 1, where one participant claimed that the manager’s prompt action in getting him a private room which he was responsible, to host his GM, had “saved me [him] from embarrassment under a delicate situation,”, while another reported that the manager’s effort in quickly getting a table for the graduation celebratory dinner had “made me [him] look better...” among his classmates. A third customer informed that the proprietor’s prompt action to improve the service had restored her mianzi among her guests.

The findings also suggest that participants had performed face-work to preserve or protect their mianzi in delicate situations relating to disputes over financial matters. As noted, this is particularly important when Chinese are hosting guests. Any haggling or negotiation over the food-bills or disputing claims may cause guests to speculate on a host’s financial status in terms of their affordability or generosity. This was evident when one participant requested to discuss the food-bill in private with the manager, as doing this in front of guests was: ‘buhao kanxiang’ (not good impression) or mianzi-threatening. Another, reported that it was embarrassing to query the food-bill in front of guests as this may be perceived as ‘mei quan’ or ‘bu dafang’ (can’t afford or tight-fisted). What are management strategies for these?
Implications for Service Management

The implication for the first finding suggests that it is vital for up-market establishments to deliver a service standard that commensurate with the status or reputation of the establishment. Such benchmarking is likely to meet the need of status or face-conscious customers. In a high-powered distance society, such as China, customers are likely to be status-conscious. Whilst it is important to deliver a standard of service that commensurate with the business’ status, it is also argued that every business irrespective of its status rating can find opportunities to meet customers’ mianzi needs. Thus, businesses that offer less sophisticated services can gain a competitive edge if an acknowledgement or a simple verbal expression of gratitude by the manager or proprietor to customers for their patronage, or a sincere apology for the mistake and inconvenience caused, can convey to the customer, status or mianzi - a feeling that they are important. This need was clearly evident in the participants’ responses in Study 1.

Service providers’ must also be cognizant that their customers’ mianzi can be ‘threatened’ or ‘lost’ under the different conditions discussed. Therefore, they should seek to deal with them sensitively to protect their mianzi need. Service providers may need to have procedures and provisions (e.g., a special room) in place to manage conditions where mianzi-threat can occur, such as critical service failure in an important dinner with guests’ presence.

Renqing-mianzi for Loyal Customers – Loyal or regular customers expected service providers to extend renqing (favour) to them. The Chinese concept of renqing is perceived as a gift employed to lubricate social relationships and strengthen ‘guanxi’ (interconnectedness) (Chen, 2002; Hwang, 1998). This practice was evident in Study 1, where a regular client was denied a request to occupy a table longer when farewelling a friend. This treatment was perceived as not being given ‘renqing-mianzi’ to a loyal customer. Another participant informed that although this venue was specifically chosen for a birthday celebration, his loyalty was not reciprocated with renqing-mianzi, as he was pressured subtly to vacate his table sooner than he expected due to heavy demand for table. A third participant complained that as a regular customer, he was not well-looked after, lamenting that if he were a businessperson, he would have more renqing toward regular clients. It was evident that a lack of reciprocity in these cases caused customers to lose mianzi (e.g., Le Claire, 1993). Earley
(1997) advises, *renqing-mianzi* only works if both parties are willing to participate to nurture the relationships, suggesting that *renqing* requires reciprocation (*bao*) (also Chen, 2002). 'Bao' is an important principle practised widely in Chinese culture where a favour given to one party is reciprocated (Chen, 2002). Thus, if *renqing-mianzi* given is not reciprocated, 'guanxi' will be broken resulting in the snubbed party switching loyalty. There is evidence in Study 1 to suggest that regular Chinese customers are likely to switch allegiance if their *renqing-mianzi* was not accorded.

**The Lian Concept**

In the Confucian Chinese culture, great emphasis is placed on people's striving to observe a set of moral standards set by society, thus, those who adhere to these standards gain respect and thus, have *liian* face (Chen, 2002; Cheng, 1986; Cheng, 2001; Ho, 1994; Hu, 1944; Hwang, 1998; Jia, 1997-8, 2001; Leys, 1997). *Lian* is 'the confidence of society in the integrity of the ego's moral character of people, the loss of which makes it difficult for them to function in society' (Hu, 1944, p. 45). According to Ho (1976), *liian* (moral face) can be lost through people's misdemeanours such as cheating, fighting; or a lack of moral fortitude such as self-control and propriety. Ho (1994, p. 277) explains that when Chinese lose *liian* face, it is more than just feeling embarrassed or humiliated, rather they are in fact losing moral integrity, which is "*an inalienable right to human dignity.*" Thus, it was not surprising to find that Chinese participants in Study 1 guarded their moral integrity and reputation zealously.

**Face-work Protecting Moral Reputation** — People's proclivity to protect *liian* (moral face) was considered a form of internalized sanction on their demeanour (Hu, 1944). The finding on moral *face concern* in Study 1 was so strong that despite being treated discourteously or aggressively, participants showed self-control, patience, and avoided retaliation or confrontation. They even claimed that a contrary behaviour would diminish their moral reputation. For example, one participant persuaded a parent to avoid an angry confrontation with staff for the slow service, fearing that it might damage the family's reputation. Another had avoided an outburst at a rude staff in *public* to avoid a loss of *liian*. The third had shown *restraint* from an aggressive response when given contaminated food. 'Self-control' was also exercised by another participant who avoided a serious confrontation with a belligerent staff.
Self-control is a highly admired behavioural trait in Chinese culture. The same behavioural trait was displayed by a participant when she refrained from complaining in front of her senior colleagues about service neglect. Jia (1997-8) notes that face-work (action to preserve face) was a major conflict-preventive and harmony-building mechanism in Chinese daily life, noting that "a competent member of Chinese culture (might) prevent, avoid, tolerate, and ignore conflicts and cultivate harmony through the application of face-work everyday."

Implications for Service Management

The restraint that the Chinese participants in Study 1 showed when responding to the pejorative manners were attempts to avoid conflicts to protect their lian rather than manifestation of meekness and timidity. However, it does not mean that customers who show self-control when faced with belligerent staff are happy. They may in fact exit quietly and engage in negative word-of-mouth, destroying future guanxi. Clearly then, service providers must at all time and in all circumstances deal with customers in a manner that avoids conflicts so that lian is not threatened and harmony and renqing-guanxi upheld.

Protecting Customers' Moral Integrity – Participants were also found in Study 1 to resent being suspected of questionable moral integrity, which threatened their lian. For example, one participant felt it was degrading for being quizzed repeatedly in a dispute over cancelled food items. He complained being treated like a "cheat in front of his guests." Another who was accused of disrespecting the seniors, felt being insinuated for an uncultured upbringing. A third was insulted of being accused of insobriety, implying a lack of self-control.

Implications for Service Management - These cases suggest that service providers must be cautious when resolving disputes to refrain from questioning customers’ moral integrity, but, instead, be circumspective, dealing with them in trust and good faith to avoid threatening their lian.

7.2.2 Equity Value Theme

The term ‘equity’, referred to as fairness or social justice, was mentioned by the Chinese participants in twenty-one percent of the negative service incidents recounted in Study 1. The importance of this value to the Chinese customers was further confirmed in Study 2, in a
survey of their service views where ‘fairness’ was one of the three components extracted through factor analysis.

The notion of fairness has long existed in the Chinese value system, as evident in the Analects (Confucian thoughts). One statement declares that a person who does not act ‘when justice commands, is cowardice’ (cited in Leys, 1997, p. 9), while another stresses that a junzi (ideal personhood) considers what is just, while a xiaoren (inept person) considers what is expedient (cited in Leys, 1997, pp. 16-17). A third declares ‘Riches and honors without justice are to me fleeting clouds’ (cited in Leys, 1997, p. 31). One of Confucian’s three core principles used to regulate interaction in society is ‘yi’ (justice or righteousness).

The issues of fairness arise in human activities when decisions to allocate resources in terms of outcome and context are made (e.g., Adams, 1965; Thibaut & Walker, 1975). Outcome-related decisions of allocating are linked to the distributive form of fairness, while context-related decisions are linked to the procedural and interactional forms of justice (Bies & Moag, 1986; Deutsch, 1975; Greensberg & Folger, 1983; Leventhal, 1980; Lind & Tyler, 1988; Thibaut & Walker, 1975). These three forms of justice, which are commonly examined in Western societies, were mentioned by the Chinese participants in Study 1. Literature which enlightens on how Chinese perceive fairness in the allocation of compensation in service failure situations is limited, with a few exceptions, such as Hui & Au (2001) or Mattila & Patterson (2004b) or Zhang (2006). Some insights into how Chinese may perceive justice or fairness in resource allocation are gained in the field of organizational behaviour, where allocations were based on the concept of how close the ties or relationships are between the allocators and recipients (Bond & Hwang, 1987; Hui, Triandis, & Yee, 1991; Hwang, 1987; Zhang, 2006; Zhang & Yang, 1998). Discussions below will focus on how Chinese perceive the three forms of justice.

**Distributive (Outcome) Fairness**

Distributive fairness is concerned with the fair outcome in resource allocation (Blau, 1964). It was found that people based their judgment of fairness in outcome on the principles of ‘equity’, ‘equality’ or ‘need’ (Adams, 1965; Deutsch, 1975; Lerner, 1975; Leventhal, 1980). ‘Equity’ states that a fair allocation is achieved when people’s compensation is proportional to what they pay (contributions) (Adams, 1965; Walster, Berscheld, & Walster, 1973). ‘Equality’ relates to resources being equally distributed to the parties irrespective of their
contributions, while ‘need’ is based on resources allocated according to their needs (Deutsch, 1975; Lerner, 1975; Leventhal, 1980).

In Study 1, the management of outcome-related compensations by service providers in service resolution was reported to have negatively affected the Chinese customers’ sense of distributive fairness. They claimed that the compensations received were ‘inadequate’ or ‘not forthcoming’. This seems to suggest that a fair compensation should be based on what they had contributed, suggesting the ‘equity’ principle.

The use of the ‘equity’ principle by the Chinese on face value seems to resemble that of the Western consumers. To confirm this finding, cross-cultural studies were reviewed to ascertain if and to what extent cultures play in determining the use of this allocation principle. These studies reveal that people’s choice of the allocation principles is indeed dependent on their cultures which can be explained by certain behavioural and relationship patterns (Bond & Hwang, 1987; Hui et al., 1991; Hwang, 1987; Leung & Bond, 1984; Zhang & Yang, 1998). For example, people from individualistic cultures (e.g. Westerners) tend to emphasize on the rational, self-oriented and short-term perspectives, while those from the collectivistic cultures (Chinese, Korean, Japanese) tend to hold the other-oriented and long-term perspectives (Gudykunst & Ting-Toomey, 1988). The Chinese, which hold the other-oriented perspective, are more inclined to maintain social obligations, interpersonal responsiveness and interpersonal harmony (Gudykunst & Ting-Toomey, 1988; Hwang, 1987; Zhang & Yang, 1998). This suggests that Chinese allocation decision is likely to be determined by the ties (relationships) they have with the other parties (Bond & Hwang, 1987; Hwang, 1987; Leung & Bond, 1984; Yang & Hui, 1986; Yang, 1995). For example, Leung and Bond (1984) found that Chinese tend to employ the equity principle more closely than Americans with strangers, while equality principle is used with families and friends. Thus, resource allocation for Chinese in a buyer-seller’s relationship (e.g., compensation for service failure) is based on the principle of equity.

To further understand how ties (relationships) determine resource allocation, two Chinese concepts – ‘guanxi’ (interconnectedness) and ‘renging’ (love/feeling/favour) are examined. Hwang (1987) develops a model to explain Chinese ‘notion of fairness in resource allocation/distribution’. ‘Guanxi’ defines the types of relationships or ties which Chinese have with others. These relationships are expressive, mixed and instrumental (Hwang, 1987).
Expressive ties consist of relationships of in-group members (‘zifilaren’) such as family, relative, friends and close associates; while mixed ties are relationships with others who share some common characteristics - lineage, surname or school. Instrumental ties are relationships with out-group members (‘waioren’), such as service providers and customers.

Another Chinese concept in Hwang’s (1987) model consists of two characters: ‘ren’ and ‘qing’, written as ‘renqing’ (human love, feeling, favour), which Bond & Hwang (1987) and fellow researchers (Chiu, 1991; Hwang, 1987; Zhang, 2006) suggest would contribute to the understanding of Chinese’ notion of fairness in resource distribution. Hwang (1987) explains that Chinese conception of fairness is based on ‘ren’ (benevolence), which motivates them to offer ‘qing’ (love, feelings, favour). As people have limited resources, choices are made on the level of resources offered. The choices are based on how strong their ‘guanxi’ (interconnectedness) is. The stronger the ‘guanxi’, the more ‘renqing’ (human feeling/favour) will be given, which means, more resources will be allocated. Thus, a customer in Study 1 complained of not being given renqing-mianzi (favour) when as regular guests, she and her party were denied being accommodated at the restaurant for a longer period.

Hwang’s (1987) model further states that Chinese ‘guanxi’ with out-groups (‘waioren’) is instrumental therefore, the relationship is limited. Thus, ‘renqing’ (favour, feeling) will be limited, and therefore, ‘equity’ principle based on ‘contribution’ will likely be used (Leung & Bond, 1984; Leung & Iwawaki, 1988). From these explanations, it can be concluded that for Chinese customers in an instrumental tie (strangers), ‘equity’ principle may generally be used in deciding on the fair amount of compensation in service recovery. However, for regular customers where ‘guanxi’ is stronger, greater ‘renqing’ (more generous compensation) will be expected. This practice was confirmed in Zhang & Yang’s (1998) study of ‘guanxi’ as a determinant of resource distribution. They found that subjects who had stronger ‘guanxi’ with family members or close friends, were offered more resources irrespective of contributions (outlay), implying ‘equality’ or ‘need’ principles were used. For strangers (waioren) where the ‘guanxi’ was weak, ‘equity’ principle was used.

Implications for Service Management
The findings in Study 1 seem to suggest that the Chinese participants reported as fair compensation when it commensurates with their contribution suggesting they had the ‘equity’
principle in mind. Mismanagement in the amount of compensation for instance, in service recovery, may negatively affect customers’ sense of distributive fairness and thus, may have post-purchase ramifications. A broad recommendation for compensation for service failure can be outlined. For first-time or anonymous Chinese customers, management may offer compensations for service failure based on the ‘equity’ principle. However, it offers opportunities for management to ‘wow’ these customers by offering greater compensations to convey greater ‘renqing’ (favour), with the aim of gaining future ‘guanxi’.

Regular customers who have stronger ‘guanxi’ with a business may expect greater ‘renqing’ in compensation or better service or being more accommodating to their service needs. Greater ‘renqing’ also helps to lubricate and strengthen future ‘guanxi’, particularly when their confidence in the business is damaged in some what by the service failure. In Study 1, a regular customer reported for not being given ‘renqing-mianzi’ (face-favour) and claimed unfair treatment, when her request to be accommodated was denied. This had impacted negatively on the ‘guanxi’, as she exited from the business. This is supported in other research, which found that sellers using ‘equity’ principle strictly in dealing with close members (expressive tie) were perceived as “cold-blooded”, in other words, without ‘renqing’ (Zhang, 2006, p. 405). Thus, an understanding of how Chinese consumers determine fairness in allocating compensation to recover from service failure is imperative as service managers can leverage on these cultural principles more efficaciously when designing service recovery strategy.

Procedural and Interactional Fairness

Two other forms of Fairness concepts relate to the context in which resources are allocated. The first is procedural fairness. This is concerned with whether the process or procedure used in obtaining the outcome is fair (e.g., Leventhal, 1980; Lind & Tyler, 1988; McColl-Kennedy, 2003). Customers’ satisfaction may be influenced by how fair the ‘process’ used in addressing service failure is, irrespective of the outcome (distributive) fairness (Leventhal, 1980; Lind & Tyler, 1988; McColl-Kennedy, 2003; Sparks, 2001). Unfairness may be perceived if the favourable outcome in service recovery is not backed-up by the process used in addressing the service failure. Thus, in Study 1, Chinese customers perceived procedural unfairness when the policy or procedure to claim compensation was slow, inflexible or inconvenient to customers or when staff used excuses to deflect blame. These perceptions of
procedural unfairness seem to resemble those of the Western consumers identified in Western studies (Leventhal, 1980; Lind & Tyler, 1988; McColl-Kennedy & Sparks, 2003; Sparks, 2001, 2003; Sparks & McColl-Kennedy, 2001). It was not possible in Study 1 to detect aspects of the procedural justice that were distinctively Chinese.

The second context-related form of fairness in resource allocation is interactional in character, relating to how a service provider treats a customer during the service resolution process (Bies & Moag, 1986; Lind & Tyler, 1988). Interactional fairness is perceived if a service provider treats customers with propriety, care, empathy, concern, or sensitivity (Bies & Moag, 1986; Bitner et al., 1990; Gronroos, 2000; Hocutt et al., 1997; Johnston, 1995; McColl-Kennedy, 2003; Sparks, 1998, 2001; Zeithaml & Bitner, 1996). In Study 1, interactional unfairness was perceived when Chinese participants complained of being treated discourteously by the service providers or discriminated against or even threatened in dispute situations. These treatments judged as unfair bear the hallmark of improper delivery of ‘li’ (propriety), as being extended appropriate ‘li’ (propriety) by others is salient to Chinese. Thus, being treated fairly, to Chinese may mean being treated with ‘li’, as such decorum, good manner, politeness or respectfulness. Thus, it can be concluded from these findings that service personnel’s ability to relate to customers with proper ‘li’ is likely to be perceived as being interactionally fair to them in situations of service breakdowns and service failure resolution and how this is managed therefore becomes an important justice issue.

**Implications for Service Management**

In terms of procedural fairness, the findings in Study 1 suggest that when service fails, Chinese customers firstly, expect a service provider to have a convenient procedure to claim compensation. Such expectation of a convenient procedural claim is not exclusive to Chinese, as customers in Western societies are also found to have this expectation (Bitner et al., 1990; Chung & Hoffman, 1998; Johnston, 1995; Zemke & Bell, 1990). It is suggested that customers who are already disadvantaged when the service failed, is further disadvantaged with a difficult claim procedures, which is a form of double devation in service failure (Bitner et al., 1990). By ensuring that the procedure to claim compensation is easy and convenient, a service provider has gone in some ways to regain customers’ confidence.

Customers expect management to offer them a flexible and generous compensation policy which has been noted to influence customers’ perception of procedural fairness (e.g.,
Gronroos, 2000; Johnston, 1995). Chinese place high premium on reqing when cultivating guanxi (Hwang, 1987). It would be considered by Chinese customers to be unfair and a loss of face to have to haggle with management. As such, service providers should avoid haggling with customers to gain a better deal. A refrain from haggling on the customers’ part does not imply that they are satisfied with what they received. It only means that they are trying to avoid haggling and possible conflict. Thus, service providers should use these opportunities to provide a flexible and generous compensation policy to secure ‘reqing’ (favour) and build guanxi.

Customers also expect service providers to claim ownership of service failure, rather than offering lame excuses to deflect blame, as this has a mark of dishonesty. Thus, by claiming ownership of the failure and providing an honest explanation, together with an apology and compensation, a service provider may regained the customers’ trust, although more studies are needed to be done in future to confirm these strategies.

In terms of interactional justice, findings in Study 1 suggest that Chinese customers reported that they expected to be treated with high quality in process service quality. This means that it is important to them in how the service personnel relate to them – their interaction styles. As indicated, a favourable interaction style of service personnel must reflect a high level of propriety (‘li’). When this is extended to them in service interactions they will perceive the service to have interactional fairness.

In literature, Chinese customers are found to attach a high premium to the process quality of service (Chan & Wan, 2008). The importance of courteous treatment by service staff is also supported by findings in Study 2. First, in the primary study using parametric statistics, significant main and interaction effects on staff’s interaction styles and outcome were found for customers’ satisfaction and negative word-of-mouth. Simple effect test suggests that when respondents significantly perceived that the outcome received from service resolution to be even better, when the interaction styles of service personnel were favourable. This will be further discussed. In the secondary study, respondents were asked which of the restaurant’s service failures offended them most. A high, thirty-one (31) percent of respondents nominated ‘discourteous staff’, compared to 21.4 percent who nominated the ‘slow service’ (technical service quality).
All this implies that service providers may need to ensure that service personnel are trained to treat their customers with high interactional fairness. This effectively means extending appropriate ‘li’ (propriety) when interacting with customers. In practical terms, Chinese customers expect service providers to interact with them in a manner that show respect for seniority, deference, courtesy, politeness (Chen, 2002; Gabrenya & Hwang, 1996a; Gao et al., 1996; Jia, 1997-8; Pan, 2000).

Evidence from studies on Western customers reveals that perceptions of interactional justice have salient influence on their satisfaction level in service recovery (e.g., Sparks, 1998; Sparks & McColl-Kennedy, 2001). Tax, et al., (1998) find that interactional justice has been the strongest predictor of customers’ trust in service and the strongest predictor of customer’s overall satisfaction. However, empirical evidence from Chinese customers’ perception on this form of injustice in the service context is still limited, and further studies in this area would be recommended.

7.2.3 Valued Patron Value Theme

Customers’ satisfaction is largely the results of their evaluation of the service providers’ various efforts in service delivery which offer them evidence with regards to how much they are being valued (Sparks, 2003, p. 15).

In Study 1, Chinese participants reported that being treated as ‘valued patrons’ meant being delivered with services that satisfied their technical or procedural service needs (Martin, 1986) and emotional needs (Schneider & Bowen, 1995). Thus, a participant reported that his technical need was satisfied when management was prepared to accommodate him for an important dining occasion despite a full-house. Others technical needs were satisfied when customers were given prompt and diligent help when services failed. Customers also reported that being treated as ‘valued patron’ meant that their emotional needs were satisfactorily met too. These include, being offered a sincere apology by the service providers when service failed, or being treated with dignity and shown respect. Conversely, being discriminated or considered untrustworthy or being blamed for the problem were reported by the participants as unaccepted treatments, These suggest that only those service providers who did not value their customers would treat them in such manners. In service transactions,
customers enter into emotional contracts with their service providers so that their intrinsic needs can be met (Schneider & Bowen, 1995). One of the needs relates to them being treated as a ‘valued patron’ while another relates to being ‘shown respect’ or ‘accorded with esteem’ or ‘given face’ (Lovelock et al., 2007). Thus, when these needs are unmet, customers’ emotional contract is broken, resulting in them feeling dissatisfied (Schneider & Bowen, 1995).

The reported pejorative interpersonal treatments in Study 1, which signalled to customers that they were not considered as ‘valued patrons’ can also be explained with the Chinese concepts of ‘ren’ (benevolence) and li (propriety). ‘Ren’, is an important Confucian concept of man which is later adopted by Hsu (1971) to explain the behaviour of Chinese. ‘Ren’ is an inner force that motivates people to treat their fellow human beings with benevolence or humanity - kindness, compassion, sympathy, goodwill and sympathy. ‘Li’ (propriety) is a set of social principles guiding Chinese in their social interactions (Bond & Hwang, 1987; Chen, 2002; Cheng, 1986; Cheng, 2001; Hsu, 1971; Huang, 2001; Hwang, 1998; Leys, 1997; Yang et al., 1989; Zhang, 2004). Ideally, people imbied with ‘ren’ will value others and treat them with humanity. Thus, people who are motivated by ‘ren’ and guided by ‘li’, interact with their fellow human beings in propriety (politeness, respect, deference, humility and modesty) even in conflict situations (Chen, 2002). Inculcated through familial and formal education, Chinese are acutely aware of the need to practice ‘li’ in their daily social and business interactions (e.g., Chen, 2002; Schutte & Ciarante, 1998; Yang et al., 1989). Thus, when ‘li’ is not practised, people felt unvalued, as exemplified in Study 1 when customers were discriminated against, treated impolitely or disrespectfully or perceived as untrustworthy. On the other hand, they reported being ‘valued’ when they were offered sincere apology or treated with dignity in service failure situations.

The findings reported by Chinese customers in Study 1 can be seen in the light of interactional justice or face as discussed earlier. As Bies (2001) notes, a sense of injustice may arise because some forms of behaviour violate a sense of self. Thus, a lack of effort to recover a service failure or discourteous treatment caused the aggrieved customers to feel unfairly treated or not being extended with mianzi (face). Similarly, when customers were treated in a disrespectful or undignified manner, they felt not being treated as a valued patron’
**Implications for Service Management**

When extra effort is being extended to help customers in the service failure resolution, the message that they are ‘valued’ appears to be conveyed. Effort extended to help others is highly valued in Chinese society as reflected in this common Chinese saying which declares that ‘a generous effort attracts adoration, while a mischievous mouth attracts derision’ (Leys, 1997; Times, 1980). The use of appropriate ‘li’ to interact with Chinese customers is also highly important and expected. Clearly, service personnel must be equipped with ‘li’.

**7.2.4 Junzi Aspiration Value Theme**

Another traditional value theme to emerge in Study 1 relates to ‘junzi aspiration’. The aspiration to be junzi-like in behaviour had been mentioned by customers in more than ten (10.4) percent of the negative service incidents recounted. In their interactions with the service personnel, they claimed to have behaved in manners that were ‘keqi zhongyong’ (polite, restrain and reasonable), amicable, non-confronting, non-retaliatory and non belligerent, adding that these should be the behaviour of a refined, cultured, civilised and educated person. A review of literature suggests that these were attributes and names commonly referred to court officials in Confucius time, who because of their high moral values, had been chosen to manage the affairs of the States (Cheng, 1986; Cheu, 2000; Huang, 2000; Hwang, 1998). The concept of junzi came from an era where social and political upheavals abound, and society was highly corrupt. Thus, to resolve these social and moral problems, Confucius taught people to live like a junzi, so that corruption could be eliminated and social harmony prevailed. His core belief is that people who aspire to be a junzi, will strive to be clothed with ‘ren’ (benevolence/humanity), thus motivating them to live an ethical life, exercising kindness, sympathy, tolerance, goodwill and other forms of humanity. They will act with ‘ren’, ‘yi’ (justice) and ‘li’ (propriety) towards their fellowmen. In so doing a harmonious society can be created (Cheu, 2000; Huang, 2000; Leys, 1997). It is clearly a high calling, where few people can ever attain. The junzi concept has evolved over the ages to now refer to any person who shows and practises some degree of humanity towards others, with the aim of creating social harmony. It is apparent that this value theme is closely intertwined with the theme of social harmony.
The junzi value concept is not talked about much in conversation today perhaps because it is assumed by society to be one of the essential values of the Chinese culture whereby everyone is expected to adhere to. Nevertheless, it is still taught to children through formal education and nurtured through familial socialization (e.g., Chan, Choy & Lee, 2009; Guo & Song, 2004; Little, 1995).

In situations of hospitality service failures, customers' technical and emotional interests are often affected negatively, and thus, these are grounds for strained emotions and even hostile confrontations, particularly in critical service failure situations. However, given the insights into how junzi are likely to behave, customer aspiring to be a junzi may not adopt 'an eye for an eye' response. Rather, they may remain in a 'meek and mild' or 'passive' manner, because any hostile response will pose a threat to their 'junzi' image and disrupt a harmonious relationship. Thus, from these insights, it can be concluded that customers who aspire to be junzi-like are likely to modify their behaviours to avoid unpleasant confrontations in public when service breaks down. Although displeased, they may attempt to avoid being too direct or refrain from expressing their aggression in their quest for resolutions (Chen, 2002). A junzi-like person is also more likely to 'give others face' in dispute situations, and as such will be less likely to openly and strongly challenge the service provider where such action may pose a threat to their reputation or face.

Implications for Service Management

Customers' non-aggressive response to service problem or their mild demand for service resolutions, however, should not be taken to mean that they are satisfied with the service, nor should the response be interpreted as lacking the temerity to right a wrong. This is exemplified in Study 1, when a customer claimed to dislike confrontation in dispute situation, but, nevertheless, reported that her future patronage was dependent on how she was treated in the service process. This means that a service provider must reciprocate (bao) to a customer in a non-agitating manner when resolving service failure. It is customary in Chinese culture for a party who extended renqing (e.g., non-agitating), to be reciprocated (bao) with renqing to ensure 'guanxi' (Chen, 2002). The significance of this practice is exemplified in a Chinese idiom of 'li shang wang lai', which states that 'courtesy demand reciprocity' or 'pay a man back in his own coin' (Chen, 2002, p. 11). A party failing to reciprocate is perceived as
impolite (an infringement of ‘li’), and is put in a position of indebtedness, damaging ‘guanxi’ (Chen, 2002; Jin, 1988). Reciprocal action may mean a need for management to expend effort to promptly and adequately resolve the service problems to repay ‘renqing’.

In some situations, it may be difficult for service providers to know every service error that has occurred and the exact service areas that caused the customers dissatisfaction, unless, they complain. Chinese customers may often not complain due to their cultural orientations (Cheng & Yau, 2007; Yau, 1994), but will exit a business without giving the business an opportunity to redress the error. This suggests that a business must always be proactive by encouraging customers to complain and for the service provider to implement recovery measures to regain customers’ future ‘guanxi’.

Chinese are noted to seek external approval for their behaviour (Yang, 1981). They like being perceived as kind, humble, moderate, and importantly, possessing self-control (e.g., not prone to anger easily). The quest for external social approval was evident in Study 1, where the customers wanted to be seen as cultured, refined, genteel and civilized, and educated. Circumspective service providers can ensure that customers’ desire for a positive public image can be met through having the service problem resolved cordially and with a minimum of fuss to avoid any dispute which threaten customers’ junzi image.

A junzi practises ‘li’ (propriety), which is highly significant in social interactions (Cheng, 2001; Yang et al., 1989; Yum, 1988). Thus, management may need to be vigilant in ensuring that staff members know and practise appropriate ‘li’ when dealing with Chinese patrons, such as treating them with courtesy, respect and avoiding confrontation. The use of ‘li’ is argued as complementing the core service, which can “enhance or detract from the effectiveness of the service delivery”. Thus, when ‘li’ is poorly delivered, Chinese customers are likely to be dissatisfied, and vice versa, given the significance of ‘li’ to them.

7.2.5 Social Harmony Value Theme

Another value theme from Study 1 that closely intertwined with the junzi theme is social harmony. The essence of traditional Chinese culture is Confucianism and an important core element of Confucianism is that people must learn to live in harmony with one another both within the family and in society (Chen, 2002; Cheng, 2001; Cheu, 2000; Gabrenya & Hwang,
Those who are able to live harmoniously with others are said to have the "greatest spiritual accomplishment" in life (Chang & Holt, 1994; Tu, 1976).

A traditional Confucian ethical and value system has existed for thousands of years to form an integral part of Chinese culture to regulate people's social behaviour, in order to create social harmony. Suffice here to briefly note that some of the key elements of this ethical system are still identifiable in modern Chinese societies. For example, 'wu lun', which consists of five key principles used to regulate relationships to ensure harmony within a family, is still observed in many Chinese families (Bond & Hwang, 1987; Huang, 2000; Hwang, 1998). 'Wu lun' is also modelled by society at large (Huang, 2000; Hwang, 1998).

Another key element of the Confucian ethical and value system relates to the exhortation of people to be junzi-like. Thus, people are taught to behave like a junzi (Chan, Choy, & Lee, 2009; Huang, 2000; Leys, 1997). As also noted, a junzi is one who constantly learns to be imbued with 'ren' (benevolence), be motivated by 'ren' to practise 'yi' (righteous or justice acts), and 'li' (propriety or courtesy).

Depending on people's cultural orientations, when their interests in social or business settings are jeopardized, they may be motivated to act in different ways to protect their interests and restore their dignities, particularly when being belligerently or disrespectfully confronted (Chen, 2002; Singh, 1990b; Yang, 1986). In conflict situations, Chinese are likely to seek a harmonious solution because they are known to avoid conflict at all cost, particularly if it is a direct one, as it can create 'luan' (chaos), which harms relationships and harmony (Bond, 1991; Chen, 2002; Gao et al., 1996; Yang, 2006).

In conflict situations, Chinese often conceal their emotions (Chen, 2002). It is because people who desire to promote harmony tend to subdue their emotions in public as a symbolic gesture of promoting group welfare. Showing aggression, on the other hand, threatens the principle of 'li' (propriety) and damage harmony in relationships (Eberhard, 1971 cited in Chen, 2002, p. 8).

The findings in Study 1 suggest that in several unpleasant encounters, Chinese customers reported responding in manners not unlike those reported by customers aspiring to be junzi-like, describing their responses as 'restrained', 'self-controlled', 'tolerant', 'moderate' and 'offering goodwill'. There was no evidence to suggest that these customers were timid. On the contrary, some reported of not averse to react more strongly towards aggressive service providers, but, had nevertheless, preferred to adopt a more assuaging
response to ensure that harmony and peace prevail. Thus, one customer reported being conciliatory for wanting: “get on better with others”, while another noted that ‘it was better to have a thousand friends than a foe’ (Qian ren hao, bu yi ren Chou). A third avoided a confrontation for peace and harmony sake, reasoning that if one party ‘retreats, the wind will subside and wave will quell’ (tui yibu fengping langqing). Thus, a looming conflict is averted if one party walks away from a conflict. These cases showed that customers displayed a degree of moral fortitude, which appeared to be attributable to their cultural orientations. Given that Chinese customers have the proclivity to seek social harmony, the actions to be taken by service providers in conflict situations are discussed.

**Implications for Service Management**

From these insights, management may be advised to train their service personnel to understand the cultural orientation of Chinese customers, and that is, they are likely to seek social harmony although circumstances are not conducive to them. Thus, although disadvantaged and dissatisfied, customers may not always voice their discontentment. However, as highlighted before, customers’ proclivity to remain passive may mean quietly exiting the business (Cheng & Yau, 2007; Yau, 1994); without an opportunity for the business to regain their loyalty. Thus, management must train staff to be proactive in identifying customers’ concerns and resolve them before they depart (Bitner et al., 1990).

Chinese strongly subscribe to the principle of *reciprocity* (*bao*), which means that they desire to be reciprocated for fairness and goodwill gesture when failure occurs. Thus, in challenging service situations, where staff’s emotional labour is severely taxed, they may still be expected to remain in a congenial and amicable manner and to reciprocate the goodwill extended by the customers, to create harmony. Harmony is only possible when parties act in mutual dependency and responsibility to fulfil each other’s needs (Chen, 2002). Put simply, harmony only exists when all parties practised reciprocity.

**7.3 Discussions of Findings for Study 2**

The findings in Study 2 were derived from a random sample of 576 contemporary Chinese respondents in China’s largest cities - Beijing and Shanghai. Salient points with conceptual merits and implications for managing service failure are identified and discussed in this
section. The findings of the primary study pertaining to the testing of hypotheses are first discussed. This is followed by the discussion of the findings from the secondary study, which was conducted as a preliminary scale development to gain further insights into the respondents' views on service failures and resolutions. The data were factor-analysed to reveal three components: fairness, face and valued customers. These three components were further tested using non-parametric and parametric statistics against the data of the respondents' demographics and personal information. The results of these testings further enhance the understanding of mainland Chinese consumers and their service needs thus proffering help in developing more efficacious strategies in managing service failure.

7.3.1 Discussion of the Results in the Primary Study

The results of the primary study proffer further evidence to suggest that the consumers' culturally-determined, core service values, do influence their post-purchase behaviours. The findings of significant main, interaction and simple effects of the independent variables for dependent variables are discussed, with implications for service management identified. Recommendations were made for service providers. Findings of a conceptual nature from Study 1 and Study 2 are also highlighted.

