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Hotel Restaurant Experiences - a Taiwanese Perspective

A thesis submitted in partial fulfilment
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ABSTRACT

This thesis examines hotel dining experiences from a Taiwanese perspective. Current conceptualisation and measurement of customer satisfaction and service quality have been generally developed within an American and European context where socio-demographic variables were used to examine both expectations and perceptions. It is argued that in cultures (e.g. Taiwanese) very different from that of the West, the applicability of current models of service quality is questionable. Therefore, this thesis looks at the customer evaluation of hotel dining within a Chinese cultural framework.

A mix of qualitative and quantitative methods is utilised to 1) identify characteristics of hotel dining in a hotel complex in Taiwan, 2) determine dimensions of service excellence, 3) analyse perceptual differences between guests, waiting staff and restaurant management, 4) identify factors influencing the evaluation of restaurant services and 5) examine the influence of culture on hotel dining.

The contribution of this thesis is the development of the customer satisfaction framework in the Taiwanese hospitality setting. The thesis concludes the evaluation of hotel restaurant experiences is operationalised within Chinese cultural norms. The findings also provide implications for developing service strategies for hospitality practitioners, as well as understanding Taiwanese customers' decision making process.

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CHAPTER 1

INTRODUCTION

THE CONTEXT OF THE PROBLEM

Customer satisfaction is widely valued as an indicator of an organisation's competitive advantage and business performance and is important because of its influence on repeat purchases and word-of-mouth recommendations. These, in turn are conventionally linked to an increase of profitability. Given the increasingly competitive nature of the hospitality environment, the true measure of business success lies in an ability to satisfy customers continuously and profitably. Prompted by the availability of alternative services, customers today are demanding of a good quality of service. The evidence of recent hospitality literature on the subject of customer satisfaction reveals that service quality is one of the underlying problems facing management today (Wong, Dean & White, 1999; Tsang & Qu, 2000; Witt & Muhlemann, 2000; Wuest, 2001).

The nature of hospitality services involving customer participation and experiential consumption has challenged the industry to maintain service quality standards and objectively measure its service quality. The measurement mechanism, SERVQUAL, developed by Parasuraman, Zeithamal and Berry (1988) has been widely used by academics and practitioners to measure hospitality services across different countries (Saleh & Ryan, 1991; Lee & Hing, 1995; Chen & Huang, 1996; Ingram & Daskalakis, 1999). However, the SERVQUAL model

has also been subjected to a number of theoretical and methodological criticisms including the use of gap analysis, operationalisation of expectation, dimensionality and ambiguous comparison standards. Hospitality researchers have recognised those controversial issues and suggested further customisation of the scale for the hospitality industry is necessary. As a result, alternative measurements such as SERVPERF, DINESERV, LODGSERV and LODGQUAL have been developed and initiated within the hospitality sector. Given the unique characteristics of hospitality services and the wide range of qualitative and quantitative methods available, a critical challenge for practitioners is to identify what should be measured and implement the most appropriate measurement instruments for measuring the quality of the hospitality experience so as to better inform management practice.

NEW RESEARCH DIRECTIONS

With the increasing popularity of international travel and the globalisation of the hotel industry, global marketers are attempting to establish a competitive advantage based upon service quality excellence. Previous researchers have argued that managing service quality is difficult due to the variability of socio-economic and psychological backgrounds. This is particularly the case for a culturally diverse international marketplace. Recent research suggests that culture may play a fundamental role in determining how consumers perceive what constitutes service quality (Mok & Armstrong, 1998; Master & Prideaux, 2000; Reisinger & Turner, 2003).

Parasuraman *et al.* (1988) identified that expectations play a discriminating role in any evaluation of service quality. They proposed that word of mouth communications, personal needs and past experience initially form normative expectations. However, they did not directly include the formative role that cultural values will influence consumer evaluation and choice behaviour. This issue has been raised by researchers who intend to apply the model within differing cultural contexts (Winsted, 1997; Huang, 1998; Donthu & Yoo, 1998; Imrie, Cadogan & McNaughton, 2002). Since the SERVQUAL model was developed within a North American context, Parasuraman *et al.*'s (1988) conceptualisation of service quality may not adequately capture the full range of service elements used by consumers within differing cultural contexts.

Consequently, the study of customer satisfaction from a cultural aspect becomes a new research direction for academics and practitioners to identify drivers of customer satisfaction within the international hospitality context. Some efforts have been made to analyse the influence of customers' cultural orientation on the evaluation of service. These include comparative studies of customer satisfaction among international tourists (Armstrong, Mok & Go, 1997; Master & Prideaux, 2000; Mattila, 1999), satisfaction with the quality of interpersonal interaction between a tourist and a service provider in the process of service delivery (Reisinger & Turner, 1998; Strauss & Mang, 1999) and the study of consumer behaviour in particular cultural groups (Yau, 1988; Imrie, Cadogan & McNaughton, 2002).

LIMITATIONS OF PREVIOUS RESEARCH

The conceptualisation and measurement of customer satisfaction and service quality have been generally developed within an American and European context where socio-demographic variables were used to examine both expectations and perceptions. It is possible to argue that in cultures very different from that of the West, the applicability of current models of service quality is questionable. Consequently, research that intends to apply SERVQUAL models in other cultures may need to re-visit the research ontologies and justify the research approach.

Many researchers had contended that culture determines expectations and perceptions of service quality that in turn determine satisfaction with a service. While much research has been done to better understand the relative ranking of the dimension of service quality among different cultural groups, little research has explored in depth as to what these service aspects really mean to the customers, in particular, satisfaction with the quality of interpersonal interaction between guests and service providers. Winsted (1997) initiated this research direction by examining how consumers in the U.S. and Japan evaluate service encounters. She broadens traditional thinking about components of service transactions and develops behaviourally based service encounter dimensions, each with multiple measures, for the two countries.

Given an increase in the purchasing power of Chinese customers in international markets, the need for better understanding Chinese customers has arisen. The study of Chinese consumer behaviour can contribute to:

- 1) Assisting domestic hospitality practitioners to improve current service operations;
- 2) Eliminating cultural barriers in the process of service delivery in international markets and
- 3) Identifying appropriate service quality criteria utilised by Chinese consumers.

Although some studies have already incorporated a Chinese sample in the research design, the sole study of the role of Chinese culture in formation of service expectation and perception has not been fully explored.

STUDY PURPOSE AND AIMS

The purpose of the thesis is to identify dimensions of service excellence and the factors influencing guests' perceived importance and satisfaction in the context of five-star hotel dining in Taiwan. While the study is undertaken in Taiwan, the research also examines if Chinese cultural norms provide unique rules to guide service quality evaluation. To enable this analysis, five aims were proposed:

1. To identify characteristics of hotel dining in Taiwan, including:
 - a. Characteristics of Taiwanese guests patronising the study hotel (Grand Hi-Lai Hotel, Kaohsiung);
 - b. Salient attributes used to evaluate hotel dining, from both the demand and supply-side perspectives.
2. To identify dimensions of service excellence in hotel dining, including:
 - a. The importance of restaurant attributes, from both the demand and supply-side perspectives;
 - b. The satisfaction (performance) of restaurant attributes, from both

the demand and supply-side perspectives.

3. To analyse the perceptual differences in terms of attribute importance and satisfaction, between guests, waiting staff and restaurant management.
4. To identify factors influencing guest perception of attribute importance, attribute satisfaction, affective responses to service encounter, overall satisfaction and behavioural intentions.
5. To examine the influence of Chinese cultural values on the evaluation of hotel dining, by:
 - a. Exploring dimensions of cultural values in interpersonal relationship of service delivery; and
 - b. Presenting the results of an analysis of discriminating variables.

THESIS ORGANISATION

Chapter 1

Chapter 1 gives an overview of the research by summarising the context of the research problem, pointing out new research directions, discussing limitations of previous research and lastly describing the purpose of the study and aims.

Chapter 2

Chapter 2 discusses the concept of 'hospitality' in the hospitality/tourism literature. The discussion includes the state of hospitality/tourism research and reviews of the hospitality concept from a historical and contemporary perspective. The last part of the chapter specifically looks at food service within hospitality, which includes the nature of public dining and dining out behaviour.

Chapter 3

Chapter 3 reviews service quality in the hospitality industry. This begins by discussing the concept of quality in both a manufacturing and service context, followed by the development of the quality concept within the hospitality industry and its benefits to hospitality organisations. Lastly, service quality issues from both the demand and supply-side are discussed.

Chapter 4

Chapter 4 addresses the theoretical and methodological issues of service quality and customer satisfaction. Key issues discussed include: the role of the service encounter in hospitality services, a service quality paradigm, criticism of current measurement and the concept of importance and its role in the behavioural model.

Chapter 5

Chapter 5 particularly discusses the impact of Chinese cultural values on an evaluation of hospitality experience. This involves a definition of cultural values, and Chinese cultural values with respect to the consumer decision making process, followed by a number of possible marketing implications of Chinese cultural values.

Chapter 6

Chapter 6 examines epistemological issues within the context of hospitality research. It reviews main debates and comments on alternative paradigms. The final section looks at methodological issues in researching customer satisfaction in a Taiwanese hospitality setting and provides a rationale for the proposed research investigation.

Chapter 7

Chapter 7 presents a pilot study of the thesis. The study was undertaken build upon the work of Parasuraman, Zeithaml and Berry (1985) by exploring the service quality gap within a Taiwanese setting and to consider the implications of the results for Taiwanese hotel practitioners and further research. It reports the findings from the pilot study that involved 164 interviews with hotel guests, waiting staff and restaurant management.

Chapter 8

Chapter 8 provides a justification of the questionnaire for hotel guests, service staff and restaurant managers. It explains stages used in the survey design, research setting and data collection process.

Chapter 9

Chapter 9 describes the sample and reports the characteristics of each of three survey groups: hotel guests (n=1053), waiting staff (n=17) and restaurant management (n=10). This chapter includes a socio-demographic profile of the three survey groups, guest patronage patterns and the then current dining occasion.

Chapter 10

Due to the lengthy nature of the questionnaire, the results section has been divided into seven chapters. Chapter 10 presents scale reliability and validity by suggesting a number of approaches to test the quality of a measurement instrument.

Chapter 11

Chapter 11 mainly describes and compares perceptions of the importance of restaurant attributes in guests' dining experience, from both the demand and supply-side perspectives. First, the chapter examines differences of attribute importance between guests, waiting staff and restaurant management. Second, the results of factor analysis are discussed.

Chapter 12

Chapter 12 mainly describes and compares satisfaction with restaurant attributes, from both the demand and supply-side viewpoints. First, the chapter examines differences of satisfaction between guests, waiting staff and restaurant management. Second, the results of the factor analysis are discussed.

Chapter 13

Chapter 13 reports the results of the Importance-Performance Analysis Matrix, which was used to identify the strengths and weaknesses of the services. It shows paired relationships between attribute importance and satisfaction.

Chapter 14

Chapter 14 examines the factors influencing guest perceptions of restaurant services in the context of a Taiwanese hospitality setting. Seven variables, namely 1) the type of restaurant, 2) dining occasion, 3) perceived price, 4) socio-demographic profile, 5) past experience measured by patronage frequency, 6) star rating and 7) hotel brand were used to evaluate propositions.

Chapter 15

Chapter 15 examines the factors influencing the guests' affective responses to service encounters. Again, seven variables as being potential determining variables were used to evaluate propositions.

Chapter 16

Chapter 16 is divided into two parts. The first section discusses factors influencing overall satisfaction and post-consumption behaviour. The second section compares the predictive power of importance-weighted performance measured against the performance-only measures.

Chapter 17

Chapter 17 particularly looks at the issue of how Taiwanese guests respond to the cultural norms that are thought to be influential in guest-staff relationships. Dimensions of cultural values associated with hotel dining were explored. Seven variables which were previously used to test the variance of attribute importance and satisfaction were also applied to the cultural value scale.

Chapter 18

This final chapter presents conclusions and a discussion about the implications of the findings. The practical significance for hospitality management and the contribution to the literature are discussed. Lastly, suggestions for further research are made in the light of the experience gained in this research project with a view of better informing others who may wish to undertake research into this or similar topics.

CHAPTER 2

THE CONCEPT OF HOSPITALITY

The first part of the chapter explores the concept of ‘hospitality’ that has evolved in the academic hospitality/tourism literature. This is achieved by discussing the state of hospitality/tourism research, followed by reviews of a ‘hospitality’ concept from a historical perspective and considering hospitality in commercial settings and the special characteristics of the industry. The second part of the chapter specifically discusses the concept of food service within hospitality. The discussion includes the nature of public dining, motivations for dining out, components of the dining experience and the food service system.

HOSPITALITY/TOURISM RESEARCH

The hospitality industry is a diverse industry, comprising lodging, food service, entertainment, travel distribution channels and transportation services (Lane & Dupré, 1997). Hospitality and tourism is likely to become the world’s largest industry in the twenty-first century. According to World Travel & Tourism Council (WTTC, 1998), travel & tourism (including hotels and restaurants) generated economic activity representing over ten percent of the global GDP. The industry also accounted for over 200 million jobs, directly and indirectly; at present, the largest number of jobs of all of the world’s economic sectors. The World Tourism Organization estimated that by year 2020, 1.6 billion tourists will be travelling overseas and spending more than \$2 trillion per year (WTO News,

1997). These predictions are nearly three times more than the 613 million international tourists recorded in 1997 and represent a five-fold increase in tourism expenditure of \$444 billion in 1997.

As the tourism and hospitality industries have grown rapidly together to become powerful social and economic forces in both national and world economies, the study of the hospitality/tourism phenomenon has grown in importance and significance for the government and commercial sectors. Governments, as primary developers of tourism infrastructure, need research findings for establishing policies and action. Similarly, commercial enterprises may perceive findings as ultimately contributing to better business success. Considering the numbers of publications, it may be argued that hospitality/tourism research has acquired a state of maturity (Van Doren, Koh & McCahill, 1994; Taylor & Edgar, 1996; Ryan, 1997a). Yet, this author believes a number of conceptual issues still need to be confronted and resolved to facilitate the transition to maturity.

The question of what constitutes the very essence of hospitality has been recognised and debated among hospitality management researchers for some time. While some scholars asserted a need of hospitality theory to guide research, Jones (1996a) suggested that

there is certainly no common shared paradigm of what we mean by hospitality.... there are some unique characteristics that make hospitality distinctive enough to make a research field in its own right.... I propose that the idea of hospitality research exists more in form than in substance (p. 6-7).

Yet Ryan (1997a), in his review of Jones' work (1996a), argued that the study of tourism/hospitality is not a question of employing a tourism/hospitality paradigm,

but a question of understanding the nature of tourism/hospitality, which draws on theoretical and methodological insights across various disciplines. He asserted that a single paradigm is inappropriate for a post-modernist age. Jafari and Ritchie (1981) and Nash and Smith (1991) observed that tourism studies recognised no disciplinary boundaries. Hospitality/tourism has become a multidisciplinary field. Przeclawski (1993) wrote that

the study of tourism phenomenon without being exhaustive, includes psychology, pedagogics, sociology, anthropology, economics, marketing, law, geography, architecture, physical planning, history, philosophy, ecology, political science, biology, and medicine (p.12).

In parallel with the multidisciplinary approach, another perspective of the status of the tourism/hospitality research is that of a more interdisciplinary approach (Litteljohn, 1990; Przeclawski, 1993; Roper & Brookes, 1999). Grau and Borchgrevink (1993) commented that researchers and academics are creating artificial limitations in their investigations and dissemination of relevant phenomena by adopting a singular intellectual discipline. In addition, Roper and Brookes (1999) suggested that even though different disciplinary perspectives are brought to bear on the subject, there is no integration of these viewpoints which therefore fail to simultaneously examine a subject from a new and different standpoint. The nature of the hospitality industry as a multifaceted complex phenomenon provides a strong reason for considering the issue of an interdisciplinary approach that allows for a holistic understanding of subjects being studied. It is suggested that a commonly shared language ('meta-language') is therefore needed to serve as a fundamental linkage to achieve such a synthesized view (Przeclawski, 1993).

CONCEPT OF HOSPITALITY

The lack of a systematic attempt at comprehending the word 'hospitality' poses another weakness. There have certainly been a number of attempts to define hospitality in the past. The definition of hospitality has varied in terms of political, social- economic influence across both time and space (Brotherton, 1999). In past societies, hospitality was addressed as the relationship with strangers. It was governed by social or religious rules and lastly was a mode of exchange between people (Muhlmann, 1932). The work of Heal (1990) examined issues associated with hospitality in early modern England. She argued that hospitality was a form of social duty and social control in which reciprocity was not given a monetary value.

By contrast, the view of contemporary hospitality is more commercially oriented which means that the incidence of hospitality is no longer private as a personal giving, but becomes a public commodity. There is some evidence to support this view. Burgess (1982) highlighted the concept of 'exchange' associated with hospitality in private or public context. Reuland, Choudry and Fagel (1985) reflected the exchange concept raised by Burgess (1982) and redefined hospitality as an exchange process within which the exchange transaction comprises three elements; products, employee behaviour and the physical environment. The work of Tideman (1983) explored the terms of hospitality from an economic perspective, suggesting

hospitality is the method of production by which the needs of the proposed guest are satisfied to the utmost and that means a supply of goods and services in a quantity and quality desired by the guest and at a price that is

acceptable to him so that he [the guest] feels the product is worth the price (p.1).

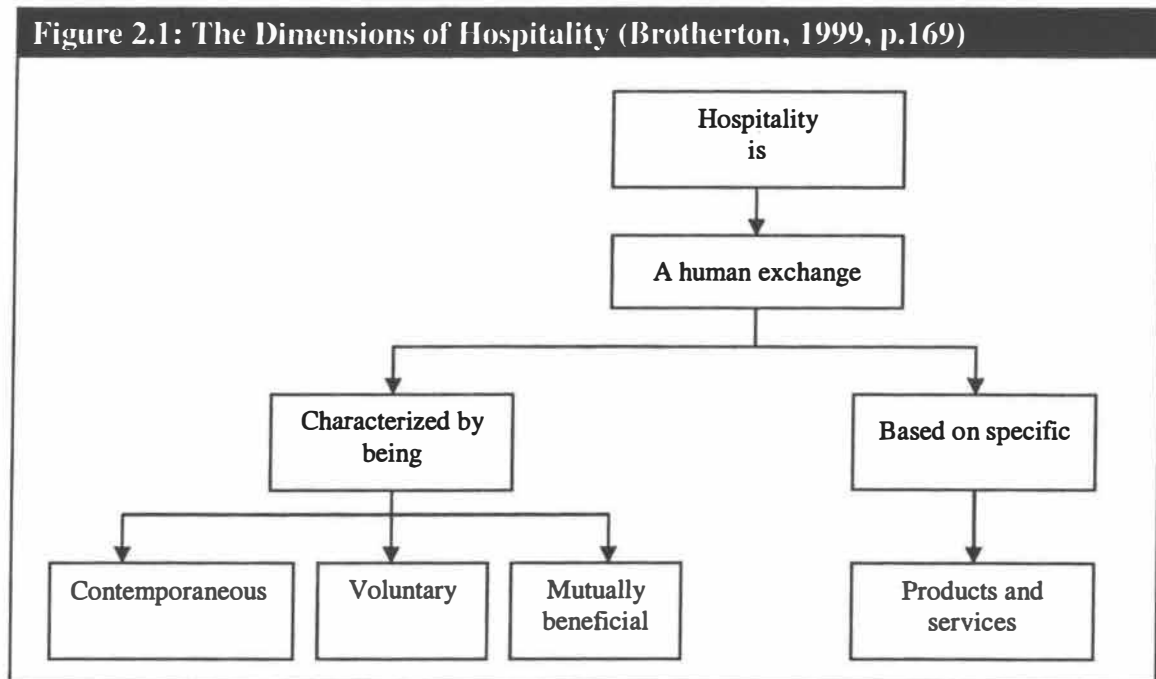
In a related stance, but slightly different in terms of hospitable behaviour, Cassee (1983) provided a more holistic view of hospitality as; “a harmonious mixture of tangible and intangible components- food, beverages, beds, ambience and environment and behaviour of staff.” (p.xiv). This type of economic exchange or commercial perspective tends to dominate contemporary literature. More recently, Jones (1996b) suggested that

the term ‘hospitality’ has emerged as the way hoteliers and caterers would like their industry to be perceived ... In essence hospitality is made up two distinct service – the provision of overnight accommodation for people staying away from home, and the provision of sustenance for people eating away from home (p. 1).

To link the hospitality of ancient society to the contemporary age, Lashley (2000) studied hospitality activities in social, private and commercial settings. Each domain represented an aspect of hospitality provision independently and overlapping. The social domain of hospitality referred to the impact of social forces on production and consumption of food, drink and accommodation. The private domain considered the impact of host and guest relationships in households, whereas the commercial domain concerned the provision of hospitality as an economic activity in both private and public sectors.

In a summary of the literature, Brotherton (1999) concluded that the concept of hospitality comprises five dimensions, illustrated in Figure 2.1. He argued that the emphasis upon the provision of accommodation, food and drink as an important

feature of hospitality in many definitions is not sufficient to delineate the underlying meaning of hospitality.



It requires more explanation to differentiate ‘hospitality’ from ‘hospitable behaviour’ and other forms of human exchange involving the provision of food and drinks, which are not normally regarded as being within the hospitality context or as part of hospitality industry. As in the diagram shown in Figure 2.1, each of the dimensions is the function of hospitality activities. Hospitality activity involved human interaction, an ‘exchange’ being ‘contemporaneous’ in nature. The term ‘contemporaneous’ refers to simultaneity of production and consumption. This concept of special characteristics of service is not new in the hospitality literature. Hospitality is also an exchange “voluntarily entered into and designed to enhance the mutual wellbeing of the parties concerned.” (Brotherton, 1999, p.169). It should, however, be noted that a distinctive may exist between the

commercial sector and institutional catering formed in prisons, hospitals and residential care establishments.

As an aside, studying in New Zealand has resulted in a further perspective. For Maori culture, 'Manaakitanga' is an inherent part of their culture, and while it can be translated as 'hospitality' it incorporates sets of responsibilities for both host and guest. Hosts provide food and perhaps accommodation as required; guests provide goodwill and a willingness to enter into relationships with the host. So, in a commercial setting such as those of Maori cultural performances, guests are expected to 'entertain' the hosts, usually through song or participation in dance or on-stage activities.

Apart from the behavioural perspective, a number of researchers have defined the term within the disciplines of anthropology, sociology, philosophy and culture, though there is still no unifying concept (Lashley, 2000). The issue of no definite definition reflects the nature of hospitality as a multifaceted phenomenon with a great diversity of elements.

HOSPITALITY IN RELATIONSHIP TO TOURISM AND LEISURE

The concepts of hospitality, tourism and leisure are interrelated, but are distinct in the terms that are often used in varying ways. Similar to the subject of hospitality, a single definition of tourism acceptable to all has not evolved. The definition applied by the World Tourism Organisation is that

tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

Goeldner, Ritchie and McIntosh (1999) suggested that

tourism may be defined as the sum of the phenomena and relationships arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors (p.10).

From a behavioural perspective, Ryan (1999) commented that tourism is pluralistic yet also a hybrid of meanings, interpretations, sites and experience. Przeclawski (1993) on the other hand treated tourism as a process of spatial mobility. In the commercial domain, tourism is a diverse industry, which comprises accommodation, transportation, attractions, amenities, catering, entertainment, eating and drinking establishments, shops, activity facilities (leisure and recreation) and many others (Reisinger, 2001a). A strong link between tourism and hospitality can be found within what may be termed an 'industrial' approach. It might be argued that the hospitality sector is a part of tourism. On the other hand, it seems that they are seen as distinct but overlapping in some aspects. Apart from the concept of provision of accommodation and catering, hospitality also refers to a warm welcome, the way travellers are treated by employees in the industry and local communities (with friendliness and courtesy) expressing a concern for the traveller's wellbeing. Consumption of hospitality products/services is not limited to tourists, but is also enjoyed by local residents.

Leisure is viewed as discretionary time available to individuals away from employment and duty, as a kind of activity that is chosen without an obligation and as a subjective experience based on an individual's own perception (Kelly, 1996). Leisure can be taken at home (e.g. watching TV, gardening), close to one's residence (e.g. swimming in the local sport centre) as part of one's daily life or on holiday (e.g. sightseeing, travelling). Several researchers regarded tourism as a form of leisure (Hamilton-Smith, 1987; Leiper, 1990; Reisinger, 2001a). Leiper (1990) analysed two categories of leisure: tourism and other leisure by various attributes of withdrawal and return, duration, infrequency, socialising, costs, exclusiveness and lastly discreteness. Moreover, Reisinger (2001a) suggested that much tourism activity takes place during leisure time with the exception of business tourism.

Iso-Ahola (1980) summarises leisure as a subjective state of mind and a period of time subjectively designated as unobligated, free, or leisure. The same activities can be regarded as both leisure and as obligations at different points of time and by differing individuals. In relationship to the concept of hospitality, the primary purpose of eating, drinking and sleeping is to fulfil biological needs, but due to social-economic changes, consumption of hospitality products can also be regarded as a form of leisure rather than necessity. However, from the demand side, hospitality also involves elements such as business-oriented occasions, in which businessmen host dining for the purpose of facilitating negotiation. As a result, in such cases, the consumption of hospitality cannot be wholly classified as a leisure activity, even while some components of the experience may be pleasurable (Reisinger, 2001b).

In summary, the concepts of hospitality, tourism and leisure are different yet related. Tourism for business and pleasure requires accommodation and food for travellers who are away from home regardless of whether the motive for the trips is business or leisure related.

THE HOSPITALITY INDUSTRY

In studying the hospitality industry, it is important to understand the scope of the business and its unique characteristics that distinguish it from manufacturing and other service industries. In an application of Brotherton's (1999) hospitality dimension, the definition of the hospitality industry suggested by Brotherton and Wood (2000), as follows:

The hospitality industry is comprised of commercial organisations that specialise in providing accommodation and/or, food, and/or drink, through a voluntary human exchange, which is contemporaneous in nature and undertaken to enhance the mutual being of the parties concerned (p. 143).

In the practice of hospitality operation, according to the Standard Industrial Classification (SIC), the official government source of data about the industry, the hospitality industry comprises hotel accommodation but also other types of accommodations, such as restaurants, cafés, public houses, bars, institutional catering service, etc (Jones, 1996b).

The hotel industry nowadays provides more than just the provision of overnight accommodation to travellers, but a place for social gathering, entertainment, relaxation, doing business and a whole range of other common human activities. The origin of accommodation away from home was formed in the Middle Ages by monasteries for pilgrims and subsequently developed to become roadside inns

between the 16th and 19th centuries due to the growth of transportation services (Jones and Lockwood, 1989). As the industry reached maturity in the twentieth century, various types of hotels were established to accommodate needs from different market segments. Hotels can therefore be classified according to price (luxury, mid-price, budget), location (airport, city centre, roadside, resort), star rating, ownership (independent, international chains) and operation (business, leisure).

Today, the food service industry has two components: commercial and institutional food service operations ranging from restaurants (stand-alone or located within in a lodging property), catering services (airline, mobile, on-premise, off-premise) and clubs to institutional food services (hospital, employee cafeteria). Since the present research mainly examines the dining experience in hotels, a discussion of food service operation in hotels is thought appropriate. In the early years of the modern industry, food service within properties existed as an incentive for travellers to book bedrooms, although it was and is not necessarily very profitable, while it also represented a continuation of the concepts of 'private' hospitality; albeit on a commercial basis. With the increase in the growth of independent restaurants, the primary function of hotels is increasingly for accommodation rather than for dining. Due to a lack of maintenance, in part due to affects of the Second World War and the subsequent slow recovery, by the early 1960s the image of many hotel restaurants was old-fashioned and mediocre. As hoteliers attempted to subsequently expand their market, a new image had to be created which ultimately lead to a revolution in food service operations (Jones, 1996c). Indeed, the concept of 'profit centres' has transformed the traditional view of food service as a subordinate to an independent department, which is marketed

to attract non-guests. Therefore, hotel restaurants can and do directly compete with the non- accommodation restaurant industry. The provision of food service in hotels can be divided into four main areas: restaurants, banquet, room service and bar/lounge service. Hotel restaurants can also range from upscale gourmet restaurants to casual and family dining rooms, depending on the size, level of service and the target markets of the hotel.

The role of restaurants in Asian hotels is not limited to the provision of food services to hotel residents, but they may be operated as an up-scale independent restaurant in which the price of meal, food quality and services are of a high standard. In Asia, good restaurants usually can be found in five-star hotel premise and these restaurants are far more important as revenue earners than is the case in the west. Thus, there is a variance in management styles between Eastern and Western operated hotels, especially at the five star level.

THE CHARACTERISTICS OF THE HOSPITALITY INDUSTRY

From the marketing perspective, hospitality is part of what is referred to as the service industry. The word 'service' is widely used to denote an industrial sector that "do [does] things for you. They don't make things" (Silvestro & Johnston, 1990, p. 206). The most common delineations of services' characteristics from those of manufacturing are features of intangibility, variability, inseparability and perishability. The hospitality industry possesses all of these common service characteristics. Parasuraman, Zeithaml and Berry (1985) argued that because of

the features unique to services, service quality is viewed as an abstract and elusive construct. Each of these characteristics is now considered in turn.

Intangibility

Hospitality services are primarily intangible as their output is viewed as an activity or process, which cannot be seen and felt prior to purchase. From a consumer's point of view, it is a set of experiences, which can be shared with other people or accumulated as a reference for future purchase. Since hospitality services cannot be sampled, evaluated or displayed before purchase, consumers tend to rely on their intuition or other evidence of tangibility (e.g. price, surroundings) to make a purchase decision and subsequently form an expectation about the forthcoming service. Intangibility has created quality control problems for the suppliers and an evaluation 'problem' for the consumers. As illustrated by Bebko (2000), the very intangibility of the process and outcome of a service increases the consumers' expectation of quality, which suggests a greater probability that the supplier will not be able to meet them.

To reduce some of problems caused by the intangibility, marketers often try to increase the tangibility of hospitality services. For example, hoteliers use pictures of the resort, words and brand names in promotional pieces to create a desired image. As a result, the hospitality image acts as a 'magnet' to draw holidaymakers and other users to a particular destination. For the food service operation, the menu provides tangible evidence of the meal by displaying information about the dishes available in words or pictures. The image defines the service and

'solidifies' the expectation of guests; it provides a criterion for purpose of evaluation.

Inseparability

Generally it is stated that the production and consumption of hospitality services are traditionally inseparable. They require the simultaneous presence of the customer and service provider during the service transaction (Reisinger, 2001b). Thus, the interaction between guests and service providers has a significant impact on perceived hospitality experience. In a hospitality operation, the production side also operates on a very short cycle, so it is a challenge for service suppliers to apply quality management tools and techniques in such a short period of time.

As a result of inseparability, mass production of hospitality services is difficult because it involves large numbers of guests and service providers at one time and place (Reisinger, 2001b). The issue of capacity management is thus important due to the limited scale of hospitality operation. Faced hoteliers with this situation thus adopt strategies to facilitate the efficient management of both demand and capacity of services by, for example, careful staff scheduling to meet periods of peak demand, or by having recourse to information technology to better predict and manage future demand flows.

Variability

The standard and quality of hospitality services vary over time because there is a high level of human interaction involved. It is hard to maintain consistent quality from the same employee, from time to time and even harder between employees. Similarly, a diversity of customers also makes each service transaction unique because customers differ in their needs and requirements. It could be argued that customers are always different even though they are of a similar age, sex, background, education and interest (Hope & Mühlemann, 1997). They influence the service delivery in ways similar to those of the service providers. Indeed, in the service situation the customer becomes an 'actor' in the service process, thereby directly influencing the 'quality' of the experience. The customer aids the production process. The provider thus provides and requires skills in setting an 'emotional theatre' (Pine & Gilmore, 1999). Moreover, the fluctuating demand for services makes it difficult to maintain the same level of service performance. For example, in the peak hours, the quality of services may vary significantly since waiting staff are unable to spend as much time with guests as in other periods of time (Reisinger, 2001b). The problems associated with this characteristic largely revolve around the inability to standardise the human factor in the service delivery. However, hoteliers commit significant efforts to minimise such discrepancies through staff training and establishing uniformity in service specifications.

Perishability

Hospitality services are perishable, that is, they cannot be stored or kept in stock. The value of services exists only at the time when they are used. It is a direct

consequence of the intangibility of the product (Hope & Mühlemann, 1997). Once restaurant seats have been left vacant at one mealtime, the revenue from the occupation of that space is lost and cannot be compensated for by additional sales at another time (Lockwood, 1996a). As a result, yield management or capacity management usually seeks to meet fluctuations in demand and price setting becomes important to maximise revenues and profitability.

Perishability also implies the inseparability of production and consumption of hospitality products in order to avoid a loss. Hotel or restaurant services of poor quality cannot be redone and resold. The restaurant manager cannot ask the guests to re-enter the restaurant and start the whole experience from the beginning (Bateson, 1995). This illustrates an issue of quality control, namely, the service process occurs only in the presence of the customer. Because of the unpredictability and heterogeneous nature of the employee-customer encounter, attempts to maintain quality control are complex and hinge around issues such as staff training and empowerment.

THE EVOLUTION OF DINING OUT

Restaurant services have become both more varied and subject to an increasing number of different demands that result from factors such as, a) income growth b) the changing patterns of the family with a reduction in the size of families and c) working patterns where both adults are away from home for much of each day. Historical statistics of expenditure on eating away from home illustrate the increasing dining out activity worldwide. In Japan, dining out was a major component of the amount of money spent on leisure activities, which increased at a rate higher than Japan's gross national expenditure (cited in Finkelstein, 1989).

More recently, in Taiwan, the demand for dining out is increasing due to recent changes in social structure, increases in personal income and increased female participation in the workforce. Especially from 2000, the implementation of two-day weekend holidays have accelerated dining out activity. According to National Statistics of Taiwan, the average household increased its spending on dining out by 20% between 1997 to 2003. In addition, dining out has become a form of leisure activity for double income families as a means of relaxation during weekend holidays. For many, dining out is an increasingly routine activity, essential to daily work patterns, leisure and/or household activities.

THE NATURE OF PUBLIC DINING

During the 1980s, there was a growth of academic interest in food and eating. Many sociological researchers are preoccupied with domestic dining and the household meal structure. Yet, dining out initially attracted relatively little attention with the exceptions of Finkelstein's (1989) and Mennell's and Van Otterloo's (1992) work (Wood, 1994). Finkelstein (1989) suggested an interesting approach to the sociology of dining out. She asserted that food is a subordinate of the meal experience.

The event comes to be enjoyed as a form of entertainment and a part of a modern spectacle in which social relations are mediated through visual images and imagined atmosphere. This is a far remove from the sensations of ingestion (p.2).

Finkelstein (1989, p.5) claimed that dining out produces an "uncivilised sociality." It means that when people engage in acts of dining out, they behave

according to prevailing fashions and images, not as a result of thought or self-scrutiny. She emphasizes the experiential value of dining out:

In our society, much of dining out has to do with self-presentation, through images of what is currently valued, accepted and fashionable. The restaurant ... a place where we experience excitement, pleasure and a sense of personal well-being ... The images of wealth, happiness, luxury and pleasant social relations ... are iconically represented through its ambience, décor, furnishings, lighting, tableware and so on. These are in turn dominated by fashion [and] distinct waves of style (p.3).

MOTIVATIONS RELATED TO DINING OUT

Jones (1996d) identified six basic reasons why people eat away from home. Table 2.1 identifies the motivations. In addition, the American National Restaurant Association in 1989 recognised five main reasons for dining out in the United States. The summary of motivations is illustrated in Table 2.2. From these two studies, the important point is that dining out is not simply about food consumption alone. There are psychological and sociological reasons attached to it. Finkelstein (1989) argued that people derive physiological pleasure from the consumption of food in the public domain. Dining in the restaurant is not a matter of survival, but it transforms the act of eating into a more socially complex and meaningful activity. The restaurant is regarded as a place where individuals experience excitement, pleasure and a sense of personal wellbeing. Lundberg (1985) proposed a concept of dining out, which reflects Maslow's needs theory. He said that people go to restaurants to satisfy not only hunger but also self-esteem, self-respect, self-confidence and prestige needs. Similarly, Jones (1996d)

suggested that other needs such as social contact, status and curiosity are evoked in the act of dining out.

Table 2.1: Six Basic Reasons for Dining Out (Jones, 1996d, p. 108-109)	
●	Convenience: This factor includes all those people who are away from home for some reason - shoppers, commercial travellers, commuters – who are physically unable to return home at normal meal times. It would also include people who do not have the time to eat at home and eat out in conjunction with some other leisure activity.
●	Variety: Just as people do not go to see the same film every week, people are stimulated by trying new foods or drinks in different restaurants. Also, people who live in circumstances where meal experiences are limited, such as in hostels at universities or colleges or in poorly equipped bed-sits, may choose to eat out for this reason.
●	Labour: The desire to have someone else prepare, cook, serve and wash up a meal most certainly influences some people’s decision to eat out. Or for medical and other reasons domestic help may be required and may not be available. The popularity of fish and chip shops is a long-standing example of this, as is the recent growth in take-aways and fast-food operations.
●	Status: Both for personal and business reasons people may choose to impress their guests by taking them out to a fashionable and/or expensive restaurant. In many parts of the world, the business lunch is an accepted way of sealing a successful business transaction, while in the USA, the executive even has a working breakfast. On the personal level, eating out maybe partly attributable to conforming with the social pattern of the neighbourhood.
●	Culture/tradition: Eating can be described as “a part of our cultural heritage, and a manifestation of kinship.” In Britain, celebrations of special events such as anniversaries and birthdays are often associated with eating out, although not to the same extent as the Belgians and French under such circumstances.
●	Impulse: This is rather like saying that sometimes people have no particular reason for eating out, they do so on the spur of the moment, so that it is a catch-all for any circumstances that have not been included previously. But there is no doubt that in certain businesses, notably retailing, impulse-buying is very significant and that it contributes to sales in the food service industry, too.

Table 2.2: Five Main Reasons for Dining Out (Goldman, 1993)

● Doing the easy thing: This is a simple replacement of eating at home with eating out to save time and effort.
● Having a fun time: This sees eating out as a reward or a treat, usually in celebration.
● Having a nice meal: this decision is based on eating out for the pleasure of doing so.
● Making sure everyone has something to eat: This relates to providing a convenient way of feeding family members; each operating on different schedules.
● Satisfying a craving: This is the most impulsive reason for eating out. It is especially important in the take- away and home delivery markets.

COMPONENTS IN THE DINING EXPERIENCE

The full range of features and characteristics that make up the hospitality experience is extremely wide and will vary from customer to customer. The hospitality product can be simply defined as a combination of both tangible and intangible elements, relating to the physical characteristics of the provision and the interpersonal skill contact that occurs during the service. Many researchers have attempted to break down the dining experience into components or dimensions. Jones (1988) divided the meal experience into food, service, cleanliness and hygiene, décor, lighting, air conditioning, furnishing, acoustics, size and shape of the room, clientele and price. Johns and Howard (1998) found that the elements of service, food, price/value, staff, environment, atmosphere, drink and location are the most commonly identified attributes of the meal experience. Others have adopted service quality attributes developed by Parasuraman, Zeithaml and Berry (1988) and Grönroos (1984) as elements of the quality of the meal experiences (Bojanic & Rosen, 1994). Dining experience can be simply described as a mixture of “food and beverage,” “the style of waiting staff” and “physical attributes of restaurant” (Jones, 1983).

Undoubtedly, food is the primary product of a restaurant although people dine for reasons other than to fulfil their hunger. As food is the heart of the experience, it is integral to the success of the food service operation. From the customers' point of view, they make a pre-purchase decision based on what type of food is being served and the menu offered. Food quality in appearance, aroma, tastes, texture and temperature completes the gastronomic delights within the dining experience (Jones, 1988). In addition, the facilitating goods used to serve the food on or with, such as the style of the crockery, cutlery and glassware and also the linen and napkins are part of the dining experience (Lockwood, 1996a).

The service element deals with 'how' the food service is delivered to customers. Indeed, for some customers, it is the single most important element of a dining experience. The friendliness shown through a genuine smile has immediate tangible impact. Customers know implicitly that the service staff acknowledge about them. It is the feeling of service that managers must strive to provide. The intangible, inseparable and heterogeneous nature of services influence the consistency of the service. Consequently, it has been regarded as the most problematic part for both the food service operator and customer. Service also refers to the level of provision being offered. Fast food restaurants provide a speedy meal with low price and limited service contact, whereas the upscale restaurants offer full table service with high price, luxury ambience and more individualised attention.

The 'right' décor signals appropriate feelings for customers. Finkelstein (1989) suggested that the images of wealth, happiness, luxury and pleasant social relations within the restaurant are evoked through its ambience, décor, furnishings,

lighting, tableware and so on. Objects of décor become the representations of human emotions. They create a desired atmosphere that the customer expects while dining out. Newell (1965) wrote

atmosphere is ethereal, evasive and indeterminate. The response of an individual to atmosphere is personal and ... the individual's reaction to any combination of the factors [which influence atmosphere] can only be determined or controlled by rudimentary principles (p.322).

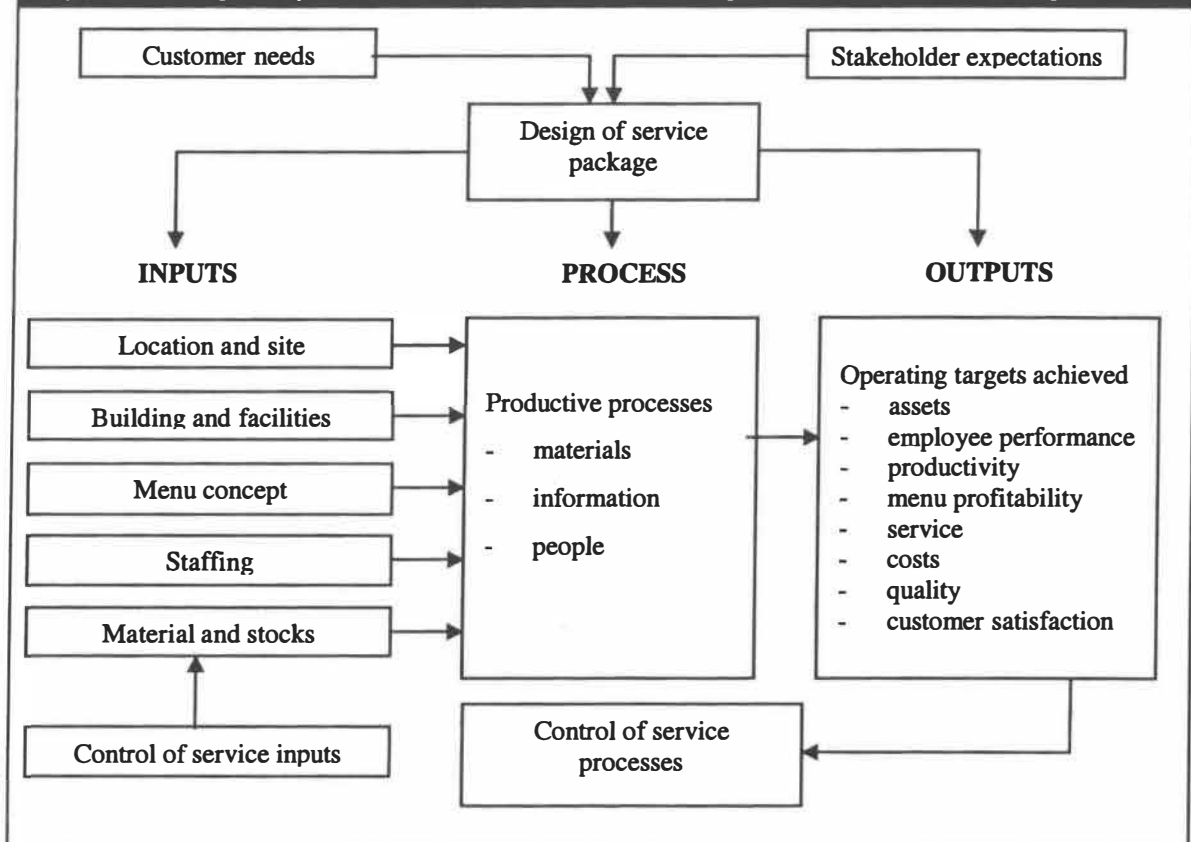
Thus, the atmosphere is judged subjectively. While the restaurant provides the setting to transform desires into direct experience, it should provoke feelings of pleasure and relaxation rather than tension and anxiety.

THE FOOD SERVICE SYSTEM

Jones (1994) applied a 'systems approach' to discuss the food service operations. Food service operations comprise the production and service system. The production system represents the back-stage operations and activities of the food service. Like a manufacturing operation system, the production system is responsible for converting the inputs of raw materials, people and time into outputs as meals for consumption by customers. Even though the back-stage activities are not directly observable by customers, any problem in their performance may have a direct influence on customer satisfaction. For example, poor raw material due to slack quality inspection may translate into poor quality of meals. This may be a cause of irritation for customers who are unaware of the 'behind the scenes' problems and could result in dissatisfaction.

The service system encompasses the front-stage activities. The distinct feature of a service system is that the customer is an input to the system, processed by the system and an output of the system. As the consumers participate in the service event, the service system is designed and modified in response to customers' needs. Drawing on the open systems view by Murdick, Render and Russell (1993), Jones (1994) constructed a food service system, shown in Figure 2.2. This model identified the specific inputs of a service operation, the productive processes and a number of desired outputs. The design of service systems has to satisfy stakeholders needs, not only customers in particular, but also employees, investors, suppliers and any other significant groups that influence the operation's activity. Each service specification within the system has to be managed well since customer satisfaction with the service performance ultimately affects their perception of service quality.

Figure 2.2: Open System Model of Food Service Operations (Jones, 1994, p. 6)



The management of food service systems is twofold: (a) at the strategic level, food service operations are conceptualised, planned and developed and (b) at the operational level, the plans have been implemented and the management oversees the daily operations. The emphasis therefore moves from inputs to outputs. The success of food service operations depend on the harmony between the strategic inputs and the operational key result areas. As Figure 2.2 illustrates, a food service operation is an open system. It adapts, develops and modifies in response to the needs of customers or to achieve the objectives of stakeholders in the business. Such adaptation may require a change of inputs in order to meet the desired results (Jones, 1994). Quality improvement is now recognised as an essential dimension of strategic planning in hospitality organisations (Jones, 1994). An

approach to managing quality as strategic inputs in both production and service level is aimed at ensuring customer satisfaction as a desired output.

CHAPTER 3

SERVICE QUALITY IN THE HOSPITALITY INDUSTRY

This chapter reviews the concept of quality in the manufacturing context and extends the discussions to service industries, where service quality is described as an elusive concept and discusses the development of the quality concept within the hospitality industry and its benefits to hospitality organisations. The second part of chapter therefore notes the factors fundamentally affecting the perceptions of service quality. Literature dealing with the issues of hospitality *operations* in relationship to management, and customer's perceived hospitality *experience* are reviewed.

THE CONCEPT OF QUALITY

The concept of 'quality' was developed and implemented originally within the manufacturing industry and it can be traced back to the pioneering work of Juran, Deming and others with Japanese industry in the 1950s (Witt & Muhlemann, 2000) . It was increasingly being applied within the service sector where service marketing was recognised as distinct from product marketing at the beginning of the 1980s (Kandampully, 1997).

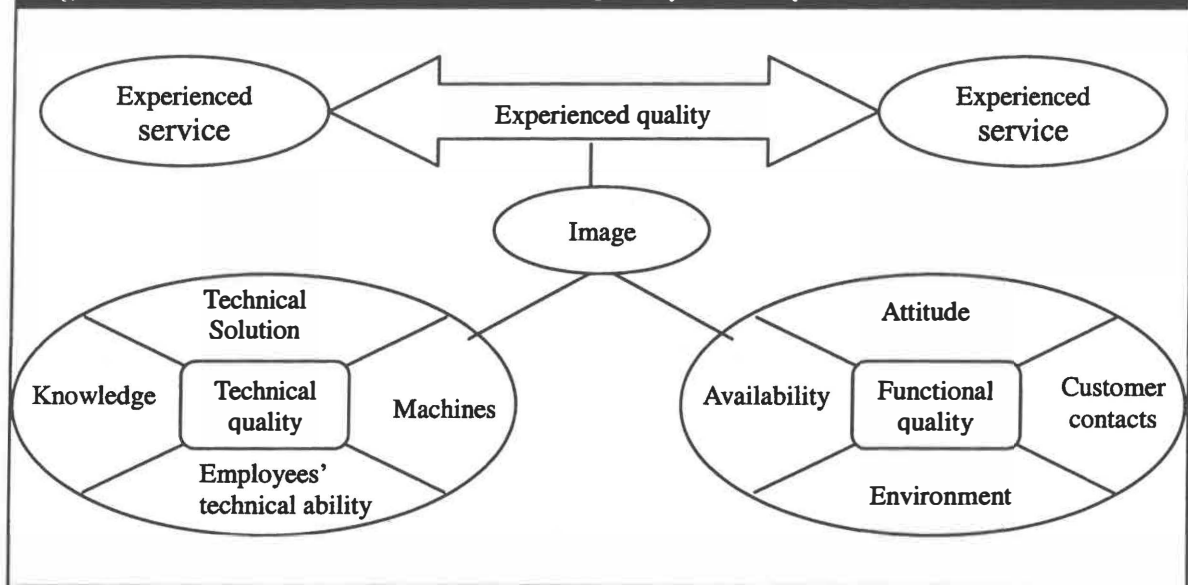
There are a number of definitions of quality. Juran (1979, p. 22) defined quality as "fitness for purpose," a definition based primarily on satisfying customers' needs.

Crosby (1984, p. 60) described quality as “conformance to requirements.” It implied the ability of a service or product to perform its specified tasks. When examining products, there are typically clearly defined performance specifications against which the quality of the product may be judged. In addition, the definition also invokes an element of customer expectation, as implied by Feigenbaum (1983, p. 5) who described quality as “the total composite product and service characteristics of marketing, engineering, manufacture and maintenance through which the product and service in use will meet the customer’s expectation.”

DIMENSIONS OF QUALITY

The dimensions of quality are evoked when it comes to identifying customer’s needs and expectations of product/service performances. Grönroos (1978) identified two dimensions in quality (see Figure 3.1). He argued that quality is a combination of the technical quality as to what is delivered, which is assessed by the customers in an objective manner and functional quality as to how the service is effectively delivered, which is perceived by the customer in a subjective manner. In the hospitality context, food in a restaurant, room and a bed in a hotel are defined as technical dimensions. On the other hand, the attitude and the behaviour exhibited by service staff may be described as functional dimensions.

Figure 3.1: Grönroos' Model of Service Quality Delivery (Grönroos, 1978)



Lehtinen and Lehtinen (1982) also suggested a similar classification, namely physical (technical) quality, which refers to the physical aspects of the service; interactive (functional) quality, which derives from the interaction between contact personnel and the customer and corporate quality (image), which involves the service organisation's image or profile. The image of a hotel is likely to be generated in part from the technical and functional components of service, allied with marketing promotion that takes place.

According to Nightingale (1985, p. 11), the word of "quality", has two distinct meanings in the service context. One is related to the attributes which help define the nature of a particular service and the other is referred to as a qualifier in evaluating such an attribute. The mixture of these two functions provides a value of attributes, namely a "service characteristic". As an example, choice of menu is

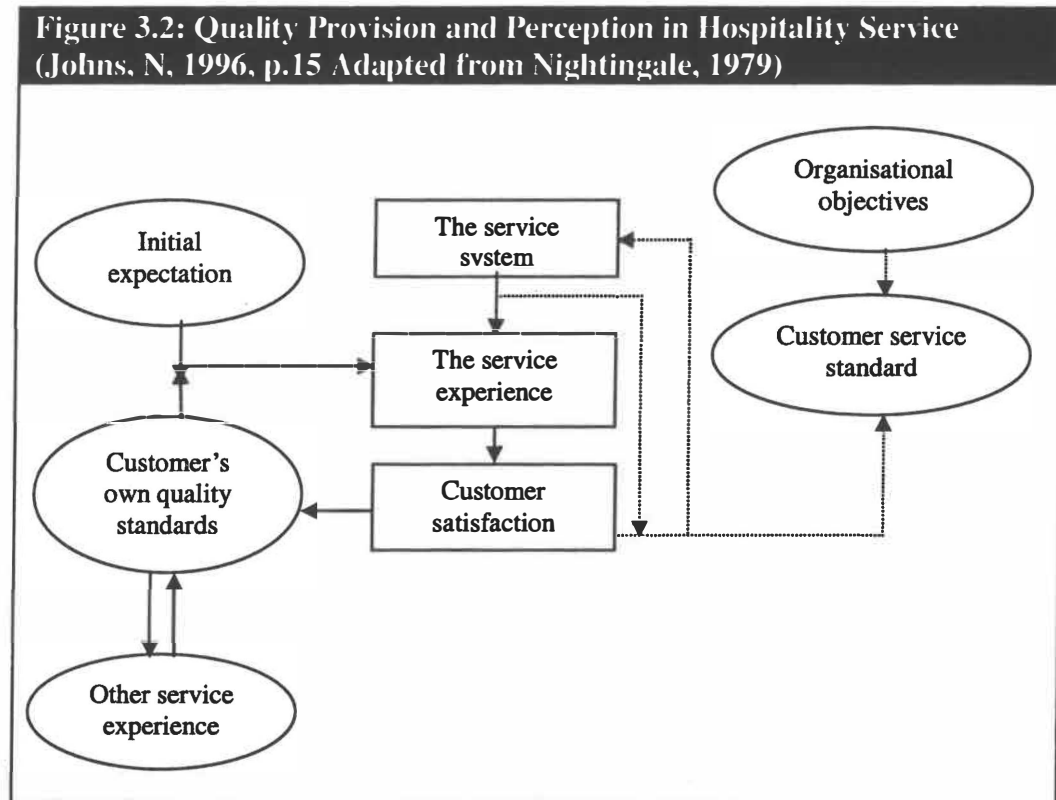
an attribute of a food service and a wide choice of menu is regarded as a service characteristic.

SERVICE QUALITY: A COMPARISON BETWEEN EXPECTATION AND PERFORMANCE

A view has emerged in the service marketing literature that service quality can be assessed by a confirmation/disconfirmation paradigm by which customers compare the outcomes they actually experienced with the rewards they expected or wanted to receive (Grönroos, 1984; Churchill & Surprenant, 1982; Parasuraman, Zeithaml & Berry, 1985; Oliver, 1997). However, customers are unlikely to express their needs explicitly; yet they may still exist as a series of expectations in the customers' minds. If these expectations are met or exceeded then they will have had a quality experience. If, however, these unwritten expectations are not met, then the required quality of service will not have been provided, which will result in dissatisfaction.

This point is also implied by Nightingale (1979, p. 136) who defined quality as “evolving personal constructs of values and expectations against which an individual assesses the predictors and characteristics of a product or service.” He provided a diagram, as shown in Figure 3.2, illustrating the relationship between the provider's service system and the customer's service experience that were indicated in dotted and solid lines respectively. Due to the presence of the customer in the service provision, the service system is refined in response to customer's feedback. At the same time, the customer's perception is refined by

comparing past service experience and updated as a result. Hence, an increase in the quality of service is likely to add value to the overall hospitality experience, but becomes incorporated into future sets of expectations.



THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION

Before discussing the relationship between service quality and customer satisfaction, it is important to clarify the ambiguity between the definitions of these two concepts. Service quality has been described as a form of attitude, related but not equivalent to satisfaction (Parasuraman, Zeithaml & Berry, 1988; Bolton & Drew, 1991). Crompton and MacKay (1989) took the view that service

quality is concerned with the attributes of the service itself, whereas satisfaction is a psychological outcome emerging from an experience. Liljander and Strandvik (1996) also suggested that customers' evaluation of service quality can be described as a cognitive process where customers consider the 'goodness/badness' of different components of the service, either by evaluating the perceived service performance only, or by comparing the service performance with some predetermined standard. Satisfaction, on the other hand, is believed to contain an affective dimension, without which customers' responses cannot be fully accounted. Cronin and Taylor (1992) looked at the differences from the duration point of view. Perceived service quality is thought to be a global attitudinal judgment associated with the superiority of the service experience over time, whereas satisfaction is a transaction-specific measure. According to Lovelock, Patterson and Walker (1998), the important distinction is that

Satisfaction is experience-dependent. You must experience the service to feel a degree of satisfaction/dissatisfaction. Perceived service quality on the other hand is not experience-dependent ... perceived service quality is formed over multiple service encounters (p.241).

