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## Service quality delivery in a cross-national context

Ying Zhu<sup>b</sup>, Susan Freeman<sup>b</sup>, S. Tamer Cavusgil<sup>a,b,c,\*</sup><sup>a</sup> Georgia State University, 35 Broad Street, Suite 1424, Atlanta, GA 30303, USA<sup>b</sup> The University of South Australia, Business School, North Terrace, Adelaide, SA 5000, Australia<sup>c</sup> Leeds University Business School

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## ABSTRACT

Consumption of a broad range of services ranging from tourism to hospitality by an increasingly global mix of customers, especially from the new millennium of the emerging middle class, is creating an interesting challenge for service providers. What are the macro-environmental (cultural, historical, economic, political etc.) influences on service culture and on service quality delivery? Drawing on the expectancy-disconfirmation theory, this qualitative study provides insights on profound macro-environmental drivers of attitudes towards service quality delivery from a cross-national context. Based on comparative, country-based industry insights that highlight employee attitudes from advanced and emerging markets, we discuss the impact from a cross-national service quality delivery perspective. By examining comparative country contexts in growing service sectors, as in hospitality and tourism, we develop and present a conceptual model of cross-national service quality delivery.

## 1. Introduction

Countries have their own idiosyncratic origins and paths that influence service culture. Attitudes and behaviour of service sector stakeholders (e.g. owners, managers and employees) are typically influenced by social and cultural norms that have been formed and reformed in the past (Agarwal, Malhotra, & Bolton, 2010; Malhotra, Ulgado, Agarwal, Shainesh, & Wu, 2005). Many factors impact the mindset, attitude, expectations and behaviour (service culture) of those who are engaged in the service industry (service quality delivery). These include culture and philosophy, social hierarchy, historical events (e.g. political revolution) and transformation (e.g. economic reform). In addition, such factors as technological development, access to information, and the process of globalisation influence the nature of service quality.

Given the increasing cross-border trade and investment in general, and expanding international tourism and hospitality in particular, cross-national service delivery has become a key performance indicator. The spectacular growth of emerging markets provides more opportunities to develop new perspectives to capture cross-national service delivery, which are needed to better understand the differences between emerging market and increasingly economically nonviable markets in advanced economies (Kaski, Hautamaki, Pullins, & Kock, 2017; Sheth, 2011). The rising interconnectedness of economies (e.g. Manyika et al., 2014; McKinsey's *Interconnectedness Index*, 2016) suggests tourism and hospitality services (including hotels, resorts, restaurants, cruises, airlines, banking, retailing, etc.) are now

increasingly being consumed by a mix of international consumers. A range of home and host contextual factors play a role in constraining the effective application of cross-cultural skills (Wang, Fan, Freeman, & Zhu, 2017).

Accordingly, it is critical and timely to identify those elements that influence service culture and cross-national service delivery in a comparative setting (Donthu & Yoo, 1998; Hoang, Rao Hill, Freeman, Lu, & Imrie, 2017; Kaski et al., 2017). Taking a novel approach, we draw on the expectancy-disconfirmation theory (Oliver, 1977, 1980, 1997; Oliver & DeSarbo, 1988; Oliver, Balakrishnan, & Barry, 1994) to the cross-national service quality delivery context. A cognitive psychology theory, the expectancy-confirmation framework is more commonly used to explain post-purchase satisfaction as a result of expectations, perceived performance, and disconfirmation of beliefs. Perceived performance is how a person perceives what is actually happening (e.g. in the initial service delivery encounter). Typically, discontinuation occurs when the perceived performance moves sufficiently away from the buyer's expectations. Specific to our focus, discontinuation can be positive (where performance exceeds expectations) or negative (where performance fails to meet expectations). Disconfirmation, then impacts the satisfaction with the service provider or employee, either positively or negatively.

From a social psychology perspective, customer satisfaction is regarded as a function of positive disconfirmation (Oliver, 1977; Oliver & DeSarbo, 1988). Alignment of expectations between the customer and the employee or service provider, implies a confirmation of

\* Corresponding author at: Georgia State University, 35 Broad Street, Suite 1424, Atlanta, GA 30303, USA.  
E-mail address: [cavusgil@gsu.edu](mailto:cavusgil@gsu.edu) (S.T. Cavusgil).

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expectations, where both parties are satisfied, and their expectations are met (Oliver et al., 1994). More commonly, the expectancy-disconfirmation theory has been used to explain business to consumer purchase behaviours (Oliver, 1977, 1980; Oliver & DeSarbo, 1988; Oliver et al., 1994). Nevertheless, it also applies to service provider or employee behaviours.

We acknowledge that the customer's experience of created value with the provider is to some extent shaped by his or her own expectations. Similarly, as the focus of this paper, we argue that the provider's behaviours are also partially shaped by his or her expectations engaging in the shared interaction during the encountered service delivery. It is thus rational to suggest that reasonable alignment between these expectations is important to avoid negative disconfirmation. In the current business environment, it might be very challenging for employees to fully satisfy customers from increasingly multi-national backgrounds, in view of the sharp rise in international tourism and hospitality (Hoang et al., 2017). Further, from the standpoint of alignment, to satisfy customers' high, ideal or "should happen" expectations (Kaski et al., 2017), we need a deeper theoretical understanding of what shapes expectations going into the service delivery encounter. We argue that this should not just be from the customer's point of view but also from the service provider's perspective (Yakimova, Mavondo, Freeman, & Stuart, 2017).

## 2. Review and theoretical underpinnings

Previous studies have predominantly examined service quality from a customer-focused perspective in a single country context. Service quality is a complex phenomenon influenced by a host of factors (Brady & Cronin, 2001; Cronin & Taylor, 1992; Dabholkar, Thorpe, & Rentz, 1995; Gronroos, 1982; Parasuraman, Zeithaml, & Berry, 1985; Parasuraman, Zeithaml, & Berry, 1988; Rust & Oliver, 1993). These factors relate to such macro-environmental level variables as the prevailing culture and institutions of the country as well as consumer characteristics and expectations (Wang et al., 2017). We know that employees do not always meet the expectations of customers, and that these expectations may be higher where more complex value is created and exchanged, and the employees become a point of differentiation (Kaski et al., 2017). This is certainly the case in service sectors where the relational interactions are a major component of the service delivery encounter. The employee or salesperson becomes a point of difference in service culture and quality of delivery (Hoang et al., 2017). Drawing on expectancy-disconfirmation theory (Oliver, 1977), we argue that their expectations, attitudes and behaviours impact service culture and quality. While we have an adequate understanding of the expectations salespersons may fail to meet (Kaski et al., 2017), we know little about the macro-environmental influences on service employee expectations and behaviours in the cross-national context.