Significant Main Effects of Interaction Styles - The significant main effect size of service providers' interaction styles found for social identity (face) was particularly large ($r = 0.469$) based on Cohen's (1988) benchmark. The results suggest that Chinese consumers' social identity defined as mianzi face was significantly influenced by how well they were being treated interpersonally by the service personnel during the service process. The present results suggest the respondents' face was elevated (gained) because they were treated well during the service process, suggesting its delivery was high in 'process quality'. Conversely, deficient interpersonal treatments would have the opposite effects. These findings find support in early studies of Western consumers where favourable interpersonal treatments of consumers by service personnel during the service process had resulted in the perception of service quality known conceptually as process or functional quality (e.g., Gronroos, 1982; Lehtinen & Lehtinen, 1983; Normann, 1984). The finding highlights the importance of process service quality, which has a positive effect on Chinese consumers, as it has on
Western consumers. More specifically, the present finding finds support in Chan et al’s (2007) study which found that Asian respondents who had a concern for face (CFF) also rated ‘process quality’ in the service failure resolution process high.

Significant main effect findings further inform that being treated well interpersonally also caused the Chinese consumers to be more satisfied and engaged less in negative word-of-mouth, both of which showed medium main effect size. They also indicated a greater likelihood of return patronage, which registered a smaller main effect size.

The finding on the positive effect of high process service quality on Chinese consumers’ post-purchase behaviour also underscores the importance of service provider learning to interact with Chinese consumers in appropriate ‘li’ (propriety), in the context of both verbal and non-verbal communications. These are highly observed and expected in social and business interactions (e.g., Chen, 2002; Cheng, 2001; Hwang, 1998; Jia, 2001). The need to extend ‘li’ is all the more important in situations of service failure as consumers’ negative emotion is heightened when mistakes occur, particularly critical ones, since they are economically disadvantaged. Their negative emotion is further heightened if in the treatment during the process they are treated in a manner that violates ‘li’ (propriety). In a Chinese cultural context, an individual who does not observe ‘li’ is often perceived as a (ren mei li) (person with no propriety). He/she is considered un-cultured and uncultivated, one which lacks the basic ingredients of functioning as a ‘ren’ (human person in Chinese) in society (Jia, 1997-8). A person who interacts with others with no ‘li’ is often despised. Thus, in practical service terms, service personnel during the moment-of-truth encounters with customers need to ensure that their verbal and non-verbal discourses are guided by the ‘li’ principles. In essence, it means that language should reflect ‘propriety’, such as politeness, good manners, modesty, respectability and decorum. Thus, a service provider who deals either verbally or non-verbally with a customer in language that insinuate, accuse, or convey pejorative messages, such as discourtesy, cynicism, sarcasm, and condescension will be considered as not following the ‘li’ principles and are likely to offend the consumers, as exemplified in Study 1.

Living in harmony within a family or in society is highly exhorted in Chinese culture, and forms its core. For instance, the call to harmonious relationship is reflected in Chinese manner of speech and behaviour. Thus, a lack of ‘directness’ when Chinese communicate with others, particularly in situations of conflict or disagreement is an example of not wanting
to offend so that conflict and disagreement may dissipate (e.g., Gabrenya & Kwang, 1996; Ting-Toomey, 1995; 1988; Wec, 2001). However, this behaviour must not be mistakenly interpreted as Chinese not being truthful or honest in what they say or that they lack the fortitude to express their real feelings. In practical terms, verbal and non-verbal languages that convey aggression or confrontation should be avoided, as this form of discourse is likely to destroy the consumers’ sense of harmony, resulting in customers’ dissatisfaction.

Chinese has a high proclivity for face mianzi and face observation is highly practised in social and business interactions (Jia, 2001). Therefore, it is imperative that service providers’ verbal or non-verbal discourses with them must ensure mianzi is being carefully nurtured. In a high powered distance society, where social position and seniority is emphasised, it is particularly important for the customers to be paid the due deference.

How Chinese are treated in interactions is also likely to influence their repurchase intention and their negative word-of-mouth. Where the treatment resulted in a loss of social identity (face), they are unlikely to be satisfied, or will repurchase and are likely to engage in negative word-of-mouth communication.

However, it must be reported that the concept of face was tested in relation to age and gender with the Chinese respondents in Study 2. The test revealed that younger contemporary mainland Chinese respondents (20-29) and male gender are less concern about the face value, compared to the older Chinese (40 and above) and female gender. These insights appear to mean that service managers may need to be aware of the different markets for which they are catering and to manage face for these segments of the market more carefully. For example dealing with younger customers and female gender may be different from male gender and older customers.

**Significant Main Effects of Outcome**

Significant main effects of outcome were also found for all dependent variables. This means that the successful service resolution outcome would ensure that their social identity (face) was elevated (gained), that they were satisfied, would likely to repurchase and would engage less in negative word-of-mouth. This finding does indicate the importance Chinese consumers placed on service outcome. Customers are noted to judge the quality of a service product
(e.g., dinner function) from the perspective of a total quality package (e.g., Gronroos, 2000). This means that process quality will be less effective when outcome quality is sub-standard or missing. As Kandampully (2007), notes, outcome quality is necessary and a prerequisite to an overall perception of high quality service. Thus, a Chinese host will experience a loss of face and become dissatisfied, if the outcome quality of the hosted dinner is sub-standard, such as, when guests have to wait for a long time to be seated or when poor quality food or insufficient amount is delivered. Thus, under this situation, no matter how friendly or well-mannered the service personnel are, process service quality is less of an immediate concern. In other words, the focus in this situation is on outcome quality. A Chinese host's face will be 'diminished' or 'lost' if his/her guests are not well provided in service outcome (outcome), for instance, it took a long time for service personnel to correct a mistake. A customer, who experienced a loss of face due to poor outcome, is also unlikely to be satisfied, or repurchase or engage in positive word-of-mouth.

Implications for Service Management
Insights for service management gleaned from the main effects findings on interaction styles suggest that service personnel must be properly trained to deliver a high service quality in process quality, in particular, a service where Chinese 'li' (propriety) is carefully observed both verbally and non-verbally. The finding also indicates that it is important to ensure that quality outcome is also provided at the same time. Both process and outcome must be present to ensure a total quality service package is provided to fulfil consumers' need and to gain a positive post-purchase behaviour. It is suggested that if a given business's outcome quality is at par with its competitors, a relatively more favourable process service quality (interaction styles) relative to its competitors will likely to distinguish itself from others and gain a competitive edge.

The Findings of Significant Two-way Interaction Effects
First, significant two-way interaction effects of social exposure by outcome were found for social identity (face), and negative word-of-mouth. This means that Chinese respondents indicated their face was significantly impacted as a result of interaction between social exposure and outcome. Furthermore, the interaction effect of social exposure and outcome also impacted on their decision to engage in word-of-mouth communication.
Simply effect tests showed that when respondents received favourable outcome in service failure resolution under either public or private condition (social exposure), they indicated their face would be elevated. Clearly, a good service resolution outcome in a hosted dinner would result in a face-gain, reflecting their ability to be a good host, and thus, mianzi face is gained from guests.

However, the test also revealed that a smaller significant difference was detected within the public and private condition (social exposure). Here, the respondents appeared to indicate that greater face was gained in private than in public. Finding from Study 1 and literature review inform that people normally gain face in public but less likely in private, because face is claimed from and given by others, which usually happens in public. On face value the study’s finding seems to weaken the notion that face was gained under a public than a private condition. To interpret the current finding, it is suggested that in a hosted dining occasion, a host’s face is earned from his/her guests in public, that is, ‘where’ the guests can witness the host’s affordability and generosity by offering sumptuous food and high quality service to them. However, when service fails, a key concern for a host is not so much where the failure is resolved, but, that the problem is resolved successfully, that is, a favourable outcome is achieved so that face can be protected. Thus, in this study, a high level of face-gain registered under a private rather than public condition can perhaps be explained thus. Backstage discussion and negotiation (private) had taken place between the service provider and the customers to ensure the outcome was favourable. The service provider clearly understood the importance of the dining occasion for the customers (host) and the need for the occasion to run smoothly and has ‘changmian’ (good public appearance) (Chen, 1990). This had resulted in a customer-oriented service provider making a greater effort to ensure that any service failure was resolved favourably. The critical factor to note is that it was the back-stage deal (private) which ensured the host’s face was elevated, hence, a higher score under a private condition. Face is gained by the customer when extra effort is made by a progressive service provider to resolve a mistake efficaciously, whether this is done backstage (in private) or front-stage (in public).

Face is also gained from guests when the service in an auspicious goes smoothly, and the mistake that arose is resolved quietly and promptly back-stage (in private). Clearly, here a successfully service outcome is the end result, and if the end result is favourable, face is gained by the customer (host). Therefore, it matters not if the effort to redress the problem
was negotiated or conducted in *private* or *public*. In fact, it can be argued that the host’s *face* is better protected in *private*, particularly if a serious service failure has occurred and that the causal factor can be attributable partly to the host’s oversight. A host in this situation may not want his/her guests to know that discussion and negotiation that have taken place to resolve the problem (prefer to be done backstage — in *private*). Here, private effort helps protect a host’s *face*. The salient *face*-elevating issue is that a favourable *outcome* has been secured.

For the negative *word-of-mouth communication*’s finding, when an *outcome* of the service resolution was favourable, customers would obviously have less reason to engage in negative *word-of-mouth* communication in *public* because they are happy with the *outcome*.

Second, significant two-way *interaction* effect of *interaction styles* by *outcome* was also found for customers’ *satisfaction* and negative *word-of-mouth*. Chinese respondents indicated that they were highly satisfied and were less likely to engage negative *word-of-mouth* as a result of being treated well in the *process* service quality (favourable *interaction style*) and receiving a good *outcome* (favourable *outcome*) as confirmed in the *simple* effect test. The test results showed that the *interaction styles* of treatment (*process* quality) or *how* well customers were being treated interpersonally; were rated to be even more important than *what* was received in service resolution (*outcome* quality). This was evident when *outcome* was found to be enhanced when service personnel’s *interaction style* was rated more favourably than unfavourably. In their rating, the respondents must have considered the importance of the excellent interpersonal treatment (*process* quality) during the many moment-of-truth encounters with the service personnel. In a service process situation, a respondent is able to examine the quality of treatment more assiduously and objectively to evaluate the quality of the total service package (Gronroos, 2000). A true picture of quality may therefore not be gained by evaluating the quality of a service process at one point in time, such as in *outcome* evaluation (what was delivered). A quality-conscious customer will want to have a greater proof of quality in a service, and this is only gathered through experiencing the treatment by service personnel during the service process, hence the importance of *process* quality over *outcome* quality. Nevertheless, as argued previously, a successful *outcome* cannot be ignored as both *process* and *outcome* qualities are needed to ensure a perception of excellent quality in the total service package delivered.
The finding that outcome was rated even better when the quality of treatment during the service process was high rather than low, suggests that the evaluation of a higher quality outcome requires evidence that the interaction style (process quality) is also high, indicating that a concept of ‘enhancement’ exists in this finding. For example, past research suggests that customers evaluate the restaurant food to be of a higher quality when the service quality is high and vice versa (Mill, 1989).

In a Chinese cultural context, the relative importance of process service quality also highlighted the importance of a customer being treated with ‘li’ (propriety) during the service process, since Chinese consumers put a high premium on employing appropriate ‘li’ (propriety) in social interaction (Cheng, 2001; Hwang, 1998). From the present researcher’s experience, Chinese children are sometimes reprimanded by their seniors for having no propriety when interacting towards others. In a high-powered distance society, such as China, service personnel are likely to be perceived as occupying a lower social position relative to the customers, and therefore, the service personnel are expected to interact with them in a manner that is always ‘heli’ or meet the ‘li’ expectations (Henderson, 2000; Hu & Grove, 1991). Thus, no matter how good the outcome, a service lacking in ‘li’, the overall service quality may be perceived to be of a lower quality. In the context of this study, it means the service provider’s interaction styles must be ‘li-appropriate’ (propriety). Nevertheless, delivering a successful outcome is also important to satisfy Chinese customers, as they expect service failure to be resolved effectively to ‘protect’ or ‘gain’ mianzi face.

Implications for Service Management

The findings of interaction effects of interaction styles and service outcome on face, satisfaction, and post-purchase behaviours, and the results from simple effect tests, suggest that it is important for service managers to ensure that effort is always expended to resolve the service failures to secure favourable outcomes. As discussed, a favourable outcome is produced in a service process when the interpersonal service style (interaction style) of a service provider is of high quality, but delivering quality interpersonal service in a service process where many moments-of-truth encounters occur is difficult. In a situation of a critical failure in restaurant service, customers’ economic interests are disadvantaged and negative emotion may be evoked and sometimes heightened. Thus, service personnel are often required to manage these delicate human emotions of both their own and those of customers.
to resolve problems. The task to manage these emotions may be highly challenging for service personnel in the many moments-of-truth encounters in a service process in restaurants, particularly in peak periods (Ashforth & Humphrey, 1993; Bowie & Buttle, 2004; Martin, 1986). Besides having a sufficient level of technical skills to resolve service break-downs, they also need to be well-equipped with a high level of skill in process service quality (Gronroos, 2000; Martin, 1986; Normann, 1992). The challenges for service personnel are to manage any negative emotion that emerged from the service problems as well as the need for them to display a sustained level of positive ‘emotional labour’ (Horschild, 1983; Schneider & Bowen, 1995). Displaying a positive ‘emotional labour’ implies a need for service personnel to be up-beat, friendly, sensitive, convivial, and empathetic in front of customers who may sometimes be aggrieved and irate arising from failed services. In addition, from a cultural context, service personnel may also need to understand the culturally-influenced service needs of customers. Thus, in serving Chinese consumers, they will need to understand and deliver the service that conveys correct ‘li’ (propriety). For this reason, service personnel need to be carefully recruited, correctly-trained, well-managed and well-supported to deliver a service process high in quality (service process quality – interaction style).

Service firms must also ensure that the service resolution outcome satisfies consumers otherwise, the latter will feel short-changed and let-down when high service process quality is accompanied by unfavourable outcome. Clearly then, attention must be paid to train staff to also deliver high quality outcome, which is a prerequisite to high quality overall service.

Furthermore, favourable outcome and interaction style will also be less likely to attract negative word-of-mouth communication in public. This is important in the Chinese customers’ context to achieve because negative word-of-mouth communication may spread quickly through the social channels (e.g., in-groups) in a collectivistic society, such as China.

The Findings of Significant Three-way Interaction Effects
The main effects were qualified by significant three-way interaction effects of social exposure, interaction style and outcome, for the dependent variable of social identity (face). Simply effect tests on the findings suggest that the respondents’ face was elevated (gained face) when they were treated well interpersonally in the service process (favourable interaction style) and at the same time delivered good resolution (favourable outcome) under
both public and private conditions (social exposure). Clearly if customers are treated well interpersonally, such as being extended with appropriate ‘lit’ (propriety) - shown empathy, courtesy and respect, and also having the service mistakes resolved efficaciously, they are likely to experience a mianzi face elevation or restoration, regardless of whether this service resolution occurs in public or private.

However, simple effect test for the three-way interaction suggests that face elevation (gain) appeared to be greater under public rather than private condition (social exposure). The present quantitative findings supported those exploratory findings in Study 1 as well as insights from face literature, revealing that mianzi face is more often claimed from and accorded by others under a public than a private condition (e.g., Brown & Levinson, 1978; Goffman, 1955; 1967; Ho, 1994; Lim, 1994).

In a hosted dinner, as in the case with the present study, a customer first gained face from the service staff for being treated with esteem. This involved the customer being delivered a prompt service failure resolution (favourable outcome) accompanied by being treated convivially by the service personnel when resolving service failure (favourable interaction style). The service personnel were aware that face was important to the customer who was playing host, thus, the service mistakes were quickly resolved. This had the effect of protecting the customer from losing face in front of her guests (face protection) (Public). Hence, in a Chinese face-work context, a party (service provider) will behave or act in a manner to ensure that others (host/customer) ‘gains face’ or at least ‘does not lose face’ (Ho, 1976; Hu, 1944; Kipnis, 1995) in public. The host was treated with esteem by the service provider, which impressed the third party (the host’s guests). Hence, a host’s face was claimed from and accorded by the guests, as this favourable treatment by the service personnel was witnessed by the face-givers (the guests).

The host also ‘gained’ face from the guests for being a good host, by offering a perfect dinner service, which might mean any service break-down was not evident since it is promptly resolved. The guests perceive that they were being well-looked after and therefore were being extended the best hospitality service – a good changmain was provided. All these face-gaining activities occur in public, in other words, the activities were witnessed by guests. Some of the face-gained activities that contributed to the host’s face elevation could not be witnessed by guests if they happened back-stage in private. For instance, in a high power distance society, a host who can exercise his/her authority in front his guests by directing the
service provider to resolve the service problem promptly has a face-elevating effect. Here, a host is exhibiting his/her elevated social position as an important customer and needs to be looked after because he/she is feting honoured guests is a face-elevating exercise (e.g., Cheng & Yau, 2007).

In Study 2, there were some findings to suggest that younger Chinese (20-29) were less averse to complaining in public, while older Chinese (40 and above) preferred to complain in private. These insights enable service firms to be better informed so that more efficacious strategies can be developed to manage the different segments of the population.

**Implications for Service Management**

It is obvious from the findings that Chinese customers’ social identity (face) was elevated when being extended high level of process and outcome service. In a high-power distance society, such as China, where customers are status and face-conscious, a service provider needs to be aware of how they should be treated interpersonally to confer mianzi face. What service provider delivered in outcome would either elevate or diminish their customer’s face. First, for process service quality, during the moments-of-truth encounters, service providers must ensure their verbal or non-verbal interactional styles convey high value ‘social capital’ (face) to their customers. As noted, in Chinese culture, people who relate to others with appropriate ‘li’ are perceived to be ‘giving’ mianzi to others (Chen, 2002; Hwang, 1998; Jia, 2001). Thus, service providers trained in extending appropriate ‘li’ to others will not behave according to their own desires or selfish intent, but follow what are prescribed by the service rituals, monitoring their own behaviour regularly to ensure that it is socially acceptable to others (Cheng, 2001; Schutte & Ciarante, 1998).

The finding on social exposure suggested that face gain was more likely to occur with favourable process and outcome quality in public than in private. While high quality process and outcome services must always be the aim of consumers-oriented business, whether under public or private conditions, it is particularly significant under a public condition, such as a hosted dining occasion as previously explained. This means that service firms need to inform and train their service providers to offer their Chinese customers the service quality such that the latter’s face is elevated under a public condition. These relate to how they are treated in public, so that face is gained. For instance, assuring the dinner’s host that the best effort will
be given to resolve a service break-down in front of the guests, are likely to have the effect of raising the host’s *face*.

The personal effort of the proprietor or manager to resolve service break-down in front of guests will also have the effect of elevating the host’s *mianzi* *face* as evident in Study 1. This practice is supported in literature; for example, Lockyer and Tsai (2004) note that status (*face*) is accorded when extra services, such as complimentary comments or food and services are offered. Status (*face*) is also perceived to be given when the services received distinguished them from other guests.

In situations of disputed food-bills, customers may desire to have a place in the establishment where they can settle issues in *private*, to protect *face* as evident in Study One’s findings.

**Contributions from this Research**

This research reveals some insights which have conceptual application.

First, the findings from Study 1 and 2 of this research proffer empirical evidence to support the thesis that people’s consumer behaviours are influenced by the culturally-determined core service values held by them. As recommended (e.g., Ho, 2001), the present study had used core service values derived from the field (Study 1 – means-end study) rather than synthesised from traditional Chinese literature. Thus, it is argued here that the value findings from (Study 1) reflect more accurately the service values prevailing and not guess-work. The prevalency of the core service values identified in Study 1 was confirmed in parametric testing in Study 2.

Second, Study 2’s test results demonstrated that the concept of *social identity*, which represents *face* (*mianzi*), is a measurable construct. It can be used or modified for study of *face*-issue in other works.

Third, the findings suggest that consumer’s *face* (*mianzi*) may be ‘gained’ or ‘lost’ in both *private* and *public* (*social exposure*) conditions. From Study 1 and *face* literature, *face* is conceptualized to be *public* in nature, meaning, *mianzi* *face* is mostly ‘gained’ or ‘lost’ in *public* than in *private*. However, the findings on *social exposure* in Study 2 suggest that *face*-gain can in fact be higher in *private* than *public*, depending on the context in which *face* is gained, although *face* is normally known to be ‘lost’ in *public* (perceived and known by others). Although much was written about where *face* may likely be ‘lost’ or ‘gained’ (*public*
or private), to the researcher’s knowledge, the construct has not been empirically measured. Thus, in Study 2 the construct operationalised as social exposure, was found to be a measureable construct, and is considered a contribution to the study of Chinese face-work, which as has been discussed, has implications for service management.

Fourth, that Chinese consumers’ face-gain is more likely to be realised with service process than service outcome. There is evidence in this study to suggest that process quality is also perceived to be important with Chinese consumers as was the case with Western consumers (Gronroos, 2000). It also appeared in the study that process quality helps elevate the perception of quality in outcome, when process quality is higher – an enhancement effect. The process and outcome service quality are further explained below.

Fifth, the development of a multi-scale questionnaire to survey the Chinese consumers’ view and responses on service failure and recovery situation in a cultural context is a significant contribution to service literature, as few of such types of questionnaire have been rarely found in the literature, reviewed.

**Confirming the Influence of Core Cultural Values on Consumer Behaviour**

The broad aim of the research has been to confirm the influence of the core cultural values held by consumers on their post-purchase behaviours. The findings of Study 1 provide some initial evidence to suggest that the core service value beliefs held by Chinese do wield an influence on their consumer behaviours. These findings have now been further confirmed empirically, in Study 2, as demonstrated in the present findings of significant three-way interaction effects of the independent variables on the dependent variable of social identity (face). As noted, the three independent variables of social exposure, interaction styles and outcome define customers’ culturally-influenced core service values which determine consumer behaviour. The present findings show that when customers were treated with favourable interaction styles by service providers, being delivered with favourable outcome and these service deliveries were witnessed by their in-groups (e.g., families or relatives), their face was elevated. In other words, they had ‘gained face’.

The finding also indicates that the face-gain was lesser if they were treated unfavourably in these services and these treatments were witnessed by others (public). The present finding also provided empirical evidence to support the conceptualisation of the variable social exposure, as discussed in the following.
The Construct of Social Identity

The construct has been developed in this study to represent Chinese face concept with a scale reliability of (Conbach alpha = 0.94). The test findings demonstrate that social identity is a measurable construct for face.

The Concept of Social Exposure (Public versus Private)

The concept of social exposure has been developed for the present study as an independent variable which defines where mianzi face is more likely to be ‘gained’ or ‘lost’. It has been established in both Study 1 and Study 2, and gleaned in face literature that people’s face is more likely to be ‘gained’ or ‘lost’ in public, rather than in private. Events or behaviours which do not reflect well on the social or moral reputations of the face lovers or claimants (ai mian ren) are preferred to be settled back-stage, that is, away from the guests in private. Conversely, events or behaviours that are likely to bring adulation, admiration or status (mianzi face) are preferred to be settled front-stage (Goffman, 1967; Hwang, 1998; Yang, 1981) (in public). Thus, in Study 1, it was not surprising to find that the study subjects had actively instigated actions to settle events such as disputes and haggling over food-bills in private as these may not be edifying for the ‘da wo’ (public face) (Hwang, 1998). It is not a good image (bu hou kansiang) for the face-claimants to present to the guests. Negative events such as these may also attract scrutinies from the guests over the host’s affordability or generosity, as such, they are preferred to be settled back-stage (in private).

The importance of upholding one’s face reputation in public is also evidenced in the face-work engaged by the respondents in Study 1, and highlights the concept of social exposure in the study of people’s face-concern. For example, they were found to protect their moral face or lian from being lost in public by behaving in an assuaging manner to avoid being judged for lacking in self-control, patience, goodwill or being viewed as aggressive, unreasonable, and having no ‘renxing’ (no humanity). These are lian-losing behaviour, and are viewed dimly in a Chinese society (Chen, 2002; Chen, Ryan, & Chen, 2000; Chen & Starosta, 1997; Cheng, 1986; Yum, 1988). Study subjects actively performed face-work (manage face) to protect the ‘da wo’ (public face) from being lost in public (Hwang, 1998).

The finding on the study subjects’ personal information in Study 2, relating to their preferred method of complaining about a serious service failure, showed a test result of $\chi^2 (1, n=576) =$
21.007, p<.001. This indicated that significantly more subjects (59.5%) reported a preference to complain to management about a serious service failure incident in *private* rather than in ‘public’. This again highlights the significance of the concept of *social exposure* in the study of consumers’ *face* protection.

Thus, against this background, it was hypothesised in Study 2 to test significant *interaction* effect for *social exposure* (*public* versus *private*) and other independent variables on consumers’ *face*, operationalised as *social identity* and other dependent variables. The test found significant *interaction* effects for the independent variables on only *social identity*. The finding suggests that *social identity* (*face*) would be gained (lost), when they were treated favourably (unfavourably) and for being delivered favourable (unfavourable) *outcome* in *public* rather than in *private*. The test result supported the hypothesis, as a higher mean score was registered for customers’ *social identity* (*face-gain*) due to favourable treatment by service providers in the service *process* and *outcome*, when these occurred in *public* (μ:5.13)

On the other hand, the mean score for *social identity* has a lower mean score when the same treatments were received in *private* (μ: 5.08). Thus, this finding provides some empirical evidence to support the hypothesis that *face-gain* is greater and likely to be gained when favourable service *process* and *outcome* occur in *public* than in *private*, particularly when the favourable service offers were witnessed by the guests (Goffman, 1967; Kipnis, 1995; Lim, 1994). In a hosted dinner, the high quality hospitality service accorded to the guests reflects well on the host’s *mianzi face*. This finding confirms the applicability of the concept of *social exposure* which can be operationalised as a measurable construct in the study of *face*. The insights into *how* or *where* customers’ *mianzi face* may be ‘lost’ in a service or service failure, may help service providers in understanding how best to manage customers’ *face* needs.

**Relatively Higher Face-Gain with Process than Service Outcome**

In Study 1, a *face-loss* was reported by customers when the service providers’ *verbal* and *non-verbal interaction styles* in the encounters were pejorative. Thus, these styles of treatment were conceptualised as ‘*interaction style*’ (*process quality*) in Study 2. There was also some evidence in Study 1 to suggest that ‘*what*’ customers received (*outcome quality*), such as prompt, adequate and professional solutions (*successful outcome*) to redress service problems also helped to restore or elevate customers’ *face*. However, the relative importance
in which the Chinese placed on the process and outcome service quality was not clear in Study 1. A recent study by Chan & Wan (2009) found that those respondents who have 'concern for face' (CFF) were more satisfied with service when the process service was more favourable, suggesting that outcome quality was relatively less important. Thus, in the present study (Study 2), it was posited as one of the hypotheses to be tested. As reported, a significant three-way interaction effect for interaction style, outcome and public condition on social identity (face) was identified. Indeed, process quality has been found to have a greater effect on customers' face than outcome quality in both public and private conditions. The findings indicated that mean scores for face (social identity) was greater when process quality was more favourable than outcome, in both public (μ:4.38) and private (μ:4.37) conditions. This compared when outcome was more favourable than process quality in public (μ:3.25) and private (μ:3.31). The relative importance of process quality on customers' face reputations has important implications for service management. As already discussed, service personnel need to be properly trained in the interaction styles of service, using appropriate 'li' when interacting with Chinese customers in the moments-of-truth encounters.

7.4 Research Limitations

Several limitations surrounding Study 1 and Study 2 of this research are presented.

Study 1 – This is an exploratory study, using a means-end value approach conducted with the aim of ascertaining the culturally-influenced core service values currently held by contemporary mainland Chinese consumers. The limitations surrounding Study 1 relate firstly to a convenience sample of participants being used for the means-end, in-depth interviews. Such sample may not completely be representative of the broad population, although attempts have been made to select a cross-section of the population for the study.

Secondly, the participants in the sample were selected from the population residing in the urbanized regions of mainland China, so participants in rural China were not be included in the sample. Therefore, it cannot be claimed to represent the broad Chinese population.

Thirdly, since the study sample was restricted to mainland Chinese consumers, therefore, the findings might not be representative of Chinese consumers outside mainland China, such as the Chinese communities in Taiwan, Hong Kong, Singapore and Malaysia.
Study 2 – A primary study was conducted to test hypotheses to further achieve the broad purpose of the study, which was to determine the influence of culturally-influenced, core service values on consumers’ post-purchase behaviours when responding to events of negative service. The independent and dependent study had employed an experimental design to test key core service values findings from Study 1. Several limitations surrounding this primary study were presented here. First, the eight (8) versions of a scenario developed for the 2x2x2 between-subjects experimental design were randomly administered to respondents in different public places in the cities of Beijing and Shanghai. Populations in rural and regional towns were not sampled, thus, the study samples would only represent a city population and not the broad population of China. For this reason, the findings may not necessarily be appropriate to generalise to the population outside the cities or urbanised regions.

Second, since the study was conducted on consumers in mainland China, findings may not necessarily be applicable of Chinese consumers in countries outside mainland China, thus, reducing the external validity of the findings. However, a comparative study can be undertaken between the mainland Chinese consumers and those living overseas.

Third, the findings on the respondents’ demographics indicated that the samples were skewed towards the younger sections of the city population, with a recorded mean age of 33.3 years old. Previous studies have found that younger consumers (45 and below) are more likely to undertake various types of complaint (Le Claire, 1993; Lam & Tang, 2003). Early studies have also revealed that younger customers in restaurants have higher expectations of product and service values received, compared to older customers, and if these values are below their expectations, they are found to be more likely to complain compared to the older customers (Day & Langdon, 1977; Warland, Herman, & Willits, 1975). Furthermore, the samples in the present study were also derived from relatively educated sections of the population, as 84.1% of the subjects were reported to have at least a qualification at diploma level. This finding is supported by previous studies, which found that more educated consumers were more likely to complain in negative service situations (Keng et al., 1995; Lam & Tang, 2003). Thus, as samples in the present study were found to skew towards the younger and more educated sections of the population, they were more likely to represent the consumer behaviours of these sections of the populations rather than the general population,
again reducing the findings’ external validity. Finally, there was also limitation pertaining to
the marital status of study subjects, as the sample was found to skew towards study subjects
who were married (61%) than single (33%).

Fourth, the findings in the present study of service failure and recovery may not
necessarily be applicable to events of service failure or recovery other than those depicted in
the scenarios (e.g., Goodwin & Ross, 1992). This is because, as service researchers warn,
each service industry is unique, and may not all share the basic characteristics with restaurant
services used in the present research (e.g., Gronroos, 2000; Lovelock et al., 2007). Moreover,
different types/classes of restaurant may have different service styles. For instance, the
service style in a given Western restaurant may be different from a Chinese restaurant, as
meals in the latter are usually shared communally by the diners, while those in the former are
served individually (Chang, 1977; FitzGerald, 2002; Liu, 2004). As such, the service demand
and interaction between the waiting staff and customers may be different. In addition, within
a given restaurant-type (e.g., Chinese), there are different classes of restaurants, and hence,
different service standards. Thus, the service standard of a full-service fine dining restaurant
may differ from a full-service popular family restaurant, and the latter is again different from
fast-food and xiaoichi (economy) restaurants, both of which offer no frill-and-thrill service.
People who patronise different classes of restaurants may have different expectations in
service standard. As such, unless the full-service, popular family restaurant in the current
study shares some basic service characteristics with other classes or restaurant-types, the
current findings may be less generalisable to these restaurants.

Fifth, because of the experimental design nature of this study, the findings must be
interpreted accordingly. Other researchers have cautioned that an experimental design may
reduce the external validity of the findings (Bitner, 1990; Brown, Cowles, & Tuten, 1996). In
the present design, the study subjects in each of the eight cells were asked to read and view a
different version of the scenario depicting events of service failure and recovery, and to then
imagine that they were facing the events service failure and recovery efforts. Following these,
they were asked to state their post-purchase responses. Although the subjects’ responses
indicated that they thought the scenarios to be realistic and believable (µ score from 5.21 to
5.80 for the scale items), it could not be considered with certainty that the same pattern of
responses would emerge in a field study of the subjects’ actual behavioural responses.
Sixth, because the survey was conducted in public places (streets, mall) environmental factors such as noise and other distractions might have impacted negatively on the quality of responses, although such factors were beyond the researchers' control.

7.5 Recommended Further Research Studies

The findings in this study may be constrained by the limitations of the study stated previously. One of the limitations relate to where the study samples was obtained. To restate, the study subjects were sampled from the mainland Chinese population residing in large cities rather than rural regions. These limitations may have the effect of reducing the external validity of the findings. Thus, it is recommended that in future studies, researchers should consider sampling the study subjects from both the city and rural population to gain a finding that is more representative of the broad Chinese population. Comparison can then be made between the populations in these two regions to identify the similarities and differences.

The study should also be replicated in Chinese communities outside China to ascertain if Chinese consumers globally share some common service predispositions and post-purchase behaviours under events of negative services. These insights will benefit hospitality and other service firms globally, given the prediction that Chinese are likely to be travelling widely (Arlt, 2006; World Tourism Organisation, 2003).

The samples in the current study were found to skew towards the younger and more educated sections of the population. Past studies suggest that younger and more educated Chinese in another society differ from the older and less educated subjects in their response behaviour to negative service situations (Lam & Tang, 2003). Thus, to ensure that the findings are more representative of a broader population, it is recommended in future research that subjects from the older age groups and lower education levels should be more equally represented in the samples.

In Study 1 of the present research, Chinese were found to have a strong proclivity for face protection in public. As discussed, this finding was found to have implications for managing service failure and recovery, and was thus, hypothesised for testing in Study 2. However, there was also some contrary, albeit small evidence in Study 1 to suggest that participants from a younger age group have a lesser concern with face protection in public.
This finding was also confirmed in Le Claire’s (1993) study with younger Hong Kong Chinese respondents. Hence, to clarify these findings, it is insightful in future studies to ascertain if younger Chinese consumers are indeed less concern for face protection in public.

A field study is also recommended to complement the current experimental study. Such study may also overcome the constraints experienced in an experimental design study.

The current study is based on a popular type of restaurant with a full-service style setting, thus, findings may be generalised to restaurants of a similar service style. In future study, the present approach may be replicated in restaurants of other service styles such as five-star fine dining restaurant or fast-food or xiaochi service styles restaurants to determine if and to what extent consumers differ in their expectations of service failure’s resolution.

It is recommended that the present study may be replicated in different situations, such as different severity in service failure - extreme or minor; different causes of failure - internal versus external causes, and if the service failure is an one-off incident or recurring.

Future studies should also be replicated in other hospitality service settings such as hotels, resorts, retails, airlines, theme parks to provide insights into the response behaviours to negative service events and service resolutions in different service settings and situations.

Further studies are recommended to test the validity of the constructs of social exposure (public versus private dimensions of face) as well as the independent variable of social identity (face), both of which are developed specially for the present study. In the present study, the findings were derived from a scenario where a customer was hosting relatives. In such a scenario, it is important for a Chinese host to offer the best image to gain mianzi from zijiaren (in-group members) and other notable guests with face and who are in a position to give face. Thus, it is insightful to discover if the proclivity to protect face is as strong in public in a dining occasion without guests than with guests.

As the present study only tested the face value, it is recommended that other core service values indicated by the participants to be salient in Study 1, and which appeared to have service management’s implications, should also be quantitatively tested.
7.6 Summary to the Chapter

Five means-end values derived in Study 1 were discussed, with important implications for service management for businesses identified. This was followed by a discussion of the primary study which used an experimental, between-subjects design to determine the effects of independent variables on dependent variables. Findings which have important service management’s implications for businesses were also discussed. Limitations for Study 1 and 2 were outlined. Further areas of research on the topic not considered in the present study were recommended in future research.