It implies that customer satisfaction about services is a 'collection' of experiences, whereas customers can feel a sense of quality based on other sources, such as consumer reports or other media.

There has been considerable debate concerning the nature of the relationship between these constructs. The majority of research suggests that service quality is a vital antecedent to customer satisfaction. In theory, the positive perception of service quality enhances customer satisfaction with service, whereas negative perceptions result in dissatisfaction with service (Parasuraman, Zeithaml & Berry,

1985; Cronin & Taylor, 1992). However, there are some researchers who suggest that satisfaction may be an antecedent of service quality (Bitner, 1990; Bolton & Drew, 1991). In particular, Bitner (1990) found a significant causal path between satisfaction and service quality in a structural equation model. Ryan (1999) also argued that customer satisfaction is not simply an outcome but is an input variable to future purchase decision. The perceived service quality when compared with past satisfaction with any given service forms a new perception of service quality and satisfaction of recent experience of purchase. Thus, the relationship becomes a reiterative process.

THE IMPORTANCE OF SERVICE QUALITY TO THE HOSPITALITY INDUSTRY

It is generally accepted that quality has positive implications for an organisation's performance and competitive position. Given the 'people business' nature of the hospitality operations, provision of high service quality as a means to achieving competitive differentiation is particularly important to the lodging and catering industry. Other strategies such as enhancement of fixed physical facilities, special offers in terms of price, star rating, advertisements and promotions may only benefit organisations in the short-term because they can be easily duplicated by their opponents. Therefore, creating a *memorable* hospitality experience becomes a long-term viable strategy for retaining repeat businesses. Zeithaml, Parasuraman and Berry (1990) and other researchers (Stewart & Johns, 1995 and Wuest, 2001) offered three benefits that result from an emphasis on quality, namely, productivity, competitive advantage and customer satisfaction and loyalty.

Productivity

Quality improvement leads to operational efficiency. This is also noted by Deming (1982), who says, “Improve quality [and] you automatically improve productivity, you capture the market with lower price and better quality. You stay in business, and you provide jobs. So simple.” Crosby (1984) suggested that a service organisation can waste as much as 35 percent of its costs on producing ‘non-quality’ outcomes. He argued that rather than reducing expenditures on inspection and recovery from mistakes, an emphasis on prevention effort and training provides a significant potential for reducing the total cost of any service business. From the management perspective, the service process generates revenues. Optimizing the service process subsequently improves the quality perceived by the customer whilst on the other it matches inputs to outputs more efficiently. Thus, the delivery of quality service has been linked with profits, cost saving and productivity (Stewart & Johns, 1995).

Competitive Advantage

Service quality has been increasingly identified as a key factor in differentiating service products and building a competitive advantage. Service organisations often look the same with similar facilities, equipment and menus of services but these firms do not emphasise the same to customers. A warm greeting from a service provider or the graceful handling of a special request can differentiate one supplier from other suppliers of similar services. With creative ideas and a strong understanding of the needs and desires of guests, hospitality organisations are developing innovative and extensive service strategies. Some organisations are moving away from the idea of simply satisfying the customer and are striving to

delight the customer. Service providers nowadays not only provide a set of baseline services, but also extend services to exceed customers' expectations. The industrial journal, *Lodging Hospitality*, emphasised the value of customer focus, commenting that the "critical differences in customer/guest service are what often separate hospitality industry leaders from industry followers" ("The New Imperative," 1998, p. 54).

The best well-known example within the industry to achieve sustained competitive advantage is the Ritz-Carlton Hotel, the only two-time recipient of the 1992 and 1999 Malcolm Baldrige National Quality Award in the service category. The Ritz-Carlton implements a quality improvement program, called 'Gold Standards,' which consists of the company's Motto, Credo, Employee Promise, Three Steps of Service, and The Ritz-Carlton Basics-essentially a listing of performance expectations and the protocol for interacting with customers and responding to their needs (Brush, 1997). Winning the quality award meant an acknowledgment of the Ritz-Carlton as an exemplary performer in the pursuit of excellence within the service industry.

Customer Satisfaction

In addition, greater competition within the industry has caused hospitality organisations to be increasingly aware of the importance of customer satisfaction. Hospitality is featured as labour intensive with high contact services. Customer satisfaction grew out of the work on quality: the quality of tangible hospitality goods and the quality of social contact between service staff and customers in the process of service delivery.

As consumers today are highly critical of the quality of service, they are unwilling to compromise themselves for a mediocre service. Hospitality customers make repurchase decisions based on factors such as price, value and satisfaction. The provision of excellent service quality is likely to generate satisfied customers and maintain the existing customer base. Nightingale (1985) contended that customer satisfaction leads to repeat business, personal recommendations and a favourable image. Service quality is, indeed, an important determinant of success in creating customer satisfaction and hence potentially attracting repeat business, or business derived from work of mouth recommendation.

Customer Loyalty

Given most hotel industry segments are mature and competition is strong, customer loyalty has been growing rapidly in importance as a basis for competitive strategy in the hotel sector (Shoemaker & Lewis, 1999). Although some studies (Heskett, Sasser & Schlesinger, 1997; Bowen & Chen, 2001) show that customer satisfaction does not necessary lead to loyalty, it is hard to obtain client loyalty without satisfaction being expressed by those customers. Customer satisfaction emerged from a positive consumption experience and still can be viewed as a source of customer loyalty and as a means of maintaining market share. Kivela, Inbakaran and Reece (1999) suggested that satisfaction with the dining event is more likely to lead to repeat patronage. They commented that a hospitality business must recognise its dependence on repeat customers. Repeat customers not only bring revenue into the business, they also provide predictability, security and employment for those involved in the business. The

study undertaken by Gould-Williams (1999) in hotel services also found that service quality had the greatest total effect on customer loyalty. This highlights the importance of service quality for organisations that strive to seek competitive advantage by providing superior service and when an organisation adopts quality service as a defensive strategy in an attempt to retain customers.

FACTORS AFFECTING THE PERCEIVED QUALITY OF SERVICE: THE MANAGEMENT PERSPECTIVE

The factors influencing the quality of hospitality service are complex and enormous. Since both service providers and customers are involved in the production and consumption process, the quality management of a hospitality service can be examined from two perspectives: a management and customer viewpoint. In this section, the issues related to quality management, such as capacity management, information technology, human resource management, corporate culture and design of service delivery system will be discussed.

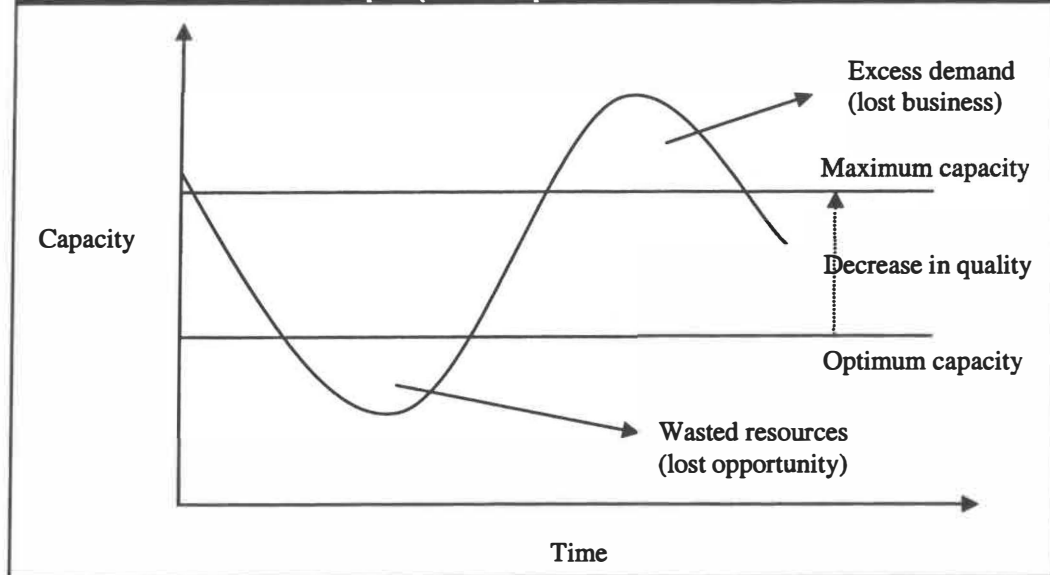
Fluctuation of Demand and Capacity Management

In the hospitality operation, achieving a satisfactory balance between demand patterns, resource scheduling and operational capacity is difficult (Lockwood, 1996a). Many researchers point out that the all too common seasonal nature of the demand for hospitality services causes a temporal imbalance between demand and supply (Butler, 1994; Kandampully, 2000; Reisinger, 2001b). For example, food services are mainly consumed during dining hours (breakfast, lunch and dinner) rather than in the remaining hours of the day. Fluctuation in the demand at a

restaurant during the day may create the problem of overuse of facilities in peak hours. Subsequently, the quality of the dining experience suffers and customers leave dissatisfied (Lockwood, 1996a). Conversely under-utilisation of the same resources and facilities in off-peak hours will lead to low returns on investment and possibly further impair the firm's profit.

Kandampully (2000) suggests the framework of Figure 3-3 to illustrate the impact of demand fluctuation on capacity and quality of service. Because of the constraint of fixed physical facilities, the firm loses the chance to serve upcoming customers when the demand for hospitality service is higher than the firm's capacity. Hence the firm potentially lowers the quality of service since more customers try to share the fixed resources. Similarly, when the demand is less than capacity, the firm loses revenues and fails to provide an important service element, namely, the "social ambience" which is created in the presence of other customers (Kandampully, 2000, p.12). Indeed, a high presence of customers within the hospitality premise provides an animated atmosphere, which implies a positive frame and potentially enhances the consumption experience. In like vein, Heskett (1986) and Heskett, Sasser and Hart (1990) found that the level of utilisation of the resources can affect the perception of service quality. They reported that in restaurant operations, the perception of service quality falls sharply when utilisation of capacity is beyond 75 percent of usage and perception of service quality deteriorate if a hospitality organisation operates below 40 percent capacity.

Figure 3.3: Impact of Demand Fluctuation While Capacity Remains Inflexible (Kandampully, 2000, p. 12)



Because of the nature of service delivery and the involvement of the customers in the process, hospitality organisations cannot build inventories and save unsold services as manufacturers of tangible goods do. Hospitality managers are thus required to consider strategies to facilitate the efficient management of both demand and supply of services. There have been very considerable efforts made by hospitality organisations to reduce seasonality and its impacts. The strategies include: the concept of service packing, where the firm provides the mix of various services in the package to attract various market groups, at different time frames, thereby maintaining quality of service (Kandampully, 2000); the use of yield management to alter demand, by predictions of demand pattern, offering a series of rates to prospective customers and choosing high yield customers (Jauncey, Mitchell & Slamet, 1995); use of differential pricing by establishing off-peak promotions such as early bird incentives and employing a flexible workforce (Butler, 1994).

Information Technology

Information technology is likely to have an increasing impact on the provision of hospitality services and guest satisfaction as evidenced by a survey of U.S. lodging managers. Over 70 percent of the management respondents from properties with fewer than 100 rooms to more than 300 rooms perceived that technology enhanced customer satisfaction (Van Hoof, Collins, Combrink & Verbeeten, 1995). It can be argued that customers are better satisfied when the technology is new to them. Yet, as the utilisation of technology grows within the industry, such developments are likely to take a “downward step” from being a ‘motivating’ to a ‘hygiene’ factor (Johns, 1996). That is, Herzberg’s hygiene-motivating factors probably change with time, as yesterday’s technology, older standards and styles no longer create customer satisfaction, but remain only capable of decreasing satisfaction if absent in the consumption process.

Milne and Ateljevic (2001) focus on the impacts of information technology on two key areas that shape service quality in the hospitality industry: marketing and sales and labour performance/management. They argued that the use of internet web sites makes it easier to reach customers early and facilitates interaction between customers and hoteliers if the site is well maintained. The development of customer databases allows hoteliers to keep track of the needs and desires of important customers. This information can be used to customise services to targeted customers. Additionally, the impact on labour in relationship to service quality and information technology allow frontline staff to reduce time spent on certain functions, enabling them to pay a special attention to the guest-staff relationship. Hospitality organisations also use information technology to inspect

the quality of service performance. Such a quality improvement system not only monitors service quality, but also facilitates the reward and recognition of outstanding service by individuals or teams.

Human Resources Management

There is no doubt that the hospitality business is characterised by a high level of service encounters. In many situations, employees play a crucial role influencing customers' perceptions of quality. The 'founding fathers' of quality management have identified the importance of effective people management to quality improvement (Crosby, 1984; Deming, 1982; Juran, 1979). In essence, their view was that employees care about the quality of work performance and want to improve it through training and a supportive managerial environment for their ideas to be developed. Thus, it would seem that there is a key role for human resource management practices to play in service quality management. Human resource management practices in improving service quality include careful recruitment and selection; extensive communication systems; team-working and flexible job design; training and learning; employee involvement; and performance appraisal with links to contingent reward systems (Redman, Mathews, 1998). The issue of staff empowerment through delegated decision making has also been extensively covered in the literature. Such empowerment reflects a certain corporate culture.

Corporate Culture

Corporate culture in the context of quality management refers to underlying attitudes and beliefs held by managers and employees and how they impact on

service provision. Due to the heterogeneous nature of the hospitality services, no training manual could precisely describe the acceptable behaviours or actions in which a service staff should engage during their many service encounters. Corporate cultural values can provide guidelines necessary for service staff to take proper service actions (Wood, 1996). The Ritz-Carlton Hotel illustrates the power of its corporate culture in managing service quality. To set a clear direction for continuous improvement and to align action at all business and operation levels, the Ritz-Carlton Hotel has developed its pyramid concept. The top of the pyramid is the company's mission: "to be the premier worldwide provider of luxury travel and hospitality products and services." Following levels consist of The Ritz-Carlton 10-year mission (product and profit dominance), five-year mission, tactics for improving key processes and strategies and action plans for sharpening customer and market focus. These efforts based upon the company's total quality management system and methods. Finally, the Ritz-Carlton values and philosophy, know as the 'Gold Standard' make up the base of the pyramid, serving as the foundation for all continuous improvement efforts (Malcolm Baldrige National Award, 2000). In that sense, the value is widely shared throughout the company. The employees know what is important to the culture and then they are encouraged to behave that way at all times, regardless of whether or not the company manual outlines specific rules for such behaviours.

Design of Service Delivery System

Given the intangible nature of the hospitality service with a high element of guest-staff interactions, a customer's perception of the service experience will be strongly influenced by the service encounter. The emphasis of the service delivery

is the major part of the service encounter. It is concerned with where, when and how the service product is delivered to the customer. Jones and Lockwood (1989) argued that the service interaction should be designed to fit the 'complexity' and 'variability' of the service process. Complexity refers to the number and intricacy of the steps required to perform the service process. Increasing the complexity of the service would involve offering additional services or enhancing existing facilities. On the other hand, variability is the amount of freedom allowed or the range of service option available at each step in the process. Increasing the variability of the service involves giving the guest wider ranges or service options, providing greater customisation and flexibility. Managers should be aware that if different markets require different service processes, then the service design will also need to be adjusted in order to meet the need of different customer groups.

Ballantyne, Christopher and Payne (1995) suggested four diagnostic levels- environmental setting, processes, job design and people in the service production and delivery process which help focus the factors to be considered in service system design. All service elements need to be seen as part of a total system where any change or development at one level is likely to influence action or development in another. The environmental setting, including physical and psychological features, gives visual and psychological clues, which support and define service quality expectation. Service support processes directly influence the quality of customer service experienced. They serve as the backbone of service delivery and are entitled 'service mapping' (Kingman-Brundage, 1992). Shieff and Brodie (1995) argued that service mapping not only identifies elements of the process but also measures the relationship between processes and customer satisfaction. Job design considers the needs of the operation, customer

expectations, the needs and capabilities of employees and characteristics of operational equipment in order to develop job descriptions. Finally, hospitality services commonly require direct, personal interaction between staff and customers.

The design of a service delivery system can be regarded as an example of multi-faceted service quality management. It permits management to diagnose service quality problems from different perspectives so that the most effective solution can be developed. The four diagnostic levels proposed by Ballantyne, Christopher and Payne cannot be seen as mutually exclusive but all parts are interrelated. As a result, the evaluation of an interrelationship of these four service elements will be included in this research.

FACTORS AFFECTING THE PERCEIVED QUALITY OF SERVICE: CUSTOMER PERSPECTIVE

In general, customers are primarily concerned with the desire to satisfy basic physiological needs, such as hunger and thirst. These are accompanied by more complex psychological needs, such as identity, status and security. Psychological needs may be determined by expectations derived from customers' lifestyle and prior experience. Kahn (1982) identified six categories of factors affecting food service preferences, shown in Table 3.1. It can be seen that the complexity of individual needs inform and partially define the problem of service variability. In this section, the issues relating to the consumer decision process of perceived quality are explored to better understand the variable nature of service experience.

Table 3.1: Factors Affecting Food Habits, Acceptance and Preferences (Kahn, 1982, p. 463).	
Intrinsic factors:	Preparation methods, organoleptic characteristics, appearance, texture, colour, odour, flavour, quality.
Extrinsic factors:	Environmental situational, advertisement, seasonal variations.
Biological, physiological & psychological factors:	Sex, age, condition, psychological influences.
Socioeconomic factors:	Economic conditions, food costs, security, past habits, conformity, prestige.
Cultural factors:	Traditions, religious, restrictions, cultural influences.
Personal factors:	Level of expectation, priority, familiarity, influence of others, personality, moods, appetites, emotions, family, education.

Subjective Consumption Experience

Hospitality consumption for a service process and the service outcome can be described as an ‘experience’ (Nightingale, 1985; Kandampully, 1997; Ryan, 2000a). “An experience during which a visitor encounters and interacts at an intimate level with the service provider, other participating visitors and both the physical and natural environment” (Kandampully, 1997, p. 7). The ‘experience’ of hospitality can be described as the subjective mental state felt by consumers. This is because each individual has his or her personal characteristics and perceptions of service experienced. The demographic (e.g. age), socioeconomic (e.g. life style), geographic (e.g. place of origin), cultural (e.g. cultural background) and psychological (e.g. needs, motivations) makeup of consumers play an important role in creating these perceptions. Different perceptions in service experience also create different levels of customer satisfaction (Reisinger, 2001). The subjectivity of the consumption experience can also be explained by ‘personal construct psychology.’ According to personal construct psychology, individuals are active in their perception and behaviour within the world around them. They do not merely react to events and actions around them, but seek to make sense of the world and act accordingly. Indeed some seek to shape their world to meet their

own ends. Personal constructs of the service experience can be developed through their past experience and everyday life interactions (Carmouche & Kelly, 1995b) and inform and shape subsequent behaviours.

Holistic vs. Disaggregate View of Evaluating Hospitality

Experience

Research has shown that the hospitality experience comprises a bundle of attributes or features within the service system, which directly influence a satisfaction judgment and determine customers' intention for future purchases (Kahn, 1982; Jones, 1992). Although there is a set of service transactions making up the hospitality experience, customers tend to evaluate the individual elements as a whole. Jones (1988) noted that because production and consumption of the hospitality experience occurs at the same time, consumers do not separately perceive the tangible and intangible elements of the totality, rather they perceive them as a unified whole. In a similar vein, holidaymakers do not in fact separate the individual components of a holiday experience, but rather evaluate the enjoyment of days being away from home.

Pizam and Ellis (1999) suggested that in some situations, customers form a set of independent impressions of each segment or section of an experience and compare those with the expectations of the same attributes. With this disaggregated approach, customer satisfaction is evaluated by comparing the performance of individual attributes relative to others. This evaluation process involves making trade-offs of one attribute with another or establishing the minimum acceptable level for a few important attributes. Ryan (1999) also recognised that there is both

a hierarchical and re-iterative process in the process of generating tourist satisfaction with and within a holiday. In that sense, besides the travel experience itself, engagements with subsequent travel related services and interactions with hosts and fellow tourists become characterised as a series of events, each an antecedent of final holiday satisfaction.

Trade-Off Judgment in Evaluation of Hospitality Experience

It might be argued that the quality of the guest-staff interaction can, to least some extent, offset minor deficiencies in the physical component of the service. This point can be illustrated in a guest's criteria of service which include the response of the hotel to unsatisfied incidents that may have occurred. Thus, when the technical problem occurs, service personnel quickly rectify the problem which ultimately turn the guest's perception of the hotel and its service to a positive one. Saleh and Ryan (1991) argued that it is the matter of 'conviviality of the service' (p. 325). The importance of guest's criteria of service shifts upon the degree of conviviality of the service. The service staff's attitudes, behaviour and verbal skills may give the customer more satisfaction than technical aspect of service delivery to a customer.

Another aspect of trade-offs of attributes is associated with non-weighted and weighted compensatory models (Pizam & Ellis, 1999). The non-weighted compensatory model presumes that customers make trade-offs of one attribute for another in order to make a decision. This value displacement occurs when both attributes were of equal importance to the customers. For example, a small and uncomfortable guest room was traded-off with good service, so the resultant

overall satisfaction with hotel experience might still be high. On the other hand, the weighted compensatory model assumes that people have a belief about the existence of an attribute, that each attribute has an importance weight relative to other attributes and that the participant can 'measure' each component in a meaningful, if ill-defined manner. In that sense, when one attribute perceived to be unsatisfactory is more important than another, the result will be dissatisfaction.

Threshold Effect in Evaluation of Hospitality Experience

Some hospitality attributes can not be trade-offs for another attribute, rather they are more likely to earn guest complaints than compliments. In Cadotte and Turgeon's (1988) study of type and frequency of guests' complaints and compliments in food service units, they divided the attributes into the four categories: satisfiers, dissatisfiers, critical and neutral. Satisfiers were those attributes where unusual performance apparently generated compliments and satisfaction, but average performance or even the absence of the feature did not cause dissatisfaction or complaints (e.g. large-size food portions, well-groomed and smartly dressed staff). Dissatisfiers were more likely to earn a complaint for low performance or absence of a desired feature than anything else. But when an operation exceeds the minimum performance standard it did not receive compliments on the attribute (e.g. parking, reducing excessive noise). Critical attributes were capable of eliciting both complaints and compliments, depending on the situation (e.g. quality of service, food quality and helpful attitude of staff). And lastly, neutral attributes neither received a great number of compliments nor many complaints.

The concept of 'dissatisfiers' has been identified in several studies. Nightingale (1985, p.11) noted that "the main need with some [quality] attributes may be to reach a threshold, for example, car parking must be available." Thus if some aspects of a hospitality service are not adequately present, customers may perceived the service as a serious defect. Saleh & Ryan (1991) also suggested that a 'threshold effect' arguably exists in the assessment of service provision. The absence of service makes it important, but the fact of the service is not normally assessed as a 'quality' factor. According to Cadotte and Turgeon (1988), the classification of satisfier and dissatisfier is not constant, but change overtime due to the change in customer expectation. Saleh and Ryan (1991) noted that the management may be right to place importance upon the tangible elements of the hotel in that the absence of restaurants, good décor, etc., would be symbols of a poor service, but guests perceive such service as at least a minimum^o for any category of hotel, thus in the evaluation of hospitality experience, the focus of their attention moves to other service attributes including service attitudes.

The viewpoint of 'threshold effect' is consistent with Herzberg's 'hygiene' and 'motivation' factors at the workplace and Maslow's hierarchy of needs (Saleh & Ryan, 1991; Jones, 1992; Balmer & Baum, 1993). In Herzberg's theory, 'hygiene' factors refer to variables, the presence or absence of which can cause satisfaction or dissatisfaction. In the context of the hospitality experience, an application of Herzberg's concept suggested that the tangible elements of the service come largely under the category of 'hygiene factors' (e.g. cleanliness, facilities) and the intangible 'service' related factors are 'motivation factors' that create true satisfaction (Balmer & Baum, 1993). Attempts to measure the quality of service must be aware of the changing nature of the cause of expectation. The hotelier

could refer to Maslow's hierarchy of needs. Balmer & Baum (1993) studied the type of complaints received in relation to star-rating in Cyprus. They found that in the one to three star end of the market, hotel guests are looking to satisfy 'basic' needs such as food, warmth and a secure room. If these needs are not met, the complaints occur. On the other hand, at the four and five-star level, guests assume that these basic needs will be satisfied (which by and large, they are), so then they look to the satisfaction of 'higher' needs - ones which reflect their ego, esteem and status. From the Cyprus report, the provision of 'entertainment' (how much and how lavish) must be classified in the upper level of the tourist market.

The State of Mindlessness

Another issue in researching customer perceived quality of service is the concept of 'mindlessness.' In the context of hospitality experience, it implies that customers participating leisure activities are not necessarily governed by motivations in any conscious manner. Langer and Newman (1979) and Langer and Piper (1987) have argued that people do not always behave rationally, logically and goal-oriented in situations; rather their actual behaviour may be in the state of 'mindlessness.' Contrary to mindful behaviour, the act of 'mindlessness' is a more habitual response.

Ryan (1997b) argued that the act of 'mindlessness' is part of a process of optimisation of experience – people retain that memory which is sufficient to meet a need. Pearce (1998) suggested that within the tourism/hospitality experience, there are some situations that may be characterised as 'scripts,' such as ordering a meal in a restaurant, checking in/out of a hotel where expected behaviour patterns

are conformed to and they were barely recalled by holiday makers or customers. Because such situations offer little challenge, little novelty and are unsurprising, customers do not attach strong feeling for either high or low levels of satisfaction to such routine behaviour. Obviously scripted behaviour and mindlessness as defined by Langer and her associates are closely related concepts in as much as they operate at barely remembered levels of consciousness.

Some consumer behaviour has been perceived as irresponsible and irrational in that people tend to act beyond the normal, for example, excessive drinking and acting “wild on vacation” is often characterized as “short-term self-indulgence” (Ryan, 1997b, p. 71). This irrational component of behaviour becomes a contributing factor that makes some aspects of consumer behaviour less easy to anticipate. Although motivation theory makes a significant contribution to understanding human behaviour, various commentators like Pearce (1993), Ryan (1997b) and Yiannakis and Gibson (1992) suggested that there are factors beyond motivations that need to be explored in tourist behaviour research.

The Role of Affective State

Researchers have shown that affective state has emerged as an important theme in satisfaction research (Oliver, 1997; Liljander & Strandvik, 1996; Otto & Ritchie, 1996). Emotions and moods are considered to be specific examples of affective states. Otto and Ritchie (1996) argued that even though hospitality services have a clear functional component, experiential benefit will remain a critical part of the process evaluation. The intimate nature of the service encounter provides many opportunities for affective responses. The surrounding environment also has a

potential to elicit emotional and subjective reactions. With a large degree of staff-guest interaction in hospitality operations, the affective responses towards service providers may be the most salient determinants of service encounter satisfaction. In a study related to restaurant services, Dube-Rioux (1990) examined the relative importance of cognitive evaluations and affect responses in explaining satisfaction judgments. Results supported the notion that the affective responses outperform cognitive evaluations in predicting satisfaction.

According to the satisfaction literature, consumption emotions are affective responses to one's perception of the attributes that comprise a product or service performance. Positively perceived performances induce positive emotions whereas failure in performance induces negative emotions (Oliver, 1997). Price, Arnould and Deibler (1995) have shown that the consumer perceptions of provider performance on satisfaction judgment may be mediated through emotional responses to service encounters. Extra attention to and mutual understanding of customers by service providers helps to create positive emotions, while negative emotions are the results of failing to meet a minimum standard.

Turning to the relationship between consumption emotions and satisfaction, a strong relationship was found in the consumer literature. That is, positive emotions contribute to satisfaction, whereas negative emotions lead to low satisfaction (Dube-Rioux, 1990; Oliver, 1997). Liljander and Strandvik (1996) argued that although consumption emotions may be one of many variables affecting dis/satisfaction, there are instances where emotions account for a great part of the attraction of the service. In other words, this type of emotion is more goal-directed and it can be evidenced by the activities of going to an amusement

park, theatre, opera or concert performance. These services illustrate that emotions other than those which can be labeled positive could also be related to high customer satisfaction. For example, it is possible to be satisfied with a film, even though feelings of sadness may be induced. This negative emotion may be related directly to what makes the customer satisfied with the experience of viewing the film. This is supported by the results from a study by Arnould and Price (1993), in which high satisfaction with river rafting was found to be related to both extreme positive and extreme negative feelings of exhilaration and anxiety.

The Role of Cultural Values in Evaluation of Hospitality

Experience

Culture is another variable when it comes to identifying drivers of satisfaction.

According to Moutinho (1987), culture refers to

values, ideas, attitudes and meaningful symbols ... Those elements are transmitted from one generation to another and serve to shape human behaviour, implying explicit or implicit patterns of behaviour. The multiple factors taken together will characterize a given society, such as its language, religion, technology etc (p.7).

The analysis of cultural values orientation can determine similarities and differences in cultural background. Lustig (1988) commented that

predictable behaviour patterns, which are stable over time and which lead to roughly similar behaviours across similar situations, are based upon a form of mental programming called values. Values are inside people, in their minds. They are a way of thinking about the world, of orienteering oneself to

it. Therefore values are mental programs that govern specific behaviour choices (p.56).

Because of the increasing popularity of international travel and the globalisation of the hotel industry, both domestic and international hotels are exposed to groups of multicultural consumers. Globalisation has created a demand for sharing foreign markets. International hotel managers and their staff are therefore expected to successfully interact with people from various cultures and be able to understand the domestic market. The influence of cultural values on consumer behaviour has received extensive attention in consumer research (e.g. Hofstede, 1980) and its application has been further extended to the field of hospitality and tourism (Reisinger & Waryszak, 1996; Mok & Armstrong, 1998; Master & Prideaux, 2000). The related literature is further reviewed and discussed in Chapter Five entitled 'The impact of Chinese cultural values on an evaluation of hospitality experience.'

CHAPTER 4

THEORIES AND METHODOLOGIES OF SERVICE QUALITY AND CUSTOMER SATISFACTION

The importance of customer satisfaction (CS) and its relationship with service quality (SQ) and profitability has become a major management issue for hospitality industry practitioners. Responding to the growing demands for more reliable ways to measure CS and SQ, a number of researchers have attempted to introduce theoretical and methodological frameworks for measuring CS and SQ in hospitality. Although these efforts have made substantive contributions to understanding hospitality consumers' behaviour, the theoretical and methodological debates on CS and SQ are still an ongoing process, suggesting yet more rigorous methodological treatments are needed to advance the measurement power of hospitality CS and SQ research. Therefore, a critical review of the service quality and customer satisfaction literature is essential at the preliminary stage of developing hospitality-specific CS and SQ paradigms.

This chapter focuses on theories and methodologies of service quality and customer satisfaction. First, the role of the service encounter in hospitality services is explored and second, theoretical and methodological issues are critically reviewed. Next, major developments in service quality and customer satisfaction in hospitality research are discussed. Finally, the concept of importance and its role in behavioural models is examined as it has been recently applied in hospitality research.

THE ROLE OF THE SERVICE ENCOUNTER IN HOSPITALITY

As the interactions between customers and employees play an important role in service experience, many hospitality organisations recognise the crucial nature of the 'service encounter' (Lee-Ross, 2001; Reisinger, 2001b). The definition of service encounter can be narrow and broad. The narrow view limits the service encounter to the personal interaction between the customer and the employees, as Brown, Gummesson, Edvardsson, and Gustavsson's (1991, p.1) state as "the critical time for service quality to be clearly understood is during the one-to-one interactions that occur between the consumer and the provider." According to a broader definition, (Shostack 1985, p. 243) an interaction is a "period of time during which a consumer directly interacts with a service." This definition includes all aspects of the service with which the customer may interact, not only service staff but also physical facilities, service systems and other customers. Studies of service quality and customer satisfaction affirm the importance of the quality of human interaction of service delivery in an assessment of the consumption experience. Two concepts relating to the service encounter with hospitality experience have been identified in order to understand the twists and turns of the service interactions between guests and employees: 'moments of truth' introduced by Jan Carlzon (1987) and 'critical incidents' (Bitner, Booms & Tetreault, 1990).

The Moment of Truth

Jan Carlzon (1987), past President of Scandinavian Airline System (SAS) defined 'moment of truth' as every point of contact between the customer and front-line staff of the company. He asserted that the 'moment of truth' regardless of how trivial the incident is, provides an opportunity for a company to make or mar a customer's consumption experience. The description of service encounter as the 'moment of truth' stems from the idea that the intangible nature of, and customer participation with, contact situations effect the customers' quality perception.

Ryan (1996) and Baum (1997) argued that managing 'moments of truth' is challenging in the tourism and hospitality industry because of the fragmentation of experience for customers. In the context of holiday experience, the numbers of travel services with a wide range of intermediaries make the management of a 'moment of truth' even more diverse and complicated. To reduce inconsistent 'moments of truth' faced by guests within the holiday experience, Baum (1997) suggested the adoption of vertical integration of key intermediaries within the tourism chain to increase control and consistency of service delivery. He extended the concept of 'moment of truth' more broadly to be the relationship between local community and tourists, which is not easily managed from an organisational perspective. As a result, it poses a major challenge for the tourism industry to obtain support from the local community and ensure tourists receive a warm welcome from local people. He suggested that the uncontrollable variables within the guest-employee encounter should be taken into consideration while managing 'moments of truth' so that they are more likely to produce positive outcomes and not negatively affect the overall perception of tourists' holiday.

The Critical Incident

To be more specific in addressing the concept of 'moment of truth,' Bitner, Booms and Tetreault (1990, p.73) referred to the 'critical incident' in the sequence of service, described as "specific interactions between customers and service firm employees that are especially satisfying or especially dissatisfying." They identified three major groups of employee behaviours that account for satisfactory and dissatisfactory incidents in three industries (hotels, restaurants and airlines): employee responses to service delivery system failures, employee responses to customer needs and requests and finally unprompted and unsolicited employee actions. Bitner *et al.* (1990) indicated that with proper employee response, unsatisfactory encounters due to the failure of the delivery system (tangible elements of service delivery) can be corrected and transformed into satisfactory encounters. The study found that through the continuous informing and empowering of employees to respond to customer needs and requests could lead to greater customer satisfaction. Last, they argued that employee behaviours, whether pleasant or unpleasant during service delivery, are less subject to management control than other structural components of service. These unexpected employee behaviours impose uncertainty for service operation management. It can be argued that the concept of the 'critical incident' makes a significant contribution to human resource practices relative to employee behaviour during service delivery and in turn leads to a need for the empowerment of service employees so that they can better respond to instances of service or technical failure in ways quickly acceptable to customers.

THEORETICAL AND METHODOLOGICAL ISSUES IN CUSTOMER SATISFACTION AND SERVICE QUALITY RESEARCH

The conceptualisation and measurement of customer satisfaction and service quality have been among the most debated and controversial topics in the services marketing literature to date. This debate continues today, as is evident from largely failed attempts either to replicate conceptual structures or integrate them into new industries. While many research paradigms have been developed in customer satisfaction and service quality research, it is still unclear which model is the most applicable and suited to the hospitality context.

Simply put, researchers generally have adopted one of two conceptualisations. The Nordic European school, led by Grönroos (1984), suggests a completely different perspective to measuring service quality by stating that it is only an outcome of the actual quality of performance and its perception by the customer. However, the Nordic European school focused mostly on the conceptualisation of service quality without providing strong empirical evidence to support their position. The North American school, led by Parasuraman, Zeithaml and Berry (1985, 1988, 1991), views service quality as a negative or positive outcome resulting from a comparison process between initial expectations and perceived performance of products and services, known as SERVQUAL (Kozak, 2001). Although this model is widely adopted by service quality researchers, the methodology of SERVQUAL has generated considerable criticisms.

Oh and Parks (1997) summarised nine theories of customer satisfaction from the extensive review of customer satisfaction literature. The majority of these theories are based on cognitive psychology. Some have received moderate attention, while others have been introduced without any empirical research. The nine theories include: 1) expectancy-disconfirmation; 2) assimilation or cognitive dissonance; 3) contrast; 4) assimilation-contrast; 5) equity; 6) attribution; 7) comparison-level; 8) generalised negativity and 9) value-precept. Among these theories, expectancy disconfirmation theory proposed by Richard Oliver (1980) is the most widely used.

Expectancy-Disconfirmation Theory

Expectancy-disconfirmation theory asserted that customers evaluate their consumption experience according to how well the actual performance confirms or disconfirms their expectations. The expectancy-disconfirmation paradigm includes four components: expectations, perceived performance, disconfirmation and dis/satisfaction. Expectation refers to a pre-consumption expectation associated with the product or service. Perceived performance is the consumer's perception of a service experience. Schiffman and Kanuk (1987, p. 17) defined perception as "a process by which an individual selects, organises and interprets stimuli into a meaningful and coherent picture of the world." Thus, perception shapes and produces what one experiences. When the perceived performance matches customer expectations, confirmation occurs. Disconfirmation occurs when there are differences between customer expectations and perceived performance; either it is positive or negative. Positive disconfirmation causes satisfaction when product/service performance is better than expected, whereas

negative disconfirmation causes dissatisfaction when product/service performance is less than expected (Oliver, 1980).

Expectancy-disconfirmation theory also well explains assimilation and contrast theories. According to Oliver (1997), expectation and disconfirmation, whether it be positive or negative, would appear to provide excellent proxies for assimilation and contrast. Assimilation theory examines how performance perceptions were orientated towards the previously formed expectations. In that sense, expectation levels dominate the performance judgment, subsequently satisfaction occurs. Alternatively, contrast theory recognises an 'exaggeration' of the discrepancies between performance and expectation. It would seem that contrast judgments are disconfirmation-driven, whether it is positive or negative.

By reviewing the development of service quality theory, it is notable that between 1980 to 1985 the early stages of distinguishing between service marketing for consumer goods soon led to questions of service encounter and consumer evaluation processed based on service quality (Ryan, 1999). Among numerous works on the subject of service quality, the most widely adopted concept is the SERVQUAL model.

The SERVQUAL Model: Review and Criticisms

Development of SERVQUAL

The SERVQUAL model proposed by Parasuraman, Zeithaml and Berry (1985), is based on the disconfirmation paradigm, which views service quality as the gap between the expected level of service and customer perceptions of the level

received. In the initial stage of developing the SERVQUAL, focus group interviews with consumers and management executives were conducted across four service sectors: retail banking, credit cards, securities brokerage and product repair and maintenance. As a result, five service gaps were emerged from this exploratory investigation (see Figure 4.1) which are:

Gap 1: the difference between consumer expectations and management perceptions of consumer expectations.

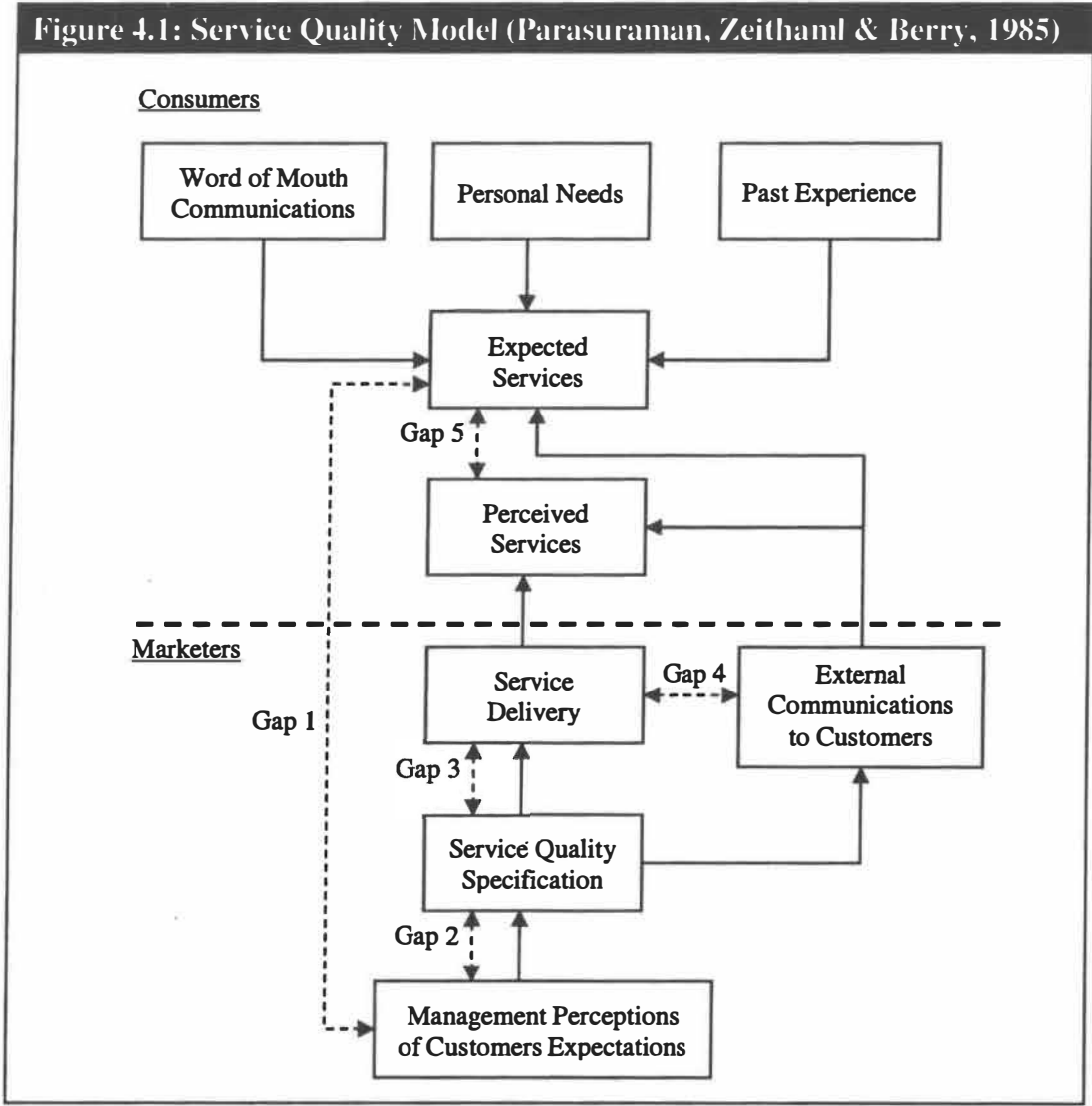
Gap 2: the difference between management perceptions of customer expectations and service quality specifications.

Gap 3: the difference between service quality specifications and the service quality delivered.

Gap 4: the difference between service delivery and what is communicated about the service to consumers

Gap5: the difference between customer expectations of service quality and customer perceptions of organisation's performance.

The first four gaps (Gap1, Gap 2, Gap 3 and Gap 4) affect the way in which service is delivered and the existence of these four gaps leads to the extent of Gap 5. In other words, the extent of Gap 5 depends on the size and direction of the first four gaps.



The measurement of the gap score in SERVQUAL mainly focuses on the discrepancy between customer perceptions of service and expectations (Gap 5) in service organisations. Service quality is presented as a multi-dimensional construct. Parasuraman, *et al.* (1985) identified ten dimensions of service quality in the original formation of the model. In 1988 the model was further refined to 22 items in five dimensions: reliability, assurance, tangibles, empathy and responsiveness, as defined in Table 4.1. In 1991, Parasuraman and colleagues again made some refinements from their previous work. First, wording of all expectations items changed from the ‘should’ terminology to be more focused on

what consumer would expect from ‘excellent service’ to be provided by companies. Second, wording of perceptions items also changed. The negatively worded items in the original version were all rephrased to a positive format to avoid confusion for respondents subsequently. In addition, two new items, one each for tangibles and assurance, were substituted for two original items to better capture the dimensions. Last, point-allocation questions were added into the final questionnaire to evaluate the importance of the five service quality dimensions and this therefore replaced multiple regression analysis used in the original version.

Dimensions	Definition	Items in Scale
Reliability	The ability to perform the promised service dependably and accurately	4
Assurance	The knowledge and courtesy of employees and their ability to convey trust and confidence	5
Tangibles	The appearance of physical facilities, equipment, personal and communication materials	4
Empathy	The provision of caring, individualised attention to customers	5
Responsiveness	The willingness to help customers and to provide prompt service	4

The 22-item instrument uses a seven point Likert scale to measure customers’ expectations and perceptions of the five service quality dimensions. The layout of the SERVQUAL instrument was divided into three main sections, first to measure expectations, second to measure perceptions and last to measure the importance of each of the five dimensions. The analyses and applications of the SERVQUAL model are various depending on the managerial objectives: item-by-item analysis (e.g. P1 - E1, P2 - E2); dimension-by-dimension analysis (e.g. (P1 + P2 + P3 +P4) – (E1 + E2 + E3 +E4); and computation of the single measure of service quality (i.e. (P1 + P2 + P3 +P4 ... P22) – (E1 + E2 + E3 +E4 ...+E22)), that is Gap 5 in

the SERVQUAL model. Although the SERVQUAL model has been adopted extensively among academics and practitioners, it has also been subjected to a number of theoretical and methodological criticisms which are discussed in the following section.

Gap Analysis

According to the SERVQUAL model, service quality is a function of the gap between consumers' expectations of service (E) and their perceptions of the actual service (P) as delivered by the organisation. Thus, in the mathematical terms, service quality (SQ) score can be measured by subtracting customer's expectation (E) score from the perception score (P), that is $SQ = P - E$. Cronin and Taylor (1992) questioned this gap analysis (or disconfirmation paradigm) as the basis for measuring service quality with the claim that SERVQUAL confounds the conceptualisation of service quality with customer satisfaction. Parasuraman, *et al.* had earlier claimed that perceived quality is a form of attitude which is related but not equivalent to satisfaction, that results from the comparison of expectations with performance. Cronin and Taylor (1992) argued that using the disconfirmation paradigm to measure service quality is not consistent with the definitions expressed between these two constructs in the satisfaction and attitude literature. Thus, the gap theory which the SERVQUAL model adopted has left confusion as to what the gap actually measures, was it service quality or customer satisfaction? They examined the alternative approaches to measuring service quality and found that performance-only perception as an attitude measurement should be adopted for service quality research.

In addition, a related set of criticisms of the disconfirmation paradigm is the value and meaning of gap scores. Babakus and Boller (1992, p.263) suspected that the “difference scores do not provide any additional information beyond that already contained in the perceptions component of the SERVQUAL scale.” They argued that the perception score was the dominant contributor to the gap score because of a generalised response tendency to rate expectations highly. The use of expectation measures may raise the problem of a social desirability response bias. Parasuraman et al. were also aware that in their testing of the 1988 version, a majority of the expectation scores were above six on the seven-point scale.

Moreover, Teas (1993) commented that the meaning of the P – E difference score is ambiguous as different numerical scores can give the same gap scores (e.g. $1 - 2 = -1$; $6 - 7 = -1$). For example, an expectation score of 1 with a perception score of 2 might not have same level of importance with the gap between an expectation score of 6 with a perception score of 7 even though they have the same value of difference score. Thus, an issue emerged as to whether all items and dimension share the same importance level of expectation ratings. How did respondents evaluate service when selecting points on the scale.

The debate of causal relationship between service quality and customer satisfaction makes the SERVQUAL measurement more problematic. More service research suggests that satisfaction is an antecedent of service quality (Bitner 1990; Bolton and Drew, 1991, Ryan, 1999). They argued that the gap between expectation and perception is seen not simply as an outcome but as an input factor to expectations and perceptions. This approach is consistent with Oliver (1980) and Boulding, Kalra and Zeithaml’s findings (1993), suggesting that

consumers' perception of current service performance on the basis of prior expectation is modified by the level of satisfaction experienced during subsequent service encounters with the service providers. They demonstrated that the service quality judgment is based on consumers' perception rather than P – E calculations.

Comparison Standard: Expectations

The use of comparison standards has important implications for research methodology. Although several comparison standards have been introduced in the measurement of service quality, their utilisation often triggers methodological debates, mainly about vague conceptualisation and misinterpretation.

Expectations are mainly employed as a comparison standard in the SERVQUAL model, where consumers compare their expected level of performance with the perceived service performance in order to assess satisfaction or quality. However, Teas (1993) argued that an ambiguity of conceptual and operational definition of the SERVQUAL expectation measure creates the variance in respondents' interpretations of the expectation scale.

Expectation could be simply viewed as belief about the future performance of a product or service. This may be gained from various sources such as previous experience, personal needs, advertising promotions and word of mouth recommendation. Although this simple definition is less troublesome in responding to questions, Ekinici, Riley and Chen (2001) argued that this approach limits understanding of the complex nature of expectations and how the consumer's evaluation mechanism works in quality judgment and the cognitive processes involved in evaluation. By looking at a broader definition of expectation,

Miller (1977) had previously proposed four types of expectations varying by level of desire. They were *ideal* (wished for level), *expected* (predicted level), *minimum tolerable* (lowest acceptable level) and *deserved* level, stemming from what the consumer thinks is appropriate based on investments, rights, etc.

Significant attention has been paid to the notion of expectations in the SERVQUAL model. Parasuraman, Zeithaml and Berry (1988) initially adopted the 'should' type of expectation to measure service quality. This reflects *desires* or *wants* of consumers. Because the 'should' statements might be contributing to unrealistically high expectation scores, a slightly different wording was subsequently adopted. In the refinement of SERVQUAL conducted in 1991, Parasuraman *et al.* shifted the conceptualisation of expectations as a 'should' service to the idea of the 'normative expectation' which focused on what customer 'would' expect from companies delivering excellent service. They have indicated that an excellent service is similar to the 'ideal standard' of performance in the customer satisfaction/dissatisfaction literature (Zeithamal, Berry & Parasuraman, 1993). However, the conceptualisation of service expectation as an ideal standard is problematic. According to the logic of the P-E equation, the perceived quality increases as perception (P) increasingly exceeds expectation (E).

However, Teas (1993) suggests that Parasuraman, Zeithamal and Berry's 'ideal standard' in expectations poses two possible interpretations: 1) a *classic attitudinal ideal point* that predicts, which is not consistent with the P minus E logic, decreasing perceived quality as perception increasingly exceeds the ideal point; and 2) a *feasible ideal point* that represents a feasible or the best level of performance by the highest-quality provider under perfect circumstances. The

interpretation varies depending on whether the attributes are vector attributes (i.e. infinite or maximum classic attitudinal ideal points) or finite ideal point attributes (i.e. non-infinite or intermediate classic attitudinal ideal points). Moreover, as the previous section about gap analysis has already mentioned, the gap value of P minus E do not possess consistency. The question then arises whether the gap of 7-6 is the same as 2-1. Teas (1993) contended that because respondents interpreted the meaning of expectation differently, it is conceptually unclear what the P-E gap score represents.

Zone of Tolerance

In attempt to respond to the various comparison standards, Zeithaml, Berry & Parasuraman (1993) proposed two types of expectations: *desired service* and *adequate service*. Desired service is defined as the level of service representing a blend of what customers believe 'can be' and 'should be' provided. The adequate service expectation is described as the minimum level of service that the consumers are willing to accept. This expectation category is comparable to Miller's minimum tolerable expectation. The area between desired service and adequate service is a *zone of tolerance* that represents the range of service performance customers would consider satisfactory. The *zone of tolerance* reflects the fact that customers recognise and are willing to accept service heterogeneity across service providers and even within the same service provider. According to the gap theory, the *desired* expectation minus *perceived* service would result in *service superiority* and the *adequate* expectation minus *perceived* service would reach *service adequacy*. Service quality increases as the gap between perceived service and expectation moves up from adequate service to desired one.

Comparison Standard: Equity Theory

Despite the problems with operationalisation of expectations, other customer satisfaction theories such as equity theory and experience-based norms have been applied to the study of customer dis/satisfaction in service consumption situations (Oliver, 1997; Ekinici, Riley & Chen 2001). Equity standard is formed by the consumer based on the individual's costs or investments as opposed to anticipated rewards in the exchange relationship. This concept of 'exchange' relation has been applied by Ap (1992), in his work on residents' attitude to tourism development. Applied in the service setting, inequity occurs when the perceived service performance are believed to be inconsistent with a given perceived set of costs, whether positive inequity (over-benefited) or negative inequity (under-benefited). In line with this view, equity theory is a bipolar concept similar to the expectancy-disconfirmation paradigm (Barsky, 1992; Oliver 1997). However, these two theories are different in their consideration of inputs and evaluation process (Oliver, 1997, p. 209). For example, consumer equity judgments involve consideration of input (e.g. price paid), whereas disconfirmation judgments involve product/service performance dimensions. In the hospitality service, customers may be very sensitive to the fairness of the transaction with reference to the price paid when compared to the extent of service perceived (menu item quality vs. price paid, or price paid vs. level of service given).

Comparison Standard: Experience-Based Norms

It is also proposed that consumers employ their previous experiences as a comparison standard for the evaluation of performance. Consumer's experiences

may be gathered from more than one source and eventually constitute norms that establish what a desired service should be achieved. Woodruff, Cadotte and Jenkins (1983) contended that an experience-based norm is derived through the experience of a focal brand (i.e. the one actually purchased and used) or other similar product/service categories. Experience-based norms reflect desired performance in meeting needs and wants and they are constrained by the performance consumers believe is *possible* as indicated by the performance of known brands (Cadotte, Woodruff & Jenkins, 1987, p. 306).

They proposed that the experience-based norms can be operationalised in three forms: product-type norm (i.e. beliefs about the typical or average attribute possession of all brands), the best brand norm (i.e. beliefs about the attributes of the best brand) and brand expectations (i.e. beliefs about attributes of the focal brand). In their study of three forms of experience-based norms in the context of restaurant dining, the best brand norm and product-type norm better explain the variation in satisfaction about the consumption experience than the focal brand. Thus, comparison standards seem to be rooted in one's *total* experience with the focal and related brands. The study also suggests that dining in different types of restaurants is an important factor in determining what evaluation standard is used. There is no single comparison standard that best explains customer satisfaction; rather it varies across situations and product/service types.

Dimensionality

Buttle (1996, p. 15) wrote that “critics have raised a number of significant and related questions about the dimensionality of the SERVQUAL scale. The most

serious are concerned with the number of dimensions and their stability from context to context.” Following Parasuraman *et al.* (1991) proposals that the SERVQUAL dimensions are generic for different service industries, the model has been reproduced to test the SERVQUAL dimensions against industry specific characteristics, including hotels (Saleh & Ryan, 1991), restaurant services (Cronin & Taylor, 1992; Bojanic and Rosen, 1994), retail services (Finn & Lamb, 1991) and tourism services (Ryan & Cliff, 1997). Some researches have failed to duplicate the same service dimensions as Parasuraman and his colleagues proposed.

Carman (1990) was the first to note that the five SERVQUAL dimensions are not replicable in different service industries. In his study, the wording of SERVQUAL questions was modified to fit a particular service setting. The result of factor analysis suggested that two original SERVQUAL dimensions (assurance and empathy) were replaced by new dimensions that are believed to better explain a specific service industry conducted in the study. This change reveals that the factor loading were sensitive to changed wording of measured items. Finn and Lamb (1991, p.487) in a study of retailing setting found that “the SERVQUAL measurement model is not appropriate in a retail store setting.” The possible explanations for this conclusion are the inability of the SERVQUAL scale to capture the essence of the retail service quality construct and the incorrect adopting of the five SERVQUAL dimensions as a function of assessing perceived service quality in retailing. As for the examination of SERVQUAL dimensionality in a utility company, Babakus and Boller (1992, p.259) noted that “the proposed dimensionality of SERVQUAL is problematic... the model provided poor overall fit statistics.” Cronin and Taylor (1992) also argued that the five dimensions of the

SERVQUAL scale is not confirmed in any of the research samples (banks, pest control, dry cleaning and fast food), suggesting that the scale can be treated as uni-dimensional.

Along with the issue of generalisation of the SERVQUAL dimensions, Parasuraman *et al.* (1991, 1994) themselves recognised that the five conceptually distinct facets of service quality are significantly interrelated. This finding implies that some of dimensions could be antecedents of the others. According to the factor patterns, the responsiveness dimension while having some degree of distinctiveness, overlaps with the assurance and reliability dimensions. In the other words, it is possible to conclude that customer's impressions about company's reliability and trustworthiness will be improved at the same time while delivering prompt services. Parasuraman, *et al.* (1991) made a point regarding the inter-dimensional overlap.