### 2.1. Influence of controllable and uncontrollable factors on service expectations

Service expectations are influenced by controllable and uncontrollable factors (Zeithaml, Berry, & Parasuraman, 1996). Controllable factors refer to explicit and implicit service promises. Uncontrollable factors refer to: enduring and transitory service intensifiers, personal needs, perception of alternative services, self-perception of service role, word-of-mouth communication, past experience, situational, and predicted service. This conceptualization applies to the determinants of service expectations from a single domestic (country) market. However, customers or providers in different countries (i.e. national culture for our purposes) may have varying levels of service expectations due to cultural differences (Donthu & Yoo, 1998).

While there is now considerable service quality literature that acknowledges the impact of culture on service expectations (Kaski et al.,

2017), there are two broad limitations. First, it does so at the single country level; and second, it takes a customer focus. By doing so, it tends to undervalue the cross-national level of analysis (Donthu & Yoo, 1998) and the service provider perspective (Hoang et al., 2017). As cultures (at the national level) differ, the context needs to be considered if we are to develop universal theory (Donthu & Yoo, 1998). Diverse cultural settings give rise to very visible differences in not only consumer, but also provider behaviour and expectations. It is only by including these macro-environmental contextual factors are we then able to refine theory (Wang et al., 2017) to explain our predictions and support our validations (Farley & Lehmann, 1994). In particular, knowledge of the level of expectations is critical in understanding the quality of service delivery required by customers. For cultures that expect an elevated level of service, a low level of service quality delivery would indicate a negative discontinuation (service quality failure) (Donthu & Yoo, 1998; Kaski et al., 2017). However, research needs to be extended to the perspective of the provider in order to generate greater insights about the influence of the macro-environmental factors. These factors are crucial for determining the service provider's expectations, attitudes and behaviour, for alignment of expectancy.

### 2.2. Expectations, value creation and relational aspects of selling services

Employees add value as a source of differentiation in the provider quality delivery context that is increasingly requiring adaptation, customization and problem-solving ingenuity (Dixon & Tanner, 2012; Hoang et al., 2017; Kaski et al., 2017). Yet most research on customer value creation focuses on product-oriented and not on the relational aspects of selling services (Parasuraman & Grewal, 2000). At the employee end of the equation, to create value, employees need to understand customer expectations concerning value creation, and need to react, respond and initiate behaviours to provide positive expectancy disconfirmation (Kaski et al., 2017; Yakimova et al., 2017). Importantly, "there is a gap in the extant sales literature, which fails to advance our understanding of customers' expectations and how salespeople can fulfil them...and we need a theoretical framework to advance this understanding" (Kaski et al., 2017, p. 47). In this study, we seek to understand what drives employees in terms of attitudes, motivations and behaviour, at the national level, and reflect on the gap, at the cross-national level.

Value-creation and sales research has moved away from a linear focus with a controlled conceptualization to the relational perspective (Dixon & Tanner, 2012; Grönroos, 2011), signifying co-creation of value in service delivery as one that is highly interactive between the customer and provider in a context that is unplanned (Haas, Snehota, & Corsaro, 2012). This shift acknowledges the creativity needed by the sales provider or employee. Yet research that examines the nature of the interaction perspective is rare (Yakimova et al., 2017). At the point of service delivery where interaction is high, such as the focus of our study, typically found in the people-based tourism and hospitality sectors, interaction is not just one of many business activities in the service delivery encounter. Rather, in this business to consumer environment, interaction is elevated to the level of the primary purpose and a means for organizations to combine their activities, and knowledge and resources for mutual gain and positive expectancy disconfirmation. Thus, value is the outcome and not the driver (Yakimova et al., 2017).

In our study, this recent shift in focus is important, because without a deeper understanding and theoretical explanation of the macro-environmental influences (Wang et al., 2017) on employee's attitudes, expectations and motivations at the national level (Hoang et al., 2017), we are unable to understand the uncontrollable aspects surrounding value creation from a relational perspective (Dixon & Tanner, 2012). This element is important where the relational perspective is a dominant aspect of the nature of the interaction, namely people-based

service encounters, typically found in the tourism and hospitality sectors (Chen, Huang, & Cai, 2014). The relational perspective takes on further complexity at the national level.

### 2.3. Relational perspective and complexity at the national level

Culture is multidimensional, with no single index, just as there is no single index for personality and lifestyle (Donthu & Yoo, 1998). While cultural values at the national level are embedded in context (macro-environmental) and are constantly evolving (temporal, context), value creation takes place when there is alignment of the expectations of buyers and sellers (expectancy-disconfirmation theory). In our study, mutual expectancy (neutral or positive disconfirmation) occurs when the employee meets or exceeds the expectations of the customer. Their role will be greater in the context of high people-based service delivery sectors (e.g. tourism and hospitality). One novel way to understand the different types of employees, is to adapt the intrinsic-extrinsic framework (Rackham & De Vincentis, 1999). While this three-way (*intrinsic*, *extrinsic* & *strategic*) conceptualizations of value is developed expressly for customer types it is useful and helpful for our study, but there are several limitations. It does not address cultural factors embedded at the national psychic, nor does it address the cross-national factors that differentiate service culture and service delivery from the provider or employee perspective.

If we adapt the framework for our purposes to the context of the service provider, in the interface of high people-based interactions, *intrinsic* value providers are focused on the product, with little need for the employee interactions. In the situation of *extrinsic* value suppliers, buyers value the employee, because they need information on how to use the product, and thus their expectations around the relational-interactive perspective is very different. Depending on the service sector, this may require the employee to *expect* to have to identify, advise and solve the specific needs of the customer by using and applying the product (Hoang et al., 2017). Finally, *strategic* value suppliers focus on longer-term partnerships with the objective of a win-win outcome where both parties share similar goals (Kaski et al., 2017).

In our study, the situation under exploration is high person-centred service delivery encounters. Thus, in the tourism and hospitality sectors, for example, suppliers or employees might be categorized as *strategic* and *extrinsic*, i.e. highly interactive (Hoang et al., 2017). As for long-term business strategy among service providers, a continuing improvement of service quality by constant reviewing and evaluating the services provided by employees to meet the expectation of customers is a fundamental issue confronting the tourism and hospitality sectors. Therefore, the following sections will first explain our methodology and then elaborate through our findings, examples from five countries.

## 3. Methodology

### 3.1. Context – country selection

We conducted a study to relate provider expectations of service value and service quality in the cross-national context. Specifically, we explore how provider service quality expectations differ among countries. We analysed two groups of countries, those from emerging markets (China & Turkey), and three from advanced markets (Japan, Australia & the United States). Specific service industry contexts are tourism and hospitality both person-centred sectors. This comparison will allow us to explore the impact of macro-environmental factors on the service value and service quality delivery of providers, by suggesting how they influence attitudes, expectations and behaviours of providers or employees at a national level (Hoang et al., 2017).