7.7 Conclusion to the Thesis

The broad aim of this research was to determine the influence of consumers’ cultural values on their behaviour, which has important service management’s implications. Specifically, the researcher aimed to ascertain how the culturally-determined core service values held by mainland Chinese in their response as consumers to events of service failure/resolution in a restaurant service setting. This research provided empirical evidence from a two-stage study (Studies 1 and 2) to confirm that Chinese consumers’ post-purchase behaviours in response to situations of service failure/service resolution, were indeed influenced by their culturally-determined core service values.

In Study 1, an exploratory study using the means-end value approach was conducted to ascertain the core service values of Chinese participants (consumers), as insights were unclear in the extant literature in regard to the prevailing core service value beliefs held by the participants. Study 1 revealed five value themes, consisting of face concern, equity, valued patrons, jinsi-aspiration and social harmony. These values were found to influence the participants’ behaviour in response to situations of service failure/resolution and therefore have important service management’s implications for hospitality businesses. One of the important findings indicated that Chinese consumers continued to possess a strong proclivity for face. Two concepts of face consisting of mianzi (social face) and lian (moral face) were found in the study. These face concepts were also confirmed to be unique to Chinese face culture in Chinese face literature. In the present research, these face values appeared to wield a strong influence on Chinese consumers’ behaviour. The study found that Chinese participants guarded their behaviour zealously to produce a favourable public image, to safeguard lian (moral face). They reported a keenness to exercise self-control, such as curbing
their temper in dispute situations and refraining from an argument or a fray. These face-work, it was claimed, were attempts to protect lian face, and as literature informs, the loss of lian makes it difficult for a Chinese to function with dignity in a society. Thus, assisting consumers to preserve lian in a service situation is an important strategy for service providers to practise.

On the other hand, mianzi face was found to be ‘gained’ or ‘lost’ by ‘how’ they were treated by staff in a service process, or how they were perceived by others socially (i.e., face-givers), because mianzi face is ‘claimed from’ and ‘given by’ others. When face-loving consumers were not given the due status or deference or were treated discourteously while interacting with staff in a service or service resolution process, mianzi face was lost. The opposite was true. This finding is closely linked to the quality concept of process service defined as ‘the manner’ in which a customer is treated in the process of service or service resolution. The present finding suggests that if customers were extended ‘li’ when interacting with staff in the process of service resolution, they perceived being ‘given mianzi face’ and vice versa. Thus, the extending of appropriate ‘li’ (propriety) to customers is the process of service resolution is strategic to delivering quality ‘process service’ from a Chinese cultural perspective, making this finding a valuable contribution to literature in hospitality service management.

The finding in the present study suggests that quality service outcome or ‘what’ is delivered in a service transaction confers face on Chinese consumers, which is another strategic consideration for service businesses, thus informing that face culture can be gainfully leveraged to manage these consumers. ‘Where’ the face-impact incidents take place has also been found in the study to have an effect on customers’ face, which means that mianzi face can be ‘protected’, ‘gained’ or ‘lost’ under different conditions — public and private. Since mianzi face is ‘gained’ or ‘lost’ in front of others, a ‘face-losing’ incident, such as a dispute over food-bill in front of guests or haggling over financial matter may best be avoided in public and settled in private. This finding has service management’s implications for service businesses.

Literature is abound with discussions on the issues of face and face-work, but little empirical research have been cited, at least in the literature of hospitality service management about the two concepts of Chinese face (mianzi and lian). Thus, these two aspects of the Chinese face phenomenon which were found in the present research to wield important
influences on Chinese consumers’ behaviour in situations of service failure proffer valuable empirical insights for literature in hospitality service management.

Other means-end values in Study 1 were also found to influence Chinese consumers’ behaviour, and offered useful empirical insights into the managing of these consumers in failed services and service resolutions. Besides face, another value theme relates to the fairness concept, which appeared to resemble that adhered to by Western consumers, consisting of distributive, procedural and interactional justices. These findings provided insights into how best to manage equity for Chinese consumers in service failures situations. It appeared that the equity principle in the context of distributive fairness was used to decide on the appropriate compensation, which meant that Chinese consumers expected the amount of compensation to be in proportion to what they outlay (input-output ratio). For procedural fairness, they expected the policy to claim compensation flexible, and the procedure, convenient. In interactional fairness, Chinese customers perceived this was attained when they were treated congenially in the service failure/resolution’s process.

Another value theme to emerge in Study 1 was the Chinese consumers’ desire to be treated as a ‘valued patron’, as were perceived when extra efforts were given to help them in situations of service failure/resolution.

Two other value themes which also emerged are somewhat intertwined and they relate to the Chinese consumers’ aspiration to be a junzi and to interact with others in social harmony. Both these values emphasise on harmonious living and are highly exalted in a Chinese society. The values which moderate people’s behaviours were exemplified in cases where Chinese customers reported of wanting to deal with the service providers in a genteel, less confronting and less aggressive manner when service failed. Important findings for service businesses are that Chinese customers tend to show a less assertive or aggressive demeanour in dispute situations because they aspire to be a junzi or to be in harmony with service personnel. However, this does not imply they are easy prey and can be ‘taken for a ride’, nor should this behaviour be interpreted as being satisfied with the service, or they may not seek to protect their interests. In fact, their passive behaviour found in the study to occur in public reflected a Chinese’s aspiration to behave like a junzi. Such a reputation is still much admired in a Chinese society, although not referred to much in conversation. An assuaging behaviour also reflects their need to protect moral face (lian), to keep peace and for
some, to preserve relationships (*guanxi*). These demeanours are useful insights for service providers to observe in hospitality service management.

Study 2 was pursued to achieve a primary and secondary objective. The primary objective was to quantitatively test the effects of cultural values on customers’ post-purchase behaviours. Thus, an independent-dependent study was conducted in Beijing and Shanghai, using an experimental design consisted of a 2x2x2, between-subjects factorial to test hypotheses. Univariate and Multi-variate analyses were employed for the data treatment. Prominent findings on the *face* theme derived from Study 1 were used in developing the independent variables. They consisted of the variable *social exposure* having a *public* and *private* condition; *interaction styles* and *outcome*, both of which were manipulated under a favourable and unfavourable condition, to test hypotheses. A randomly selected sample of 576 respondents was given a self-administered questionnaire with one of the eight (8) versions of a study’s scenario. The scenario depicts incidents of service failures and resolution in a restaurant setting. The dependent variables consisted of *social identity* or *face*; *satisfaction*; *repurchase intention*; and *word-of-mouth communication*.

The study found significant multivariate *main effects* difference between the independent variables of *interaction styles* and *outcome* on all four dependent variables. *Interaction styles* represented ‘how’ service personnel treated the customers in the service resolution *process* (*process* quality) while *outcome* represented ‘what’ was delivered in service resolution (*outcome* quality). The results of the *main* effect indicated that ‘how’ customers were treated interpersonally (*interaction styles*) and ‘what’ they delivered or (*outcome* in service resolution), significantly influenced their post-purchase behaviours.

Significant two and three-way *interaction* effects were found in the independent variables of *social exposures*, *interaction styles* and *outcome* for customers’ post purchase behaviours. *Simple* effect tests were performed to determine that significant difference in fact existed between the conditions of an independent variable, and a particular condition of one or more independent variables, and the effects this/these have on the dependent variable/s.

Significant two-way *interaction* effect was found on *social exposure* by *outcome* for customers’ level of *satisfaction*, and negative *word-of-mouth*. *Simple* effect tests on these findings suggested that ‘what’ customers received in service resolution (*outcome*) under a *public* condition (*social exposure*) had a significant influence on their *satisfaction* level with
the service resolution's effort. Significant interaction effect of social exposure by outcome was also found for negative word-of-mouth. Simple effect test suggested that customers were significantly more likely to engage in negative word-of-mouth when outcome was unfavourable than favourable, and the difference was greater under a public than a private condition. Put simply, if the outcome of a service failure resolution is favourable, then customers are less likely to engage in bad-mouthing a business in public.

Significant three-way interaction effect was found for the three (3) independent variables on customers' social identity (face). This finding indicated when Chinese customers were treated with favourable interaction style (process quality) and delivered favourable outcome (outcome quality) under a public than private condition, their face was elevated (gained face). The finding also indicated that 'how' customers were treated interpersonally (interaction styles) were relatively more important than 'what' they were delivered in service recovery (outcome) in public or private. The finding is an empirical confirmation that customers are likely to gain face if treated with congeniality and cordiality, and given quality outcome. It was found that the outcome was perceived to be even better, when they were treated with the human quality traits, known as 'ren' (benevolence, humanness) in the Chinese cultural context. Furthermore, in the context of this three-way interaction effect, simple effect test showed that customer's mianzi face was more likely to be elevated (face gained) in public and private. The insights for service businesses are that since customers gain a greater face in public (hear, seen and known by others), their favourable treatment (process quality) of customers, for example, in front of guests, are likely to be face-elevating, particularly this is accompanied by good service resolution outcome. Praising customers in public (front-stage) will be more effective to elevate their face, than in private (back-stage).

A secondary objective in Study 2 was to develop a preliminary survey scale to gain a greater understanding of the views of Chinese consumers in relation to issues of service failure and resolution from a list of 28 survey items. Using factor analysis, three components (factors) emerged. Labelled as dimensions, they included fair exchange, face and valued customer. These dimensions were tested against the respondents' age, gender, educational level and complaint style, the data of which were gathered from the section of the questionnaire seeking personal and demographic information. Tests using ANOVA and Cross-tabulation suggest that there was a significant main effect of age and gender for face.
Post hoc tests of different age groups for face showed that face was less important for the youngest age group (20-29) than the oldest age group (40 and above). Main effect of education was found for the dimension ‘valued customer’. Post hoc analysis showed that respondents with higher levels of education was more likely to rate the dimension - ‘valued customer’ as more important than those with lower levels of education.

The findings from both Study 1 and Study 2 have provided empirical evidence to confirm that the culturally-influenced core service values which customers held did have a favourable or unfavourable impact on their post-purchase behaviours. Insights gained from these will help service firms develop efficacious provisions in service resolution to manage service failures.
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APPENDICES
**Appendix 1 - Means-end Data**

**CASE 1**

<table>
<thead>
<tr>
<th>Findings on value theme of Chinese Participants in Service Failure &amp; Recovery Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>C011310 - Male - 30s - Bank officer</td>
</tr>
<tr>
<td>Dining occasion: Hosted a dinner for the Bank’s GM</td>
</tr>
<tr>
<td>Incident: Private room was not ready for C1 to host his GM</td>
</tr>
<tr>
<td>Findings: Value: Mianzi (face), Lian (face) Post-service behavior: Would not exit</td>
</tr>
</tbody>
</table>

**CASE:** The private room booked to host the GM for lunch was not ready, and a wait was required, much to C1’s annoyance and embarrassment. He was concerned what his GM and other senior colleagues thought of him. The restaurant manager was apologetic and promptly found a replacement. C1 maintained a dignified public image and did not show annoyance at the manager as he knew the manager quite well nor embarrassed his GM and senior colleagues.

**On service failure and responses:**
The manager had failed him on an important occasion and he was concerned what his GM and senior colleagues would think of him as a host. He said: “I was hugely embarrassed as it reflected badly on me as an organiser...how would I explain the mistake...? I know I should have checked to confirm. What would the GM and senior think of me think of me?” (mianzi threat or loss).

He did not publicly express his annoyance at the manager because as he confided: “It was partly my fault, as I hadn’t confirmed. Nevertheless, even though you were annoyed, it wasn’t nice to show annoyance in front of guests...especially your boss...it showed you couldn’t control your emotion...being in control in public is valued in my culture. “Behaving this way might cause embarrassment to my colleagues (Manage Lian – face).

He said: “He promptly found another room...I felt he had saved me from embarrassment under a delicate situation (Mianzi – Given face). He was doing his best to help me and I was satisfied and would repurchase. He was asked how he felt about the manager. He replied: I couldn’t embarrass him publicly...wanted to give him face and preserve (guanxi), as he wasn’t at fault, and I knew him well and often entertained my guest there.” (Give face – other face maintenance) and (Guanxi).

**Means-end value of Mianzi and Lian (Face)**

<table>
<thead>
<tr>
<th>End value</th>
<th>End value</th>
<th>End value</th>
<th>End value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threat of mianzi (face)</td>
<td>Preserve Lian (face)*</td>
<td>Give mianzi (face)</td>
<td>Given mianzi***</td>
</tr>
<tr>
<td>Worry about GM’s opinion of him</td>
<td>&amp; colleagues’ Mianzi**</td>
<td>Want to give him face</td>
<td>Room ready</td>
</tr>
<tr>
<td>Success outcome</td>
<td></td>
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</tr>
</tbody>
</table>

**Consequence**
Annoyed & embarrassed, but showed self-control

**Service failure**
Private room to host GM was not ready

**Service Recovery**
Manager’s quick effort to get ready a room

* C1 gave manager face (mianzi – other face maintenance) by not embarrassing him in-front of others (in public)
** C1’s value had moderated C1’s behavior (He showed self-control to manage his moral face -- Lian & those of his colleagues).
*** C1 perceived that the manager’s prompt effort to find him the private room was conferring him mianzi (face)
CASE 2

Findings on value themes of Chinese Participants in Service Failure & Recovery Context

**C021310 - Male - 30s - Computer Engineer**

**Dining occasion:** Dining with parents in a Birthday dinner

**Incident:** C2 influenced his father to not confront service attendant

**Findings:** Value: Mianzi (face) Lian (face), Junzi image  
**Post-service behavior:** Would return

**CASE:** C2 and his parents were warmly welcomed and treated with esteem by the proprietor, but the food service was slow, which angered C2's father. C2 had persuaded his father to not openly confront the staff because he was not keen to create a fracas. The staff was trying their best, and as he also desired to be a junzi - moderate in demand (keqi zhongyong). The slow service was off-set by the proprietor's warm welcome and respectful treatment.

**What participant said (verbatim)**

He said: "Disappointed with the slow service, and my father was very angry with the wait...the proprietor's warm and welcoming words gave me the feeling that I'm important to them...I tend to minimize the problem [slow service] later when being treated so warmly..."  
(Given mianzi - face). He said: "When my father wanted to confront the staff, I'd persuaded him not to. Asked why, he had said: How my father behaved also impacted on me. I am not comfortable to confront others angrily in public as it causes a slur on the family's reputations. This is important for when you're angry in public, others won't know who is wrong or right but judge you on how you behave". (Managed Lian - face)

He added further: "It's best to be "Keqi zhongyong" (Chinese) meaning 'polite, restrain & reasonable...taught to behave towards others...that's how a junzi should behave, always seek to remain in good terms with others" (Junzi image)

**Means-end values of Face (mianzi & lian) & junzi aspiration**

- **End value**
  - Junzi image*  
  - "Best to be Keqi zhongyong"  
  - Moderated C2's behavior

- **End value**
  - Being given mianzi (face)*  
  - Felt treated with respect

- **Consequence**
  - C2's willing to marginalise the slow service  
  - Calmed his father from angrily confronting the staff

- **Consequence**
  - C2 was happy with warm & welcoming words  
  - (Positive interaction style)  
  - (Compensated the negative service outcome)

- **Service failure**
  - Slow service in a birthday dinner

* C2's attempt to calm his father from confrontation was motivated by his needs for (lian) and junzi aspiration in public. C2's mianzi-threat was offset by the proprietor's positive interaction style despite the negative service outcome (Slow service) Moderating influence.

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CASE 3

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C031310 -- Male -- 40s -- Lecturer

Dining occasion: Dined with spouse

Incident: Mistakenly charged replacement meal and refund procedure was difficult

Findings: Value: Gong ping (procedural fairness)  Post-service behavior: Exit

CASE: C3 had ordered a mild curry, but was mistakenly given a hot one. When he queried, the waitress was very courteous and apologetic and had immediately ordered a replacement. However, she’d forgotten to amend the bill and C3 was charged the two curries instead of one. He was upset, when cashier could not give him a refund and if he had wanted one he would have to wait and talk to the proprietor, but he who was out. He was not impressed with how they treated him.

What participant said (verbatim)

He said: “She (cashier) couldn’t refund me because the proprietor was out and she needed her permission. This meant I’d have to come back later, but I was too busy for that...” (Gong ping-procedural). “They certainly didn’t think much of my interest...don’t expect me to patronize them again”. (Exit)

He confided: “I wasn't afraid to confront if I was right, but it was pointless, as she said she hadn't the authority to refund...not impressed – wouldn't go back there”.

Means-end value of Gong ping (Equity) (Distributive & Procedural)

End value
Gong ping (Procedural fairness) - Could only get refund from the proprietor later

Consequence
Forfeited refund, as customer was too busy to return for the refund

Consequence
Unhappy with the unfair treatment

Service Recovery
Customers received no refund because he was told the proprietor’s approval was needed, but, he was out of the restaurant at the time

Service failure
C3 was charged for the replacement meal
(The waitress had forgotten to amend the mistake)

Customer complained
CASE 4

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C041310 - Female - 30s - Manageress
Dining occasion: Having breakfast in the hotel's restaurant

Incident: Treated discourteously by the service attendant

Findings: Value: Mianzi (face) and Gong ping (Distributive). Post-service behavior: Exit, No attempt to win customer back

CASE: During breakfast at a well-appointed hotel's restaurant, C4 asked a waiter for a glass of warm water. She reported of being disrespectfully treated by the waiter, who had not bothered to make eye contact with her or acknowledge her request. He just dumped the water in front of her and walked off, without addressing her. She felt this was not the correct service etiquette and had complained to the maitre'd, who although apologetic, did nothing more.

On service failure and responses:
What participant said (verbatim)
She explained: "Frankly, I was humiliated by the discourteous and unprofessional treatment...he didn't bother to speak to me or acknowledge me...I expected better treatment in a five star hotel...I believe customers are most important and they should be looked after at all cost". (Mianzi – Face)

She continued: "I complained, and the manager just said sorry and that was that...I was disappointed, as it was an expensive place, certainly didn't get value for my money. To win me back, I expected more. Saying sorry was easy, but not enough to change my mind about them (Gong ping - Distributive). The manager should have done more when things went wrong to ensure that customer felt valued in a five-star venue, such as an adequate compensation (Service recovery outcome - Given mianzi). No, I would not consider them in future".
She informed: "I definitely wouldn't return, why should I pay so much at a place that didn't treat me well ... and didn't try to win me back...". (Exit)

Means-end values of Mianzi (Face) and Gong ping (fairness)

- **Gong ping** (distributive fairness)
  - Desired to be **given mianzi** (face), but not given
  - Look after customers at all cost

- **End value**
  - Hugely disappointed

- **Consequence**
  - Inadequate – the manager only said ‘sorry’ and did nothing more

- **Service recovery**
  - Rude and unprofessional treatment of the service attendant

- **End value**
  - Want Mianzi (face)
  - Was not treated as an esteemed guest

Customer complained
CASE 5

Findings on Values theme of Chinese Participants in Service Failure & Recovery Context

C051410 - Male - 50s - Businessman

Dining occasion: Luncheon with business clients

Incident: Broken promised and Discourteous Manager

Findings: Value: Mianzi (face), Post-service behavior: Exit and Bad WOM

CASE: C5 dining with his clients had requested for prompt service with an hour to spare, and was impressed by the caption's warm welcome and assurance of prompt service. However, the service was slow, resulting in a rushed lunch. C5 had discreetly complained to the manager about the slow service, but the manager had humiliated him in front of his guests and was told him that few people complained about their award-winning restaurant and they were a fine-dining venue and if he had time constraint, he should have gone to a 'xiaochi' (eatery).

What participant said (verbatim)

He replied: "It sounded good, but couldn't deliver the prompt service...embarrassing when I'd guests. Worst was, he humiliated me in front of my clients; he cynically told me that I'd come to a wrong restaurant and that if I'd no time I should go to a 'xiaochi' (small eatery) next time. He 'shaved my beard in public' (in front of his guests)...I was deeply humiliated by this...my guests were also embarrassed by this unpleasant incident as they kept apologizing to me". (Mianzi – loss of face - self and guests)

He said: "He told me to go to a 'xiaochi' (eatery)...you shouldn't speak to a customer like that...he should have apologized, be nice and tried to win me back. Instead, he embarrassed me...it was insulting, in front of guests" (Discourtesy - Not given mianzi)

He answered: "It was the last time for me...I wouldn't speak well of them...". (Exit and Bad WOM)

Means-end values of Mianzi (Face)

End value
Loss of mianzi (face) C5 & Guests
"He shaved my beard in front of my guests"

Consequence
Humiliated customer in front of his guests (public)

Service Recovery
The discourteous remarks of the manager

End value
Loss of mianzi (face) as he has guests

Consequence
Embarrassed for the slow service and rushed meal

Service failure
The promised quick service was not delivered

Customer complained

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CASE 6

Findings on Value themes of Chinese Participants in Service Failure & Recovery Context

C061410 - Female - 30s - Home maker

Dining occasion: Dined with her card-playing group members

Incident: Attracted by untruthful advertising

Findings: Value: Valued patron, Post-service behavior: No service recovery, not repatronized, Engaged in negative WOM

CASE: C6 recounted that the 'value for money' meal which she and her group of friends went for was not what it was advertised to be. The reception was very congenial, but she soon found the offer was to bait customers in to dine, as the advertised meals were of a low quality. She was upset for being duped and had to pay much more to get the better quality meals. They told the manager, they had come all the way for the meal and was really disappointed with the outcome, but the manager did nothing. If they were valued as patron, the manager would have been more diligent with his effort to try to make up to them as customers, instead, he arrogantly said the 'value for money' meals were very popular, but as customers, she was free to choose any meals on offer and did nothing more.

What participant said (verbatim)

On service failure and responses:

She said: "Yes, I was really disappointed, we came all the way for the meal, but when we challenged him, he was cavalier about it and did nothing to appease us...really didn't value our custom...No, if he valued us, he would have been more diligent in resolving the problem... (Valued patron)

She also said: "Clearly he (the manager) didn't care if we came back or not, by the way he answered me...no, if he valued us, he would have been more diligent in getting things right...". (Valued patron)

She confided: "I'd never patronize them again and would tell others to beware...". (Exit and Bad WOM)

Means-end value of Valued patron

End value
Being valued
"...he didn't value our custom"

Consequence
The customer was insulted by the arrogant way the manager answered her.

Service recovery
The arrogant way the manager responded to C6's complaint

Service failure
Unethical sales tactic (Bait and sell)

Customer complained
CASE 7

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C071410 - Male - 60s -- Professor

Dining occasion: Dining while visiting abroad

Incident: Disrespectful and unhelpful waitress

Findings: Value: Valued patron Post-service behavior: Successful service recovery – regain customer’s faith

CASE: C7 had sought help in menu selection from a waitress who seemed irritated & impatient and after several questions she had asked him to read for himself what was described in menu. He then asked if it was not her job to help customers, to which she rudely said she had not got the “whole day” and walked away. Hugely humiliated by such discourteous and disrespectful behaviour, he had complained to the supervisor who apology, but felt that the apology was not quite sincere, and wonder how much he was treated as valued customers.

What participant said (verbatim)

On service failure and responses:

He informed: “As a university professor, I always taught and expected my students to show proper li (propriety, good manner), to seniors. “Zhu nihai dui keren zhenmei li, bu jingwei keren” -- ‘This girl (waitress) was very rude towards the guest and didn’t respect her guest.

He added: However, I was even more upset and humiliated for when I complained to the supervisor, he just said sorry, but did nothing to win me over. I’d a feeling that his apology was not sincere at all -- you can see in the way he said it and his action that followed -- he did nothing. I expected to be treated better, if he valued me as a customer (valued patron)

Means-end value of Value patron

End value
Valued patron
“Apology was not sincere at all”

Consequence
Upset and humiliated

Service Recovery
Supervisor insincere apology and no action to resolve customer’s dissatisfaction

Service Failure
Rude and unhelpful wait staff

Complaint
CASE 8

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C081410 -- Female -- 70s - Retiree

Dining occasion: Lunched with friends

Incident: Regular customers to vacate seats soon after their meals

Findings: Value: Mianzi (face), Post-service behavior: Switched to another restaurant, exit for good

CASE: C8 and her retired friends met weekly for lunch at the same restaurant. On this occasion, they were told to vacate their table as soon as they finished their meals, but had requested to stay longer as one of the friends was moving to another place and they would not see her for a long time and wanted to spend longer time. She requested for a special favor, that as regulars and were farewelling a special friend, that they should be given 'renqing' (human emotion, favor). She was further humiliated when the captain said they could not always be accommodated as they wish, as he was running a business. They left and went to another restaurant and had never returned.

What participant said (verbalim)

On service failure and responses:

She said: "Women shi changke, dan ta mei gei women mianzi translated as: ("We were long term guests) and I thought we'd developed a good 'quanxi' (relationships) with them, but I was wrong, he (manager) didn't give us renqing (face)....it's natural to want to be treated as important, especially when we're farewelling a friend and I'd made a special request." (Not given mianzi to the groups – face)

She said: "...upset by the manager for when I requested for a small favor (renqing) to be allowed to occupy longer in our table to enable us to spend longer time with our friend as she was moving to another place, he refused". "Ta mei ge wo renqing mianzi", (he didn't give us renqing-face). Instead, he said we couldn't always be accommodated as he was running a business" (Renqing face-favor) – associated with the practice of reciprocity. Renqing can be defined as the favor one party grants to another party and vice versa, and sometime is associated with one’s mianzi (face).

She explain, "Surely, such a big restaurant could do more for regulars...give us a permanent table...". When asked whether she would return, she had said: "No...". (Needed a better and tangible outcome) (Exit)

Means-end values of Mianzi (Face) and Renqing mianzi (face-favor)

End value

Mianzi (face) – the group lost face
"He didn't give us face"

Consequence

C8 was humiliated as she was usually allowed to stay on.

End value

Renqing mianzi (face-favor)
As regular not offered face-favor

Consequence

Upset that as regulars, they could not be accommodated

Service recovery

The manager told C8 she could not be accommodated

Service failure

C8 was told to vacated her table soon after the meal

Customer protested
CASE 9

Findings on Value theme of Chinese Participants in Service Failure & Recovery Context

C091510 - Female -70s – Retiree
Dining occasion: Hosted her sister to a birthday dinner
Incident: Discourteous staff and inadequate service recovery
Findings: Value: Mianzi (face), Equity (distributive). Post-service behavior: Dissatisfied, bad WOM

CASE: C9 and her sister celebrated a birthday at an up-market restaurant. She recounted that they were not given a warm welcome and were also not treated with courtesy. She admitted of being slow and indecisive with their orders, but said she paid for the privilege to in an expensive restaurant. The staff showed annoyance as they were slow with the order and had also overheard her making jokes about them to other staff. Although insulted, she had not openly confronted the offending staff about this, but told her supervisor, who only apologized.

What participant said (verbatim)

On service failure and responses:
She said: “...Insulted, we're discourteously treated...like 'second-class customers' in an 'expensive place'. The waitress was impatient when I was indecisive. Her comment hinted that I was a 'slow coach' and then joked about us, 'jin mei li'—she was so very impolite". (Loss of mianzi – group).

She added: "Although the food and atmosphere were good, the service staff ‘jin mei li’ (very impolite). This spoilt our dinner (Equity - distributive fairness)

She informed: "I complained, but the supervisor did nothing... Although he was apologetic, it was insufficient, as I said we felt treated like second-class customers in an up-market restaurant." (Not given mianzi) “Very unsatisfactory...would tell others about them” (Dissatisfaction, Bad WOM).

Means-end values of Mianzi (Face) and Equity (distributive)

Customer complained

Service failure
Discourteous treatment by waitress

Consequence
Insulted

End value
"We're treated like a second rate customer"

Consequence
Extremely disappointed

Service recovery
Supervisor only apologized but did nothing more

End value
Not given mianzi
Did nothing to appease me

End value
Equity
(distributive fairness)
Value Findings of Chinese Participants in Service Failure & Recovery Context

**CASE 10**

**C101510 – Female - 20s – Students**

**Dining occasion:** Dinner with a group of classmates

**Incident:** Discriminated and being lectured on respect

**Findings:** Value: **Valued patron & Lian (moral face).** Post-service behavior: **Definitely would not return**

**CASE:** In a dinner with classmates, C10 was upset to find that a group of elderly folks who came later got their meals earlier. But when she raised this, she was humiliated by the supervisor who lectured her on the need for young people to show deference to the seniors, justifying their service priority. She sensed right in the beginning that when they entered the restaurant, the captain was not very welcoming because they were students, and were thus, ‘low spent’ customers.

**What participant said (verbatim):**

**She said:** “I sensed the captain wasn’t welcoming, knowing we’re students - low spent customers and it showed in his body language and we were treated casually... (To kanbuqi women) He looked down on us and discriminated us, such attitude was unacceptable to us”. *(discriminated – not valued as a patron)*

**She also said:** “In lecturing me about respect for the elderly, she implied that my upbringing was improper... an attack on me and my family... highly insulted... yes, she insulted me in front of others, and I told her she was rude to mind her own business... It would be fair if they asked, please kindly wait until the old folks were served... we would’ve said yes anyway, but no, they didn’t... and took us for granted, should have been given more attention and compensation, instead she lectured me”. *(Loss of Lian – face) – impacted by what other thought of her.*

**She informed:** “It offended me, instead of saying sorry and made up to us, she lectured me, we definitely wouldn’t return...”. *(Unsatisfactory service recovery) (Exit)*

**Means-end values of Lian (face) & Valued patron**

- **End value**
  - **Lian (face)**
    - “She insinuated my upbringing was improper”
  - **Valued patron**
    - “We’re being looked down on”

- **Consequence**
  - Felt offended
  - Felt humiliated

- **Service Recovery**
  - Service staff lectured C10 for the need to respect seniors

- **Service failure**
  - C10 perceived staff had discriminated and ‘looked down on’ them

Customer complained
CASE 11

Findings on Value theme of Chinese Participants in Service Failure & Recovery Context

C11510 - Male - 20s – Student

Dining occasion: Graduation dinner

Incident: No reservation for a celebratory dinner

Findings: Value: Mianzi (face), Junzi aspiration. Post-service behavior: Seemed satisfied with outcome

CASE: C11 was seen by his classmates as a good organizer and had often given the role to organize activities for them. On this occasion, he was certain that he had booked a table for the group in a restaurant for their graduation dinner and was embarrassed to find no reservation due to a date mix-up. The receptionist had denied a booking was made. C11 was upset and embarrassed, insisting that he had made the reservation, but thought he should remain calm to solve the problem amicably and to show goodwill. Nevertheless, he was worried what his classmates would think of him. The manager showed understanding and had promptly found a table for him, which was perceived as ‘face-giving’.

On service failure and responses:

He reported: “I was embarrassed and anxious when there wasn’t a booking...”. Asked why, he had said: “…they saw me as a good organizer, so I was responsible to get the table... you could imagine, in this situation I was worried my classmates would think I was irresponsible, when the receptionist said we’d no reservation (Loss of mianzi)...but the manager showed goodwill and understanding and did all he could to quickly find us a table, despite a full house” (Good outcome - Mianzi – given face to the group).

He added: “I was upset, but...didn’t blame anybody as I wanted be amicable, it showed you’re a gentleman...mistakes do occur, but with goodwill, things can be resolved....” (Gave face) and (Junzi aspiration)...the manager quickly got us a table with some juggling...very pleased with the effort, it made me look better...” (satisfied with outcome)

Means-end values of Mianzi (face) & Junzi aspiration

End value
Mianzi (face)
(Threat to face)
Worried my classmates would think I was irresponsible

End value
Mianzi (face)
(Given face to us)
Quickly found a table despite full house (good outcome)

End value
Mianzi (Gave face)
Did not blame the manager
Behave like a Junzi which influenced behavior

Consequence
Embarrassed and anxious, but behaved in a gentlemanly fashion and dealt with staff amicably, winning their goodwill finding a table promptly

Service failure
A table reserved for a graduation dinner was not available
CASE 12

Findings on Value theme of Chinese Participants in Service Failure & Recovery Context

C121510 – Female - 50s - Teacher

Dining occasion: Dining with Parents

Incident: Abusive chef

Findings: Value: valued patron, Junzi image (moderating influence) Post-service behavior: Exit

CASE: C12 had requested for no salt in the food items ordered, as her parents could not have salt for health reasons, and the dishes were returned to the kitchen, which had angered the chef, who came out and ‘had a go’ at the customer blaming them for being difficult, and causing the problems.

She was shocked by the chef’s discourtesy, but did not retaliate because she believed it was best to ‘retreat’ from a confrontation for the sake of peace and harmony. She did not want a replacement but was given a refund.

Service failure and responses:

What participant said (verbatim)

She explained: “I was so shocked by the chef’s behavior. He scolded me for being difficult...so disrespectful. The incident made me look like I was the guilty party. He more or less blamed me for the problem when it wasn’t my fault. You don’t blame the customers if something goes wrong. If you do, it show you don’t value your customers (Valued patron)

She said: “I didn’t retaliate because I believed a cultured person shouldn’t fight with others, but dealt in a refined manner with others. It was no point fighting...If I was unhappy by how I was treated, I would not return...I didn’t”. (Junzi).

Means-end value of Value patrons & Junzi image values

End value
Valued patron
Blaming customers- show you don’t value them

End values
Junzi image
“Cultured person wouldn’t fight with others”

Consequence
Shocked and upset, by the treatment but not keen to be in a fray

Service discovery
Chef berated C12 for being a nuisance in returning the food and had denied that the food was salty
CASE 13

Findings on Value theme of Chinese Participants in Service Failure & Recovery Context

C131610 - Male - 30s – Tradesman

Dining occasion: Dining with friends

Incident: The action of the manager in redressing a dispute over the food-bill.

Findings: Value: Lian (Moral face) Post-service behavior: Would not return

CASE: C13 reported that he was impressed with the waiter’s help given to him for menu selection, when he hosted his party of friends to a dinner. However, two items that were cancelled still remained in the bill. He informed the waiter, who must have raised it with the manager, but manager was overly cautious and had quizzed in a manner which made him felt like a cheat, particularly when this was done in front of his guests, which had humiliated him. He was unimpressed with the lack of care towards him as a customer and felt not being valued. He said, the enjoyment was damaged in a stroke by the manager’s treatment. Humiliated by the treatment and he swore he would not to return.

What participant said (verbatim)

On service failure and responses:

He said: “I questioned the manager’s conduct. It was totally unnecessary. I was humiliated by the way he quizzed me, he questioned my integrity, although I stressed that I had indeed cancelled the items...I was treated as if I was a cheat in front of my guests…” (Integrity questioned - Loss of Lian in public – face)

He further said: “An honest customer shouldn’t have to go through this sort of treatment, it was degrading. I’ve high moral value and being honest is important to me (Loss of Lian – face). “I wasn’t impressed, I felt he didn’t really care how I felt. He didn’t value me as a customer” (value patron).

He added: “If humiliated and I knew I was right, I would tell him what I thought… I would protect my interest…no, I’m not afraid to express my feeling in public, I don’t mean fighting…just make my point strongly”. (Will not confront)*

He finally said: “No, I wouldn’t patronise them again”. (Exit)

Means-end value of Lian (Face)

- End value
  - Lian (face)
  - Hold high moral principle (being honest)

- Consequence
  - Humiliated for being suspected of dishonesty

End value
- Valued patron
  - “I felt he didn’t care how I felt...”