Because of high inter-correlations among the statements categorised in different dimension), the items are likely to load on the same factor when the ratings are factor analysed. Therefore, whether an unclear factor pattern obtained through analyzing company-specific ratings necessarily implies poor discriminant validity for the general SERVQUAL dimensions is debatable (p. 443).

Expectancy-Value Theory

The concept of expectancy-value theory is adopted from Fishbein's (1967) attitude model. This model proposed that attitude towards a product or service, either satisfaction or dissatisfaction is a function of beliefs about an object's

attributes (that is, the belief that a product or service possesses a particular attribute) and the strength of these beliefs (that is, the relative importance of each attribute to the customer's overall satisfaction with the product or service).

Accordingly, this can be written as:

$$A_b = \sum_{i=1} b_i \ell_i$$

Where A_b = the attitude toward product/service experience

b_i = the strength of belief will lead to consequence i

ℓ_i = the evaluation of consequence i

n = the number of salient beliefs

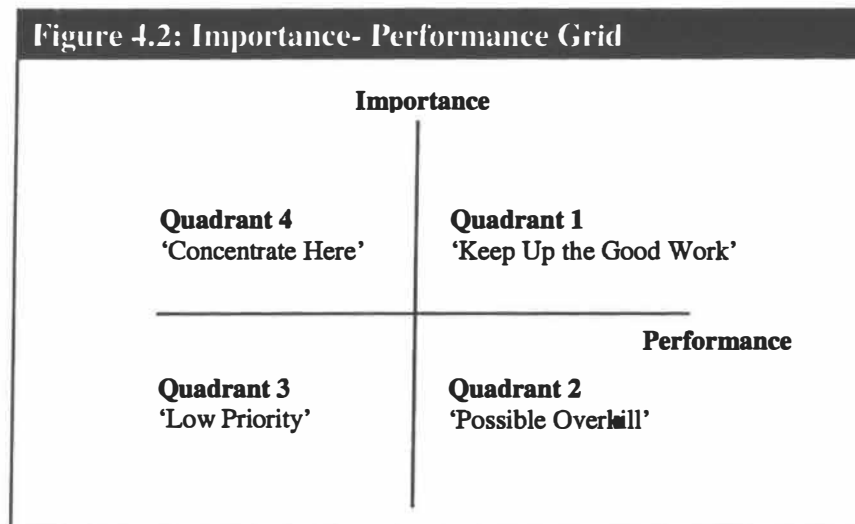
Thus, according to the model, attitude toward a product or service can be calculated by multiplying beliefs (the strength of importance) and evaluations (perceived quality).

Saleh and Ryan (1992) used this model to analyse the attributes applied by business travellers to assess the attractiveness of competing hotels. They found that guests paid little attention to recreation facilities, such as gymnasias and swimming pools. These factors were unimportant attributes perceived to be present in the consumption experience. Barsky (1992) proposed a customer satisfaction model, derived from expectancy-disconfirmation paradigm and Fishbein's expectancy-value theory, where 'performance' measure was replaced by 'expectation met.' ($CS = (EM \times I)$). The model was positively assessed for issues of reliability and validity. Pizam and Ellis (1999) also support Fishbein's contention of behavioural intentions, noting that customers' overall satisfaction with a hospitality service encounter is a sum total of the difference between their perceived outcome and expectations relating to a group of weighted attributes,

some of which carry minimum thresholds, plus additional mysterious factors (i.e. image, feelings). The question of identifying the attributes in the hospitality experience and determining their relative importance weights as well as their minimum threshold level can be resolved by applying a particular technique, called Importance-Performance Analysis (IPA).

Importance-Performance Analysis (IPA)

Importance-Performance Analysis (IPA), proposed by Martilla and James (1977), combines measures of attribute importance and performance in a two-dimensional grid in an effort to generate four different suggestions. As shown in Figure 4.2, the first quadrant 'keep up the good work,' captures the attributes that customers think are important to their purchase decision and on which customers also perceive the service performs well. 'Possible overkill; in Quadrant 2 indicates that the attributes falling in this quadrant are relatively less important but they are well performed. Some attributes may fall in the third quadrant, 'low priority,' when both importance and performance ratings of the attribute are lower than the average. Lastly, the attributes that are important to customers' purchase decisions but on which the company does not perform well are classified into Quadrant 4, 'concentrate here.' These key attributes need to improve their performance.



The main purpose of importance-performance analysis is to determine which attributes customers consider most important and how well the performance of attributes that are considered important to customers. The importance-performance analysis has been found to be critical for evaluating customer satisfaction with hospitality/tourism experience (Duke & Persia, 1996; Hudson & Shephard, 1998, Oh & Parks, 1998).

Oh (2001, p. 624) argued that hospitality and tourism researchers continue to employ IPA without giving critical considerations to its conceptual and practical validities. He raised several conceptual and methodological issues inherent, but often overlooked in using the IPA technique. The issues addressed in his critique are summarised as follows:

- 1) Lack of a clear definition for the concept of importance: salient, goal-oriented importance or utility-type importance
- 2) Absence of a criterion variable for the IPA framework as a whole: a question of *important for what?*
- 3) Mixed uses of importance and expectation: a conceptual difference of

these two concepts results in different interpretations of the results.

- 4) Lack of research on absolute versus relative importance: the self-reported absolute importance may create the problem of 'ceiling effects.' The market-oriented relative importance of an attribute may be more valid.
- 5) The implications of relationship between importance and performance and among the attributes: the plausible causal relationship between importance and performance perceptions can be justified theoretically beyond the relationship reflected in the IPA grid.
- 6) Absence of guidelines for developing a set to attributes to be used: survey length restriction is likely to cause the researcher to overlook some critical elements of the research object which will not be represented in the feature list.
- 7) Use of unidirectional ('no importance' to 'very important') versus bi-directional ('very unimportant' to 'very important') measurement scales for the concept of importance: little psychometric reasoning has been given to the property of the concept.
- 8) Use of actual means versus scale means in determining the cross-hair point in the IPA grid: two different approaches results in different interpretations.
- 9) Potential misclassifications of attributes on the IPA grid: IPA may not be sophisticated enough to precisely represent the data structure.
- 10) A philosophical issue related to strategic suggestions: IPA does not effectively reflect firms' performance directed at customer satisfaction and market retention. Oh (2001) argued that performance that exceeds the level of importance may be desirable, ('overkill' category in IPA grid) especially in the competitive hospitality market where extra performance

often does not require corresponding input resources.

Performance-Only Approach

Because of the criticism of expectations, the performance-only approach avoids the use of expectations with the measurement of customer satisfaction. It is proposed that regardless of the existence of any expectations, consumers make quality judgment based on their current attitude towards the products/services.

Because a consumer's attitude about a service depends on his or her prior attitude, modified by his or her perceptions of current performance, prior expectations about performance, measuring perceived performance, arguably, has already taken the expectation element into account. Hence, some researchers suggested that the performance dimension alone predicts behavioural intentions and behaviour at least as well as the complete model.

It has been empirically supported that the performance-only approach had higher reliability and validity values than did other approaches such as expectancy-disconfirmation paradigm (Bolton and Drew, 1991; Cronin & Taylor, 1992, Teas, 1993). Cronin and Taylor (1992) have tested a performance-based measure of service quality, called SERVPERF in four industries: banking, pest control, dry cleaning and fast food. They found that this measure explained more of the variance in an overall measure of service quality than did SERVQUAL, weighted SERVQUAL and weighted SERVPERF. Teas (1993) examined the alternative measures of service quality and also supported the notion that the evaluated performance (EP) measure had higher criterion and construct validity than the SERVQUAL P – E and normed quality (NQ, modified SERVQUAL model that

addresses the ideal point problem by incorporating the classic ideal point concept into the model).

In specific reference to its application into the tourism and hospitality field, further support comes from Ekinci, Riley and Fife-Schaw (1998) who confirm, in a study of resort hotel quality, that the Nordic European school (service quality model was largely determined by two or three dimensions) with performance-only measure is an appropriate model as opposed to North American school of SERVQUAL model. In a study of comparing four different models for measuring service quality within a commercial airline setting, Robledo (2001) found that SERVPERF explained better the variation of the variable, 'overall satisfaction,' than of 'service quality.' The unweighted SERVPEX methods, which includes expectations and perceptions in a single scale (from "much worse than expected" to "much better than expected") are superior to the others. As the above studies were mainly conducted in the U.S. uni-cultural context, Armstrong, Mok, Go and Chan (1997) extended the use of 'expectation' to cross-cultural contexts. The result were consistent with the finding of Cronin and Taylor (1992) showing that performance-only measurement provide a better predictive power of service quality measurement in the cross-cultural context.

Quality Attributes

The discussion above about conceptual and methodological paradigms concerns different approaches to measuring service quality and customer satisfaction.

Those measurement alternatives share the common product properties as evaluative criteria, called attributes. The idea of attributes was first introduced by

Lancaster (1966). He noted that people do not purchase products for the sake of the products themselves, but for the utility that is produced by the characteristics of the products- attributes.

There is a general view that quality consists of a series of sub-quality or quality attributes (Jones, 1992). The quality attributes imply the product or service features or dimensions that bear on its ability to satisfy customers' needs. Most of the past customer satisfaction studies in the hospitality literature have focused on identifying the sources of satisfaction (i.e. attributes) and discovering effective ways to determine customers' wants and needs. Customers are believed to view a service in terms of a set of attributes, which are the characteristics that make the consumption experience desirable. The degree to which each attribute is present and the importance of attributes to customers are ultimately added up the overall value of a service provision.

Because of the complexity of hospitality services, there is no uniformity of opinion among hospitality researchers as to the classification of the quality attributes. Reuland, Coudrey and Fagel (1985) suggested that hospitality services consist of three dimensions: material products, the behaviour and attitude of the employees and the environment. For restaurants, Jones (1983) recognised three types of attributes: 1) food and beverage (originality of menu, style of service, match between consumption and eye expectation, wine list, price), 2) service attributes of staff (number on duty, attentive, clean, smart, friendly, courteous, helpful, efficient, attentive to detail) and 3) physical attributes of restaurant (space, comfort, noise, lighting, temperature, glassware, menu cards, furnishings, colour). Kahn (1982) identified six classes of quality attributes to the dining experience, as

shown in Table 3.1. Martin (1986) classified the service quality attributes into two groups: procedural and convivial dimension. 'Procedural' dimension comprises such elements as: 1) the flow of service, 2) timeliness, 3) anticipation and 4) customer feedback. The conviviality (or personality) dimension is made up of such elements as: 1) body language, 2) tone of voice, 3) tact, 4) attentiveness to the needs of customers, and 5) the ability to handle complaints effectively. He suggested that each restaurant must develop service quality elements that meet its overall objectives and use measurable indicators to evaluate the quality achievement.

DEVELOPMENTS IN CUSTOMER SATISFACTION AND SERVICE QUALITY RESEARCH IN HOSPITALITY SERVICES

Application of SERVQUAL Model in Hotel Services

Despite criticism, SERVQUAL has been used to measure service quality in the areas of lodging, hotel and restaurant services (Saleh and Ryan, 1991; Bojanic and Rosen, 1994; Lee and Hing 1995; Stevens, Knuston & Patton, 1995). Some of these researchers have applied the SERVQUAL model as modified for specific hospitality services and found results different from those of the original SERVQUAL researchers.

Saleh and Ryan (1991) identified the existence of gaps between guests and management perceptions of hotel attributes and between guest expectation and

perception of the services offered and found different factor dimensions ('conviviality', 'tangibles', 'reassurance', 'avoid sarcasm' and 'empathy') as opposed to the SERVQUAL dimensions. They suggested two possible reasons for the variance. The first reason is that there might have been a problem with the questionnaire using five-point Likert scales without the inclusion of a non-response option. The second reason is that perhaps the questions in respect to the dimensions were not valid, especially the tangible elements. They argued that because of the threshold effect, tangibles are in effect taken for granted, and the guests' criteria of service shifts to the components the researchers perceived as forming the degree of 'conviviality' of the service. The factor of 'conviviality' thus represents a mixture of questions drawn from the dimensions of tangibles, reliability, responsiveness and assurance.

Knuston, Stevens, Wullaert, Patton and Yokoyama (1990) developed LODGSERV with a 26-item index designed to measure service quality specifically tailored to the lodging industry. The index confirmed the five SERVQUAL dimensions. Of the five dimensions, 'reliability' was found to be the most important for lodging services, followed by 'assurance', 'responsiveness', 'tangibles' and 'empathy'. They urged a need of developing a service quality index for other segments of the hospitality industry. Knuston, Stevens, Patton and Thompson (1992) applied a LODGSERV scale examining the differences in consumer's expectations based on price segment: economy, mid-price and luxury hotels. Across three price segments, they found that the five dimensions maintained their same ranking as in a previous study of LODGSERV development (Knuston, Stevens, Patton & Thompson, 1992). The findings also revealed that the higher the price category in which consumers stay, the higher

were customers' expectations of service quality. On the other hand, customers staying in economy properties have notably lower expectations for service quality than those who stay in mid-price and luxury properties. In order to test the generalisability of the model internationally, Patton, Stevens and Knuston (1994) translated the LODGSERV questionnaire into other languages (Japanese, Chinese, Australian and British-English) and tested it in five cultures (Japan, Taiwan, Hong Kong, Australia and United Kingdom). The instrument worked equally well, retaining a high level of validity in other cultures. Among the five service dimensions, 'responsiveness', which measures the dependability and consistency aspects of service quality emerged "smoothly" in every test. On the other hand, transferring 'tangibles' appeared the most difficult task, and required some reiterations in several tests. Patton, Stevens and Knuston (1994) speculated that, within this service quality dimension, 'beauty is in the eye of the beholder' and much further work needs to be done in understanding the impact of sensory stimuli on hotel guests.

Similarly, by supporting performance-only measures for lodging services, Getty and Thompson (1994) attempted to develop a scale, which they called LODGQUAL for the lodging industry. They identified three basic dimensions of service quality in the lodging industry: tangibles, reliability and contact, which was a composite of SERVQUAL's responsiveness, empathy and assurance. However, Oh and Parks (1997) questioned the generalisability of Getty and Thompson's (1994) factor structure for the future lodging research. They argued that customer's perceived performance is not a stable variable because it depends heavily on the company's performance *per se*. Rather, the factors that emerged

from the evaluation of perceived performance may only apply to the specific company or site, but are not factors generic to customer wants and desires.

The SERVQUAL model is also used for market-specific studies in the hotel business. Wuest, Tas and Emenheiser (1996) assess the importance of services provided by hotels/motels as perceived by mature travellers. Results indicated that the items were factored into five dimensions that were labeled the same descriptors as the original SERVQUAL model, but the exact items in each of these factors varied somewhat from the original study. Customer services related to assurance and reliability were considered highly important among mature travellers. Ingram and Daskalakis (1999) measured the service gap between hotel managers' and guests' expectations and perceptions of ISO 9000-accredited hotels in Crete, Greece. The study showed that there is a divergence between the perceptions of service quality of guests and managers. For example, the leisure guests view tangibles as the most important satisfaction attribute, whereas the managers in the study regarded tangibles as the least important quality dimension for guests. They argued that quality accreditation frameworks do not, of themselves, ensure consonance between service quality intentions and customer satisfaction.

Application of SERVQUAL Model in Restaurant Services

The application of SERVQUAL in restaurant services has been demonstrated by Bojanic and Rosen (1994), Stevens, Knuston and Patton (1995) and Lee and Hing (1995). Bojanic and Rosen (1994) identified six factors, compared to the SERVQUAL five factors, underlying restaurant customers' expectations and

perceived performance levels. They are the dimension of 'tangibles,' 'reliability,' 'responsiveness,' 'assurance,' 'knowing the customer' and 'access.' Of the six dimensions, 'knowing the customer,' 'reliability' and 'assurance' are the most significant variables in assessing quality. With reference to the service gap between expectations and perceptions, the largest gap were in 'reliability' and 'responsiveness,' whereas the smallest gaps was for 'knowing the customer' due to the modest expectations in this area. They draw a conclusion that customers of the restaurant feel it is important to experience some degree of personalised attention even though their expectations were rather low in this area.

Adapting the instrument SERVQUAL to the restaurant services and using the lesson learned from developing LODGSERV, Stevens, Knuston and Patton (1995) developed a modified instrument, namely DINESERV with 29 restaurant specific items in five SERVQUAL dimensions. The instrument was used to measure customer expectations based on three restaurant segments: quick service, casual/theme and fine-dining restaurants. Like LODGSERV, DINESERV also demonstrated a high degree of reliability. Of the five dimensions, 'reliability' ranks first with all restaurant customers, followed by 'tangibles' in which cleanliness is absolutely essential and the third, fourth and fifth ranked dimensions are 'assurance,' 'responsiveness' and 'empathy' respectively. In their findings, restaurant consumers are more homogeneous in their expectations for reliable quality service and there are no significant differences in consumers' service quality expectations across dimensions in three different categories of restaurants.

Lee and Hing (1995) applied the SERVQUAL instrument measuring and comparing service quality of two fine-dining restaurants: Chinese vs. French.

Patrons from both restaurants were found to have high expectations related to 'assurance' and 'reliability,' respectively and have a low expectation related to 'tangibles.' The results implied that restaurant patrons may share common expectations of different aspects of service quality in fine-dining restaurant, regardless of their ethnic type. It also demonstrated the use of SERVQUAL to identify the strength and weakness of individual restaurants' service dimensions so that management can improve the service accordingly.

John and Tyas (1996) amended the SERVQUAL scale by including food-related items and replacing the original SERVQUAL questions by 'food' items to assess the service quality of a contract catering service in relation to its competitors. Catering services did not conform to the SERVQUAL five-factor structure, but items concerned with food, with service staff and with efficiency seemed to group into distinct factors. In addition, both SERVQUAL and DINESERV models, have been applied to the food service industry in Taiwan. Chen and Huang (1996) studied customers' food preferences by modifying the SERVQUAL scale specifically related to food preferences. This approach resulted in the scale with 10 items in five SERVQUAL dimensions. They found that the modified SERVQUAL scale is valid and reliable measuring the perception gaps in food quality between customers and service staff. In the context of a multi-national hotel restaurant, Huang (1997) identified 14 out of 28 original items in four dimensions that well explained the concept of service quality: 'empathy', 'reliability', 'tangibles' and 'assurance.' She commented that perhaps the cultural difference creates the variance with similar studies in other cultures. In addition, there was a significant difference in service quality between quick service restaurants and fine-dining restaurants.

THE CONCEPT OF IMPORTANCE AND ITS ROLE IN BEHAVIOURAL MODEL

In hospitality research, the concept of importance has received considerable attention recently. According to Barsky (1992), the role of importance in the model of customer satisfaction is supported by rational choice theory. A fundamental assumption in using this concept in behavioural research is that individuals have a set of interests against which they evaluate alternative courses of action (or current experience). An individual's action of differentiating the relative importance of each product or service attributes is based on his or her background beliefs and goals when they make a purchase decision. According Fishbein and Ajzen (1975), attributes that are important are typically evaluated more positively or negatively than attributes that are unimportant. Importance, therefore, related to the process of evaluating consumption experience. For example, the safety of an airline is considered more important than the quality of food it serves, no matter how delicious it may be (Barsky, 1992).

Oh and Parks (1998) concluded that the concept of importance plays a critical role in understanding consumer behaviour. They summarised two approaches to handling attribute importance in consumer research literature. Attribute importance was used either as a substitute variable for consumer expectations (Martilla & James, 1977) or as a weighted parameter for a variable being studied in the same decision context (Carman, 1990; Cronin & Taylor, 1992; Teas, 1993). While some researchers (e.g. Carman, 1990 and Barsky, 1992) have proposed the

importance-weighting approach to understanding customer satisfaction, several studies examining the alternative service quality measures confirmed that the weighting approach either does not explain or predict service quality better than unweighted performance evaluation (Cronin & Taylor, 1992; Teas, 1993; Oh & Parks, 1998; Robledo, 2001).

There are two approaches to obtaining attribute importance: 1) absolute direct measurement and 2) indirect measure by regression models. Barsky (1992) and Parasuraman, Zeithaml and Berry's (1991) revised SERVQUAL model directly measured the importance of attributes either on Likert scale ranging from 'extremely important' to 'not at all important' or weight point allocation in their study of customer satisfaction. However, Oh and Parks (1997) questioned the direct questioning of subjects by only considering the *absolute* or with-in brand importance of each attribute. They argued that the dynamic of importance may not be so simple, rather the trade-off comparison between-attribute and between-brands should be considered. Using the other approach, following Parasuraman, Zeithaml and Berry's (1988) SERVQUAL model, some researchers have used regression analysis to assess the relative importance of quality dimensions (e.g. Bojanic and Rosen, 1994 and Wong, Dean & White, 1999).

Although many researchers support the inclusion of attribute importance in measuring the customer satisfaction process, this is not to say that the model is entirely beyond criticism. Methodological questions regarding to the source of importance should be clarified. Ryan (1995) pointed out that the issue of what is important to whom and what time the research is undertaken implies that the results derived from an importance scale may not necessarily be consistent. One

possible reason contributing to a lack of consistency is related to measurement technique. Ryan (1995) has argued that there is a need to distinguish between different levels of importance, namely *salience*, *importance* and *determinance*. According to Myers and Alpert (1977), salience has to do with the order of elicitation of product/service features that are considered 'important' by consumers, while rating scales tap *importance* and correlation between attribute rating and overall evaluation identify *determinance*. As some researchers contend that using *stated* importance may inaccurately reflect the attributes' real contributions to overall attitude towards the product or service (Myers & Alpert, 1977; Oh & Parks, 1997), conjoint analysis concerning the relative importance of various attributes perhaps is an alternative measurement. Ryan (1995) suggested that conjoint analysis might be considered as an appropriate technique by a researcher wishing to consider the issue of *salience*, *importance* and *determinance*. This technique is widely used in product design and development, but its legitimacy in the service setting has not been clearly established. Kohli (1988) indicated that the conjoint analysis is useful to attribute significance at a segment level in product design setting. However, it has a limit capability to capture preference heterogeneity *within* a segment. Therefore, the application of conjoint analysis in quality evaluation of hospitality services should be further assessed.

An attempt to use conjoint analysis to measure service quality raised an important question, as Ryan (1995) questions whether the methods of conjoint measure and multi-attribute measures of attitude actually measure the same thing or do they measure different things. Different methodologies of measuring attitudes resulting in different meanings can be evidenced by Jaccard, Brinberg and Ackerman (1986) and Lego and Shaw (1992). In a comparative study of six measures of attitude,

namely elicitation, information search measures, importance ratings, conjoint measurement, subjective probability measures and Thurstone scales, Jaccard *et al.* (1986) found a lack of convergence among six measures and they raised questions about consumer research that relies on a single measure for inferring attribute importance. Lego and Shaw (1992) studied Australian travel agents and their attitude to CRS (computer reservation systems) by using four methods (elicitation, selective ranking, direct rating and conjoint measurement). They found that at the individual level, the self-explicated model did not support the conjoint profiles, whereas at the aggregate level, the correlation between the self-explicated scores and the actual conjoint profile scores was quite high.

CHAPTER 5

THE IMPACT OF CHINESE CULTURAL VALUES ON AN EVALUATION OF HOSPITALITY EXPERIENCE

Chapter Two of this thesis noted, among other items, the increasing importance of the cultural variable in understanding customer behaviour in the context of an international hospitality industry. It can be argued that the cultural element may be a potential factor contributing to the methodological debate of the SERVQUAL model. Some cross-cultural studies have recognised the relationship between cultural and consumer behaviour. However, no study had empirically investigated the full set interrelationships among cultural values, service expectations and service delivery. This thesis is therefore an attempt to fill this gap in the literature. More specifically, in this chapter, the influence of cultural values on consumer behaviour is discussed. This involves a definition of culture and its major components. Chinese cultural values, especially with regard to consumer attitude and decision making are also explored, followed by a discussion of possible marketing implications of these cultural values.

CULTURAL VALUES: DEFINITION

There are many definitions of culture. Linton (1945) termed culture as the configuration of learned behaviour and results of behaviour whose component elements are shared and transmitted by the members of a particular society (p.32).

Hofstede (1980) defined culture as

the collective programming of the mind which distinguishes the members of one human group from another ... the interactive aggregate of common characteristics that influence a human group's response to the environment (p.25).

According to Master and Prideaux (2000), culture has two perspectives. First, culture represents an ideological perspective including beliefs, norms, values and customs that underline and govern conduct in a society. Second, culture also represents material elements including aspects such as where to travel, what to eat, what to buy and how to behave while traveling. In summary, a culture is a social mechanism that shapes and guides people's thoughts, values and beliefs and shapes their behaviour (Pizam, Pine, Mok & Shin, 1997). Culture also influences tourism behaviour and actions that are acceptable in one culture may be inappropriate in another culture (Pizam & Sussmann, 1995). Pizam (1993, p. 206) argued that cultures exist at various levels of society. At the 'supranational' level- Western and Eastern civilization; at the 'national' level- American, French, Japanese; at the 'ethnic' level- Chinese and Malay in Malaysia, Hispanics in the USA, etc. It can also be applied to other social units such as 'occupational groups' - lawyers, accountants, physicians; at the 'corporate' level - IBM, Shell, Disney and even 'industries' - mining, electronics, restaurants and hotels. However, this chapter particularly looks at the cultural issues from 'national' and 'ethnic' perspectives. National culture can be used to explain variations in the customer behaviour of different nationalities in the international hospitality setting (Pizam & Sussmann, 1995; Reisinger & Turner, 1999; Mater & Prideaux, 2000; Kim, Prideaux & Kim, 2002).

DIMENSIONS OF CULTURAL VALUES

When studying the dimensions of cultural values, it is important to recognise the work of Hofstede (1980). He examined the work-value of 116,000 sales and service employees within in a large multinational company in 53 countries. By the means of factor analysis of the respondents' scores, Hofstede identified the following four basic dimensions of national cultures that underline organisational behaviour:

- 1) Power distance
- 2) Individualism/collectivism
- 3) Masculinity/femininity
- 4) Uncertainty avoidance.

Power distance refers to the extent to which societies accept an unequal distribution of power in organisations and in a society and consider it as normal. People from a high power distance culture accept discrimination by age, gender, family background, education level, social status, etc. Individualism/collectivism relate to concepts of the self and others as well as to the model of interaction between people. In individualistic cultures, an individual is expected to be responsible for himself or herself and their immediate family members, whereas collectivism concerns the best interests of groups such as extended families or organisations. Masculinity is the degree to which assertiveness, earning money, showing off possessions and caring little for others dominants in a society and is exhibited within a culture. The Feminine societies, on the other hand, emphasise people and social welfare rather than material well-being. Uncertainty avoidance measures the extent to which people in a society tend to feel threatened by uncertain, ambiguous, risky or undefined situations. In a high uncertainty

avoidance culture, people try to minimise unexpected occurrence by establishing laws and rules to reduce ambiguity. People in a weak uncertainty avoidance culture tend to accept each day as it comes. Rules are fewer and can be easily broken or changed. In order to focus the discussion on the thesis subject matter, only Hofstede's findings relevant to Chinese culture are discussed here. Hong Kong, Singapore and Taiwan, which are predominately populated by ethnic Chinese, were included in Hofstede's survey sample in 1980. Along with other Asian countries, these three countries were classified as high Power Distance, low Individualism, medium Masculinity and medium Uncertainty Avoidance. These findings imply that these people tolerated an unequal distribution of power; they were highly integrated into groups; they valued money and material possession and they tended to avoid uncertainty and seek defined situations.

Stauss and Mang (1999) linked Hofstede's cultural dimension with reference to the service situation. Customers who are in a high power distance society and who see themselves in a superior position will judge a service employee's behaviour as an affront when they perceive an attitude of superiority from service staff.

Customers who valued individualism more are more demanding of services to meet their needs. Customers from masculine societies, with clearly defined gender role expectations, might be irritated by a different realisation of roles for men and women. In addition, customers from high uncertainty avoidance culture might be irritated or even stressed because of a breakdown of the orientation patterns to which they are accustomed.

Hall (1984) differentiated the cultural dimensions into 'high context' and 'low context' communications. High context cultures, such as most Asian cultures,

prefer implicit message that are contained in the physical environment and a more nonverbal mode of communication, whereas low context culture (most western cultures) is characterised by explicit, direct and unambiguous messages. Mattila (1999) suggested that low-context versus high-context communication dichotomy might effect consumers' evaluation processes in terms of complex services. She applied Hall's (1984) high-context and low-context communication dichotomy in the context of a luxury hotel setting and found that Western business travellers with a low-context culture attempt to simplify the service evaluation process by turning to the hotel's physical environment for directly observable cues of service quality. Thus, they will place a higher importance on the physical environment (servicescape) than will their Asian counterparts (i.e. Asian Chinese and Asian Indian). For example, Western business travellers are more appreciative of staying in a hotel with pleasant, functional guest rooms and quiet lobbies, while Asian business travellers might expect more personalised service.

A specific reference to services can be found in Riddle's (1986) anthropologically oriented discussion of cultural values. Riddle (1986) differentiated cultures according to their orientations toward achievement, time, activities and relationships. According to Stauss and Mang (1999), the extent of achievement orientation measures the degree to which customers expect service providers to be responsible for assuring a certain quality. A different time orientation refers to different expectations for speed of service delivery, punctuality or the evaluation of waiting times. For example, customers from a 'laid-back' time orientation culture may have a problem adapting to strict punctuality and fast service. Furthermore, if foreign customers are less attached to the importance of an activity and more concerned with social relationships and aesthetic surroundings,

it can be a challenge for cultures oriented toward strict activity orientation to meet the expectations of the hosts.

CROSS-CULTURAL STUDIES IN THE HOSPITALITY

EXPERIENCE

Youngdahl and Kellogg (1997) proposed four satisfaction-seeking behaviours which include 1) preparation for service encounters, 2) relationship building with service providers, 3) information exchange during the encounter and 4) intervention in service delivery. In their latter research, the application of the four satisfaction-seeking behaviours across cultural settings was examined (Youngdahl, Kellogg, Nie & Bowen, 2003). They suggested that customers' cultural orientations might influence their service quality expectation without influencing the proposed satisfaction-seeking behaviours. In other words, regardless of culture, customers choose to build relationships with service providers and prepare for service encounters. They also expend significant effort exchanging information to achieve desired service outcomes. Finally, they intervene by complaining and assuming control of parts of the service delivery processes. The implication is that the influence of culture orientation only occurs at the expectation and perception level, but the process of customer participation in a service encounter appears to be consistent across cultures. A similar study was also conducted by Brady and Robertson (2001). They employed a cross-cultural perspective to explore the relationship between service quality and customer satisfaction in the development of customers' behavioural intentions. The results indicate that the impact of

service quality on behavioural intentions is mediated by a consumer's level of satisfaction and this relationship is also consistent across cultures.

Empirical studies in the hospitality industry have shown cross-cultural differences in consumer attitudes and behaviour. Specifically, the literature has referred to mainly two approaches for studying cross-cultural differences. The first is comparing international customers *per se*, such as examining expectations and perceptions of customers from different countries or cultural backgrounds (Winsted, 1997; Mok & Armstrong, 1998; Mattila, 1999). The second approach is to study the inter-cultural service encounters, which refer to the service provider and the customer involved belonging to different cultures; for example, Japanese tourists consume food and beverage services in food and drinking establishments in Australia (Reisinger & Waryszak, 1996).

Cross-Cultural Studies on International Tourists

Drawing on the argument of validity problems measuring customer expectation, Armstrong, Mok, Go & Chan (1997) contended that expectation measurement may not be necessary in the uni-cultural context, but rather any cross-cultural context should be taken into account. Their argument is well supported by Luk, de Leon, Leong and Li (1993) in a study which examined the influence of cultural values on expectations. They found that tourists from the Asia Pacific region have significantly higher expectations of service quality compared to tourists from Europe and America. The findings of Armstrong, Mok, Go and Chan's (1997) study of cross-cultural expectations in the measurement of hotel service quality also confirmed that customers' expectation of service differ from culture to

culture, and Asian groups were significantly different from both the English and European cultures. Mok and Armstrong (1998) examined the impact of expectations on service quality in the Hong Kong hotel industry among five cultural groups (UK, USA, Australia, Japan and Taiwan) by using the SERVQUAL instrument. The findings of this study indicate that tourists from these five countries have different expectations in two ('tangibles' and 'empathy') of the five service quality dimensions. For example, Japanese and Taiwanese tourists have a significantly lower expectation for the 'empathy' dimensions than their western counterparts. They suggested that further investigation is needed to obtain more understanding of why these two groups of Asian tourists do not rate 'empathy' as important as the western tourists.

In terms of business travellers and their use of luxury hotels, Mattila (1999) found that Asian business travellers whose cultural background reflects high power distance and high sensitivity to status, might expect the availability of personalised services. Similar findings are also presented in Winsted's (1997) study of the restaurant service experience in Japanese and U.S. cultures. Themes of friendliness, being personal, authenticity and promptness that emerged from the U.S. culture can be explained by the country's emphasis on individualism and its focus on individuals more than roles in personal interaction. By contrast, the dimension of caring for the customer through indicators like attentiveness, caring and kind is predominant in the Japanese culture. According to Winsted (1997), this can be expected due to the heavy emphasis placed on group empathy in the Japanese culture. In addition, formality-related behaviour (e.g. dress nicely, use of proper language) form a distinct dimension in Japan, while they do not appear in

the U.S. context. This result is expected due to a consciousness of high status in Japan and a focus on harmony in the Japanese culture.

Cross-Cultural Studies on Tourist-Host Interaction

This section concerns the social contact between tourists and hosts from different cultural backgrounds. As noted by Pearce and Moscardo (1984), the cultural value systems of a tourist and host is a determinant of tourist satisfaction. If the value system of the tourist fits into the value system of the host, satisfaction is high. A review of past studies indicates that there is high probability for misunderstanding in inter-cultural service encounters because it is possible that participants will distort the meaning of each other's behaviour (Reisinger & Turner, 1998; Stauss & Mang, 1999). This contention is strongly supported by other studies.

For example, Reisinger and Waryszak (1996) investigated how Japanese tourists evaluate the service quality of food and drinking establishments in Australia. The results showed that significant differences between Japanese tourist expectations and perceptions existed in two out of eight areas of service: the service providers' ability to anticipate in customers' needs, particularly the quality and quantity of food served in the restaurants and an ability to speak the Japanese language. They also recognised that the tourists' cultural background could influence their expectations and perceptions of service and consequently ratings of service. In a later study, Reisinger and Turner (1999) identified three cultural factors that generated differences between Japanese and Australians in a tourism context, these being 'courtesy and responsiveness,' 'competence' and 'interaction.' These dimensions refer to culturally bounded perceptions of service (i.e. prompt service,

respect, trustworthiness, politeness), cultural values toward intellectualism and interpersonal relations with hosts (i.e. consensus, gift giving).

The cultural differences between Western and Eastern societies were also confirmed by Reisinger and Turner's (1998) study of Australian hosts and Mandarin-speaking tourists in Australia. They identified six dimensions of cultural differences by the use of factor analysis: 1) self-actualisation, 2) responsiveness and courtesy, 3) interaction, 4) understanding the tourist, 5) display of feelings and 6) social obligation. The first dimension, "self-actualisation", consists of variables that describe the cues associated with "accomplishment" and "self-fulfilment". The second dimension, "responsiveness and courtesy", reflects the hosts' capacity to respond to tourists' needs. The third dimension, "interaction", describes the preference for forms of social interaction. The fourth dimension, "understanding the tourist", is related to the hosts' ability to provide personalised service and speak Asian languages. The fifth dimension, "display of feelings", pertains to disclosing personal feelings in public. The last dimension, "social obligation", concerns reciprocity behaviour. The six identified dimensions of the cultural differences between Australian hosts and Mandarin-speaking tourists shed the lights on understanding Chinese cultural values and their consumption behaviours. By recognising the existence of cultural differences, they suggested a series of cultural-oriented marketing strategies for better catering to the Mandarin-speaking societies which have been greatly influenced by Confucian thought.

Strauss and Mang (1999) used critical incident technique (CIT) to study 'cultural shocks' in inter-cultural service encounters among Japanese, American and German passengers of a German airline. The assumption of direct relationships

between the cultural distance of the parties involved in the service encounter and the problems perceived in the service encounter is not confirmed in this study. This is not to say that inter-cultural encounters are perceived as less problematic than intra-cultural encounters, rather customers tended to seek for an explanation of service failure before reaching the final judgment. This is what Strauss and Mang termed 'attribution of inter-cultural service failures' that meant customers themselves may identify cultural difference as an underlying reason for unsatisfactory services, thus this leads them to adjust their initial expectations and widen the zone of tolerance. A study of Taiwanese tourists in South East Queensland, Australia by Master and Prideaux (2000) supported Strauss and Mang's argument, showing that while Taiwanese culture is important to the Taiwanese visitors in a holiday situation, they are tolerant of cross-cultural differences and therefore do not evaluate their vacation based on the difficulties these differences might cause.

CHINESE CULTURAL VALUES

This thesis attempts to understand customer satisfaction under the condition of Chinese values and some other determinants (e.g. patronage frequency, star rating and brand name). To achieve this objective, traditional Chinese cultural values are first reviewed in this section. Although the traditional Chinese value system in modern Chinese society has undergone rapid change due to the influence of western values and social and economic development, some cultural studies revealed that some traditional Chinese values are still held by contemporary young Chinese (Mok & DeFranco, 1999; Gilbert & Tsao, 2000). As values have been shown to influence the formation of attitudes, perceptions and expectations,

it is important to acknowledge Chinese cultural values before studying contemporary Chinese consumer behaviours.

More specifically, this paper will be more concerned with the Confucian aspiration in Taiwanese consumer behaviour rather than mainland Chinese consumers. This is because during the Cultural Revolution in the People's Republic of China (PRC), the orthodox doctrine of Confucianism, which is the foundation of the Chinese value system, had been severely criticised and forbidden. Thus the classical Chinese value system was disrupted at some point of time and subsequently efforts have been made to re-build it. On the other hand, the Confucian legacy has continued to influence education in Taiwan. Since children are taught to live up to the Confucian standards, their latter behaviours are believed to reflect more Confucian values than those of the People's Republic of China. Consequently, a study of Taiwanese consumer behaviour in relation to Confucianism is regarded as a more appropriate approach that can be further applied to other Confucian regions including People's Republic of China, Hong Kong, Macau, Japan, Korea and some countries in Southeast Asia (e.g. Singapore).

CONFUCIUS AND CONFUCIANISM

While there are differences in terms of political, social and economic development between mainland China and other Chinese societies, such as Taiwan, Hong Kong or others overseas, it is still possible to identify certain core cultural values that are commonly shared by Chinese people, no matter where they live (Fan, 2000). The Chinese people are deeply influenced by the thought of Confucius in their daily life. As a result, any discussion of Chinese behaviour must begin with the

influential thought of Confucianism attributed to Confucius (551-479 BC).

Confucianism is viewed as a philosophy rather than a religion, is the foundation of the Chinese cultural orientations and still provides the basis for the norms of interpersonal relationships (Yau, 1988). The teachings of Confucius are about ethical philosophy, political and educational principles concerned with being a perfect human character. It is not about the worship of God or gods and nor is it a religious philosophy.

Keys Concepts in Confucianism

The basic teaching of Confucius regulating social behaviour has three principal ideas: *ren* (仁; social virtue), *li* (禮; propriety) and *hsiao* (孝, filial piety). *Ren* (仁; social virtue) concept helps maintain social harmony and peace through benevolence, sincerity, respectfulness and kindness to others. This concept is best signified by the golden rule of Confucianism: “Do unto others as you would have them do unto you” (Encyclopaedia: Confucian, 2003). In summary, Confucius said, “*ren* is to love men” by developing human-heartedness and extending the developed human-heartedness to others (Koller, 1984). *Li* (禮; propriety) refers to the rules of propriety, which are the concrete guidelines of performing *ren* (humanity). It governs customs, ceremonies, rituals and human relationships. These rituals may be as simple as greetings between two people when they meet, or good table manners, or as complicated as mourning. *Hsiao* (孝, filial piety), in a narrow perspective, can be defined as family virtue. It means a man should respect and obey his parents, then brothers and sisters, then relatives and finally outside the family and thus become a social virtue. According to Confucius,

proper familial relationships are crucial for good government and for harmonious society. He proposed that by developing respect and love for parents, brothers and sisters, an individual learns respect for others. The good of the individual with social respect, therefore, links to forming the good of the community and further extends to the nation (Emery, 1999).

Hsiao (孝, filial piety) concept in family virtue was extended to a series of five basic human relationships, called Wu Lun (五倫). This hierarchy relationship clearly defined lines of power and responsibilities (Gabrenya & Hwang, 1996).

- 1) ruler and subject (emperor and minister)
- 2) father and son
- 3) husband and wife
- 4) elder and younger brothers
- 5) friend and friend (between friends)

The basic relationships a person had in society determine or define moral behaviour. For each relation, certain behaviour obligations must be conducted to ensure a harmonious society and social morality. Confucius believed that all the relationships were between a superior and an inferior position. The superior person is supposed to set a good example for the inferior person, and in return the inferior person should respect and obey the superior person. For example, in the ruler and subject relationship, loyalty and duty should be established; a son should obey his father; a wife should respect her husband, so too, a younger brother should obey his elder brother and finally trust should be built between friends (Fan, 2000). When these human relations are applied to contemporary social

interactions, Chinese people are accordingly more situation-oriented and concerned with appropriate behaviours.

In addition, there is the principle of the *mean* (中庸) which refers to avoiding extremes and seeking moderation for all things including human behaviour. It is the philosophy of Confucianism for dealing with nature and human relations.

Confucius declared the *mean* as:

The gentleman does what is proper to the situation in which he is; he does not desire to go beyond this. In a position of wealth and honour, he does what is proper to a position of wealth and honour. In a poor and low position, he does what is proper to poor and low position...In a low situation, he does not court the favour of his superiors. He rectifies himself, and seeks for nothing from others so that he has no dissatisfactions. He does not murmur against Heaven, nor grumble against men ("The Doctrine of the Mean, XV," Legge, 1960, p. 395).

Thus, behaving in accordance with the *mean* leads to a high degree of moral self-control or self-regulation in the public. According to Confucius, when things and people function in accordance with the *mean* they stand in a relationship of mutual reciprocity or cooperation. When the principle of the *mean* is followed, things and people flourish nourishing one another without conflict or injury (Emery, 1999).

The Confucian Tradition in Contemporary Taiwan

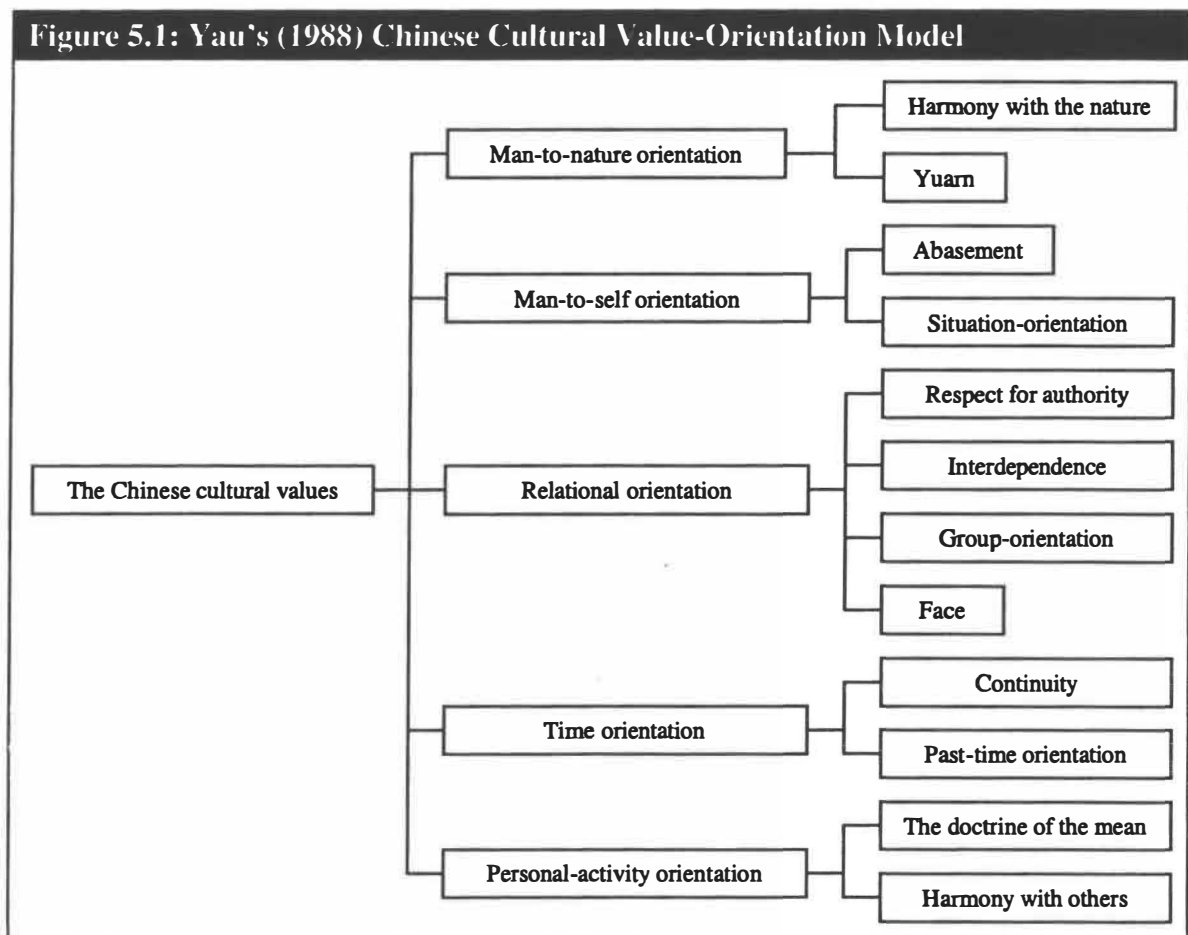
The Confucian tradition has consistently played a central role in Taiwanese educational development. This is because the Taiwanese government regards itself as the legitimate heir of traditional Chinese culture. Evidence of embracing the Confucian tradition is illustrated by the government's efforts to strengthen cultural education. For example, Chinese language textbooks teach concepts of loyalty and filial piety, emphasised in the learning of Confucius. Elementary and secondary school courses on civic and moral education adhere to Confucian thought and practice ("The story of Taiwan", Government Information Office, 2003). In addition, Confucian ideals advocate learning through diligence, progression, perseverance and discipline. In the Confucian value system, nobility is found in learning, with all else considered secondary in importance. Scholarly attainment brought reputation to oneself and honour to one's parents. Although these ideals have encouraged parents to pay close attention to their children's education and motivated students to learn, they have also resulted in excessive competition and pressure to pursue higher education ("Taiwan's educational development", Government Information Office, 2003).

Although some people questioned whether Confucian traditions conflict with the development of economic industrialisation and political democratization, Confucian thoughts of obedience, hard work and respect for education and elders are still preserved in Taiwan today. The influence of Confucian values has shaped the thinking and behaviour of the Taiwanese people in both business and consumption arena. Ho and Yu (2000) in their study of Asian values in the development of Taiwanese democratisation, human rights and economy in the 20th

century contended that the Confucian value system of responsibilities, hard work, obedience and tolerance, in a major part, accounted for the stability that promoted economic and political development.

Classification of Chinese Cultural Values

Yau (1988) adopted the value-orientation model of Kluckhohn and Strodtbeck (1961) to explain each of the cultural values and investigated the possible marketing implications for each orientation. He classified the Chinese cultural values into five orientations (man-nature orientation, man-himself orientation, relational orientation, time orientation and personal activity orientation), as illustrated in Figure 5.1.



In the recent years, Mok and DeFranco (1999) and Fan (2000) also discussed dominant Chinese cultural values and their implications for tourism and hospitality marketing. Figure 5.2 illustrates the conceptual framework of dominant Chinese cultural values by Mok and DeFranco (1999).

Figure 5.2: Mok and DeFranco's (1999) Conceptual Framework of Dominant Chinese Cultural Values



Based on the original list by the Chinese Cultural Connection (1987), Fan (2000) created a total of 71 values in the new list. These core values are grouped into eight categories: 1) national traits, 2) interpersonal relations, 3) family (social) orientation, 4) work attitude, 5) business philosophy, 6) personal traits, 7) time orientation and 8) relationship with nature. Fan (2000) specially noted that a large number of values related to interpersonal relations and social orientation were rooted in Confucian traditions. Both Yau (1988) and Mok and DeFranco (1999) presented hypotheses of relationships between Chinese cultural values and determinants of consumer behaviour to suggest further research of an empirical nature to gain more insight into the buying behaviour of Chinese consumers. In the following discussion, the Chinese cultural orientations that directly related to waiting staff-guest interactions are specifically reported.

Respect for Authority

Consistent with Hofstede's (1980) high power distance, Yau (1988) argued that the Chinese have a strong respect for authority. This can be traced back to Confucius's five basic human relationships between ruler and subject, father and son, husband and wife, elder and younger brothers and friend and friend (Goodwin & Tang, 1996; Mok & DeFranco, 1999). These role relations are complemented by a host of other role relations all of which are marked by differential status. This relationship hierarchy is extended to describe the business relationship between superior and subordinate, client and worker, guest and service staff. In terms of communication style, it is not surprising to see that the Chinese today still prefer to address others in more hierarchical terms than Westerners. For example, Chinese people normally address social title with the family name in order to show respect for authority, such as Chairman Lee or Manager Hsu.

Apart from the power distance between social roles, the notion of relationship hierarchy also refers to the distinction between in-group members and the out-group. Yang (1992) divides Chinese relationship into three groups: *jiajen* (family members), *shoujen* (familiar persons such as relatives outside the family, friends, neighbours, classmates, and colleagues) and *shengjen* (strangers). The level of social interactions will be different in each group. Thus, in *jiajen* (within family) relationship, behaviour is strictly distinguished by role and obligation, while in *shoujen* relationship, there is a more moderate reciprocity and a more conditional sense of independence. In the *shengjen* (mere acquaintances or strangers) relationship, there is a high degree of reciprocity and no interdependence between

people (Goodwin & Tang, 1996). Once the type of the relationships is determined by the participants, they behave accordingly when they are in a position within a family, with friends or with strangers.

High Power Distance between Guest and Service Employee

Respect for authority has important implications for service management. Prior research has shown that Chinese culture is characterised by high power distance and status differences. This high power distance is reflected in the relationship between customers/guests and service employees. As noticed by Mattila (1999), for some service activities (e.g. hotels, restaurant, retail), service employees have a low status. Thus, the lower status of service employees requires them to provide customers with a high level of service. In other word, the relationship between guest and service employee in the Chinese service context is possibly more operationalised at the level of the master-servant relationship. Therefore, advertising that emphasises the availability of personalised services such as butlers might be more efficient in attracting Chinese travellers. In terms of the extent of service provision, service employees should be responsive to socio-psychological needs of the Chinese customers such as the need to be understood, to get attention, to be offered personalised service tailored to the specific needs of showing respect for a customers' social position (Reisinger & Turner, 1998). Also, because of high status consciousness, service providers should maintain formality-related services by wearing identifying uniforms and badges indicating their positions and status and using proper language. It is also advisable that hotel and restaurant management should be personally present to welcome the guest and bid farewell to leaving guests.

Opinion Leaders

Respect for authority also has a particular implication for understanding customer's decision-making process. Yau (1988) pointed out that Chinese are much more likely to be influenced in their purchasing by opinion leaders. In Chinese society, a person's importance depends on gender, age, social position and occupation. Thus, these opinion leaders for Chinese consumers include older people, family elders and people in superior position (e.g. work superior, business client). Yates and Lee (1996) identified that the significance it places on the family in collaborative decision-making is one of the most distinctive features of Chinese culture. Thus, advertising marketed to Chinese customers should directly appeal to those who are decision-makers in the family rather than the prospective customers (Reisinger & Turner, 1998).

Gift-Giving

According to Mok and DeFranco (1999), the respect for authority can be witnessed by the giving of gifts, which tradition is an essential aspect of creating and nourishing relationships with people. Gift giving is usually functioned as expressions of apology, appreciation, gratitude and remembrance. They are tangible ways of saying "thank you" (Reisinger & Turner, 1998). Within the inter-cultural service encounter, Reisinger and Turner (1998) suggested that Australian service providers should introduce small welcome and farewell gifts, typical of Australia, as a means of showing to the Mandarin-speaking tourists an appreciation for coming to Australia. Master and Prideaux (2000) in their research of vacation satisfaction of Taiwanese tourists in South East Queensland included

the gift-giving attribute, “availability of souvenirs to take from accommodation” into the questionnaire. Apart from the Chinese customer’s expectation of receiving gifts, Mok and Lam (1997) recognised a tendency of Taiwanese tourists’ excessive shopping behaviour. They shop not only for themselves, but also shop for gifts for their relatives and friends, particularly the elderly. This is a way to show respect to them.

Face and Favour

In order to gain a comprehensive understanding of Chinese social interaction, the dynamic relationships among the concept of face (面子, *miantsu*), doing favours (人情, *reqing*) and personal relationship (關係, *guanxi*) must be developed (Gabrenya & Hwang, 1996). In a study of influence of Chinese culture on hospitality marketing relationships, Gilbert and Tsao (2000) also supported the importance of ‘face’ and giving favour in building relationships with hotel customers. They proposed that if service employees can build ‘face’ in service encounters, it would be highly valued and appreciated. At the same time, the hotel managers would be able to tap into the customer’s *guanxi* and social resources if they consistently provide opportunity for their customers to gain ‘face,’ e.g. the customers may repay them by introducing them to other potential accounts.

The ‘face’ “stands for the kind of prestige that is emphasised a reputation achieved through getting on in life, through success and ostentation” (Hu, 1944, p.45). According to Chen (1995), ‘face’ is regarded as a form of social currency, that can be protected, added, given or exchanged in social interactions. The

influence of *li* (禮; propriety) of Confucian philosophy makes its presence felt in the need to maintain one's face. Maintaining one's face means being polite, courteous, considerate, understanding, well-mannered, moral and humble. On the other hand, failure to protect one's face implies rudeness, losing social status, reputation and bringing humiliation on the family (Reisinger & Turner, 1998).

In a Chinese society where the relationship hierarchy is emphasised, a person should properly behave in maintaining one's (the person whom he or she is interacting with) place in a hierarchical order (Yang, 1981). The amount of 'face' a person obtained is a function of his or her social status and social achievement such as wealth, talents and professionalism. It also varies according to the situation and the role he or she plays in that situation. For example, a manager may obtain more 'face' before his subordinate, but not in a group of high authority (Yau, 1988). Therefore, Chinese are more situation-oriented and concerned with appropriate behaviour in different situations. In the Chinese service context, service providers should be aware of the order in which guests should be served in different types of dining occasion.

Chinese tend to be very sensitive to their hierarchical position in social structures and will behave in ways designed to display, enhance and protect both the image and the reality of this position (Gabrenya & Hwang, 1996). This behaviour can be evidenced by the possession of material and wealth to show face and reinforce one's social identity (Tse, 1996; Mok & DeFranco, 1999). The symbolic values of using brand products, such as Mercedes Benz, Gucci handbags and Nike shoes are at least as important to the Chinese as their functional value. Mok and DeFranco

(1999) suggested that dining in five-star international hotels has been regarded as a high-class and fashionable activity in contemporary Chinese society as illustrated by the way Hong Kong people view an afternoon tea at the lobby café of the Peninsula Hotel as a status and image boosting activity rather than a leisure activity. This argument is consistent with the study of leisure travel motivations of Hong Kong residents by Ap and Mok (1996) showing that prestige is an important reason for travelling abroad. In terms of service delivery in the Chinese context, 'face' can be enhanced by obtaining favourable comments from the interacting group or community, through provision of personalised services, superior service performance or enhancement of status (Yau, 1988; Mok & DeFranco, 1999).

Similar to 'face,' the concept of 'doing favour' (人情, *reqing*) is also a form of social capital that can create influences during interpersonal exchanges (Gilbert & Tsao, 2000). It plays an important role in developing and facilitating relationships. Yau (1988) stated that the principle of 'doing favour' signifies one's honour to another, which are often considered as 'social investments' for which reciprocal return are expected. Gabrenya and Hwang (1996) pointed out that giving one's *reqing* is that in Chinese society, one's acquaintances are expected to give a gift or favour to facilitate the thing or provide some substantial assistance when he or she is in difficult situation. Henceforth, the recipient will owe *reqing* to the giver and he or she are expected to return it when the opportunity arises. 'Doing favour' has several implications for customer relationship building. Gilbert and Tsao (2000) commented that while dealing with Chinese customers, managers have to adopt a certain business flexibility to meet different customers' expectations. Bending rules to satisfy a customer's request is one way of "doing a favour" for a

customer to initiate or enhance a relationship if required. At the same time, hotel managers consider this act as a 'social investment' from which a number of benefits will accrue. For example, the customers may repay them by introducing them to other potential accounts.