### 3.2. Macro-environmental influences on service value and service quality delivery

In this study, we explore service value and service quality delivery in a cross-national context. Our focus is on the macro-environmental determinants of service quality that vary at the national level from country to country. We include a range of broad factors that might influence the quality of service value and service quality delivery by providers at the national level.

#### 3.2.1. Culture

cultural values and traditions in the process of historical evolution tend to condition the expectations of service quality dominant in a society (Chan & Wan, 2008; Poon, Hui, & Au, 2004). As we mature we assume norms and expectations pertaining to service quality in an encounter with a service provider. These norms and expectations tend to persist and endure over time, until they are revised as a result of changing conditions.

#### 3.2.2. National endowments

Demand for services in a sector such as tourism and hospitality is in part a function of what natural attractions and endowments it offers to the global community. If, for example, a nation offers exceptional locally-endowed factors, such as pristine resort areas and beautiful coastal areas, it will tend to attract international visitors, contributing to an improved service quality trend brought about by increasing consumer expectations (Zhu, Ren, Collins, & Warner, 2017).

#### 3.2.3. Degree of globalization (the nation & exposure of citizens)

Countries well integrated with the global economy tend to attract a more robust inflow of international visitors, largely dependent upon the degree of sophistication of industry players. Similarly, if the nation's consumers are more cosmopolitan and in touch with international standards of service quality, they will set higher standards in terms of their expectations from service providers such as the tourism and hospitality sectors (Hoang et al., 2017).

#### 3.2.4. Intensity of competition (in service industry)

This is a function of the scale, resources and sophistication of the leading players in the service industry. To the extent that they have acquired world-class standards, and feel compelled to deliver excellent service, they will be responsive to continuous service quality improvement efforts (Yakimova et al., 2017). If foreign-owned industry players are also present in the local market, this would also trigger local players to raise their own standards (Hoang et al., 2017). Partnerships and collaborations between local and foreign services providers can serve as a competitive vehicle for upgrading service quality.

#### 3.2.5. Political environment

One of the most important macro-environmental factors that affect service quality at the national level is the political environment in a country. Negative conditions in terms of political stability hinders functioning, development and delivery in the service sector (Hoang et al., 2017; Wang et al., 2017). Political instability and unrest can generate undesirable conditions that impact the economic and social environment in a country. These factors combine to affect an organization's ability to maintain stable operations and profits. For example, political unrest in North Africa and the Middle East in recent years has negatively impacted many industries and investment activities in those geographies (CSIS, 2016). The quality of goods and services, and customer satisfaction levels are highly dependent upon the existence of a stable political environment.

#### 3.2.6. Regulatory institutions

Naturally, service providers are under the scrutiny of regulatory bodies as well as industry watchdogs. Standards imposed by these

institutions will compel service industry players to meet such institutional expectations. Beyond national regulatory institutions, international industry accrediting agencies will set their own standards and serve as further incentives for service providers to aim for higher levels of service (ISO, 2017).

We next discuss the historical and prevailing factors and their likely influence at the national level on service culture and quality delivery across our selected countries. Doing so, we blend our direct observations with secondary data from the literature. The discussion is organized by country.

#### 4. Findings

##### 4.1. Service culture and service quality delivery in China

There are mixed views regarding the current service culture and quality in China. Market-oriented economic reforms have encouraged greater competition from the private sector towards the former domination of the state-owned sector under the planned economy (Zhu, Webber, & Benson, 2010). Price-driven consumers drive service providers to meet the needs of consumers and do their best to satisfy consumers (Wu, Zhu, & Xu, 2000). Therefore, owners and managers, regardless of their ownership type, must pay attention to their quality of service in order to survive in the competitive marketplace. This is a key driver for quality improvement in services. Yet, service quality is far from satisfactory. Constant complaints about service quality by customers suggest deeper issues that need to be resolved. Some of these issues are associated with traditional culture, historical changes, and attitudes towards service quality (Chen et al., 2014).

The traditional Chinese culture is rooted in philosophical thinking and the most influential one is Confucianism (Buttery & Leung, 1998; Ren & Zhu, 2015). There are positive and negative elements of Confucianism that focus on attitudes towards service and those carrying out service related activities (Ueltschy, Laroche, Zhang, Cho, & Yingwei, 2009). Fundamentally, Confucianism emphasizes social order and hierarchy as well as social relationships based on reciprocity. The social order requires individuals in the society to follow the ‘three guides’ and ‘five principles’ (*sangang fuchang*), and the social hierarchy divides people into different categories based on higher (i.e. *shitai*fu), namely officials and intellectuals) and lower classes (i.e. *shumin*, namely ordinary masses, including merchants and service people). The social order provides the rationale for individuals committing themselves to doing their own work well. However, while the social hierarchy has left people among the lower class with lower social status, higher class people tend to look down upon them. One way people can change their social status is through education and passing the official examination so they can become officials with social ranking or as officially recognised intellectuals who act as advisors to the ruling class. Traditionally, people have felt that being an official or intellectual can provide ‘glory’ to them and their family. Yet, running a business or providing a service to others was not valued. These values are deeply rooted in the Chinese history and, to a certain degree, have lingered to today.

Given that the social order requires individuals to do their work well with commitment, the spirit of ‘tinkerer’ among craftsmen, service people, and others was another important element of doing work well (People’s Net, 2016). The ‘tinkerer’ has special characteristics, including high commitment towards work, paying attention to details, persistent towards continuing improvement, and doing service work with sincerity and passion. These qualities worked together with the notion of a reciprocity relationship, providing the foundation for high quality service. In ancient China (as well as in Japan), these elements provided a useful role model to be followed among craftsmen and service people from generation to generation.

More recent has been the Communist Party led revolution and the establishment of the Peoples’ Republic of China in 1949. The formation

of a new China was based on such principles as a socialist planning economy, public ownership, and social and economic equality among people. Given the planned economy and state-ownership, service providers working in this system felt they were the ‘master of society’ and that they were working for the party/state. State-owned shops, hotels, restaurants and other service organizations employed workers as the new ruling class of an evolving society. New slogans, such as ‘serving the people’ were used, but who were ‘the people’ was not clear. During the Cultural Revolution, from 1966 to 1976, the entire service culture disappeared and ‘consumers’ were generally treated at a distance. One common response from service people at the time was ‘meiyou’ (don’t have) towards those who were asking for something.