- Consequence
  - Not impressed

Service failure
- The incessant interrogation of the manager over the food-bill
  (Patron perceived his honesty was questioned)

* Would not hesitate to be assertive to protect his interest

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CASE 14

Findings on Value theme of Chinese Participants in Service Failure & Recovery Context

**C141610 - Female - 50s – Saleswoman**

**Dining occasion:** Dining with Colleagues

**Incident:** Staff's condescending remark and refusal to recook a dish customer preferred.

**Findings:** Values: **Mianzi** (face), **Gong ping** (distributive) Post-service behavior: Will return if treated courteously and with fairness

**CASE:** C14 was dining with her colleagues in a restaurant popular in regional cuisine. She inquired if the 'white cut' chicken dish she ordered was under-cooked. Instead of finding out more, the waiter asked condescendingly, if she ever had that dish before and said perhaps she had not learned to appreciate an authentic dish, which humiliated her. She was told that the white-cut item should be slightly undercooked. The chef had refused to recook the dish for her.

**On service failure and responses:**

*What participant said (verbatim)*

She explained: “I was humiliated...it's the way she spoke to me. In a loud voice among other customers she asked if I've had the dish before and perhaps, I'd not learnt to appreciate the dish...she shouldn't speak to customers so condescendingly. I knew how I liked the dish cooked as I've had it since young...I wasn't a novice...” (Being humiliated in public - Loss of mianzi – face).

She said: “I'd asked for the dish to be redone, but the chef refused...I wasn't pleased...they should provide what the customer wanted, after all they paid for it and should be able to get what they wanted. This and the courtesy I am treated by the staff will have influence my future decision – Will never return (Exit) (Gong ping – distributive).

**Means-end values of Mianzi (face) and Gong ping (Equity - distributive fairness)**

<table>
<thead>
<tr>
<th>End value</th>
<th>End value</th>
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</thead>
<tbody>
<tr>
<td><strong>Gong ping</strong> (distributive)</td>
<td><strong>Mianzi</strong> (face)</td>
</tr>
</tbody>
</table>

*“Should provide what customer wanted...”*  
*Being spoken condescendingly in public*

<table>
<thead>
<tr>
<th>Consequence</th>
<th>Consequence</th>
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</thead>
<tbody>
<tr>
<td><strong>Displeased</strong> for not getting what she wanted and had paid for.</td>
<td><strong>Humiliated</strong> by the waiter's manner of communicating, when she complained</td>
</tr>
</tbody>
</table>

**Service Recovery**

The chef had refused to offer C14 a recook of the dish, which she wanted

**Service failure**

The waiter spoke to C14 in a condescending manner
## Case 15

Findings on Value Theme of Chinese Participants in Service Failure & Recovery Context

<table>
<thead>
<tr>
<th>C151610 – Female – 40s – Nurse</th>
</tr>
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<tbody>
<tr>
<td><strong>Dining occasion:</strong> Unprofessional service</td>
</tr>
<tr>
<td><strong>Incident:</strong> Poor service was reversed when the proprietor took over the task</td>
</tr>
<tr>
<td><strong>Findings:</strong> Value: Mianzi (face), Renqing-mianzi (favor)</td>
</tr>
</tbody>
</table>

**CASE:** The service in a banquet hosted by C15 for her visiting relatives was slow and unprofessional. The service staff members were inattentive, but she had kept making excuses for the proprietor about the poor service, saying that they were usually very professional. She quietly spoke to the proprietor whom she knew about the service problem, who was very apologetic and had immediately taken over from the staff to look after them. She said she felt happier because the proprietor had accorded her mianzi which also meant that mianzi was accorded to her guests too.

**What participant said (verbatim):**

**On service failure and responses:**

She confided: *The service was very unprofessional, 'wo jin buhaoyishi' (I was very embarrassed), especially after I'd told my relatives how good the restaurant was... I kept making excuses for the proprietor as I was trying to protect his reputation...Asked why, had said...it was my favourite place and I knew the manager well...yes, I admit, to also protect my own face...* (Protect own’s mianzi face and other's face).

She continued: *I did quietly ask the proprietor for some help, who immediately took over from the staff...yes, I felt happier...he restored my face in front of my guests - you could say, my face was lost and regained* (Mianzi – face – Good outcome).

She continued: *People make mistakes, the important thing is to admit it and try to regain customer’s confidence*. *He apologized profusely, took over from the staff to serve us, himself...he’d personally given us special care and attention – I expected as a regular patron, to be extended with 'renqing' (Renqing - favor). I was pleased with the effort, and hadn’t lost faith in the place* *There was no reason why I would return, I was satisfied (will repurchase) Service Recovery*

### Means-end values of Renqing mianzi (favor) and Mianzi (Face)

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<thead>
<tr>
<th>End value</th>
<th>End value</th>
<th>End value</th>
<th>End value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renqing mianzi* “Extended renqing”</td>
<td>Mianzi (outcome) “My face was lost &amp; regained”</td>
<td>Mianzi threatened Service was below expectation</td>
<td>Make excuses Gave mianzi</td>
</tr>
</tbody>
</table>

**Consequence**

- Delighted - given special care and attention
- Very embarrassed with the service (jin buhaoyishi)

**Service recovery**

Proprietor apologized profusely and took over from staff to serve the customers himself

**Service failure**

Poor service by staff while entertaining relatives

Customer raised the poor service with the proprietor and his positive action helped customer restored face

* This customer was shown renqing (favor) by the proprietor in response to her loyal patronage.
CASE 16

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C161610 - Male - 20s – Office administrator

Dining occasion: Hosted a reunion dinner with 2 Friends

Incident: Unprofessional head-waitress

Findings: Value: Lian (face) Post-service behavior: Exit, negative Word-of-mouth

CASE: C16 took his classmates whom he had seen for a long time to a reunion dinner. He recounted that from the time he entered the restaurant he was repeatedly told by the head-waitress that he needed to behave and if he became rowdy, he would be evicted, as a VIP was dining in-house. Surprised by the accusation, he replied that he had dined there before, and that she must be thinking of somebody else - a mistaken identity. Highly insulted and upset, he and his friends had left the restaurant without the dinner, and their evening was spoilt.

What participant said (verbatim)

He reported: "She told me I would be evicted if I was rowdy...she accused me of something I wasn't...she assassinated my character...’hao diu lian’ (loss of lian face) as my friends didn't know if it was true or not that I'd a drinking problem...I'd to keep assuring that it was untrue and she had mistaken me for someone else...it was important that my character wasn't tarnished...No, I didn't argued, as I didn't want to stoop to her level, she was tactless and crazy...we just got up and left". Yes, the reunion dinner was spoilt. No matter what, a service staff must ensure a customer is not humiliated (A threat to lian – Face)

He informed: "It's unbelievable the way she treated us...she was so rude and tactless...we chose to go to a restaurant and we expected to be looked after professionally...No, definitely wouldn't go back. Yes, I'd told everybody about 'that' place". (Exit, Bad WOM)

Means-end value of Lian (Face)

End value
Threat to lian (face)
She attempted to assassinate my character (diu lian)

Consequence
Humiliated and offended

Consequence
Spoilt reunion

Service failure
Head-waitress mistakenly accused patron of insobriety
and warned him to behave
CASE 17

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C171710 - Male - 40s – Tourism officer

Dining occasion: Showing-casing restaurant to visiting colleagues

Incident: Poor service standard

Findings: Value: Mianzi (face)  Post-service behavior: Unlikely to patronize

CASE: C17 hosted his tourism colleagues from overseas to show case the 'best' restaurant in town. The food was quite special, but due to the busyness, the service was not up to the standard he had expected – the service staff was rude, inattentive and basically, very unprofessional. This was hugely embarrassing for him, although he had arranged with the manager beforehand that they would be in the spotlight as he was show-casing his restaurant as to what China can offer in terms of the standard of food and service. It made a mockery of what he had told his international colleagues about the restaurant - how good they were and concerned what his foreign guests would think of me. It made him a liar and a fool.

What participant said (verbatim)

On service failure and responses:

He reported: "You want to present the best side of others and of the country's reputation. I was very embarrassed by the unprofessional service because I'd selected the restaurant to show-case to the foreign visitors what China could offer...". "I was made to look like a liar and a fool" (loss of personal face and on behalf of the country).

He continued: "I'd already told the manager beforehand that they were in the spotlight and the service captain was prompted about the poor service during dining, even though they knew they were in the spotlight. As a result, the service didn't improved...which was hugely embarrassing. My judgement of quality was clearly opened to question (Mianzi – face; not being given face) (bad outcome).

He confided: "I am very disappointed...this restaurant is definitely off my list of restaurants to show-case to foreign visitors in future". (Exit)

Means-end value of Mianzi (Face)

End value
"It reflected poorly on my judgement". Mianzi (face)

Consequence
C17 was embarrassed with the poor service

End value
Mianzi was not given to customer even though he had informed the manager of the poor service (Not given face) – bad outcome

Service failure
Poor service when show-casing international tourism professionals
CASE 18

Findings on Value theme of Chinese Participants in Service Failure & Recovery Context

C181710 - Female - 40s - Teacher

Dining occasion: Dining with spouse

Incident: Receiving contamination food

Findings: Value: Lian (face) and Social harmony. Post-service behavior: Not clear of their intention.

CASE: C18 and her husband often eat-out. On this occasion, they had selected an expensive restaurant recommended by friends. Impressed by the warm welcome, they looked forward to enjoying their meals. While eating, she was horrified to find a piece of metal in the meal. When she complained, the headwaiter was very apologetic, promising a replacement dish and compensation. She was more polite and moderate, and had accepted the restaurant's offer. She preferred to be non-confrontational as it generated good-will, although she said her more demanding husband threatened to report them to the health authority.

What participant said (verbatim)

On service failure and responses:

She said: "I was horrified that a metal was found in my meal...I was more forgiving and moderate in my demand than my husband. As long as they apologized and gave us what was promised, I was OK. She said: "I know my rights, but don't like confrontation as it creates ill-will and angst...you tend to gain respect will get on better with others if you are more conciliatory when things go wrong" (Hemu - Social harmony).

She confided: "...my husband was very upset and had angrily complained to the waiter, whereas I was more restrained, and just told him that she was disappointed with contamination and had asked for a replacement, which was given". She added: "Generally, I'm more restrained as it's not a good image to behave aggressively." (Lian – face).

Means-end value of Hemu (social harmony) & Lian (face)

<table>
<thead>
<tr>
<th>End value</th>
<th>End value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lian (face)</td>
<td>Hemu (Social Harmony)</td>
</tr>
<tr>
<td>(Not a good image to behave aggressively)</td>
<td>(&quot;I don't like confrontation...&quot;)</td>
</tr>
</tbody>
</table>

Consequence

Horrified and disappointed, but remained restraint and conciliatory towards the service provider

Service recovery

The customer was given contaminated food but fair service recovery
CASE 19

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C191710 - Male - 30s – Lecturer

Dining occasion: Dined with a group of colleagues

Incident: Unwelcome hostess and rushed service

Findings: Value: Valued patron Definite exit

CASE: C19 recounted that he and his colleagues were greeted at an up-market restaurant by a cold and business-like hostess, who gave the impression that they were not welcomed. After showing them to the table, they had no time to decide on the menu before being asked to place their orders. They guessed that the table was double-booked. He said the rushed service might be good for business, but not for their enjoyment and their dinner occasion was spoilt. He vowed never to return.

What participant said (verbatim)

Service failure and responses:

He informed: “We were humiliated by her cold, business-like and inhospitable manner... her body language showed she wasn’t keen to extend hospitality to us... felt discriminated, and unvalued”.

He also said: “They shouldn’t book us in if they had too many customers and should have warned us, so we could decide whether to make the reservation or not... we went out to enjoy, not to be rushed through a meal. We’d chosen them, and we even told them that but they didn’t try to accommodate us... I felt we weren’t valued... our evening was spoilt... we certainly wouldn’t dine there again” (Exit)

Means-end values of Mianzi (Face)

```
End value
Valued patron
(Felt discriminated)

Consequence
Humiliated & spoilt enjoyment

Service failure
Inhospitable hostess

Service failure
Rush meal
```
CASE 20

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

<table>
<thead>
<tr>
<th>C201710 - Male - 40s – Businessman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dining occasion: Dined with a group of friends overseas</td>
</tr>
<tr>
<td>Incident: Discrimination in service (delayed service) and using insincere explanation</td>
</tr>
<tr>
<td>Findings: Value: Gong ping (procedural fairness). Post-service behavior: Negative Word-of-mouth</td>
</tr>
</tbody>
</table>

CASE: C20 and his friends had ordered a ‘Peking duck’ in a restaurant while overseas. Although they placed the order first and had received it earlier, they were in fact served later than another group of customer. ‘Peking duck’ is carved and served on the table by the server. He perceived they were discriminated and angrily confronted the manager. All he got was an unbelievable explanation with no apology or anything to win him back. He believed they did not care if they returned or not.

What participant said (verbatim)

On service failure and responses:

He informed: “Angry, he should serve us first....'Na shi bu gong ping de' (Chinese) (That was unfair), they discriminated against us...we should have been served first as our order was before the other group...I complained and the manager said that the staff concerned was designated to serve that side of the restaurant and another staff who was responsible to serve us was not ready...instead of an apology, and right the wrong, he said it was how things were operated normally...denied there was anything wrong'. (Gong ping - Procedural fairness).

He said: "The way he treated us, we sensed we weren't valued that much as we were from overseas". He also said: "No, wouldn't recommend this venue to others". (Negative WOM)

Means-end value of Gong ping (Equity - Procedural) Value

End value
The operating system was used as an excuse for slow service

Gong ping (Procedural fairness)

Consequence
Indignant for being treated unfairly and had to wait for the service, although they had arrived earlier (felt discriminated)

Poor Service recovery
No apology, and denied there was anything wrong

Service failure
Delayed table service

Customer complained
<table>
<thead>
<tr>
<th>Findings on value theme of Chinese Participants in Service Failure &amp; Recovery Context</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASE 21</strong></td>
</tr>
<tr>
<td><strong>C21B1810 – Male – 20s – Student</strong></td>
</tr>
<tr>
<td><strong>Dining occasion:</strong> Staff sarcasm</td>
</tr>
<tr>
<td><strong>Incident:</strong> Waitress’ sarcastic reply when asked to name dishes delivered.</td>
</tr>
</tbody>
</table>
| **Findings:** Value: *Mianzi* (face)  
Post-service behavior: Definitely would not return |

**CASE:** C21 and his fellow students had ordered some special dishes in a restaurant. The waitress did not name the dishes on delivery, so he had asked what those dishes were, and the waitress had replied in a sarcastic manner: *You mean you don’t know what you’ve ordered?* He was offended by this rude attitude and style of communication. They all felt being ‘looked down’ just because they were students.

**On service failure and responses:**

**What participant said (verbatim)**

He noted: *“It was immaterial whether I knew what I’d ordered, it was only right to tell customers what they were...she looked down on us students.” (Mianzi – Face – group)*

He added: *“I was really insulted by her rude attitude...she sarcastically asked if I didn’t know what I had ordered...it was unacceptable for not being treated with due respect as a customer” (Mianzi – Face – bad outcome). I confronted and told her publicly what I thought of her. Generally, these days, young Chinese would speak out when things weren’t right*  
- *(Not averse to confront)*

He continued: *“We weren’t important customers...we were only students...This whole attitude by the staff towards us which came to a head in that incident had spoilt our evening”. Definitely wouldn’t patronize them again...”* *(Exit)*

**Means-end value of Mianzi (Face)**

<table>
<thead>
<tr>
<th>End value</th>
</tr>
</thead>
</table>
| *Mianzi* (face) (bad outcome)*  
“Not being given due respect as customer” |

<table>
<thead>
<tr>
<th>Consequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly insulted by the waitress’ sarcastic remark</td>
</tr>
</tbody>
</table>

**Poor Service Recovery**

Waitress’ sarcastic reply was when asked to her about the name of the dishes: *‘You mean you don’t know what you had ordered?’*

* Not averse to confront service providers publicly if disadvantaged.
Findings on value theme of Chinese Participants in Service Failure & Recovery Context

CASE 22

C221810 - Female - 30s - Musician

Dining occasion: Dined with a group of fellow musicians

Incident: Broken promise of a prompt meal service

Findings: Value: Social harmony  Post-service behavior:

CASE: C22 and her fellow musicians had requested for quick service in a restaurant to allow them to attend a music rehearsal. Their request was obliged, but, she was disappointed for the broken promise of quick service. The captain kept assuring that their meals would be served immediately, but they were kept waiting, resulted in a rushed meal and a delay to their music rehearsal. She relayed her disappointment to the manager, who apologized and explained that they were short of hands as some had gone home sick – something which was beyond their control. She intimated she had shown understanding to them in this situation, and said that she normally did not like to alienate people as she found things could be resolved when relationships were not frayed. She said basically she preferred to deal with others in a co-operative and harmonious manner in this way things will more likely to work out for the benefit of all parties concerned and importantly, relationships would remain cordial in the future.

What participant said (verbatim)

On service failure and responses:

She reported: "They promised we'd be out by certain time...they were courteous and kept assuring that our meals would be ready soon. I was disappointed when they didn't come, but, thought his explanation of a shortage of staff was reasonable and was beyond his control since they were sick half way at work and went home... I normally don't like to alienate others, but if need be I will push for my interest...however, things can be resolved quickly when relationships are not frayed". She says: "I think Chinese generally prefer to deal with others harmoniously and things will be worked out to benefit all parties and (Practically), relationships can remain cordial in the future."

Means-end value of Hemu (Social harmony)

End value
Hemu (Social harmony)
("Deal cooperatively & harmoniously")

Consequence
Disappointed with the slow service
(Avoided alienating others)

Service failure
Failure to deliver the quick meal as promised
CASE 23

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C231810 - Male - 40s – Chef

Dining occasion: 80th birthday celebration

Incident: Long wait for an important item & unsatisfactory service recovery

Findings: Values: Gong ping (distributive Fairness) – no renqing. Post-service behavior: Doubtful of his loyalty

CASE: C23 reported that in a banquet to celebrate his father’s 80th birthday with families and friends, a longevity noodle dish, which was traditionally offered at birthday dinner, was not delivered on time even after repeated reminders. Upset at this long wait and not afraid to speak his mind, he went to the manager to express his dissatisfaction. The manager was apologetic and courteous, but said that sometimes a delay was unavoidable at peak time, and did nothing more to appease him.

What participant said (verbatim)

On service failure and responses:

He said: “Naturally, upset...we didn’t get the important dish on time. No, I wouldn’t be afraid to speak my mind when things weren’t right...not worried what others thought...but would control myself a bit on a happy occasion (public).

He added: “I often patronized them, but they didn’t look after me...they showed me no ‘renqing’ (favor). “If he was a business-person, he should practice renqing toward his regular client...not too much to ask” (Renzqing mianzi)

He confided: “Would be happier if he didn’t just apologize, but did something more, such as, told the kitchen to hurry up...he was courteous, but, he did nothing. A positive action would have restored our faith. I didn’t think he valued our custom that much...why should I be loyal? (Exit). We paid to go there and we expected a better outcome”. (Gong ping – distributive fairness). Inadequate service recovery

Means-end value of Gong ping (Equity - distributive) with Renqing (favor)

End value
“We paid...expected better outcome”
Gong ping (distributive)

End value
Renzqing mianzi (Face-favor)

Consequence
Dissatisfied with the recovery effort (poor outcome)

Inadequate Service recovery
Only apologized and did nothing more (no renqing given as regular)

Service failure
The important longevity noodle was not delivered on time

Customer complained
CASE 24

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C 241810 - Female - 60s - Cleaner

Dining occasion: Dinner appointment with friends

Incident: Being discriminated by reception staff in restaurant admission

Findings: Value: Equity (interactional fairness), Lian (face)*. Post service behavior: Exit. C24 informed that an apology was not enough to appease her.

CASE: C24 was rudely told by a reception staff to wait in the queue, which lacked proper 'if'. She was also upset, when it appeared that the staff had admitted his relatives and friends first although they'd arrived later. Having waited for a while and felt being discriminated, she was bursting "to explode" and did say a few cross words to the door staff. She said she would not hesitate to be more assertive to put things right, but, said if she had a choice, she would prefer this done in private than public... didn't like an audience"

What participant said (verbatim)

On service failure and responses:
She reported: "I was bursting to explode. " We felt being unfairly treated when he rudely prevented us from entering, we wouldn't have mind so much, had he treated us with correct 'if'. Meanwhile he let people who looked like his relatives and friends in, although they'd arrived later, while I and others were kept waiting... It's unfair to be treated rudely and discriminated, weren't we paying customer too but worst of all was he was meli (no manner) " (Equity – interactional fairness).

She recounted: "I did say a few cross words to the door staff, but didn't have an outburst as I didn't want an audience, like to sort things out quietly, and out of the public's view as I'm conscious of how others may see me". She said: sometimes you have to be assertive to get somewhere as people may take advantage of you. (Managed lian)
She said: "I complained to the manager about the door person and he was apologetic... Wouldn't re-patronize. (Exit).

(*This participant would not hesitate to be assertive if she was discriminated, but prefer to settle the matter in private)

Means-end values of fairness (Equity - Interactional) and Lian (face)

End value
Equity (interactional fairness)

End value
Lian (face)*

"I'm conscious of how others may see me"

Explanation
C24, in managing Lian (face) provided a moderating influence on her behaviour towards the service provider (did not confront -- aimed to preserve her moral face in public)

Consequence
Upset by the rude treatment of staff – perceived as lacking 'if', but had nevertheless shown self-control and did not retaliate

Service failure
Discriminated by reception staff
(Customer was made to wait, while his friends were admitted first)
Findings on value theme of Chinese Participants in Service Failure & Recovery Context

**C251910 – Male -30s – Manager**

**Dining occasion:** Dinner with family

**Incident:** Dishonest and belligerent chef

**Findings:** Values: Equity (interactional fairness), Lian (face) – moderating influence on behavior. Post service behavior: Exit and engaged bad WOM

**CASE:** C25, knowledgeable of food, was suspicious that he received a mixture of beef and mutton dish, instead of the beef he ordered, which upset him, as he did not like mutton. Felt cheated, he complained, but couldn’t believe when the chef did not just deny it but accused him for false accusation. C25 did not see the point of arguing, although, he could be assertive. His suspicious was confirmed when he brought the dish home to test it.

**What participant said (verbatim)**

He informed: "The chef was aggressive and discourteous to me. However, it was pointless to argue with an unreasonable person. You might be right but the bystanders wouldn’t know. All they knew was that there was an argument...they might think you were the problem...I wanted to avoid behaving in an undignified manner (Managed Lian)

He stated: "upset because I was cheated...It's dishonest. Shocked that he'd the audacity to have a go at me, it was unacceptable. Instead of appeasing me, he argued with me ('zhe hou bu heil')...it was very unreasonable (Equity – interactional fairness)

He strongly stressed: "No only did I not return to that restaurant, I have told many people about them. They didn't deserved the business..." (Exit and Bad WOM)

**Means-end values of Equity values and Lian (moderating influence)**

**End value**

- **Lian (face)** – Avoid arguing in public
  - Consequence
    - Despite shocked, but wanted to behave in dignified manner and had shown self-control
  - **End value**
    - **Equity** (interactional fairness)
      - "He argued with me...rude & unreasonable"
        - Consequence
          - Shocked by the unreasonableness & aggressiveness of the chef

**Service Failure**

The chef was aggressive towards customer for complaining of unethical sales tactics
(Substituted mutton for beef)
CASE 26

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C261910 - Male - 60s – Retiree

Dining occasion: Hosted relatives in a dinner

Incident: Unethical sales tactic and cashier’s insinuating remarks

Findings: Values: Mianzi (face). Post service behavior: Exit

CASE: C26 hosted a dinner in a return thank to his relatives for their hospitality during his visit. On checking the food bill, he had quietly gone to the counter to query on the items such as nuts, pickles and face-towels which he did not order, but were charged. He was discreet because he said that it did not look good on him for the guests to know the problem with the bill and the dispute. He felt humiliated when the cashier said that he should not have accepted them if he did not want them, insinuating he was being stingy or could not afford.

What participant said (verbatim)

Service failure and responses:
He informed: "...not impressed with their sales tactic – dishonest. It was humiliating to be spoken to like that by a junior staff...I didn’t know those items weren’t complimentary. Her remarks that I queried on a small amount insinuated I was stingy or couldn’t afford, was very insulting" (loss of Mianzi – Face).

He said: "It was somewhat embarrassing for a host to query the bill in front of guests as it might be seen as ‘maiyou quan’ or ‘bu dafang’ (Chinese), meaning, no money or not generous to be seen by others". C26 was being seen as attempting to avoid being perceived as ungenerous to his guests (Wanted mianzi) * (Yao mianzi) Wanted Privacy

His response was: I’d expected them to say, sorry, never mind, these were ‘on the house’ and such gesture would have won me over, no, they didn’t...I wasn’t impressed...I normal only patronize establishments that valued me" (Unlikely to return)

Means-end values of Mianzi

End value
Mianzi (face)*

Remark caused him to feel a loss of face

Consequence
Humiliated by the insinuating remark of a junior service personnel (cashier)

Service failure
Customer queried about the side food items, but instead of being given an explanation, the cashier had insinuated that he was stingy or couldn’t afford the side food items.

Example of face-work to manage mianzi*

Embarrassed to query food-bill in front of guests (public gaze)

C26 performed face-work by discreetly going to the cashier to query about the food-bill (Private)

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# CASE 27

Findings on values theme of Chinese Participants in Service Failure & Recovery Context

**C271910 – Male – 60s - Retired lawyer**

**Dining occasion:** Celebrating spouse’s birthday

**Incident:** Dishonest sales tactic and difficulty to negotiate a bargain

**Findings:** Value: **Gong ping** (procedural), **Social harmony**  
Post-service behavior:

**CASE:** For his wife's birthday, C27 had negotiated a top-of-the-range banquet with 8 specially prepared dishes. He was impressed with the courteous service and help given by manager. However, he felt short-changed as the first 4 dishes were special, but the rest were ordinary dishes disguised with exotic names. Upset by this, he had approached the manager, who blamed the kitchen, which was seen as a lame excuse as the manager should be held responsible. He was not pleased for have to haggle for a small compensation eventually. He reported that while he disagreed with how things had turned out, he was not prepared to created a situation of conflict, which would spoil their evening and also he believed in working things out cordially to see if problem can be solved amicably, as he did not like conflict. If things did not work out in cordially, he would not again patronize them. To him, behaving in a zhonghe manner was how he was taught, and believed all human being should do, which was a

**What participant said (verbatim)**

**On service failure and responses:**

He reported: “I was upset by the manager’s dishonesty...he cheated me...couldn’t really trust his words. Asked about his response, he said: I didn’t like how I was treated, however, I was also not keen to be in conflict with others and said: “I believe that problems can be resolved amicably. If not, I will not patronize them. I like to be zhonghe (moderate and peaceful), which people observed in my country (Hemu – Social harmony).

He added: “I’d to bargain hard to get a small compensation for those very ordinary menu items, which they masked with exotic names to make them looked special. This was unfair and unethical (Gong ping – procedural fairness)

He confided: “Frankly, I was quite angry with how they treated us...but I didn’t show it to keep peace.

## Means-end values of Social harmony & Gong ping (Equity- procedural fairness)

**End value**

**Hemu (Social harmony)**  
(I like to behave in a zhonghe manner)

**End value**

**Gong ping (procedural fairness)**  
Perceived being treated unfairly

**Consequence**

**Upset, but restrained for being dealt with unethically by the manager with the banquet menu items**

**Consequence**

**Required to bargain hard for a small compensation**

**Service failure**

Dishonest sales practice

**Service recovery**

Unwilling to give compensation, for unethical sales tactic

Customer complained
CASE 28

Findings of Chinese Participants in Service Failure & Recovery Context

C281910 – Female -50s – Salesperson

Dining occasion: Lunch with colleagues

Incident: Dishonest sales tactic and rude manager

Findings: Values: Equity (interactional justice) Post service behavior: Would not repurchase

CASE: C28 and her colleague were told by the manager that although it was 1.45pm (closed at 2.00pm), they would still admit patrons. However, there was no service as the staff members were busy with ‘mise en place’ and she had to keep asking for service. The meals appeared to be reheated food. Upset by these, she complained vehemently to the manager, who in front of everybody rudely told her that she should be grateful to be invited in near closing time. Offended by such discourteous treatment, she lashed out on him and left.

What participant said (verbatim)

On service failure and responses:

She confided: “Very upset, the man was so rude...in the midst of others he said I should be grateful to be invited in when I complained...I was treated discourteously...it was so unjust the way I was treated when I gave him the business, he should apologize to me instead”. “There’s a saying in China, ‘customers are gods’, and if you treat them poorly, they will punish you”. “...should be thankful patrons come...”. (Equity - Interactional justice)

She said: “When I was wronged, I would not be embarrassed to fight back, which I did – told the manager I was offended by how she was treated. No matter where, I would ask the person responsible for the mistake to rectify the problem...that place wasn’t worthy of my patronage” (Exit)

Means-end Chain for Equity – Interactional fairness Value

End value
Equity (interactional justice) Being treated discourteously

Consequence
Upset for the discourteous treatment although customer felt she had given the patronage

Service recovery failure
‘Told off publicly by a discourteous manager for complaining of reheated food & no service

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Findings on value themes of Chinese Participants in Service Failure & Recovery Context

C292010 - Male - 40s - Doctor

Dining occasion: Dining while abroad

Incident: Proprietor's inappropriate remarks

Findings: Value: Valued patron, Social harmony. Post service behavior: Would not like to patronize such an establishment if staff was disrespectful towards him.

CASE: While abroad, C29, with little English, had problem communicating with an English-only speaking waiter in a restaurant, which gave rise to mistake in the food ordering. He had asked for steamed vegetables with no oil, but was given one with oil. The proprietor who attended to his complaint could speak Chinese and had understood his complaint. Instead of apologizing for the mistake, the proprietor insinuated that he had strange taste and was hard to please, which offensive him. He felt being discriminated because he could speak the language.

On service failure and responses:

He reported: "His remarks that I'd strange taste disappointed me... it was not a small matter... I felt it was flippant, inappropriate and disrespectful to treat a customer like that, I should get what I'd asked for...\. Because of my inability to speak English I felt being discriminated. I felt I was not treated with as much courtesy as other customers - I wasn't valued.

He intimated: "...didn't normally like to challenge people too aggressively in a dispute, so I tried to change the subject or made a light-hearted joke". Generally, harmony will prevail if you "tui yi bu feng ping lang qing", meaning "retreat, the wind will quell and wave subside" -- retreat from a conflict, there will be peace and harmony... I rather be in good terms with others than to be involved in a row (Social harmony).

He replied: "But, I wouldn't like to patronize such establishment if people discriminated against because of not being able to communicate in the language used in the country". (Unlikely to patronize)

Means-end values of Valued patron and Social harmony*

End value
Valued patron
"I felt being discriminated"

Consequence
Offended but did not retaliate

End value
Be in good terms with others
Social harmony

This value, which was mentioned by C29, moderated on his behavior.

Service failure
The proprietor remarked that the customer had strange taste

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Value Findings of Chinese Participants in Service Failure & Recovery Context

**CASE 30**

**C302010 - Female - 20s – Student**

**Dining occasion:** Hosting a friend’s birthday dinner

**Incident:** Misinformation and high corkage charged

**Findings:** Values: *Equity* (interactional fairness), *Mianzi* (face). Post service behavior: *Exit & negative WOM*

CASE: C30, who was hosting her friend’s birthday dinner, was misinformed by the door staff that no corkage would be charged for drinks brought in, and was upset, when a highly inflated corkage was charged which she felt was unfair. As a host, she was embarrassed to have to wrangle over the food-bill with the manager in front of her guests (in public), and was shocked and felt unfairly and discourteously treated when the manager refused to negotiate and threatened to detain her if it was not settled.

**What participant said (verbatim):**

She recounted: “I was very upset over the corkage since it was the staff’s fault – I was misinformed, but the manager was very unfair and discourteous. When I discreetly protested to the wait person about the amount, the manager came over to settle the issue. Not only did he refuse to negotiate, the manner he related to me was threatening, to get me to pay up was unfair (interactional fairness), which shocked and embarrassed me in front of my guests. I felt this embarrassed my guests too...it was immoral to treat customers in such an hostile manner. After all, his staff had misinformed me...I was also really embarrassed, because it also reflected on my ability to play host when I'd to haggle...” (mianzi-face).

**Means-end - (Equity – Interactional Fairness) and Mianzi values**

- **End value**
  - **Equity**
    - (Interactional fairness)
    - Treated in a hostile manner

- **End value**
  - Threat to mianzi (face)
    - Manner customer was treated in settling bill in front of guests

- **Consequence**
  - Upset and shocked

- **Consequence**
  - Spoilt celebration

- **Consequence**
  - Embarrassed

- **Service recovery failure**
  - Refusal to negotiate

- **Service recovery failure**
  - Discourteous service - Manager threatened detention

- **Service failure**
  - High corkage charged

- **Service failure**
  - Misinformed of corkage
CASE 31
Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C312010 - Female - 20s - Student

Dining occasion: Dining with family

Incident: Contaminated food and no refund

Findings: Values: 'Gong ping' (distributive fairness), Valued patron, Post service behavior: Exit

CASE: C31 and her family had ordered a white 'Tofu' (white bean curd). Much to her horror, several flies were found in the underside of the Tofu. She complained angrily to the head-waiter who apologized and replaced the dish, but the same food without the flies, was returned. Disgusted, they ended their meal and she had asked for a refund but the head-waiter had refused, which really angered her, although she offered to pay for the other half-eaten meals. She had reported the incident to the health authority and the complaint bureau.

On service failure and responses:

What participant said (verbatim)

She complained: "it was unforgivable, "...giving customer badly contaminated food, and then deceiving us with a replacement, which was in fact the original one without the contaminants (insect flies). "Very upset indeed, to then not refund us for the badly contaminated dish, 'na zen bu gong ping de' (that was grossly unfair)...should be compensated even more when the food was spoiled. (Gong ping – distributive fairness)

She lamented: I scolded him and wanted something done...my dad was trying to calm me down...we reported them to the health authority".

She added: "A restaurant that didn’t care about its customers’ well-being... didn’t treat them honestly and fairly didn’t deserve their patronage... I wouldn’t patronize such a restaurant". (Exit)

Means-end value of Gong ping (Equity) value

End value

‘Gong ping’ (distributive fairness)
Unfair for not given refund for contaminated food

End value

Valued patron

Consequence

Very upset with no refund & for being cheated

Service recovery failure

Given bad food 2nd time
Refused to refund customer

Service failure

Gave customer contaminated food
CASE 32

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

Dining occasion: Annual dinner

Incident: Service neglect

Findings: Value: Junzi aspiration (moderating influence), Lian & mianzi, Post service behavior: Likely to exit

CASE: C32 was seated with a group of senior colleagues during an annual dinner. She had repeatedly asked for a glass of orange juice and although the attendant was courteous and had promised to deliver one, she never received it. There seemed to be a short of hands. Feeling very thirsty and upset, she was tempted to say something rude to the staff, but was mindful that she was among senior colleagues, and therefore needed to check her manner. She said she was scared that her behavior might embarrass his colleagues.

What participant said (verbatim)

On service failure and responses:
She informed: "It's best to adopt a junzi behavior when dealing with others when something goes wrong...brought up to behave in a genteelly - ‘zhongyong he youli’ (moderate, and with propriety), tolerant and be in control of one’s emotion...[Junzi Image]"

She reflected: "...careful not to lose my cool in front of my senior colleagues as I felt one’s good reputation was important. I'd tried to control my frustration". I didn't want to create an incident that might embarrass my colleagues (Manage Lian – face; Protect others' mianzi face)

She said: "I’ve had a bad experience and would be unlikely to patronize this establishment in future. (Exit)

The means-end values of Junzi and Lian

End value
Junzi aspiration
"Behave in a genteely fashion"

End value
One’s good reputation is important – Lian
Scared I embarrassed my colleagues - Mianzi

Consequence
Upset, but avoided confronting staff to show self-control

Consequence
Wanted to express displeasure

Service failure
Service neglect (no drinks)
Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C332110 – Female – 20s – Teacher

Dining occasion: Dining with Family

Incident: Unethical service tactic and no service recovery

Findings: Value: Hemu (Social harmony). Post service behavior: Exit

CASE: In a busy, free-seating restaurant, which C33 often frequented, she was waiting at a table for her family to arrive, when a waitress came and politely encouraged her to browse at the food display counter. She was assured that the table would be held for her. But when she returned, it was occupied by another family. Upset, but had nevertheless asked the waitresses to do her a favor and reallocate another table for her. However, they were not prepared to do so and pretended they didn’t know what happened earlier, and informed that she would need to wait in a queue for another table. Although this could easily develop to a conflict, she was not keen to go further as she did not like conflict, but said, that she would just not repatronize them again.