Guanxi: Networking

The concept of *guanxi* is originated from the Confucian concept of hsiao (孝, filial piety) and five basic human relationships (Wu Lun, 五倫) which recognise the importance of friends and family connections. Such an emphasis about the power of an individual and appropriate differentiated role relationship between particular individuals, in turn, promotes *guanxi* (Tsui, Farth & Xin, 2000). With the influence of Confucian philosophy, the Chinese person is often viewed to be interdependent with the surrounding social context and the 'self in relation to other' becomes the focal individual experience (Yau, 1988). In terms of interpersonal relationship, *guanxi* refers to the establishment of a connection between two individuals (Yeung & Tung, 1996). It is argued that the concept of *guanxi* is similar to the networking concept in Western culture since both of them emphasise relationship-building. *Guanxi* in the Chinese context, however, lays more emphasis on personal, not institutional relations (Ambler, 1994).

Tsui, Farth and Xin (2000) suggested that the bases of *guanxi* determine how people are categorised into Yang's (1992) three major categories of Chinese interpersonal relationship: *jiajen* (family members), *shoujen* (familiar persons such as relatives outside the family, friends, neighbours, classmates, and

colleagues) and *shengjen* (mere acquaintances or strangers). These three categories have completely different social and psychological meanings for the parties involved and are governed by different sets of interpersonal rules. In the *jiajen* (family) relationship, one does his or her best to attend to the other's needs with little or no expectation of return in the future. Because of role obligation, an individual will act more favourably towards a family member than a non-family member. For example, an uncle will probably choose his nephew for a summer job in his company over another young person who is equally or more qualified (Tsui, *et al.*, 2000). The *shoujen* (familiar persons such as relatives outside the family, friends, neighbours, classmates, and colleagues) relationship lies between *jiajen* (family) and *shengjen* (stranger) relationship in which the friendship can be ranged from superficial to extremely intimate. *Shoujen* with a positive relationship may be regarded as 'in-group' members and favourable treatment of and between them will likely occur. Depending on the development of *guanxi*, an interpersonal relationship could fall into any of these three categories. Yang (1994) pointed out that relationship building is the transformation process in which two individuals have found a common basis in which a relationship is developed subsequently. People seek group identification by shared common attributes, such as gender, occupation or religion. Therefore, through the identification process, people are treated differently depending on whether there is a sense of commonality or familiarity.

Findings from previous researches confirm the importance of *guanxi* in Chinese business negotiation. Yeung and Tung (1996) examined the relationship between *guanxi* and long-term success for 10 foreign companies with business operations in China. Of the list of important factors to the companies' long-term business

success in China, *guanxi* was the only item which was consistently chosen as a key success factor by executives in the surveyed companies, although these executives also pointed out that *guanxi* alone will not guarantee success. In addition, the practice of *guanxi* can be observed in other more economically developed Confucian societies. Tang (1998) conducted a comparative study of business managers' views about *guanxi*'s role in the business context in China, Hong Kong and Singapore by surveying 256 managers (160 from China, 39 from Hong Kong and 59 from Singapore). He found that managers from China, Hong Kong and Singapore all agreed that *guanxi* plays a key role in doing business in their home market, supporting Yeung and Tung's (1996) argument. Gilbert and Tsao (2000) interviewed hotel marketing managers about the practice of relationship marketing in the Taiwanese hotel industry. According to the managers, building relationships with customers is thought of as a natural practice, which the managers perceive as the starting point of business and as a norm rather than a new marketing strategy. They believed that customer retention is something natural, which is almost built into Chinese culture. This explains the reason why managers have stressed the retention strategy as part of their 'relational approach' to customers, but no formalized relationship marketing programme has been implemented. In another study, Tsai, Ryan & Lockyer (2002) investigated whether concepts derived from an American-Euro-centric conceptualisation of service relationships was transferable to Taiwanese culture setting. It was found that the influence of national, ethnic culture on perception of service is limited, but the factor of *guanxi* and *miant-su* (face) had some role to play in guest-staff relationships.

Harmony

Harmony in social relationship is prescribed by the Confucian doctrine of the *mean* (Gabrenya & Hwang, 1996). The value of harmony is also related to the Chinese attitudes toward nature. Yau (1988) concluded that the doctrine of the Way and *Yuarn* (*Karma* in Buddhism, 緣) are important beliefs which explain why Chinese people are passive about things and relationships. The Chinese regard man as part of nature and believe that man should not try to overcome nature, but learn how to adapt to it so as to reach harmony. This is because they believe that nature has the *Way* (Tao, 道) by which all things become what they are (Chan, 1963). *Yuarn* (緣) can be described as 'predetermined relations with other things or individuals which are far beyond one's control (Yau, 1988, p. 4). In *Yuarn*, the relationship between things and people is predetermined or controlled by a powerful external force, which may be too complicated to be understood. The relationship between people is established when *Yuarn* exists, while the relationship breaks when *Yuarn* ends. Keng and Yang (1993) investigated the value choice of Taiwanese consumers and observed that the majority of the respondents (or three out of five) opted for harmony, that is having security, a sense of belonging and warm relationship with others.

Both Yau (1988) and Mok and DeFranco (1999) noted that the value for harmony, either derived from the *Yuarn* concept in Buddhism or the doctrine of *mean* in Confucian philosophy, has profound implications for Chinese consumer complaint behaviour. According to Yau (1988), Chinese consumers who believe in the *Way* and *Yuarn* would generally have low expectations towards the product/service they are going to purchase or consume or that when the

performance of the product does not meet with their expectations, they would feel less dissatisfied. The Chinese have a tendency to attribute failure of products/services to fate, rather than the service providers, thus they seldom complain about products/services that do not meet with their expectations. On the other hand, Mok and DeFranco (1999) attributed non-complaining behaviour to Confucius' emphasis on harmony. Chinese consumers are more likely to switch products/services without making their reasons known to the suppliers or service providers. They view taking public action as extreme behaviour and it should be avoided in accordance with the *mean*. Heung and Lam (2003) also found this tendency in their study of Chinese consumer complaint behaviour towards Hong Kong hotel restaurant services. The findings suggested that most customers are likely to engage in private complaint behaviours such as word-of-mouth communication and ceasing to patronise the restaurant. It highlights that complaint intentions of Chinese diners were quite low and they were passive about communicating dissatisfaction to service providers. Customers appear to make few complaints with the one exception that a senior person with status possesses the privilege of "complaint making".

In many respects, high levels of congruency exist between Confucian values of social relationships and the concepts of relationships marketing that have been espoused by Western practitioners. An emphasis exists on relating to a client's needs; of providing a service that goes beyond the functional core of a transaction by looking at longer-term possibilities. However, some potential key differences exist. First, the western service situation is perceived more as a relationship between equals, even if tempered by one party's recognition of the knowledge or expertise of another. They remain equal in the sense that in democratic cultures,

'all are equal' while the client is assumed to have knowledge of their own needs- a knowledge just as important as the supplier's expertise; which is being subordinated to client need. In Confucian cultures; relationships and services may be subject to fate- a failure to achieve a 'proper' service relationship might simply be that this was how it was meant to be. Thus, a sense of interdependence may not exist unless other factors (e.g. familial) come into play. The issue is whether dining experiences can 'just fail.'

CHAPTER 6

RESEARCH METHODOLOGY

This chapter examines epistemological issues within the context of hospitality research. The first section discusses the methodologies that social science research might provide for extending an understanding of consumption behaviour. The main debates and comments on these alternative paradigms are reviewed. Section Two will analyse quantitative and qualitative research methodologies. Subsequently, a need for studying customer behaviour using a combination of qualitative and quantitative approach is suggested and the argument of triangulation research method is introduced. The final section looks at methodological issues in researching customer satisfaction in the Taiwanese hospitality setting and provides a rationale for the proposed research investigation.

SOCIAL SCIENCE PARADIGM

Research methodologies are generally governed by specific paradigms. Based on the observation of tourist phenomena, the researcher organises patterns and interprets information to create a meaningful picture of 'reality.' However, there is usually more than one way to make sense of an observed pattern. As different points of view yield different explanations for the same phenomena, the ontology, epistemology and assumptions about social reality and the corresponding research paradigms needed are also briefly reviewed.

Kuhn (1970) first referred to the fundamental points of view directing the natural science as *paradigms* in which “there is a consensus about theoretical and methodological rules to be followed, the instruments to be used, the problems to be investigated and the standards by which research is to be judged” (Marshall, 1998, p. 476). To meet the status of a paradigm, resolutions of previously recognised problems must be scientifically achieved and be widely accepted by numerous researchers to form a new consensus. At the same time, it offers an unresolved area allowing further research practices to enrich the previous one (Marshall, 1998). Burrell and Morgan (1979) argued that paradigms are defined by meta-theoretical assumptions that underwrite the frame of reference, mode of theorizing, and *modus operandi* of selected social theorists who operate within them.

Social scientists have developed numerous paradigms for understanding social behaviour. Denzin and Lincoln (1994) examined four major paradigms: positivism, post-positivism, critical theory and constructivism. Riley and Love (2000) adopted these paradigms to investigate the state of qualitative tourism research. Burrell and Morgan’s (1979) argument about paradigms of inquiry were functionalist, interpretative, radical humanist and radical structuralist. Jennings (2001) discussed six paradigms: positivism, interpretative social science, critical theory, feminist perspectives, post modernism and chaos theory. Urry (1992) in *The Tourist Gaze* adopted a postmodernist framework to discourse tourist perspective and context. Similarly, Ryan (1997b) in *The Tourist Experience: A New Introduction* addressed the postmodern concept in the construction of the tourist experience.

EPISTEMOLOGY

Paradigms are a set of beliefs, assumptions and values that offer views of the nature of social reality (Jennings, 2001). Proponents of distinct paradigms provide insights that the others lack, but disregard aspects of social life that others reveal. All these paradigms can be characterised by the way their proponents respond to the epistemological question. Epistemology is the branch of philosophy that studies knowledge. The epistemological question attempts to distinguish true (adequate) knowledge from false (inadequate) knowledge. As a result, this question translates into the issues of scientific methodology, which is concerned with the development of theoretical method and specific techniques that are better than competing theories.

Epistemology questions can be characterised by their *ontological* aspect, *epistemological* elements, assumptions about human nature and their *methodological* approach. The answers of these questions serve as the paradigms that determine what the research design is and how it is to be practiced. Three basic questions posed for the researchers are suggested by Guba and Lincoln (1994).

- 1) Ontological: What is the nature of reality? How things really are and how things really work in a real world? Is reality external to the individual or is reality the product of individual consciousness, thus the product of one's mind? (Burrell & Morgan, 1979).
- 2) Epistemological: What is the nature of the relationship between the inquirer and the knowledge? How is discovery of knowledge to be acted?

It questions how might the researcher understand the world and communicate this knowledge to fellow human beings?

- 3) Methodological: How should the inquirer go about finding out the knowledge? How will the researcher gather data/ information (Jennings, 2001).

The alternative paradigms proposed by Denzin and Lincoln (1994) in the following section are analysed and compared on the basis of these three questions.

Positivism

Ontologically, reality is assumed to exist in society. Researchers follow the natural science model that advocates that the understanding of society should be based on objectively constructed universal laws. These laws of social science are analogous to scientific rules discovered by natural science which are always subject to testing based on empirical models. In the epistemological sense, inquirers possess a neutral stance toward the object allowing 'nature' to answer it as the world is assumed to operate immutable natural laws (Denzin and Lincoln, 1994).

The acknowledged founder of positivism, a French philosopher August Comte, asserted that society could be studied scientifically (Marshall, 1998) with the verification of the proper statistical method relying upon the concepts of validity and reliability. This type of social inquiry is often labelled positivism and the methods it utilized are primarily quantitative. By using empirical methods, the researcher is able to reveal the causal relationships in which human behaviour is embedded and therefore can proceed to generalisation and prediction.

Post-positivism

Post-positivism is viewed as a revised version of positivism. It shares a partial realism ontology and objectivist epistemology with positivism. Because positivist, quantitative researchers abstract the everyday life through statistical procedures, they seldom reveal the truth underneath the reality. Therefore, their findings often overlook the complexities and constraints of everyday life (Denzin & Lincoln, 1994). Many researchers have started to combine qualitative methods with quantitative examinations to tap the meanings of people's everyday experiences. This inquiry with mixed methods, quantitative and qualitative, is labelled post-positivism.

The assumption of reality is akin to positivism, but reality can never be fully apprehended due to imperfect human intellect. Post-positivism is a modified objectivist epistemology in which objectivity remains a "regulatory ideal." Post-positivists are more critical about the findings of inquiry and knowledge claims gain credibility when they are supported by carefully marshalled objective evidence and survive criticism.

Post-positivists believe that good theories might be sufficient to provide reasoning and predict human behaviour, which is assumed to be complex and interactive but may or may not indeed correspond to truth (Greene, 1990). At the methodological level, therefore, inquirers need to adopt multiple ways of catching that reality in their research instead of solely depending on statistical analysis. Post-positivistic inquiry increases utilisation of qualitative methods (e.g. interviews, participant

observations, participants' narratives) in addition to more traditional statistical analysis.

Post-positivists also place more emphasis on conducting research in more natural settings and collecting situational information (Guba & Lincoln, 1994). Like positivists, post-positivists emphasize the discovery of a single truth that best represents the reality and stress external and internal validity when evaluating the research. There is an emerging post-positivistic literature on tourist behaviour and the use of the post-positivistic paradigm will be further discussed in the section of triangulation in this chapter.

Critical Theory

In order to understand people's everyday experience, some researchers believe that it is not enough to change to different methods, but one needs to examine the notion of what they feel constitutes knowledge. For positivism and post-positivism, knowledge is value-free as it is obtained through objective methods that minimize the researcher's influence on the results. Opponents of paradigms that adhere to 'scientific' methods argue that the nature of knowledge is value-bound and is influenced by the researcher and the subject to be studied. Other social theorists contend that social science is essentially a subjective rather than an objective enterprise because knowledge is mediated by the researcher's social experience and any interpretation of the phenomena is related to the values of the inquirer (Guba, 1990). Criticism from social theorists laid an important foundation for the future development and understanding of the nature of knowledge in social

science research in turn greatly contributed to two bipolar views of positivism/post-positivism: the critical theory and interpretive paradigms.

Critical theory is labelled more “ideologically oriented inquiry,” including several distinct theoretical traditions such as Neo-Marxism, feminism, materialism and critical theory (Guba, 1990, p.23). While these theoretical perspectives differ from each other significantly, they all assume an ideological control of an individual in society. This indicates that humans are subject to certain beliefs that govern their way of life, values and knowledge that consequently influence their behaviour. Critical theorists believe these belief systems, the ideologies, permeate the entire society. Therefore, inquiry is not a solely empirical investigation; critical theorists recognise the interaction between the empirical tasks and the concepts that were shaped by social, political, cultural, economic, ethnic and gender factors (Popkewitz, 1990).

Opposed to positivist and post-positivist claims of an objective epistemological approach, the epistemological axiom of critical theory states that real “reality” requires a subjective approach to uncover the ‘real reality’. The values of the inquirer inevitably influence the investigated object assuming them to be interactively linked. Findings are value mediated and therefore viewed as subjective. Methodologically, the inquiry requires an interaction between the inquirer and the subjects of the inquiry. That interaction must transform misapprehensions into more informed consciousness. In this process, features of the real world are apprehended and thereby promote emancipation and empowerment (Guba & Lincoln, 1994).

The Interpretive Paradigm

The interpretive paradigm includes a set of theories such as hermeneutics, phenomenography and constructivism. These research traditions all argue that the empirical science model (positivism/post-positivism) is not suitable for understanding human activity because knowledge is a human construction through a subjective meaning making process. To obtain the knowledge humans make, researchers need to examine people's everyday experience individually. As a result, the researcher is no longer neutral, but becomes a catalyst for change in the research process. For example, the notion of hermeneutics by Gadamer is based on the importance of understanding meanings that enable people to feel significant through their experience (Smith, 1990) and Morton's phenomenography is defined as an understanding of various aspects of phenomena conceptualised and perceived by individuals (Ryan, 2000a).

The ontological position of interpretive paradigm dictates that reality is a social multiple construction and that there is no single tangible independent reality on to which science can converge. As there are always many interpretations that can be made in interpretive inquiry, constructivists have pushed their belief in non-foundationalism on to the terrain of relativism. In relativism there is no universal criterion of knowledge or truth. This concept therefore encourages a continuing search for more informed and sophisticated constructions (Guba & Lincoln, 1994).

Epistemologically, the inquiry requires interactivity between researchers and respondents so that they are able to gain subjective information about what constitutes respondents' experience over the life course. If realities exist in

individual meanings, subjective dialogue might be the means of accessing respondents' minds. Methodologically, the constructionists intend to investigate the variety of constructions that exist and bring them into a consensus level by utilizing both hermeneutical and dialectical techniques. Individual constructions of experience are interpreted as precisely as possible in the hermeneutical process while dialectical methodology consists of comparing and contrasting these individual constructions. The purpose of this methodological practice is to yield more informed and sophisticated constructions.

In spite of providing a different perspective on research, the interpretive inquiry has been criticised of having too narrow a focus on individual experience. Generally, positivist and post-positivist approaches have maintained hegemony over the others in social science research. Proponents of critical theory and interpretivism are, arguably, still seeking recognition among social science researchers. Over the past decade, they have gained significant attention to qualitative research as researchers become more interested in capturing the subjective nature of human behaviour. Even though the weight of critical theory and interpretivism has become more influential in human behavioural research, they will be likely to play a secondary role due to the complex nature of research and a failure in explaining how and why a qualitative approach is sound (Decrop, 1999a).

COMPARISON OF QUANTITATIVE AND QUALITATIVE METHODS

The distinction between quantitative and qualitative research is applied at the level of epistemology, methodology and theoretical positions. This bipolar difference, quantitative versus qualitative, is often associated with opposition between positivism and interpretivism. The positivist seeks the facts and causal relationship between variables with little regard for the subjective meanings of individuals through methods, such as survey questionnaire and demographic analysis, which produces quantitative data and which allow the researcher to test their relationship statistically. On the other hand, interpretivism seeking understanding of personal experience can be addressed by virtue of qualitative methods as participant observation, open-ended interview and personal narratives. In other words, the most important difference is the way in which each tradition treats data, collects data and uses data to explain the phenomena (Bogdan & Taylor, 1975).

According to Decrop (1999a, p. 305), quantitative analysis is defined as “the measurement, assessment and interpretation of numerical data by using mathematical or statistical manipulation.” Hypotheses with defined variables were formed often before the data are collected and tested. As the findings of data have to meet the requirement of statistical significance, validity and reliability are warrantable in quantitative analysis. It is argued that the quantitative researcher may fall into the danger of distortion of analysis due to the manipulation of models to be fitted into the statistical tradition and in turn, result in loss of the reality of the research subject. Consequently, it is common for quantitative

methods to be criticised for taking natural science as its model whether or not it is an appropriate model for any given piece of social research.

In contrast, qualitative research refers to “research procedures which produce descriptive data: people’s own written or spoken words or observable behaviour.” (Bogdan & Taylor, 1975, p. 4). Epistemologically, it rejects a natural science approach to study the research subject; this position finds itself in the paradigm of phenomenology and symbolic interactionism. The qualitative researcher tends to examine the phenomena in general, as the research proceeds, and perhaps change definitions of the problems being researched as new facets are revealed.

Qualitative investigation is often conducted when the studied subject is new and has not been conceptualised in theoretical structure in previous researches (Ryan, 2000). As stated by Mullen and Iverson (1986), “quantitative methods have developed largely to confirm or verify theory, whereas qualitative methods have been developed to discover theory” (cited in Swanson & Chapman, 1994, p. 70).

In terms of data collection, because of the nature of quantitative research, as its name suggests, the instrument is a technical one associated with social survey techniques which produce clear, straightforward numerical outputs. The consequence of this approach is that respondents are asked to indicate their preferences unambiguously in a questionnaire. By contrast, participant observation, in-depth interview and focus group as qualitative techniques is used when the research issue is complex and requires respondents to convey different insights upon the problem (Brannen, 1992). It can be very expensive and time consuming in terms of polling views of a large number of people and analysis of data from descriptive data. In addition, the role of researchers is more significant

in qualitative research since they must regard themselves as an instrument attached to respondents' social world. Swanson and Chapman (1994) again suggested that the discovery of theory engages exploring multiple realities of studied objects in a changing social scene via dialogue and entering into participants' interpretation of the world. The subjectivities of the researcher and of those being studied are part of the research process. Qualitative data comes from researchers' reflections and feelings toward the studied subject which forms part of the interpretation (Flick, 1998).

Both quantitative and qualitative have different concerns in the logic of inquiry. This implies that quantitative method has to deal with generalisability, which addresses the question of how far the findings can be generalised to a general population. The size and choice of sample within a specific range of certainty are the crux of the matter in determining representation of data for a general population. In qualitative research, which is not relative to statistical samples, the issue of generalisability is a technical one and there is a concern about the replication of the findings in similar cases or set of conditions. Since qualitative research practices the investigation of individual experience toward the subject, it is not necessary to replicate a case.

Moreover, both methods treat sampling in different ways. Where quantitative methods are used, statistical samples are randomly chosen for later conducting generalisability. However, because qualitative research is carried out with non-statistical samples, sampling is treated as the basis of theoretical criteria. The qualitative researcher has to define what theoretical purpose the theoretical sampling serves for the next group in the analysis. Unlike the quantitative

researcher, the qualitative researcher is expected to redefine the criteria governing the choice of comparison group as the analysis is carried out on a case-by-case basis. In theoretical sampling, the number of groups to choose is undefined as long as it accommodates the needs and the availability of time and money. By contrast statistical sampling is linked to the issue of representiveness, so the sample size has to be sufficient for statistical requirements (Brannen, 1992).

A NEED OF A COMBINATION OF QUALITATIVE AND QUANTITATIVE APPROACHE TO STUDY CUSTOMER BEHAVIOUR

In travel and tourism research, qualitative methods have been widely adopted on subjects of sociology and anthropology for a long time, but are underutilised in marketing and consumer behaviour. Riley (1996, p. 22) has noted, “the majority of tourism marketing research has relied on structured surveys and quantification.” Possible reasons for not having much qualitative research in tourism research is the endurance of positivist and post-positivist paradigms and a lack of qualitative evaluation criteria to justify findings as being as sound as quantitative ones. Researchers feel more confident with statistical results than theoretical conjecture. The difficulty in employing qualitative research is validated by the view expressed by Morse (1994).

The process of doing qualitative research presents a challenge because procedures for organising images are ill-defined and rely on processes of inference, insight, logic and luck and eventually, with creativity and hard work, the results emerge as a coherent whole (p.1).

As a result, researchers tend to explain and solve most research problems by running mathematical models and make generalisation and prediction as possible. Decrop (1999a, p.336) again commented that “they [researchers] often forget that the value of inquiry is not only a question of numbers but also, most importantly, a question of reasoning.” He argued that a quantitative approach might be an inappropriate method to address the complexity of the research problem where reality is multiple and socially constructed.

Given the subject of tourist behaviour, Ryan (2000a) recognised that in spite of motivations, learning from past experience is involved in forming tourist experience. He argued that because tourist experiences are essentially individualistic, a subjective process and the positivistic research methodologies limit the ability to define the nature of individual tourist experiences. As observed by Ryan (2000a), behaviours are not simply an action but associated with affective assessments of difference which requires a different tradition of research to be legitimate. He questioned the effectiveness of behaviour research based upon statistical analysis of responses to Likert-type scales concerning a limitation in understanding the reality because the methodology being utilized determines the nature of the result. For Teare (1994):

Comprehensive models of consumer decision making are often too complex and or too generalized to test empirically, indicating that an alternative approach, located much closer to observable consumer behaviour, is needed (p.38).

Ryan (1997b) attempts to address the postmodern, particular and interactive, intersubjective space between individual and society in the construction of the

tourist experience and thus concepts like those of phenomenology defining the context of experience pertain to tourist.

According to Bogdan and Taylor (1975), qualitative analysis is concerned with understanding human behaviour with respondent's own frames of reference and it reveals different and new insights to those presented by quantitative research. Qualitative research serves often to broaden the researcher's views and to uncover hidden issues and motives of consumption relevant to behaviours and attitudes that need to be address in the final study. More consumer research problems can be understood better with qualitative approaches, especially for the cases where "the gathering of information... is too subtle and too complex to be tailored to the structured, standardized techniques and criteria of quantitative research" (Tear, 1994, p.40). Last, Ryan (2000a) has pointed out that even though a qualitative approach permits the subjective point of view of individual tourist experience, it still needs to capture the objectivity of consensus and meaning for individuals. Consequently, empiricism toward individuality is taken into account while conducting a qualitative research which intends to understand tourists' behaviours from the perspective of the tourists themselves. Therefore he suggested that a qualitative research is not independent from empiricism and some degree of quantitative analysis can be incorporated into qualitative research.

TRIANGULATION

Triangulation is one of the approaches for enhancing the trustworthiness of qualitative analysis and eliminating methodological shortcomings, data or investigator bias (Oppermann, 2000). Researchers working within a triangulation

mode investigate the same phenomenon from more than one source of data (Brannen, 1992). According to Nueman (2000) the best research is one that combines both quantitative and qualitative methods. Combination of qualitative and quantitative methods also refers to triangulation (Jennings, 2001). However, Oppermann (2000) suggested that:

Often, it [triangulation] is interpreted as simply an approach that combines both quantitative and qualitative data collection on the same general subject of interest. Yet without any cross-linkages between and systematic planning of these collection methods, such a methodological approach is simply a multi-methodological approach with limited cross-validation of the results (p. 141).

Denzin (1978) distinguished four types of triangulation: *methodological triangulation*, *data triangulation*, *investigator triangulation* and *multiple triangulation*. *Methodological triangulation* refers to using more than one research method in measuring the same object of interest. For example, tourism researchers adopting a *Methodological triangulation* can conduct focus groups and structured questionnaires to measure customer satisfaction toward tourist products. *Data triangulation* means “using the same approach for different sets of data in order to verify or falsify generalisable trends detected in one data set” (Oppermann, 2000, p. 142) For example, in studying images of tourist destination or tourism enterprise, using interviews and observations as well as other forms of data sources, such as promotional brochures, photographs, travel diaries and etc. (Decrop, 1999b). *Investigator triangulation* involves several different researchers to interpret the same data set. These different researchers add alternative perspectives, background and social characteristics and will reduce the limitations

of a single researcher (Nueman, 2000). *Multiple triangulation* is using at least two of the other triangulation methods in combination. Decrop (1999b) suggested another type of triangulation: theoretical triangulation. It involves using multiple theories or perspectives to interpret a single set of data. For example, one might examine interviews with holidaymakers from different disciplines: psychology, sociology, marketing or economics. Other disciplines can inform the research process thereby broaden understanding of the method and data.

METHODOLOGICAL ISSUES IN RESEARCHING CUSTOMER SATISFACTION IN THE TAIWANESE HOSPITALITY SETTING

Tourism/hospitality as a social phenomenon is constructed in forms of economic, social, cultural and ecological impacts. The effects underlying customer behaviour engaging hospitality activities with these impacts have been studied. Research in customer behaviour benefits the industry by identifying opportunities for product development, evaluating operation performance, selecting marketing strategies and pricing hospitality products. Theoretically, data on customer behaviour can be obtained both quantitatively and qualitatively. In the context of ease and convenience of research, tourism enterprises mainly adopt a quantitative approach collecting information on profiles of tourist, frequencies of purchase behaviour, the level of satisfaction, perceptions of tourist products and decision makers and their contribution to the purchasing decision. It is argued that such statistical data simply reveals an outcome of customer behaviour, but the black box of

consumer's psychology processing and mediating the decision-making process and judgment is unknowable (Decrop,1999a; Ryan, 2000a).

In the context of research on customer satisfaction with Taiwanese hospitality service, the nature of the subject involves subjective personal experience and cultural orientation of quality evaluation. However, the ability to generalise findings to a large population adds value to the international hospitality suppliers who can quickly respond to the need of Taiwanese customers on the basis of objective numerical results. As a result, this investigation will position itself epistemologically in the post-positivism paradigm, which combines both qualitative and quantitative research methods. A mixed methodology will be used to gather data. Triangulation was adopted to be more attached to the 'reality' of consumption experience. Different methods revealed different aspects of the empirical reality being studied. As a result, unstructured interviews and structured questionnaire will both be used to inform this investigation.

In the first of the research (pilot study), most of the information was gathered through interviews and observation, but some secondary sources also formed part of the inquiry, such as organisational customer satisfaction records and newspaper clippings. As the researcher within this context, the collection of data was assisted by my family associations. The owner of the researched hotel is the friend of my parents. This relationship allows me to access hotel information. Entry into the research field began with unstructured interviews with guests, restaurant managers and waiting staff respectively. These semi-structured interviews provided a framework to ensure that key issues were addressed, but allowed the flexibility for respondents to narrate their own experiences, ideas and thoughts. This process

allowed the researcher to capture more deeply the personal opinions, which in turn may suggest further research questions that had not been considered by the researcher. Stake (1994) commented that

One cannot know in advance what the issues, the perceptions, the theory will be. Case researchers enter the scene expecting, even knowing that certain events, problems, relationships will be important, but discover that some actually are of little consequence (p. 239-240).

A detailed data collection process and findings will be presented in the next chapter, Chapter 7: Pilot Study.

The second phase of the research involved administration of a structured questionnaire. Three sets of questionnaires specific to guests, restaurant manager and waiting staff were designed according to the literature review and the findings from previous interviews. Development of the questionnaire and data collection process are further discussed in the Chapter 8: Design of Research Questionnaire.

CHAPTER 7

THE PILOT STUDY

To model the nature, much less the quality of any hospitality experience is to engage upon a complex construct that involves dimensions of the tangible/intangible and the rational and irrational within socio-economic psychological parameters. One consequence is that 'satisfaction' with any one stay at a hotel is influenced by several potentially important individual incidents that may be site-specific and/or contextualised within wider referential frameworks. Hence to predict levels of satisfaction is difficult, and linear relationships between what are thought to be determining variables and outcomes as measured by indices of satisfaction may prove problematic.

While the SERVQUAL model came to dominate much of the literature for a decade after its initial appearance in the 1980s, the paradox existed that its modelling was based upon deterministic, causal relationships derived from respondents' interpretations of questions and understandings of what constituted the 'expected' as against the 'perceived' standard of service provision. It can be noted that 'expectations' are not a simple construct – for example does one develop an expectation against the 'ideal', 'the tolerable', 'the evaluations of past experiences' or simply the anticipated? It was often forgotten by those who used the SERVQUAL scale that the model was originally located by Parasuraman, Zeithaml and Berry within a framework where socio-demographic variables like life-stage and gender had a role to play in the formation of both expectations and

perceptions. To these variables can be added ethnicity and culture. Indeed, it is possible to argue that the literature of SERVQUAL is located within a deterministic, empiricist, positivistic paradigm dominated by American and European cultural norms wherein rationality and scientific method possess primacy. Therefore, research that seeks to apply models of service quality in other cultures may need to either re-position the conventional framework of the confirmation/disconfirmation approach, or adopt alternative research ontologies. The purpose of this chapter is to build upon the work of Parasuraman, Zeithaml and Berry (1985) by exploring the service quality gap within a Taiwanese setting and to consider the implications of the results for Taiwanese hotel managers. It reports the findings from a pilot study that involved 164 interviews; the details of which are provided in the methodology section of this paper.

THE RESEARCH METHODS

As this research was interested in concepts of service quality and the impact culture had on perceptions and expectations in the hotel industry, the study was undertaken in Taiwan. The emphasis of the study was on the dining experience. A number of reasons dictated this. First, a wish to have a standardised 'event' in the visitor stay; second a wish to avoid possible complications arising from differential accommodation within the sample hotels; third to have a standard setting with reference to the 'tangibles' of the décor – that is all respondents in the sample sat in the same restaurants, fourth because of a desire to examine a structured relationship common to many hotels.

According to Knuston, Stevens, Patton and Thompson (1992), there were significant differences in expectations of hotel service among customers from different hotel segments. This study particularly looks at customers' perceptions of hotel dining in the luxury hotel segment. As a result, the diners of two international standard hotels in Kaohsiung of Taiwan, formed the sample. These two international standard hotels are categorised as the same hotel segment-luxury five-star international hotel. As indicated in Figure 8.1 the dining occasion might be a determinant of dining experience. As the research took place at a five-star venue, the nature of the environment could also contribute to the experience, which led to a need to assess the 'halo effect.'

When guests were about to finish the meal, they were approached by restaurant staff instead of the researcher for an interview inquiry. This approach was used to eliminate distrust from guests and encourage a higher response rate. Consequently, the respondents, 105 guests in number, were interviewed during operating hours between the months of July to October, 2001. Additionally 41 waiting staff were interviewed, as were 18 managers. The guest interviews generally had a modal duration of 5 to 10 minutes, but some lasted for as long as 40 minutes. The time taken for the interviews with staff and management were generally between 10-15 minutes and 20 to 60 minutes respectively. Due to the nature of international visitation in the hotel, this research only interviewed Taiwanese guests. Among the international visitors, Japanese visitors account the largest group. Since Japanese culture is partly influenced by the Confucius thought it was thought that findings from this group would duplicate those of the main sample. On the other hand, Europeans self divide into various culture groups (e.g. British vs German vs Greek). A major problem was that within the time available to the researcher to

complete the interviews and hence to secure large samples that were homogeneous with reference to cultural background the research was confined to Taiwanese nationals.

The approach adopted was phenomenological – that is at this stage of the research there was a desire for the respondent's own field of references to come to the fore. To ensure that comparative analysis was possible, a semi-structured questionnaire was used with either 4 or 5 questions being used to develop discussion. The interview questions being used in guest, waiting staff and management interviews are presented in Appendix A. In most cases the interviews were taped and subsequently transcribed into 'Word' for subsequent analysis. Three analytical techniques were adopted. The first was simply to count the frequency of words used as a stage toward identifying themes. Second, themes were then developed using as a model the critical incident literature based upon the work of Bitner, Booms and Tetreault (1990) among others. Third, the themes were independently assessed by the use of neural network software to create perceptual maps. In this process the researcher and her second supervisor (Dr. Tim Lockyer) independently undertook the analysis to arrive at a consensus with the chief supervisor (Professor Chris Ryan) assessing the credibility of the interpretation. The researcher then developed an initial text, the second supervisor (Dr. Tim Lockyer) then worked on the text and interpretation and again the chief supervisor (Professor Chris Ryan) reviewed it with reference to the maps and data made available. In this manner what might be termed as the key 'test' of interpretation, namely credibility of interpretation, was developed. Subsequently, the results were discussed with the hotel managers concerned, and this represented the final test of credibility at this stage of the research.

ANALYSIS OF RESULTS

Frequency Analysis

As described above, an initial stage is simply to determine possible themes by counting the frequency of words and then categorising these into themes. Table 7.1 identifies the leading 21 'themes' discerned in guests' comments on the hotel dining experience and these account for 72 percent of all themes that were counted. It is 'service attitude'; that is the style of the waiting staff, that was the most frequent theme that emerged. 'Friendliness,' which is an aspect of the style, is counted separately because of the number of specific mentions obtained. The list represents a mixture of intangibles (service attitude, friendliness), tangibles (environment, range of choice) and process (taste and food quality, speed of service). The list also shows how difficult it was to disentangle some of the facets mentioned. For example taste and quality of food are closely related, but some distinction appeared based on quality of foods (and perhaps presentation) *per se* and quality of preparation and cooking as separate components. These items are displayed in Table 7.1.

Table 7.1: Guest's Perspectives of Contributors to Dining Experience

Rank	Contributors to Dining Experience	Frequency	Percent
1	Service attitude	49	8.8
2	Taste of food	33	5.9
3	Five-star quality (atmosphere/amenities/service)	26	4.7
3	Hygiene	26	4.7
4	Cleanliness of amenities/environment	25	4.5
4	Value for money/price	25	4.5
5	Friendliness	20	3.6
6	Comfort of amenities/seating	19	3.4
6	Delicate food	19	3.4
6	Food quality	19	3.4
7	Atmosphere	18	3.2
7	Visually appealing, luxury decoration/dining environment	18	3.2
8	Freshness of food	17	3.1
9	Smile	16	2.9
10	Parking	12	2.2
10	Quiet/elegant dining environment	12	2.2
11	Professional skills	10	1.8
11	Specialty of food	10	1.8
12	A wide selection of food choice	9	1.6
12	Convenience of location (ease of access)	9	1.6
12	Reasonable speed of service	9	1.6
	Total	401	72.1

The second component is to assess the management perspective, and a similar process was undertaken. These results are shown in Table 7.2. It can be seen by comparing Tables 7.1 and 7.2 that managers perceive that the value for money aspect is deemed to be the most important factor, yet this item appeared 6th on the guests' list. Lockyer (2002) also found similar discrepancies with reference to this item in his research of New Zealand hotel/motel guests and managers. Food quality (in its various ramifications) is also highly rated by both groups. Similarly hygiene is noted by both groups, although management ranks speed of service more highly than their customers.

Rank	Contributors to Dining Experience	Frequency	Percent
1	Value for money/price	4	10.5
2	Food quality	3	7.9
2	Friendship/relationship with managers and staffs	3	7.9
2	Professional skills	3	7.9
3	A sense of loyal/importance/privilege	2	5.3
3	Freshness of food	2	5.3
3	Reasonable speed of service	2	5.3
3	Service attitude	2	5.3
3	Taste of food	2	5.3
3	Delicate food	2	5.3
4	A wide selection of food choice	1	2.6
4	Ability to inform and respond	1	2.6
4	Atmosphere	1	2.6
4	Cleanliness of tableware	1	2.6
4	Consistent food/service quality	1	2.6
4	Friendliness	1	2.6
4	Hygiene	1	2.6
4	Proportion of food	1	2.6
4	Quiet/elegant dining environment	1	2.6
4	Smile	1	2.6
4	Temperature of food	1	2.6
4	Understand guest's habits and preferences	1	2.6
4	Visually appealing, luxury decoration/dining environment	1	2.6
	Total	38	100.0

Parasuraman, Zeithaml and Berry (1988) noted that one of the gaps is that between service specifications and service delivery – a gap in which front line service staff play a vital role. As noted these staff were also interviewed, and Table 7.3 shows part of their listing. It should be noted that this group produced the longest listing, implying a lower degree of homogeneity amongst this group. While rankings vary, what is pertinent is that many of the same items appear in all three listings.

Table 7.3: Waiting Staff's Perspectives of Contributors to Dining Experience

Rank	Contributors to Dining Experience	Frequency	Percent
1	Service attitude	11	8.5
2	F&B	8	6.2
3	Cleanliness of amenities/environment	7	5.4
3	Smile	7	5.4
4	Hygiene	6	4.6
4	Value for money/price	6	4.6
5	Taste of food	5	3.8
6	Cleanliness of tableware	4	3.1
6	First impression of restaurant/staffs	4	3.1
6	Five-star quality (atmosphere, amenities, service)	4	3.1
6	Freshness of food	4	3.1
6	Friendship/relationship with managers/staffs/guests	4	3.1
6	Reasonable speed of service	4	3.1
6	Amenities	3	2.3
7	Caring	3	2.3
7	Comfort of amenities/seating	3	2.3
7	Friendliness	3	2.3
7	Presentation of food	3	2.3
7	Prompt service even busy	3	2.3
7	Quiet/elegant dining environment	3	2.3
7	Table/seating arrangement	3	2.3
7	Temperature of food	3	2.3
	Total	101	77.7

Critical Incident Analysis

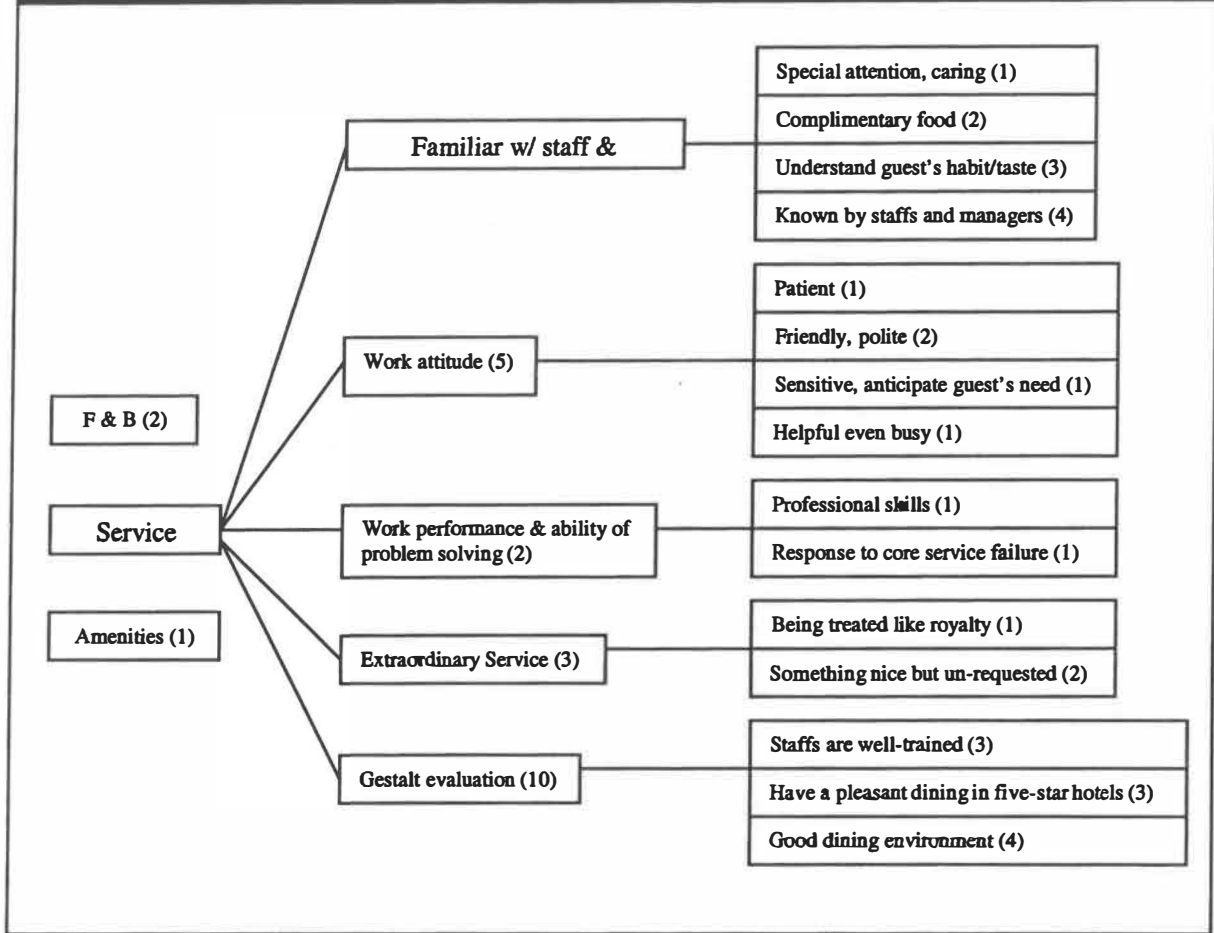
One method of discerning key components in the dining experience is to ask respondents what factors created particularly memorable occasions; either pleasant or unpleasant. Of the 108 guests asked, 33 could identify pleasant incidents, 42 unpleasant ones and 42 interviewees were unable to list any special events. The actual number of events comprising the 75 incidents numbered 117. This part of the analysis started by following the categorisations suggested by Bitner, Booms and Tetreault (1990). Thus the researcher looked for situations of service delivery failure and recovery situations, for unexpected responses by

waiting staff, whether positive or negative, for errors made, technical problems due to equipment failure and the like.

Of the 33 pleasant incidents, 30 related to some specific aspect of the service situation, 2 to food and beverage quality and one related to tangible amenities.

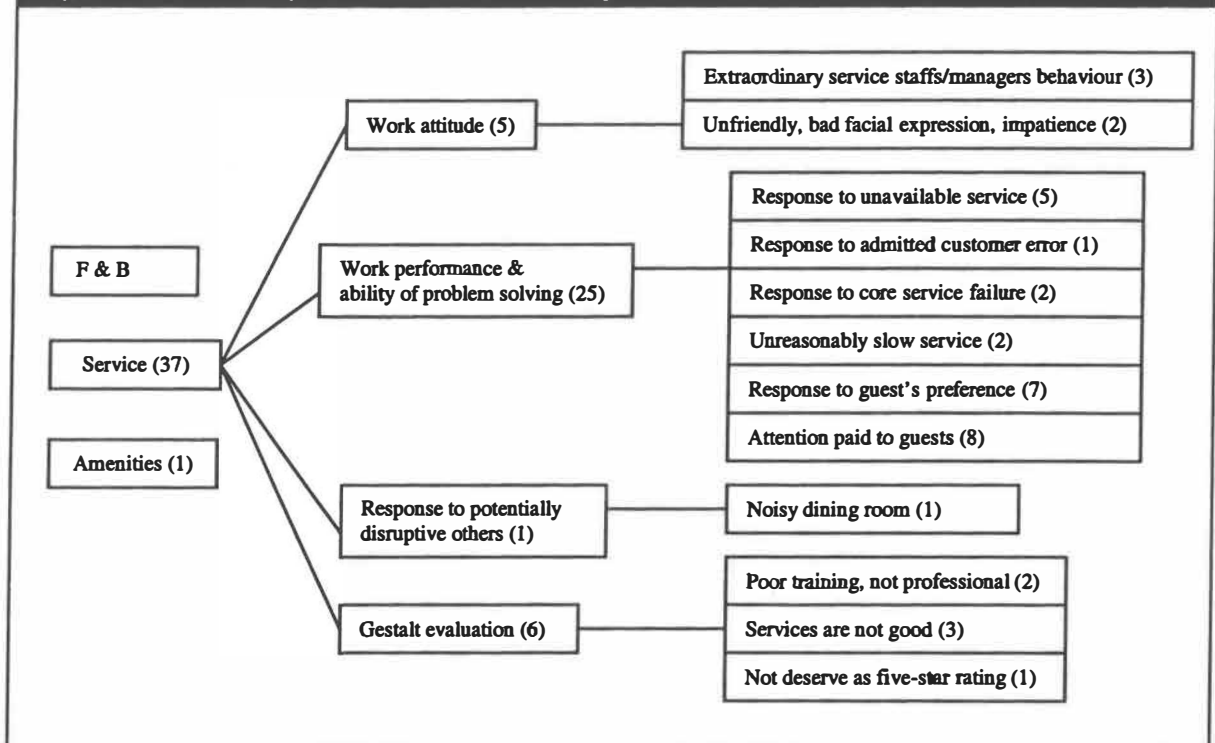
Figure 7.1 summarises the findings and the numbers indicate the frequencies associated with each categorisation. Among the accompanying comments that related to being known by staff and managers was that 'It gave us a sense of privilege.'

Figure 7.1: A Categorisation of the 33 Pleasant Incidents



A similar analysis was applied in the case of the 42 unpleasant incidents. These are described in Figure 7.2. Again it can be seen that the service components of the dining experience are dominant, for of the 42 incidents 37 were categorised under this heading.

Figure 7.2: A Categorisation of the 42 Unpleasant Incidents



Perceptual Mapping

This mode of analysis is based on neural network theory (see Woelfel and Richards, 1989, Ryan, 2000a, 2000b). This may be described as a pattern-matching algorithm whereby words are assigned nodal sites that may be switched 'on' or 'off'. The total signal received by any node j will be the sum of the signals received from all other nodes, i.e.

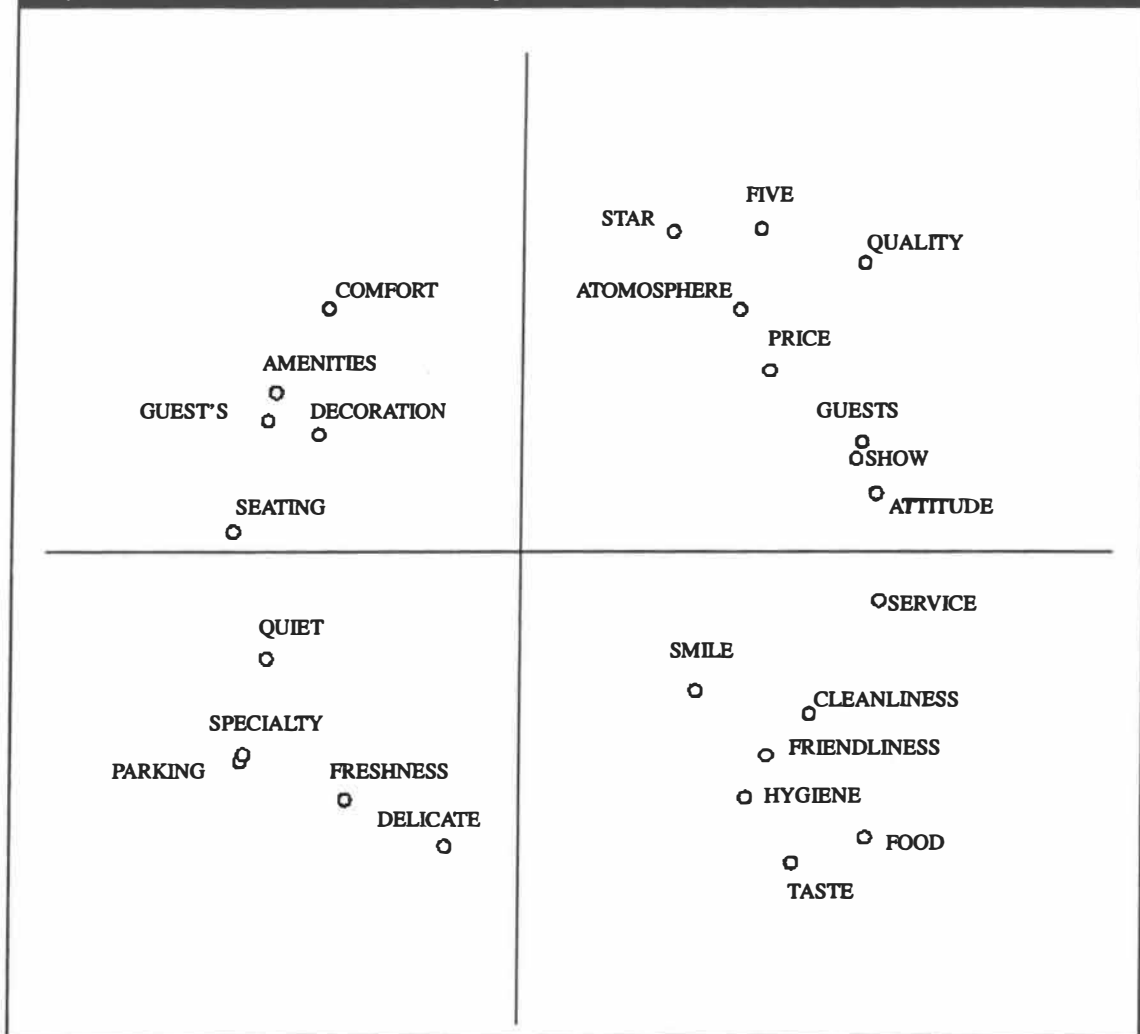
$$\sum_{j=1}^N w_{ij} a_j \quad \text{where } w \text{ is weight and } a \text{ the strength of signals from other nodes}$$

The technique is based upon the allocation of positions of words within the text and the spatial relationships of words to each other – these relationships indicating the 'neural pathways'. The relationships are defined within 'windows' of text that can be manipulated in size through the software options by the researcher. Like

NUDIST, TextSmart and other similar pieces of software the package is but a tool yet past practice has proven it to be useful.

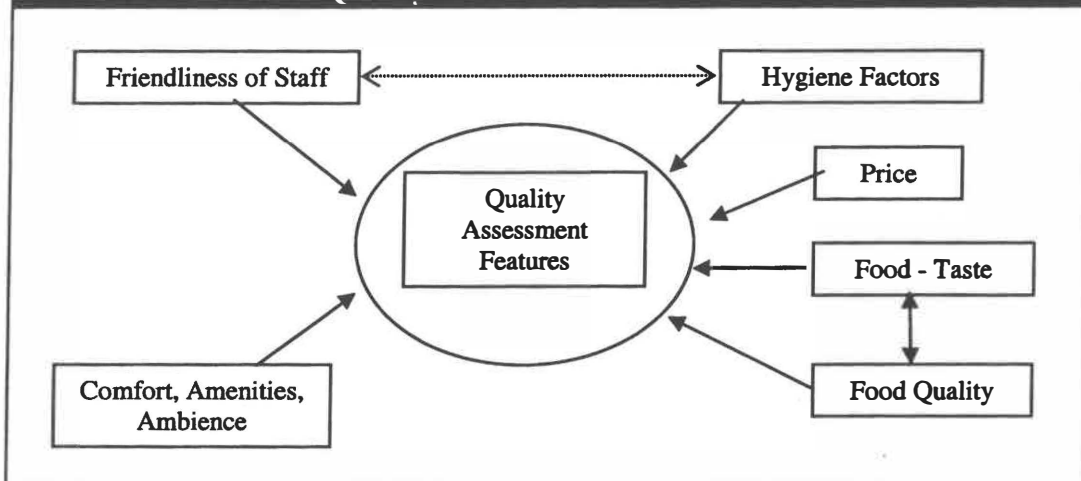
To analyse guest's perspectives of the dining experience, the software package CATPAC™ was employed. This software can read rows of text and learn the underlying concepts of clusters of meaning which it reports graphically (Hample, 1996). The output of CATPAC™ is then read by Thought View which displays perceptual maps from the CATPAC™ data. Figure 7.3 is a two-dimensional representation of the spatial relationships of the words used by guests to indicate the characteristics of service quality when making a judgement about such service. The value of the axes might be said to be 'incidental', being based on Euclidean spaces determined by factors such as length of text, size of window used in the analysis and distance of words from each other. Akin to a spatial representation of the process of factorial analysis (Klein, 1994), the key issue is a spatial relationship wherein the units of analysis (words) retain relative position to each other no matter what values are ascribed to the coefficients of space. Within the space of text, which is represented by rows and columns, the weighting of each cell is determined by the number of connections existing with other words as indicated above (Woelfel & Soyano, 1994).

Figure 7.3: Two-Dimensional Map Derived from Software



In short, the Figure 7.3 shows the type of diagram that emerges directly from the software. As with other such tools, the output needs to be interpreted by the researcher. In this case it can be noted that a specific grouping emerges where hygiene and attitudinal factors emerge as being overlapping but important features (as determined by frequency of phrase usage which is not shown in the diagram). It becomes possible to simplify these types of diagrams to clarify the interpretation and this is done in Figure 7.4.

Figure 7.4: Interpretive Perceptual Map of Respondents' Views- Determinants of Quality Assessment



What appears to emerge from this analysis is the importance of tangible factors within the experience although the intangibles of staff friendliness, their smiling and general ambience does emerge. It is also notable that the management perception of price having a role emerges here as having a role to play in any assessment of quality.

Management, on the other hand, clearly perceived that guests want value for money as the main theme in their response. They also thought guests wanted staff who were professional and able to undertake the initiative. That is, staff should be able to articulate guest needs and be able make recommendations. This requires a high level of skill, and an understanding of what Baum (1997) identifies as emotional theatre in the service situation. Among service skills they noted the importance of calling guests by their name. Reverting back to the original text reveals comments about staff being able to develop relationships with guests that are professional. (For their part staff, also distinguished between guests, arguing that those from the south were more demanding and sophisticated in their

requirements). While there are comments pertaining to the technical components of service, there is almost an assumption that these will be present – that, being a five-star hotel there should be no question that the décor and ambience will be other than of a high standard. For example one restaurant manager said:

It is a five-star hotel. We don't deserve to be if we failed to perform tangible services. They are all standardised and are similar to other hotels. We want to deliver a service that is intangible which differentiates our service from others.... to create good guest relationship. Consistency of service is the crux of the matter, so tangible services are standardised.