Since the early 1980s when the economic reforms began, the situation has been gradually improving, but problems continued with some changes becoming increasingly apparent. A money driven phenomenon now dominates the entire country and certainly influences the service culture (Korporaal, 2017). High quality services are associated with higher prices. Travel agents arrange holiday packages with numerous shopping visits because the tourist guides are paid by commission from these shops. Other problems relate to attitudes towards service work. For example, airlines provide ‘smiling services’ but look artificial and lack sincerity. People treat their service work as a job but not as a career. Restaurant staff engage in cleaning, such as wiping floors while customers are still eating. No matter the size of the business, ticking boxes as a means of fulfilling the work duty is frequently perceived as the norm, lacking in sincerity and passion. This behaviour is best characterised as lacking the tinkerer’s spirit, with no commitment or passion towards service work.

From a historical point of view, we can see that current problems are rooted in traditional culture to a certain degree, as well as recent evolutionary changes in China (Korporaal, 2017). Without understanding these changes, one is only able to ‘scratch the surface’ of the nature of service delivery. Service quality issues originating from deep-rooted attitudes and mindset cannot be easily solved. While training manuals in the Chinese language are comprehensive in terms of training practice, manner, and action, they say nothing about the mindsets and respecting service work, serving others with sincerity and passion, and treating service jobs as a career with high commitment. Fundamentally, people perceive serving others as a job with low social status. Given the recent socialist history of equality, the question in peoples’ mind is still ‘why do I have to serve you well?’

In terms of cross-cultural services, the Chinese always welcome foreign visitors to their country, community, and homes (Tsang & Qu, 2000). Confucius says that ‘it is the most enjoyable thing to receive friends from far’ (*pengyou cong yuanfanglai, buyi yuihou*). Adding the history of Western colonisation and recent economic liberalization, the Chinese now have greater opportunity to interact with foreigners, especially through hospitality. In the early years of economic and political reform, ordinary Chinese people had views regarding foreigners (such as ‘white’ people) as wealthy and they treated them respectfully. However, with more diverse visitors coming to China in more recent years, foreigners are no longer regarded as intrinsically special, but are generally treated well, and in most cases, receive better treatment than domestic clients. In some way, hidden racism does exist, especially towards darker coloured people, such as in Guangzhou where many African traders are working and living.

##### 4.2. Service culture and service quality delivery in Japan

Arguably, many regard the service culture and quality of delivery in Japan as one of the best in the world. People travelling on Japanese airlines, staying in Japanese hotels, dining at Japanese restaurants, shopping in Japanese shops, and travelling in Japan all appear to have predominantly high satisfaction perceptions about the quality of service (Day & Peters, 1994). Increasingly, Chinese travellers are giving up their traditional holiday destinations in Hong Kong and Taiwan, and



instead wanting to spend quality time in Japan (Lee, Hwang, & Bennett, 2015). The word-of-mouth promotion by individual travellers about their positive experiences in Japan is attracting more visitors to Japan. In their service quality evaluations, however, Japanese consumers are more conservative than their Western counterparts such as in the United States and Canada (Laroche, Ueltschy, Abe, Cleveland, & Yannopoulos, 2004).

Japanese cultural traditions share some similar roots with the Chinese, such as the influence of Confucianism. Regarding religion, the Japanese Shinto religion, as well as Zen Buddhism, have had a profound impact on people's mindset, attitude and behaviour (Kumon & Rosovsky, 1992). These religious and philosophical traditions emphasize the link between one's current and the next life, and teach people to be 'enlightened,' with the practice of good behaviour an essential feature to achieve a better life. Japanese social and cultural norms also emphasize social order and social hierarchy.

However, in contrast to the Chinese, Japanese are more accepting of their current social status, and more committed to do well at their current work, regardless of whether it is perceived as noble or service work. Without a history of political revolution, such as in China, people believe that social hierarchy is a natural thing and individuals should accept and obey it. By doing one's work well, regardless of social status, everyone can achieve remarkable results and contribute to society. This is perceived as 'glory' for achievers. Hence, the Japanese have a strong spirit of 'tinkerer' to do things well with high commitment, sincerity and passion (Kumon & Rosovsky, 1992). For most people undertaking service work, it is perceived as their career with a life-time commitment. They admire what they are doing and enjoy serving other people well. Customer satisfaction is the highest rewards for their arduous work (Austin, 2009). Therefore, there is a consistent trajectory between their cognitive understanding of one's individual role in the social hierarchy, their mindset, importance of being a service person, and their commitment to serve people well with passion and sincerity.

Given this cultural foundation, it is not surprising to see that the quality of service in Japan is considered to be one of the best in the world (Lee et al., 2015). With increasing adoption of modern technology, it provides an edge for the Japanese service industry to improve customer service. Thus, the relevant training and skill formation, upgrading technology related to service quality, and persistence on continuous improvement make the Japanese service industry outstanding and world-class. That is an important reason why many emerging middle-class tourists prefer to spend more quality time in Japan. An interesting question that arises in this context is whether the Japanese service culture and practices can be implemented in other cultural environments.

In terms of cross-cultural service interactions, the Japanese tend to treat foreigners with respect and kindness (Hirst, 1992). No matter what the service is, the same care and service are delivered to the dignitaries and the ordinary tourist, including foreign students, with the same devotion and respect. However, darker coloured people may still experience some negative attitudes, yet in a subtle way. This is largely due to homogeneity of the Japanese society and lack of familiarity with people from some regions.

#### 4.3. Service quality and service quality delivery in Australia

The service value and quality in Australia, generally, does not compare favourably with Asian countries. There is an Asian tendency for greater regard for others (collective) and less focus on individual needs (Hoang et al., 2017). The needs of the individual and a marked tendency for disregard, even hostility, towards people in positions of authority, impact how employees interact in the workplace and how they view the service quality domain (Freeman & Lindsay, 2012). This has deep historical roots in Australia within a complex multicultural tradition, and with a single dominant culture. Originally, primarily working class British and Western European, heavily unionised, the

Australian society has been transforming rapidly, owing to Asian and especially Chinese immigration (Smans, Freeman, & Thomas, 2013). There is also a significant current external factor, namely, the shift from a dominant manufacturing and mining tradition, to one that is heavily focused on jobs in the service sector. Increasingly, tourism and hospitality offers the quintessential 'lifestyle' choice of a casual, relaxed way of life that embodies the new and established large Australian middle class (Felzensztein, Stringer, Benson-Rea, & Freeman, 2014).

The first 60–80 years of English settlement in Australia in the 1880s was characterised by convict labour, and then later, comprising the poor hoping to escape the rigid class system of England, and later still, fleeing a war-ravaged economy in the 1950s (Smans et al., 2013). Australia was and still is viewed as the land of opportunity, dubbed unceremoniously and satirically as 'The Lucky Country' (Horne, 1964) in the 1970s, because of the long and uninterrupted prosperous history of trade in commodities including gold, wool, wheat, and then mining industries, bringing great wealth to those willing to take the perceived initiative to leave 'the old countries' of Western Europe to settle here.