On service failure and responses:

What participant said (verbatim)

She informed: “Their service tactic was unethical...I was coerced into vacating my table for another customer...the table was mine as I'd occupied it first, and I was just waiting for my family. Although the attendants were courteous, 'tamen mei xinyong' (Chinese) translated as 'they were untrustworthy. They promised it would be held for me, but they lied, and I'd to queue up again...I was upset.”

She added: “...saw no point in pushing the issue further as it would only develop into a confrontation, which I tried to avoid...I tolerated the treatment just to keep peace with others, although this didn’t mean I was timid, just chose to be less confronting...but, I would not return” (Hemu - Social harmony)
### CASE 34

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

**C342110 - Male - 40s - Government officer**

**Dining occasion:** Casual dining

**Incident:** Staff's sarcastic comments

**Findings:** Values: *Valued patron & lian (face)*  
Post service behavior: **Negative Word-of-mouth**

CASE: C34 and 3 colleagues, while were attending a training course had chose to dine in a restaurant advertised in the course's brochure. The waiter who served them had poor interpersonal skills, and when helping with the menu had made some derogatory comments which greatly insulted them, and they felt discriminated particularly, one of the younger colleagues, who took offence to the comments and started an argument, which attracted unwanted attention from other customers, and as C34 said, was embarrassing, and reflected badly on him too as he was in his company.

**What participant said (verbatim)**

**Service failure and responses:**

He explained: "Those comments greatly insulted us, lacking in respect ("meyou li") (no propriety). One comment hinted we're 'country pumpkins'..."One comment I remembered hinted that we're country 'pumpkins' and couldn't have had the type food that he recommended before...I couldn't blame my colleague for reacting angrily". We felt being discriminated by the type of comment made about us. Sounded that we weren't valued as much as the city dweller (Valued patron)

He said: "...that colleague wouldn't suffer fool easily...his angry reaction created an unpleasant scene which attracted attentions from others...embarrassing!". Asked how, he said: "...to lose one's cool in a public place...hen diu lian...seen as weak, couldn't control one's emotion". He said: "Personally, I would be more careful on how I behaved in public...It was undignified and I'd tried to make him understand...I'm sure people wondered what'd happened to us...I felt I was being judged by others too as I was with him". *(Managed lian (face)). Manage impression in public*

He added: "Insulted really, we told others in the course not to go there". *(Bad WOM)*

**Means-end values of Valued patron & Lian (face)**

<table>
<thead>
<tr>
<th>End value</th>
<th>End value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valued patron</td>
<td>Lian (face)*</td>
</tr>
<tr>
<td>Felt treated disrespectful by the waiter’s comments</td>
<td>Undignified to be with belligerent colleague</td>
</tr>
</tbody>
</table>

**Consequence**

- C34 felt *insulted* by the waiter’s comment & discriminated.
- C34 was *embarrassed* as a colleague in the party started an argument with the waiter

**Service failure**

Waiter’s sarcastic comments

* C34 indicated that his colleague's misbehavior in public had *negatively impacted* his lian (face) also.
CASE 35

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C352110 - Female - 60s – Retiree

Dining occasion: Dinner with family

Incident: Harsh replacement policy

Findings: Value: ‘Gong ping’ (procedural fairness) Post-service behavior: Dissatisfied, Unlikely to return

CASE: C35 dined out weekly with her children and on one occasion, she complained about the quality of a dish, but the waiter in charge on the night said that they usually wouldn’t replace if a meal was ½ consumed, arguing that consumers often exploited them to get free meals, and was the asked why the meal was not returned earlier. She got a replacement, but was offered begrudgingly, and had felt liked she was begging for one which embarrassed her. She was unhappy with her treatment and would be unlikely to return.

On service failure and responses:

What participant said (verbatim)

She said: “I wasn’t impressed at how I was treated...if I got a lousy meal, I shouldn’t have to haggle; it should be an automatic replacement but, I had to do that, and he only gave me one begrudgingly...I felt like beggar... was unfair, I rather not have it...”. (Gong ping – procedural fairness)

She confided: “I was quite upset about the whole episode and felt that they were not fair to me. I would consider long and hard as to whether to come back in the future”. (Likely to exit)

Means-end value of ‘Gong ping’ (Equity) (procedural) Value

End value

Gong ping (Procedural unfairness)
Felt automatic replacement should be given for a bad meal

Consequence

Upset to have to haggle for a replacement, which was given begrudgingly

Service recovery

Harsh replacement policy

Service failure

Poor quality dish

Customer complained
### CASE 36

**Findings on value theme of Chinese Participants in Service Failure & Recovery Context**

**C362110 - Male - 50s - Sales**

**Dining occasion:** *Lunch with friends*

**Incident:** Wrong meal with no replacement offered

**Findings:** Value: *Equity* (interactional fairness)  
Post-service behavior: *Satisfied, likely to repurchase and engaged in positive word-of-mouth*

**CASE:** C36 is discerning on how people treat him. A service failure incident occurred when lunching with a friend. He got an item which he thought was wrong, but was unsure if the mistake was his or the waitress. Not wanting to make a fuss, he did not raise this with the waitress, but had tried the dish, but did not like it, so he ordered a replacement and then told the waitress that he got the wrong dish, at which the waitress was very apologetic and polite – she treated me in a sensitive manner, but had not, given me a free dish, although he said, compensation need not always be in kind.

**On service failure and responses:**

**What participant said (verbatim)**

*He said: "...they accepted responsibility for the mistake irrespective of who caused it. In any case, they were so apologetic and polite about it, I was reasonable about it and didn't blame them even if I felt they should perhaps have given us a free dish, but happy because he treated me in a sensitive manner" (Equity - Interactional fairness)*

*He added: "If you are valued and treated nicely, you felt special...tend to ignore the mistake a bit and compensation in kind tend to be less important...yes, it didn't have to be material things...I wouldn't hesitate to return or recommend..." (Will repurchase and engaged in positive WOM) Treated special – good service recovery*

**Means-end value of Equity value (Equity) (Interactional fairness)**

<table>
<thead>
<tr>
<th>End value</th>
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</thead>
<tbody>
<tr>
<td>Equity (interactional fairness)</td>
</tr>
<tr>
<td>Felt being treated fairly when being given special attention</td>
</tr>
<tr>
<td>(Compensation did not have to be material things)</td>
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</table>

<table>
<thead>
<tr>
<th>Consequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congenial interpersonal treatment made customer feel special,</td>
</tr>
<tr>
<td>(Although no free replacement dish was given).</td>
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</table>

<table>
<thead>
<tr>
<th>Service Recovery</th>
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</thead>
<tbody>
<tr>
<td>Staff's congenial treatment</td>
</tr>
<tr>
<td>(<em>Very apologetic &amp; polite</em>)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Service failure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wrong meal was given</td>
</tr>
</tbody>
</table>

**Customer complained**

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CASE 37

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C372210 - Female – 40s – Manageress

Dining occasion: Hosted dinner for old classmates

Incident: Insensitive manner of the manager

Findings: Values: Social harmony & Mianzi (face)  Post service behavior: Dissatisfied with manager’s insensitivity

CASE: C37, while hosting a dinner for her old classmates had not wanted to query about un-itemised costs in food bill front of guests, so she had gone to find the manager, who was unavailable, so a message was conveyed to the manager through his staffer that he could be alerted once available. To her embarrassment, the manager appeared at the table 15 minutes later and started to discuss about the query in the bill in front of her guests. To avoid further embarrassment she asked the matter to be settled in his office.

On service failure and responses:

She informed: “I wondered why some of the food items were not itemised...so I asked to see the manager to clarify things, but I never like to argue nor want conflict with others...it’s just me, I guess I was influenced by my grandmother who always reminded me ‘Bu yao tong ren naoshi’ (don’t have conflict with others), instead try to relate to others in harmony...it was part of my upbringing...” (Hemu - Social harmony)

She said: “The manager should be more discreet and sensitive to my preference – I didn’t want to discuss the bill in front of my guests...you never do that when you have guess and he should know better – It was mianzi buhao kan” (Chinese), ‘not good face image’, (Managed – Mianzi Face)* - PUBLIC – social exposure

She confided: “The manager was very inexperienced. I’d already said I didn’t want the matter settle in front of my guests, yet he ignored that...I was most unhappy about this and I’d told him so...” (Public versus private issues)

Means-end values of Hemu (social harmony) & Mianzi (face)

End value

Hemu (Social harmony)

(Relate to others in harmony)

Mianzi (face)* (not in public)

Not good face image (mianzi buhao kan)

Consequence

Embarrassed

Service recovery failure

Customer informed that she be alerted when the manager was available, but
The manager came to the table to settle the bill, which was not preferred

Service failure

Food-bill contain un-itemised cost items

*This case highlights a face-work phenomenon where a customer preferred to discuss money issue with the service provider in private than public (i.e., not in front of guests).
CASE 38

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

**C382210 – Male - Taxi driver – 40s**

**Dining occasion:** 60th birthday celebration

**Incident:** Rushed meal service on a special occasion

**Findings:** Values: Social harmony. Post service behavior: Vowed to not return. No Service recovery

**CASE:** C38 and his siblings were celebrating their mother’s 60th birthday in a restaurant popular for its northern Chinese cuisine – a Chinese who reaches 60th birthday earns the reputation of longevity, so it is a special celebratory occasion. As C38 recalled, it was anything but a special occasion for the family. This was because management had been trying subtly to rush them through the meals to ensure a greater turnover of the table, evidenced in them giving customers the bill even before they finished their meal. When he asked for permission to stay longer, they were not given a clear answer. However, a group of diners had stood nearby their table waiting, which was a subtle hint for them to vacate the table. He said they left soon after. Although upset, he did not confront the manager for the poor treatment because he felt that it would not help solve the problem, but created further argument, which he did not like, and quoted a Chinese saying that it was best to have one thousand friends than to have one enemy.

**What participant said (verbatim)**

On service failure and responses:
He said: *"I was very disappointed by the restaurant’s subtle hints to get us out before we finished our dinner. It was most discourteous to give us the bill before we’re ready...I expected better treatment, as I had given them the business and had indicated it was a birthday dinner. I was upset, but, didn’t bother to see the manager, as it served no purpose, I want to be nice to others. There’s a common saying “Qian ren hao bu yi ren di” “have one thousand friends than one foe...”...I can be difficult, but choose not to for!” (philosophy of social harmony). He also added: “I didn’t complain too much, as I didn’t like confrontation. I believe how you treat others, so will you be treated...you gain respect from others, however, I believe ‘tien hui bao’ (Chinese), meaning ‘the heaven will revenge’, which means you don’t need to do much. (Heaven will reciprocate)”*

**Means-end value of Henu (social harmony)**

End value

_Henu (Social harmony)_

'make 1000 friends than one enemy’

Consequences

Dissatisfied, but refrained from arguing

Consequences

Celebration spoilt

Service failure

Rushed meal service on a special occasion (60th birthday)
CASE 39

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C392210 – Female - 40s – Business

Dining occasion: Dinner with son on a business trip

Incident: Discourteous service staff


CASE: C39 often ate out in restaurants during her business travel. During one occasion, she had booked to dine with her son in the hotel where she often stayed on her trip. They could only secure a table at 8.00pm, but on arrival, they had to wait much longer. To make things worst, the waitress who received them was very abrupt and discourteous, which greatly insulted her. Although upset, she had overlooked the incident because she said as an educated person, she always tried to relate to others in a civilized manner. He did, however, mentioned to the manager about the problem. The manager was very respectful, apologized profusely and immediately took over to serve her. The bad beginning had a good ending. The poor interaction style of the waiting staff was compensated by the satisfactory service recovery outcome. Her sincere apology and diligent effort won her over, and she felt truly valued.

On service failure and responses:
She recounted: "The waitress was uncouth and rude to us...quite unacceptable. I don't like a rude service person...showed a lack of respect for you...showing respect is important...expected not just in business, but in all walks of life in China. Felt shocked and although it wasn't nice, I wasn't bothered by the discourtesy, and I didn't like confrontation either because, a civilized person could rise above this [problem]...had continued to relate [to her] with cordiality to maintain peace, which wasn't easy." (Junzi behavior)

However, I did mention to the manager about the rude waitress, and the manager was respectful and had apologized profusely and personally looked after us...I felt being treated with much respect in the end...when they meant what they said and took action to correct things immediately, you felt being valued (Valued, Junzi, favorable outcome).

She confided: “By taking over to serve us, he showed us that we are important to them...you felt valued, that regained my favor... it was a good outcome, I would not hesitate to repurchase”

Means-end value of Valued patron & Junzi

<table>
<thead>
<tr>
<th>End value</th>
<th>End value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valued patron</td>
<td>Civilized image</td>
</tr>
<tr>
<td>(Sincere apology &amp; corrected problem immediately)</td>
<td>Civilized and educated – avoided confrontation</td>
</tr>
</tbody>
</table>

Consequence
Felt special for manager special treatment

Service Recovery
Manager apologized profusely and served personally

Consequence
Shocked customer, informed manager

Consequence
Upset - respect not given, but like to maintain peace & civility

Service failure
Rude and uncouth reception by a waitress

316
CASE 40

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C402210 - Female - 30s - Clerk

Dining occasion: Light Lunch with colleague

Incident: Discriminating attitude of a waiting staff

Findings: Values: Mianzi (face), Lian (Face). Post-service behavior: Exit, No evident of service recovery

CASE: C40 wanted a light meal in mid-afternoon, had gone to a restaurant which offered food she liked. The waiter who received her was at first welcoming, but his attitude changed as was obvious in his facial expression, when he found out that she only wanted something light, creating an impression that she was not worth serving. Humiliated by such discourteous attitude, she got up and left immediately, worrying that she might confront the waiter or his manager about the way she was treated. She was fearful that an argument could develop, which she felt, could be undignified.

On service failure and responses:

What participant said (verbatim)

She explained: “When I said I only wanted something light, his face showed I wasn’t worth serving...I felt discriminated and humiliated of course, who wouldn’t...I wasn’t worth their effort” (Mianzi - loss of face)

She added: “I quickly got up and left, worried that I could confront someone and an argument might develop which would not be dignifying in public. (Managed lien - face) - The moderating influence on lien.

She commented: “I was humiliated by the attitude of the waiter. I wouldn’t go there again. It’s a shame, as they offer good food”. (Exit)

Means-end Mianzi (face) Value & Lian value* (Moderating influence)

End value
Mianzi (face)
“His face showed I wasn’t worth serving”

End value
Lian (face)*
Argument was perceived as undignifying

Consequence
Humiliated, had not retaliated but, she quickly left the restaurant

Service failure
Discriminating attitude of waiting staff

* Note: The managing of lien (moral face) provided a moderating influence on C40 in her interaction with the waiting person – there was no confrontation when the service failed.
### CASE 41

Findings on value theme of Chinese Participants In Service Failure & Recovery Context

<table>
<thead>
<tr>
<th>C412310 – Male – 40s – Bank officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dining occasion: New year's eve reunion dinner with family</td>
</tr>
<tr>
<td>Incident: Table was given away due to late arrival</td>
</tr>
<tr>
<td>Findings: Value: Mianzi (face), Valued patron, Post-purchase response: Satisfied, will repurchase, engaged in favorable WOM.</td>
</tr>
</tbody>
</table>

CASE: For the spring festival's family reunion dinner, C41 had taken his family to a popular restaurant in the city. Although the table was booked for 6pm, his party had arrived 40 minutes late due to transport difficulty, to find the table given away as the restaurant was always busy on new year's eve. Realising that the new year reunion dinner was an important occasion for a Chinese family, the manager had himself involved in setting up a table, although he was very busy, much to the customer's delight and gratitude. He intimated that the manager had given him mianzi (face), as he had bent over his back to meet his needs and this was also done in a good spirit. He indicated he was satisfied with the service, and would not hesitate to return or speak well of the restaurant.

On service failure and responses

C41 reported: "Most grateful for the way the manager looked after us. He really bent over his back to do so. He didn't have to do it because it was our fault that we're late and we hadn't rung-up to tell them. It was the busiest night for them too. Yes, I was very appreciative and grateful for his accommodation, being treated a value customer" (Customer satisfaction)

He intimated: "Knowing it was a special dinner for my family, he'd himself helped in setting up the table, rather than relying on his staff. He did all he could to help, I was most appreciative for had he not helped, we might not have got a table anywhere on new year's eve". Asked what the favourable service outcome had meant to him, He said: "Felt very important and special" (Given mianzi – face – favorable outcome). When asked about his post-service response, she said: "I would not hesitate to dine there again and would recommend to my relatives and friends" (Repurchase and Good WOM).

### Means-end value of Mianzi (face) and Valued patron

<table>
<thead>
<tr>
<th>End value</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Felt very special and important&quot;</td>
</tr>
<tr>
<td>Given Mianzi (Face)</td>
</tr>
<tr>
<td>Consequence</td>
</tr>
<tr>
<td>Delighted and appreciative for being given a table on a busy evening</td>
</tr>
<tr>
<td>Service Recovery</td>
</tr>
<tr>
<td>Manager promptly found a replacement table (favourable service outcome)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End value</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Felt very special and important&quot;</td>
</tr>
<tr>
<td>Valued patron</td>
</tr>
<tr>
<td>Service failure</td>
</tr>
<tr>
<td>Table was given away due to late arrival</td>
</tr>
</tbody>
</table>
CASE 42

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C422310 – Male – 60s – Manager

Dining occasion: Hosted overseas business clients

Incident: Mistake with food item

Findings: Value: Mianzi (face); Mianzi (give face with satisfaction outcome) Post-purchase response: Exit

CASE: C42 was hosting a dinner for some important overseas business clients to secure a sales contract. Earlier, a menu was arranged with the restaurant to ensure that everything would go smoothly for the dinner. An important request was that no pork be used in the meal since the clients could not partake of pork for religious reason. Despite the arrangement, the guests were mistakenly served a dish with pork ingredient which he was highly embarrassed and feared could have committed a faux pas, which offended the guests.

On service failure and responses

What participant said (verbatim)

C42 explained: "Clearly, the worst was there was pork in a dish which I feared could have offended the guests. I suspected we'd committed a cultural faux pas...it's highly embarrassing for me...wondered how my guests had thought of me..." (A threat or loss of mianzi) – Worried of guest's scrutiny.

He further said: "I'd complained to the manager about the mistake after the guests had left, but he said sorry and blamed the kitchen for the mistake, but did nothing. I was angry for after all the planning, they still got it wrong. If only they did sometime more to express they were sorry, I would reconsider them for further dining. When asked to explain, he said: Yes, I would have been happier with the outcome if they did more. Ask what would that be, he replied: ‘To show, he was genuinely sorry, he could have said, since the mistake was ours, would you be happy if we gave you a discount and made it up to you in future? I would have accepted it...as it showed that they valued you and had your interest at heart’ (Not given mianzi face).

Means-end value of Mianzi (face)

End value *
Given mianzi (Face)
"They have your interest at heart"

Consequence
Would help regain customer's favour

End value
Mianzi Face
"Wonder what my guests thought of me"

Consequence
Highly embarrassed by the faux pas as a result of the mistake

Service recovery
Not just apology (insufficient), but did something more in recovery

Service failure
Guests mistakenly given non-kosher food by the restaurant (cultural faux pas)

* This service recovery for the present service failure was suggested by C42, which would help elevate his mianzi (face)
CASE 43

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C432310 – Female – 50s - Principal

Dining occasion: Staff's function

Incident: No smoke-free area reserved

Findings: Values: Junzi Image; Goodwill – quick service recovery. Post-service behavior:

CASE: C43 recounted that the proprietor sounded very caring and obliging and promised her a smoke-free area, but this was not allocated. When she complained, the proprietor was very apologetic, and had promised to make up to her. Although, felt let down, she said she did not like to be difficult as it can create ill-feeling and conflict, so after his explanation of the difficulty with space, she had shown understanding and goodwill. With goodwill, the problem can be resolved quickly.

On service failure and responses:

What participant said (verbatim)

C43 explained: "When a smoke-free area was not available, I felt 'let down'. However, I didn't like to be difficult because it could create ill-feeling and conflict - I'd accepted his apology and explanation of the difficulty with space on a busy night. Yes, I tried to be understanding and showed goodwill...it's best to get on with others. I believe others will honor your gesture. He sincerely apologized and gave us some complimentary drinks to make up for it. Adequate Recovery

She said: "I guess one who chooses to practise 'zhongyong' (moderation), shouldn't always only think of one's interest. Sometimes we may have to accept negative outcome and consider other people's interests...it requires understanding & goodwill...but the reasons given for the problems must also be reasonable..." (Junzi image).

Means-end value of Junzi aspiration*

End value
Junzi aspiration
"One with goodwill will behave"

Consequence
Disappointed, but C43 showed understanding and goodwill
Which disarmed the waiter

Service failure
No Smoke-free area reserved
(Broken promise)

* Junzi values influenced C43's behavior in her dealing with the service provider – with goodwill.
CASE 44

Findings on value of Chinese Participants in Service Failure & Recovery Context

**C442310 – Female – 30s – Travel agent**

**Dining occasion:** Hosting relatives

**Incident:** Favorite dish was unavailable

**Findings:** Values: Junzi-like manner; Post-service behavior: May repurchase

CASE: C44, a travel agent, told of an occasion when hosting her relatives at a top restaurant in town. She had ordered the restaurant’s signature item and was looking forward to it, as it was her favourite dish. The order was accepted, when in fact it was not available, but, staff had not informed when it was unavailable, until much later. She was very disappointed. When the waiter was asked why, he had responded rudely and abruptly, and raised his voice, and had created a very unpleasant situation. She said, despite his aggressive manner, she had kept her 'cool' and had responded with dignity, quietly reasoning with the waiter the need to relate in a harmonious manner – dealing with others like a junzi.

**What participant said (verbatim):**

C44 said: "I was very disappointed when the waiting staff said it was sold out much later, But when I asked him, why, the wait staff who took our order, took offence and turned nasty, raising his voice, displaying aggression, which I found astonished for staff serving customers to do that. I was quite cool about it and said something nice to him, thinking that he must have had a row with the chef or someone or was overstretched." "I...didn't really like confronting others aggressively; tried to show an understanding of his situation and you could say I acted like a junzi, which disarmed him eventually and he apologized. By responding in a congenial way, I'd managed to turn him around...no refined person like to be in conflict with others." (Junzi image)

She said: *I may return since I like the food there, but am certainly not pleased with the service. MAY RETURN*

**Means-end value of Junzi aspiration**

End value

- Junzi-image
- "Congenial behavior"

Consequence

- Astonished, but showed understanding

**Service failure**

- Favourite dish was sold out, but was not told earlier.

**Service recovery**

- Waiter responded discourteously when reason was asked about the unavailability of the food item. No recovery action undertaken

Customer asked for an explanation
CASE 45

Findings on value theme of Chinese Participants in Service Failure & Recovery Context

C452410 - Male - 30s - Grocer

Dining occasion: Casual dining with friends

Incident: Long wait to be served

Findings: Values: Mianzi (face); Social harmony. Post-service behavior: Did not say, but appeared to repurchase

CASE: C45, a grocer, who was dining with friends in a popular restaurant in the region, was disappointed with long wait before they were served. Some of his friends were rather critical of the establishment, although he was more sympathetic and had defended the manager was did apologize and asked for understanding. He intimated that as a businessman, he accepted that at times it was difficult to ensure that service was without fault when it was busy. He intimated that he did receive good service when he had his wedding banquet recently. The manager had treated him well and he was keen to defend him. In simple terms, he was 'giving face' to the manager and said that he preferred to show understanding and relate to others in a cordial, rather than an aggressive manner. In other words, he preferred social harmony than confrontation. The manager responded and ensured that they received satisfactory service throughout the evening after the initial wait.

On service failure and responses:

He explained: "Some of my friends were a bit impatient with the wait for the meal, and were critical at the manager, even after he had apologized and explained the situation was unexpected as some of their workers called in sick, which resulted in a shortage of kitchen staff in a busy period. I was more sympathetic and understanding especially when he'd looked after me in my recent wedding dinner, and we have developed some sort of quanxi (relationships)... I didn't like to be aggressive as I believed when you remained cordial and be agreeable with others, which was how a Chinese should behave, things could be resolved... also expect staff to deal in a moderate manner (zhong yong)." (Given mianzi face) (Hemu - Social harmony).

He added: "Happy, got good service even if we'd to wait a bit... because of the relationship I'd established with him, he'd made sure we're satisfactorily served even though we'd to wait a bit initially." (Given face - service outcome).

Means-end value of Mianzi (face) & Hemu (Social harmony)

<table>
<thead>
<tr>
<th>End value</th>
<th>End value</th>
<th>End value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Given face by manager</td>
<td>Gave manager mianzi face</td>
<td>Hemu (Social harmony)</td>
</tr>
<tr>
<td>Received Good service outcome</td>
<td>Defend manager’s reputation</td>
<td>“Be in harmony with other”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consequence</th>
<th>Consequence</th>
<th>Consequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Happy to receive satisfactory service after a long wait</td>
<td>Disappointed but showed sympathy &amp; understanding, &amp; returned favour for past help</td>
<td>Despite disappointed, C45 had remained cordial &amp; non-confronting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service recovery</th>
<th>Service failure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager then ensured satisfactory service through-out</td>
<td>Long wait to be served</td>
</tr>
</tbody>
</table>

Informed of mistake
Appendix 2 – Customer Service Experience Questionnaire

CUSTOMER SERVICE EXPERIENCE

QUESTIONNAIRE

This research is conducted as part of my PhD Study. In this research, I am interested to find out how Chinese customers view service failure situations in restaurant setting. I am grateful for your participation and ask if you could kindly take 15-20 minutes of your valuable time to complete this questionnaire. Please complete all question statements and kindly respond to them truthfully. All information you have given to me will be used in strict confidence, for my research only, and will therefore not be divulged to anyone. Please hand the completed questionnaire back to the research assistant. As a token of my appreciation for your participation, please accept a small money gift of 10 Yuan. Thank You

This questionnaire seeks anonymous responses from respondents.
Please do not write your name
Scenario 1

- QUESTIONNAIRE -

This study describes a service problem at a restaurant. Please read the scenario carefully and try to imagine yourself as the customer in the service encounter. Take your time to read the scenario before completing the questionnaire. There is no right or wrong answer, as I am only interested in your thoughts and feelings about the service situation.

PLEASE READ THIS SCENARIO FIRST

Imagine the following situation as if you are the customer.

You are hosting a dinner at a popular restaurant to honor the visit of your close relatives, whom you have not seen for a long time. Wanting to make a good impression on them, you have booked a table at the restaurant a month in advance for 10 people for 7:00pm, and have confirmed the reservation 24 hours before the dinner. You arrive at the restaurant on time, together with your relatives.

You are standing with your relatives at the restaurant’s lobby, when a waiter comes to see your group. You give the waiter your details and state that you have a table reserved for 7:00pm.

The waiter appears welcoming and goes to check the reservation book before returning to you. Speaking to you in a courteous manner, he says: “We don’t seem to have a reservation in your name and unfortunately the restaurant is currently fully occupied”. He seems to believe you have made a reservation.

You object and reiterate that you did book a table and confirmed it yesterday. After a few minutes of discussion, the waiter says that he will consult the head-waiter to see what can be done. He returns shortly and says “I have good news for you. I can get you a table, it will only be another 15 minutes.”.

Your relatives saw and heard the whole encounter so you only briefly explain the situation and suggest that you all do some window shopping, while waiting for the table. When you return 15 minutes later your table is ready and you all sit down for the dinner.

Next, I would like you to kindly answer some questions about this service event. Specifically, I am interested in your views about the service incident and how it was handled. Please answer all the questions in the next few pages.
Scenario 2

- QUESTIONNAIRE -

This study describes a service problem at a restaurant. Please read the scenario carefully and try to imagine yourself as the customer in the service encounter. Take your time to read the scenario before completing the questionnaire. There is no right or wrong answer, as I am only interested in your thoughts and feelings about the service situation.

PLEASE READ THIS SCENARIO FIRST

Imagine the following situation as if you are the customer

You are hosting a dinner at a popular restaurant to honor the visit of your close relatives, whom you have not seen for a long time. Wanting to make a good impression on them, you have booked a table at the restaurant a month in advance for 10 people for 7:00pm, and have confirmed the reservation 24 hours before the dinner. You arrive at the restaurant on time, together with your relatives.

You are standing with your relatives at the restaurant’s lobby, when a waiter comes to see your group. You give the waiter your details and state that you have a table reserved for 7:00pm.

The waiter appears welcoming and goes to check the reservation book before returning to you. Speaking to you in a courteous manner, he says: “We don’t seem to have a reservation in your name and unfortunately the restaurant is currently fully occupied”. He seems to believe you have made a reservation.

You object and reiterate that you did book a table and confirmed it yesterday. After a few minutes of discussion, the waiter says that he will consult the head-waiter to see what can be done. He returns shortly and says “I have bad news for you, I can get you a table, but it will not be for another hour”.

Your relatives saw and heard the whole encounter so you only briefly explain the situation and suggest that you all do some window shopping, while waiting for the table. When you return 1 hour later your table is ready and you all sit down for the dinner.

Next, I would like you to kindly answer some questions about this service event. Specifically, I am interested in your views about the service incident and how it was handled. Please answer all the questions in the next few pages.
- QUESTIONNAIRE -

This study describes a service problem at a restaurant. Please read the scenario carefully and try to imagine yourself as the customer in the service encounter. Take your time to read the scenario before completing the questionnaire. There is no right or wrong answer, as I am only interested in your thoughts and feelings about the service situation.

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Imagine the following situation as if you are the customer

You are hosting a dinner at a popular restaurant to honor the visit of your close relatives, whom you have not seen for a long time. Wanting to make a good impression on them, you have booked a table at the restaurant a month in advance for 10 people for 7:00pm, and have confirmed the reservation 24 hours before the dinner. You arrive at the restaurant on time, together with your relatives.

You are standing with your relatives at the restaurant’s lobby, when a waiter comes to see your group. You give the waiter your details and state that you have a table reserved for 7:00pm.

The waiter appears unwelcoming and goes to check the reservation book before returning to you. Speaking to you in a discourteous manner, He says: “We have no reservation in your name and the restaurant is fully occupied”. He does not seem to believe you have even made a reservation.

You object and reiterate that you did book a table and confirmed it yesterday. After a few minutes of discussion, the waiter says that he will consult the head-waiter to see what can be done. He returns shortly and says “I have good news for you. I can get you a table, it will only be another 15 minutes.”.

Your relatives saw and heard the whole encounter so you only briefly explain the situation and suggest that you all do some window shopping, while waiting for the table. When you return 15 minutes later your table is ready and you all sit down for the dinner.

Next, I would like you to kindly answer some questions about this service event. Specifically, I am interested in your views about the service incident and how it was handled. Please answer all the questions in the next few pages.
Scenario 4

- QUESTIONNAIRE -

This study describes a service problem at a restaurant. Please read the scenario carefully and try to imagine yourself as the customer in the service encounter. Take your time to read the scenario before completing the questionnaire. There is no right or wrong answer, as I am only interested in your thoughts and feelings about the service situation.

PLEASE READ THIS SCENARIO FIRST

Imagine the following situation as if you are the customer.

You are hosting a dinner at a popular restaurant to honor the visit of your close relatives, whom you have not seen for a long time. Wanting to make a good impression on them, you have booked a table at the restaurant a month in advance for 10 people for 7:00pm, and have confirmed the reservation 24 hours before the dinner. You arrive at the restaurant on time, together with your relatives.

You are standing with your relatives at the restaurant’s lobby, when a waiter comes to see your group. You give the waiter your details and state that you have a table reserved for 7:00pm.

The waiter appears unwelcoming and goes to check the reservation book before returning to you. Speaking to you in a discourteous manner, He says: “We have no reservation in your name and the restaurant is fully occupied”. He does not seem to believe you have even made a reservation.

You object and reiterate that you did book a table and confirmed it yesterday. After a few minutes of discussion, the waiter says that he will consult the head-waiter to see what can be done. He returns shortly and says “I have bad news for you, I can get you a table, but it will not be for another hour”.

Your relatives saw and heard the whole encounter so you only briefly explain the situation and suggest that you all do some window shopping, while waiting for the table. When you return 1 hour later your table is ready and you all sit down for the dinner.

Next, I would like you to kindly answer some questions about this service event. Specifically, I am interested in your views about the service incident and how it was handled. Please answer all the questions in the next few pages.
Scenario 5

- QUESTIONNAIRE -

This study describes a service problem at a restaurant. Please read the scenario carefully and try to imagine yourself as the customer in the service encounter. Take your time to read the scenario before completing the questionnaire. There is no right or wrong answer, as I am only interested in your thoughts and feelings about the service situation.

PLEASE READ THIS SCENARIO FIRST

Imagine the following situation as if you are the customer.

You are hosting a dinner at a popular restaurant to honor the visit of your close relatives, whom you have not seen for a long time. Wanting to make a good impression on them, you have booked a table at the restaurant a month in advance for 10 people for 7:00pm, and have confirmed the reservation 24 hours before the dinner. You arrive at the restaurant on time, together with your relatives.

Your relatives wait at the restaurant’s lobby, while you go inside the restaurant alone to see the waiter. You give the waiter your details and state that you have a table booked for 7:00pm.

The waiter appears welcoming and goes to check the reservation book before returning to you. Speaking to you in a courteous manner, he says: “We don’t seem to have a reservation in your name and unfortunately the restaurant is currently fully occupied”. He seems to believe you have made a reservation.

You object and reiterate that you did book a table and confirmed it yesterday. After a few minutes of discussion, the waiter says that he will consult the head-waiter to see what can be done. He returns shortly and says “I have good news for you. I can get you a table, it will only be another 15 minutes.”.

Your relatives are still waiting at the restaurant’s lobby. You walk back to the lobby and explain the situation, suggesting that you all do some window shopping while waiting for the table. When you return 15 minutes later your table is ready and you all sit down for the dinner.

Next, I would like you to kindly answer some questions about this service event. Specifically, I am interested in your views about the service incident and how it was handled. Please answer all the questions in the next few pages.
Scenario 6

- QUESTIONNAIRE -

This study describes a service problem at a restaurant. Please read the scenario carefully and try to imagine yourself as the customer in the service encounter. Take your time to read the scenario before completing the questionnaire. There is no right or wrong answer, as I am only interested in your thoughts and feelings about the service situation.

PLEASE READ THIS SCENARIO FIRST

Imagine the following situation as if you are the customer.

You are hosting a dinner at a popular restaurant to honor the visit of your close relatives, whom you have not seen for a long time. Wanting to make a good impression on them, you have booked a table at the restaurant a month in advance for 10 people for 7:00pm, and have confirmed the reservation 24 hours before the dinner. You arrive at the restaurant on time, together with your relatives.

Your relatives wait at the restaurant’s lobby, while you go inside the restaurant alone to see the waiter. You give the waiter your details and state that you have a table booked for 7:00pm.