Finally staff's attitudes were analysed. These listed a much wider range of topics than was the case in either of the lists of the guests or management, and cited what might be said to be technical components of food preparation and service. For example reference was made to a need to ensure that service was in accordance with the standardised procedures of the hotel, that cutlery was handled with professional skill, the food was served at the right temperature and toilets should be kept clean. One respondent mentioned the need to develop new beverages. Yet, nonetheless the intangible components of service were again to the fore. Among the lists advanced by one member of staff was:

Cleanliness, freshness of food, service attitude, smile, friendliness, show genuine interest in serving guests even busy, handle tableware professionally. Because they (that is the guests) are paying more, so they expect good service quality and value.

Another stated:

The quality of staff, the appearance of staff, tableware, service attitude (patience, smile, advise in menu, friendliness, make the guest feel being like home), hygiene, cleanliness, amenities (comfort, luxury), freshness of

food, personalised service, complimentary service, delicate food, five-star quality.

And a third suggested:

Service attitude, show respect, prompt service even busy, quality of food, freshness, presentation, professional service, cleanliness of amenities.

IMPLICATIONS FOR SECOND STAGE STUDY

What insights about the conceptual foundations of service quality can be derived from this examination of the views of guests, managers and staff? First, there appears a high degree of correlation between the views, albeit expressed within the context of different roles. For example management tends to express views centred on the performance by staff to achieve guest satisfaction, and although not recorded here, management also spoke of issues such as human resource management and high staff turnover rates. Front line staff, as indicated, spoke in terms of performance of functions. From the comments made by guests, there was an impression gained that they expected high quality of service because these were five-star hotels.

In terms of the actual components of service, the intangible components come through strongly. Staff are expected to be courteous, knowledgeable, anticipating guest needs, possessing high levels of technical skill, to be able to develop relationships with guests and remember their names and preferences. Second, the quality of food is seen to be important. Quality has two components – first the levels of preparation and cooking are expected to be high; and secondly the

freshness, range of foods and choice are also deemed important. Third, there is a refrain of value for money being important.

What of the importance of *kuan-hsi* (personal relationship) and *mien-tsu* (face)? It is notable that of the 33 pleasant incidents recalled by guests, just under a third were attributed to relationships with staff and management. Guests felt that recognition by staff and management added to a more pleasant dining experience. For their part staff and management reinforced the importance of understanding guest needs. It might be argued there was a difference though. Some guests arguably adhered more to a cultural norm of traditional Chinese culture. Two examples might illustrate this:

I am a repeat guest to this restaurant, so they know me very well. They are like friends. Most of the time I have a pleasant dining experience here ... even though my order is delivered late, I know they don't mean to ... there must be some reasons for the late service.

Sometimes we walk by the restaurant and see Sherry (Assistant Manager) on duty. We come in without a doubt. She is always courteous and pays special attention to us. I know today's dining will be pleasant because Sherry's presence guarantees that.

On the other hand hotel staff and management are complying with the culture of a professional five-star hotel. There were many references to operating procedures. If concerns were expressed they were expressed in the professional language of hospitality managers and staff. The situations and expressions of those situations would be very recognisable to their western counterparts.

In conclusion therefore, it appears that within the model of an international five-star hotel in Taiwan, the influence of a national, ethnic based culture is of limited importance, or if it has importance it is filtered through the professional standards of five-star hotel management. This is not to say that it has no importance, because, as commented, on the part of guests the interaction and interpretations of the guest-staff relationship is interpreted at least in part through the cultural norms of everyday life. Yet, it might be argued, at the heart of the relationship is a commercial transaction within an internationally recognised mode of business operation. Moreover it is one where international competition is high and, at the standards of the five-star hotels, one where many guests, management and possibly staff develop reference points based on overseas operations. Given that framework, it is therefore possibly not surprising that the hotel represents a nexus where commercial operating frameworks provide a contextualisation of service provision within which traditional Chinese culture possesses but a secondary importance. Further research based on the finding of the pilot study will be discussed in the following chapter.

CHAPTER 8

THE RESEARCH QUESTIONNAIRE

A review of the literature pertaining to customer satisfaction was presented in Chapter 2 through Chapter 5. It was found that very few studies had investigated the full set of interrelationships among Chinese cultural values with reference to affective response to dining, past dining experience, perceived attribute importance and satisfaction of dining. This thesis therefore attempts to fill this gap in the literature. More specifically, the primary objective is to examine whether Chinese cultural orientations influence an evaluation of dining in a five-star hotel. In order to show the relationship between possible variables, a customer satisfaction framework in the Taiwanese hospitality setting has been developed (Figure 8.1). This chapter discusses the research design and methodology, showing how concepts can be tested. The discussion begins with research justifications based on literature reviews and the pilot study conducted previously. The development of the hotel guest, waiting staff and restaurant management questionnaires are explained respectively. Data collection methods are then discussed along with the research setting and sample selection.

CUSTOMER SATISFACTION MODEL IN THE TAIWANESE HOSPITALITY SETTING

The framework shown in Figure 8.1 was developed and underpinned by Fishbein's attitude theory. This theory brings together social, psychological and

cultural variables in relationship to an evaluation of restaurant attributes. The proposal includes the following components:

Independent variables

1. Socio-demographic profile (e.g. gender, age, education level and income)
2. Type of restaurant
3. Dining occasion (e.g. family, business or social dining)
4. Patronage frequency
5. Perception of price
6. Importance of star rating
7. Importance of brand name
8. Chinese cultural values

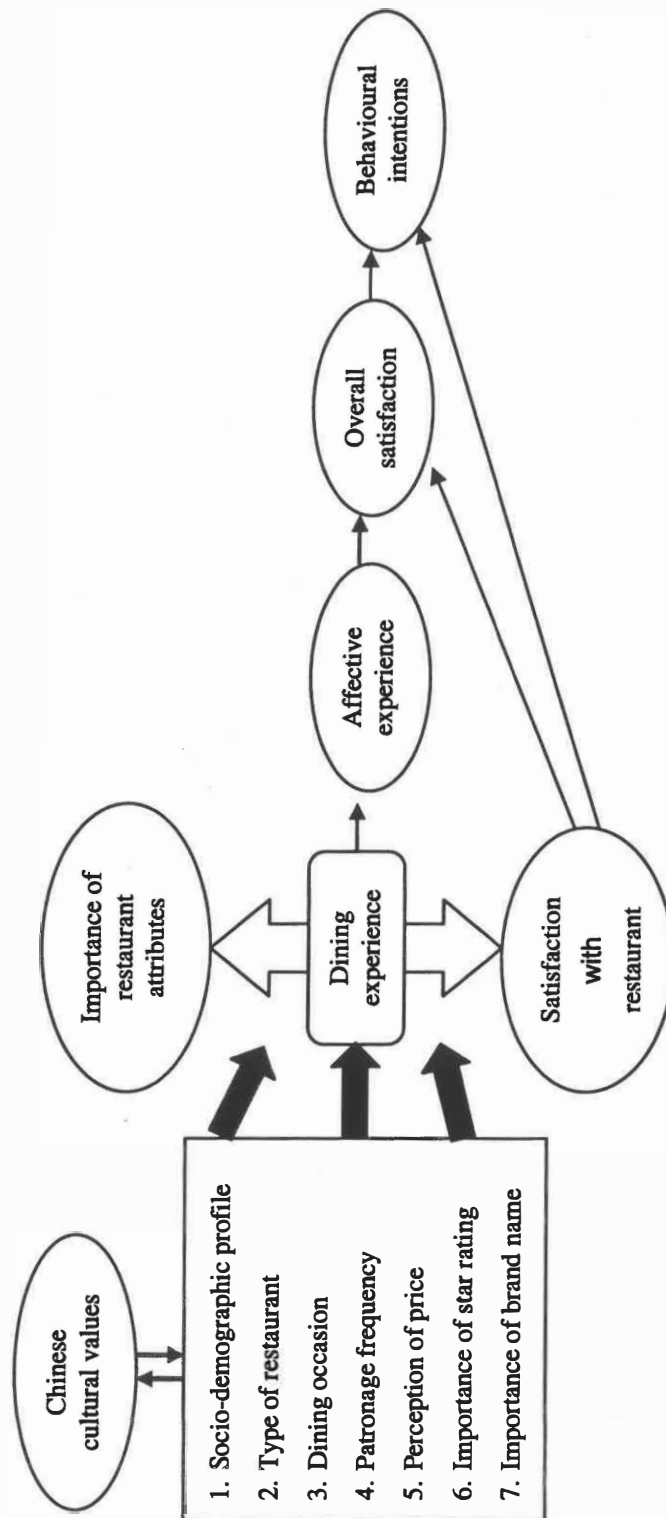
Dependent variables

9. Perceived importance of restaurant attributes
10. Satisfaction of restaurant attributes
11. Affective experience
12. Overall customer satisfaction
13. Post-purchase behavioural intentions (e.g. re-patronage and WOM recommendation)

The first eight components are independent variables of the model, while the last five components are dependent variables. The independent variables are the determinants of perceived importance and evaluation of restaurant attributes which are derived from the literature review and pilot study. The major dependent variable is overall customer satisfaction, which may indicate behavioural intentions. Causality between components in the model is indicated by arrows which show the direction of influence. The framework assumes that there is a one-way flow of causation. These causations between variables are presented as

propositions in this thesis. The various components of the framework will be discussed in the following sections and the statistical method chosen to test these relationships between variables will be presented in the subsequent analysis chapters.

Figure 8.1: Customer Satisfaction Model in the Taiwanese Hospitality Setting



Arising from Figure 8.1 the following hypotheses emerge:

- H₁: Socio-demographic variables determine assessment of the dining experience.
H₀: Socio-demographic variables do not determine assessment of the dining experience.
- H₁: The type of restaurant determines the assessment of the dining experience.
H₀: The type of restaurant does not determine the assessment of the dining experience.
- H₁: The type of dining occasion determines the assessment of the dining experience.
H₀: The type of dining occasion does not determine the assessment of the dining experience.
- H₁: The patronage frequency of a given type of restaurant determines the assessment of the dining experience.
H₀: The patronage frequency of a given type of restaurant does not determine the assessment of the dining experience.
- H₁: The perception of price being high, medium or low determines the assessment of the dining experience.
H₀: The perception of price being high, medium or low does not determine the assessment of the dining experience.
- H₁: The importance attributed to the star rating of the hotel/restaurant complex determines the assessment of the dining experience.
H₀: The importance attributed to the star rating of the hotel/restaurant complex does not determine the assessment of the dining experience.
- H₁: The importance attributed to brand name determines the assessment of the dining experience.
H₀: The importance attributed to the brand name does not determine the assessment of the dining experience.
- H₁: The importance attributed to restaurant attributes determines the assessment of the dining experience.

H₀: The importance attributed to the restaurant attributes does not determine the assessment of the dining experience.

H₁: The affective experience derived from the dining experience, when combined with the satisfaction associated with the other restaurant attributes, determines overall satisfaction.

H₀: The affective experience derived from the dining experience, when combined with the satisfaction associated with the other restaurant attributes, does not determine overall satisfaction.

H₁: The affective experience derived from the dining experience, when combined with the satisfaction associated with the other restaurant attributes, determines overall satisfaction.

H₀: The affective experience derived from the dining experience, when combined with the satisfaction associated with the other restaurant attributes, does not determine overall satisfaction.

H₁: Chinese cultural values affect the nature of the dining experience as a variable underlying other determining variables.

H₀: Chinese cultural values affect the nature of the dining experience as a variable underlying other determining variables.

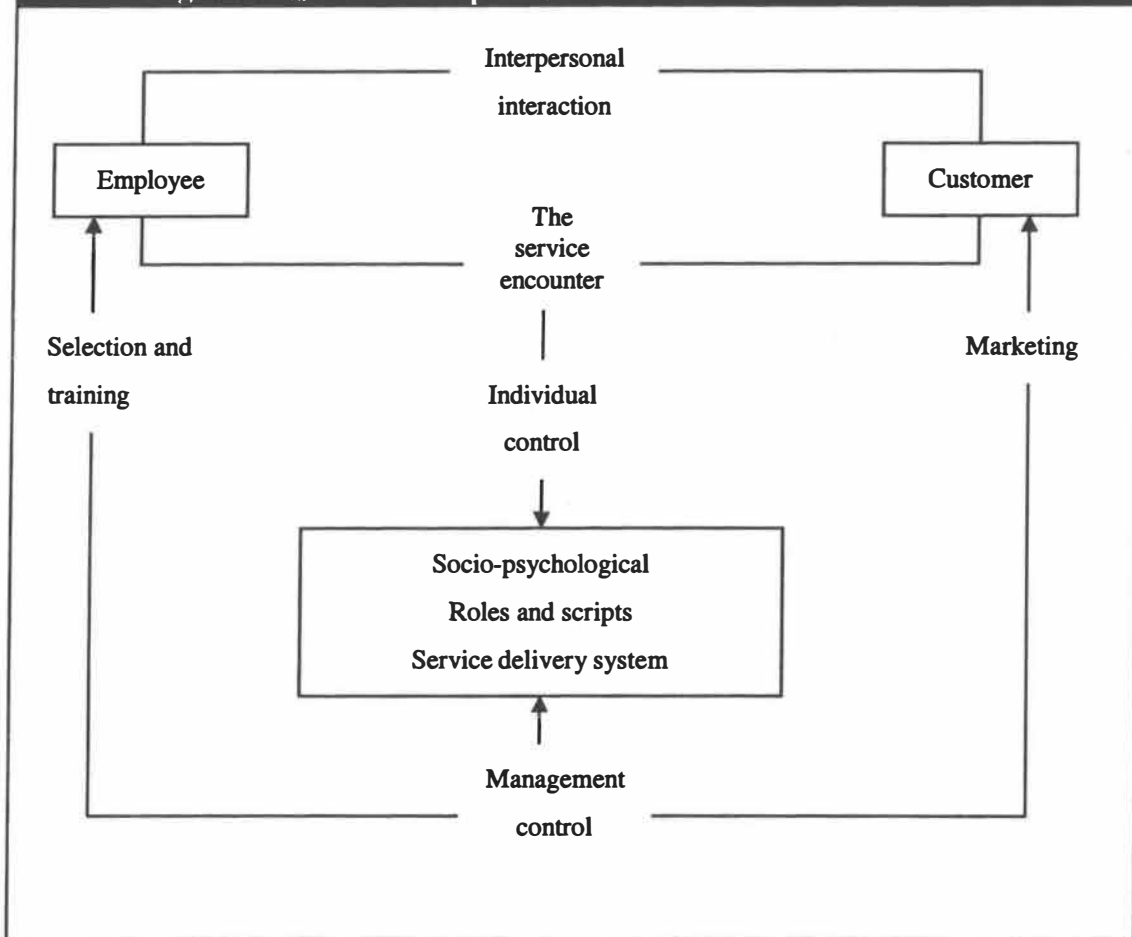
In order to test the hypotheses data were collected through three sets of questionnaires applied to clients using four different restaurants, and these questionnaires are described in the next section.

THREE SETS OF QUESTIONNAIRES: GUESTS, WAITING STAFF AND RESTAURANT MANAGERS

The nature of service encounters involves three stakeholders: hotel guests, restaurant waiting staff and managers. Each have their own roles and expectations that will lead to a definition of a successful service experience. Jones (1989)

illustrated the relationship that hotel guests, waiting staff and managers have in the service encounter as shown in Figure 8.2. Failure to recognise any variance in expectations and perceptions between customers and service providers (waiting staff and restaurant management) will exacerbate inappropriate customer service standards and mistaken priorities in service design. To add to the complexity of the situation, different measures are required to assess expectations and evaluations of service for each of the three groups concerned.

Figure 8.2: A Model of Relationship Between Customer, Employee, and Management (Jones, 1989, p.111)



Perception Gap Analysis of Hotel Guests, Waiting Staff, and Restaurant Management

Within the SERVQUAL model, the five quality gaps proposed by Parasuraman, Zeithaml and Berry (1985) are measures of inconsistencies in the quality management process. Measurement of the gap (Gap 5) between customers' expectations and their perceptions of service quality has been the principal focus of research, but the other four perception gaps relating to managerial perceptions of service quality and tasks associated with service are not often evaluated. To

address this issue, this thesis adjusts the method by comparing perceptions of service performance between hotel guests, waiting staff and restaurant management. Based on the above framework, it can be found that these three sets of questionnaire (guest, waiting staff, and restaurant management) retain a similarity in question format but each keeps its sovereignty as an independent measure of each group of stakeholders (see Appendix B).

SECTION 1: IMPORTANCE-SATISFACTION ANALYSIS

As contemporary concerns have sought to distinguish more clearly the relationship between service quality and customer satisfaction, and the measurement of that relationship, the measurement of service quality based on the expectancy disconfirmation paradigm (e.g. SERVQUAL model) has been subject to an extensive challenge. Much of this debate was the issue of how to measure expectations, which is problematic (see Carman, 1990; Babakus & Boller, 1992; Teas, 1993). Additionally, it was commented that the satisfaction of service experience could be explained by the performance perceptions rather than the expectations scale (see Churchill & Surprenant, 1982; Bolton & Drew, 1991; Cronin & Taylor, 1992; Rao & Kelkar, 1997). The rationale for this point of view is that, while perceived service quality is a form of attitude, expectancy disconfirmation appears only to mediate, not define customers' perceptions of service quality. According to Fishbein and Ajzen (1975), individual attitude is defined by his or her importance-weighted evaluation of the performance on the specific dimensions of a product or service. The important attributes will be expected to have a higher impact on perceived service quality. Thus the inclusion of an importance scale in the measurement is justified as better predicting

behaviour and behavioural intention. The importance-performance analysis (IPA) combining a measure of attribute importance and customer satisfaction with individual attribute, was adopted as the framework for constructing guest, waiting staff and restaurant management questionnaires.

The first section of the questionnaire comprised two parts. For the guest questionnaire, the first consists of a number of questions asking respondents to indicate the degree of importance they attached to specific attributes when considering their 'current' dining experience in which the 'current' is emphasised in bold capital fonts. This notation was designed to catch hotel guests' attention to think about the importance of restaurant features in their "current" dining situation to differentiate from dining in general which might be too broad because it could cover anything from fast food outlets to five-star restaurants or food stalls in street markets. For some restaurant features, people's perception may shift according to the specific dining occasion. Since the second part of the questionnaire asked guests to assess the performance of restaurant features in their 'current' dining, respondents were asked to express their levels of satisfaction using Likert type scales. In a similar vein, waiting staff and restaurant management were asked to indicate the degree of importance and evaluation of performance on the same restaurant features as did guests, but with slightly different wording to reflect their different roles.

Employment of Likert-Type Scale

Westbrook and Oliver (1991) investigated four different scales to assess their reliability: Likert, semantic, differential, graphic and verbal. The results of their

study showed that the Likert and semantic-differential scales performed equally well for multi-item customer satisfaction measures with alpha values of 0.75 to 0.96 and 0.90 to 0.95, respectively. Thus, in this study, seven-point Likert scales, as suggested by Parasuraman et al. (1988; 1991), are employed in measuring guests' attitude and satisfaction with 1 being 'extremely unimportant' or 'extremely dissatisfied' and 7 being 'extremely important' or 'extremely satisfied.' For the questionnaire to waiting staff and restaurant management, it shared the same importance scale as guest's, but different in performance scale ranging from 1 as 'extremely poor' to 7 as 'excellent.' Since the samples were mainly Taiwanese, questionnaire questions and scales were translated into Mandarin language. This translation process was further discussed in the later section of this chapter. The use of the Likert scale is a popular research method for generating opinions and attitudes in behaviour studies. A seven-point scale was selected instead of a five-point measure to permit a larger discrimination between responses which ultimately contributes to a better normal spread of observations. A '0' was also included throughout the questionnaire to allow a non-response option (no opinion, not applicable). Inclusion of non-response options indicates whether a random pattern in response sets emerges and helps to identify adequacy of the items (Ryan, 1995; Ryan & Garland, 1999). The questionnaire allocates items with the importance and performance scale being paired together instead of asking the respondents to rate the importance first, then sequentially the evaluation so as to avoid giving the respondents an impression that the questionnaire was not too long. It is believed that by doing this the response rate will be increased. In doing this the questionnaire adhered to the columnar layout recommended by Parasuraman, Zeithaml and Berry in 1994, albeit with the 2 columns, not the three the SERVQUAL authors recommended.

Also, Ryan and Cassford (2003) found little evidence of 'halo' effects when using this approach.

Selection of Attributes of Dining Experience

A substantial number of researchers have failed to confirm the SERVQUAL dimensions and even Parasuraman *et al.* (1994) themselves were unable to replicate their own work in its entirety in a later study. It is suggested that service components differ between industries which make it impossible to ask the same series of questions for all situations. Johns and Pine (2002) noted that although SERVQUAL summarises service attributes in a theoretically satisfying way, it takes little account of other empirical attributes of the restaurant experience, mostly notably food quality. Therefore, it is important to develop viable items which accurately describe the industry being studied and that these service attributes possess importance for hotel guests. Two approaches are commonly used to identify relevant attributes: previous research in the same or related areas and various qualitative research techniques such as unstructured personal interview and managerial judgment. A summary of a list of service attributes from previous studies is presented in Table 8.1. Along with reviewing an extensive literature, a pilot study was conducted prior to the construction of the questionnaire to elicit the main factors involved in an evaluation of the dining experience. Ultimately, a list of 32 restaurant features emerged as following:

Waiting staff are generally friendly.
Waiting staff generally smile while serving guests
Waiting staff are generally polite and respectful to guests.
Waiting staff generally provide prompt service.
Waiting staff generally look professional, clean and neat.
Waiting staff generally anticipate guest's needs.
Waiting staff provide personalised services.
Waiting staff or supervisors/managers advise guests about the menu when needed.
Waiting staff are consistently courteous with guests throughout the meal.
Waiting staff address guests by name with the title of social status.
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.
Food tastes nice.
Food meets high standards of hygiene.
Food appears to be fresh.
Food is well presented.
Dishes are unique to this restaurant and reflect the style of restaurant.
There is a wide selection of food choice.
Food quality is consistently good.
The food's ingredients reflect the style of restaurant.
Pricing is appropriate for this style of restaurant.
Amount and composition of food is appropriate.
Specials/promotions are a regular feature in this restaurant.
The dining room is clean.
The toilets are clean.
Tableware is properly washed and clean.
The interior decoration is visually appealing and reflects the theme of restaurant.
The ambience of dining room reflects the style of restaurant.
The seating is comfortable.
Car parking is available.
Table arrangements are of a high standard.
It is safe and secure dining in this restaurant.
Waiting staff or supervisors/managers establish good customer relationship.

Table 8.1: Service Attributes Measured by Restaurant/Hotel Studies						
Attributes	Authors					
	Saheh, Ryan	Auty	Clark, Wood	Johns, Howard	Collie, Sparks	Heung, Leung, Tan
	1991	1992	1998	1998	1999	2003
Food/drink quality		X	X	X	X	
Service quality	X		X	X	X	X
Atmosphere		X	X	X	X	
Location		X		X	X	
Hygiene					X	
Hours of operation		X	X		X	X
Value for money/Pricing		X	X	X	X	
Staff: service attitude	X	X		X	X	X
Location					X	
Environment (interior/exterior)				X		X
Reputation of organisation				X		
Staff: well-dressed, clean	X					X
Decor						X
Comfortable dining area						X
Clean toilet/restroom						X
Clean dining area						X
Clean tableware						X
Speed of service		X	X			X
Quickly correct mistakes	X					X
Consistent service						X
Accurate guest check						X
Staff: polite, courteous	X					X
Safety						X
Staff: knowledge about menu	X					X
Staff: anticipate guests, needs	X					X
Menu design						X
Professional staff	X					X
Address guests by name	X					
Individual attention	X					
Staff: friendliness			X			
Helpful even while busy	X					
Check satisfaction	X					
Parking facility			X			
Range of food choice			X			

SECTION 2: FEELINGS OF DINING EXPERIENCE

Many studies have shown that subjective, affective and experiential factors comprise a substantial portion of customer evaluation and satisfaction with services (Parasuraman *et al.* 1988; Ryan, 2000a; Gnoth, Zins, Lengmueller & Boshoff, 2000). Especially in the hospitality context, perception of service is

strongly influenced by emotional and experiential reactions by customers due to the intimate nature of the service encounter. To support this, Arnould and Price (1993) argued that extraordinary experience is created through an extended service encounter. Even though the affective component of service experience has been recognised by researchers, very few papers address this concept in their quantitative measures. This study intends adding the affective component to questionnaire.

Section two of the guest questionnaire pertains to guests' feeling about the current dining experience. The affective component of the dining experience has been shown to comprise subjective, emotional and highly personal responses to various aspects of service delivery which lead to satisfaction with the overall experience. To optimise the content validity of the list of affective domain, a review of literature in consumer behaviour and pilot study was conducted. Table 8.2 gives a summary of these items. Respondents were asked to identify the degree of agreement on each affective statement on seven-point scale ranging 1 as "strongly disagree" to 7 as "strongly agree." One research objective was to explore the existence of these elements and their relationships to the overall dining experience.

Table 8.2: Affective Statements of Dining Experience
I obtain a sense of relaxation from this dining experience.
I obtain physical comfort from this dining experience.
I feel I am respected by waiting staff and feel a sense of privilege.
I feel that I am important to this restaurant.
I feel that today's meal and services are value for money.
I feel at home.
I enjoy today's dining experience.
I feel a sense of luxury/a sense of being 'royal.'
I enjoy the meal.

Referring to the literature, a sense of “relaxation,” “comfort,” and “enjoyment” has been documented as a fundamental benefit of the service encounter (Otto & Ritchie, 1996). A sense of “privilege” and “luxury” also emerged from the pilot study, in which hotel guests expected that atmosphere, dining environment and service delivery match five-star quality standards. At the same time, hotel guests want to have a feeling of “being at home.” Finally, “value for money” emerged from the pilot study and is consistent with previous studies (Auty, 1992; Clark & Wood, 1998; Johns & Howard, 1998; Collie & Sparks, 1999).

SECTION 3: POST CONSUMPTION SATISFACTION OF DINING EXPERIENCE

Section three concerns the post consumption satisfaction of current dining and guests’ behavioural intentions. The concept of perceived service quality and customer satisfaction is important because they influence repurchase and word of mouth publicity. This causal relationship has been investigated in many studies (Cronin & Taylor, 1992; Suh, Lee, Park & Shin, 1997; Oliver, 1997; Ryan, 1999; Choi & Chu, 2001). Researching guest satisfaction solely is not enough, but whether guests will return to a restaurant or recommend it to others is what concerns management the most. Repeat visitation is essential to the success of the hospitality business. This research intends to investigate the causal relationship between perceived service quality, customer satisfaction and behaviour intentions (e.g. repurchase and recommendation); that is, to assess the relative importance of the restaurant features resulting in guests’ likelihood of revisiting the same

restaurant in subsequent dining occasions and making positive recommendation to others.

In addition to the 32 restaurant features of dining experience, hotel guests were also asked to rate their overall satisfaction levels towards the current dining occasion on a seven-point Likert scale ranging from 'extremely satisfied' (7) to 'extremely dissatisfied' (1). The reason for having a separate question for measuring overall satisfaction is that using an average of measured gaps (importance-performance) will result in multi-collinearity when performing regression analysis, assuming, for the moment, that such a gap has a value as a measure of 'relative' satisfaction (Ryan, 1995). Hotel guests were also asked to rate their likelihood of revisiting the same restaurant in subsequent dining occasions on a seven-point scale ranging from 'absolutely revisit' (7) to 'absolutely not revisit' (1). Similar to the previous scale, the likelihood of recommending the same restaurant to others was evaluated on a range of 'absolutely recommend' (7) and 'absolutely not recommend' (1). Again, these questions were also translated into Mandarin language, which issue is further discussed later in the chapter.

SECTION 4: CULTURAL IMPACT

Culture is one of the influencing variables when it comes to identifying drivers of satisfaction. It is a new trend to conceptualise service quality and customer satisfaction from cultural perspectives. To date, a large number of studies on tourism and hospitality argued that customers' expectations and perceptions of service performance are influenced strongly by national and ethnic culture

(Armstrong, Mok, Go & Chan, 1997; Mok & DeFranco, 1999; Master & Prideaux, 2000; Kim, Prideaux & Kim, 2002). Many of them have studied cross-cultural differences by comparing tourists of different nationalities, while very limited research has been reported on the construct causing these perception variances.

As this research is undertaken in Taiwan, a society dominated by Chinese culture, the practice of service encounter in a Chinese culture context will be examined. Gilbert and Tsao (2000) argued that *mien-tsu*, (face) *jen-chin*, (human obligation) and *kuan-hsi* (personal relationship) are the three important concepts to the understanding of Chinese social culture which governs the way of human interaction, known as a 'service encounter' in the hospitality context. Mok and DeFranco (1999) discussed cultural attributes (e.g. respect for authority, interdependence, face, group orientation, harmony) with possible marketing implications for each attribute in the hospitality industry.

Furthermore, the influence of a national, ethnic based culture on service delivery emerged from the pilot study, but appeared to be of limited importance. This might be because the interaction of guests and staff has been interpreted through the cultural norms of the everyday. The influence of Chinese culture therefore seems not too obvious in the pilot study. In order to uncover the influence of cultural values on consumption behaviour, the statements related to cultural norms are presented in Section Four of the questionnaire to force respondents to think more explicitly about the underlying reasons. The book, entitled "The Handbook of Chinese Psychology" edited by Michael Harris Bond (1996) and the article, entitled "Chinese cultural values: their dimensions and marketing implications" by Yau (1988) was referred to in order to shape these cultural statements. Hotel

guest were asked to indicate the degree of agreement on seven-point Likert scale, in which 7 is represented as “strongly agree” and 1 is represented as “strongly disagree” on a series of items.

SECTION 5: CURRENT DINING BEHAVIOUR

Section Five records the current dining occasion, guests’ dining pattern, and guests’ perception of star rating, price, and brand name of the hotel. The purpose of this section is to explore the order of importance and satisfaction of restaurant features according to the occasion, frequency of patronage, and perceptions of star rating, brand name, and price.

Hotel guests were asked to select an appropriate occasion from a choice of business dining, family dining, with friends or colleague for leisure, or others to best describe the current dining following the arguments of Davis and Stone (1985) and Auty (1992). Briefly the occasion for dining affects the ranking of restaurant features and the way of service delivery. For example, when the occasion is a celebration or a social night out, image and atmosphere become a more important part of the total dining experience than when a convenient meal is required (Auty, 1992).

The frequency of dining out is likely to increase the experience learned from the past patronage. Ryan (1997b) recognised that a learning process is involved in tourism/hospitality, noting that past experience permits the more travelled tourists to be better able to enjoy satisfactory experiences. Because customers learn from the past experience, the experience-based norms become a standard for comparing

current service performance (Teare, Mazanec, Crawford-Welch & Calver, 1994). To confirm the theory, this study surveys the frequency of patronage at the current restaurant and other restaurants with similar services respectively to test if the importance of restaurant features and total satisfaction varied by familiarity of patronage. Guests are requested to indicate the number of times they had visited a restaurant within the last 12 months.

In addition, the perception of star rating and brand name was examined on the seven-point Likert scale in which guests indicated the level of importance attached to these variables. Star rating and branding give an indication of quality assurance and product consistency (Carmouche & Kelly, 1995a). Guests form different levels of expectation with reference to the star rating and branding of the hotel, which was supported by the pilot study. The objective was to test the importance of restaurant features by these factors and to assess perception of star rating and branding by demographic profiles.

Lastly, as for the perception of price, guests were asked to indicate the level of perceived price from 'luxury meal' to 'budget meal.' It is important to note that the perceived price is based on guest's perceptions of meal price, not on actual meal prices. The relationship between perceived price and perceived quality have been studied by several researchers (Chen, Gupta & Rom, 1994; Bojanic, 1996; Oh, 2000) Bojanic (1996, p. 19) commented that "price acts as a moderating variable for consumer expectations and should be incorporated into any model dealing with the measurement of customer satisfaction." In this study, the relationship between perceived price and attribute importance, perceived quality (i.e. 32 restaurant features), perceived value (i.e. "I feel that today's meal and

services are value for money” from Section Two), and post consumption satisfaction were assessed.

SECTION 6: RESPONDENT PROFILE

Section Five sought information on the demographic characteristics of the respondents, including gender, age, area of residency, education level and disposable monthly income. Age category is designed to start with years 18 to 25 following Sudman’s suggestion (1983). He commented that the minimum age is usually eighteen for attitude research. Since this study deals with attitude measurements, it was thought appropriate to exclude guests under 18 years of age. Area of residency is obtained to differentiate locals from visitors. The data in this section also helped to differentiate patronage patterns among four restaurants.

QUESTIONNAIRE TO WAITING STAFF AND RESTAURANT MANAGEMENT

Waiting staff act as ambassadors for their organisations and play a crucial role influencing customer’s perceptions of quality, whereas management act as inspectors to monitor whether the service specification has been fully implemented and meet quality standards. As previously mentioned, one of the research objectives is to examine the perception gaps between guests, waiting staff and restaurant management. In order to make parallel comparisons across these three groups, Section One: Importance and Performance and Section Two: Cultural Impact of the waiting staff and restaurant management questionnaires had similar questions to that of the guests’ with slightly different wording.

SECTION 3: PERCEPTIONS OF QUALITY MANAGEMENT

To measure the perception gap in terms of quality management between waiting staff and restaurant management, namely gap 2 and gap 3 suggested by Parasuraman, Zeithaml and Berry (1985), twenty two quality management items are listed in both waiting staff and restaurant management questionnaire respectively. Again, these items are similar in nature, but are slightly different in wording. Restaurant management and waiting staff were asked to evaluate how well the quality management had been implemented throughout the organisation on a 7-point Likert scale between 1 as “extremely poor” and 7 as “excellent”. These items covering issues related to service delivery system, organisational culture, communication, and human resources management (e.g. selection, training) are discussed below.

Service Delivery System

According to the pilot study, many hotels in Taiwan employ a service operation manual, namely a Standardised Operation Procedures (SOP) to manage the service encounter. The service delivery system is blueprinted so it allows managers and waiting staff to identify the amount and nature of the stages involved in service operations. The more well-defined is a system, the more consistent the service encounter is likely to be. Standardised Operation Procedures (SOP) also scripted the daily routines, service procedures and complaints handling. Waiting staff are trained to respond in a pre-programmed way at the service encounter, so service quality can be standardised and so minimise the variation. However, flexibility must be considered when implementing scripts because each

encounter is unique. Managers should consider empowering employees to deal with each individual situation as it arises. Waiting staff arguably need a sense of ownership to take more responsibility for on the job performance in order to achieve the desired end of both customer and employee satisfactions.

Service Culture

Organisational culture is another factor influencing the quality of service encounter. The organisational culture refers to the underlying attitudes and beliefs held by managers and employees throughout the organisation. If the organisation is committed to customer-driven services, the duty of care is extended beyond specific operational roles to ensure that consumption experience is entirely satisfactory. The value of service culture provides a sense of common direction for all employees and guides their working attitude (Jones & Lockwood, 1989). Undoubtedly, top management's commitment to service quality and quality assurance is essential to the success of service delivery.

Communication and Employee Involvement

The communication flow from top to bottom and between restaurant and kitchen should remain fluid and transparent. In the pilot study, the relationship between restaurant and kitchen had a direct impact on service delivery, but it has been identified as a problematic area for some restaurants. In a foodservice system, restaurant (front stage operation) and kitchen (back stage operation) work closely to make up the overall dining experience (Jones, 1994; Yavas, Yasin & Wafa, 1995). Much of the literature on quality management also reconfirms that

employees need to be actively involved in the process of quality improvement (Redman & Mathews, 1998). In such empowered working environments, employees are encouraged to provide feedback, share information and make suggestions toward customer satisfaction.

Selection and Training

“Selecting the right person for the right job” is one HR management approach in managing the service encounter. People with personality characteristics that can be matched to organisation-determined service quality criteria are selected in the first place. Personality traits such as social ability, extroversion and self-esteem may influence employee behaviour at the customer contact and therefore reflect innate competencies on service performance. Last, the effectiveness of any training program is evaluated. According to the pilot study, the hotels consistently provide a series of training on foreign language, Standardised Operation Procedures (SOP) and interpersonal skills.

SECTION 4: PERCEPTIONS OF STAR RATING, BRAND

NAME AND PERCEIVED PRICE

Section Four from both the management and waiting staff questionnaires assesses how important they think a guest’s perception is of star rating and brand name of the hotel on a 7-point Likert scale. By doing so, a comparative study of perception difference between guest, waiting staff and restaurant management can be implemented.

SECTION 5: RESPONDENT PROFILE

Similar to the guest questionnaire, the last section pertains to the socio-demographic profile of respondents. Besides the basic demographic information (e.g. gender, age, education level), information on past job experience and current job are obtained. For example, respondents are asked to indicate numbers of years working in the current organisation or the hotel/restaurant industry. This is because an employee's past experience is assumed to have an impact on their perception of service quality and quality management.

QUESTIONNAIRE TRANSLATION

Because this study is targeted at Taiwanese guests, waiting staff and restaurant management, the three sets of questionnaire were translated into Mandarin, Taiwan's official language. McGorry (2000) asserted that the issue of questionnaire translation should be undertaken with care when conducting research with different cultural groups. Berry (1980) suggested that the goal of translation is to obtain instruments that elicit responses that convey similar meanings to members of various groups. This means that the cultural applicability of the constructs must be considered when developing an instrument. Back translation was adopted for the translation of the questionnaires. This process has been described as one of the more adequate translation processes (Marin & Marin, 1991). The questionnaires in English were first translated into Mandarin by the researcher. A second translator, Steven Pan, was a media editor of China Television Co., Taiwan and is now Ph.D. student of University of Waikato, New Zealand. During his graduate studies at Waikato, he has translated a number of

books related to management. This background permitted Steven Pan to back translate from Mandarin to English. After comparing both versions of questionnaires, several amendments were made to better obtain responses from Taiwanese respondents.

RESEARCH SETTING

The majority of previous studies in dining experiences have been undertaken in western setting. Studies on restaurants in Taiwanese were relatively few. Indeed, findings and implications drawn from Western studies may not be applicable for a restaurant in the context of Taiwan as customers' expectations of service are shaped by their cultural values. Consequently, the Taiwanese hospitality industry was chosen for this study, primarily because of the researcher's own background and interests.

Grand Hi-Lai Hotel was again selected as a research setting, although this limits the ability to generalise the results to other areas within Taiwan. The choice of Grand Hi-Lai Hotel was for two reasons. First, it was one of the hotels where the pilot study has undertaken. Since the questionnaire was derived from the pilot study, the questionnaire is believed to reflect the situation of Grand Hi-Lai Hotel. Second, the management of Grand Hi-Lai Hotel were very supportive in hosting the second round of the research project. In fact, international tourist hotels from different parts of Taiwan were thought to be the most suitable research settings to conduct research concerned with service quality in Taiwanese hospitality industry because of their importance. However, this ideal of data collection could not be implemented due to a lack of financial and time resources and industry support.

The Grand Hi-Lai Hotel

The Grand Hi-Lai Hotel is the largest international tourist hotel in the south, located in the central business and financial district of Kaohsiung, the second largest city of Taiwan. Within its



186M high 45-storey neo-classical architecture, the Grand Hi-Lai Hotel comprises shopping and accommodation in the same building. Hanshin Department Store within the hotel complex is the largest department store in Kaohsiung. The hotel features 550 guestrooms and suites with harbour and city views, 20 Asian and Western restaurants, the largest banquet and convention facilities in the city and 1000 parking spaces. The recreation facilities include nightclub, sauna, outdoor swimming pool, squash and fitness centre. The most unique feature of the Grand Hi-Lai Hotel is its interior design, decorated with a luxurious display of antique Chinese and Western furniture and original works of art. The hotel developer/investor, Mr. Tsai Chen-Nan is also known as an antique collector and he has extended his hobby to the creation of the Grand Hi-Lai Hotel. Throughout the hotel, the design and special layout reflects Mr. Tsai's character and his sense of art work.

Among 20 Asian and Western restaurants, four restaurants were selected to be a research site. They are chosen due to the nature of service and ease of reaching respondents. As this study focused on the relationship between guest, waiting staff and restaurant management, full-service restaurants were preferred and buffet-type restaurants with minimum staff-guest interaction were excluded from the

study. The Director of Food and Beverage Department of Grand Hi-Lai Hotel, Mr. Jackson Hsu, assisted in selecting appropriate restaurants by using the criterion of ease in accessing respondents. Consequently, Teppanyaki Restaurant, Steak House, Taiwanese Restaurant and Shanghainese Dumpling were selected. A description of each restaurant in terms of service type, menu offered and pricing follows.

Teppanyaki Restaurant

The Teppanyaki Restaurant located on the 45th floor of Grand Hi-Lai Hotel employs a Japanese traditional cooking



“teppan (steel plate)-yaki” where fresh meats and vegetables are prepared, cooked on a grill and served right in front of guests. Teppanyaki's menu features a set choice of live lobster, USDA prime beef, Japanese beef and fresh seafood selection. The way of preparing meals by highly skilled chefs is designed to be entertaining. A la carte is also available for guests to enjoy. For special occasions, such as Christmas, Valentine’s Day, the restaurant chef will create a special menu for guests. From Teppanyaki Restaurant, guests can enjoy a panoramic view of Kaohsiung Harbour. Teppanyaki Restaurant is considered a high priced restaurant with average food service prices of NT\$1150-1250 (NZ\$61-66), catering mainly for business dining and special occasions.

Steak House

The Steak House is one of fine-dining restaurants at Grand Hi-Lai



Hotel. Steak House specialises in the finest Charcoal-grilled USDA choice grade beef and top-grade lamb chops. Chicken and seafood dish are also available for vegetarians. All the main courses are supplemented with fresh salad bar, desserts and fruit. Situated on the 45th floor, with a view of Kaohsiung harbour, Steak House embraces a romantic ambience featuring soft lighting, private table arrangement and romantic music. It is a mid-priced, full-service restaurant, suitable for a wide range of customers. The average food service price is NT\$650-800 (NZ\$34-42). The customer profile consists of family groups and couples.

Shanghainese Dumpling

The Shanghainese Dumpling, located on 10th floor, specialises in a particularly juicy steamed dumpling



and Shanghainese snacks. Shanghai, the largest city in China, is well known for its rich culture, old Shanghai history and cuisine. The idea of bringing such light food into the five-star hotel was introduced by Mr. Tsai, the former investor of Grand Hi-Lai Hotel. The anecdote was told that Mr. Tsai personally very much liked dumpling and wanted to share his favourite recipes in a five-star ambience with Kaohsiung's customers. Shanghainese Dumpling has the lowest average food service prices of NT\$ 500-800 (NZ\$26-42). Because of its service nature (simple

menu and quick service) and lower price, Shanghainese Dumpling attracts family dining and working people who want to have a quick lunch during workdays.

Taiwanese Restaurant

The Taiwanese Restaurant specialises in Taiwanese cuisine and seafood. As Taiwanese cuisine



has been influenced by a variety of other cultural groups-Hakka (one of the Chinese ethnic groups), mainland Chinese and Japanese, it has been characterised as being ‘fusion food’ rather than ‘real Taiwanese’ food which is said to resemble that of Fujian province, where most of the island’s inhabitants come from. In term of menu items, Kaohsiung, a harbour city, is well known for seafood. A wide selection of seafood prepared in the tradition of Taiwanese cooking is the highlight. Taiwanese restaurant is a fine-dining, moderate priced restaurant, with average food service prices of NT\$700-1,000 (NZ\$37-53). Not a typical Chinese restaurant, Taiwanese Restaurant features an ‘elegant’ atmosphere and is suitable for business dining and international visitors who want to have a taste of Taiwanese cuisine.

DATA COLLECTION PROCESS

The sample was drawn from guests patronising the above four restaurants at Grand Hi-Lai Hotel. The survey was conducted over a 5-month period during the lunch and dinner times from August to December 2002. In the same dining period, the researcher first obtained data from Shanghainese Dumpling and Taiwanese

Restaurant (12:00am- 1:00pm; 6:00pm-8:00pm) and then the Steak House and Teppanyaki Restaurant (after 1:00pm and after 8:00pm). This sequence of survey arrangement was due to a consideration of time when guests were about to finish the meal. Because of the nature of service in Chinese restaurants, guests of Shanghainese Dumpling and Taiwanese Restaurant would finish the meal earlier than guests from Steak House and Teppanyaki Restaurant, which required a longer time to serve. It was considered as the optimal way of collecting data from four restaurants at the same dining period.

Guests were asked if they were interested in participating in the customer satisfaction survey when they were about to finish the meal. More than one questionnaire might be distributed to the same dining party, depending on individual willingness of participating in the survey. In order to eliminate distrust from guests, the researcher wore the badge of Grand Hi-Lai Hotel during the interview and answered all the guests' questions before they agree to help. This is a process of building a good relationship to encourage a higher response rate. Sometimes, if not busy, restaurant staff would introduce the researcher to guests. The researcher was introduced as carrying out research into customer satisfaction in order to gain a doctorate qualification. This increased the chance of clients agreeing to be interviewed.

For guests agreeing to participate, questionnaires were left on their table, so they could find time to complete and hand it to the restaurant staff. Self addressed envelopes with return postage were also available for guests who showed interest but were not able to complete it on the premise. The researcher was only present to clarify survey questions to eliminate a level of disturbance. For those not

willing to participate, the researcher thanked them for their time and then approached the next guest.

It was much easier to obtain data from waiting staff and restaurant management. Two sets of questionnaires designed for waiting staff and restaurant management were distributed to them respectively. Waiters and waitress were responsible for completing the waiting staff questionnaire, whereas, people with job titles of captain, (assistant) supervisor and (assistant) manager completed the restaurant management questionnaire. The questionnaires were distributed during a staff briefing when every staff member attended. They were asked to forward the completed questionnaire directly to the researcher.

CHAPTER 9

THE CHARACTERISTICS OF THE SAMPLE

This chapter comprises two sectors. The first deals with a response analysis. The second explores the characteristics of the respondents in each of three survey groups; guests, waiting staff and restaurant management.

RESPONSE ANALYSIS

A total of 1150 guest questionnaires were distributed in four of twenty restaurants of the Grand Hi-Lai Hotel. A thousand and fifty three respondents completed useable questionnaires, giving a response rate of 92 %. Guests were generally willing to participate the survey after the researcher indicated the reason of undertaking a research at Grand Hi-Lai Hotel. The distribution of guest responses from four restaurants was shown in Table 9.1.

	Frequency	Percent
Teppanyaki Restaurant	312	29.6
Shanghainese Dumpling	299	28.4
Steak House	226	21.5
Taiwanese Restaurant	216	20.5
Total	1053	100.0

The result was considered satisfactory as the sub-sample for each restaurant is over 200, a rule of thumb for attitude research (Sudman, 1983). In Table 10.1, it can be observed that the response rate for Teppanyaki Restaurant and Shanghainese Dumpling is higher than Steak House and Taiwanese Restaurant.

This was because the number of customers visiting Shanghainese Dumpling (average of 7,000-9,000 people monthly) was more than that of the other restaurants. Although the Teppanyaki Restaurant was not a restaurant attracting the highest number of guests, it has the highest response rate due to strong support from the Assistant Manager of Teppanyaki Restaurant. She helped the researcher to distribute questionnaires when the researcher was not on the premises. In addition to the guests, 10 management and 17 waiting staff from the four restaurants also responded to the questionnaire. The total population of management and waiting staff is small in number and hence this sample is representative of hotel personnel. Table 9.2 gives a breakdown of waiting staff and management response from the four restaurants.

	Job Position				Total Manpower Each Restaurant
	(Assistant) Manager	(Assistant) Supervisor	Captain	Waiter Waitress	
Shanghainese Dumpling		1	2	5	8
Steak House		2	2	3	7
Taiwanese Restaurant			1	6	7
Teppanyaki Restaurant	1	1		3	5
Sub-Total	1	4	5	17	27

SOCIO-DEMOGRAPHIC PROFILE OF GUEST SAMPLE

The descriptive summary of the guest profile is provided in Table 9.3. As shown, the gender mix is well distributed with 54.6 percent being male and the remainder (43.4percent) being female. The majority of respondents (65.4 percent) were of 26-45 years of age and only 17.9 percent and 0.7 percent were aged 18-25 and over 66. Seventy five percent of all respondents were locals and 22 percent were visitors. This represented the geographical mix of the guest profile of Grand Hi-

Lai Hotel. According to Mr. Jackson Hsu, Food and Beverage Director of Grand Hi-Lai Hotel, the proportion of locals and visitors was approximately 80:20.

Table 9.3: Demographic Profile of Guests (N=1053)

	Number	%		Number	%
<i>Gender</i>			<i>Education Level</i>		
Male	575	54.6	Less than Junior High	34	3.2
Female	457	43.4	High School/Voc High	180	17.1
Missing Data	21	2.0	College/Uni Graduate	650	61.7
			Post Graduate	165	15.7
<i>Age</i>			Missing Data	24	2.3
18-25	188	17.9			
26-35	404	38.4	<i>Monthly Disposable Income</i>		
36-45	272	25.8	≤ US\$576	145	13.8
46-65	162	15.4	US\$577- \$1,153	298	28.3
66 and over	7	.7	US\$1,154-\$2,017	259	24.6
Missing Data	20	1.9	US\$2,018-\$2,882	105	10.0
			≥US\$2,883	183	17.4
<i>Area of Residence</i>			Missing Data	63	6.0
Local	795	75.5			
Visitors	237	22.5			
Missing Data	21	2.0			

With respect to the educational level of the respondents, more than half (61.7 percent) were college graduates, followed by high school/vocational high graduate (17.1 percent), post graduate (15.7 percent) and less than “junior high” (3.2 percent). Nearly fifty four percent of respondents had a monthly disposable income between US\$577 and \$2,017; 17.4 percent had a monthly disposable income of more than US\$2,883, followed by 13.8 percent having less than US\$576 and 10.0 percent being in the bracket of US\$2,018-\$2,882. Examining the relationship between education level and monthly disposable income by age distribution, respondents that were aged 18-25, were college /university graduates, with a monthly disposable income of less than US\$576 accounted for 36.8 percent of total respondents. It is thought that this bias within the sample arises because this young group might come with their parents and they filled the questionnaire on behalf of their parents.

Respondent Profile by Patronage of Restaurant

With reference to gender and patronage of restaurant, the chi-square test showed that there was no bias in the sample ($X^2 = 7.13$; $df = 3$; $p = 0.068$). Equally, no bias emerged with reference to age and patronage of restaurant ($X^2 = 15.7$; $df = 12$; $p = 0.205$). Area of residence ($X^2 = 0.59$; $df = 3$; $p = 0.898$) and education ($X^2 = 12.33$; $df = 9$; $p = 0.195$) were not a factor in patronising a certain restaurant. These tests suggested that homogeneity existed between sub-samples of restaurant guests by socio-economic variables, such as gender, age and education level. However, income ($X^2 = 23.3$; $df = 12$; $p = 0.025$) was a factor for choice of restaurant, but it could be explained by restaurant price differences, styles of service and menu offered.

Patronage Pattern by Income Group

In order to further explore the data, other variables such as age and time of day were included with reference to income factor to determine guest's patronage pattern. A three-level cross tabulation of age, monthly disposable income and choice of restaurant was then computed. Surprisingly, Teppanyaki Restaurant, featured as high priced restaurant, attracted a wider range of age groups than the Shanghainese Dumpling, known as lower priced, family-oriented restaurant. For example, within the lower income group (US\$577- \$1,153), 27.5 percent of younger guests (age 26-35) patronised the Teppanyaki restaurant, followed closely by Shanghainese Dumpling (26.4 percent). As for higher income groups, (US\$2,018-\$2,882 and more than US\$2,883), with an age of over 35 years, a higher percentage of them patronised the Teppanyaki Restaurant and

Shanghainese Dumpling than the remaining two restaurants. This implied that other factors, such as occupation and who pays for the meal may influence the choice of restaurant among lower income groups and this was not considered in the process of the questionnaire design.

In addition, the relationship of time of the day, patronage of restaurant and monthly disposable income is illustrated in Appendix C. During lunch time, the Shanghainese Dumpling seemed to be the most popular restaurant across different income groups, except for the group with a monthly income of less than US\$576 and US\$2,018-\$2,882. This popularity is thought to be due to the type of service and menu offered at Shanghainese Dumpling, which accommodated the needs of working people within the business district. Teppanyaki Restaurant was the next popular restaurant at lunch time among the income groups, except for the group of US\$2,018-\$2,882 per month. However, patronage patterns are reversed during the evening dinner period. Higher income groups went to the Teppanyaki Restaurant rather than Shanghainese Dumpling. This is thought to reflect the style of the restaurant and service.

Respondent Profile by Gender

The distribution of age groups by gender was shown in Table 9.4. The chi-squared test indicated that there was a non-random distribution within the sample by age and gender ($\chi^2 = 30.295$; $df=3$; $p=0.000$). Younger females tended to patronise the hotel restaurants more than males of the same age. The age of 36-45 for both male and female is a turning point of patronage pattern. Beyond that age, the percentage of patronage rose within the male group.

Table 9.4: Distribution of Age by Gender (N= 1029)						
		Male		Female		Total
		N	%	N	%	N
Age	18-25	59	31.1	129	22.6	188
	26-35	165	36.5	238	41.8	403
	36-45	135	29.9	136	23.9	271
	46-65	93	20.6	67	11.8	160
Total		452	100	570	100	1022
Missing Data						31
Pearson Chi-Square: $X^2 = 30.295$; $df=3$; $p=0.000$						
Note: The group of age 66 and over was eliminated in this analysis due to a very small number (7) of respondents.						

Similarly, non-random distribution appeared with reference to education level and gender ($X^2 = 22.492$; $df=3$; $p=0.000$). A further analysis of relationship between education level, gender and age is explored to supplement Table 9.5 (Appendix D). It showed that younger females (age 18-35) patronised hotel restaurant tended to have higher educational qualifications. However, the situation was reversed in the older age groups. This reflects a changing social structure in Taiwanese society. About two to three decades ago, males tended to possess greater educational opportunities than females and this group is now of the age of 46-65 years.

Table 9.5: Distribution of Education Level by Gender (N=1024)						
		Male		Female		Total
		N	%	N	%	N
Education Level	Less than Junior High	21	61.8	13	38.2	34
	High School/Voc High School	57	31.8	122	68.2	179
	College/Uni Graduate	285	44.1	361	55.9	646
	Post Graduate	90	54.5	75	45.5	165
Total		453	44.2	571	55.8	1024
Missing Data						29
Pearson Chi-Square: $X^2 = 22.492$; $df=3$; $p=0.000$						

Table 9.6 illustrates the distribution of monthly disposable income by gender. Again, a non-random distribution was found according to X^2 distribution

($X^2=86.774$; $df=4$; $p=0.000$). When analysing the data, multicollinearity between income and gender was suspected. Income and gender variables are closely related to and affect each other. Normally, males tend to have a higher income than females and this was especially true in the Chinese society. Hence, the finding that higher income groups are predominately males is consistent with this pattern.

		Male		Female		Total
		N	%	N	%	N
Monthly Disposable Income	Less than US\$576	47	32.4	98	67.6	145
	US\$577- \$1,153	90	30.3	207	69.7	297
	US\$1,154-\$2,017	115	44.6	143	55.4	258
	US\$2,018-\$2,882	68	64.8	37	35.2	105
	More than US\$2,883	121	66.9	60	33.1	181
Total						986
Missing Data						67
Pearson Chi-Square: $X^2=86.774$; $df=4$; $p=0.000$						

Respondent Profile by Education Level, Monthly Disposable

Income and Age

With reference to monthly disposable income and education level, the chi-square suggested that there was again a non-random distribution ($X^2=81.337$; $df=12$; $p=0.000$), although the relationship between higher education level and higher income is moderated by age. Further analysis of the relationship between age, income and education level is summarised in Table 9.7.

Age	Education Level	Monthly Disposable Income
18-25	70.6 % of respondents were college/university graduate.	52.3% of these college/university graduates reported their monthly income was less than US\$576. This indicated that they were still students and possibly were dependent to the family.
26-35	81.7% of respondents were college/university graduates and post graduates.	Among them, 46.3% and 32.5 % reported monthly income US\$577- \$1,153 and US\$1,154-\$2,017 respectively.
36-45	60% of respondents were college/university graduate.	Among them 35.7% had monthly income US\$1,154-\$2,017, followed by more than US\$2,883by (31.2%) and US\$2,018-\$2,882 (19.5%).
46-65	63.8% of respondents were college/university graduate.	46.2% of them had monthly income more than more thanUS\$2,883, then US\$1,154-\$2,017 (31.2%) and US\$2,018-\$2,882 (11.8%).
Note: The group of age 66 and over was eliminated in this summary due to a very small number (6) of respondents.		