This phrase has been used to characterize the Australian climate, way of life and contemporary history. It is frequently used to define the country's wealth and affluence, from the gold booms of the 1880s to other economic booms, especially of the mining booms since the 1980s. More recently, the perception that Australia's geographic remoteness from the global trouble spots has continued to see Australia perceived as a 'lucky country' (Australian Budget, 2016).

While Australia is home to large numbers of migrants, the view is very much of tolerating each other and not 'standing out.' The 'tall poppy syndrome' is a theme that runs through society (Moses, 2012). It draws back to the anti-upper-class English aristocracy that held positions of power during the penal colony and later call to arms (in Turkey with the two World Wars and the British military commands over the Australian and New Zealand armed forces, named the ANZACs and Diggers!) (Dennis, Grey, Morris, Prior, & Connor, 1995). Very much a male dominated society, the 'Aussie bloke' is perceived as preferring the company of his mates for a beer! Women play a predominantly quieter role, but that has slowly begun to change, with increasing numbers of Asian and Eastern European women immigrants that are not so subservient. Greer (1970) wrote about the dominant Australian male culture and the need for women's revolution in her famous book *The Female Eunuch*.

The Australian economy is currently transitioning from the largest mining investment boom in its history to broader-based growth. While the resource sector is likely to continue to play a key role, the economic transition is focusing on broadening growth to other sectors of the economy. Growth is shifting to the more employment-intensive, service-based sectors. Specifically, the largest sectors experiencing employment growth over the past year are the households and business service sectors, especially in health, retail trade and in-bound tourism. While unemployment has fallen in recent quarters, and more Australians are entering the workforce, there is still disguised unemployment with job sharing and part time, rather than real increase opportunities in full time work, especially for the youth.

The Australian economy is undergoing a major shift requiring more flexibility and greater understanding in the business community about the new export trade agreements, and how small to medium sized enterprises (SMEs) can engage and take greater advantage of transitions happening in many other economies. In addition, the number of tourists visiting Australia from China exceeded one million for the first time in 2015. Future visitor growth is likely to come from India, as well as other emerging countries in Asia. International student enrolments are also growing strongly, while Australia's reputation as a leading provider of services continues to grow (Australian Budget, 2016).

In the past, the manufacturing sector in Australia has used quality Management practices more than the service sector (Beaumont, Sohal, & Terziowski, 1997). However, with the recognition that the manufacturing and mineral boom is transitioning, Australians are

increasingly turning to the service sector, well known for its organised and highly developed regulatory frameworks that are driving better service quality. It is also an increasingly important location for Asian travel, investment, and immigration, with China now the largest cultural domicile group (IBIS World, 2016). This implies that service culture is changing, and that service quality will need to increase dramatically to compete with internationally experienced foreign providers.

#### 4.4. Service quality and service quality delivery in Turkey

Service quality in Turkey is the result of multiple influences ranging from natural endowments of the country to its rapid economic transformation over the past three decades (Cavusgil, Civi, Tutek, & Dalgic, 2003). Traditionally, Turkish society was based on social hierarchy with divisions based on class, occupation and family social status (Every Culture, 2017). In terms of class division, distinctions can be drawn between the urban upper class, urban middle class, urban lower class, and rural farmers. The urban upper class includes several groups with high status determined by education, political influence, and wealth. Wealthy business people are accorded very high status, as are successful physicians, cabinet ministers, and many members of the politically assembly, directors of important government departments, and other high-level officials. Since World War II, business people have challenged the old military–bureaucratic elite for power and social prestige. Members of the urban upper class are generally westernized; most speak at least one Western language, are well acquainted with European or American life and culture, and have close contact with the diplomatic and foreign business communities (Cavusgil et al., 2003).

The urban middle class includes most civil servants, proprietors of medium-sized businesses and industries, many persons in service occupations, some skilled workers, and university students. These groups usually are less westernized than the upper class and more oriented towards the Turkish culture. The urban middle class also includes virtually the entire upper strata of the provincial cities. There is also considerable mobility within the urban educated class (Cavusgil et al., 2003; Every Culture, 2017).

The urban lower class includes semi-skilled and un-skilled labourers, low-paid service workers, and the urban unemployed. The high rate of migration of young villagers to urban areas makes this the most rapidly growing class. Many migrants have difficulty finding ‘good’ jobs, and many work only casually, primarily in the service sectors. Some live in very modest shantytowns that ring the major cities (Every Culture, 2017). Service sector owners tend to originate from mainly upper and upper mid-class entrepreneurs, and service people tend to come from lower urban and rural migrants. Generally speaking, jobs associated with serving others have lower social status. The wealthy and foreign tourists are increasingly expecting ‘very good’ services and employees are expected to fulfil such expectations.

Thanks to the existence of an abundance and a variety of tourist attractions, Turkey had embarked upon a deliberate campaign to upgrade its facilities and hospitality manpower starting in the 1980s (Yuksel, 2004). Vocational schools and regular universities introduced a host of training and degree programs, producing a steady stream of young talent for the hospitality sector. One-, two-, and four-year hospitality and tourism Management programs attracted thousands of young people towards the service sector. These programs also incorporated foreign language training. This talent pool was then employed in hotels, resorts, and restaurants – typically in the resort towns in the coastal regions as well as in Istanbul.

Demand-led explosion of service-industry workers followed subsequent phases of rapid growth in large scale shopping malls (starting in the 1990s) and the private hospital sector (starting in the 2000s) (Erkip & Ozuduru, 2015). This expansion of service sector employment was concentrated in large metropolitan centres, including Istanbul, Ankara, Izmir, and Adana.

Interestingly, contributing to the rapid expansion of the service

sector in Turkey should not simply be attributed to foreign visitor demand. Coinciding with this factor is the rise of a sizeable middle class since the 1980s (Azevedo & Atamanov, 2014; Cavusgil & Kardes, 2013). Tens of thousands of households joined the ranks of middle class wage earners, who then could afford to consume a wider variety of discretionary services ranging from holidays, educational tutoring for their children, domestic services, and wedding planning services, to mention a few (Uner & Gungordu, 2016). Rise in disposable incomes for these families can be attributed to market liberalization initiatives of successive governments since the 1980s, as well as growing interconnectedness of Turkey with the global economy. This period also saw a robust inflow of foreign direct investment, transferring large sums of capital which then was poured into retail sector, shopping malls, upscale hotels and resorts, banking, accounting and auditing, and hospitals.