The waiter appears welcoming and goes to check the reservation book before returning to you. Speaking to you in a courteous manner, he says: “*We don’t seem to have a reservation in your name and unfortunately the restaurant is currently fully occupied*”. He seems to believe you have made a reservation.

You object and reiterate that you did book a table and confirmed it yesterday. After a few minutes of discussion, the waiter says that he will consult the head-waiter to see what can be done. He returns shortly and says “*I have bad news for you, I can get you a table, but it will not be for another hour*”.

Your relatives are still waiting at the restaurant’s lobby. You walk back to the lobby and explain the situation, suggesting that you all do some window shopping while waiting for the table. When you return 1 hour later your table is ready and you all sit down for the dinner.

Next, I would like you to kindly answer some questions about this service event. Specifically, I am interested in your views about the service incident and how it was handled. Please answer all the questions in the next few pages.
Scenario 7

- QUESTIONNAIRE -

This study describes a service problem at a restaurant. Please read the scenario carefully and try to imagine yourself as the customer in the service encounter. Take your time to read the scenario before completing the questionnaire. There is no right or wrong answer, as I am only interested in your thoughts and feelings about the service situation.

PLEASE READ THIS SCENARIO FIRST

Imagine the following situation as if you are the customer.

You are hosting a dinner at a popular restaurant to honor the visit of your close relatives, whom you have not seen for a long time. Wanting to make a good impression on them, you have booked a table at the restaurant a month in advance for 10 people for 7:00pm, and have confirmed the reservation 24 hours before the dinner. You arrive at the restaurant on time, together with your relatives.

Your relatives wait at the restaurant’s lobby, while you go inside the restaurant alone to see the waiter. You give the waiter your details and state that you have a table booked for 7:00pm.

The waiter appears unwelcoming and goes to check the reservation book before returning to you. Speaking to you in a discourteous manner, He says: “We have no reservation in your name and the restaurant is fully occupied”. He does not seem to believe you have even made a reservation.

You object and reiterate that you did book a table and confirmed it yesterday. After a few minutes of discussion, the waiter says that he will consult the head-waiter to see what can be done. He returns shortly and says “I have good news for you. I can get you a table it will only be another 15 minutes.”

Your relatives are still waiting at the restaurant’s lobby. You walk back to the lobby and explain the situation, suggesting that you all do some window shopping while waiting for the table. When you return 15 minutes later your table is ready and you all sit down for the dinner.

Next, I would like you to kindly answer some questions about this service event. Specifically, I am interested in your views about the service incident and how it was handled. Please answer all the questions in the next few pages.
Scenario 8

- QUESTIONNAIRE -

This study describes a service problem at a restaurant. Please read the scenario carefully and try to imagine yourself as the customer in the service encounter. Take your time to read the scenario before completing the questionnaire. There is no right or wrong answer, as I am only interested in your thoughts and feelings about the service situation.

PLEASE READ THIS SCENARIO FIRST

Imagine the following situation as if you are the customer.

You are hosting a dinner at a popular restaurant to honor the visit of your close relatives, whom you have not seen for a long time. Wanting to make a good impression on them, you have booked a table at the restaurant a month in advance for 10 people for 7:00pm, and have confirmed the reservation 24 hours before the dinner. You arrive at the restaurant on time, together with your relatives.

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You object and reiterate that you did book a table and confirmed it yesterday. After a few minutes of discussion, the waiter says that he will consult the head-waiter to see what can be done. He returns shortly and says “I have bad news for you, I can get you a table, but it will not be for another hour”.

Your relatives are still waiting at the restaurant’s lobby. You walk back to the lobby and explain the situation, suggesting that you all do some window shopping while waiting for the table. When you return 1 hour later your table is ready and you all sit down for the dinner.

Next, I would like you to kindly answer some questions about this service event. Specifically, I am interested in your views about the service incident and how it was handled. Please answer all the questions in the next few pages.
**Section A**

Imagine yourself as the customer of this restaurant. Kindly indicate your responses to the following statements by clearly circling the response that matches most closely to your level of agreement with the statement. I appreciate your truthful answers.

Please give only **ONE** (1) response to each of the statement below.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Moderately Disagree</th>
<th>Neutral</th>
<th>Moderately Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The waiter at this restaurant made me feel welcomed</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>2. The waiter at this restaurant treated me in a courteous manner</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>3. The waiter's action showed he cared about me as a customer at this restaurant</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>4. The waiter at this restaurant showed me correct 'Li' (propriety) when dealing with me</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>5. The manner the waiter at this restaurant treated me made me feel 'valued' as a customer</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>6. The way I was treated by the waiter at this restaurant made me look respectable to others</td>
<td>1</td>
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<td>3</td>
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<td>6</td>
<td>7</td>
</tr>
<tr>
<td>7. The waiter at this restaurant did an extremely good job in attending to the service problem</td>
<td>1</td>
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<td>5</td>
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<td>7</td>
</tr>
<tr>
<td>8. The waiter believed I had reserved a table at this restaurant</td>
<td>1</td>
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<td>3</td>
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<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>9. The services I received at this restaurant 'gave me face'</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>10. I felt that the restaurant fairly addressed the service problem I encountered</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td>6</td>
<td>7</td>
</tr>
<tr>
<td>11. I felt that the waiter made sure that I did not 'lose face' when dealing with me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>12. In this scenario, my relatives were likely to hear my whole dialogue with the waiter over the service problem from where they were standing at the restaurant</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td>6</td>
<td>7</td>
</tr>
<tr>
<td>13. By not having reserved a table for me, the restaurant had caused me to 'lose face' with my relatives</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>14. From where my relatives were standing at this restaurant, I felt that they were able to observe my interaction with the waiter.</td>
<td>1</td>
<td>2</td>
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<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>15. I felt that the duration I had to wait for a table was a favourable outcome</td>
<td>1</td>
<td>2</td>
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<td>7</td>
</tr>
<tr>
<td>16. I made an extremely wise choice to dine at this restaurant</td>
<td>1</td>
<td>2</td>
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<td>7</td>
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<tr>
<td>17. My interaction with the waiter was conducted in private (i.e., unlikely to be witnessed by others)</td>
<td>1</td>
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<td>7</td>
</tr>
<tr>
<td>18. The overall service outcome at this restaurant was a good one</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
**Section A**

Imagine yourself as the customer of this restaurant. Kindly indicate your responses to the following statements by clearly circling the response that matches most closely to your level of agreement with the statement. I appreciate your truthful answers.

Please give only ONE (1) response to each of the statement below.

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. As a customer I would be extremely pleased with the service at this restaurant</td>
<td></td>
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<tr>
<td>20. If this service problem had happened to me, I would complain to my relatives and friends about the restaurant</td>
<td></td>
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<td>21. If this service problem had happened to me, I would never dine at the restaurant again</td>
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<tr>
<td>22. As a customer, I would be extremely contented with the service at this restaurant</td>
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<tr>
<td>23. If this service problem had happened to me, I would still dine at this restaurant in future</td>
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<tr>
<td>24. I would very likely warn my relatives and friends not to dine at this restaurant</td>
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<tr>
<td>25. If this service problem had happened to me, I would make sure to tell my friends and relatives not to dine at this restaurant</td>
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<tr>
<td>26. I was extremely happy with the service at this restaurant</td>
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<td>27. There is a likelihood that I will dine at this restaurant in future</td>
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<tr>
<td>28. I was extremely satisfied with the service at this restaurant</td>
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<td>29. I think the service problem like this does occur in restaurants in real life</td>
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<tr>
<td>30. This scenario about the service problem at this restaurant is believable</td>
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<tr>
<td>31. I feel I could identify with the customer in the scenario described</td>
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<tr>
<td>32. I believe there are waiters who behave like this in restaurants</td>
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<td></td>
</tr>
</tbody>
</table>

333
Section B

In this section, I am interested in finding out your views about service and the section consists of some more general questions for you to answer. Please try to think about service delivery in general and indicate your response to each question statement that most closely matches your level of agreement.

Please give only ONE (1) response to each of the statements below

<table>
<thead>
<tr>
<th>Statement</th>
<th>1 = Strongly Disagree</th>
<th>2 = Disagree</th>
<th>3 = Moderately Disagree</th>
<th>4 = Neutral</th>
<th>5 = Moderately Agree</th>
<th>6 = Agree</th>
<th>7 = Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>33. It is fair that customers should receive the standard of service for which they have paid</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>34. A service firm has no right to value some customers more highly than others</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>35. Customers should always deal with the service person harmoniously</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>36. Customers should only ask for the level of compensation that matches the size of the service problem</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>37. Customers should always expect a service person to treat them in a sensitive manner</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>38. Courteous treatment by a service person should be paramount under most service situations</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>39. If a firm values its customers it should demonstrate a diligent effort in resolving service problem</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>40. Customers should behave in a manner so as not to cause a service person to 'lose face'.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>41. A service firm should always protect its customers' 'face' by extending goodwill to them in a dispute</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>42. A service firm should not under any circumstances blame its customers for the cause of a service problem</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>43. Customers should expect a service firm which valued them to compensate them for more than what they had paid for the service, if problems occur</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>44. Questioning customers' integrity (i.e., honesty) under any circumstances will cause them to 'lose face'</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>45. Customers expect a service firm to 'protect their face' at all cost as valued customers</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Moderately Agree</td>
<td>Strongly Agree</td>
<td></td>
</tr>
<tr>
<td>---</td>
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<td>------------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td>46. A service firm should make it simple for customers to claim compensations when mistakes occur</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>47. A service person should relate to their customers with correct 'li' (e.g., politeness)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>48. A service firm should reciprocate (bao) positively to a reasonable demand by customers for compensations when service problems occur</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>49. Customers should expect sincere apologies from a service firm for service mistakes</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>50. Customers should adopt a 'junzi' (benevolent person – kind, noble, generous) behaviour when dealing with a service person over a service problem to give face</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>51. Respect is gained when customers relate to a service person in a non-aggressive manner over a service problem</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>52. In a dispute over a service problem, customers should adopt a 'junzi' behaviour by avoiding a confrontation with the service person – 'tui yu, hai kuo lian kong' (do not argue to give opportunity for negotiation), as this is face-saving</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>53. Customers are more likely to patronize a service firm which adequately addresses a service problem</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>54. Customers nearly always feel unfairly treated when service problems are poorly handled</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>55. A customer's 'face is lost' for complaining loudly to a service person in public about a service problem</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>56. Customers should always expect a service firm that considered them to be important, to correct a service problem satisfactorily no matter who was at fault</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>57. Customers should expect a service person to deal with them in a 'zhonghe' (reasonable and harmonious) manner</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>58. A dispute in a service problem can be resolved quickly if parties to the disputes are willing to extend goodwill to each other</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>59. Service problems may sometimes be inevitable, but customers expect a firm to do all it can to make things right again.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>60. Customers should avoid creating a scene in public to protect face when complaining about a service problem</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
Section C
Demographic and Personal Information – (Dining, Travel and Service)
In order to help me with the data analysis, please provide the following information.

This information is for my research only and will be used in the strictest confidence

61. Please indicate your gender (Circle One number)
   Male........................1  Female........................2

62. Please indicate your marital status (Circle One number)
   Single........1  Married........2  Other........3

63. Please indicate the age group in which you belong (Circle One number)
   20-24 yrs........1  25-29 yrs...........2  30-34 yrs........3  35-39 yrs........4  40-44 yrs...........5
   45-49 yrs...........6  50-54 yrs...........7  55-59 yrs...........8  60 yrs & over...........9

64. Please indicate your current occupational field (Circle One number only)
   Business, commerce, finance..............1  Student........................................2
   Education......................................3  Legal.............................................4
   Sciences & Medicines.......................5  Engineering & technology...................6
   Sports, leisure & recreation................7  Government, community services..............8
   Transport (Road, Rail, Sea & Air).........9  Retail, hospitality, tourism................10
   Others........................................11 (Please specify):.......................................

65. Please indicate the highest education level you have attained. (Circle One number only)

   Primary........1  Secondary........2  College........3  University........University........
   (Degree) (Bachelor) (Postgraduate) (Postgraduate)

66. If you travel either within or outside of China, how important is ‘Eating and Dining’ activity to you? (Please circle One number only)

   Very important........1  Important........2  Not important........3
67. If you travel either within or outside of China, how important is Chinese food to you?  (Circle One number only)

<table>
<thead>
<tr>
<th>Important</th>
<th>Not Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

68. Name 2 different types of restaurant you commonly dine in Beijing or Shanghai?  (Circle a different number in each of the groups below)

**Group A**
- Xiaochi (Chinese) ........................................ 1
- Fine-dining restaurant (Chinese) ......................... 3
- Fast-food restaurant (Western) .......................... 5

**Group B**
- Popular restaurant (Chinese) ................................ 2
- Other Western or Eastern restaurant ...................... 4
- Western fine-dining restaurant (in hotel) ............... 6

69. How often do you dine-out in the type of restaurant of your most popular choice  (Circle One number only)

<table>
<thead>
<tr>
<th>At least once a week</th>
<th>At least once a month</th>
<th>At least once in 3 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

70. Please rate the service standard in 'Popular Chinese restaurants' in Beijing or Shanghai?  (Circle One number only)

<table>
<thead>
<tr>
<th>Usually exceeds my expectation</th>
<th>Usually meets my expectation</th>
<th>Usually is below my expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

71. Which service failure in restaurants would offend you most?  (Please circle One number only)

<table>
<thead>
<tr>
<th>Slow service</th>
<th>Discourteous staff</th>
<th>Wrong Check</th>
<th>Unskilled staff</th>
<th>No table reserved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

72. How would you complain to the restaurant manager about a serious service failure?  (Circle One number only)

<table>
<thead>
<tr>
<th>Would not hesitate to complain in front of my guests</th>
<th>Prefer to complain to him or her somewhere in private</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Would not hesitate to complain loudly in public</td>
<td>Prefer to write him or her a letter to complain</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

73. Name two (2) regions you most eager to visit outside China?  (Circle a different number in each of the groups below)

**Group A**
- South East Asia ......................................... 1
- East Asia (Japan, Korea, HK, Taiwan) ................... 2
- UK & Europe .............................................. 4
- Australia, New Zealand & Pacific Island .............. 5
- Africa .................................................. 7

**Group B**
- South Asia (India, Pakistan, Nepal) .................... 3
- Americas (North & South America) ....................... 6
- Others (specify) ....................................... 9

Thank you very much for taking the time to complete this questionnaire

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Appendix 3 - Customer Service Experience Questionnaire (In Chinese)

(With examples of back-translation by two translators blind to the research)

COVER PAGE

顾客服务体验

调查问卷

本项调查是我做博士研究的一部分。在本项调查中，我希望了解
中国顾客在餐厅里面对企业服务失误情况时的看法。感谢您的参
与并希望占用您15-20分钟的宝贵时间完成这张问卷，请务必回
答全部问题。您所提供的所有信息仅用于我的研究，将受到严格
保密，不会泄露给任何人。请将完成的问卷交还给研究项目助手。
谢谢。

本问卷只需匿名回答。
请勿留下您的姓名。

338
本项问卷描述了一个在餐厅里发生的服务方面的问题。在回答问卷之前，
请仔细阅读下文内容并设想您就是那位遇到了这种事情的顾客。您的回答不存在对与错，
我们只希望了解遇到这种情况时您的真实想法与感受。

请先阅读下文内容

设想您作为顾客遇到了下面的情况

您正在一家比较火的餐厅里设宴，招待一些您久已不见的亲戚。
为了让这次见面给他们留下美好的回忆，您提前一个月就在这家餐厅预订了一桌10人的酒席。
在晚上7点开始就餐，又在晚餐前24小时再次确认了您的预订。现在，您和亲戚们准时来到餐厅。

您和亲戚们站在餐厅门口，一位服务员上前迎接你们。您告诉他说，您已做预订，并且说明时间是定在晚上7点整。

服务员显得很热情并转身在预订簿中查找，然后，很有礼貌地对您说：“我们好像没有在您名下的预订，而且，很抱歉，我们餐厅现在所有的位子都满了。”
但他似乎是相信您做过的预订。

您一边反驳他并一再说：“您确实做过了预订而且昨天还确认过。在交涉了几分钟后，
服务员说他去问一问领班，看看能否解决。之后，他很快回来，说：“好消息，
我们可以给您安排一张桌子，您只需要等15分钟。”

您的亲戚目睹了整个过程，所以您向他们稍微解释了一下情况，
建议在等位时大家不如先一起延街随意溜溜。等你们15分钟后返回餐厅时，
餐桌已经为你们准备好了，你们都坐下来，开始吃晚餐。

我们非常想了解的是：对在此类服务中发生的这种意外事件及其相应的解决方法，
您的看法是什么。下面，请您根据上述情形回答以下所有问题。
Example of Back translation

Scenario 111 (Public setting)

Translator A
You arranged a banquet in a well-known restaurant to entertain some relatives whom you have not met for a long time. In order to give a good impression in this meeting you have booked one month in advance in this restaurant a table for 10 persons for the dinner to start at 7.00pm. You have also reconfirmed your booking 24hrs before the dinner. Now you and your relatives have punctually arrived at the restaurant.

You and your relatives waited at the door of the restaurant. A waiter came out to greet you all. You told him you have made a booking and the time was 7.00pm sharp.

The waiter seemed to be warm and turned around to look for your booking in the booking register, and then very courteously he said to you: "We don't seem to have any booking under your name. Moreover, we are sorry that all our tables in the restaurant are full." But he seemed to believe that you did make a booking. You insisted that you indeed have made a booking and reconfirmed the day before. After a few minutes the waiter said that he could ask the duty manager to see whether he could resolve the matter. Afterwards he came back and said: "Good news we can arrange a table for you. You only need to wait for 15 minutes." Your relatives have seen the whole process so you explain them briefly. You suggested that while waiting you could have a stroll. After 15 minutes, you returned to the restaurant. The table was ready. All of you sat down and commenced the dinner.

Translator B
You are going to have a banquet in a popular restaurant to meet relatives whom you haven't seen for ages. In order to give them a good impression from this visit, you have booked a dinner banquet for ten people at 7 p.m. one month before the occasion. You reconfirmed your booking 24 hours before the dinner. Now you and your relatives have arrived at the restaurant on time.

You and the relatives stood at the entrance of the restaurant, where a waiter came to greet you. You told him that you had a booking and stressed that the booking was at 7 p.m.

The waiter appeared to be very courteous and turned over the booking records to search for the bookings. Later, he told you in a polite way, "It seems that we have not had your name in our bookings. Also, we are very sorry that all our tables are fully booked tonight." He seemed to believe that you had made your booking.

You argued with the waiter that you really had made the booking and reconfirmed it yesterday. After a few minutes of dealing with him, the waiter said that he was going to talk to his manager on duty to see whether the problem could be solved. Later, the waiter came back, "Good news for you. Now we can get you a table, and you only need to wait for 15 minutes."

Your relatives witnessed the whole process. You explained to them what happened and suggested to them to go for a walk while waiting for the table. After a 15 minutes wait, the table was ready and you all sat down to enjoy your dinner.
Office use: 112

**Scenario 2**

<table>
<thead>
<tr>
<th>调查问卷</th>
</tr>
</thead>
</table>

本项调查描述了一个在餐厅里发生的服务方面的问题。
在完成问卷前请仔细阅读下文内容并设想您就是那位遇到了麻烦的顾客，您的回答不存在对与错，
我们只希望了解遇到这种情况时您的真实想法与感受。

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您和亲戚们站在餐厅门口，一位服务员迎上前迎接你们。您告诉他您已做预订，
并且说明时间是定在晚上7点整。

服务员显得很热情并转身在预订簿中查找。然后，很有礼貌地对您说：
“我们好像没有在您名下的预订，而且，很抱歉，我们餐厅现在所有的位子全都满了”。
但他似乎是相信您做过预订的。

您一边反驳他并一再说: 您确实做过预订而且昨天还确认过。在交涉了几分钟后，
服务员说他去问一问值班经理，看看能否解决。之后，他很快回来，说: “消息不怎么好，
我们可以给您安排一张桌子，但是您得等1个小时。”

您的亲戚目睹了整个过程，所以您向他们稍微解释了一下情况。
建议在等位时大家不如先一起延街随便溜溜，等你们1小时后返回餐厅时，
餐桌已经为你们准备好了，你们都坐下来，开始吃晚餐。

我们尤为感兴趣的是: 对此类服务中发生的这种意外事件及其相应的解决方法，
您的观点是什么。下面，请您根据上述情形回答以下所有问题。
Back translation

Scenario 112

Translator A

You and your relatives waited at the door of the restaurant. A waiter came out to greet you all. You told him you had made a booking and the time was 7.00 pm sharp.

The waiter seemed to be warm and turned around to look for your booking in the booking register, and then very courteously he said to you: "We don't seem to have any booking under your name. Moreover, we are sorry that all our tables in the restaurant are full." But he seemed to believe that you did make a booking. You insisted that you indeed had made a booking and reconfirmed the day before.

After arguing for a few minutes the waiter said that he would ask the duty manager and see whether he could resolve the matter. Afterwards he came back quickly and said: "It's not very good news. We can arrange a table but you have to wait for an hour." Your relatives have seen the whole scenario so you explain to them briefly. You suggested that while waiting you could have a stroll. After an hour later you returned to the restaurant. The table was ready. All of you sat down and commenced the dinner.

Translator B

You and the relatives stood at the entrance of the restaurant, a waiter came to greet you. You told him that you had a booking and stressed that the booking was at 7 p.m.

The waiter appeared very friendly and turned over the booking records to search the bookings. Later, he told you in a polite way, "It seems that we have not had your name in our bookings. Also, we are very sorry that we are fully booked tonight." He seemed to believe that you had made your booking.

You argued with the waiter that you really had made the booking and reconfirmed it yesterday. After a few minutes of dealing with him, the waiter said that he was going to talk to his Manager on duty to see whether the problem could be solved. Later, the waiter came back, "It's not very good news. We can get you a table, but you need to wait for an hour."

Your relatives witnessed the whole process. You explained to them what happened and suggested them to walk around while everyone is waiting for the table. After an hour's wait the table was ready and you all sat down to enjoy your dinner.
Scenario 3

调查问卷

本项调查描述了一个在餐厅里发生的服务方面的问题。
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为了让他们在那次宴会留下美好的印象，您提前一个月就在这家餐厅预订了一桌10人的酒席，
晚7点开始就餐，又在晚餐前24小时再次确认了您的预订。现在，您和亲戚们准时来到餐厅。

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并且说明时间是定在晚7点整。

服务员显得不太热情，转身在预订簿中查找，然后，不是很有礼貌地对您说：“我们没有在您名下的预订，而且，
我们餐厅现在所有的位子全都满了”。他甚至好像不相信您做过预订。

您一边反驳他并一边说：“您确实做过预订而且昨天还确认过。在交涉了几分钟后，
服务员说他去问一位值班经理，看看能否解决。之后，他很快回来，说：“好消息，
我们可以给您安排一张桌子，您只需要等15分钟。”

您的亲戚目睹了整个过程，所以您向他们稍微解释了一下情况，
建议在等位时大家不如先一起在街边随便溜溜。等你们15分钟后返回餐厅时，
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您的观点是什么？下面，请您根据上述情形回答以下所有问题。

343
Back translation

Scenario 121

Translator A

You and your relatives waited at the door of the restaurant. A waiter came out to greet you all. You told him you have made a booking and the time was 7.00pm sharp.

The waiter did not seem to be warm and turned around to look for your booking in the booking register, and then very discourteously, he said to you: "We don't seem to have any booking under your name. Moreover, we are sorry that all our tables in the restaurant are full." He also didn’t seem to believe that you did make a booking either. You insisted that you indeed have made an advanced booking and reconfirmed the day before.

After arguing for a few minutes the waiter said that he would ask the duty manager and see whether he could resolve the matter. Afterwards he came back quickly and said: "It's good news. We can arrange a table but you have to wait for 15 minutes." Your relatives have seen the whole scenario so you explain to them briefly. You suggested that while waiting you could have a stroll. After 15 minutes later you returned to the restaurant. The table was ready. All of you sat down and commenced the dinner.

Translator B

You and the relatives stood at the entrance of the restaurant, a waiter came to greet you. You told him that you had a booking and stressed that the booking was at 7 p.m.

The waiter did not appear to be very friendly and turned over the booking records to search the bookings. Later, he told you in an impolite manner, "It seems that we have not had your name in our bookings. Also, we are very sorry that we are fully booked tonight." He didn’t seem to believe that you had made your booking.

You argued with the waiter that you really had made the booking and reconfirmed it yesterday. After a few minutes of dealing with him, the waiter said that he was going to talk to his manager on duty to see whether the problem could be solved. Later, the waiter came back, "It's very good news. Now we can get you a table, and you only need to wait for 15 minutes."

Your relatives witnessed the whole process. You explained to them what happened and suggested them to walk around while everyone is waiting for the table. After 15 minutes, the table was ready and you all sat down to enjoy your dinner.
Scenario 4

调查问卷

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服务员显得不太热情，转身在预订簿中查找。然后，不是很有礼貌地对您说：
“我们没有在您名下的预订，而且，
我们餐厅现在所有的位子全都满了”，他甚至好像不相信您做过预订。

您一边反驳他一边说：您确实做过预订而且昨天还确认过。在交涉了几分钟后，
服务员说他去问一下值班经理，看看能否解决。之后，他很快就说：
“消息不怎么好，
我们可以给您安排一张桌子，但是您得等1个小时。”

您的亲戚目睹了整个过程，所以您向他们稍微解释了一下情况，
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您的观点是什么。下面，请您根据上述情形回答以下所有问题。

345
Back translation

Scenario 122

Translator A

You and your relatives waited at the door of the restaurant. A waiter came out to greet you all. You told him you have made a booking and the time was 7.00pm sharp.

The waiter did not seem to be warm and turned around to look for your booking in the booking register, and then very discourteously, he said to you: "We don't seem to have any booking under your name. Moreover, we are sorry that all our tables in the restaurant are full." He also didn't seem to believe that you made a booking either. You insisted that you indeed have made an advanced booking and reconfirmed the day before.

After arguing for a few minutes the waiter said that he would ask the duty manager and see whether he could resolve the matter. Afterwards he came back quickly and said: "It's not good news. We can arrange a table but you have to wait for an hour." Your relatives have seen the whole scenario so you explain to them briefly. You suggested that while waiting you could have a stroll. After an hour wait later you returned to the restaurant. The table was ready. All of you sat down and commenced the dinner.

Translator B

You and the relatives stood at the entrance of the restaurant, a waiter came to greet you. You told him that you had a booking and stressed that the booking was at 7 p.m.

The waiter did not appear to be very friendly and turned over the booking records to search the bookings. Later, he told you in an impolite manner, "It seems that we have not had your name in our bookings. Also, we are very sorry that we are fully booked tonight." He didn’t seem to believe that you had made your booking.

You argued with the waiter that you really had made the booking and reconfirmed it yesterday. After a few minutes of dealing with him, the waiter said that he was going to talk to his manager on duty to see whether the problem could be solved. Later, the waiter came back, "It's not very good news. Now we can get you a table, but you will have to wait for an hour." Your relatives witnessed the whole process. You explained to them what happened and suggested them to walk around while everyone is waiting for the table. After an hour, the table was ready and you all sat down to enjoy your dinner.
Office use: 211

Scenario 5

调  查  卷

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晚7点开始就餐，又在晚餐前24小时再次确认了您的预订。现在，您和亲戚们准时来到餐厅。

您的亲戚们等在餐厅门口，您自己走进餐厅里面找服务员。您告诉他已做预订，
并且说明时间是定在晚7点整。

服务员显得很热情并转身在预订簿中查找，然后，很有礼貌地对您说：“我们好像没有在您名下的预订，而且很抱歉，我们餐厅现在所有的位子全都满了”。

但他似乎是相信您做过预订的。

您一边反驳他并－－再说：您确实做过预订而且昨天还确认过。在交涉了几分钟后，
服务员说他去问问值班经理，看看能否解决。之后，他很快回来，说：“好消息，
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等您们15分钟后返回餐厅时，餐桌已经为你们准备好了，你们都坐下来，开始吃晚餐。

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您的观点是什么。下面，请您根据上述情形回答以下所有问题。
Back translation

Scenario 211 (Private setting)

Translator A

You arranged a banquet in a well-known restaurant to entertain some relatives whom you have not met for a long time. In order to give a good impression in this meeting you have booked one month in advance in this restaurant a table for 10 persons for the dinner to start at 7.00pm. You have also reconfirmed your booking 24hrs before the dinner. Now you and your relatives have punctually arrived at the restaurant. Your relatives waited at the door of the restaurant, while you went inside the restaurant to look for the waiter.

You told him you have made a booking and the time was 7.00pm sharp. The waiter seemed warm and turned around to look into the booking register. Then very courteously he said to you, “We don’t seem to have any booking under your name. Moreover, we are sorry that all our tables in the restaurant are full.” But he seemed to believe that you did make a booking.

You argued with the waiter that you indeed had made a booking and reconfirmed the day before. After arguing for a few minutes the waiter said that he would ask the duty manager and see whether he could resolve the matter. Afterwards he came back quickly and said, “Good news we can arrange a table for you. You only need to wait for 15 minutes.”

Your relatives were still waiting at the door. So you went back and explain to them the situation. You suggested that while waiting you could go for a stroll. After 15 minutes you returned to the restaurant. The table was ready; you sat down and commenced the dinner.

Translator B

You are going to have a banquet in a popular restaurant to meet relatives who you haven’t seen for ages. In order to give them a good impression from this visit, you have booked a dinner banquet for ten people at 7 p.m. one month before the occasion. You reconfirmed your booking 24 hours before the dinner. Now you and your relatives have arrived at the restaurant on time. While your relatives waited at the entrance of the restaurant, you went to look for the waiter. You told him that you had a booking and stressed that the booking was at 7 p.m.

The waiter appeared to be very friendly and turned over the booking records to search the bookings. Later, he told you in a polite manner, “It seems that we have not had your name in our bookings. Also, we are very sorry that all our tables are fully booked tonight.” He seemed to believe that you had made your booking.

You argued with the waiter that you really had made the booking and reconfirmed it yesterday. After a few minutes of dealing with him, the waiter said that he was going to talk to his Manager on duty to see whether the problem could be solved. Later, the waiter came back, “It’s very good news. We can get you a table, but you need to wait for 15 minutes.”

Your relatives witnessed the whole process. You explained to them what happened and suggested them to go for a walk while waiting for the table. After 15 minutes the table was ready and you all sat down to enjoy your dinner.
Office use: 212

Scenario 6

调查问卷

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Back translation is the same a 112 except the relatives did not witness the encounter between the host and the service attendant. The scenario is about a private setting.
Scenario 7

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Back translation is the same a 121 except the relatives did not witness the encounter between the
host and the service attendant. The scenario is about a private setting.
Scenario 8

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服务员显得有些热情，转身在预订簿中查找，然后，非常有礼貌地对您说：
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我们餐厅现在的所有位子都已经满了”，他甚至好像不相信您做过预订。

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Back translation is the same a 122 except the relatives did not witness the encounter between the host and the service attendant. The scenario is about a private setting.
## Customer Service Experience Questionnaire (Chinese)

### Section A

<table>
<thead>
<tr>
<th>Question</th>
<th>1</th>
<th>2</th>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 员工的服务态度让我觉得我是受欢迎的</td>
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<td>2. 员工的服务态度让我感到很有礼貌</td>
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<td>3. 员工的举动表明我作为这家餐厅的顾客是得到他的认真对待的</td>
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<td>4. 员工的服务态度让我感到作为顾客受到了重视</td>
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<td>5. 员工的服务态度让我感到作为顾客受到了尊敬</td>
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<td>7. 在处理服务问题时，员工的服务态度让我感到很公平</td>
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<td>8. 员工的服务态度让我感到很公平</td>
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<td>9. 员工的服务态度让我感到很高</td>
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<td>10. 我觉得对于我遇到的服务问题员工的解决比较公平</td>
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<td>11. 我觉得员工保证了在与我交涉的过程中没有让我“丢面子”</td>
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<tr>
<td>12. 在本文中，我的员工可能从他们站的地方听到了我和员工的服务问题的整个对话</td>
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<td>13. 员工没有为我提供预估，让我觉得在亲朋面前很“没面子”</td>
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<tr>
<td>14. 员工可能注意到了我和员工之间的交涉</td>
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<td>15. 我觉得我不得不等座位的时间长短比较合理</td>
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<tr>
<td>16. 在这家餐厅吃晚餐是我做的一个非常聪明的决定</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>17. 我和餐厅服务员之间的交涉是在私底下进行的 (即：别人不太可能知道)</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>18. 总而言之，餐厅处理这件事的最终结果令人满意</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>19. 作为顾客，我对这家餐厅的服务非常满意</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>20. 如果这种服务中的意外事情发生在我身上，我会向我的亲戚和朋友们抱怨这家餐厅</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>21. 如果这种服务问题发生在我的身上，我以后再也不会来这家餐厅用餐了</td>
<td>1 2 3 4 5 6 7</td>
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<td>22. 作为顾客，我对这家餐厅的服务非常满意</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>23. 即使这种服务问题发生在我的身上，我今后仍然会在来这家餐厅用餐</td>
<td>1 2 3 4 5 6 7</td>
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<td>24. 我很可能会警告我的亲戚和朋友们不要来这家餐厅用餐</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>25. 如果这种服务中的意外事情发生在我的身上，我一定要告诉我的亲戚和朋友们不要来这家餐厅用餐</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>26. 这家餐厅的服务让我觉得非常愉快</td>
<td>1 2 3 4 6 7</td>
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<tr>
<td>27. 今后我还有可能来这家餐厅用餐</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>28. 我对这家餐厅的服务非常满意</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>29. 我认为像这样的服务问题在现实生活中确实存在</td>
<td>1 2 3 4 5 6 7</td>
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<td>30. 这篇文章里描述的在这家餐厅里发生的服务问题是可信的</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>31. 我感到我就是那个文章中所描述的顾客</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>32. 我相信像这家餐厅中服务员的表现确实存在</td>
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</table>
Section B
第二部分

在这一部分中，我们希望了解您对于服务的看法。这一部分包括更多普遍性的问题请您回答。
试想在日常生活中您所得到的服务，并根据下列陈述，选择最接近您意见的答案。
每道题只能选择一个答案。

<table>
<thead>
<tr>
<th>序号</th>
<th>陈述内容</th>
<th>强烈反对</th>
<th>反对</th>
<th>中立</th>
<th>轻度反对</th>
<th>轻度同意</th>
<th>同意</th>
<th>强烈同意</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.</td>
<td>顾客有权为自己的付出而要求得到有水准的服务</td>
<td>1</td>
<td>2</td>
<td>3</td>
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</tr>
<tr>
<td>34.</td>
<td>服务企业无权给予某些顾客比给其他顾客更多的重视</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>7</td>
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<tr>
<td>35.</td>
<td>顾客与服务人员交涉时应该一贯使用心平气和的态度</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>7</td>
</tr>
<tr>
<td>36.</td>
<td>顾客要求赔偿的数额应与服务失误的严重程度相符合</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>37.</td>
<td>顾客总是期望服务人员对他采取非常积极快速的反应态度</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>38.</td>
<td>服务人员有礼貌的待人的方式在大多数服务场合下都是极为重要的</td>
<td>1</td>
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<tr>
<td>39.</td>
<td>如果一个企业重视它的顾客，就应该时刻努力解决服务问题</td>
<td>1</td>
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<tr>
<td>40.</td>
<td>顾客应该采用不让服务人员 &quot;丢面子&quot; 的态度</td>
<td>1</td>
<td>2</td>
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<td>7</td>
</tr>
<tr>
<td>41.</td>
<td>在发生争端时，服务企业应该用表示出善意来维护顾客的 &quot;面子&quot;</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>42.</td>
<td>在任何情况下，服务企业都不应该为产生的服务问题而责备顾客</td>
<td>1</td>
<td>2</td>
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<tr>
<td>43.</td>
<td>如果出现服务失误，顾客应该要求服务企业所支付的赔偿高于顾客已支付的服务费用</td>
<td>1</td>
<td>2</td>
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<td>7</td>
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<tr>
<td>44.</td>
<td>在任何情况下，怀疑顾客的诚实性，会让他们觉得 &quot;没面子&quot;</td>
<td>1</td>
<td>2</td>
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<tr>
<td>45.</td>
<td>顾客希望服务企业不惜一切代价来 &quot;维护顾客的面子&quot;</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>46.</td>
<td>当犯错误时，服务企业应该把顾客的索赔事宜变得简单易行</td>
<td>1</td>
<td>2</td>
<td>3</td>
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</tbody>
</table>

354
| 47. 服务人员对待顾客应该有礼貌适度 | 1 2 3 4 5 6 7 |
| 48. 当发生服务问题时，对于顾客的合理赔偿要求服务企业应该给予积极回应 | 1 2 3 4 5 6 7 |
| 49. 顾客希望服务企业为自己的错误向顾客表示出真诚道歉 | 1 2 3 4 5 6 7 |
| 50. 在和服务人员交涉一个服务错误行为时，顾客应该表现出“君子风度” | 1 2 3 4 5 6 7 |
| 51. 如果顾客对待一个错误的服务行为采取不过激的态度，他（她）会赢得有关服务人员的尊敬 | 1 2 3 4 5 6 7 |
| 52. 对于服务问题引发的争端，顾客应该采取“君子”的态度，避免和服务人员发生冲突“退一步海阔天空” | 1 2 3 4 5 6 7 |
| 53. 顾客可能会经常光顾那些能适当处理服务问题的服务企业 | 1 2 3 4 5 6 7 |
| 54. 如果服务问题解决的不好，顾客几乎都会感到没有受到公平的对待 | 1 2 3 4 5 6 7 |
| 55. 在众目睽睽下大声投诉一个服务问题会让顾客“丢脸” | 1 2 3 4 5 6 7 |
| 56. 无论是哪一方的错误，顾客总是希望服务企业一方能令人满意地纠正服务 | 1 2 3 4 5 6 7 |
| 57. 顾客希望服务人员对待他们采用“心平气和”的态度 | 1 2 3 4 5 6 7 |
| 58. 如果相关人员互相表现出善意，那么服务问题带来的争端是能够很快解决的。 | 1 2 3 4 5 6 7 |
| 59. 有时服务问题是不可避免的，但是顾客希望企业尽可能地纠正错误。 | 1 2 3 4 5 6 7 |
| 60. 在投诉一件服务失误时，顾客应避免当众大声吵嚷以引起他人关注。 | 1 2 3 4 5 6 7 |

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Section C

第三部分
(其他方面信息:个人资料, 餐饮和旅行)
为有助于资料分析, 请提供以下信息。
此信息内容用于学术研究目的并严格保密。

61. 请指出您的性别(圈一个数字):

男性........1
女性........2

62. 请指出您的婚姻状况(圈一个数字):

单身........1
已婚........2
其他........3

63. 请指出您的所在年纪组(圈一个数字):

20-24岁......1
25-29岁......2
30-34岁......3
35-39岁......4
40-44岁......5
45-49岁......6
50-59岁......7
60岁及以上...8

64. 请指出您目前的职业(圈一个数字):

商业金融行业..........................1
学生.........................2
教育行业..........................3
法律行业.........................4
科学或医学行业.....................5
工程技术行业.....................6
运动休闲娱乐业.....................7
政府,公共事务行业..............8
运输业(公路,铁路,海运或航空)......9
零售业旅游服务业...........10
其他........................................11 (请注明)

65. 请指出您的最高教育程度(圈一个数字):

小学....1
中学....2
专科....3
大学本科....4
研究生以上....5

66. 如果您曾在国内外旅行过, 餐饮对您来说有多重要?(只圈一个数字)

非常重要........1
重要........2
不重要........3

67. 如果您曾在国内外旅行过, 吃中餐对您来说有多重要?(只圈一个数字)

非常重要........1
重要........2
不重要........3

68. 在北京或上海哪两种是您经常光顾的餐厅?