CURRENT DINING OCCASION

One of the survey questions asked guests to identify their current dining occasion. Table 9.8 shows that guests who responded to the survey were mainly patronising the restaurant for a family dining occasion (43.02%) or for dining with friends or colleagues for leisure (42.74%). Family dining includes dining with immediate family, extended family or other relatives. Dining with immediate family members (i.e. mother, father, son/daughter) accounted for the highest proportion of family dining.

Dining Occasion	Frequency	Percent
Family	453	43.02
Dining with friends or colleagues for leisure	450	42.74
Business	75	7.12
Others (i.e. fulfil hunger, alone, honeymoon)	46	4.37
Missing Data	29	2.75
Total	1053	100

REPEAT PATRONAGE AT THE SAME RESTAURANT

WITHIN 12 MONTHS

Another survey question pertaining to guest dining behaviour is the frequency of dining at the same restaurant premise. The numbers repeat visits to the hotel restaurants are recorded in Table 9.9. It can be seen that more than half (69%) of respondents revisited the restaurants less than six times within twelve months. This suggests that most of the respondents revisit the restaurants infrequently, so they are still new to the restaurants. On the other hand, there was a group of people that can be considered as high repeat patronage guests. They patronise the same restaurant with an average of more than two visits a month (more than 24 times per year). Their satisfaction level of perceived quality compared to that the new customers will be further analysed in the later chapter.

Times	N	%	Times	N	%	Times	N	%
1	327	31.1	18	1	0.1	45	2	0.2
2	120	11.4	19	1	0.1	48	1	0.1
3	116	11.0	20	30	2.8	50	6	0.6
4	45	4.3	21	1	0.1	52	1	0.1
5	65	6.2	24	8	0.8	60	2	0.2
6	53	5.0	25	2	0.2	96	1	0.1
7	10	0.9	26	2	0.2	100	36	3.4
8	16	1.5	30	19	1.8	104	1	0.1
9	1	0.1	32	1	0.1	Missing	53	4.7
10	73	6.9	33	1	0.1			
12	32	3.0	35	3	0.3			
14	1	0.1	36	2	0.2			
15	16	1.5	40	4	0.4	Total	1053	100

SOCIO-DEMOGRAPHIC PROFILE OF WAITING STAFF

SAMPLE

The descriptive summary of the waiting staff is provided in Table 9.10. This shows that the majority of the respondents were female (88.2 percent) and the rest were male (11.8 percent). More than 80 percent of the respondents (N=17) were aged between 26 and 35. With regard to their educational level, 47.1 percent of the respondents were college/university graduates, 41.2 percent had high school/vocational high certificate and 11.8 percent were educated at less than “junior high” level. In terms of work experience in the field of hospitality, almost all respondents have worked at Grand Hi-Lai Hotel between 1-3 years, or less than one year, and more than half of respondents had 1 to 3 years work experience in the hotel/restaurant industry. The respondents, 52.9 percent worked full-time and the others were mainly tourism/hospitality students who were undertaking a practical training at Grand Hi-Lai Hotel.

Table 9.10: Demographic Profile of Waiting Staff (N=17)

	Number	%		Number	%
<i>Gender</i>			<i>Work Years at Grand Hi-Lai Hotel</i>		
Male	2	11.8			
Female	15	88.2	Less than 1 Year	8	47.1
Missing Data	0	0	1-3 Years	8	47.1
			4-6 Years	1	5.9
<i>Age</i>			7-9 Years	0	0
18-25	1	5.9	More than 10 Years	0	0
26-35	14	82.4	Missing Data	0	0
36-45	1	5.9			
46-65	1	5.9	<i>Work Years in hotel/restaurant industry</i>		
Missing Data	0	0	Less than 1 Year	4	23.5
			1-3 Years	10	58.8
<i>Education Level</i>			4-6 Years	1	5.9
Less than Junior High	2	11.8	7-9 Years	1	5.9
High School/Voc High	7	41.2	More than 10 Years	0	0
College/Uni Graduate	8	47.1	Missing Data	1	5.9
Post Graduate	0	0			
Missing Data	0	0	<i>Employment Status</i>		
			Part-Time	0	0
			Full-Time	9	52.9
			Practical Training	7	41.2
			Missing Data	1	5.9

SOCIO-DEMOGRAPHIC PROFILE OF MANAGEMENT

SAMPLE

The descriptive summary of the management profile is provided in Table 9.11.

Similar to waiting staff profile, the majority of the respondents were female (90.0 percent) and only 10 percent were male. Of the respondents, 90 percent were aged between 18 and 35 and only 10 percent were aged between 36 and 45. All respondents had high school/vocational high certification (50 percent) or college/university qualification (50 percent). Ten respondents at management/supervisory level were interviewed and the job titles were one Assistant Manager, four Assistant Supervisors and five Captains. In respect of the work experience in the hospitality field, 40 percent of respondents have worked at

Grand Hi-Lai Hotel for 1 to 3 years, 20 percent had work experience between 4 and 6 years and 40 percent had 7 to 9 years at Grand Hi-Lai Hotel. Most respondents were well experienced in hospitality services, as evidenced by the number of years worked in the industry and the number of hospitality organisations in which they had worked.

Table 9.11: Demographic Profile of Management (N=10)					
	Number	%		Number	%
<i>Gender</i>			<i>Work Years at Grand Hi-Lai Hotel</i>		
Male	1	10			
Female	9	90	Less than 1 Year	0	0
Missing Data	0	0	1-3 Years	4	40
			4-6 Years	2	20
<i>Age</i>			7-9 Years	4	40
18-25	5	50	More than 10 Years	0	0
26-35	4	40	Missing Data	0	0
36-45	1	10			
46-65	0	0	<i>Work Years in hotel/restaurant industry</i>		
Missing Data	0	0			
			Less than 1 Year	0	0
<i>Education Level</i>			1-3 Years	3	30
Less than Junior High	0	0	4-6 Years	1	10
High School/Voc High	5	50	7-9 Years	4	40
College/Uni Graduate	5	50	More than 10 Years	2	20
Post Graduate	0	0	Missing Data	0	0
Missing Data	0	0			
			<i>Hotels/Restaurants Have Worked</i>		
<i>Job Position</i>					
(Assistant) Manager	1	10	1	3	30
(Assistant) Supervisor	4	40	2	2	20
Captain	5	50	3-4	4	40
Missing Data	0	0	More than 5	1	10
			Missing Data	0	0

CHAPTER 10

SCALE RELIABILITY AND VALIDITY

The issues of statistical reliability and validity are important in measurement and quantitative research. The concepts are adopted to avoid types one and two errors in later statistical analysis (Ryan, 1995). The reliability of a scale is concerned with the degree to which the scale produces a consistent result on a series of repeated tests. Validity, on the other hand, is the quality of a scale, that is, does it measure what it is supposed to measure (Ryan, 1995). A valid questionnaire item will reflect the respondent's actual thoughts, behaviour and characteristics. As a result, these two criteria need to be addressed before commencing further analysis.

The first part of this chapter provides an overview of scale reliability and validity by suggesting a number of approaches to test the quality of a measurement instrument. The second part deals with the reliability of the multi-item measures of constructs in the guest, management and waiting staff questionnaires, respectively. Subsequently, it explains the procedure for constructing the multi-item scale, with an emphasis on item selection and validity.

RELIABILITY

Reliability means dependency and consistency; that is a particular technique applied repeatedly to the same construct would yield the same result each time (Jennings, 2001). Social researchers have developed a number of approaches to the test of reliability: (1) test-retest method, (2) split-sample approach, (3)

alternative or parallel forms method and (4) internal-comparison reliability (Babbie, 1998). Test-retest reliability estimates are obtained when the same scale is undertaken more than once. The results of two separate administrations are then compared by computing the correlation coefficient on an item-by-item basis. The test-retest method was not appropriate in this study because the survey focuses the respondent's attention on a *current* dining experience, and the experience may not be replicated on subsequent occasions. In addition, it is difficult to trace the same group of guests to participate in a second round test in such busy commercial premises.

Split-sample reliability measures are obtained by dividing the sample into two or more randomly selected sub-samples and comparing results for each item for each sub-sample. This approach was not adopted because it is not widely used by behavioural researchers. Parallel-form method is the measurement of the construct on two comparable test forms. This approach requires the construction of two forms which have psychologically equivalent statements and measure the same construct. The extra time and problem of constructing two truly equivalent forms are two reasons for not adopting the parallel-form approach in this study.

Internal-comparison reliability is estimated by the inter-correlation among the scores of the items on a multi-item index. Many researchers recommend the use of Cronbach alpha coefficient to measure internal consistency. This measure has an advantage of measuring the correlations that exist for all possible split-half coefficients resulting from different splittings of the measurement scale (Ryan, 1995). In this study, this approach was used to estimate reliability of guest, waiting staff and restaurant management questionnaire.

VALIDITY

Validity in quantitative research depends on careful instrument design to ensure that the instrument measures what it is supposed to measure. Jennings (2001) defines validity in quantitative research as the extent to which an empirical measure adequately reflects the real meaning under consideration. The sources of validity can be classified into four categories: (1) content validity, (2) construct validity, (3) concurrent validity and (4) predictive validity.

Content validity refers to a correct hypothesis that permits pertinent measures of the research problem. For example, the customer satisfaction construct developed and implemented in this study comprised two different dimensions relating to a restaurant's products and services. They were the importance of restaurant features in the current dining experience and satisfaction with the performance of restaurant features. As noted in the chapter on the design of the questionnaire, this construct was derived from the expectancy-value theory derived from Fishbein's (1967) attitude model, which argued that the impact of attribute importance on consumer decision making needs to be recognised. The degree of content validity of the measurement scale may be assessed by evaluating how closely the survey items represent the notion of customer satisfaction. The survey variables, such as 'importance' and 'satisfaction' included in this study are almost identical to the previous customer satisfaction research identified in the literature review, for example Carman's (1990) and Barsky's (1992) importance-weighting approach. Therefore, those items representing the independent variables in this study have some degree of content-validity. In addition, as suggested by the previous chapter, the content validity of the items was checked by in-depth interviews with hotel

restaurant guests and industry people in the pilot stage prior to designing the questionnaire.

Construct validity is based on the statistical relationships among variables. High correlation among variables is known as a convergent validity, which is where a measure correlates highly with other measures designed to measure the same construct. On the other hand, low correlations would be evidence of discriminant validity in which concepts are not interrelated in reality. Since data construction lacks a structure implementing multitrait-multimethod matrix (MTMM) tests of construct validity, correlation analysis is used to evaluate convergent and discriminant validity in this study. In addition, item-to-total correlation analysis is performed to assess the appropriateness of the items to be included in the scale. In concurrent validity, the presence of a criterion measure as well as a scale score are related in the same time frame. On the other hand, in predictive validity, the scale score acts as a predictor of the criterion measure in the future. As suggested by the model described in the chapter on questionnaire design, the components were expected to be associated with each other in a predictable way. The examination of the predictive validity of the scale was performed using correlation analysis.

TEST RELIABILITY: CRONBACH ALPHAS COEFFICIENT

In order to assess the internal consistency of the variables contained in each multi-item measure, Cronbach alphas coefficient were computed on guests', management and waiting staff responses of 'importance,' 'satisfaction,' 'feeling,' 'cultural values' and 'quality management' scales, respectively. As Table 10.1 indicates, the alpha coefficients for each of the scales (ranging from 0.79 to 0.98)

are well above the minimum value of 0.5, which is considered acceptable as an indication of reliability (Hair, Anderson & Black, 1995).

Table 10.1: Scale Reliability for Guest, Waiting Staff and Restaurant Management Questionnaire			
Multi-Item Measure	Guest	Management	Waiting Staff
Importance	0.9603	0.9547	0.9671
Satisfaction	0.9780	0.9727	0.9758
Guests' Feeling	0.9606	N/A	N/A
Cultural Values	0.8658	0.9115	0.7874
Quality Management	N/A	0.9356	0.9542

Ryan (1995) argued that Cronbach Alpha Coefficient can produce quite high results if the number of items on the scale is large and the sample size is also large; as this reinforces a tendency to a normal distribution. This could possibly explain the fact that the 32 restaurant items for both 'importance' and 'satisfaction' scales resulted in high coefficient values. Thus, in order to become more aware of the nature of the data set and its quality, it is important to examine the correlations between the items. That analysis will be performed and discussed below.

TEST VALIDITY: ITEM-TO-TOTAL CORRELATION

ANALYSIS

As previously described, the validity of the multi-item scales was assessed by item-to-total correlation analysis and correlation analysis. First, the item-to-total correlation was computed to measure the internal validity of the variables (items). The correlation of each of the variables to the total scale shows how well the construct can be explained by these variables. Results of the item-to-total tests on guests', waiting staff and restaurant management responses of all multi-item

measures are presented in Appendix E. Examination of these correlations shows that in general the items in the 'importance' and 'satisfaction' scales for guest, management and waiting staff were high, except for one item in management responses ("specials/promotions are important to guests"; $\text{corr}=-0.042$), indicating overall an adequate internal consistency. In the guest sample, the correlation of the 'feeling' variables also shows high internal consistency. As for the item-to-total correlation of cultural value scale across three sets of questionnaire, low correlations (less than 0.30) were found in the waiting staff sample. However, these items with low correlations were not removed in the waiting staff questionnaire because the same items in the guest sample seem to be 'fair' with the values ranging from 0.44 to 0.58. Therefore all cultural items were kept for the purpose of performing comparative analysis between guests', management and waiting staff responses. Lastly, the 'explanatory' power of the quality management item for management and waiting staff sample was considered to be 'mediocre.' However, lower sample sizes in these two cases would predispose results to the lower end, yet proportionally the samples represent a significant part of the population.

TEST VALIDITY: CORRELATION ANALYSIS

Correlation analysis was performed to examine the relationship between variables to ensure that they relate to the same construct (construct validity) and to test the predictive validity of the scales. Inter-correlations between variables of the 'importance,' 'satisfaction,' 'guests' feeling' 'cultural value' and 'quality management' scales in guest, management and waiting staff questionnaire were calculated respectively. As expected, the correlations are positive and highly

significant between items of most constructs at the confidence level of 0.01. Patterns of clusters of high correlation indicate the possibility of underlying factors existing in the responses to the questionnaire. For example, in the guest sample, friendliness of waiting staff (labeled FRIEND1), smiling while serving guests (labeled SMILE1), being polite (labeled POLITE1), providing prompt service (labeled PROMPT1), looking clean (labeled CLEAN1) and anticipating guest's needs (labeled ANTICIP1) are highly correlated with each other in the 'importance' scale (ranging from 0.5376 to 0.7408). Together with the item-to-total correlations, these strong inter-correlations between individual items in 'importance' scale are evidence of convergent validity. Referring to the inter-correlation matrix of other measures ('satisfaction,' 'guests' feeling,' 'cultural values' and 'quality management'), similar patterns can be found in the rest of variables. Cross-construct correlations of guest, management and waiting staff questionnaire were then computed. The result showed that low correlations between individual items from different constructs reflect discriminant validity.

In order to test the predictive validity of the scales, further correlation analysis was adopted to confirm that the related constructs did possess relationships among each other. In the guest sample, the correlation of mean scores of 'importance', 'satisfaction', 'guests' feeling', 'cultural values' with 'total satisfaction,' 'revisit' and 'recommendation' for each of the extracted components was computed. As expected, the correlations between 'satisfaction,' 'feeling' with 'total satisfaction,' 'revisit,' and 'recommendation' are all highly positively correlated at more than 0.50 level. All correlations are significant at the level of 0.01. However, in accordance with the premise that the constructs have poor predictive power for post-consumption behaviour, it was found that the 'importance' and 'cultural

value' scales correlated poorly with 'total satisfaction,' 'revisit' and 'recommendation' reflecting therefore an independence between satisfaction, importance and consequence measures; while confirming findings from the literature that the 'gaps' between importance and satisfaction scale arise primarily from the variability in the evaluation scales; which therefore correlate highly with measures of satisfaction.

CHAPTER 11

THE IMPORTANCE OF RESTAURANT ATTRIBUTES: THE PERSPECTIVE FROM SUPPLY AND DEMAND SIDES

This section mainly describes and compares guest, waiting staff and restaurant management perceptions of the importance of restaurant attributes in guests' dining experience. Descriptive statistics are used to provide simple summaries about the perceived importance of restaurant attributes by each of these groups in turn so that a large set of data can be presented in a manageable form. The mean scores and standard deviations are computed to indicate the nature of distribution of the responses.

Customer satisfaction researchers have reached a consensus that a successful provision of services begins with the ability of service providers to meet guests' expectations correctly (Parasuraman, Zeithaml & Berry, 1985; Saleh & Ryan, 1992; Lockyer, 2002). Parasuraman, *et al.* (1985) pioneered a conceptual model of 'gap analysis' (SERVQUAL) in service quality. Based on the SERVQUAL model, the important perception gaps between guests and service providers (e.g. management and waiting staff) and between management and waiting staff are measured in this section. They are:

1. Management perception of guests' perceived importance of restaurant attributes and the actual guests' perception;
2. Waiting staff perception of guests' perceived importance of restaurant

attributes and the actual guests' perception;

3. Management perception of guests' perceived importance of restaurant attributes and waiting staff perception of guests' perceived importance.

Last, in order to explore the dimensions of quality in the hotel dining experience for the ease of managing service operations, a factor analysis is performed on guests' data.

IMPORTANCE OF STAR RATING AND HOTEL BRAND

According to the pilot study, the perceived quality of restaurant services matching its star rating is one of the leading contributors to the dining experience in the context of five-star international hotel. Therefore, in the second phase of the research, questions relating to the importance of star rating and hotel bands were specifically asked of guests. Since these two factors potentially affect the formation of guest expectations and perceptions of the service, it was thought important to assess the role of star rating and hotel brand in relationship to an evaluation of service before analysing the perceived importance of restaurant attributes.

The importance of star rating and hotel brand to the evaluation of dining experience was assessed on a seven-point Likert scale. The mean score for each scale is shown in Table 11.1. With a mean score of about 5, both star rating and brand name were considered to possess some importance and thus potentially have some impacts on guest's attitude toward perceived quality. However, there was a group of people who were neutral about these potential factors; 18 percent of respondents chose 'neither important nor unimportant' for star rating and 16.2

percent for brand name. This suggested that a sizable minority did not consider the star rating and brand as being pertinent for any evaluation in assessing quality.

Table 11.1: Mean Score of Importance of Star Rating and Brands			
	N	Mean	Std. Deviation
Importance of star rating of the hotel to current dining experience.	1005	5.13	1.05
Importance of brand name of the hotel to current dining experience.	1008	5.20	1.03

With reference to social-demographic profile, the importance of star rating was not significant, except for the education level ($X^2 = 13.82$; $df=6$; $p=0.032$). That is college/university graduates tended to place more importance on the star rating than other education groups.

As for the relationship between socio-demographic profile and hotel brand, again, no bias emerged in the sample with respect to gender, age, education level and monthly income, except for respondent's area of residence ($X^2 = 5.363$; $df=2$; $p=0.025$). This is thought to be because local guests are more familiar with the brand of Grand Hi-Lai Hotel than guests from other places, so they tended to rate brand image as being more important.

PERCEPTION OF THE PRICE OF THE MEAL

As previous studies support that notion that perception of price will moderate consumer expectation and perceived quality, it is important to assess this issue of price. Additionally the perceived price may be used as a reference point when thinking about purchased services.

Table 11.2 shows the results of perceptions of meal prices. More than half (54.42%) of respondents regarded the meal as being ‘a moderate priced meal’ and 38.56 percent perceived the meal as being ‘high priced.’ The relationship between perceived price and guest expectation measured by importance will be analysed in a later chapter (Chapter 13).

	Frequency	Percent
A Moderate Priced Meal	573	54.42
A High Priced Meal	406	38.56
A Budget Meal	21	1.99
A Luxury Priced Meal	14	1.33
Missing Data	39	3.7
Total	1053	100

GUESTS’ PERCEIVED IMPORTANCE OF RESTAURANT ATTRIBUTES

A respondent’s score on the importance of restaurant attributes index ranges from 1 (extremely unimportant) to 7 (extremely important). Table 11.3 shows the guests’ scores on the 32-items ranged from 5.06 to 6.51. Generally, the importance ratings for the guest sample had standard deviations between 0.7 and 0.9, except the values of 1.89 and 1.29 for “specials/promotions as a regular feature in the restaurant” and “address guests by name” respectively. This variance suggested that a significant sub-group existed for whom these were not important features in the evaluation of perceived quality. Indeed, 23 and 35 percent of respondents scored 4 (neither important nor unimportant) or less (unimportant) on the item “specials/promotions are a regular feature in this

restaurant” and “address guests by name” respectively whereas, other items had a very small percentages selecting the unimportant scores. Because respondents rated 5 (important) or more on most items, the distribution is skewed toward the higher values. The distribution of guest’s importance scale implies that people attribute high scores for service quality when it comes to dining in a five-star international hotel. This is consistent with the high expectations found in the original SERVQUAL study.

While high attributed importance levels are widespread, examination of the individual restaurant attributes shows that consumers have a hierarchy of service quality features when dining in a five-star international hotel. Table 11.3 shows that the most important restaurant features arose from the ‘safety and cleanliness’ factor, in which the issue of food hygiene (i.e. freshness) associated with taste of food was ranked first, followed by the cleanliness of dining environment (i.e. dining room, tableware, toilets) and availability of car park. The features specific to service aspect were ranked next in importance. These are related to the style of waiting staff (i.e. polite, work professional, neat, smile and concern). The above restaurant attributes have a mean value greater than 6.0, indicating the strong desirability of these particular services. With such a strong indication of importance, it appears that these aspects of services are significant determinants of customer satisfaction.

The least important restaurant features were a wish to be recognised by waiting staff and a wish for promotions as a regular feature. However, a wish for recognition by waiting staff seems to be an important service feature in other studies undertaken in the western cultural context. One of the items, “address

guests by name” in Saleh and Ryan’s (1991) study of service quality in the Canadian hospitality industry was highly rated in guests’ expectations of service. It should noted, however, that many items are deemed at least moderately important with scores between 5 to 6 and these should not be disregarded when providing services.

Table 11.3: Rank Order of Importance of Restaurant Attributes by Guests

Restaurant Attributes	N	Mean	Std. Deviation
Food meets high standards of hygiene.	1033	6.51	0.72
Food appears to be fresh.	1028	6.50	0.70
Food tastes nice.	1022	6.42	0.76
The dining room is clean.	1025	6.40	0.76
Tableware is properly washed and clean.	1026	6.39	0.79
The toilets are clean.	1011	6.37	0.76
Food quality is consistently good.	1019	6.21	0.81
Car parking is available.	1018	6.19	0.89
Waiting staff are generally polite and respectful to guests.	1032	6.16	0.86
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	1012	6.16	0.89
Waiting staff generally look professional, clean, and neat.	1031	6.16	0.85
Waiting staff generally smile while serving guests.	1039	6.13	0.87
Waiting staff generally anticipate guest's needs.	1030	6.12	0.87
It is safe and secure dining in this restaurant.	1023	6.12	0.85
Waiting staff are generally friendly.	1041	6.10	0.87
The food's ingredients reflect the style of restaurant.	1028	6.05	0.82
Waiting staff are consistently courteous with guests throughout the meal.	1026	5.96	0.94
Dishes are unique to this restaurant and reflect the style of restaurant.	1018	5.95	0.88
Waiting staff generally provide prompt service.	1036	5.94	0.89
The seating is comfortable.	1024	5.91	0.88
Table arrangements are of a high standard.	1025	5.91	0.90
Waiting staff provide personalised services.	1019	5.89	0.93
The ambience of dining room reflects the style of restaurant.	1021	5.84	0.89
Pricing is appropriate for this style of restaurant.	1021	5.83	0.91
The interior decoration is visually appealing and reflects the theme of restaurant.	1019	5.82	0.92
There is a wide selection of food choice.	1020	5.82	0.94
Waiting staff or supervisors/managers establish good customer relationship.	1006	5.81	0.96
Waiting staff or supervisors/managers advise guests about the menu when needed.	1021	5.79	0.98
Amount and composition of food is appropriate.	1014	5.79	0.89
Food is well presented.	1022	5.74	0.89
Specials/promotions are a regular feature in this restaurant.	974	5.40	1.18
Waiting staff address guests by name with the title of social status.	1013	5.06	1.29
Note: 1= lowest score; 7= highest score			

MANAGEMENT AND WAITING STAFF PERCEPTION OF GUESTS' PERCEIVED IMPORTANCE OF RESTAURANT ATTRIBUTES

Table 11.4 lists the top ten perception scores of management and waiting staff with respect to their view of guests' rating of the importance of the 32 restaurant attributes. Management's mean scores for the 32 items in the importance scale varied from 5.00 to 6.50 out of possible range of 1.0 (extremely unimportant) to 7.0 (extremely important). Waiting staff's mean scores for the 32 items varied from 6.47 to 5.65.

It is of particular note that there are differences in importance of restaurant attributes between the two sets of results. It could be seen that both management and waiting staff rated highly those items that they can either influence in their daily service operations or those about which they have received the most complaints. For example, waiting staff are responsible for keeping the dining room clean and tidy and for their service attitudes. Therefore, their job responsibilities, such as 'cleanliness of dining environment' and 'service attitude' led them to rate these important restaurant attributes. Other attributes which are not directly relevant to waiting staff's job responsibility, such as the availability of parking and the control of food quality were, however, included. This might imply that guests' comments about these particular items during the service interaction reinforced the importance of those items. As a result, when waiting staff are asked to think about what restaurant attributes are important to guests, these items become salient. In a similar way, apart from a general concern about food quality

and hygiene/cleanliness issues, management are more concerned with advanced services (e.g. anticipation of guest's needs) and problem solving ability (e.g. ability to respond to unsatisfactory incidents).

Table 11.4: The Top Ten Important Restaurant Attributes from Management and Waiting Staff Responses					
Management			Waiting Staff		
Restaurant Attributes	Mean	Std. Deviation	Restaurant Attributes	Mean	Std. Deviation
Freshness of food	6.50	0.71	Cleanliness of toilet	6.47	0.80
Staff anticipate guest's needs	6.40	0.84	Availability of parking	6.35	0.86
Food hygiene	6.40	0.84	Cleanliness of tableware	6.35	0.93
Cleanliness of tableware	6.30	0.95	Cleanliness of dining room	6.35	0.86
Cleanliness of dining room	6.30	0.95	Polite, respectful staff	6.31	0.70
Respond to unsatisfactory incidents	6.30	0.82	Freshness of food	6.29	0.92
Consistent food quality	6.30	0.95	Consistent food quality	6.24	0.97
Professional look of staff	6.20	0.79	Establish good customer relationship	6.24	0.83
Staff smile while serving	6.20	0.79	Safe and secure dining place	6.18	0.95
Friendliness of staff	6.20	0.79	Food hygiene	6.12	0.78
Note: N of valid observation (listwise)=9			Note: N of valid observation (listwise)=16		

GAP ANALYSIS OF IMPORTANCE OF RESTAURANT

ATTRIBUTES

As mentioned in the chapter 'Design of the Research Questionnaire,' there are three groups involved in service delivery: guests, management and restaurant waiting staff. Each might view the quality of service provision differently, thus giving rise to variations of perception of the service. Customer satisfaction researchers have reached a consensus that a successful provision of services begins with the ability of service providers to meet guests' expectations correctly (Parasuraman, Zeithaml & Berry, 1985; Saleh & Ryan, 1992; Lockyer, 2002). As already noted, Parasuraman *et al.* (1985) pioneered a conceptual model of 'gap analysis' (SERVQUAL) in service quality and hence the service quality gaps

between guests and service providers and the quality management gap between management and waiting staff were measured.

Before commencing the analysis, a few things related to the sample of management and waiting staff need to be noted. First, in order to increase the size of the management sample, hotel employees whose job position as Assistant Manager, Supervisor or Captain of the four restaurants examined are included in the sample (see Table 9.2). This approach resulted in a population of 10 management responses. Second, the sample of waiting staff comprises simply the waiters and waitresses of the four restaurants. The numbers of responses from front-line employees is 17 (see Table 9.2). They are the total population of waiting staff from four restaurants.

Gap 1. — Management's Perception of Guests' Perceived

Importance of Attributes Against Guests' Perception

As a general rule, management believed that guests demanded more than the guests in fact reported themselves as requiring, but on the other hand, guests tended to value items such as staff friendliness and the quietness of the hotel whereas management tended to overlook these factors in their reporting (Saleh & Ryan, 1991). In a study of financial services, Parasuraman, Zeithaml and Berry (1985) found similar discrepancies between management perception and consumer expectations. They concluded that:

In essence, service firm executives may not always understand 1) what features connote high quality to consumers in advance, 2) what features a

service must have in order to meet consumer needs, and 3) what levels of performance on those features are needed to deliver high quality service (p. 44).

This insight suggests that a lack of understanding customers' expectations may affect quality perceptions of customers if managers act on a faulty understanding of client needs. A comparative study was undertaken by Lockyer (2002) analysing what accommodation managers and business guests believed were the factors influencing accommodation selection. He also identified a statistically significant difference for many items between what management and guests believed important, implying a similar lack of management understanding.

A similar analysis was performed in this study to compare what restaurant attributes guests identify as important in a comparison with what restaurant managers believe are important to guests. The results (see Appendix F: Gap1) show that for the most part, management seems to be able to anticipate guests' perceived importance of restaurant attributes. By using the independent t-test, only two of 32 gaps were found significant at $p < 0.05$ level. They were "waiting staff address guests by name" and "food tastes nice." The importance score of "waiting staff address guests by name" as perceived by the management were higher than guests' expectation (6.00 vs. 5.10; $t=-2.09$; $p=0.037$). This result is reasonable because guests generally do not put high importance on being recognised by restaurant managers due to making only a few visits to the restaurant. It is also thought that while responding to this question, restaurant managers might be in the position of thinking about the importance of recognising guests who patronise the restaurant very frequently. As a result, it achieves a higher importance rating than that derived from guests' responses.

On the other hand, management tended to under-estimate guests' expectation of "food tastes nice" (5.89 vs. 6.42; $t=2.07$; $p=0.039$). In the dining experience, the food component would, a priori, be expected to occupy a central role in the service mix. According to Koo, Tao and Yeung (1999), taste of food is the leading factor of nine attributes (service, unique, price, decoration, location, type of food, food variety and car park) for choosing a restaurant in Hong Kong. In addition, the pattern of Taiwanese customers weighting food taste highly has a cultural association that emphasises eating. The Chinese people have always attached great importance to their food and beverages. An old Chinese saying goes: "people regard food as their prime want." (民以食為天) Because of the great differences in the climate, geographical environment, historical and cultural development of different regions in China, various styles of cuisine have been formed, each having its own distinct characteristics. The cooking techniques and different styles of cuisine reflect the quintessence of Chinese culinary arts. It is for this reason that Taiwanese customers are sensitive to authenticity and care in food preparation in which colour, smell, taste, shape, sound and serving vessel are all important aspects.

The overall gap score was 0.08 ($p=0.39$), which would indicate that the restaurant managers tend to have a reasonably good understanding of guests' expectations. This result concurs with the findings of Saleh and Ryan (1991) and Tsang and Qu (2000) in that managers in the hospitality industry generally understand guests' assessments of service provision.

Gap 2. — Waiting Staff Perception of Guests' Perceived

Importance of Attributes and the Actual Guests' Perception

Since waiting staff play a pivotal role in service interaction, their perceptions of restaurant attributes against those of the guests' are also examined. The results are consistent with the findings of management perceptions against guests' actual expectations. That is, for the most part, waiting staff seem able to anticipate guests' expectations. The independent t-test (see Appendix F: Gap2) reveals that only 3 gaps in the 32 attributes were significantly different at $p < 0.05$ level. In those three attributes, the importance score perceived by waiting staff were higher than guests' perceptions. They were "address guests by name," (6.00 vs. 5.10; $t = -2.79$; $p = 0.005$) "specials/promotions are a regular feature in the restaurant" (6.19 vs. 5.44; $t = -2.58$; $p = 0.010$) and "establishment of good customer relationship" (6.31 vs. 5.80; $t = -2.13$; $p = 0.034$).

Again "address guests by name" is regarded as an important service feature by waiting staff if they are serving guests who regularly patronise the restaurant. Compared with guests' response, where a large amount of guests are infrequent patrons with little expectation of recognition, the importance rating of this item by waiting staff is understandably higher than guests' responses. This is not to say that "address guests by name" is not important to guests, rather they will appreciate the service even if such recognition is not forthcoming. With reference to the views of waiting staff interviewed in the pilot study, they commented that customers are generally sensitive to price; they always want to gain extra food and services by paying less. As a result, according to their service interaction with guests, they tended to rate the item of "specials/promotions" higher than guests. Last, because of intense and close service interaction with guests, the

“establishment of good customer relationship” as a part of Chinese service, and the high emphasis given by management in staff training, waiting staff tend to attribute high importance to customer relationships.

Gap 3. – Management Perception of Guests’ Perceived

Importance of Restaurant Attributes and Waiting Staff Perception of Guests’ Perceived Importance

Parasuraman, Zeithaml and Berry (1985) have identified that although management may well understand customers’ expectations and indicate a genuine concern for quality, resources and market constraints can prevent them from delivering what the customer expects. These constraints include a lack of trained service personnel, wide fluctuations of demand, deficient company policies or the absence of total management commitment to service quality. Moreover, even when guidelines exist for performing services well and treating consumers correctly, high quality service performance may not result due to variability in employee performance. Therefore, analysing perception gaps about customer expectations help to monitor the consistency of managing service quality between management and waiting staff.

When comparing all 32 items from the responses of management and waiting staff by using independent t-tests, only one item, “amount and composition of food is appropriate,” had a statistically significant difference between the two sub-samples. Waiting staff rated this attribute higher than management (6.13 vs. 5.33; $t=-2.16$; $p=0.041$) and other than this, management and waiting staff have similar

opinions about the level of importance of restaurant attributes they attributed to guests. It should be again noted that the list of 32 attributes included in the questionnaire were based on previous in-depth interviews of guests, management and waiting staff.

FACTOR ANALYSIS

Testing the validity of the scale revealed highly correlated items in the guest questionnaire, which test implies the likelihood of underlying factors.

Consequently, factor analysis was used to identify underlying dimensions (Hair, *et al.*, 1998). Such identified factors can describe the data as a much smaller number of concepts than by using the original individual variables. The existence of such commonalities (high correlations) also indicates that respondents are replying in a consistent and logical manner to the items being posed. It has a function in testing the validity of individual items and reducing the number of explanatory variables (Ryan, 1995).

Factor analysis can be either exploratory or confirmatory. The choice is based on whether the researcher has preconceived thoughts on the actual structure of the data, based on theoretical support or prior research. Because the study of Taiwanese consumer behaviour on expectancy-value in the field of hospitality has been little studied, an exploratory approach was adopted to search for structure among a set of variables. This factor analytic technique “takes what the data give you” and does not set any a priori constraints on the estimation of components or the number of components to be extracted.

DIMENSIONS OF IMPORTANCE OF RESTAURANT

ATTRIBUTES

Consequently, a factor analysis was performed for the importance and performance scale respectively. The dimensions of the importance scale are first discussed in this section and the analysis of the satisfaction scale will be shown in the next chapter. The Kaiser-Meyer-Olkin model (KMO) and Bartlett's Test for Sphericity were computed to reconfirm the adequacy of explanatory variables as previously diagnosed. The value of 0.964 KMO for importance scale suggested the adequacy of the sample is 'marvellous' (Ryan, 1995). Principal component analysis was used to extract initial factors for further rotation. Of the many rotation procedures available, the Varimax with Kaiser Normalization method was selected. The utilisation of the method was based on the assumption that the underlying dimensions of restaurant attributes are unrelated to one another. Varimax is a form of orthogonal rotation, that seeks to produce uncorrelated factors (Ryan, 1995). In order to avoid under or over factor analysis, rotations of three and four factor solutions were performed. Meanwhile, the missing values of the importance scale were also checked for randomness. Three options of dealing with missing values (listwise, pairwise and replace with mean) were computed and the results compared. The comparison showed that the 32 items of all guest respondents were allocated in a similar pattern across three different settings, suggesting that the missing values of importance scale were randomly distributed. Therefore all 32 items were included in the factor analysis. Factors with a factor loading greater than or equal to 0.50 and eigenvalues greater than one have been extracted. The results showed that the best factor structure contained three

interpretable factors, which explained 60.48 percent of variances for the 'importance' scale. The general pattern of loading is shown in Table 11.5.

Factor One– Immediate Appeal

'Immediate appeal' accounts for 23 percent of the variance, illustrating a mixture of physical appearance, food related quality and pricing/promotions. It could be seen that these attributes, such as interior decoration, food presentation, uniqueness of dishes and specials/promotions which also reflect price range are designed to create a positive impression for guests.

Factor Two- Service Contact

'Service contact' refers to waiting staff's work attitude and service performance in satisfying diners' needs.

Factor Three- Hygiene, Cleanliness and Care Factors

This factor indicates that hotel guests are concerned about hygiene when dining at a commercial premise. The cleanliness of dining room, toilet and tableware, as well as food quality (e.g. hygiene, fresh) are all expected to meet high standards of sanitation. However, it should be noted that car parking located onto this dimension, implying a wider 'care/convenience' aspect to this factor.

Table 11.5: Factor Analysis of Importance of Restaurant Features

	Factor 1	Factor 2	Factor 3
Analysis N (listwise): 804			
Factor One: Immediate Appeal (Variance=22.541%; Eigen Value=14.91; Alpha=0.93)			
The interior decoration is visually appealing and reflects the theme of restaurant.	0.743	0.211	0.285
The ambience of dining room reflects the style of restaurant.	0.732	0.195	0.300
There is a wide selection of food choice.	0.690	0.227	0.167
The seating is comfortable.	0.675	0.208	0.377
Specials/promotions are a regular feature in this restaurant.	0.674	0.126	0.036
Amount and composition of food is appropriate.	0.670	0.205	0.317
Food is well presented.	0.670	0.336	0.247
Waiting staff or supervisors/managers establish good customer relationship.	0.651	0.296	0.176
Pricing is appropriate for this style of restaurant.	0.640	0.262	0.270
Table arrangements are of a high standard.	0.628	0.231	0.401
Dishes are unique to this restaurant and reflect the style of restaurant.	0.607	0.295	0.304
The food's ingredients reflect the style of restaurant.	0.592	0.247	0.445
Factor Two: Service Contact (Variance=19.569%; Eigen Value=2.33; Alpha=0.91)			
Waiting staff are generally polite and respectful to guests.	0.168	0.765	0.303
Waiting staff generally smile while serving guests.	0.169	0.748	0.280
Waiting staff generally anticipate guest's needs.	0.220	0.736	0.265
Waiting staff are generally friendly.	0.114	0.695	0.346
Waiting staff generally look professional, clean, and neat.	0.182	0.690	0.300
Waiting staff generally provide prompt service.	0.243	0.680	0.254
Waiting staff provide personalised services.	0.395	0.668	0.068
Waiting staff are consistently courteous with guests throughout the meal.	0.300	0.652	0.177
Waiting staff or supervisors/managers advise guests about the menu when needed.	0.427	0.602	0.036
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	0.264	0.567	0.310
Waiting staff address guests by name with the title of social status.	0.449	0.497	-0.189
Factor Three: Hygiene, Cleanliness and Care (Variance=18.368%; Eigen Value=2.12; Alpha=0.91)			
The dining room is clean.	0.295	0.179	0.795
Tableware is properly washed and clean.	0.275	0.199	0.781
Food meets high standards of hygiene.	0.129	0.334	0.762
Food appears to be fresh.	0.183	0.301	0.761
The toilets are clean.	0.329	0.194	0.756
Food quality is consistently good.	0.413	0.269	0.632
It is safe and secure dining in this restaurant.	0.510	0.251	0.536
Car parking is available.	0.453	0.167	0.506
Food tastes nice.	0.171	0.416	0.468
Total Variance: 60.478%			

Because very few questions in the importance scale were adopted from the original SERVQUAL, it is foreseeable that the five dimensions of the SERVQUAL are not confirmed. In this study, the factor analysis shows that the questions relating to the tangible elements that are relied upon to create an appropriate dining environment and the style of restaurant explain most of the variance and arguably for a five-star international hotel where there is more emphasis on luxury and fine-dining atmosphere, the result is perhaps not surprising.

In this study, customers' rating of the importance of tangibility is associated with Bitner's (1992) 'servicescape' framework, which illustrates the effects of the physical environment on customers' behavioural responses such as approach/avoidance, spending money and re-patronage intentions, etc. According to Bitner (1992), the physical environment is considered as the packaging of services with three dimensions: ambient conditions, spatial layout and décor and orientation signals. Ambient conditions include colour, light, temperature, noise, odour and music, all of which might have an impact on the customers' five senses, their perception as well as their response to the environment. Spatial layout refers to the design and arrangement of equipment, hardware and furnishing according to the need of the service delivery process. Décor and orientation signals are visual symbols used to create an appropriate atmosphere and direct customers during the service encounter.

Bitner (1992) said that the customer's reactions to the physical environment might be cognitive, physiological and emotional. At the cognitive level, guests find various non-verbal cues, (such as 'interior decoration', 'food ingredients' and

'food choice' in this sample), communicate to guests the nature of the services and value or service provider's image. The physiological reaction is a result of ambient conditions of the setting. Guests may feel comfort or discomfort during the service encounter. In the sample, 'comfort of seating' and 'table arrangement,' which may be relative to the noise level, may in turn directly influence whether guests stay in and enjoy a particular environment. Finally, the physical environment may elicit the guest's emotional reaction, which also influences attitudes and behaviour. The relationship between physical environment and emotional response will be further discussed in a later chapter.

Because the nature of the hospitality services involves several human interactions, it is not surprising that questions relating to service quality were grouped together as a single dimension, namely 'service contact.' Different to other studies which apply the SERVQUAL model, the service items in this study do not fall into categories labelled "service quality determinants" as in the SERVQUAL model. Rather, some aspects of 'reliability' 'responsiveness' 'assurance' and 'empathy' are included in a single 'service contact' dimension. It can be seen that the given label of 'service contact,' which embraces different aspects of service, is sufficient for Taiwanese guests to describe service quality as an important factor while evaluating the hotel dining experience. In the other words, in the restaurant service, guests see service as just one of several factors affecting the quality of restaurant offerings.

Questions relating to hygiene and cleanliness, as part of the 'servicescape,' emerged as a separate dimension in the factor analysis. Indeed, cleanliness has been found to exert a strong influence on consumers' perceptions of hotel and

restaurant services (Lewis, 1987; Taniniecz, 1990; Conner, 2000 and Lockyer, 2002). In this study, cleanliness not only refers to the cleanliness of the physical environment, but also the cleanliness of tableware and food hygiene.

CLASSIFICATION OF GUESTS IN IMPORTANCE RATING

Cluster analysis was undertaken using the K-means option of SPSS. Various alternatives were used. A 6-cluster seemed the best, but required 19 iterations and the results were difficult to analyse. One group of 182 scored highly across all items, whereas a second of 88 scored comparatively low (i.e. approximately in a range of 4.6-5.0). Groups 2, 4 and 6 were not overly different from the group of 182 except that group 2 lay more stress on relationships with serving staff than on food quality (n=103), group 4 was distinguished only by a lack of importance attached to special promotions and amount of food (n=53) and group 6 attributed slightly lower importance to interior decoration (n=153). Group one comprised 125 individuals whose characteristic was a higher weighting on food quality. Although ANOVA shows $p < 0.001$ on the items between groups, this is because cluster analysis seeks to emphasise difference. The key issue, however, is that, for the most part scores were between 5.5 to 6.4, the restaurants have to achieve high standards throughout all of those aspects of service in order to satisfy guests. Another attempt to undertake cluster analysis on the importance attributes using the underlying dimensions determined by factor analysis did not produce any more understandable result. The reason for the near homogeneity of the sample is its responses may be because of the location of the study.

CHAPTER 12

SATISFACTION WITH RESTAURANT ATTRIBUTES: THE PERSPECTIVE FROM SUPPLY AND DEMAND SIDES

In this chapter, descriptive statistics are employed to provide guest, management and waiting staff evaluations of service performance. Then, management and waiting staff's self evaluation are compared with each other and with guests' data respectively. These gap analyses are:

1. Management perception of service performance and guests' perceived quality;
2. Waiting staff perception of service performance and guest' perceived quality;
3. Management perception of service performance and waiting staff perception of service performance.

Last, in order to understand what factors of restaurant attributes are significant for guests while evaluating the current dining, a factor analysis is performed. The implications of the dimensions of the performance scale are then discussed. This discussion will lead to a discussion that considers the dimensional relationship between 'satisfaction' and 'importance' data.

GUESTS' SATISFACTION OF RESTAURANT ATTRIBUTES

Table 12.1 illustrates the mean scores of the satisfaction scale in descending order. It showed that the overall mean scores were lower than the importance results. The majority of satisfaction ratings had mean scores from 5.0 to 5.6, except “address guests by name” and “specials/promotions are a regular feature in this restaurant” which had values of 4.94 and 4.86 respectively. These high satisfaction ratings suggest either ‘true’ high customer satisfaction with most restaurant attributes or perhaps the issue of social desirability. Since the research is undertaken in the Taiwanese cultural setting, consumer attitudes are influenced by Confucian values of mean and harmony and social desirability responses must be incorporated in the data set. On the other hand, the results are not too dissimilar to many other studies that utilise an importance-evaluation framework.

As shown in Table 12.1, the restaurant features scoring the highest satisfaction ratings were those specific to the hygiene and cleanliness aspect which includes the appearance of waiting staff, cleanliness of dining environment (i.e. tableware, dining room, toilets) and food hygiene. As for the service dimension, guests were satisfied with waiting staff’s work attitude (i.e. friendliness, smile, courtesy, politeness and prompt service. These attributes also scored highly on importance scores (see Table 11.3). As suggested by Oh (2001), importance is positively related to performance; the more important the attribute is to the customer, the more likely the customer perceives the attribute performance favourably and thus derives higher satisfaction. In fact, the strength of the underlying correlation between importance and performance was found to be as high as 49 percent in lodging data (Oh & Parks, 1998). Surprisingly, the results of paired correlation via

the paired t-test in this study contradict Oh and Parks (1998) findings. The low paired correlations ($0.19 < r < 0.36$) imply that little linear relationships exists between attribute importance and performance evaluation.

The table also shows that the non-response rate on the satisfaction scores is, on some items, quite high with missing responses numbering more than 100. They are “address guests by name,” “the ability of handling unsatisfactory incidents” and “specials/promotions are a regular feature in the restaurant.” This can be explained by the fact that in the current dining occasion during which the research was undertaken, a respondent might not have been involved in these situations, thereby leading to a non-response for these items. Although these attributes attracted fewer scores because of non-participation, they are arguably of least importance to the restaurant business. It is interesting to note that both items, “address guests by name” and “specials/promotions are a regular feature in the restaurant” had the lowest importance scores, thereby indicating that guests pay little attention to these items while evaluating product/service attributes during the current meal experience.

Table 12.1: Mean Scores of Satisfaction Scale			
Restaurant Attributes	N	Mean	Std. Deviation
Waiting staff generally look professional, clean, and neat.	1012	5.58	0.89
Tableware is properly washed and clean.	1006	5.58	0.90
The dining room is clean.	1004	5.57	0.91
The toilets are clean.	974	5.56	0.89
Food meets high standards of hygiene.	1008	5.55	0.86
Food appears to be fresh.	1009	5.53	0.89
It is safe and secure dining in this restaurant	1007	5.48	0.89
Car parking is available.	993	5.46	0.96
Food tastes nice.	1003	5.45	0.96
Waiting staff are generally friendly.	1019	5.43	0.92
Waiting staff generally provide prompt service.	1011	5.42	0.93
Waiting staff generally anticipate guest's needs.	1007	5.39	0.99
Waiting staff are generally polite and respectful to guests.	1015	5.38	0.98
Waiting staff generally smile while serving guests.	1016	5.38	0.97
Waiting staff are consistently courteous with guests throughout the meal.	1001	5.36	0.97
Table arrangements are of a high standard	1011	5.33	0.92
Food quality is consistently good.	986	5.32	0.88
The interior decoration is visually appealing and reflects the theme of restaurant.	1003	5.31	0.89
The food's ingredients reflect the style of restaurant.	998	5.30	0.87
Amount and composition of food is appropriate.	995	5.28	0.90
Waiting staff or supervisors/managers establish good customer relationship	965	5.27	1.01
The ambience of dining room reflects the style of restaurant.	1000	5.26	0.91
The seating is comfortable.	1008	5.26	0.90
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	897	5.25	0.97
Waiting staff provide personalised services.	985	5.24	0.98
Pricing is appropriate for this style of restaurant.	1004	5.23	0.93
Waiting staff or supervisors/managers advise guests about the menu when needed.	996	5.22	1.03
Food is well presented.	1001	5.22	0.89
Dishes are unique to this restaurant and reflect the style of restaurant.	995	5.17	0.91
There is a wide selection of food choice.	1000	5.09	0.90
Waiting staff address guests by name with the title of social status.	914	4.94	1.04
Specials/promotions are a regular feature in this restaurant.	904	4.86	0.99
Note: 1= lowest score; 7= highest score			

GAP ANALYSIS OF EVALUATION OF RESTAURANT

ATTRIBUTES

Similar to the importance gap analysis of guests' expectations, management and waiting staff, the second part tackles the evaluation of the actual service by both management and waiting staff. A small gap implies a congruence of perceived reality, an accommodation by both management and staff to the 'reality' of service provision (Saleh & Ryan, 1991). Any significant gap between management, waiting staff and guest perception of the service indicates a serious management misjudgement of the situation which also implies the existence of gap 2 (management perceptions of consumer expectations and the firm's service quality specifications) and gap 3 (service quality specifications and actual service delivery) of the service quality gaps proposed by Parasuraman *et al.* (1985).

Gap 4. — Management's Perception of Service Performance and Guests' Perceived Quality

As shown in Appendix G: Gap 4, the mean perception score of the 32 attributes was calculated for both guests and management. By using the independent t-test, only one attribute ("there is a wide selection of food choice.") shows a significant difference in mean scores (+0.60) between guests' perception of service delivery and what managers believed they deliver. This result indicates that guests perceived this service attribute as being performed better than managers perceived it to be (5.16 vs. 4.56; $t=1.99$; $p=0.047$). On the other hand, the remainder of the 31 attributes have no statistically significant differences and implies that for this particular hotel, there was an overall congruence between guests and management

perception of the quality of service being provided. This finding contrasts with Tsang and Qu's (2000) study on service quality in China's hotel industry. They reported that managers in the hotel industry in China were very self-assured, and over-estimated their organisation's service performance in meeting guests' expectation of service quality.

Gap 5. – Waiting Staff Perception of Service Performance and Guests' Perceived Quality

As for a comparison of the mean scores between waiting staff perceptions of service performance and actual service delivery perceived by guests, the independent t-tests again show that there is no statistically significant difference between the two (see Appendix G: Gap 5). This would therefore seem to imply that for this particular hotel there was a similarity of perception of performance by both guests and waiting staff. From the previous discussion, it becomes apparent that both management and waiting staff well understood guests' expectation of restaurant attributes as measured by the importance and evaluations existing in guests' minds. The question thus arises as to why guests still experience the gap between their own assessment of importance and perceptions of service? To answer this question, Saleh and Ryan (1991) argued that from the marketing perspective, management may be reasonably congruent with guest perception of services, but the management perception of the service is possibly translated into marketing messages that lead guests to expect more than they actually receive. Another possible explanation for this phenomenon is that social desirability response by both management and waiting staff minimise the perceptual

difference scores. This effect may be associated with the national characteristics of respondents that will influence how they respond to the survey answer. This issue will be further discussed in the later chapter that analyses the impact of Chinese cultural values on an evaluation of service quality.

One of the advantages of quantitative based research is that it can identify where the problem of analysis might exist, but unfortunately the same approach may not provide the answer. In other words, the questions provide evidence of the existence of the perceptual gaps, but cannot say why those gaps exist. In order to assess reasons for the gaps a more qualitative approach might be more suitable.

Gap 6. – Management Perception of Service Performance and Waiting Staff Perception of Service Performance

Table 12.2 lists the top ten best performance features from the self-evaluation of management and waiting staff. It could be seen that there are some similarities in perception between the two sets of tables. The first four performance features identified by management were also rated by waiting staff, but at the middle of the list. It is notable that waiting staff were more satisfied with some of the ‘technical’ aspects of restaurant attributes, such as “availability of parking,” “pricing,” “safe and secure dining place,” and “interior decoration.” Yet, they were more conservative with the items associated with their daily responsibility. In addition, it can be observed that the top performance items identified by both management and waiting staff are features that help distinguish the Grand Hi-Lai Hotel from other similar types of hotels. For example, the interior decoration has a

luxurious display of antique Chinese and Western furniture and original art works and availability of parking with 1000 parking spaces. These form two unique features of the Grand Hi-Lai Hotel. Besides its features, the list also captures the attributes that may be of concern to guests. Being of concern to guests, the items are also of concern to management and staff; thereby resulting in similar ranking by all stakeholders.

Table 12.2: Comparison between the Top Ten Best Performance Features from Management and Waiting Staff					
Management			Waiting Staff		
Restaurant Attributes	Mean	Std. Deviation	Restaurant Features	Mean	Std. Deviation
The interior decoration is visually appealing	5.80	0.79	Availability of parking	5.94	0.966
Cleanliness of tableware	5.80	1.14	Pricing is appropriate	5.71	0.686
Establish good customer relationship	5.80	0.92	Safe and secure dining place	5.71	0.920
Cleanliness of dining room	5.70	1.16	Table arrangements	5.65	0.931
Pricing is appropriate	5.60	0.97	Cleanliness of dining room	5.65	0.862
Friendliness of staff	5.60	0.70	Establish good customer relationship	5.65	0.786
Consistent courteous services	5.50	0.85	The interior decoration is visually appealing	5.65	0.931
The seating is comfortable	5.50	0.85	Professional look of staff	5.65	0.862
Cleanliness of toilets	5.50	1.08	Food hygiene	5.65	0.996
Food tastes nice	5.50	0.97	Respond to unsatisfactory incidents	5.65	0.862
Note: N of valid observation (listwise)= 9			Note: N of valid observation (listwise)= 16		

When comparing the mean performance score for management and waiting staff using independent t-tests, no statistically significant differences were found (see Appendix G: Gap 6). It suggested that management and waiting staff have a similar opinion about how well each restaurant attribute performed. This would therefore seem to imply a congruence of perceived reality of service provision. Perhaps, the SERVQUAL's gap 2 and gap 3 may be not problem areas for this particular hotel. To address this issue, a further analysis pertaining to quality management gap between management and waiting staff will be presented in the following section.

Quality Management Gap

Parasuraman *et al.* (1985) indicated a potential cause of perception discrepancies. These constraints are market conditions, company policies and available resources

and are also referred as gap 2 and gap 3 in the SERVQUAL model. In this section, the perceptions related to the commitment to service quality are compared between management and waiting staff. The result of the ANOVA test (see Appendix H) shows that no significant difference in responses was found, indicating that both management and waiting staff share a similar opinion with the hotel quality management. When comparing the mean values of each item within management responses, the item of “communication with kitchen staff” received lower scores than other attributes. It could be argued that managers are less satisfied with the communications with kitchen staff regarding food preparation. Due to the industry culture in Taiwan, restaurant managers are responsible for communicating with kitchen staff regarding to food issues. Thus, managers might experience tension more with kitchen than waiting staff.

DIMENSIONS OF SATISFACTION OF RESTAURANT ATTRIBUTES

In order to reduce a large number of variables, factor analysis was again used to identify underlying dimensions of restaurant attributes while evaluating the actual service experience. An approach similar to that used with the importance scale was applied to the satisfaction scale.