While much of this expansion is accounted by the private sector, it should be noted that the Turkish government has poured significant investment capital into the modernization of *Turkish Airlines*. Today, *Turkish Airlines* is one of the well-respected global airlines with a significant fleet and destination portfolio (Uslu, Durmus, & Kolivar, 2013). *Turkish Airlines* has expanded rapidly unlike many other airlines over the past few decades. The company flies to more countries than any other European airline. Through its network of 335 aircrafts, the company flies to 290 destinations in 116 countries worldwide. It has also been repeatedly named the “Best Airline in Europe” over the last five years (Turkish Airlines, 2017).

With this background, one would expect an elevated level of customer satisfaction from service providers. Yet, this is not necessarily accurate. What needs to be kept in mind is also the demand vs. supply balance. While service providers have increased their capacity in various sectors, in such sectors as hospitals and medical care, demand far exceeds supply. Due to the rise of a large middle class (in addition to a large population to serve – some 80 million) these sectors have not kept pace in terms of sufficient capacity, causing congestion at the point of service. For example, despite the addition of a large number of modern private hospitals and clinics in Istanbul, patient satisfaction is surprisingly low (Uzun, 2001). When service providers are inundated with demand, focus on patient care and satisfaction naturally gets diffused.

Moreover, recent developments in the macroeconomic environment have influenced the service quality. The attempted coup in Turkey in July 2016 caused major interruptions in the operations of many industries. For example, *Turkish Airlines* had severe flight cancellations or delays following the coup. Many tour operators and hotels have suffered because of booking cancellations. Safety concerns of visitors, tourists, and the citizens raised ‘red flags’ for the service industry. Other external threats, including a series of terrorist attacks, have already dampened demand in the tourism sector in Turkey. The level of tourism activity has decreased by around 30–40 percent in 2016 and continues to date (Daily Mail, 2016). This is a significant drop considering that the tourism sector represents around 12 percent of the country’s GDP, and constitutes employment for over two million people.

Although these are external factors outside the control of service providers, they still have substantial effects on service quality. Turkey has been an aspiring top destination for tourists, but recent disruptions due to political unrest have caused failures and declines in service sector delivery. Even though tourism took the biggest decline, other service sectors including retailing, shopping malls, banking, and hospitals also suffered from such disruptions. Services including logistics, communication, and customer service have suffered in many industries. However, the long-term effects may not be serious because the economy has already started to improve. External shocks have been managed well, and Turkey’s economy is now growing significantly. The Turkish lira has recovered quickly from its low levels. The central bank has announced that it would offer unlimited liquidity to banks. These improvements are likely to help the service industry in Turkey recover from the negative effects of more recent events.

#### 4.5. Service quality and service quality of delivery in the United States

One of the largest economies in the world but a shorter history compared with China, Japan and Turkey, the economy of the United States in general and service sector in particular is highly diverse, sizable, and fairly competitive (Sharpe & Gharani, 2000). Its cultural roots were less hierarchically-based compared with China, Japan and Turkey. However, several unique issues stand out as significant factors.

First, generally, there is high competitive intensity in the United States service industries contributing to leading-edge service providers in such sectors as hospitality, food, financial advising, and health care. As competitive intensity of an industry increases, service quality also increases. A study by Mazzeo (2003) examined the relationship between airline market concentration and flight delays. The author found that service performance worsens when competition is lower. In the airline industry, both the prevalence and duration of flight delays are significantly higher on routes where only one airline provides direct service. Better performance is observed as competition increases.

Undoubtedly, this high degree of competitive intensity in the service sector is in part the result of an economy that ranks among the top three most ‘connected’ countries in the world, along with Germany and Hong Kong. Based on McKinsey’s *Connectedness Index* (2016), the United States ranks third most connected overall, but the most connected in terms of ‘people flow’ in the world (Manyika et al., 2014). In constructing this index, McKinsey considers flows of goods, services, funds, people, and data and communication. Second, following the *Total Quality Management* philosophy and practices popularized by Deming (1982) in the 1980s, leading service providers have been especially focused on continuous improvement. This environment has produced sophisticated industry players that were then emulated by others in the same sector.

Similarly, customer relationship Management (CRM) practices have been a priority for many service companies in the United States. Harrah’s casinos, for example, have invested heavily in data mining to better understand their customers and tailor their offerings to each customer (Loveman, 2003). Unlike their nearby competitors such as the *Mirage* or *Bellagio*, which have invested predominantly in flamboyant buildings and attractions in Las Vegas, Harrah’s casinos have invested in CRM practices to build customer loyalty. A determined focus on customer satisfaction, friendly and fast service, employee certification programs to deliver excellent service, and incentive systems for improved customer satisfaction have provided a strong competitive advantage for Harrah’s casinos (Loveman, 2003; Shook, 2003). Interestingly, such quality improvement efforts were also adopted by the federal and local government services as well. With the arrival of the Internet, some governmental agencies also introduced e-government services. Currently, customers have come to expect a variety of e-government services from a wide variety of public agencies.

Third, the regulatory environment in the United States has brought about successive laws and policies that favoured the consuming public and served as an extra incentive to upgrade service quality by the providers. Formal channels for registering complaints and pursuing legal action have been in existence for some time. Fourth, consumer ratings of service providers have been a long-established tradition in the United States. The society is more individual oriented and customers expect quality service, influenced very much by a culture of service tips. However, many other countries, such as China, Japan and Australia, do not have such a tradition. In addition to conventional channels of registering consumer opinion or paying extra tips to service providers, social media has greatly facilitated a widespread rating on the quality of service provided by different sectors, ranging from airlines to banking services. Online marketers from Amazon to E-Bay routinely incorporate customer satisfaction reviews as a way of educating potential new customers.

Today, many companies have dedicated teams managing customer interactions on social media. For example, Nike has a separate Twitter

account just to respond to customer inquiries, supported seven days a week and in seven languages (English, Spanish, French, Dutch, Italian, German & Japanese.) Starbucks has created a campaign called “My Starbucks Idea” to listen more to its customers (Wong, 2009). The company has a dedicated Twitter account for this program which has generated more than 210, 000 unique ideas so far. AirAsia has a Facebook page with the aim to reply to as many consumer comments as possible. The company also runs promotions such as “Free Seats Challenge” to engage its customers. T-Mobile responds to most of the questions it receives on social media (86 percent) (Business News Daily, 2014). These examples show that companies are becoming more active on social media to provide better service and deliver higher customer satisfaction.

Fifth, responding to the growing importance of the service sector in the total economy, marketing scholars have been pursuing formal investigations of the meaning, measurement, and changes in consumer satisfaction. Formal customer satisfaction methodologies and scales (e.g., SERVQUAL) have been developed and employed in literally hundreds of empirical studies for some time (Taylor, 1994). The studies have also disaggregated dimensions of customer satisfaction such as reliability, responsiveness, assurance, empathy, and tangibles. In summary, service quality awareness and responsiveness in the United States are generally among the most competitive in the world with strong regulation and law enforcement. Consequently, service providers deliberately incorporate service quality improvement into their marketing and operation plans, and dedicate substantial resources to such activities.