356
(请在A和B两组中分别选择一个数字,并且这两个数字不能相同)

**A组**

<table>
<thead>
<tr>
<th>小吃(中式)</th>
<th>大众化餐厅(中式)</th>
<th>高档中餐厅</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>其他中式或西式餐厅</th>
<th>快餐(西式)</th>
<th>高档西餐厅(在酒店里的)</th>
</tr>
</thead>
<tbody>
<tr>
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**B组**

<table>
<thead>
<tr>
<th>小吃(中式)</th>
<th>大众化餐厅(中式)</th>
<th>高档中餐厅</th>
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</thead>
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<tr>
<td>1</td>
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<tr>
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</table>

69. 请指出您在光顾最多类别的餐厅里就餐的频繁程度(圈一个数字)

- 至少每周一次 | 至少每月一次 | 至少每三个月一次 |
- 1 | 2 | 3 |
- 至少每六个月一次 | 更少 |
- 4 | 6 |

70. 请给北京或上海 "比较火"的中餐厅的服务标准打分(圈一个数字)

- 经常超过我的期望值 | 与我的期望值相同 | 低于我的期望值 |
- 1 | 2 | 3 |

71. 哪种发生在餐厅的服务失误最让您恼火? (圈一个数字)

- 服务速度慢 | 无礼的员工 |
- 1 | 2 |
- 消费金额与账单不符 |
- 3 |
- 员工工作水平低 | 定位的位置没有被保留 |
- 4 | 5 |

72. 对于一个严重的服务失误您会如何向餐厅经理投诉? (圈一个数字)

- 毫不犹豫在我的客人们面前投诉 | 更倾向私下向他投诉 |
- 1 | 2 |
- 毫不犹豫当众大声投诉 |
- 3 | 4 |

73. 假设您有机会出国旅行, 哪两个地方是您最想去的? (请在A和B两组中分别选择一个数字,并且这两个数字不能相同)

**A组**

<table>
<thead>
<tr>
<th>东南亚</th>
<th>东亚(日本,韩国,香港,台湾)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>南亚(印度,巴基斯坦,尼泊尔)</td>
<td>英国或欧洲</td>
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<td>3</td>
<td>4</td>
</tr>
<tr>
<td>澳大利亚,新西兰或太平洋岛屿</td>
<td>美洲(南北美)</td>
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<td>5</td>
<td>6</td>
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<td>非洲</td>
<td>中东</td>
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<td>其他(请注明)</td>
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**B组**

<table>
<thead>
<tr>
<th>东南亚</th>
<th>东亚(日本,韩国,香港,台湾)</th>
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<td>其他(请注明)</td>
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谢谢您花时间回答这张问卷。
BACK TRANSLATION

Experience of customer service
Survey questionnaire

This survey is part of my Ph.D research study. Through this survey, I wish to understand the views of Chinese customers upon mistakes of service delivery in a restaurant setting. Thank you for your participation. I would like to take 15-20 minutes of your precious time to complete this questionnaire. Please reply all the questions with honesty. All the information generated from you will only be used for my research study. This information will be treated as strictly confidential and they will not be released to other people. Please return the completed questionnaire to my research assistant.

This questionnaire only needs reply anonymous. Please don’t leave your name.

Page 2.

Questionnaire

This survey described a service issue occurred in a restaurant setting. Before you answer the questions, please read the following paragraph carefully and imagine you are the customer who faced that situation. There is no right or wrong upon your answers. We only wish to understand your real thinking and feeling at that situation.

Please read the following first.

Imagine you were the customer who faced the following situation.

You were having a banquet in a relatively popular restaurant to serve your relatives who you did not see for ages. In order to leave a good memory with your relatives through the event, you pre-booked a table for ten people for 7 o’clock in this restaurant. You then reconfirmed the booking 24 hours before the dinner. Now, you and relatives arrived at the restaurant on time.

You and your relatives were standing at the entrance of the restaurant. A waiter came to greet you. You then told him that you had a booking already and stressed that booking was for 7 o’clock.

The waiter appeared to be quite enthusiastic to check the bookings. Then he told you politely: “It seems we don’t have the booking under your name. Also, we are very sorry that all the tables are fully occupied at the restaurant right now.” He appeared to believe you had your booking made.

You argued with him and further emphasized that you had made the booking and had it reconfirmed yesterday. After a few minutes of negotiation, the waiter indicated that he was going to seek advice from his Manager to see whether he was able to solve the problem. Later on, he came back quickly and told you: “Good news. We could organize a table for you. You only need to wait for 15 minutes.”

Your relatives saw the whole process, so you explained to them what had happened. You suggested the group to walk around on the street. You and your relatives came back to the restaurant 15 minutes later and a table was ready your group. You and your relatives sat down to start dinning.

What we really want to find out are: Your views upon this kind of incident in services and their solutions. In the following, please answer all the questions according to the scenario described above.

Imagine you were the customer at that restaurant. Please response according to the following description and encircle the answer that comes close to yours. Thank you for your sincere reply.

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Only choose ONE answer for each question.

1=strongly disagree 2=disagree 3=slight disagree 4=neutral 5=slight agree 6=agree
7=strongly agree

PART 1
1. The waiter’s attitude at the restaurant made me feel welcomed.
2. The waiter of the restaurant served me quite politely.
3. The waiter’s behaviour indicated that I was seriously served as being a customer.
4. The waiter handled the negotiation with an appropriate courtesy.
5. The waiter’s attitude towards me made me feel being respected as a customer.
6. The waiter’s ways to deal with me made other felt that I was well respected.
7. During the handling of customer services, the waiter handled it quite well.
8. The waiter at the restaurant believed that I had made a booking.
9. The service that we had at the restaurant made me feel like “having face”.
10. I felt that the solution for the customer service we came across was fairly dealt with.
11. I felt that the waiter ensured that I did not “lose face” in the negotiation process.
12. In this scenario, my relatives may be able to listen to the whole conversation between myself and the waiter because of where they stood.
13. Because the restaurant did not make a reservation for me, it made me feel like “losing face” in front of my relatives.
14. From where my relatives stood inside the restaurant, I felt that they might be noticing the negotiation between me and the waiter.
15. I felt that it was quite reasonable that I had no choice but to wait no matter for how long. (I think the Chinese translation is a bit difficult to be understood.)
16. To have dinner at this restaurant was a smart decision that I made.
17. The negotiation between me and the waiter happened privately. (i.e. other people would not know about it.)
18. In summary, how the restaurant handled the matter made you satisfied.
19. As a customer, I was very satisfied with the customer service of that restaurant.
20. If this unexpected situation of services happened to me, I would complain to my relatives and friends about this restaurant.
21. If this incident of customer service ever happened to me, I would not go back to this restaurant again.
22. As a customer, I was very satisfied with the customer service of the restaurant. (? Repeat Q19)
23. Even if such incident of customer service happened to me, I would still come back to this restaurant for dining.
24. I may be warning my relatives and friends not to come to this restaurant.
25. If such incident of customer service happened to me, I certainly will tell my relatives and friends not to come back to this restaurant.
26. The service provided by this restaurant make me felt very pleasant.
27. From now on, I may come back to this restaurant for dining.
28. I was very satisfied with the customer service provided by this restaurant.
29. I think this kind of situation in customer services exists in real life.
30. The situation of customer services described in the paragraph was reliable.
31. I felt that I was the customer in the described situation.
32. I believed that the performance of waiters in that restaurant exists.

PART 2
In this section, I would like to understand your view of services. This section include more general questions for you to answer. Please refer to services that you received in daily living and give your answer according to the following statements.

1=strongly disagree 2=disagree 3=slight disagree 4=neutral 5=slight agree 6=agree
7=strongly agree

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33. Customers have their own right to ask for services with value for the money that they pay for.
34. Service industry does not have the right to treat one customer better than the other.
35. During a negotiation with a customer officer, a customer has to be calm.
36. The amount of compensation requested by a customer should be suitable for the severity of mistake made in that service.
37. Customers always expect the customer officers to have positive and efficient attitudes to respond to.
38. It is extremely important for most of the situations that the customer officers treat people with politeness.
39. If an enterprise values its customers, it should solve issues related to customer services from time to time.
40. Customers should adopt an attitude of not making the customer officers “losing face” to deal with them.
41. Under any circumstances during an argument, service industry should express its good intention to look after their customers’ “faces”.
42. Under any circumstances, the service industry should not blame customers for any issues arising from customer services.
43. If there is any service failures, a customer should ask for compensation valued more than what he already pay for the service.
44. Under any circumstances, it would make customers to feel “losing faces” if a customer’s honesty was doubted.
45. Customers expect service industry to look after their customers’ faces at all costs.
46. If there are mistakes committed, service industry should simplify the compensation process for the related customers.
47. Customer officers should treat customers with appropriate politeness.
48. Whenever customer services have problems, service industry should actively respond to any request from the customers for appropriate compensation.
49. Customers expect service industry to apologise with sincerity for their mistakes.
50. During a negotiation with a customer service officer, a customer should behave like a gentleman.
51. If a customer uses a non-aggressive attitude to deal with a service failure, he would win the respect from the involved customer service officers.
52. When facing disputes upon customer services, a customer should adopt the attitude of being a gentleman to avoid unnecessary conflicts. It could leave rooms for everyone to find a solution for the situation.
53. Customers may often visit those service industries that could appropriately handle issues with services.
54. If a service issue is not solved properly, customers could feel being not treated fairly.
55. If one makes a big noise to voice its complaint over a customer service, it would make customers feel like “losing face”. (I would like to look at the original statement in English. I think the Chinese translation doesn’t sounds quite right.)
56. No matter which party is wrong, customers always expect the service industry to give a satisfying solution to correct the service mistakes.
57. Customers expect the customer service officers to treat them with a calm attitude.
58. If the involved personnel show their good intention mutually, it therefore could solve a dispute arising from a customer service quickly.
59. Sometimes service issues are inevitable, but customers always expect the service industry could correct its wrongs.
60. Whenever complaining a service failure, a customer should avoid making a big noise in the public to attract others attention.

PART 3
(Other information: personal information, catering and travel) Please provide the following information to assist data analysis. This information would be used for academic research purpose and they will be treated with strict confidentiality.

61. Please indicate your sex. (Encircle one number)
Male………1 Female………2
62. Please indicate your marital status. (Encircle one number)
Single………1 Married………2 Others………3
63. Please indicate the age group you belongs to. (Encircle one number)
20-24 years………1 25-29 years………2 30-34 years………3 35-39 years………4
40-44 years………5 45-49 years………6 50-59 years………7 60 years &above………8
64. Please indicate your current occupation (encircle one number).
   1. Commercial/Financial industry
   2. Students
   3. Education
   4. Legal industry
   5. Scientific and medical
   6. Engineering technology
   7. Sports and entertainment
   8. Government and public affairs
   9. Transport (road, railway, seaway or airway)
   10. Retail and travel services
   11. Others (Please specify...)

65. Please indicate your highest education level (Encircle one number).
   1. Primary
   2. Secondary
   3. Special studies
   4. Bachelor degree
   5. Above postgraduate degree

66. If you ever travel domestically or overseas, how important was catering for you? (Encircle one number)
   1. Very important
   2. Important
   3. Not important

67. If you ever travel domestically or overseas, how important was it to you to have Chinese meals? (Only encircle one number)
   1. Very important
   2. Important
   3. Not important

68. Which two kinds of restaurant were the ones that you usually visit in Beijing or Shanghai? (Please choose one number from group A and group B. The two chosen numbers cannot be identical)

   Group A
   1. Snacks (Chinese)
   2. Cheap restaurant (Chinese)
   3. High class restaurant
   4. Other Chinese restaurants or western restaurants
   5. Fast food (western)
   6. High class western restaurant (inside a hotel)

   Group B
   1. Snacks (Chinese)
   2. Cheap restaurant (Chinese)
   3. High class restaurant
   4. Other Chinese restaurants or western restaurants
   5. Fast food (western)
   6. High class western restaurant (inside a hotel)

69. Please indicate the frequency of the kind of restaurant you visit the most (Encircle one number).
   1. At least once a week
   2. At least once a month
   3. At least once every three months
   4. At least once every six months
   5. Less often

70. Please give a score to the relatively popular restaurants in Beijing or Shanghai (Encircle one number).
1. Always exceed my expectation
2. The same as my expectation
3. Lower than my expectation

71. Which type of service failure will upset you the most? (Encircle one number)
   1. Slow service
   2. Impolite staff
   3. Expenditures do not match the bill
   4. Staff's low working ability
   5. Booking has not been reserved

72. How would you complain to the Restaurant Manager for a severe service failure? (Encircle one number)
   1. Don’t hesitate to complain in front of my guests
   2. More likely to complain to him in private
   3. Don’t hesitate to complain in a loud voice
   4. More likely to complain him through writing a letter

73. If you have a chance to travel overseas, which two are the most desirable places? (Please choose one number from each group A and group B. The two chosen number cannot be identical)
   Group A
   1. Southeast Asia
   2. East Asia (Japan, Korea, Hong Kong, Taiwan)
   3. South Asia (India, Pakistan, Nepal)
   4. Britain or Europe
   5. Australia, New Zealand or Pacific Islands
   6. Americas (South or North America)
   7. Africa
   8. Middle East
   9. Others (please specify…)

   Group B
   1. Southeast Asia
   2. East Asia (Japan, Korea, Hong Kong, Taiwan)
   3. South Asia (India, Pakistan, Nepal)
   4. Britain or Europe
   5. Australia, New Zealand or Pacific Islands
   6. Americas (South or North America)
   7. Africa
   8. Middle East
   9. Others (please specify…)

Thank you for your time to answer this questionnaire.
Appendix 4 - Human Research Ethics Committee

GRiffith University

HUMAN RESEARCH ETHICS COMMITTEE

EXPEDITED ETHICAL REVIEW CHECKLIST

PART A - PROJECT DETAILS

<table>
<thead>
<tr>
<th>Project / Subject Title</th>
<th>Customer Service Experience (PhD) Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Element</td>
<td>School of Tourism and Hotel Management</td>
</tr>
</tbody>
</table>

Duration of data collection / human research
Date From: 03-10-2005   Date To: 31-03-2006

PART B - CONTACT PERSONS

<table>
<thead>
<tr>
<th>Title</th>
<th>PhD Supervisor</th>
<th>PhD Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Name</td>
<td>Sparks</td>
<td>Lee</td>
</tr>
<tr>
<td>Given Names</td>
<td>Beverley</td>
<td>Yun Lok</td>
</tr>
<tr>
<td>Relevant Qualifications</td>
<td>BA, Grad Dip (Business), PhD</td>
<td>BA, BBus (Tourism), MBus, Dip Ed.</td>
</tr>
<tr>
<td>Contact Address</td>
<td>Department of Tourism, Leisure, Hotel and Sport Management, Griffith University, Gold Coast Campus, PMB 50 GCMC 9726</td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>075552-8766</td>
<td>0266593109 (Off); 026651-5686 (Home)</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:b.sparks@griffith.edu.au">b.sparks@griffith.edu.au</a></td>
<td><a href="mailto:ylee@scu.edu.au">ylee@scu.edu.au</a></td>
</tr>
</tbody>
</table>

PART C - IDENTIFICATION OF ETHICAL ISSUES

| C1. Third party identification | Y/N | C13. Psychological or emotional stress | Y/N |
| C2. Participants who cannot consent | Y/N | C14. Civil, criminal or other action | Y/N |
| C3. Minors                      | Y/N | C15. Sensitive personal information | Y/N |
| C5. Indigenous persons or issues| Y/N | C17. Impact on personal relations   | Y/N |
| C6. Collectivity members or issues| Y/N | C18. Coerce inducements            | Y/N |
| C7. Ingested, Injected or invasive| Y/N | C19. Covert observation          | Y/N |
| C8. Tissue extraction           | Y/N | C20. Deception                     | Y/N |
### Appendixes

<table>
<thead>
<tr>
<th>C10. Disease or infection</th>
<th>Y/N</th>
<th>C22. Genetic testing</th>
<th>Y/N</th>
</tr>
</thead>
<tbody>
<tr>
<td>C11. Pain or significant discomfort</td>
<td>Y/N</td>
<td>C23. CTN/CTX scheme</td>
<td>Y/N</td>
</tr>
</tbody>
</table>

C25. If you answered "No" to all QC1-C24, the project appears to qualify for Expedited Ethical Review Level 1. Proceed to Part E.

If you answered "Yes" to one or more QC1-C24, but were not advised that full ethical clearance was required by the corresponding questions in Part D, then your project appears to qualify for Expedited Ethical Review Level 2. Proceed to Part E.

### PART D - ELIGIBILITY FOR EXPEDITED ETHICAL REVIEW LEVEL 2

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D1.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D1a. Prior warning given</td>
<td>Y/N</td>
<td></td>
</tr>
<tr>
<td>D1b. Specific consent</td>
<td>Y/N</td>
<td></td>
</tr>
<tr>
<td>D1c. Confirm accuracy</td>
<td>Y/N</td>
<td></td>
</tr>
</tbody>
</table>

| D2. |   |   |
| D2a. Supplementary consent | Y/N |   |

| D3. |   |   |
| D3a. Minor and / or parental consent | Y/N |   |
| D3b. Contrary to best interests | Y/N |   |

| D4. |   |   |
| D4a. Managed special processes | Y/N |   |
| D4b. Captive relationship | Y/N |   |

| D5. |   |   |
| D5a. Community consultation | Y/N |   |
| D5b. Indigenous person on research team | Y/N |   |
| D5c. Report and flow of benefits | Y/N |   |

| D6. |   |   |
| D6a. Community consultation | Y/N |   |
| D6b. Collectivity member on research team | Y/N |   |
| D6c. Report and flow of benefits | Y/N |   |

| D9. |   |   |
| D9a. Prior warning | Y/N |   |
| D9b. Appropriate screening | Y/N/NA |   |
| D9c. Conducted by experienced person | Y/N |   |
| D9d. Compliance with WHS procedures | Y/N/NA |   |
| D9e. Compliance with other standards | Y/N/NA |   |
| D9f. Licensed / Accredited | Y/N/NA |   |

| D10. |   |   |
| D10a. Prior Warning | Y/N |   |
| D10b. Appropriate screening | Y/N/NA |   |
| D10c. Life threatening or significant | Y/N |   |
D11.
  D11a. Prior warning
  D11b. Appropriate screening
  D11c. Life threatening or significant
  D12.
  D12a. Prior warning
  D12b. Appropriate screening
  D12c. Conducted by experienced person
  D12d. Compliance with WHS procedure
  D12e. Compliance with other standards
  D12f. Licensed / accredited
D13.
  D13a. Prior warning
  D13b. Appropriate screening
  D13c. Significant
D14.
  D14a. Prior warning
  D14b. Duty of care / duty of disclosure
D15.
  D15a. Prior Warning
D16.
  D16a. Prior warning
  D16b. Duty of care / duty of disclosure
D17.
  D17a. Prior warning
  D17b. Duty of care / duty of disclosure
D19.
  D19a. Activity innocuous
  D19b. Identifiable by research team?
D20.
  D20a. No alternatives
  D20b. Risks not compounded
  D20c. Debriefing
  D20d. Withdraw data
D21.
  D21a. Appropriate consent
D22.
  D22a. Prior warning
  D22b. Counselling
D25.
  Are the risks easily negated, minimised or managed
  Details
D26.
PART E - PROJECT DETAILS

E1. Brief project description

Details

Project's purpose:
This project builds upon the exploratory research previously completed as part of my PhD, which sought earlier to ascertain the core cultural values for service failure and service recovery held by Chinese consumers. Briefly, Chinese consumers have been chosen for the study as recent tourism forecasts suggest that the People's Republic of China is a growing tourism source market for international destinations in the new millennium and that by the year 2020, 100 million Chinese will be travelling abroad.

As hospitality services (accommodation, food and beverage) form a large portion of a visitor’s spending, how these services are managed, including how service failures are recovered often determine how satisfied they are with their travel experiences. It should also be noted that since food and dining are an important aspect of Chinese culture, understanding of how best these are provided for Chinese customers become highly significant for hospitality service providers. In a highly competitive tourism marketplace, destinations that have hospitality providers that can best meet the needs and expectations of their visitors will gain a competitive edge. Literature suggests that customers’ cultural orientations often determine how they perceive services and service failure situations and the leveraging of consumers’ culture in the provision of services is deemed necessary (e.g., Becker, 2000; Mattila, 1999, Riddle, 1992). However, there is little academic research work cited in mainstream hospitality journals on how hospitality customs of ethnic Chinese cultural background perceive services and how they view service failures. Thus, this study is undertaken to address this gap in literature and to provide hospitality businesses with useful insights on how Chinese customers view service failures. Such insights will be helpful for hospitality businesses when devising effective service recovery strategies to redress any failures.

The earlier exploratory study examines how Chinese people describe and make sense of negative service events, with a particular emphasis on how this sense making links to core cultural values. Five main themes representing important values held by Chinese consumers seem to be evident in that study relating to situations of service failure or poor service recovery. These values appear to have cultural basis to them, suggesting that consumers’ perceptions of service failure may be culturally determined. As noted, an understanding of how consumers view service failures as a consequence of their cultural predispositions will help academicians and service practitioners develop models and effective service recovery strategies to manage failures.

The present quantitative study aims to test some of the hypotheses generated in the exploratory study. For example, an important cultural value held by Chinese consumers to emerge from the exploratory study relates to ‘face-work’ and the importance of this cultural predisposition is confirmed in literature (e.g., Bond & Hwang, 1986; Chang & Holt, 1994; Hwang, 1987). In a hospitality service encounter, the manner (style) a service person interacts with Chinese guests has ‘face’ implication. A discourteous manner displayed by a service person towards Chinese customers may likely to threaten their self-identity causing them to ‘lose face’ and feel humiliated, which may have grave consequences for a business firm in terms of customers’ dissatisfaction, negative word-of-mouth, and repurchase intention. The importance of ‘face protection’ in social exchange and business dealing is commonly exhibited in Chinese sayings - ‘A gentleman can be killed but not humiliated’ (cited in Wee, 2001, p. 188). Despite the importance of such predisposition in Chinese customers, little empirical evidence is available in hospitality research literature. Hence, the one of the aims of the present study is to examine ‘face-work’, which is an important component of the proposed ‘self-identity’ construct. A set of cultural predispositions for service belief found to be important for Chinese customers in the earlier exploratory work will also be examined for evidence of their validity, thus providing further insights into how these customers view service failures in the hospitality context, what are their likes and dislikes in service provision. Such insights will inform academicians and service practitioners on how best to manage Chinese customers.

E2. Qualifications, experience and skill

Details

The researcher has some research experience having completed a Masters by research (1997/8) and has subsequently participated in IRG research projects in Thailand (1999/2000) and Sabah, Malaysia (2002-2003). He is supervised by a well-established researcher in Prof. Beverley Sparks.

E3. Participants

Details

In the Australian study, a cohort of 105 postgraduate students of Chinese ethnicity studying at Griffith University,
Gold coast will be invited to participate in the survey. The off-shore study will be conducted in Beijing, China. Arrangement has been made with the China officer of the institution (Southern Cross University) in which I am employed, to recruit 220 Chinese volunteers to participate in the studies. In both cases, volunteers can choose to cease participation of the survey with no penalty incurred. As both the studies seek voluntary participations from the targeted subjects and their anonymous responses, no ethical and/or privacy acts will be breached.

E4. Data collection

Details

The data for the first study will be collected from Chinese international post graduate (Dept' TLHSM) students at Griffith University, Gold coast who will be invited to participate in the survey on a voluntary basis at the conclusion of their class. Data for the second study in China will be collected from recruited volunteers as previously noted.

The study uses an experimental design in the form of a scenario study depicting service failures in a restaurant setting. Since the study uses a 2 x 2 x 2 factorial design, participants will be randomly given one of the eight versions of the scenario. After reading the scenario, they will be asked to complete the questionnaire with a combination of numbered scales and or 'tick box' questions, divided into three main sections. In sections A and B, participants are asked to assume the role of the customer in the scenario and give a response to each statement that matches most closely to their level of agreement with the statement, in using a 1 (Strongly Disagree) to 7 (Strongly agree) Likert type scale.

In section A, participants will be asked to express an opinion in using the scale as to whether their encounter with the service person is exposed publicly or maintained privately (i.e., witnessed or not witnessed by customers' relatives). Participants are also asked to rate the interaction style of the wait person with whom they encountered and the outcome in service recovery. A list of statements which participants are also asked to respond to relates to their 'self identity' value as a customer, their levels of satisfaction, intentions to repurchase, and word-of-mouth recommendations.

The main aim in section B is to gain insights into the cultural predispositions of service beliefs of the participants. The five main customers' value themes identified in my Stage one (Exploratory) research are expanded into a number of the present study are reflected in these statements and measured quantitatively.

Section C comprises of questions items relating to participant's personal data, dining and travel preferences. Respondents will be instructed not to provide any personal information on the survey, which may identify them in some way. A sample of the questions that will be used within this survey, have been provided in attachment 'E4 Data Collection: Sample Survey Questions'.

As previously stated, participants will be invited to participate complete the survey on a voluntary basis and will be free to withdraw from the study without penalty at any stage. In Australia, the researcher is aiming for a target of 70 to 80 completed surveys, to allow sufficient inferences to be made of the population, based on the sample results. To achieve this target, 105 initial surveys will be prepared and administered to the participants. To encourage participation, participants will have the chance to win one of the following prizes, on completion of the survey: Four (4) restaurant meal vouchers (Two at $30 each and two at $20 each) to dine at 'Top One' Chinese seafood restaurant at Australia Fair, Southport, Qld.

In China, the researcher is aiming for a target of a minimum of 160 completed surveys, again to allow sufficient inferences to be made of the population, based on the sample results. To achieve this target, 220 initial surveys will be prepared and administered to the participants. Participants in China will be given a money gift of RMB 10 Yuan as my token appreciation for their participations. See attachment 'E4 Data collection continued' for further information.

E5. Informed consent

Details

Consent will be obtained from participants in Australia and China by way of completion of the questionnaire. The completion of the questionnaire is voluntary and anonymous. In both survey locations, a copy of the questionnaire cover letter and information sheet has been attached to this application (please refer to 'E5 Informed consent: cover letter' and 'E5 Informed consent: information sheet').

In Australia, the cover letter includes an invitation for the respondent to participate in the study; an outline of what is required to participate; information and procedures to entering the incentive prize; a confidentiality statement of how the completed questionnaires and incentive prize entries will be treated; and details on how the participant can receive further information about the project. A similar cover letter and information sheet translated into Putunguan (Chinese common speech) will be issued to participants in China. Instead of incentive prizes being awarded to the participants, each Chinese volunteer will receive a money gift of RMB10 Yuan as a token gesture of my appreciation.

The information sheet provides information in regards to the purpose of the project, aims and objectives; and potential
benefits and outcomes. This sheet also provides a statement, which outlines that Griffith University conducts research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. Contact details of the Griffith University Ethics Officer, the researcher and the project supervisor have been provided, should any potential respondents have any concerns or complaints about the project. Participants have also been directed to contact the researcher or the project supervisor if they would like any further information about the project or information in regards to results or publications from the project. Research assistants will be thoroughly briefed by me before the survey on the need to strictly observe the requirements stipulated in the National Statement on Ethical Conduct in Research Involving Humans.

E6. Communication of results / reporting

Details

Results from the research study will be communicated in a number of ways:

1. An aggregated summary of results will be prepared and made available to respondents, upon request.

2. A report will be prepared for the Manager, Office of Research Ethics, Griffith University, upon request.

3. The results of the survey will be presented as part of the PhD thesis. The researcher and his supervisors also aim to produce a number of academic publications within top tiered hospitality services, consumer behaviour and marketing journals.

4. The research team also aims to produce a number of conference proceedings and presentations of the results, at both national and international conferences.

PART F - DECLARATIONS

F1. Contact Person

We confirm that we have read the current NHMRC National Statement on the Ethical Conduct of Research Involving Humans and the GU Research Ethics Manual. We accept responsibility for the ethical and appropriate conduct of the procedures detailed in this Checklist, confirm that we will conduct this project in accordance with the principles contained in the Statement the GU Research Ethics Manual, and confirm that the research team will comply with any other condition laid down by the Griffith University Human Research Ethics Committee.

Having completed this Checklist, I believe that this project qualifies for (tick one box):

Expedited Ethical Review Level 1 √ Expedited Ethical Review Level 2 ☐

........Yun Lok Lee ........ Signed ........29 09 / 05 / Date

Is this project student research. Yes

Details

F1A. Supervisor - To be completed by the principal supervisor if this application relates to student research and the student is the listed contact person.

I have read this application and support its submission for ethical review. The student is familiar with the current NHMRC National Statement on the Ethical Conduct of Research Involving Humans and the GU Research Ethics Manual.
Is this project funded research

N

Detail This is a PhD project conducted by the student Yun Lok Lee, under the supervision of Professor Beverley Sparks, School of Tourism and Hotel Management

Is a declaration in relation to pecuniary or other potential conflict of interest required

N

Details
F2. Head of School or Centre Director recommendation/authorisation
Scientific merit

STEP ONE
The research / scientific merit of this project has been considered (please tick one of the following statements):
By another GU or External process (RAPS PhD projects, peer review for research grants, etc)  
By the authorising officer
Is yet to be considered.

STEP TWO
Please tick if there is a need for additional review of the scientific merit of the research.
I believe that this project requires an expert/external research/scientific merit review

Research Safety

STEP ONE
The research safety of this project (please tick one of the following statements):
Does not warrant consideration.
Has been considered by a University workplace health and safety process.
Has been considered by the authorising officer.
Is yet to be considered.

STEP TWO
Please tick if there is a need for additional review of the research safety of the research.
I believe that this project requires an expert / external review of the research safety of the project
I have considered this application and the ethical implications of the proposed research and recommend it for consideration by the HREC. I confirm that the qualifications and experience of all investigators are appropriate to the study to be undertaken, and the necessary resources are available to enable this research to be conducted.

Signed ________________________________
Print Name ________________________________
Position ________________________________

/ ________________________________ Date
Office Use Only
UNIVERSITY HUMAN RESEARCH ETHICS COMMITTEE
DETERMINATION University Ethics Database Protocol Number
THM/02/05/HREC

Level of Ethical Clearance
This project has been confirmed as (tick one):

Outside the scope of the University's human research ethics arrangements
Interim approved E1 and this decision has been ratified by the HREC
Interim approved E2 and this decision has been ratified by the HREC
Requiring full review by the HREC

Duration of Ethical Clearance
The proposal is approved for the period:

Dates

Authorisation
Chair, University Human Research Ethics Committee:

Signature: .................................................................
### F4.