The KMO result of 0.978 suggested that the ‘satisfaction’ scale possessed a high level of sampling adequacy. Therefore, as before with the ‘importance’ scale, a principal component extraction method and Varimax rotation was applied to the evaluation of restaurant features. Rotations of four and five factor solutions were

performed to avoid under- or over-estimates of factor analysis. A check of randomness in the missing variables was also performed. Since a pattern of randomness was found, inclusion of 32 items was thought legitimate. The results of these rotations showed that a five factor solution is the best factor structure, explaining 75.91 percent of variances for 'satisfaction' scale. It can be seen that there is a greater disparity between the importance and satisfaction scales on the 32 items. Table 12.3 presents the details of five factors, which can be described as:

Factor One –Service Contact

'Service contact' accounts for 27 percent of the variance, illustrating the service aspect in an evaluation of dining experience. Comparison of the 'service contact' factor between the 'importance' and 'satisfaction' scales, indicates a very similar composition between the two. The finding confirms that guest's attitude toward a service dimension has a significant role in the creation of customer satisfaction.

Factor Two –Food Aspect

'Food aspect' with its ramifications (e.g. ingredients, fresh, taste, hygiene) is the second factor that mainly concern guests in the evaluation of dining experience. Since the ultimate purpose of dining is the fulfilling of hunger, the standard of food becomes an important indicator of customer satisfaction.

Factor Three –Facility Aspect

The 'facility aspect' factor brought together items specific to the layout of the premises, that is the table arrangement and seating should meet a high standard to provide a safe, secure and comfortable dining environment.

Factor Four –Cleanliness Aspect

This factor indicates that dining room, tableware and toilet were thought to be clean and meet high standards of hygiene requirement.

Factor Five –Ambience Aspect

The last factor is the ambience of dining. An evaluation of interior decoration, restaurant layout and ongoing promotion activities indicate these form a common dimension.

Table 12.3: Factor Analysis of Performance of Restaurant Features					
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Analysis N (listwise): 710					
Factor One: Service Contact (Variance=26.627%; Eigen Value=19.14; Alpha=0.96)					
Waiting staff generally smile while serving guests	0.813	0.173	0.119	0.220	0.160
Waiting staff are generally polite and respectful to guests.	0.809	0.244	0.123	0.234	0.163
Waiting staff are generally friendly.	0.792	0.242	0.119	0.237	0.095
Waiting staff provide personalised services.	0.791	0.255	0.194	0.122	0.215
Waiting staff are consistently courteous with guests throughout the meal.	0.786	0.262	0.239	0.188	0.153
Waiting staff generally anticipate guest's needs.	0.779	0.239	0.189	0.232	0.081
Waiting staff or supervisors or/managers advise guests about the menu when needed.	0.742	0.234	0.190	0.127	0.294
Waiting staff generally provide prompt service.	0.723	0.320	0.271	0.164	0.078
Waiting staff generally look professional, clean, and neat.	0.709	0.291	0.244	0.323	-0.062
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	0.704	0.326	0.275	0.076	0.258
Waiting staff address guests by name with the title of social status.	0.700	0.160	0.192	-0.038	0.441
Waiting staff or supervisors/managers establish good customer relationship.	0.515	0.264	0.453	0.198	0.322
Factor Two: Food Aspect (Variance=18.827%; Eigen Value=2.40; Alpha=0.95)					
Food quality is consistently good.	0.266	0.781	0.231	0.235	0.180
The food's ingredients reflect the style of restaurant.	0.316	0.686	0.308	0.212	0.266
There is a wide selection of food choice.	0.279	0.661	0.231	0.167	0.416
Food appears to be fresh.	0.315	0.658	0.162	0.456	0.086
Food tastes nice.	0.493	0.656	0.257	0.049	-0.004
Dishes are unique to this restaurant and reflect the style of restaurant.	0.310	0.641	0.193	0.217	0.406
Food is well presented.	0.332	0.615	0.188	0.313	0.342
Pricing is appropriate for this style of restaurant.	0.297	0.606	0.403	0.157	0.311
Amount and composition of food is appropriate.	0.320	0.592	0.395	0.201	0.198

Food meets high standards of hygiene.	0.352	0.577	0.207	0.510	0.059
Factor Three: Facility Aspect (Variance=12.188%; Eigen Value=1.14; Alpha=0.86)					
Car parking is available.	0.228	0.295	0.716	0.210	0.028
It is safe and secure dining in this restaurant.	0.330	0.268	0.696	0.322	0.193
Table arrangements are of a high standard.	0.260	0.270	0.655	0.275	0.295
The seating is comfortable.	0.264	0.342	0.553	0.245	0.402
Factor Four: Cleanliness Aspect (Variance=9.813%; Eigen Value=1.02; Alpha=0.90)					
The dining room is clean.	0.345	0.284	0.332	0.683	0.220
Tableware is properly washed and clean.	0.298	0.317	0.385	0.669	0.146
The toilets are clean.	0.256	0.320	0.398	0.639	0.157
Factor Five: Ambience Aspect (Variance=8.455%; Eigen Value=0.60; Alpha=0.84)					
Specials/promotions are a regular feature in this restaurant.	0.277	0.353	0.172	0.109	0.716
The ambience of dining room reflects the style of restaurant.	0.261	0.355	0.423	0.327	0.518
The interior decoration is visually appealing and reflects the theme of restaurant.	0.272	0.374	0.394	0.388	0.491
Total Variance: 75.910%					

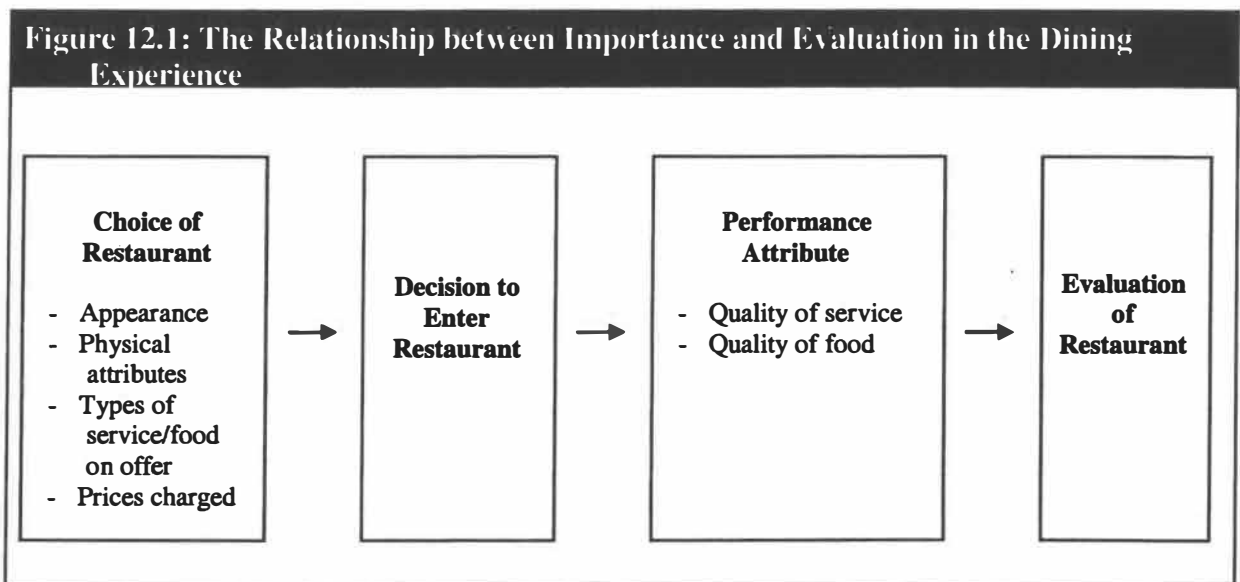
However, given the variable nature of the service, there exists an issue pertaining to the consistency of satisfaction. This is because the purchased services are not always performed by the same waiting staff in the same type of restaurant or even same hotel premise. Each dining occasion is a unique consumption experience for guests and researchers. Therefore, the highly situational aspect of the service should be taken into consideration when analysing service performance and food quality as opposed to an evaluation of restaurant ambience created from the fixed facility. Moreover the satisfaction data combines different restaurants and different survey times and thus a lack of consistency in the data exists over the sampling period. Moreover, guests' perceptions of service performance are arguably less stable than attribute importance. This is because the influence of 'mood' is unconsciously involved in the evaluation process, as noted by Price, Arnould and Deibler (1995). An issue of 'mood' rather than 'attitude' will make judgement less objective and perhaps less predictable. The question that thus

arises is what do these factors actually mean? The factor patterns in this study show different aspects of the meal experience which have been identified by other researchers (Nightingale, 1979; Jones, 1983; Jones & Howard, 1998). A study of dimensionality of food service by Johns and Howard (1998), using an open-ended questionnaire, also shows that respondents generally wrote down evaluations before importance attributes, and many wrote only the former aspects, suggesting that these were primary concerns, or at least the main basis of service evaluation. Thus, it would seem to imply that respondents structure their perceptions of quality according to aspects of the meal experience, in this case 'service contact,' 'food,' 'facility,' 'cleanliness' and 'ambience.' This suggests that although there is a high level of specific contextualisation in any evaluation of a meal experience, guests have a similar 'checklist' of aspects no matter what specific circumstances.

In this study, both importance and performance scale produce two different dimensionalities from the same list of variables. Johns and Tyas (1996) found ambiguous factor patterns of food service expectation which did not match those of their service performance measurements, suggesting that the dimensionalities of the two may in fact be different. The question that thus arises is what are the dimensional relationships between 'importance' and 'satisfaction' data in the light of quality attributes proposed by quality researchers? It could be seen that both service contact, hygiene and cleanliness factors are identical in importance and satisfaction dimensionality and the attributes ascribed to these are qualitatively comparable. This suggests that guests have expectations of service contact and hygiene factors against which they evaluate item quality. In addition, because the context was of a five-star international hotel, a favourable impression of each service encounter is relatively important to guests. According to the factor pattern

derived from of the satisfaction scale, this can be evaluated through food, fixed facility and ambience aspects of the consumption experience.

A comparison of the two factor analyses does suggest some conclusions. The importance factor analysis locates 'immediate appeal' as the first factor and hence it might be said that selection of a restaurant is partly determined by the physical attributes. However, the actual satisfaction/evaluation of the meal experience may be more determined by the performance of staff and the quality of food. It is possible to hypothesis a relationship as shown in Figure 12.1, namely choice is determined by physical attributes serving as proxies for quality of service and food; but it is these more than the former that determine the actual meal experience.



CHAPTER 13

PAIRED RELATIONSHIP BETWEEN IMPORTANCE AND SATISFACTION

Ryan and Huyton (2000) argued that importance and performance evaluation cannot be regarded as two independent variables. Guests' evaluations of a firm's attribute-specific performance are affected by how important the consumer thinks the attribute is to them. In their research of tourist perceptions and preferences in Central Australia, importance became a determinant of satisfaction. It is argued that if something is perceived as being important, it becomes a goal, and the fact of actually being able to visit or do something important itself becomes a determinant of satisfaction. Therefore, instead of looking at the satisfaction score, the degree of congruence between importance and satisfaction should be taken into account. Consequently a paired t-test was undertaken on the importance-satisfaction scores with the results of each restaurant shown in Appendix I.

The results seem to indicate that guest expectation of restaurant provision as measured by importance scales are generally not being met by restaurants. The Fishbein matrix is a technique that combines the mean importance and the satisfaction values for each attribute onto a two-dimensional grid. In this study, the importance-satisfaction grids of four restaurants (Teppanyaki Restaurant, Steak House, Taiwanese Restaurant and Shanghainese Dumpling) are provided in Figures 13.1, 13.2, 13.3 and 13.4 respectively. Martilla and James (1977) noted that the placement of the crosshairs depends on the purpose of analysis. Thus, the

movement of the crosshairs may provide additional analysis. Since management were most interested in attributes that guests felt were important, the value of 5 was chosen as the crosshair for the vertical axis. Also, placement of the crosshairs of satisfaction at the value of 5 reflected a desire to maintain or increase performance standards for the service operation.

A similar distribution pattern was found among the four diagrams, that is, very few points are scattered on the upper left quadrant with more correlated and grouped together on the upper right quadrant. This is because respondents tend to rate attribute importance and evaluation highly across the four restaurants and from a marketing perspective this is the desired outcome. It can be seen that most items fell into the 'keep up the good work' cell as described by Martilla and James' (1977). These points included items such as 'staff and service,' 'food' and 'restaurant facility and ambience.' Also, among the four, Steak House had the most items scattered on the 'keep up the good work' cell, whereas Shanghainese Dumpling had more items falling into the 'concentrate here' area where respondents rated these attributes high in importance, but low in satisfaction.

The attribute, "specials/promotions are a regular feature in the restaurant" fell into the 'concentrate here' quadrant in most cases except for Taiwanese Restaurant. This situation is foreseeable because these restaurants do not always have specials and promotions available for guests at the time they are patronising the restaurant. As a result, due to its absence in the particular dining experience, guests tend to report a relatively lower satisfaction score. In this study, the Fishbein matrix well reflects their current situation. For example, in the case of the Taiwanese Restaurant, there was a major discount promotion when the survey was

undertaken. Because the discount range was as high as 70% on selected menu items, it was large enough for guests to be aware of this promotion activity. The Fishbein matrix indeed points out the presence of discount promotions. In addition, the Fishbein matrix also shows that “address guests by name” is more important in fine-dining restaurants than casual ones, as it fall into the ‘concentrate here’ quadrant in Teppanyaki Restaurant and the ‘keep up the good work’ quadrant in Steak House, whereas it is regarded as ‘overkill’ and ‘low priority’ in Taiwanese Restaurant and Shanghainese Dumpling respectively.

According to the Fishbein matrix, most I-P paired attributes are grouped into the same category and point to the same suggestion, ‘keep up the good work.’

Ironically, based on the interview with guests, they did have a few complaints about the items which actually appeared in the ‘keep up the good work’ category. Perhaps this perception variance reveals the cultural sensitivity as to presenting ‘true’ feelings. It suggests that extracting marketing suggestions from the Fishbein matrix should incorporate the cultural aspect of perceived services.

Figure 13.1: Teppanyaki Restaurant: Importance-Satisfaction Grid

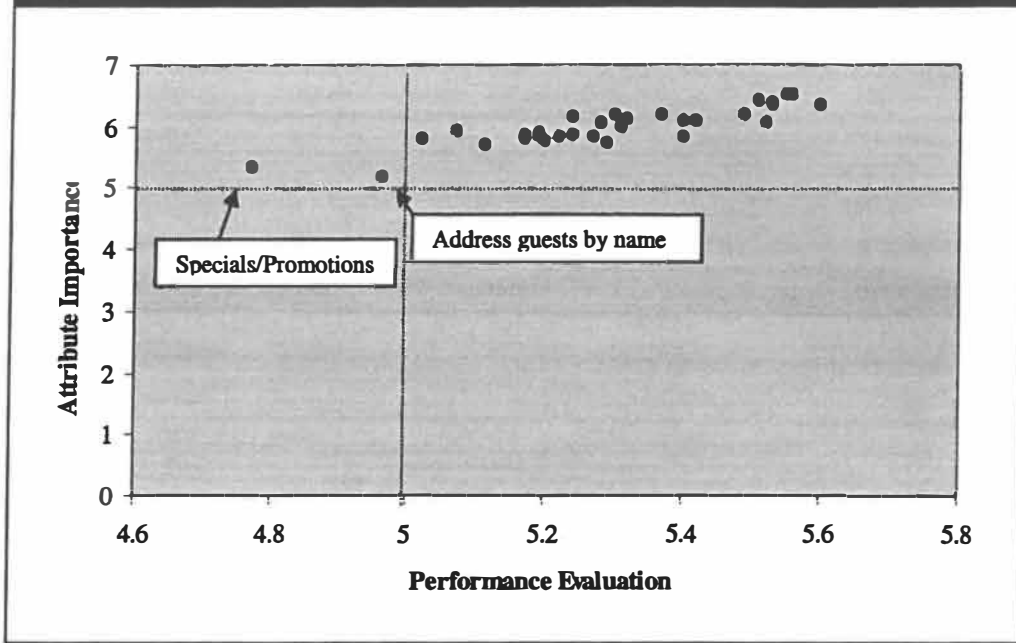


Figure 13.2: Steak House: Importance-Satisfaction Grid

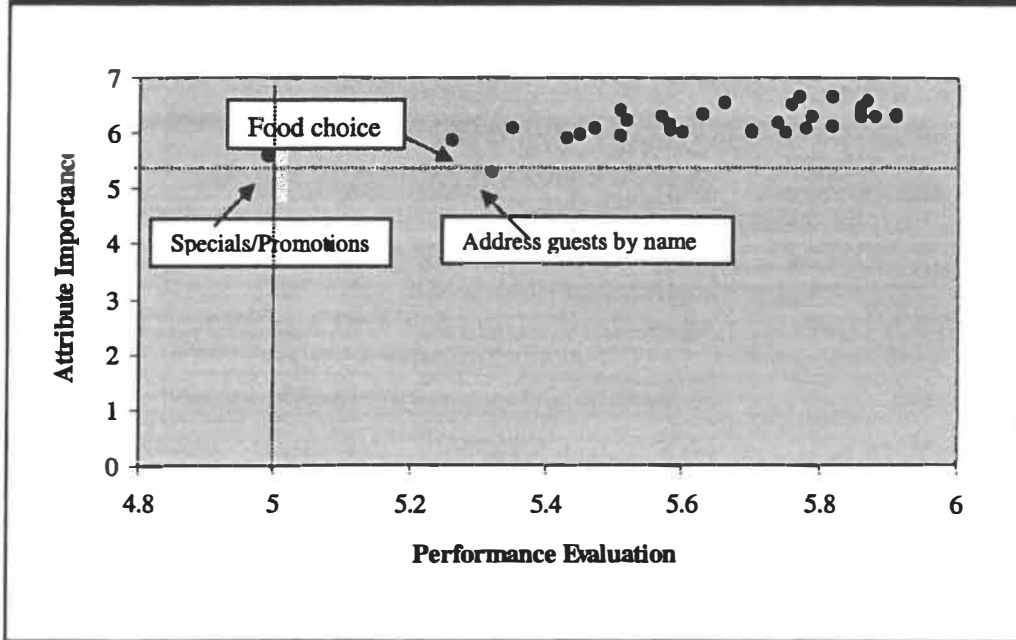


Figure 13.3: Taiwanese Restaurant: Importance-Satisfaction Grid

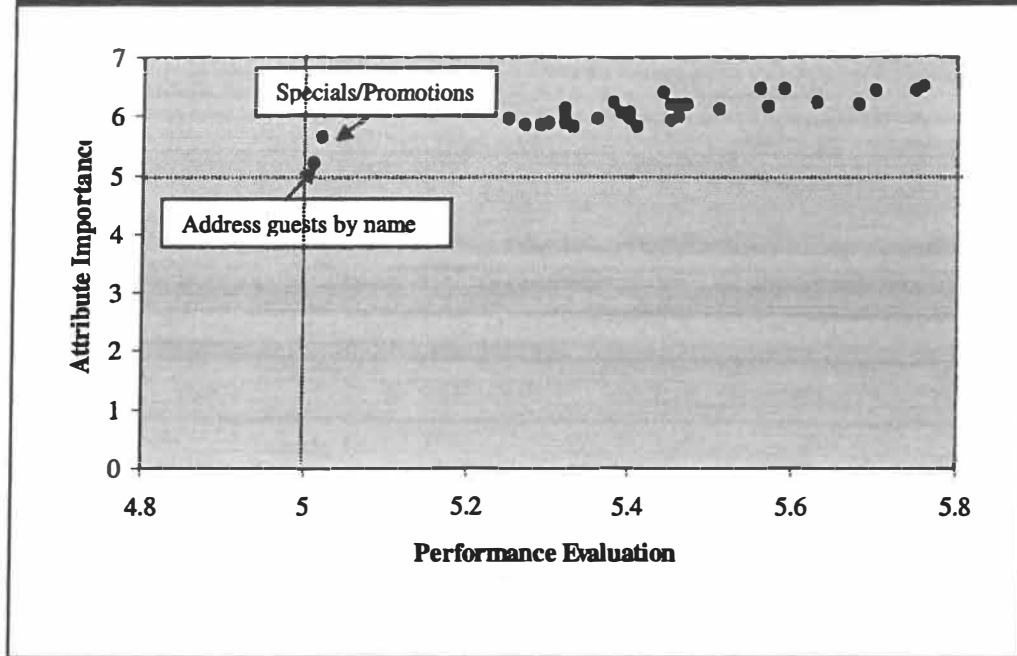
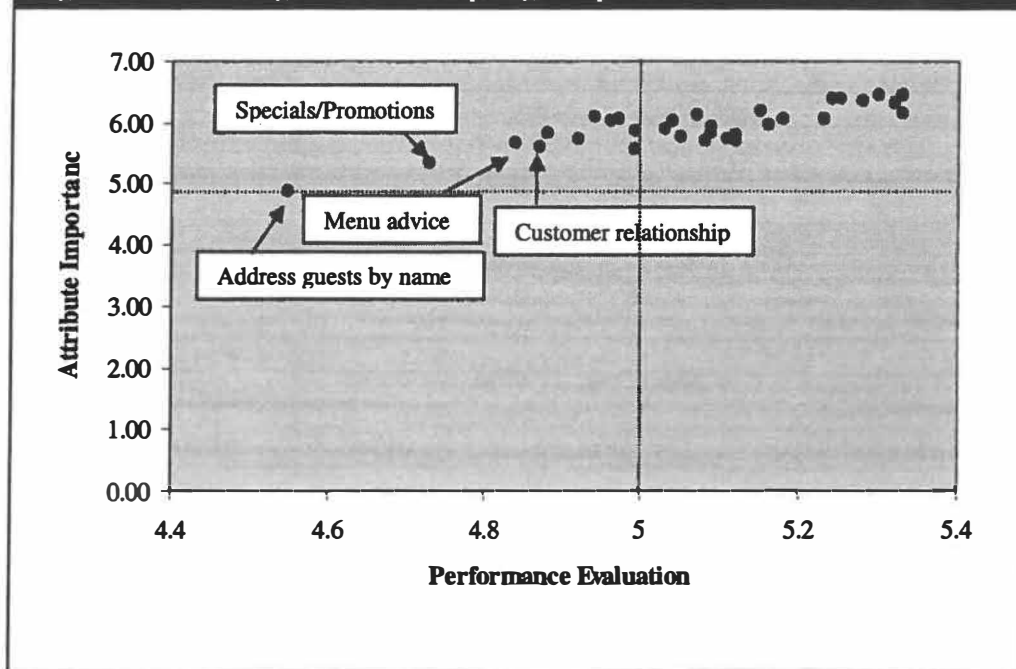


Figure 13.4: Shanghainese Dumpling: Importance-Satisfaction Grid



CHAPTER 14

FACTORS INFLUENCING GUEST PERCEPTION OF ATTRIBUTE IMPORTANCE AND SATISFACTION

This chapter examines the factors influencing guest perception of restaurant services in the context of Taiwanese hospitality setting. According to the previous literature and pilot study, seven variables: 1) the type of restaurant, 2) dining occasion, 3) perceived price, 4) socio-demographic profile, 5) past experience measured by patronage frequency, 6) star rating and 7) hotel brand were hypothesised to affect guests' expectations of restaurant attributes and satisfaction of purchased services. A t-test procedure was computed for the importance and satisfaction sample respectively which facilitated testing of the propositions as explained above.

ATTRIBUTE IMPORTANCE BY THE TYPE OF RESTAURANT

As mentioned in the previous chapter, the four interviewed restaurants are different in service style and cuisine, ranging from fine-dining (e.g. Steak House) to a more casual family-oriented restaurant (e.g. Shanghainese Dumpling). Auty (1992) argued that in restaurant service, the importance of certain restaurant attributes depends on the type of restaurant. Based on her research in Lancaster, UK, speed of service was found to be more likely to be important in the choice of a fast food outlet than a steak house. In this study, a similar analysis was

conducted to see if there were any differences in perceptions of service quality between guests who patronised different cuisine with different service style. One-Way ANOVA was computed to compare the perceived importance of 32 restaurant features and the Scheffe *post hoc* test was used to evaluate differences in attribute importance between the restaurants. Table 14.1 presents the ANOVA results.

Table 14.1: ANOVA results of Importance by the Type of Restaurant

Restaurant Attributes	Sig.	Scheffe <i>Post Hoc</i> Test
Waiting staff are generally friendly.	0.009*	Steak > Dumpling
Waiting staff generally smile while serving guests.	0.006*	Steak > Dumpling
Waiting staff are generally polite and respectful to guests.	0.022*	Steak > Dumpling
Waiting staff generally provide prompt service.	0.025*	Steak > Teppanyaki
Waiting staff generally look professional, clean, and neat.	0.011*	Steak > Teppanyaki
Waiting staff generally anticipate guest's needs.	0.419	
Waiting staff provide personalised services.	0.023*	Steak > Dumpling
Waiting staff or supervisors/managers advise guests about the menu when needed.	0.000*	Steak > Teppanyaki Steak > Dumpling
Waiting staff are consistently courteous with guests throughout the meal.	0.011*	Steak > Dumpling
Waiting staff address guests by name with the title of social status.	0.000*	Teppanyaki > Dumpling Steak > Dumpling Taiwanese > Dumpling
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	0.053	
Food tastes nice.	0.034	
Food meets high standards of hygiene.	0.010*	Steak > Taiwanese Steak > Dumpling
Food appears to be fresh.	0.001*	Steak > Taiwanese Steak > Dumpling
Food is well presented.	0.001*	Steak > Dumpling
Dishes are unique to this restaurant and reflect the style of restaurant.	0.054	
There is a wide selection of food choice.	0.085	
Food quality is consistently good.	0.007*	Steak > Teppanyaki Steak > Dumpling
The food's ingredients reflect the style of restaurant.	0.003*	Steak > Dumpling
Pricing is appropriate for this style of restaurant.	0.051	
Amount and composition of food is appropriate.	0.023*	Steak > Dumpling
Specials/promotions are a regular feature in this restaurant.	0.001*	Taiwanese > Teppanyaki Taiwanese > Dumpling
The dining room is clean.	0.085	
The toilets are clean.	0.010*	Steak > Dumpling
Tableware is properly washed and clean.	0.006*	Steak > Teppanyaki Steak > Dumpling
The interior decoration is visually appealing and reflects the theme of restaurant.	0.001*	Steak > Dumpling
The ambience of dining room reflects the style of restaurant.	0.000*	Steak > Teppanyaki
The seating is comfortable.	0.013*	Steak > Dumpling
Car parking is available.	0.010*	Steak > Dumpling
Table arrangements are of a high standard.	0.000*	Steak > Teppanyaki Steak > Taiwanese Steak > Dumpling
It is safe and secure dining in this restaurant.	0.009*	Steak > Dumpling
Waiting staff or supervisors/managers establish good customer relationship.	0.000*	Steak > Dumpling Taiwanese > Dumpling

Note:

* indicates the mean difference is significant at 0.05 level in Scheffe *post hoc* test.

Restaurant Abbreviation: Steak as Steak House; Teppanyaki as Teppanyaki Restaurant;

Taiwanese as Taiwanese Restaurant; Dumpling as Shanghainese Dumpling.

Most results are at the statistically significant level of $p < 0.05$, thereby indicating significant differences between guests' perception of importance of restaurant attributes by different type of restaurants. The Scheffe *post hoc* test indicates that Steak House, featuring fine-dining and full service restaurant, generally obtained higher importance ratings for its features than the other three restaurants, for which services were less formal. The nature of service, restaurant layout and atmosphere are more likely to be important in the choice of fine-dining (e.g. Steak House) than in the case of a family/popular restaurant (e.g. Shanghainese Dumpling). The *post hoc* test therefore is consistent with Auty's (1991) findings that restaurant type influences the order of importance. In addition, the items that were not statistically significant were also meaningful. For example, it should be noted that some restaurant features were *always* important to guests, no matter the cuisine type or service style. These were "waiting staff anticipate guest's needs," "waiting staff respond to unsatisfactory incidents in professional manner," "food tastes nice," "dishes are unique," "pricing is appropriate," and "dining room is clean."

To look more closely at service attributes and restaurant type, the mean importance scores of 32 restaurant features from each restaurant were ranked by order of mean score. Table 14.2 lists the top ten items that are important to guests by restaurants.

Table 14.2: Comparison between the Top Ten Important Features by Restaurant

Steak House	Mean	Std. Deviation	Teppanyaki Restaurant	Mean	Std. Deviation
Freshness of food	6.65	0.604	Food hygiene	6.52	0.668
Food hygiene	6.64	0.620	Freshness of food	6.51	0.649
Cleanliness of tableware	6.56	0.668	Food tastes nice	6.43	0.737
Food tastes nice	6.54	0.661	Cleanliness of dining room	6.38	0.731
Cleanliness of toilets	6.50	0.717	Cleanliness of tableware	6.35	0.775
Cleanliness of dining room	6.47	0.733	Cleanliness of toilets	6.33	0.770
Consistent food quality	6.38	0.760	Availability of parking	6.18	0.833
Availability of parking	6.32	0.849	Polite, respectful staff	6.17	0.846
Professional look of staff	6.30	0.779	Consistent food quality	6.17	0.770
Respond to unsatisfactory incidents in professional manner	6.30	0.842	Respond to unsatisfactory incidents in professional manner	6.15	0.870
Note: N. of valid observation (listwise) = 181			Note: N. of valid observation (listwise) = 237		
Taiwanese Restaurant	Mean	Std. Deviation	Shanghainese Dumpling	Mean	Std. Deviation
Cleanliness of dining room	6.47	0.715	Food hygiene	6.54	0.770
Food hygiene	6.45	0.798	Freshness of food	6.43	0.769
Freshness of food	6.42	0.756	Food tastes nice	6.36	0.788
Cleanliness of toilets	6.40	0.726	Cleanliness of tableware	6.33	0.851
Cleanliness of tableware	6.38	0.818	Cleanliness of dining room	6.33	0.820
Food tastes nice	6.35	0.837	Cleanliness of toilets	6.28	0.810
Availability of parking	6.23	0.905	Consistent food quality	6.17	0.842
Consistent food quality	6.16	0.866	Professional look of staff	6.14	0.799
Professional look of staff	6.16	0.903	Respond to unsatisfactory incidents in professional manner	6.12	0.876
Staff smile while serving	6.15	0.883	Staff anticipate guest's needs	6.09	0.870
Note: N. of valid observation (listwise) = 163			Note: N. of valid observation (listwise) = 223		

From Table 14.2, it can be noted that a similarity exists in attribute rank order.

Overall, guests from these four restaurants rate highly items that relate to the safety and hygiene factor which include “food hygiene,” “freshness of food,” and “cleanliness of dining room, tableware, and toilets.” “Food tastes nice” and “consistent food quality” are two food aspects that are highly rated among the top ten items and these are followed by “availability of parking” and items relating to staff and service: “polite, respectful staff,” “professional look of staff,” “respond to unsatisfactory incidents in professional manner,” “staff smile while serving,” and “staff anticipate guest’s needs.” The finding of the ‘safety and hygiene’ factor

being the most important factor was similar to Knuston, Stevens and Patton's (1995) and Lockyer's (2003) research of measuring service quality in restaurants. It was of particular interest that although there are similarities in rank order, when it came to comparing mean score, the results are supportive of Auty's (1991) finding. Therefore, it could be argued that the degree of importance attached by guests to restaurant attributes differ by the type of restaurant.

ATTRIBUTE IMPORTANCE BY DINING OCCASION

Again, following Auty's (1992) argument, the occasion for dining out was assumed to affect the ranking of restaurant attributes. In this study, business dining, family dining and dining for a social occasion (i.e. dining with friends or colleagues for leisure) were compared by calculating One-Way ANOVA with Scheffe *post hoc* test to see if the perception of desired features varied by the occasion. The result shows that only one item, namely "waiting staff address guests by name" was statistically significant in the case of business vs. family oriented meals. That is, personal recognition of status within the group is more important to guests in business dining than in a family dining occasion. This finding implies a cultural implication for service delivery. It possibly relates the customer's expectation of personal recognition to a concept of 'face' and 'recognition of authority.' In the context of Taiwanese service setting, recognition of the host of dining party in front of his/her guests as a mean of giving 'face' is deemed to be important in maintaining good customer relationship. With reference to the mean scores of each attribute, most have values between 5.00 and 6.60, thereby indicating that guests' importance perception for restaurant features were similar no matter what dining occasion they were in. This result supported

Knuston, Stevens and Patton's (1995) finding of no significant difference in consumers' service quality expectations based on different dining occasions.

ATTRIBUTE IMPORTANCE BY PERCEIVED PRICE

Three dimensions of attribute importance of restaurant features, namely "immediate appeal," "service contact" and "safety and hygiene" were compared by guest's perception of price. New mean scores for each dimension were computed by aggregating individual items according to the dimensions in which they fell. The result of One-Way ANOVA suggests that no significant relationship exists between the dimensions of attribute importance and perceived price. This implies that regardless of the price of the meal, guests have similar demands (high expectations) that a restaurant provide an immediate appeal, positive service contact and hygiene. This is not, however, to say that guests necessarily hold the same level of expectation across different price ranges of a meal. As noted by Knuston *et al.* (1992), there is an increase in expectation scores as customers move up the hotel price scale. In the restaurant context, customers may well expect higher service contact in a higher priced meal. In this case of no significant difference between importance and perceived price, the reason may be that customers generally expect positive service contact in a manner appropriate to the price of meal in the context of a five-star hotel resort. As a result, even a budget priced meal in such a context might still mean high expectations.

ATTRIBUTE IMPORTANCE BY SOCIO-DEMOGRAPHIC PROFILE

Behavioural researchers generally agree that socio-demographic variables, such as gender and age have a role to play in the formation of both expectations and perceptions. One-Way ANOVA and t-tests were used to assess the perception of importance of restaurant features by guests' gender, age, area of residence, education level and their monthly income. Referring to the Scheffe *post hoc* test, gender was found to be a discriminating variable in only three cases. Male guests put more importance rating on "personal recognition" than female guests (5.20 vs. 4.97; $t=2.80$; $p=0.005$). On the other hand, female guests tend to indicate high importance on the item "a wide selection of food choice" (5.87 vs. 5.75; $t=-2.0$; $p=0.044$) and "consistency of food quality" (6.27 vs. 6.16; $t=-2.1$; $p=0.032$). This differentiation implies a distinct gender role in the Taiwanese society. Men quite enjoy the fulfilment of self-esteem by being given social status and recognition, whereas women care more about product/service features.

In terms of age differences, only three items were significant. Younger guests (age 18-35) tend to attach more importance to "staff anticipate guest's needs" and "menu advice" than do older guests (age 36-65). Guests with ages between 36 to 45 years placed more importance on "availability of parking" than guests with age between 18 to 25. This result is expected since the older guests are more likely to be a car owner than younger respondents.

With the differences in the area of residence, guests who lived in Kaohsiung city/county, where the hotel is situated, tend to score more highly on "a wide

selection of food choice,” (5.86 vs. 5.69; $t = -2.4$; $p = 0.018$) “food’s ingredients” (6.08 vs. 5.95; $t = -2.2$; $p = 0.028$) and “cleanliness of toilets” (6.41 vs. 6.26; $t = -2.7$; $p = 0.007$) than those who were visiting guests. Indeed, Kaohsiung residents were expected to pose different expectations as opposed to visitors. Kaohsiung residents have more opportunities for repeat patronage of the restaurant than visitors and hence possibly look for a wider selection of menu choice and change in food ingredients during a certain period of time.

In addition, the educational background was found to be a discriminating variable in only one item, namely “addressing guest’s name by waiting staff.” Guests who were high school or vocational school graduates were more concerned about personal recognition than those who had college qualifications. Lastly, monthly income was found to be a significant source of difference in only one item, that is, the high income group rate the importance of “uniqueness of dishes” more highly than the low income group. This result possibly reflects the lifestyle of a high income group that is seeking a high standard of menu offer.

ATTRIBUTE IMPORTANCE BY PATRONAGE FREQUENCY

Independently of a guest’s socio- cultural influences, past studies have revealed that guests’ prior dining experiences and beliefs form a standard used for comparison when assessing products and services (Wood, 1995; Ryan 1997b; Kivela, Inbakaran & Reece, 1999a). In this study, prior dining experience is measured by the number of times of repeat patronage within 12 months. For purpose of analysis, the numerical repeat patronage identified by guests was categorised into three groups based on the extent of frequency. Six times or less

repeat patronage were recoded and labelled as 'low patronage'; 7 to 23 times of repeat patronage as 'medium patronage'; more than 24 times of repeat patronage as 'high patronage.'

The ANOVA result shows that the frequency of patronage had some effects on perceived importance of three particular items. First, guests in 'medium patronage' attribute more importance to the "provision of prompt service" than those who are classified as 'high patronage' group. Second, with reference to a low patronage group, guests in 'medium patronage' place more importance on "a wide selection of food choice" and "cleanliness of toilets." This finding also corresponds to the previous finding that because of the level of patronage frequency Kaohsiung residents possess a higher expectation of selection of food choice and cleanliness of toilets than visiting guests. Arguably, if there is a process of learning, through which past experience permits customers to change their perception along with an increase of patronage frequency, it would seem to occur very quickly in the 'restaurant going career.'

RELATIONSHIP BETWEEN ATTRIBUTE IMPORTANCE AND STAR RATING AND HOTEL BRAND

In this study, the impact of star rating and brand image of the hotel on guests' perception of hotel restaurant features were also analysed. Star rating and brand image of the hotel signal the value of products and services that customers are likely to get when making a purchase. While the hospitality organisation uses these two symbols to differentiate themselves in customer's minds, they also

increase customers' expectation of quality. In other words, the star rating and hotel brand built in the customer's mind become a reference point for decision making. Therefore, two propositions were hypothesised:

- a) There is a significant relationship between star rating and perceived importance of restaurant features; and
- b) There is a significant relationship between hotel brand and perceived importance of restaurant features (Bojanic, 1996).

To comply with the rule of Chi-Squared test that the cell count should be no less than 5, the seven-point importance scale of star rating and brand name was adjusted to three importance categories respectively. They were 'unimportant,' 'neither important nor unimportant' and 'important.' Since the sample sizes of unimportance group were too small (less than 5) for meaningful comparison, those low responses were eliminated for the purpose of avoiding overestimated value.

The final result of Pearson Chi-Squared test of significance identifies that 17 of 32 restaurant attributes have a significant relationship with the star rating, while 14 of 32 have a significant relationship with hotel brand. These findings seem to imply that for a sizable proportion of the sample, a form of 'halo effect' informs the attribution of importance to given features of a restaurant service. That is, the perceived existence of five-star rating or hotel brand for the study hotel seems to have resulted in high importance ratings. For example, a five-star international hotel is generally well known for its service courtesy and luxury ambience and this is particularly true in Grand Hi-Lai Hotel where its interior decoration is one of the attractions for customers. As a result, guests' expectations of service style

and physical surrounding of Grand Hi-Lai Hotel are of a comparatively high standard. The nuances and implications of this will be discussed in the final chapter.

SATISFACTION BY THE TYPE OF RESTAURANT

Along with the importance measure, the post dining evaluation that refers to guest's actual experience with the restaurant attributes was also assessed. This analysis provides a direct measure of restaurant performance based on guests' perceptions and is the research aspect that the management of Grand Hi-Lai Hotel was most interested in when they supported this research project. Because this analysis focuses on the performance evaluation of selected restaurants from the guest's perspective, the expression "satisfaction" is used in the following analysis.

The means of five performance dimensions were compared between restaurants and other relative criteria. This approach is adopted instead of reporting 32 attributes for the purpose of presenting the data in a more effective way. Another reason might be that "satisfaction" is arguably a less stable dimension than "importance." Satisfaction might be varied as the result of a single critical action, but it does not change the importance attributed to specific items. Satisfaction is an 'outcome' and therefore, is, by definition, possibly less consistent. Scheffe *post hoc* test shows differences in perceived quality between the four restaurants. The Steak House outperforms the other restaurants in all aspects, followed by Taiwanese Restaurant and Teppanyaki Restaurant. Although Shanghainese Dumpling has the lowest satisfaction scores, they are still above the scale's mid point.

In terms of the rank order of the satisfaction mean scores for each restaurant shown in Table 14.3, the well-performed attributes overlap with features considered important. It can be concluded that the attributes that are important to guests are generally well performed, except for “staff’s ability of responding to unsatisfactory incidents in a professional manner” and “provision of consistent food quality,” which are important, but yield less satisfaction. The results show that the style of waiting staff of Steak House (e.g. professional, smile, polite, respectful, friendliness) achieves the highest score (5.91), but this item does not score as well in the other three restaurants. Apparently, this ‘people’ orientation will provide competitive advantage for a restaurant.

Table 14.3: Comparison between the Top Ten Performance Features by Restaurant					
Steak House	Mean	Std. Deviation	Teppanyaki Restaurant	Mean	Std. Deviation
Professional look of staff	5.91	0.824	Cleanliness of tableware	5.59	0.840
Staff smile while serving	5.90	0.914	Freshness of food	5.55	0.848
Polite, respectful staff	5.88	0.891	Food hygiene	5.55	0.823
Friendliness of staff	5.86	0.801	Cleanliness of toilets	5.53	0.833
Cleanliness of tableware	5.86	0.862	Cleanliness of dining room	5.52	0.833
Cleanliness of dining room	5.85	0.846	Professional look of staff	5.52	0.827
Consistent courteous services	5.82	0.883	Food tastes nice	5.51	0.917
Food hygiene	5.80	0.847	Availability of parking	5.49	0.862
Safety and security	5.79	0.920	Safety and security	5.42	0.851
Provision of prompt service	5.78	0.872	Friendliness of staff	5.42	0.878
Note: N. of valid observation (listwise)=158			Note: N. of valid observation (listwise)=217		
Taiwanese Restaurant	Mean	Std. Deviation	Shanghai Dumpling	Mean	Std. Deviation
Cleanliness of dining room	5.75	0.919	Food hygiene	5.33	0.851
Cleanliness of toilets	5.75	0.918	Professional look of staff	5.32	0.884
Cleanliness of tableware	5.70	0.949	Cleanliness of toilets	5.32	0.894
Professional look of staff	5.68	0.917	Freshness of food	5.30	0.827
Availability of parking	5.64	0.976	Cleanliness of dining room	5.26	0.931
Food hygiene	5.59	0.873	Cleanliness of tableware	5.24	0.865
Safety and security	5.56	0.891	Safety and security	5.23	0.845
Freshness of food	5.56	0.917	Food tastes nice	5.23	0.938
Friendliness of staff	5.51	0.907	Availability of parking	5.19	0.990
Staff smile while serving	5.48	0.886	Provision of prompt service	5.17	0.942
Note: N. of valid observation (listwise)=139			Note: N. of valid observation (listwise)=196		

It can be seen that the mean score of Steak House is generally higher than the other three restaurants. One possible explanation is that the quality of the guest-staff interaction can, to at least some extent, enhance other physical components of the service; and indeed, conceptually, perhaps offset minor deficiencies should any exist.

SATISFACTION BY DINING OCCASION

This section examines whether guests' satisfaction varies with the dining occasion. The ANOVA result indicates that in the family oriented meal occasion, guests obtain higher satisfaction with reference to service contact, food, the facility, cleanliness and ambience than on other dining occasions. Arguably, in a more relaxed meal occasion, some of that sense of well-being might spill over into a heightened sense of satisfaction independent of the supply factors. The implication is that relaxed clients may be more satisfied clients.

SATISFACTION BY PERCEIVED PRICE

Many studies concentrate on the relationship between *objective* price and perceived quality, but it may not be appropriate to service operations due to levels of abstraction about what is being purchased. Services often offer a bundle of products instead of one single item. Thus, the relationship between *perceived* price and perceived quality of a totality of service/product provision should be assessed. Chen *et al.* (1994) reported a negative relationship between perceived quality and perceived price, that is the higher the price the lower the level of reported satisfaction. This implies that customers become more demanding the

higher the perceived price paid. Also when customers perceive good value for money, they perceive that the price paid is relatively low. On the other hand, Bojanic (1996) assessed the relationship between perceived quality and perceived price in the hotel industry and concluded that there was a significant positive relationship. However, in this study, no significant relationship is found between the five dimensions of perceived quality in regard to perceived price. Again, it must be come in mind that in this situation all restaurants were located in a five-star hotel resort complex and thus this study is not wholly comparable to that of Chen *et al.* (1994) or Bojanic (1996). The implication of this finding is that guests are already aware of the price range while making a choice of patronising at a five-star hotel complex, so the price level, no matter it is perceived as high priced or low priced, becomes less influential factor in evaluation of restaurant services.

SATISFACTION BY SOCIO-DEMOGRAPHIC PROFILE

One-Way ANOVA was used to assess whether satisfaction of restaurant attributes varied by guests' gender, age, area of residence, education level and their monthly income. It found no significant difference of perceived quality across different socio-backgrounds, except for the perception of cleanliness. That is, guests more than 26 years of age were less satisfied with the cleanliness of the restaurant than the younger group. The possible explanation for this variance is that mature guests have more knowledge or concerns about cleanliness standards than their younger counterparts, thus their expectation of cleanliness is relatively high. The implication is that socio-demographic profile may not be a factor influencing the satisfaction gained from restaurant features.

SATISFACTION BY PATRONAGE FREQUENCY

As discussed, guests learn from past experience. Their perception adjusts as they receive new stimuli in the process of consumption. This analysis tests whether perceived quality varied according to the level of patronage frequency. Similar to the analysis of attribute importance by patronage frequency, the number of times of repeat patronage identified by guests was categorised into three groups based on the extent of frequency. The ANOVA reveals that the patronage frequency does not differentiate as to guest satisfaction of perceived quality, except for the service of 'personal recognition.' Guests in 'high patronage' scored as being more satisfied for the item "addressing guests by name" than those who classified as 'low patronage' (5.23 vs. 4.88; $F=5.430$; $p=0.005$). This result is expected because waiting staff are familiar with high repeat customers, so they can remember and use the client's name. This service technique is likely to create higher satisfaction among high patronage guests. On the other hand, when guests come to evaluate perceived quality, they tend to evaluate performance with reference to their expectations, which perhaps build on past experience. The role of patronage frequency with evaluation of perceived quality is more an indirect rather than direct relationship. Indeed, those who are satisfied with an initial visit to a restaurant are likely to score well on the questionnaire and hence return. Those returning often will also score well on measures of satisfaction. As the questionnaire was not offered to non-users of the restaurants, the research design itself may explain the results.

RELATIONSHIP BETWEEN SATISFACTION AND STAR RATING AND HOTEL BRAND

One of the common features of satisfaction ratings of restaurant attributes is that the scores tend to be high, and hence a problem associated with creating groups expressing dissatisfied with restaurant attributes often means that sample sizes are too small for meaningful comparison. Thus, the low responses of dissatisfaction were eliminated from the Chi-Squared analysis. To comply with the rule of Chi-Squared analysis, 'extremely satisfied' was also aggregated with 'very satisfied' to increase the cell count beyond.

In general there are significant relationships between perceived quality of restaurant attributes and star rating or brand image. Again, similar to guests' perception of attribute importance in relationship to star rating and brand image, a sizable proportion of satisfied/very satisfied guests in the 'importance' cell of star rating and brand image are observed. This result seems to imply the influence of 'halo effect' in customer satisfaction. In this case, a strong liking of a brand/star rating can have a positive impact on the evaluation of all other attributes. Wirtz and Bateson (1995) confirmed that a 'halo effect' could be observed in attributes-based satisfaction measures and would lead to a misinterpretation of attribute-specific comparisons between services.

In conclusion therefore, the analysis offered in this chapter indicates that the style of restaurant is a determinant of attribution of importance to features of the restaurant experience; and to a lesser extent, consequent satisfaction. While generally, socio-economic variables were found not to be important, other

influences do emerge as possessing some importance. For example, it is suggested that social dining generates a feeling of relaxation that in enhancing the visitor experience creates a higher sense of satisfaction with the restaurant than appears to exist in other dining situations (e.g. for business purpose). The standard of service is also consistently important, while repeat patronage also has a marginal role; for example in leading to a requirement for menu variation and in a appreciation of personal recognition.

CHAPTER 15

FACTORS INFLUENCING GUESTS' AFFECTIVE RESPONSES TO SERVICE ENCOUNTER

Although 'importance' and 'satisfaction' scales were widely used in previous satisfaction studies, this research also utilised an affective dimension to assess customer satisfaction. Guests were asked about their feelings about their current dining experience to assess the nature and quality of the affective components of customer satisfaction. This chapter first presents a descriptive summary of guests' affective responses and then the results derived from a factor analysis. Finally, factors influencing guests' affective response to dining experience are discussed. Similar to the previous analysis, seven variables, namely 1) type of restaurant, 2) dining occasion, 3) perceived price, 4) socio-demographic profile, 5) past experience measured by patronage frequency, 5) star rating and 7) hotel brand were hypothesised as being potential determining variables.

GUESTS' FEELINGS TO DINING EXPERIENCE

Table 15.1 shows that most items have mean scores ranging from 5.0 to 5.5 on 7-point Likert scale, suggesting that respondents generally have positive feelings toward their meal experience. According to guest responses, satisfaction of "physical comfort" and "relaxation" were ranked first, followed by "enjoyment of meal" and "enjoyment of today's dining experience." The attributes relating to service delivery, such as "respectfulness," "a sense of importance" and "a sense of

luxury” were rated less satisfactory. Finally, that “value for money” ranked the last is not surprising because guests generally wish to always obtain better value for any price paid. This finding corresponds to Otto and Ritchie’s work (1996) of exploring service experience in three different tourism industries: hotels, airlines and tours and attractions. They found that the items making up peace of mind, such as ‘physical comfort,’ ‘relaxation’ and ‘personal security’ were the most important factors for both hotels and airlines.

Table 15.1: Mean Scores of Feeling Scale			
	N	Mean	Std. Deviation
I obtain physical comfort from this dining experience.	1041	5.45	0.93
I obtain a sense of relaxation from this dining experience.	1038	5.44	0.92
I enjoy the meal.	1038	5.31	1.01
I enjoy today’s dining experience.	1040	5.29	0.99
I feel I am respected by waiting staff and feel a sense of privilege.	1028	5.17	1.10
I feel at home.	1038	5.09	1.09
I feel that I am important to this restaurant.	1028	5.08	1.11
I feel a sense of luxury/ a sense of being ‘royal’.	1033	5.05	1.14
I feel that today’s meal and services are value for money.	1028	4.94	1.10
Note: 1= lowest score; 7= highest score			

DIMENSIONS OF GUESTS’ FEELINGS TO DINING

EXPERIENCE

With the Kaiser-Meyer-Olkin (KMO) equal to 0.942, factor analysis was performed to delineate the dimensions of guests’ feelings toward their dining experience. Principal component extraction method and Varimax rotation were adopted. The scale was found to be uni-dimensional when the criterion of an

'eigenvalue' over one was used. Thus, the number of factors was forced to set as three or four in number. The result showed that the four-factor structure is 'optimal,' explaining 90.31 percent of variances. Table 15.2 indicates guests' feelings toward their dining experience based on dimensions comprising a mix of physical and ego needs.

The 'recognition' factor accounts for 29 percent of the variance. Respondents wanted to derive a sense of personal recognition from their service encounters, so that they could feel important and confident that they were respected by service providers. The second significant factor is 'comfort,' in which respondents confirmed a need for physical comfort and psychological relaxation. The third factor was named 'hedonism,' that is respondents obtained a sense of enjoyment from their meal experience. Finally, the last factor, 'value for money,' is a single item dealing with price perception related to perceived quality. Although only one item contributed to the "value for money" factor, it still has validity, because the nature of the question is different from the other questions.

With reference to the dimensionality of actual satisfaction/evaluation of the meal experience, a comparison of two factor analyses does suggest some conclusions. The satisfaction factor analysis identifies 'service contact' and 'food aspect' as the first and second factor. Thus, it might be said that the evaluation of purchased experience may be more determined by the interpersonal relationship with service staff and food quality. The findings point to a conclusion that while, of necessity it might be said, food should taste nice, be well prepared and presented, waiting personnel have an important, perhaps even decisive role, in determining the overall experience and evaluation of the dining experience.

Table 15.2: Factor Analysis of Guests' Feelings about Dining Experience				
	Factor 1	Factor 2	Factor 3	Factor 4
Analysis N (listwise): 992				
Factor One: Recognition (Variance=28.981 %; Eigen Value=6.87; Alpha=0.94)				
I feel I am respected by waiting staff and feel a sense of privilege.	0.801	0.347	0.295	0.234
I feel that I am important to this restaurant.	0.777	0.319	0.315	0.323
I feel at home.	0.644	0.347	0.405	0.420
Factor Two: Comfort (Variance=25.226 %; Eigen Value=0.59; Alpha=0.91)				
I obtain a sense of relaxation from this dining experience.	0.307	0.856	0.239	0.223
I obtain physical comfort from this dining experience.	0.325	0.812	0.330	0.213
Factor Three: Hedonism (Variance=21.180; Eigen Value=0.37; Alpha=0.90)				
I feel a sense of luxury/a sense of being 'royal'.	0.498	0.288	0.750	0.140
I enjoy the meal.	0.226	0.411	0.672	0.466
I enjoy today's dining experience.	0.475	0.441	0.547	0.343
Factor Four: Value for Money (Variance=14.931 % ; Eigen Value=0.30; Alpha=N/A)				
I feel that today's meal and services are value for money.	0.474	0.298	0.276	0.747
Total Variance: 90.318%				

GUESTS' FEELINGS OF DINING EXPERIENCE BY THE TYPE OF RESTAURANT

Guests' feelings toward the meal experience are generated by the process of consumption. Provision of products and services by different restaurant are hypothesised to create different level of feelings due to their service style and menu offered. In order to test this variance, means of guests' feelings from each of restaurants were compared. The ANOVA results showed that all items were at statistically significant level of 0.05, indicating that there was a significant difference between guests' experiential feelings by different type of restaurants. The Scheffe *post hoc* test specified that Steak House, featuring fine-dining and full service restaurant, was highly rated, whereas Shanghainese Dumpling was scored lowest. Since there is a strong tendency of high correlation between guests' feelings and perceived quality, it can be argued that satisfaction derived from a restaurant attribute may contribute to a positive feeling about a meal experience.

As a result, it is not unexpected that Steak House obtained the highest ratings by reason of style and the greater role of waiting staff.

GUESTS' FEELINGS OF DINING EXPERIENCE BY DINING OCCASION

The ANOVA results showed that guests' feelings were not statistically determined by their dining occasion, indicating that the nature of dining occasion, whether it is formal or casual, is not a factor determining guests' affective responses. This finding does not, therefore support the hypothesis that in leisure-oriented dining, such as a family gathering and social occasion, guests obtain more feelings of relaxation and physical comfort than they would in a business dining occasion. How can this apparent discrepancy be explained? One possible answer is that in a more relaxed meal occasion, guests will adjust themselves to adapt to the environment and hence increase the satisfaction of the meal experience and do not necessarily perceive higher level of relaxation and physical comfort to arise from the actual services being provided. In short, 'feelings' are more to do with enjoyment derived from 'good company' while evaluation and satisfaction pertain to service performance.

GUESTS' FEELINGS OF DINING EXPERIENCE BY PERCEIVED PRICE

As the previous test suggested that service performance and other restaurant attributes might influence guests' experiential feelings, perceived price which

serves as a proxy of perceived quality of services and products would be assumed to have a positive relationship with perceived feelings of meal experience. Use of ANOVA revealed no such statistical relationship. This finding suggests that personal reactions and feelings are not directly influenced by the perception of price level, rather consumers form their attitudes based on service interaction with waiting staff, physical environment and interaction with dining companions.

GUESTS' FEELINGS OF DINING EXPERIENCE BY SOCIO-DEMOGRAPHIC PROFILE

The results of the ANOVA test showed that no significant difference was found with respect to gender, area of residence and monthly income. On the other hand, age and education levels were found to be a discriminating variable in some cases. For example, younger respondents (age 18-25) attached stronger feelings of “feel at home,” “enjoy meal,” “enjoy today’s dining experience” and “a sense of luxury” than older respondents (age 36-45). Respondents who were high school/ vocational school graduates obtained stronger feelings of “importance” and “feel at home” than those who had college/ university qualifications. The differentiation of these attitudes implies that younger guests seem to be more easily accommodated than middle-age guests.