## 5. Discussion

It is important to compare our five countries to highlight some key elements and characteristics of service culture and service quality delivery. We now highlight themes, both common and distinct that emerged from analysis of the country profiles. Table 1 delineates a set of common themes that emerged from our analysis.

There are some common elements among all five countries, such as an open economy for global engagement and high levels of competition, particularly since the 1980s. This is due, in part, to recent global and national pressures for increased growth through international engagement. Under such global environmental trends, the service industry in general is developing rapidly and becoming more sophisticated in all countries, leading to the rapid rise of the tourism and hospitality sectors.

Yet, there are some unique characteristics that differentiate these countries from each other. These include: the influence of cultural roots and tradition, historical changes and pathways to contemporary reform, political instability and uncertain regulatory environments, attitudes towards service culture, quality and service employees (i.e. respect or not), commitment towards high quality service delivery and expectations of service delivery. All impact the attitudes, expectations and behaviours of providers or employees in the high person-centred service delivery context, as is the focus of our study on the tourism and hospitality sectors.

Regarding the influence of cultural traditions, China, Japan and Turkey are countries with a strong tradition. Certainly, this appears to influence the characteristics of service culture and attitudes, expectations and behaviours of providers and employees engaged in service quality. In contrast, Australia and the United States are relatively young countries. We therefore observe less influence of the traditional culture (e.g. less hierarchical), even though both have a strong cultural heritage that links back to the British tradition. As for the historical change, China is an example of a county that has experienced the most dynamic and dramatic change. This is most apparent in the transition from the communist regime of 1950s to market-oriented economic reforms in recent decades. This historical factor has had a profound impact on the service culture and service quality as illustrated in the country profile.

**Table 1**  
Comparison of the five countries.

Country	Cultural tradition	Historical change	Regulatory environment	Attitude towards service and service people (level of respect)	Commitment towards high quality service	Cross-cultural service
China	Strong tradition and influences current behaviour	Dramatically changed from time to time	Developing but lack of enforcement	Low to medium	Low to medium	Generally good
Japan	Strong tradition and influences current behaviour	Changes with stability and continuation	Strong	Medium to high	High	Generally good
Australia	Less influence of traditional culture	Less dramatic changes	Strong	Medium	Low to medium	Little to some difference towards people from other cultures, but subtle bias.
Turkey	Strong tradition and influences current behaviour	Rapid changes with uncertainty	Developing but lack of enforcement	Low to medium	Medium	Generally good
U.S.	Less influence of traditional culture	Less dramatic changes	Strong	Medium	Medium	Little to some difference towards people from other cultures, but subtle bias.

Turkey has also experienced many dramatic changes in recent years due to political instability and regional conflicts and wars. The other countries have experienced less significant historical change, and appear to be more stable. In terms of the regulatory environment, the developed economies, namely Japan, Australia, and the United States have a more comprehensive and stronger legal and judicial system than those in the emerging economies of China and Turkey with more uncertain regulatory environments. One of the more challenging issues facing emerging economies in this regard is the lack of enforcement of law, order and regulation.

Other areas such as the level of respect towards the service sector and service providers and employees are generally low except for Japan. Interestingly, the expectation of commitment towards high quality service delivery by employees is also low except for Japan. The final issue is the quality expectation at the cross-national level for service delivery. The country profile discussions above suggest that China, Japan and Turkey are more likely to have employees that treat customers with higher social status and foreigners, with extra care in terms of service quality delivery due to their embedded social hierarchy. For those engaged in service quality delivery, there is evidence to suggest that service quality is impacted by a tradition of hospitality towards foreigners. However, we observe that in the younger and more multicultural societies such as Australia and the United States, there is not the same degree of deference and regard for authority and for serving people in general, and more particularly from diverse cultural backgrounds.

## 6. Conclusion

The present study has focused on the differences between a sample of advanced and emerging markets with respect to service quality and its drivers. Reflecting on our findings, we draw on the expectancy-disconfirmation theory (Oliver, 1977; Oliver & DeSarbo, 1988) and link this to explanations regarding the cross-national service quality delivery context. While it is known as a cognitive psychology theory, it is usually used to clarify post-purchase satisfaction based on preconceived expectations, perceived performance and disconfirmation of beliefs. We confirm perceived performance is how people perceive what is happening (e.g. in their initial service delivery encounter). We argue that discontinuation results when the perceived performance differs considerably from the expectation for the buyer. In our analysis, we posit that discontinuation can be positive (in circumstances where performance exceeds expectations) or negative (where performance falls short of perceived expectations). Thus, disconfirmation influences the satisfaction with the service provider or employee, either positively or negatively.

The present discussion makes a contribution by explaining that the expectations of customers must also be understood and responded to by providers or employees. We explain why cultural tradition and historical changes, can lead to service provider attitudes, expectations and behaviours that are not as responsive and problem-solving as required by the customer, leading to negative customer expectancy disconfirmation. Cultural values shape and modify an organization's market orientation (Hoang et al., 2017; Kirca, Cavusgil, & Hult, 2009). Given the reality that service encounters are fundamentally social encounters (Wang et al., 2017), we confirm the importance of culture (Hoang et al., 2017; Malhotra et al., 2005) and maintain that culture is central to the study of service research. While service research has enhanced our understanding of the impact of culture on service aspects and identifies the need for more cross-national analysis, research has not reviewed differences regarding expectations and evaluations of service quality from the perspective of those engaged in services quality delivery (Hoang et al., 2017). In this study, we contribute by explaining how and why they will vary at the cross-national level across these different types of markets due to disconfirmation influences.