#### Researcher and Principal supervisor

<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>Prof.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Family Name</strong></td>
<td>Sparks</td>
</tr>
<tr>
<td><strong>Given Name</strong></td>
<td>Beverley</td>
</tr>
<tr>
<td><strong>Relevant Qualifications</strong></td>
<td>BA, Grad Dip (Business), PhD</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>Department of Tourism, Leisure, Hotel and Sport Management, Griffith University, Gold Coast Campus, PMB 50 GCMC 9726</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td></td>
</tr>
<tr>
<td><strong>School / Department</strong></td>
<td>School of Tourism and Hotel Management</td>
</tr>
<tr>
<td><strong>Telephone</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td><a href="mailto:B.Sparks@griffith.edu.au">B.Sparks@griffith.edu.au</a></td>
</tr>
</tbody>
</table>

### Research student

<table>
<thead>
<tr>
<th><strong>Title</strong></th>
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</tr>
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<tbody>
<tr>
<td><strong>Family Name</strong></td>
<td>Lee</td>
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<tr>
<td><strong>Given Name</strong></td>
<td>Yun Lok</td>
</tr>
<tr>
<td><strong>Relevant Qualifications</strong></td>
<td>BA, BBus (Tourism), MBus, Dip Ed.</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>Department of Tourism, Leisure, Hotel and Sport Management, Griffith University, Gold Coast Campus, PMB 50 GCMC 9726</td>
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<tr>
<td><strong>Address</strong></td>
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</tr>
<tr>
<td><strong>School / Department</strong></td>
<td>School of Tourism and Hotel Management</td>
</tr>
<tr>
<td><strong>Telephone</strong></td>
<td>02-6651-5686</td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td><a href="mailto:ylee@scu.edu.au">ylee@scu.edu.au</a></td>
</tr>
</tbody>
</table>

**CheckList**

-Have you fully completed every section of the form? [✓]
-Have you attached a copy of your informed consent mechanism, that companies with Booklet 22 of the Griffith University Research Ethics Manual? [✓]
-Have you provided the details of any data collection instrument (eg some sample questions that give a sense of the most ethically intrusive or sensitive line of questioning)? [✓]
-Have you provided copies of any required agreements or approvals from other bodies, or an assurance that these approvals will be obtained prior to the commencement of this research? [✗]
-Have you included all other relevant attachments to accompany this application? [✗]
C1 – Explanation of Application for EXPEDITED ETHICAL REVIEW

I refer to a memorandum by the University previous Human Research Ethics Committee sent to me dated of the 7th February 2002 (attached) informing that the Human Research Ethics Committee (1/02 meeting) had considered my application for ethical approval of research protocol entitled: "Investigating how Chinese view Service failure and Service recovery" (THM/0102/p/hec) and that ethical clearance was not required for this research project, but merely reminded me of my responsibilities as a researchers to obtain the free consent of participants before undertaking my research and to ensure the confidentiality of all information obtained from the participants. That data collection exercise was the first phase of my research, which was conducted overseas earlier and that I had observed the research protocol required of me. My current phase of data collection is a continuation of the earlier work and will take place between the period 03/09/05 to 1/03/06 in both Australia and Overseas to enable me to conduct this research. Since the present phase of the project is a continuation of the previous phase, I was not aware that I need to apply for further approval by the Human Research Ethics Committee and have not received any notice that I need to do that. Meantime, I have already made firm arrangements both in Australia and overseas to carry out my data collections. Because of these circumstances, I am advised to apply for an expedited ethical review. I want to assure your committee that I will strictly conduct my research in accordance with the National Statement on Ethical Conduct in Research involving humans as required of researchers at Griffith University. I will thoroughly brief any assistants used either in Australia or Overseas to strictly observe the ethical requirements as stipulated in the National Statement on Ethical Conduct in Research involving humans. (Please see attached letter C 2)
C 2 – Letter from Human Research Ethics Committee

MEMORANDUM

To: Mr Yun Lok Lee
Secretary,
School of Tourism and Hotel Management
Gold Coast

From: Human Research Ethics Committee

File: MTW 02.2
Date: 7 February 2002

Subject: Ethical Approval of Research Protocol

1.0 I refer to your request for ethical approval of the research protocol entitled:
"Investigating How Chinese View Service Failure and Service Recovery"
(THM/01/02/p/hec).

2.0 The Human Research Ethics Committee (1/02 meeting) considered your application
and wishes to inform you that ethical clearance is not required for this research. I
wish, however, to take this opportunity to remind you of your responsibilities as a
researcher: to obtain the free consent of participants before undertaking your
research; and to ensure the confidentiality of all information obtained from
participants.

3.0 Should you have any queries in relation to this matter or if you require additional
information, please do not hesitate to contact me on extension 56618 or by e-mail
(M.Cochrane@mailbox.gu.edu.au).

Thank you.

t-Michele Cochrane
Secretary
Human Research Ethics Committee
E5(a) Informed Consent – Cover Letter) - Australia

Dear Sir/Madam

I would like to invite you to participate in a Customer Service Experience survey. This survey is part of a research project being undertaken by me at Griffith University, Gold Coast. An information sheet on this project is also provided to you.

To ensure the success of this project, your participation is both very important and greatly appreciated by me. I would therefore be grateful if you would complete the questionnaire and return it to Dr. Ken Butcher, who is kindly assisting me with this survey. We anticipate that it will take you around 20 to 25 minutes. As an additional INCENTIVE, all those who complete the questionnaire will be entered in a prize draw to win the following prizes: TWO RESTAURANT VOUCHERS WORTH $30 each and TWO VOUCHERS WORTH $20 each for meals at ‘TOP ONE’ Chinese Seafood Restaurant at Australia Fair Food Court, Australia Fair Shopping Centre, Southport Qld 4215. (Please see the conditions of entry).

To enter the prize draw, all you need to do is to:

1. Fill in the questionnaire
2. You will be issued a prize coupon with a number. A corresponding slip with your number will then be placed in a box with other entries.
3. At the end of the survey, four entry slips will be randomly drawn from a box. If the slip drawn has a number that corresponds to the number in your prize coupon, you will be the winner of the prize. GOOD LUCK!

All information gathered is completely confidential and entirely anonymous (I ask that you do not write your name or any other identifying information on the questionnaire). Questionnaires will be separated from the prize coupon so you will not be associated with the questionnaires in any way. Names will not be provided to any other parties. Returning the questionnaire is taken as your consent to participate in the research completed. If you require any further information on the project, please contact Project supervisor, Professor Beverley Sparks on (07) 5552 8507 or at b.sparks@griffith.edu.au.

Thank you for your time and assistance with this project.

Yun-Lok Lee

Department of Tourism, Leisure, Hotel and Sport Management
Griffith University, Gold coast, Queensland, Australia 9726
Appendix 6

E5(b) Informed Consent – Cover Letter) – China*

Dear Sir/Madam

I would like to invite you to participate in a Customer Service Experience survey. This survey is part of a research project being undertaken by me at Griffith University, Gold Coast. An information sheet on this project is also provided to you.

To ensure the success of this project, your participation is both very important and greatly appreciated by me. I would therefore be grateful if you would complete the questionnaire and return it to me or my assistant. I anticipate that it will take you around 20 minutes. As a token of my appreciation for your participation, I would like you to accept a money gift of 10 Yuan upon completion of the questionnaire.

All information gathered is completely confidential and entirely anonymous (I ask that you do not write your name or any other identifying information on the questionnaire). Names will not be provided to any other parties. Returning the questionnaire is taken as your consent to participate in the research completed. If you require any further information on the project, please contact Project supervisor, Professor Beverley Sparks on (07) 5552 8507 or at b.sparks@griffith.edu.au.

Thank you for your time and assistance with this project.

Yun-Lok Lee

Department of Tourism, Leisure, Hotel and Sport Management
Griffith University, Gold coast, Queensland, Australia 9726

* (To be translated into Chinese)
Appendix 7
E5(a) Informed consent: information sheet - Australia

Griffith Business School
Department of Tourism, Leisure, Hotel and Sport Management

Telephone + (07) 55528054
Faximile + (07) 55528307
www.griffith.edu.au

Understanding how Chinese Restaurant Customers view Service failure Situations

INFORMATION SHEET

PhD Student Researcher

(Mr.) Yun Lok Lee
Beverley Sparks
TLHSM, Griffith University
University
Ph. 02 6659-3109 (work)
Ph. 02 6651-5686 (Home)
B.Sparks@Griffith.edu.au
Email: ylee@scu.edu.au

Professor

Ph.D. Professor

TLHSM, Griffith
Ph. 07 55528766
Email:

Recent tourism forecasts suggest that the People’s Republic of China is a growing tourism source market for international destinations in the new millennium. It has been predicted that by the year 2020, 100 million Chinese will be travelling abroad. As hospitality services (accommodation, food and beverage) form a large portion of a visitor’s spending, how these services are managed, including how service failures are recovered often determine how satisfied they are with their travel experiences. In a highly competitive tourism marketplace, destinations that can best meet the tourism and hospitality needs and expectations of their visitors will gain a competitive edge. Literature also suggests that customers’ cultural orientations often determine how they perceive services and service failure situations. However, there is little academic research work cited in mainstream hospitality journals on how hospitality customers of ethnic Chinese cultural background perceive services and how they view service failures. Thus, this PhD study is undertaken to address this gap in literature and to provide hospitality businesses with useful insights on how Chinese customers view service failures. Such insights will be helpful for hospitality businesses when devising effective service recovery strategies to redress any failures.

Information collected as a part of this research project will remain confidential and only aggregate results will be reported in any subsequent publications. By completing and returning this questionnaire you are indicating your willingness and consent to participate in this project. A PhD research student at Griffith University conducts research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. If potential participants have any concerns or complaints about the ethical conduct of the project they can be made directly to Mr Lee on 02-6659-3109, or Professor Sparks 07 55528766 or the Manager, Research Ethics on (07) 3875 5585 or research-ethics@griffith.edu.au.

The reporting outcomes from this project will be in a form of a PhD thesis, conference proceedings and academic journal articles.
E5(b) Informed consent: information sheet – China*

Griffith Business School
Department of Tourism,
Leisure, Hotel and Sport
Management

INFORMATION SHEET

PhD Student Researcher

(Mr.) Yun Lok Lee
Beverley Sparks
TLHSM, Griffith University

Supervisor

Professor

Ph. 02 6659-3109 (work)
Ph. 02 6651-5686 (Home)

TLHSM, Griffith

Ph. 07 55528766

Email: ylee@scu.edu.au

Recent tourism forecasts suggest that the People’s Republic of China is a growing tourism source market for international destinations in the new millennium. It has been predicted that by the year 2020, 100 million Chinese will be travelling abroad. As hospitality services (accommodation, food and beverage) form a large portion of a visitor’s spending, how these services are managed, including how service failures are recovered often determine how satisfied they are with their travel experiences. In a highly competitive tourism marketplace, destinations that can best meet the tourism and hospitality needs and expectations of their visitors will gain a competitive edge. Literature also suggests that customers’ cultural orientations often determine how they perceive services and service failure situations. However, there is little academic research work cited in mainstream hospitality journals on how hospitality customers of ethnic Chinese cultural background perceive services and how they view service failures. Thus, this PhD study is undertaken to address this gap in literature and to provide hospitality businesses with useful insights on how Chinese customers view service failures. Such insights will be helpful for hospitality businesses when devising effective service recovery strategies to redress any failures.

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The reporting outcomes from this project will be in a form of a PhD thesis, conference proceedings and academic journal articles.
Appendix 8

To be translated into Chinese

Clarification of Recruitment Process

Participants - The participants for this survey will be the general public of Beijing, China.

a) Participants Age Range – Adults (20 years and Over)
b) Research Procedures - Anonymous Survey questionnaires
c) Research areas – Social Science
d) Ethically sensitive designs – None in Section E

Identification, first contact and recruitment of the participant pool:
How will participants be recruited? Please state how persons will be identified as potential participants; how they will be approach initially; how they will be informed about the research project; and the means by which they will be screen. If some form of advertisement or flyer is to be used, please attached the wording.

1) Venue: Permissions have been sought from the authorities for the use of these venues by my Beijing survey contact person to use the various proposed site to conduct the survey. These proposed site are identified as follows:

1) Beijing North Shopping Plaza
2) Beijing South Shopping Plaza
3) Beijing International airport
4) Tien An Men Square
5) Office of World trade centre
6) Beijing Railway station
7) Beijing Bus station
8) Three popular family restaurants
9) Three xiaochi stores.

2) Recruitment Set-up: A table will be set up at each of these proposed venues with two chairs for participants to sit to complete the questionnaire.
3) **Research Assistants:** Four research assistants will be responsible for all the proposed sites. These assistants will be carefully briefed on the Protocol and the ethical approach to conducting survey by me on arrival at Beijing.

4) **Duration of Survey:** The duration for the survey will be 2 weeks, from Monday to Saturday – 9am to 5pm.

5) **Recruitment approach:** A research assistant will approach a suitable potential participant passing the survey site by first greeting him/her, and then the purpose of the research and the criteria for participation will be explained to them. If he/she satisfied these criteria, he/she will be invited to participate on a voluntary basis. If the answer is no, then the person’s wishes will be respected and will be thanked. The research assistants will be briefed that under no circumstance should they pressure passing the public to participate. They should also remain courteous to the public at all times. If a person volunteers to participate, he/she will be given a questionnaire, briefed on how to complete the questionnaire and then be given a pen and be invited to sit at the table to complete the questionnaire. On completion, the participant will be thanked and be presented with a token money gift of RMB 10 Yuan (about AUD $1.20) as a token of appreciation for participating. If a participant who changes his/her mind half-way about completing the questionnaire, again no pressure will be put on him/her to complete. He/she will be thanked and the questionnaire will be discarded.

6) **Identifying Potential Participants** – As a convenient sample is sought for in this survey, any willing participants – both male and female, who satisfied the study’s criteria, will be potential participants. These criteria include – Age, Chinese citizen of Chinese ethnicity, Residents of Beijing and has dine in restaurants in Beijing before.

7) **Flyer or Advertisement** - No flyer will be used in the survey
Appendix 9

Invitation to participate in the survey

Dear Sir/Madam

I would like to invite you to participate in a Customer Service Experience survey. This survey is part of a research project being undertaken by me at Griffith University, Gold Coast. An information sheet on this project is also provided to you.

To ensure the success of this project, your participation is both very important and greatly appreciated by me. I would therefore be grateful if you would complete the questionnaire and return it to me or my assistant. I anticipate that it will take you around 20 minutes. As a token of my appreciation for your participation, I would like you to accept a money gift of 10 Yuan upon completion of the questionnaire.

All information gathered is completely confidential and entirely anonymous (I ask that you do not write your name or any other identifying information on the questionnaire). Names will not be provided to any other parties. Returning the questionnaire is taken as your consent to participate in the research completed. If you require any further information on the project, please contact Project supervisor, Professor Beverley Sparks on (07) 5552 8507 or at b.sparks@griffith.edu.au.

Thank you for your time and assistance with this project.

Yun-Lok Lee

Department of Tourism, Leisure, Hotel and Sport Management
Griffith University, Gold coast, Queensland, Australia 9726
Information to participants in the survey

Griffith Business School
Department of Tourism, Leisure, Hotel and Sport Management
Telephone: + (07) 55528054
Facsimile: + (07) 55528507
www.griffith.edu.au
Postal address:
Gold Coast Campus, Griffith University
PO Box 50, GCMC
Queensland 9726, Australia

Understanding how Chinese Restaurant Customers view Service failure Situations

INFORMATION SHEET

(Mr) Yun Lok Lee
TLHSM, Griffith University
University
Ph. 02 6659-3109 (work)

Email: ylee@scu.edu.au

PhD Student Researcher
Supervisor
Professor Beverley Sparks

TLHSM, Griffith
Ph. 07 55528766
Email: B.Sparks@Griffith.edu.au

Dear Sir/Madam,
The People's Republic of China has emerged as a significant tourism source market for destinations abroad in the new millennium. By the year 2020, 100 million Chinese will be travelling overseas. Dining in restaurants is very important for Chinese people, whether at home or abroad. How these services are managed in restaurants and hotels, including how any service failures are corrected, often determine how satisfy customers are with their dining and travel experiences. Thus, in a highly competitive marketplace, those restaurants that can best offer the services and food to meet their customers' needs and expectations will gain a competitive edge. Literature also suggests that customers' cultural orientations often determine how they perceive services and service failure situations. However, there is little academic research work cited in mainstream Western hospitality journals on how customers of ethnic Chinese cultural background perceive services and how they view service failures. Thus, this PhD study is undertaken to address this gap in literature and to provide both Chinese and overseas' restaurateurs with useful insights on how Chinese customers view service failures. Such insights will be helpful for them to devise effective service recovery strategies to redress any failures and create satisfied customers.

Information collected as a part of this research project will remain confidential and only aggregate results will be reported in any subsequent publications. By completing and returning this questionnaire you are indicating your willingness and consent to participate in this project. A PhD research student at Griffith University conducts research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. If potential participants have any concerns or complaints about the ethical conduct of the project they can be made directly to Mr Lee on 02-6659-3109, or Professor Sparks 07 55528766 or the Manager, Research Ethics on (07) 3875 5585 or research-ethics@griffith.edu.au.

The reporting outcomes from this project will be in a form of a PhD thesis, conference proceedings and academic journal articles.

Privacy Statement

The conduct of this research involves the collection, access and/or use of your individual personal information. The information collected is confidential and will not be disclosed to third parties without your consent, except to meet government, legal or other regulatory authority requirements. A de-identified copy of this data may be used for other research purposes. However, your anonymity will at all times be safeguarded. For further information consult the University's Privacy Plan at www.gu.edu.au/au/neo/pp or telephone 07 3875 5585.
Appendix 10 – Ethics application Study 2

Reference Number
THM/01/02/p/hwee

GRiffith University

HUMAN RESEARCH ETHICS COMMITTEE

EXPEDITED ETHICAL REVIEW CHECKLIST

PART A - PROJECT DETAILS

Project / Subject Title Customer Service Experience (PhD) Project
Element School of Tourism and Hotel Management

Duration of data collection / human research
Date From: 03-09-2005

Date To: 03-09-2005

PART B - CONTACT PERSONS

Title PhD Supervisor PhD Student
Professor Mr.
Family Name Sparks Lee
Given Names Beverley Yun Lok
Relevant Qualifications BA, Grad Dip (Business), PhD BA, BBus (Tourism), MBus, Dip Ed.
Contact Address Department of Tourism, Leisure, Hotel and Sport Management, Griffith University, Gold Coast Campus, PMB 50 GCMC 9726
Telephone 075552-8766 0266593109 (Off); 026651-5686 (Home)
Email b.sparks@griffith.edu.au ylee@scu.edu.au

PART C - IDENTIFICATION OF ETHICAL ISSUES

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C25. If you answered "No" to all QCI-C24, the project appears to qualify for Expedited Ethical Review Level 1. Proceed to Part E.

If you answered "Yes" to one or more QCI-C24, but were not advised that full ethical clearance was required by the corresponding questions in Part D, then your project appears to qualify for Expedited Ethical Review Level 2. Proceed to Part E.

**PART D - ELIGIBILITY FOR EXPEDITED ETHICAL REVIEW LEVEL 2**

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<td>D1c.</td>
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| D2. | Supplementary consent | Y/N |

| D3. | Minor and / or parental consent | Y/N |
| D3b. | Contrary to best interests | Y/N |

| D4. | Managed special processes | Y/N |
| D4b. | Captive relationship | Y/N |

| D5. | Community consultation | Y/N |
| D5b. | Indigenous person on research team | Y/N |
| D5c. | Report and flow of benefits | Y/N |

| D6. | Community consultation | Y/N |
| D6b. | Collectivity member on research team | Y/N |
| D6c. | Report and flow of benefits | Y/N |

| D9. | Prior warning | Y/N |
| D9b. | Appropriate screening | Y/N/NA |
| D9c. | Conducted by experienced person | Y/N |
| D9d. | Compliance with WHS procedures | Y/N/NA |
| D9e. | Compliance with other standards | Y/N/NA |
| D9f. | Licensed / Accredited | Y/N/NA |

| D10. | Prior Warning | Y/N |
| D10b. | Appropriate screening | Y/N/NA |
| D10c. | Life threatening or significant | Y/N |

| D11. | Prior warning | Y/N |
| D11b. | Appropriate screening | Y/N/NA |
| D11c. | Life threatening or significant | Y/N |

| D12. | Prior warning | Y/N |
Appendices

D12b. Appropriate screening
D12c. Conducted by experienced person
D12d. Compliance with WHS procedure
D12e. Compliance with other standards
D12f. Licensed / accredited

D13.
D13a. Prior warning
D13b. Appropriate screening
D13c. Significant

D14.
D14a. Prior warning
D14b. Duty of care / duty of disclosure

D15.
D15a. Prior Warning

D16.
D16a. Prior warning
D16b. Duty of care / duty of disclosure

D17.
D17a. Prior warning
D17b. Duty of care / duty of disclosure

D19.
D19a. Activity innocuous
D19b. Identifiable by research team?

D20.
D20a. No alternatives
D20b. Risks not compounded
D20c. Debriefing
D20d. Withdraw data

D21.
D21a. Appropriate consent

D22.
D22a. Prior warning
D22b. Counselling

D25.
Are the risks easily negated, minimised or managed

Details
D26.
Cleared by another HREC, listed procedure or

Details

PART E - PROJECT DETAILS

E1. Brief project description

Details Project's purpose: This project builds upon the exploratory research completed earlier to ascertain the core cultural values for service failure and service recovery held by Chinese consumers. Briefly, Chinese consumers have been chosen for the study as recent tourism forecasts suggest that the People's Republic of China is a growing tourism...
source market for international destinations in the new millennium and that by the year 2020, 100 million Chinese will be travelling abroad. As hospitality services (accommodation, food and beverage) form a large portion of a visitor's spending, how these services are managed, including how service failures are recovered often determine how satisfied they are with their travel experiences. It should also be noted that since food and dining are an important aspect of Chinese culture, understanding of how best these are provided for Chinese customers become highly significant for hospitality service providers. In a highly competitive tourism marketplace, destinations that have hospitality providers that can best meet the needs and expectations of their visitors will gain a competitive edge. Literature suggests that customers' cultural orientations often determine how they perceive services and service failure situations and the leveraging of consumers' culture in the provision of services is deemed necessary (e.g., Becker, 2000; Matilda, 1999; Riddle, 1992). However, there is little academic research work cited in mainstream hospitality journals on how hospitality customers of ethnic Chinese cultural background perceive services and how they view service failures. Thus, this study is undertaken to address this gap in literature and to provide hospitality businesses with useful insights on how Chinese customers view service failures. Such insights will be helpful for hospitality businesses when devising effective service recovery strategies to redress any failures. The earlier exploratory study examines how Chinese people describe and make sense of negative service events, with a particular emphasis on how this sense making links to core cultural values. Five main themes representing important values held by Chinese consumers seem to be evident in that study relating to situations of service failure or poor service recovery. These values appear to have cultural basis to them, suggesting that consumers' perceptions of service failure may be culturally determined. As noted, an understanding of how consumers view service failures as a consequence of these cultural predispositions will help academicians and service practitioners develop models and effective service recovery strategies to manage failures. The present qualitative study aims to test some of the hypotheses generated in the exploratory study. For example, an important cultural value held by Chinese consumers to emerge from the exploratory study relates to 'face-work' and the importance of this cultural predisposition is confirmed in literature (e.g., Bond & Hwang, 1986; Chang & Holt, 1994; Hwang, 1987). In a hospitality service encounter, the manner (style) a service person interacts with Chinese guests has 'face' implication. A discourteous manner displayed by a service person towards Chinese customers may likely threaten their self-identity causing them to 'lose face' and feel humiliated, which may have grave consequences for a business firm in terms of customers' dissatisfaction, negative word-of-mouth, and repurchase intention. The importance of 'face protection' in social exchange and business dealing is commonly exhorated in Chinese sayings - 'A gentleman can be killed but not humiliated' (cited in Wec, 2001, p. 188). Despite the importance of such predisposition in Chinese customers, little empirical evidence is available in hospitality research literature. Hence, the one of the aims in the present study is to examine 'face-work', which is an important component of the proposed 'self-identity' construct. A set of cultural predispositions for service belief found to be important for Chinese customers in the earlier exploratory work will also be examined for evidence of their validity, thus providing further insights into how these customers view service failures in the hospitality context, what are their likes and dislikes in service provision. Such insights will inform academicians and service practitioners on how best to manage Chinese customers.

E2. Qualifications, experience and skill
Details The researcher has some research experience having completed a Masters by research (1997/8) and has subsequently participated in IRG research projects in Thailand (1999/2000) and Sabah, Malaysia (2002-2003). He is supervised by a well-established researcher in Prof. Beverley Sparks.

E3. Participants
Details This study will recruit participants from a cohort of postgraduate students of Chinese ethnicity studying at Griffith University, Gold coast. As the study seeks voluntary participations from the students and anonymous responses, no ethical and/or privacy acts are breached.

E4. Data collection
Details The data for this study are collected from Chinese students at Griffith University, Gold coast who will be invited to participate in the survey on a voluntary basis. The study uses an experimental design in the form of a scenario depicting service failures in a restaurant setting. Since the study uses a 2 x 2 x 2 factorial design, participants will be randomly given one of the eight versions of the scenario. After reading the scenario, they will be asked to complete the questionnaire with a combination of scale and 'tick box' questions divided into three main sections. In sections A and B, participants are asked to assume the role of the customer in the scenario and give a response to each statement that matches most closely to their level of agreement with the statement, in a 1 (Strongly Disagree) to 7 (Strongly agree) Likert scale. In section A, participants will be asked to express an opinion in the scale as to whether their encounter with the service person was exposed publicly or maintained privately (i.e., witnessed or not witnessed by customers' relatives). Participants are also asked to rate the interactional style of the wait person with whom they encountered and the outcome in service recovery. A list of statements which participants are also asked to respond to relate to their self-identity, their levels of satisfaction, intentions to repurchase, and word-of-mouth recommendations. The main aim in section B is to gain insights into the cultural predispositions of service beliefs of the participants. The five main customers' value themes in Stage one (Exploratory) of the present study are reflected in these statements. Section C comprises of question items relating to participant's personal data, dining and travel preferences. Respondents will be instructed not to provide any information on the survey, which may identify them in some way. A sample of the questions that will be used within this survey, have been provided in attachment 'E4 Data Collection':

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Sample Survey Questions. As previously stated, participants will be invited to participate on a voluntary basis. The researcher is aiming for a target of 70 to 80 completed surveys, to allow sufficient inferences to be made of the population, based on the sample results. To achieve this target, 105 initial surveys will be prepared and administered to the participants. To encourage participation, participants will have the chance to win one of the following prizes, on completion of the survey: 4 restaurant meal vouchers (Two at $30 each and two at $20 each) to dine at 'Top One' Chinese seafood restaurant at Australia Fair, Southport, Qld. See attachment 'E4 Data collection continued' for further information.

E5. Informed consent

Details Consent will be obtained from participants by way of completion of the questionnaire. The completion of the questionnaire is voluntary and anonymous. A copy of the questionnaire cover letter and information sheet has been attached to this application (please refer to 'E5 Informed consent: cover letter' and 'E5 Informed consent: information sheet'). The cover letter includes an invitation for the respondent to participate in the study; an outline of what is required to participate; information and procedures to entering the incentive prize; a confidentiality statement of how the completed questionnaires and incentive prize entries will be treated; and details on how the participant can receive further information about the project. The information sheet provides information in regards to the purpose of the project, aims and objectives; and potential benefits and outcomes. This sheet also provides a statement, which outlines that Griffith University conducts research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. Contact details of the Griffith University Ethics Officer, the researcher and the project supervisor have been provided, should any potential respondents have any concerns or complaints about the project. Participants have also been directed to contact the researcher or the project supervisor if they would like any further information about the project or information in regards to results or publications from the project.

E6. Communication of results / reporting

Details Results from the research study will be communicated in a number of ways: 1. An aggregated summary of results will be prepared and made available to respondents, upon request. 2. A report will be prepared for the Manager, Office of Research Ethics, Griffith University, upon request. 3. The results of the survey will be presented as part of the PhD thesis. The researcher and his supervisors also aim to produce a number of academic publications within top tiered hospitality services, consumer behaviour and marketing journals. 5. The research team also aims to produce a number of conference proceedings and presentations of the results, at both national and international conferences.

PART F - DECLARATIONS

F1. Contact Person

We confirm that we have read the current NHMRC National Statement on the Ethical Conduct of Research Involving Humans and the GU Research Ethics Manual. We accept responsibility for the ethical and appropriate conduct of the procedures detailed in this Checklist, confirm that we will conduct this project in accordance with the principles contained in the Statement the GU Research Ethics Manual, and confirm that the research team will comply with any other condition laid down by the Griffith University Human Research Ethics Committee.

Having completed this Checklist, I believe that this project qualifies for (tick one box):

- [ ] Expedited Ethical Review Level 1
- [x] Expedited Ethical Review Level 2

Yun Lok Lee ........ Signed 28 09 / 05 / Date

Is this project student research.
Please may I inform that the human research ethics committee's Secretary Michele Cochrane (1/2002 meeting) had considered my application for ethical approval of the research protocol entitled: Investigating how Chinese view Yes service failure and service recovery (TIRM/01/02p/sec), and had subsequently informed me of ethical clearance. The present research is a second part of the research.

Details

F1A. Supervisor - To be completed by the principal supervisor if this application relates to student research and the student is the listed contact person.

I have read this application and support its submission for ethical review. The student is familiar with the current NHMRC National Statement on the Ethical Conduct of Research Involving Humans and the GU Research Ethics Manual.

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Is this project funded research
N o

Detail This is a PhD project conducted by the student Yun Lok Lee, under the supervision of Professor Beverley Sparks, School of Tourism and Hotel Management
N o

Is a declaration in relation to pecuniary or other potential conflict of interest required
N o

Detail
F2. Head of School or Centre Director recommendation/authorisation Scientific merit

STEP ONE
The research / scientific merit of this project has been considered (please tick one of the following statements):
By another GU or External process (RAPS PhD projects, peer review for research grants, etc)
By the authorising officer
Is yet to be considered.

STEP TWO
Please tick if there is a need for additional review of the scientific merit of the research.
I believe that this project requires an expert/external research/scientific merit review

Research Safety

STEP ONE
The research safety of this project (please tick one of the following statements):
Does not warrant consideration.
Has been considered by a University workplace health and safety process.
Has been considered by the authorising officer.
Is yet to be considered.

STEP TWO
Please tick if there is a need for additional review of the research safety of the research.
I believe that this project requires an expert/external review of the research safety of the project

I have considered this application and the ethical implications of the proposed research and recommend it for consideration by the HREC. I confirm that the qualifications and experience of all investigators are appropriate to the study to be undertaken, and the necessary resources are available to enable this research to be conducted.

Signed
Print Name
Position

/ Date
Level of Ethical Clearance

This project has been confirmed as (tick one):

Outside the scope of the University's human research ethics arrangements

Interim approved E1 and this decision has been ratified by the HRRC

Interim approved E2 and this decision has been ratified by the HRRC

Requiring full review by the HRRC

Duration of Ethical Clearance

The proposal is approved for the period:

Dates

Authorisation

Chair, University Human Research Ethics Committee:

Signature: ..........................
### Researcher and Principal supervisor

#### Principal supervisor

<table>
<thead>
<tr>
<th>Title</th>
<th>Prof.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Name</td>
<td>Sparks</td>
</tr>
<tr>
<td>Given Name</td>
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</tr>
<tr>
<td>Relevant Qualifications</td>
<td>BA, Grad Dip (Business), PhD</td>
</tr>
</tbody>
</table>

Contact Address: Department of Tourism, Leisure, Hotel and Sport Management, Griffith University, Gold Coast Campus, PMB 50 GCMC 9726

School / Department: School of Tourism and Hotel Management

Telephone: [Contact Information]

Email: B.Sparks@griffith.edu.au

### Research student

<table>
<thead>
<tr>
<th>Title</th>
<th>Mr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Name</td>
<td>Lee</td>
</tr>
<tr>
<td>Given Name</td>
<td>Yun Lok</td>
</tr>
<tr>
<td>Relevant Qualifications</td>
<td>BA, BBus (Tourism), MBus, Dip Ed.</td>
</tr>
</tbody>
</table>

Contact Address: Department of Tourism, Leisure, Hotel and Sport Management, Griffith University, Gold Coast Campus, PMB 50 GCMC 9726

School / Department: School of Tourism and Hotel Management

Telephone: 02-6651-5686

Email: ylee@scu.edu.au
CheckList

Have you fully completed every section of the form?

Have you attached a copy of your informed consent mechanism, that companies with Booklet 22 of the Griffith University Research Ethics Manual?

Have you provided the details of any data collection instrument (eg some sample questions that give a sense of the most ethically intrusive or sensitive line of questioning)?

Have you provided copies of any required agreements or approvals from other bodies, or an assurance that these approvals will be obtained prior to the commencement of this research?

Have you included all other relevant attachments to accompany this application?
Recent tourism forecasts suggest that the People's Republic of China is a growing tourism source market for international destinations in the new millennium. It has been predicted that by the year 2020, 100 million Chinese will be travelling abroad. As hospitality services (accommodation, food and beverage) form a large portion of a visitor's spending, how these services are managed, including how service failures are recovered often determine how satisfied they are with their travel experiences. In a highly competitive tourism marketplace, destinations that can best meet the tourism and hospitality needs and expectations of their visitors will gain a competitive edge. Literature also suggests that customers' cultural orientations often determine how they perceive services and service failure situations. However, there is little academic research work cited in mainstream hospitality journals on how hospitality customers of ethnic Chinese cultural background perceive services and how they view service failures. Thus, this PhD study is undertaken to address this gap in literature and to provide hospitality businesses with useful insights on how Chinese customers view service failures. Such insights will be helpful for hospitality businesses when devising effective service recovery strategies to redress any failures.

Information collected as a part of this research project will remain confidential and only aggregate results will be reported in any subsequent publications. By completing and returning this questionnaire you are indicating your willingness and consent to participate in this project. A PhD research student at Griffith University conducts research in accordance with the National Statement on Ethical Conduct in Research Involving Humans. If potential participants have any concerns or complaints about the ethical conduct of the project they can be made directly to Mr Lee on 02-6659-3109, or Professor Sparks 07 55528766 or the Manager, Research Ethics on (07) 3875 5585 or research-ethics@griffith.edu.au.

The reporting outcomes from this project will be in a form of a PhD thesis, conference proceedings and academic journal articles.

Privacy Statement

The conduct of this research involves the collection, access and/or use of your individual personal information. The information collected is confidential and will not be disclosed to third parties without your consent, except to meet government, legal or other regulatory authority requirements. A de-identified copy of this data may be used for other research purposes. However, your anonymity will at all times be safeguarded. For further information consult the University’s Privacy Plan at www.qu.edu.au/privacy or telephone 07 3875 5585.
Appendix 10 – Final Reports on Ethical conduct.

Yun Lok Lee
School of Tourism & Hospitality Management,
Southern Cross University
CHEC,
Hobgin Drive,
Coffs Harbour, NSW 2450
31st July 2006

Your Reference: THIM/08/05/HRBC

Griffith University Human Research,
Ethics Committee,
Office for Research,
Bray Centre,
Nathan Campus,
Griffith University.


This report is to inform the committee of the ethical conduct of my research. I had successfully conducted my data collections in the People’s Republic of China, using the Customer service experience survey questionnaire previously approved by your committee.

The data collections were undertaken in two cities in China – Beijing and Shanghai between the period 27th October 2005 and 18th of November, 2005. The data were collected with the aid of four trained Chinese assistants, who were thoroughly briefed by me on our research ethics and protocols before the data collection. They were closely supervised by me during data collections. They had strictly followed the research ethics and protocols as stipulated.

As noted, since great care had been taken to ensure that the research ethics and protocols were strictly followed, I am pleased to report that no problems were encountered in all centres where the data were collected. As the protocols stipulate, potential respondents were invited to participate in the survey and were not forced or coerced in any way into participating. Those who declined were thanked. Those who participated were invited to complete the questionnaire after being briefed by the research assistants. After the survey, they were thanked and presented a token gift as a gesture of my appreciation for their participations. All up, I had collected 576 completed questionnaires.

In summary, my data collections in Beijing and Shanghai were successfully carried out, following the stipulated ethics and research protocols, with no problems encountered. I thank the committee for their considerations.

Y L Lee
Yun-Lok Lee
Student ID 1483493
Academic Program: 6001 Doctor of Philosophy