Given the global expansion in services, we argue that national-level



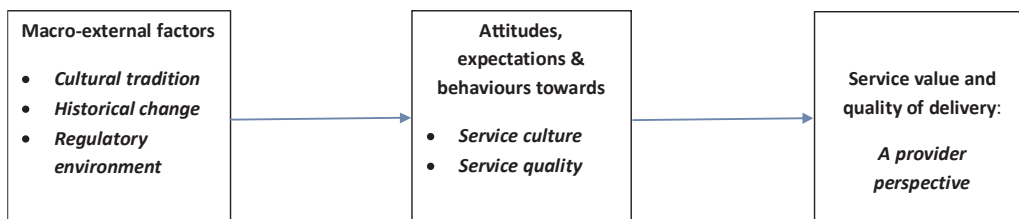


Fig. 1. Impact of macro-environmental factors on attitudes, expectations and behaviours in service value and quality: A provider perspective.

factors need to be identified, to provide cross-country understanding of the co-creation service culture and service quality delivery and encounter interactions (Yakimova et al., 2017). Moreover, if value is a co-creation activity, we cannot hope to understand the interactive nature of such a process without theoretical understanding from the provider perspective, given the lack of research in this stream (Hoang et al., 2017), not just from the customer perspective. For this reason, we have also focused on the provider's perspective. We know value is the outcome of interactions between the customer and the employee and that it is ultimately determined by the customer with the hope of reduced negative customer expectancy disconfirmation. However, we need to understand the drivers from a national macro-environmental level, not just at the personal or individual level, to conceptualise the co-creation activity that includes the employee perception. Based on our country level analysis we provide a comparison in Table 1. This conceptualization reflects the impact of macro-environmental factors on attitudes, expectations and behaviours in service value and quality, from the provider's perspective. This is also graphically illustrated in Fig. 1.

On the one hand, we show that salespeople or employees need to understand the customer in a value-based selling context. On the other hand, we identify the need for greater understanding of the unplanned skills employees need to provide, including consultative and calculative capabilities and problem solving. We demonstrate how macro-environmental factors impact employee attitudes, expectations and behaviours, with differences in cross-national contexts.

In addition, given the spectacular growth in international service over the last two decades (Hoang et al., 2017; Kaski et al., 2017), the focus on process adaptation is high with greater competitive pressure on the longer-term outcomes for mutual value creation over time. For this reason, our study has provided deeper understanding of the historical and contemporary industry and global drivers impacting service culture at the national level and comparatively at the cross-national level. This has enabled our study to provide more clarity of the differences in service quality delivery, and more importantly, why they exist, and the related drivers that influence disconfirmation.

## 6.1. Directions for future research

While research productivity on service quality has been impressive, there are fundamental issues that remain unresolved. These provide promising research opportunities for business scholars. We begin by reviewing some key topics for future scholarly examination.

### 6.1.1. Perception of quality

How do socio-political and economic conditions affect service quality perceptions at the individual level (e.g. people with different social status, income and educational levels)? Do people's conceptions of service quality coincide? It is conceivable that quality expectations are influenced by both cultural, social and personality factors, with individuals setting the expectation and standards and even accentuating different aspects of service?

### 6.1.2. Service failures

Arguably, the greatest vulnerability of a service provider is service failure that occurs due to a myriad of reasons. This is because of the

human element involved in service delivery. Many factors including service provider's training, discipline, mood, perceptions and energy – all combine to impact service quality. The result can be what one practitioner called 'a tragic moment' – when things have gone terribly wrong, and appear irreversible.

Research into the causes of service failure and how it can be anticipated and mitigated is acutely needed. What can service providers do in terms of installing a system and engineering processes that instil a culture of perfection and discipline, and are consistently supported by robust training? While achieving a 'zero service failure rate' may be an impossible feat, systematic efforts can be put in place to positively impact disconfirmation influences and thereby reduce vulnerability of service failures.

### 6.1.3. Reward systems

There is sufficient evidence that remuneration expectations of service staff vary from culture to culture (Wang et al., 2017). Elements of remuneration such as working conditions, pay, over time, recognition, job security and pride may not be equally effective across cultures. If so, this would lead to service providers having to be more innovative in customizing their total remuneration package based on more of the idiosyncratic needs of their employees. Further research can shed light on whether reward systems should be better matched to the needs of service staff embedded in particular cultures.

### 6.1.4. Transformational model of best practice

Given the economic integration under globalization, international standardization of service quality could be achieved through developing comparable 'best practice' between countries. More research on bench-marking different practices and developing a transformational model of best practice could better enable services industry providers to improve their service quality across countries.

### 6.1.5. Cross-cultural E-service quality

The increased use of the internet and technology tools worldwide has created a new and booming global electronic and digital service industry. One study defines e-service quality as the service quality delivered by Web sites on which customers shop online (Parasuraman, Malhotra, & Zeithaml, 2005). These authors develop a scale to measure e-service quality referred as E-S-QUAL. Models of e-service quality have been developed, yet again in single country contexts (Santos, 2003). Thus, it is important to examine this recently emerging phenomenon in a cross-cultural context. Is e-service quality exempt from the factors affecting service quality proposed in this study, or is it still affected by these factors originally identified? If so, to what extent is it affected by the cross-cultural disconfirmation influences that are determinants of service quality? What are the idiosyncratic features of cross-cultural e-service quality? How can we measure cross-cultural e-service quality?

### 6.1.6. Hedging of service quality against macro-environmental risk factors

The state of macro-environmental factors is very important in determining the level and consistency of service quality. For example, political unrest may harm the service industry in a country long term, whereas a viable and stable economy can foster a more supportive atmosphere for maintaining high levels of service quality. How can service companies hedge themselves against the risks of macro-

environmental factors? How can they develop strategies against relatively controllable risks (e.g. a limited regional conflict) and large-scale risks (e.g. national level conflict)? Are e-services exempt from such macro-environmental risks, or are they exposed to these risks at a lesser extent?

## 6.2. Industry and managerial implications

Consumption of a broad range of services from tourism to retail by an increasingly global mix of consumers has created an absorbing research context for scholars of international business, IHRM, marketing and hospitality. It is important to understand how cultural, social and historical factors interact and shape service quality and the perceptions of service quality. Managerially, service companies doing business in international markets need to understand how their service quality will be affected by macro-environmental factors in foreign markets and how their services will be perceived by customers abroad. More effort is required to better understand the recent changes in the global online shopping environment, and promotion of mass retail phenomenon, giving rise to ‘retail entertainment’ with the live streaming of events, promotion of global brands, and extensive use of celebrities are new cross-cultural experiences (Korporaal, 2017). Our study provides some initial steps to guide practitioners in adjusting their service quality strategies in foreign markets. Theoretically, our study provides a broader cross-cultural examination of service quality which has predominantly been examined in single-country contexts in the literature. In this study, we provide a cross-cultural comparative ‘big picture’ of service quality across borders, drawing upon an historical narrative and gathering insights of more contemporary changes, rather than a single-country customer-centred approach.

In summary, the service encounter in the cross-national context is indeed a fascinating topic, posing such searching questions as perception of quality, drivers of service satisfaction, service failure, disconfirmation influences and consumer and provider-employee choice behaviour. Investigating these issues in a cross-cultural comparative context is likely to offer some highly promising research insights that offer very practical directions for practitioners. These research questions also require a multi-disciplinary set of lenses, including those that draw upon history, economics, politics, technology and culture. We hope that the insights provided here serve as further inspiration and foundation for future studies.

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