GUESTS' FEELINGS OF DINING EXPERIENCE BY PATRONAGE FREQUENCY

In terms of patronage frequency, guests' feelings were compared across three frequency categories: low, medium and high patronage. The ANOVA results showed that only two items created significant differences between patronage groups. Guests in the 'high patronage' category obtained a stronger feeling of 'importance' in the restaurant than those who were classified as 'low patronage.' This result supports the earlier finding that waiting staff are more familiar with high repeat customers, so they are able to address guests by name or know customers' preferences. Thus, it gives an impression to frequent customers that they have been taken seriously. In addition, guests in 'high patronage' received more 'enjoyment' than those who were in a 'low patronage' category. This finding reflects the nature of repeat patronage behaviour that is people who re-patronise the restaurant may be more satisfied customers.

RELATIONSHIPS BETWEEN GUESTS' FEELINGS AND STAR RATING AND HOTEL BRAND

There were significant relationships between guests' feelings and perceived importance of star rating or hotel brand. It could be concluded that guests' emotional responses to service encounters were significantly affected by star rating and brand image. The distribution of the cross-tabulation analysis is similar to the previous analysis of perceived quality. That is, a sizable proportion of samples in the 'importance' cell of star rating and brand image were observed. Since there are high correlations between perceived quality of restaurant attributes

and guests' feelings to services/products, it could be argued that a 'halo effect' in evaluation of restaurant attributes will transfer to the guests' feelings of the consumption experience.

A comparison of an evaluation of perceived quality and guests' feelings draws some conclusions. According to the above analysis, the experiential feelings about the meal experience are mainly derived from their service encounters. For example, guests might feel important because they were being taken seriously by receiving personalised service and personal recognition from waiting staff. It is possible to hypothesise that satisfaction with restaurant attributes will signal guests' affective feelings of meal experience and they might feel satisfied with the service because the service providers fulfil the need of 'recognition,' 'comfort,' 'hedonism' and 'value for money.'

The results derived from this section of the question confirm those obtained from an analysis of the satisfaction/evaluation ratings. Nonetheless, there is a possible nuance of difference, in that affective responses can, while contributing to overall 'satisfaction,' be also determined by inter-action between guests, while satisfaction might be determined by technical factors pertaining to those things within management control such as style and performance of waiting staff, food preparation and service and restaurant design. This nuance, while in retrospect, is perhaps not unexpected, however is only hinted at by the finding due to the questionnaire construction; and this is discussed in the final chapter.

CHAPTER 16

OVERALL SATISFACTION AND POST- CONSUMPTION BEHAVIOURAL INTENTIONS

The third part of the guest questionnaire asked about overall dining satisfaction and post-consumption behavioural intentions. The argument in this chapter suggests that repeated patronage and word-of-mouth recommendation are a consequence of customer satisfaction. The decision to return to the restaurant or make a recommendation signifies whether the restaurant's performance met or exceeded customer expectations. Hence, hotelier and restaurant marketers should show interest in the customer satisfaction-behavioural intention relationship and decision making process.

This chapter is divided into two parts. The first section discusses the factors influencing post-consumption behavioural intentions. Again, five variables: 1) the type of restaurant, 2) dining occasion, 3) perceived price, 4) socio-demographic profile and 5) past experience measured by patronage frequency were employed to test the relationship. In the second section, the predictive power of the performance-only measure and importance-weighted performance measure were compared by using regression analysis. The final regression model of perceived quality and affective feelings provide some suggestions of determinants of overall customer satisfaction.

OVERALL SATISFACTION AND POST-CONSUMPTION

INTENTIONS BY THE TYPE OF RESTAURANT

In terms of overall satisfaction and behavioural intentions of each of the four restaurants, the ANOVA test shows significant variances between them. The results of Scheffe *post hoc* test indicate that the overall satisfaction with Steak House outperformed the other three restaurants and Shanghainese Dumpling had the lowest satisfaction score. This result also supports the previous finding of perceived quality in respect to the type of restaurant. Therefore, it is possible to hypothesise that the satisfaction with individual restaurant attributes will contribute to overall dining satisfaction. The relationships between them will be regressed in the latter section.

As for behavioural intentions, guests who patronised Steak House, Teppanyaki and Taiwanese Restaurants are more likely to return than those who patronised Shanghainese Dumpling. In particular, Steak House received more favourable recommendations than Teppanyaki Restaurant and Shanghainese Dumpling. With reference to the generally high satisfaction of Steak House's performance as shown in the previous chapter, it is possible to hypothesise that people who are satisfied with restaurant services and products are more likely to repeatedly patronise the restaurant and make positive recommendation to others.

OVERALL SATISFACTION AND POST-CONSUMPTION

INTENTIONS BY THE DINING OCCASION

One-Way ANOVA was used to investigate any difference between the overall satisfaction and behavioural intentions according to dining occasion. This reveals no significant difference between the 'overall satisfaction' and 'likelihood to recommend' for different dining occasions. However, in respect to repeated patronage intention, guests at a family dining occasion were more likely to return to the restaurant than those who were in 'social dining' with friends or colleagues. This finding is consistent with the finding by Kivela, Inbakaran and Reece (1999) that the dining occasion had an impact on return patronage. They argued that guests who dined out because of 'business' or 'social need' had a higher predisposition to return, as compared with those who dined out because they were celebrating.

OVERALL SATISFACTION AND POST-CONSUMPTION

INTENTIONS BY PERCEIVED PRICE

The ANOVA tests show that there are significant differences between the overall satisfaction by perceived price. Scheffe *post hoc* test indicates that guests who perceived the dining experience as 'high priced' and 'moderate priced' obtained more satisfaction than the 'budget priced.' This result is expected because of the 'halo effect' in the satisfaction process (Wirtz & Bateson, 1995); that is, customers will 'convince' themselves to be satisfied because the high priced meal may imply good food and quality services and they would be reluctant to doubt the value of their own decision unless they had good reason to the contrary.

On the other hand, no statistically significant difference between behavioural intentions was found. These results imply that the perception of price itself does not have significant impact on guests' intention to return or to make a positive recommendation. It has been argued that perceived value as a result of comparing perceived quality to perceived price is the foremost predictor of post-purchase intentions (Oh, 2000). To test this proposition, the correlation between 'value for money' (as one of the affective questions) and behavioural intentions is investigated. The result shows that the perception of 'value for money' is highly correlated with repeated patronage and recommendation intention ($r=0.60$). It is possible to hypothesise that the use of perceived value instead of perceived price may be more appropriate to understand post-consumption behavioural intentions.

OVERALL SATISFACTION AND POST-CONSUMPTION

INTENTIONS BY DEMOGRAPHIC PROFILE

One-Way ANOVA reveals no significant statistical difference between overall dining satisfaction and post-consumption intentions in respect to gender, education level, area of residence and monthly income. However, in terms of age group, guests in age of 18-25 (mean 5.40) obtained higher overall satisfaction than those in age of 26-35 (mean 5.17). The possible explanation for this is that younger guests may be more generous in giving higher satisfaction ratings than older guests due to a lack of experience patronising in luxury hotels.

As for the post-consumption intentions, local guests who live in Kaohsiung city/county are more likely to return (5.36 vs. 5.20) and recommend (5.31 vs. 5.14) the restaurant than visiting guests. This result reflects the situation that local guests have a geographical rationale for re-visiting the restaurant and making a positive word-of-mouth recommendation.

OVERALL SATISFACTION AND POST-CONSUMPTION INTENTIONS BY PATRONAGE FREQUENCY

The analysis tests whether the learning process from past experience adjusts guests' perception of overall satisfaction and behavioural intentions. In this study, past consumption experience was measured by the number of times of repeat patronage identified by guests. The ANOVA test reveals that there is no significant difference between the overall satisfaction and patronage frequency. This finding implies that familiarity of the products and services does not increase the 'overall' customer satisfaction. It has a similar result as the previous finding of guest satisfaction of perceived quality of 32 restaurant attributes. It can be concluded that the evaluation of customer satisfaction, either at a holistic or multi-attribute level, will not be significantly affected by patronage frequency and past experience. In other words, the evaluation of customer satisfaction is based on the present perception of services rather than historical experiential references.

On the other hand, significant differences are found in behavioural intentions. The results of Scheffe post hoc test reflect the fact that guests who were in the 'medium patronage' and 'high patronage' category were more likely to return to

the restaurant and make recommendations than those who were in 'low patronage' category. This finding strongly supports the previous consumer behaviour research, which suggested that the frequency of using a product increases repurchase behaviour (Oliver, 1993). However, it may overlap with local residents who have easier access to the restaurants.

RELATIONSHIPS BETWEEN OVERALL SATISFACTION AND POST-PURCHASE INTENTIONS

Kivela, Inbakaran and Reece (1999b) suggested that repeated patronage and word-of-mouth recommendation are a consequence of customer satisfaction with restaurant attributes. According to the correlation analysis, overall dining satisfaction is highly correlated with behavioural intentions ($r=0.70$). Additionally, guests who indicated their willingness to return and to make positive recommendations have higher overall satisfaction scores than those who indicated that they were unlikely to return and make a recommendation to others. This finding also supports Barsky's (1992) research on customer satisfaction in the hotel industry. He argued that guest satisfaction is tied to repeat purchase *intention*, but not to *actual* purchase.

MEASURES OF CUSTOMER SATISFACTION: PERCEIVED QUALITY VS. WEIGHTED PERCEIVED QUALITY

Based on attitude-based conceptualisation, there are two approaches measuring customer satisfaction: performance-only scale and importance-weighted

evaluation of the performance. In this study, dining satisfaction scores could also be derived by multiplying the 'perceived quality' scores with 'importance' scores. This approach provides an indirect questioning technique for soliciting and measuring customer satisfaction after the meal. The method for calculating importance-weighted perceived quality is adopted from Barsky (1995) and is presented in Figure 16.1. The weighted matrix was created by imposing the new perceived quality values. For example, a 7-point satisfaction scale was given the new values ranging from -3 ('extremely dissatisfied') to 3 ('extremely satisfied'). This is because, if by just multiplying the old values of importance (I) and satisfaction score (S), for example, $I(1) * S(6) = 6$, and $I(6) * S(1) = 6$, both respondents would have the same satisfaction score of 6. Indeed, both respondents strongly differ in their perceived quality and perceived importance of restaurant attributes, hence, they could not have the same level of dining satisfaction. As a result, a new weighted matrix was employed, where the value of 21 indicates a strong satisfaction, whereas the value of -21 indicates a strong dissatisfaction.

Figure 16.1: Matrix for Weighted Perceived Quality

		Importance						
		1	2	3	4	5	6	7
Perceived Quality	1	-3	-6	-9	-12	-15	<u>-18</u>	-21
	2	-2	-4	-6	-8	-10	-12	-14
	3	-1	-2	-3	-4	-5	-6	-7
	4	0	0	0	0	0	0	0
	5	1	2	3	4	5	6	7
	6	<u>2</u>	4	6	8	10	12	14
	7	3	6	9	12	15	18	21

Example:
 Respondent A. If perceived quality =6 and importance =1, following the matrix, these numbers intersect at 2 (underlined) i.e., only slight indication of dining satisfaction.
 Respondent B. If perceived quality =1 and importance =6, following the matrix, these numbers intersect at -18 (underlined) i.e., a strong indication of dining dissatisfaction.

In this section, the ability of each measure to explain variation in customer satisfaction was assessed by regressing the individual items comprising each alternative measure against a measure of the respondents' overall satisfaction. The analysis here tests whether the addition of the importance weights improves the ability of the performance-only scale. On the basis of the findings by Bolton and Drew (1991) and previous satisfaction studies, the addition of importance weights is not expected to improve the performance-only scale (Cronin & Taylor, 1992) as a predictive variable.

The validity of the measures was first examined before commencing the regression analysis. A high correlation between perceived quality, importance-weighted perceived quality and overall satisfaction indicates some degree of convergent validity. Then, the stepwise regression analysis was performed with overall satisfaction as the dependent variable to assess the predictive ability of the two alternative measures of customer satisfaction. As shown in Table 16.1, the coefficient of determination for perceived quality and weighted perceived quality is 0.548 and 0.468 respectively, suggesting that performance-only scale explains more of the variation in customer satisfaction than weighted perceived quality. In other words, the addition of importance weights does not improve the predictive power of customer satisfaction.

Table 16.1: The Variation Explained by the Alternative Measures of Customer Satisfaction

	Unstandardised Coefficients	Standardised Coefficients	Sig.	Collinearity VIF
Perceived Quality: R² =0.548 Sig.=0.000*				
(Constant)	0.82		0.000*	
Waiting staff are consistently courteous with guests throughout the meal.	0.17	0.19	0.000*	3.570
The food's ingredients reflect the style of restaurant.	0.17	0.17	0.000*	2.717
Waiting staff are generally friendly.	0.21	0.23	0.000*	2.666
Dishes are unique to this restaurant and reflect the style of restaurant.	0.10	0.11	0.005*	2.315
Food tastes nice.	0.12	0.13	0.001*	2.230
Waiting staff or supervisors/managers establish good customer relationship	0.08	0.09	0.022*	2.355
Waiting staff generally look professional, clean, and neat.	-0.10	-0.11	0.012*	2.695
Tableware is properly washed and clean.	0.08	0.09	0.018*	2.066
Weighted Perceived Quality: R² =0.468 Sig.=0.000*				
(Constant)	4.40		0.000*	
The food's ingredients reflect the style of restaurant.	0.03	0.21	0.010*	2.795
Waiting staff generally polite and respectful to guests.	0.03	0.19	0.029*	3.280
Waiting staff or supervisors/managers establish good customer relationship	0.03	0.22	0.005*	2.608
Waiting staff are generally friendly.	0.02	0.17	0.029*	2.776
Note: * indicates statistically significant at 0.05 level. Dependent variable: the overall satisfaction of current dining experience Independent variables: 32 restaurant attributes (perceived quality and weighted perceived quality)				

PROXIES OF OVERALL CUSTOMER SATISFACTION

According to the above finding, the stepwise regression removes items that had little explanatory power, leaving 8 variables in the final regression model. The model produced a coefficient of determination (R²) of 0.548 which means that 54.8 percent of the change in the item “overall dining satisfaction’ could be explained by the other variables when using linear regression analysis. The finding implies that customer satisfaction of current dining will be primarily based upon congruence between attribute performance and international tourist hotel

standard. These attributes include perceptions of service contact, food quality and cleanliness of tableware. Of the eight leading restaurant attributes, “friendliness of waiting staff” ($\beta=0.23$) and “consistent courteous service” ($\beta=0.19$) are the most important proxies of customer satisfaction, followed by “food ingredients” ($\beta=0.17$), “food taste” ($\beta=0.13$), “uniqueness of dishes” ($\beta=0.11$), “professional look of waiting staff” ($\beta=-0.11$) and “establishment of a good customer relationship” ($\beta=0.09$) and “cleanliness of tableware” ($\beta=0.09$).

RELATIVE IMPORTANCE OF GUESTS’ FEELINGS OF DINING EXPERIENCE TO OVERALL SATISFACTION

As guests’ feelings of dining experience are found highly correlated with overall satisfaction, the components of guests’ affective reactions toward the service were regressed against ‘overall satisfaction’ to identify what psychological needs associated with the ultimate customer satisfaction. Of the 9 items, five factors emerged in the final stepwise regression model, shown in Table 16.2. The goodness-of-fit of this regression model is considered favourable with the evidence of 0.618 coefficient of determination (R^2). Among the five significant factors, “I enjoy the meal,” ($\beta=0.33$), that is more associated with food aspect, is the most important factor in explaining guests’ overall satisfaction, followed by “I feel at home” ($\beta=0.16$), “obtaining physical comfort” ($\beta=0.16$), “I feel that I am important” ($\beta=0.14$) and “I enjoy today’s dining experience” ($\beta=0.09$). The finding implies that food plays an important role in facilitating the enjoyment of dining. Moreover, people tend to seek a sense of relaxation and recognition from

their meal experiences and these needs can be delivered through courteous services and proper design of the dining environment.

Table 16.2: Regression Analysis Results of Guests' Feelings to Overall Satisfaction				
	Unstandardised Coefficients	Standardised Coefficients	Sig.	Collinearity VIF
R²=0.618 Sig.=0.000*				
(Constant)	1.37		0.000*	
I enjoy the meal.	0.28	0.33	0.000*	2.900
I feel at home.	0.13	0.16	0.000*	4.928
I obtain physical comfort from this dining experience.	0.15	0.16	0.000*	2.672
I feel that I am important to this restaurant.	0.11	0.14	0.000*	3.789
I enjoy today's dining experience.	0.08	0.09	0.028*	4.465
Note: * indicates statistically significant at 0.05 level. Dependent variable: the overall satisfaction of current dining experience Independent variables: the components of guests' feelings				

CHAPTER 17

INFLUENCE OF CHINESE CULTURAL VALUES ON EVALUATION OF DINING EXPERIENCE

Previous studies suggest that cultural values shape customer expectations and perceptions of service quality, that in turn, influence satisfaction with service. Chapter Five, entitled “The Impact of Chinese Cultural Value on an Evaluation of Hospitality Experience” has provided an extensive review of cultural orientations in relationship to guest-staff interactions. Since this research project was undertaken in a Taiwanese hospitality setting, Chinese cultural dimension were therefore incorporated into the study. The examination of guest perceptions of service performance from a cultural perspective enables a better response to culturally different customers’ needs. In order to understand how Taiwanese guests respond to the cultural values that are thought to be influential in guest-staff relationship, mean scores were first computed. Then, the dimensions of cultural values were explored. Last, seven variables, which were previously used to test the variance of perceived importance and perceived quality of service, were also applied to the cultural value scale.

CULTURAL VALUE SCALE

According to Table 17.1, respondents indicate ‘moderate’ to ‘high’ levels of agreement with most cultural items, yet it is notable that tolerance of unsatisfactory service scores relatively poorly. The items ranked top of the list

confirm the importance of 'face giving' and 'social status' aspect in the guest-staff relationship in a Taiwanese setting. For example, respondents generally regard dining in five-star international hotels as a high class and life rewarding activity and as a mean of showing 'face' to others. However, the value of avoiding conflict appears limited in this study. It could be concluded that some Taiwanese do not make compromises over unsatisfactory food and services when they are in the position of being a consumer. In this circumstance, there appears to be a tendency to disregard Confucian values such as harmony in favour of more consumerist attitudes of obtaining satisfaction in a commercial transaction.

Table 17.1: Mean Scores of Cultural Value Scale			
	N	Mean	Std. Deviation
The host of dining party can obtain 'face' by the quality of the food, the maintenance of highly boisterous atmosphere and close attendance of service staff and managers.	1003	5.62	0.92
Dining in five-star international hotels is a 'life reward' activity.	1015	5.57	0.94
Hotel personnel must save guest's 'face' in any circumstance.	1003	5.57	0.93
Dining in five-star international hotels is a high class and fashionable activity. This allows me to show 'face' or status and at the same time impress my guests/clients.	1008	5.47	0.94
I view the personalised service delivery as 'giving face' and therefore long-term relationships are more likely to be established and maintained.	997	5.34	1.03
The extra services provided by restaurant managers, such as complimentary food, favourable comments and bending rules to meet guest's requests, make me feel special. Such "face enhancing" qualities enhance my visits to a restaurant.	1006	5.34	1.10
Dining in five-star international hotels is an activity for fostering social relationship with family members, colleagues, subordinates, superiors or business partners.	1006	5.30	1.03
Waiting staff perform service in the tradition of Chinese culture.	988	5.23	0.95
Older people, family elders or higher superiors (such as boss, client) within a dining party is likely to direct my perception of satisfaction of dining.	997	5.18	1.11
In a family dining occasion, other members of the family (such as mother-in-law, relatives, parents, children) may influence my perception of satisfaction of dining.	1008	5.13	1.10
I regard hotel personnel who are familiar as 'shoujen' (close friend). While in 'shoujen' relationship, I enjoy their services and feel less dissatisfied even when the level of service is not of a normal standard.	1000	4.76	1.24
I seldom make complaints about unsatisfactory meals or services because Chinese culture avoids embarrassment to restaurant managers and waiting staff.	1012	4.67	1.30
I generally seldom make complaints about dissatisfactory meals or services because I accept what I am given.	1010	4.53	1.37
I like bustling atmosphere in the restaurant. A large number of people in restaurant facilitate the satisfaction of dining.	1008	4.36	1.33
I generally do not have high expectations of the meals or services because I perceive that everything is predetermined and beyond my control.	994	4.28	1.39
Note: 1= lowest score; 7= highest score			

DIMENSIONS OF CULTURAL VALUES

After computing the Kaiser-Meyer-Olkin (KMO) test (0.862), factor analysis was performed to extract the dimensions of cultural values. Akin to the previous factor

analysis of perceived importance and perceived quality of restaurant attributes, principal component extraction method and varimax rotation were used. Rotations of four and five factor solutions were performed to avoid under or over estimates number of factors. The results showed that a five factor solution is the best factor structure, explaining 71.15 percent of the variance. The five factors, which can be described as:

Factor One – Social Status

‘Social status’ factor brought together motives for dining in five-star international hotels. Respondents confirmed that dining in five-star hotel is a life-time reward activity, which is not common in their daily life. Further, it makes guests proud to have the buying power of dining in the restaurant of a luxury, five-star hotel.

Factor Two – Face Giving

‘Face giving’ refers to giving a favour to guests, such as complimentary food and extra services, so guests feel a sense of honour during a service interaction. Given the importance of ‘face giving’ within Chinese culture, this factor was expected to emerge in the analysis of cultural values.

Factor Three – Harmony with People

‘Harmony with people’ is another interpersonal skill that is prevalent within Chinese culture. Taiwanese consumers tend to avoid conflict with service providers by not revisiting the service location.

Factor Four – Influence of Companions

‘Influence of companions’ shows the importance of a companion’s perception of dining in the evaluation of perceived quality. This factor is thought to correspond with the national characteristics of respect for authority and harmony with people.

Factor Five – Relationship with People

The final factor, 'relationship with people,' comprises two items that relate to the relationship with service providers and other guests respectively. The satisfaction derived from dining will be influenced by the relationships with waiting staff and the ambience created by numbers of guests in the restaurant.

CHINESE CULTURAL VALUES BY THE TYPE OF RESTAURANT

Although all four sample restaurants are in the same hotel complex, guests' expectations of cultural orientation in the service encounter might differ because of service style and the proposition is that Chinese interpersonal relationship is highly situational. Since restaurant type influences the order of importance criteria and satisfaction of restaurant attributes, it is reasonable to hypothesise that Chinese cultural values might vary by the type of restaurant. One-Way ANOVA shows that the nature of service has a significant impact on the need of 'face' and 'social status.' That is, people who patronised a fine-dining restaurant, such as Steak House, expected to obtain more privileges and personalised services than those who patronised a casual restaurant, particularly so in the case of Shanghainese Dumpling. This result also reflects Taiwanese consumers' mindset that dining in a luxury restaurant is a life reward activity. It is interesting to note that the 'influence of companion' such as work superiors or family members to satisfaction is also determined by restaurant type. For example, people who patronise Taiwanese Restaurant appear more concerned about a companion's satisfaction with the dining experience than do those who patronise Teppanyaki

Restaurant. This finding can be explained by the fact that people select a Chinese/Taiwanese restaurant to hold family reunions or business dining rather than the western style service restaurants, such as Teppanyaki Restaurant and Steak House.

CHINESE CULTURAL VALUES BY THE DINING OCCASION

Traditional Confucian philosophy stressed that morality is not determined by absolutes as much as by circumstances and relationships. In this case, people in family dining occasions may be assumed to behave differently than when in business oriented occasions. Thereby, One-Way ANOVA with the Dunnett *post hoc* test was used to test this hypothesis. In this analysis, business dining was treated as control group and was compared to family dining and social occasions, respectively.

Only one item is found statistically significant, which is the item of “dining in five-star international hotel is a high-class activity.” This is more apparent in business dining than family dining. Guests in business dining expect to obtain more ‘face’ or ‘status’ recognition than when dining with family members. It suggests a cultural implication that Chinese/Taiwanese people are more formally oriented in business dining than on other occasions.

CHINESE CULTURAL VALUES BY PERCEIVED PRICE

The result of ANOVA test shows that no significant difference is found in regard to perceived price. This implies that guests have similar perceptions of cultural

values regardless of the price of the meal. However, again this result does not necessary reflect the same level of expectation across different price range of meal. Since the context was of a five-star hotel complex, guests generally expect higher service contact in the manner appropriate to the local cultures, such as the concept of 'face giving' and attentive services.

CHINESE CULTURAL VALUES BY SOCIO-DEMOGRAPHIC PROFILE

One-Way ANOVA using Scheffe *post hoc* test was used to evaluate socio-demographic variables in relation to people's cultural values. Little significance was found in age, area of residence, education level and monthly income and no meaningful patten emerged. Gender was found to be a discriminating variable in five cases in that male guests scored higher than female guests. The items are 1) "performing service in the tradition of Chinese culture," (5.66 vs. 4.49; $t=3.02$; $p=0.003$) 2) "saving guest's 'face' in any circumstance," (5.66 vs. 4.49; $t=2.95$; $p=0.003$) 3) "older people, family elder or superiors within a dining party are likely to direct my satisfaction of dining," (5.26 vs. 5.11; $t=2.10$; $p=0.036$), 4) "family members are likely to influence my satisfaction of dining" (5.21 vs. 5.07; $t=2.01$; $p=0.045$) and 5) "a large number of people in restaurant facilitate the satisfaction of dining" (4.47 vs. 4.26; $t=2.01$; $p=0.012$). This result corresponds to the previous finding that male guests attach more importance rating on 'personal recognition' than female guests. It might also be noted that this finding is all the more important given that it is not unusual to find that females tend to score

higher than males on Likert type scales relating to customer satisfaction surveys; a point noted by Ryan in various studies.

CHINESE CULTURAL VALUES BY PATRONAGE

FREQUENCY

The familiarity of services in relationship to complaint behaviour was investigated. According to the Sheffe *post hoc* test, guests in the 'low patronage' group were more likely to tolerate unsatisfactory meals or services than 'high patronage' guests (4.58 vs. 4.13; $F=4.274$; $p=0.014$). Generally, however there is no significant relationship between patronage frequency and staff recognition factors and tolerance of unsatisfactory meals and services. This result also supports the previous finding that the influence of the traditional concept of 'harmony with people' (i.e. avoid conflict) appears limited when people are in the position of being a consumer.

RELATIONSHIPS WITH CHINESE CULTURAL VALUES AND STAR RATING AND HOTEL BRAND

Among 15 cultural questions, three are relating to motives of dining in five-star international hotels. Those three items are 1) "dining in five-star international hotels is a high class and fashionable activity;" 2) "dining in five-star international hotels is a 'life reward' activity" and 3) "dining in five-star international hotels develops social relationship." As Chinese/Taiwanese people tend to use material and wealth to show face, reinforce their social identity and show status, it is possible to hypothesise that star rating and hotel brand are factors motivating

patronage of luxury hotel restaurants. As a result, analysis was undertaken to examine whether guests who perceived star rating and hotel brand highly have a tendency to score highly on cultural aspects pertaining to status.

Significant relationships between motives for dining in a five-star international hotels and star rating/hotel brand were found. These existed in the predicted direction, namely that those who score highly on needs for face, personal recognition, status recognition and prestige enhancement tended to also rate five-star dining highly.

CHAPTER 18

CONCLUSIONS AND CONTRIBUTIONS

This final chapter provides an overview of the contributions that emerged from this thesis. This thesis attempts to expand understanding of how customers evaluate service quality within a cultural environment that differs significantly from the North American ontology that has dominated service quality research and practice. In order to answer this research question, factors including social, psychological and cultural variables should be particularly looked at. This thesis explored how these factors interact and impact on the subjective personal experience of dining at a five-star hotel's restaurants. This thesis sought to examine of these relationships through importance – satisfaction analysis, which is built on Fishbein's attitude theory. These relationships are now discussed as they influence and contribute to the hospitality management literature and conceptualisations. Finally, a number of suggestions for further research are presented.

PRACTICAL IMPORTANCE TO THE HOSPITALITY

MANAGEMENT

Referring to the proposed framework in Chapter 8 (see Figure 8.1), social, psychological and cultural variables in relationship to perceived importance, evaluation of restaurant attributes, affective feeling and overall customer

satisfaction/post purchase behavioural intentions were examined in the previous chapters. Subsequently a new framework was produced and illustrated in Figure 18.1.

On page 166 a number of hypotheses underlay the construction of the questionnaires used in the research. Each of these hypotheses will be reiterated below with a brief comment:

- H₁: Socio-demographic variables determine assessment of the dining experience.
H₀: Socio-demographic variables do not determine assessment of the dining experience.

While there was some evidence that the application of t-tests for gender and ANOVA for variables such as age, education and income levels resulted in statistically significant differences, as explained on page 259, on the whole these variables had little role in explaining the attribution of importance to different restaurant facilities. Similarly, as explained on page 266 on, these were not explanatory variables in determining satisfaction. The null hypothesis was generally upheld.

- H₁: The type of restaurant determines the assessment of the dining experience.
H₀: The type of restaurant does not determine the assessment of the dining experience.

Differences were found in the levels of satisfaction found across the four sample restaurants with their differing types of cuisine and ambience, but it should be noted that while statistically significant results were found, the levels of satisfaction expressed with the restaurants were all high. Table 14.3 showed that

each restaurant was assessed differently with reference to the sources of performance evaluation, reflecting the differences in cuisine, ambience and thus, implicitly, the pattern of usage. The differences between the four restaurants were clearly shown by the use of importance-satisfaction matrices on pages 250 on, and thus it can be said that the null hypothesis was not supported.

H₁: The type of dining occasion determines the assessment of the dining experience.

H₀: The type of dining occasion does not determine the assessment of the dining experience.

The data provided some support for the finding reported by Kivela, Inbakaran and Reece (1999) that the nature of the dining occasion affected reported intended future re-patronage. However this study found that the intention to return was greater among those who were dining for family 'togetherness' purposes was higher than those involved in social dining with friends or colleagues. Kivela, Inbakaran and Reece (1999) reported that business dining occasions resulted in the higher reported intended return rate. However, in this research, as reported on page 274, no significant differences were found among the different dining occasions and the other measures of affective assessment and it cannot be concluded that the hypothesis is fully supported.

H₁: The patronage frequency of a given type of restaurant determines the assessment of the dining experience.

H₀: The patronage frequency of a given type of restaurant does not determine the assessment of the dining experience.

The rates of patronage of the four restaurants were classified as being three-fold, 'low', 'medium' and 'high'. It was found that those with the highest levels of

patronage gained the highest levels of personal recognition by staff and management, and they also reported the highest levels of satisfaction. It might be said that a 'virtuous' circle exists whereby predisposition to return is reinforced by status enhancement actions, thereby further increasing satisfaction and reinforcing further an intention to return.

H₁: The perception of price being high, medium or low determines the assessment of the dining experience.

H₀: The perception of price being high, medium or low does not determine the assessment of the dining experience.

While Knutson *et al* (1992) noted an increase in expectations as clients moved up through a price range of restaurants, this was not wholly true in this sample. For example, in the three attributes of 'immediate appeal', 'service contact' and 'safety and hygiene' no statistical variation was found with reference to price, indicating perhaps that perhaps there are common features to all restaurants regardless of price. With reference to satisfaction levels no distinctions existed between the four restaurants with reference to price, but as noted on page 266, this may have been because of the context of the nature of the hotel complex. This issue is further discussed with reference to the halo effect later.

H₁: The importance attributed to the star rating of the hotel/restaurant complex determines the assessment of the dining experience.

H₀: The importance attributed to the star rating of the hotel/restaurant complex does not determine the assessment of the dining experience.

The issue of the halo effect emerged again in when considering this hypothesis. A relationship was found between the style of restaurant and attribution of importance to restaurant features, and the analysis in this section confirmed that reported above with reference to type of restaurant.

H₁: The importance attributed to brand name determines the assessment of the dining experience.

H₀: The importance attributed to the brand name does not determine the assessment of the dining experience.

The issue of brand name was again found to be some importance and confirms the previous discussion with reference to type and style of restaurant, implying a close relationship between these three variables, which might therefore simply be three facets of the same concept.

H₁: The importance attributed to restaurant attributes determines the assessment of the dining experience.

H₀: The importance attributed to the restaurant attributes does not determine the assessment of the dining experience.

As noted above, there were differences between the four restaurants and the attributes from which satisfaction was obtained, and there appeared to be a relationship between satisfaction levels obtained and the level of importance attributed to restaurant features. It has been remarked with reference to the importance-evaluation model of Fishbein that the two variables are not perhaps wholly independent (e.g. Ryan and Huyton, 2002). This study tends to confirm this view, and thus is something that could be studied at length by future researchers.

H₁: The affective experience derived from the dining experience, when combined with the satisfaction associated with the other restaurant attributes, determines overall satisfaction.

H₀: The affective experience derived from the dining experience, when combined with the satisfaction associated with the other restaurant attributes, does not determine overall satisfaction.

One key finding of the thesis was that weighted perceived quality approaches to the measurement of customer satisfaction failed to show any strong statistical reliability. Within the measures used by the questionnaire, there was a scale asking clients to measure their satisfaction with various elements of the dining experience, and an additional total satisfaction scale. Proxy measures were also introduced such as the intention to return (re-patronage measures) as discussed above. Respondents were also asked to assess the importance of attributes, and it can be argued that this, when compared to the satisfaction scores represents another form of satisfaction, namely relative satisfaction. That is, clients indicate the degree to which they are satisfied in that aspect which is of importance to them, and this is qualitatively different to an expression of being satisfied in an attribute of lesser importance. It is this approach that underlies the use of the importance-evaluation matrices for each of the four restaurants, and the data provided in Appendix I for the whole sample.

A regression model found five measures of satisfaction that particularly provided high coefficients of determination where total satisfaction was the dependent variable, and these were 'I enjoy the meal', 'I feel at home here', 'obtaining physical comfort', 'I feel that I am important' and 'I enjoyed today's dining experience'. It was suggested that food, a sense of relaxation and recognition and courteous service and [proper design of the dining environment help generate high levels of dining experience.

H₁: Chinese cultural values affect the nature of the dining experience as a variable underlying other determining variables.

H₀: Chinese cultural values do not affect the nature of the dining experience as a variable underlying other determining variables.

It was argued that results derived from a factor analysis of the culture scale showed five dimensions operating, namely social status, 'face giving', harmony with people, influence of companions and relationships with people. This issue is discussed further in the chapter.

As a result of these findings, the original framework thought to explain the nature of the dining experience, as shown in Figure 8.1, was amended as shown in Figure 18.1.

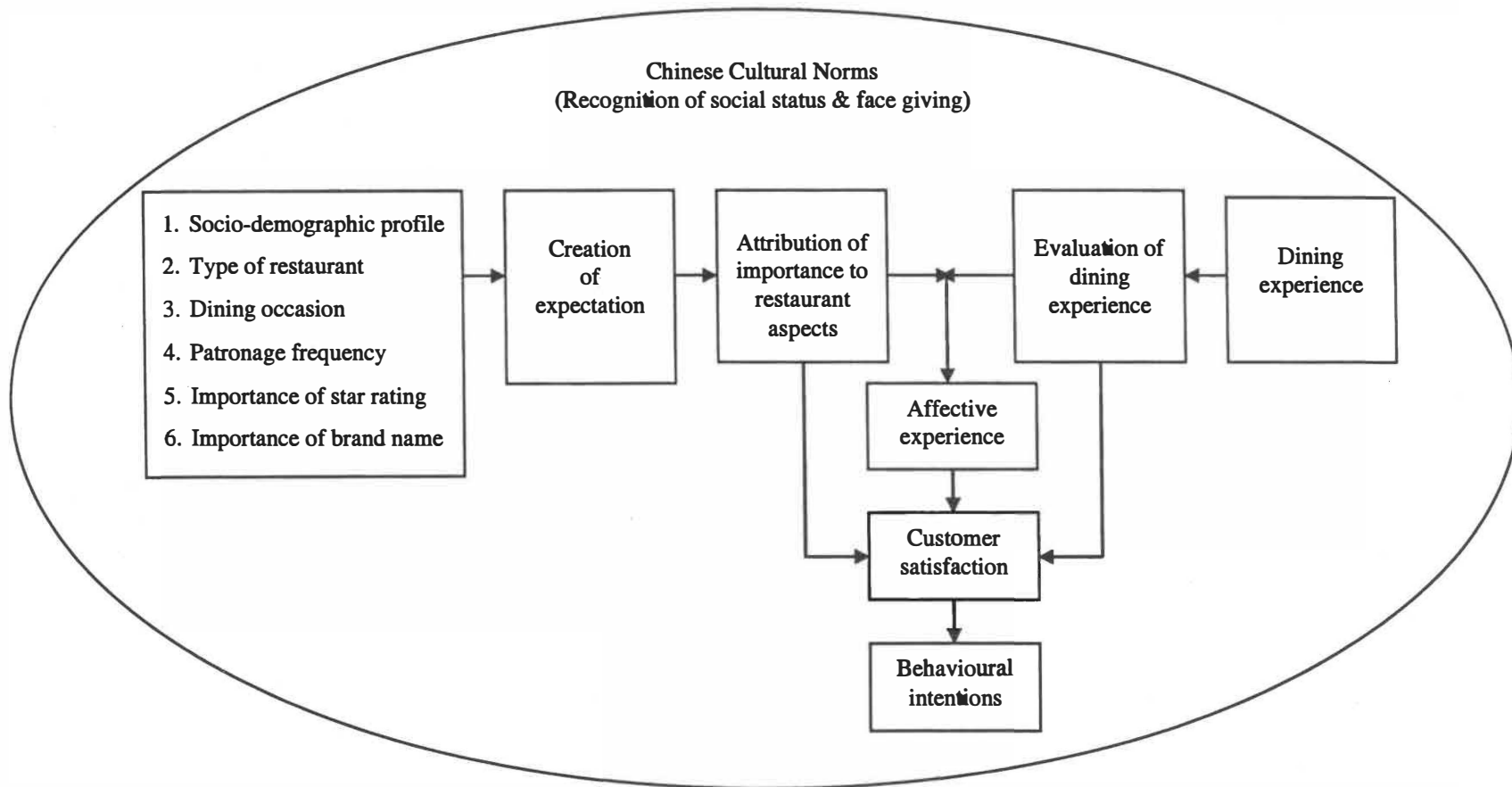


Figure 18.1 : The Proposed Customer Satisfaction Framework

The key points that emerged from the proposed framework are

- This diagram shows that (1) socio-demographic profile, (2) restaurant type, (3) dining occasion, (4) patronage frequency, (5) star rating and (6) brand name will influence customer expectations of services which lead to attribution of importance to restaurant aspects.
- During the meal experience, guests evaluate service performance with reference to an attribution of importance to aspects of the restaurant experience.
- Through an extended service encounter, affective feelings of the consumption experience with gap evaluation of services are generated which consequently become a proxy of customer satisfaction and post purchase behavioural intentions.

This proposed framework makes a number of contributions to hospitality management.

- First, the findings in the thesis provide indications for developing service strategies. For example,
 - 1) To serve local guests or frequent diners better, the restaurants should offer a wide range of food choice or change the menu regularly to attract repeat business.
 - 2) In terms of restaurant type, fine-dining with full service restaurants should achieve high standards throughout all aspects of service.
 - 3) In a similar vein, guests tended to apply stricter standards to the study restaurants due to their five-star brand image. In order to match the service performance to established image, the restaurants have to provide a high standard of service at all times. This is

because guests are paying more for better services.

4) The restaurants should recognise guests' needs in different dining occasions. In this study, guests who are dining for business purposes attach more importance to personal recognition than when dining with family members. To be successful, restaurant staff have to rely on their professional sensitivity to detect the needs of business diners and deliver an appropriate service accordingly.

- Second, the framework also helps hospitality practitioners to understand customers' decision making process in a fine-dining context.

1) The importance factor analysis locates 'immediate appeal' as the first factor implying that selection of a restaurant is partly determined by the tangible elements of services. They become a consumption preference at the time of making a patronage decision in a five-star hotel restaurant. At the same time, these tangible elements of services are observable cues of service quality, which will be used for an evaluation of subsequent services. In the context of fine-dining, the hotel restaurants should always sustain a high standard in the tangible aspects of services at all times because it is these factors that helps customers make a patronage decision at the pre-purchase stage.

2) However, during the meal consumption process, the actual satisfaction/evaluation of the meal experience may be more determined by the performance of other restaurant attributes. 'Service contact,' 'food,' 'facility,' 'cleanliness' and 'ambience'

(which have been identified in the study) are the set of quality attributes that make the consumption experience pleasurable. In this study, the regression analysis has shown the following as determinants of customer satisfaction. They are:

Friendliness of waiting staff

Consistent courteous service

Food ingredients

Food taste

Uniqueness of dishes

Professional look of waiting staff

Establishment of a good customer relationship

Cleanliness of tableware

Therefore, in the case of Grand Hi-Lai Hotel, it is suggested that the hospitality practitioners emphasise those areas in both the design of service specifications and human resources management. Moreover, the dining occasion was found to be a discriminating variable in an evaluation of restaurant attributes. That is, a family-oriented meal occasion gives rise to higher satisfaction than other dining occasions. The implication for hotel management is that in a more relaxed meal occasion, a sense of well-being may heighten the satisfaction level independent of the supply factors. This finding can be extended to the creation of the right psychological environment by improving technical components of the service. Good performance of restaurant attributes will induce positive affective response which ultimately contributes to the overall satisfaction of meal experience.

- Third, as shown in Figure 18.1, the proposed customer decision-making process diagram is surrounded by Chinese cultural norms. It suggests that the evaluation of consumption experience is operationalised within the Chinese cultural framework.

Because of the nature of questionnaire design, the determinants of customer satisfaction that emerged in this thesis seem to be identical in Western culture. For example, one of the service aspects, 'friendliness of staff,' has been also identified in the Western literature. However, the statistical analysis of Chinese cultural orientations in guest-staff interactions suggests that there are differences in the behaviours associated with these service aspects. The finding shows that the Taiwanese service styles are expected to conform to the value of 'power distance' and 'respect for authority.' Therefore, the label of 'friendliness' in the Taiwanese context may incorporate to some extent a formality of services, which may not be observable in the Western culture. Although international customers are satisfied with 'friendliness of service staff' in their own cultural setting, arguably their interpretations of 'friendliness' may be different across cultures. This is because the evaluation of quality in their cultural setting is judged by the norm of a particular culture. This study is undertaken in the Chinese cultural environment where the supply and demand are solely Taiwanese Chinese. The influence of Chinese cultural value on evaluation of meal experience becomes apparent when the respondents are forced to think more explicitly about the underlying reasons for experiencing a sense of satisfaction about the meal. It can be said that respondents are living in the cultural norms of everyday life and they are not conscious of any reference to their own cultural values as a basis for decision making.

Although the existence of Chinese cultural values lives subconsciously in customers' minds, this study intended to relate the cultural variables with customer expectation of services. The thesis shows that Taiwanese Chinese interpersonal relationship is highly contextualised which may influence expectation and evaluation of hotel dining. The findings suggest that

- 1) Guests who patronise fine-dining restaurant expect to obtain more privilege and personalised services than in a more casual restaurant.
- 2) Guests in business dining expect to obtain more 'face' or 'status' recognition than when dining with family members.
- 3) Male guests expect to obtain more personal recognition than female guests.

These findings reflect the importance of 'social status' and 'face giving' in the process of service delivery within the Chinese cultural framework. This study on Taiwanese customer satisfaction has some cultural implications for international hospitality marketers.

- 1) First, by recognition of cultural differences, international hospitality practitioners can develop a series of cultural-oriented service strategies for better catering to Taiwanese customers, in turn minimising 'cultural shock' in inter-cultural service encounters.
- 2) Second, it can be said that these three cultural considerations could also apply in a non-western situation, such as other Confucian regions including People's Republic of China, Japan, Korea and some countries in Southeastern Asia (e.g. Singapore). It should be noted that this research design does not permit a comparison between Chinese and non-Chinese because the samples are solely Taiwanese Chinese.

CONTRIBUTION TO THE LITERATURE

Taiwanese Customer Decision Making Process

The proposed customer satisfaction framework as shown in Figure 18.1 is consistent with Youngdahl and Kellogg's (1997) finding that the influence of cultural orientation only occurs at the expectation and perception level, but the process of customer evaluation of hotel dining in Taiwanese settings appears to be similar to Western cultures. Taiwanese customer satisfaction behaviour can be explained by Teare's (1994) model of the consumer decision process for hospitality services. He proposed that the changes of emphasis between consumer and producer-dominant assessment will correspond to the three main stages of the decision process: pre-purchase, consumption and post-consumption evaluation, which are described below. At the pre-purchase stage, consumer-related factors such as prior experience and expectation are the dominant influence on the purchase decision because subjective interpretation of product information and recommendation feature prominently in pre-purchase activity. During the consumption process, product-related factors, such as service interaction and subjective feelings of hospitality experience will have a greater impact on satisfaction. This is because the consumer becomes a participant during the service encounter, helping to create the atmosphere in restaurants and simultaneously assessing the tangible and intangible impressions and interaction which occur. The customer must integrate all of these individual assessments in order to evaluate post-consumption feelings of satisfaction or dissatisfaction. Finally, the post-consumption evaluation is more likely to be influenced by consumer-related factors. These factors are more psychological in nature, such as feeling relaxed and respected. If the consumption experience meets expectations,

then the consumer will experience an overall feeling of satisfaction during post-consumption evaluation and this in turn will encourage post-purchase behavioural intentions, such as repeat patronage or word-of-mouth recommendation. The implication is that the causal order of this relationship is robust across national borders and as such has utility for international hospitality marketers.

Importance and Determinance of Customer Satisfaction

The analysis of attribute importance from various aspects pinpoints the issue of different levels of importance in a five-star international hotel context. This finding corresponds to Ryan's (1995) proposition of distinguishing between *importance* and *determinance* of customer satisfaction. Although guests generally place a high importance rating on most restaurant attributes, some are more important as *determinants* and some are important because they are regarded as a basic standard for a five-star international hotel. In this study, *determinance* of customer satisfaction is greatly related to the core functions of meal services, such as food quality and style of waiting staff. This result is expected as many studies have identified similar attributes in the foodservice industry (June & Smith, 1987; Auty, 1992; Johns & Howard, 1998; Koo, Tao & Yeung, 1999, Johns & Pine, 2002). 'Hygiene/cleanliness,' 'availability of a car park' (due to scarcity of land in Taiwan) and 'appropriate pricing' are *essential* to Taiwanese guests although meeting these needs is not likely to enhance the satisfaction of the meal experience. Guerrier, Kipps, Lockwood and Sheppard (1992) concluded that managers in the catering industry deemed food hygiene/cleanliness significant only when something goes wrong. It is not considered as making a positive contribution towards quality and is unlikely to be viewed in the same terms as

other variables. As has already been discussed, customers take hygiene/cleanliness standards for granted and therefore come to the restaurant with an established expectation. It is interesting to note that advanced service features, such as 'anticipation of guest's needs,' 'personal recognition' and 'provision of personalised service' are desirable, but the absence of these features will probably not cause dissatisfaction. These attributes can be also referred as 'satisfiers,' a term which has been used by Cadotte and Turgeon (1988). Finally, one of the service features, namely 'ability to respond to unsatisfactory incidents' was found important regardless of the cuisine type and service style. In fact, guests generally do not consider this aspect unless unsatisfactory incidents occur and the hotel staff need to perform service recovery. If customer complaints do happen, 'complaint handling' becomes a critical attribute, which is capable of eliciting more dissatisfactory outcomes or turning dissatisfaction to satisfaction results.

Measurement of Customer Satisfaction

This thesis also supports previous findings (e.g. Cronin & Taylor, 1992; Teas, 1993; Armstrong, Mok, Go & Chan 1997; Ekinici, Riely & Fife-Schaw, 1998; Robledo, 2001) that the performance-only approach to measure customer satisfaction has higher reliability and validity values than importance-weighted evaluation of services. The implication is that Taiwanese customer's attitude about the perceived service, whether it is positive or negative, is sufficient to predict satisfaction and behavioural intentions. It can be argued that the role of expectation has been operationalised in the process of cognitive evaluation. Since the result is consistent with the studies conducted in the Western cultural context,

it is concluded that performance-only measurement provides a better generalisability of service quality measurement in the cross-cultural context. One possible reason, perhaps, is due to homogeneity of the restaurant customer decision making process across nations as indicated in the previous section.

CONTRIBUTION TO CONCEPTUALISATION

International marketers usually overlook the influence of environmental factors on consumption behaviour when catering for international customers. Some studies have shown that there is a perception gap between tourists and hosts from different cultural backgrounds (Reisinger & Waryszak, 1996; Reisinger & Turner, 1998; Strauss & Mang, 1999; Master & Prideaux, 2000). While Parasuraman, Zeithaml and Berry's SERVQUAL was developed to evaluate service quality, it is argued that the global application of SERVQUAL without consideration of the influence of the cultural orientation will not capture the reality of phenomena, which lie in the particular cultural norms. This is because the relational aspects of the dimensional structure and supporting behavioural cues were sufficiently different from those contained within the dominant Western literature. Arguably, the evaluation of service within the Chinese cultural norms will challenge the global application of the SERVQUAL measurement. This section addresses the argument of international standard operation versus local/regional operation. This conceptual issue is usually referred to as the debate of convergence vs. divergence, that is whether or not, as part of a process of globalisation, organisations and local cultures are becoming more and more alike. Proponents of convergence argue that it is possible to identify one best way of operating in a given industry, whereas supporters of divergence argue that because of differences in the beliefs, values

and attitudes of people of different cultures, operational practices need to conform to local cultural norms (Hope, 2004). Therefore, two propositions will be discussed in the following sections.

- 1) What is the potential impact of national culture on the international procedures of a five-star hotel in Taiwan?
- 2) Can the service style of Grand Hi-Lai Hotel or other local owned hotels, when incorporating local culture, be duplicated overseas?

Theory and previous research suggest that cultural differences will impact on service operations (Teare, 1993; Huyton & Ingold, 1995; Hope, 2004). Hope and Mühlemann (2001) and Morden (1999) argued that with increasing globalisation, adaptations may need to be made when transferring “best practice” between nations because of the impact of national culture and they also suggested how differences have implications for managers. To address these two questions, the focus has been on ‘how’ the service is delivered rather than ‘what’ service is delivered. That is, although the emergent underlying dimensions of restaurant attributes in this thesis (e.g. food aspect, service contact and facility aspect) are identical across cultures, arguably the ‘functional’ skills of producing that ‘technical’ quality are more location bound. For example, food preparation and menu, as a part of food quality assessment, have to match local tastes and preferences and this is particularly important to ‘Taiwanese’ customers, who are very sensitive to the authenticity of food taste and preparation method. Following the above argument, the service operations have to be tailored to local conditions and take into account cultural factors.

The study hotel (Grand Hi-Lai Hotel) is one of the major international standard hotels in Taiwan. Its business transactions and organisational structure are operated within an internationally recognised mode of hotel operation. According to the hotel personnel of Grand Hi-Lai Hotel, the organisation relies heavily on Standardised Operation Procedures (SOP) to perform and maintain quality of services. The SOP manual records the standardised service procedures and requirements which meet the professional standards of five-star hotel management. The only difference is that in the Taiwanese service environment, hotel/restaurant managers and service employees are interacting with Taiwanese customers within the framework of Chinese cultural norms. Although recognition of cultural difference is important in service delivery, the cultural implications of service style seems to be less apparent in this study where cultural difference is not emphasised due to the cultural homogeneity of the study sample. The most likely explanation for this phenomenon is that cultural norms exist in everyday life and people are often not even conscious of them in the decision making process. In terms of the argument of convergence and/or divergence, this research seems to support the proposition of convergence at a managerial level, but divergence at a service operational level.

It can be objected that while the thesis has emphasised the role of *guanxi* and status within Chinese society, this issue of status recognition is not unique to Chinese culture. Indeed, individuals within western societies would also appreciate recognition as part of the ethos of good service. It is, however, suggested that a difference exists along the lines of the Hofstede model, that is, issues of status differ between societies more oriented toward the collective than the individualistic. In the latter case recognition of an individual is a recognition

of personal worth and personal achievement, and thus is a societal recognition of position gained by individual endeavour. Yet, in spite of this, western culture still retains a perspective that each individual person has a right to be the equal of any other. In the former instance of Chinese society, status, at least historically, has been arranged on more hierarchical lines, and thus a failure to recognise a person's seniority, particularly when that person is acting as host to a group, represents a serious failure of etiquette almost to the point of being deliberately insulting. The recognition of the host, particularly among the more formal business meeting, is thus recognition of seniority of position, a reinforcement of the role of host in front of others within the party and thus a mutual reciprocity is established between host and guests. The differences are differences of nuance, but are nonetheless important for all of that.

If the hotel business wants to expand globally, the second question then arises as to whether the service style of Grand Hi-Lai Hotel or other local owned hotels can be duplicated overseas. In order to address this question, we need to go back to the term 'hospitality' defined by Lashley (2000). He described the hospitality activities in each of the 'social,' 'private' and 'commercial' domains. Each domain represents an aspect of hospitality provision which is both independent and overlapping. Particularly, the social domain of hospitality activities suggests the need to study the social/cultural context in which particular hospitality activities take place. In contemporary society, a host has a duty to provide hospitality and to publicly act with generosity to guests rather than solely as a private form of behaviour, exercised as a matter of personal preference within a limited circle of friendship. As a result, a study of hospitality relating to the treatment of guests becomes an important aspect of 'human exchange' through the

provision of accommodation, and/or food and/or drink (Brotherton, 1999). This expression of hospitality can be extended to understanding cultural differences in the rules of social relationship in an 'intercultural' service encounter in which hosts and guests come from different cultural backgrounds.

In general, Chinese cultures have many rules dealing with public and human interactions. The themes of 'face,' 'hierarchy and power,' and 'harmony' emerged in this study and were found present in guest-staff interpersonal relationships. If this service environment moves overseas, the authenticity of service style will be problematic due to the degree of 'interculturalness' in the encounter. It is not just the presence or absence of cultural differences, but the degree of difference between the individuals that influence their interaction (Reisinger & Turner, 2003). Unless the hosts have similar backgrounds and share cultural commonalities with guests, it is difficult to transfer different styles of service overseas, except for popular fast food services. It can be argued that MacDonald's successfully transferred its fast food culture internationally. In the case of formal dining, in which Chinese service styles are a part of service aspect, Chinese service styles may not be transferable effectively in the international service context. To respond to this obstacle, non-Chinese service staff can be trained to be more culturally sensitive to better cater for ethnic Chinese customers.

However, in the overseas environment where cultural differences are much emphasised, some studies have shown that cultural factors may not be a significant pre-determinant of holiday satisfaction (Ryan, 1995; Master & Prideaux, 2000). Ryan (1995) argued that a strong tourist motivation to derive enjoyment from the holiday experience becomes a determinant of behaviour, so

that negative experience gives rise to displacement activities or cognitive dissonance to achieve the goal of enjoyment. In that sense, holidaymakers may 'enjoy' such cultural differences or look for an explanation if the perceived services do not fulfill their expectations shaped by cultural norms. In some instances, cultural uncertainties are reduced by traveling in organised package tours where one travels in a 'cultural bubble' of a fellow ethnic/national groups to facilities better able to meet the needs of those groups. Stauss and Mang (1999) therefore proposed that the tolerance zone is widened and the perceived inter-cultural service provider gap is reduced. Due to the nature of research design mainly focusing on one cultural setting, this thesis does not permit an analysis of the inter-cultural service gap.

SUGGESTIONS FOR FUTURE RESEARCH

Wording of the Importance Scale

If customer satisfaction is a function of attitude about hospitality attributes and the strength of these attitudes (Fishbein & Ajzen, 1975), it might be reasonable to suspect that the important attributes will have a greater impact on evaluation of consumption experience. Usually, guests experience a set of service transactions during the consumption. The numbers and types of such services are myriad. They can range from friendliness of service staff to a first impression of the door man. Due to a complexity and variety of services, guests may have difficulty in making the trade-off comparison between attributes. Rather the thesis adopted a direct questioning approach by only asking the absolute importance of each attribute on a 7-point Likert scale ranging from 'extremely important' to 'extremely unimportant.' Given the nature of questionnaire question and the wording of the

importance scale, the response rate generally scattered between 5 and 7, contributing to a relative small variance between responses. This has been referred to as the error of central tendency (Oppenheim, 1966). Oppenheim suggested that making the extreme points sound less extreme. For the future research, the importance scale is suggested to anchor at 'of no importance' (1) and 'extremely important' (7).

Comparative Research

As is often the case of an individual doctoral student undertaking research alone with limited funds, the financial and time constraints effectively constrain research design. This study focussed on the differences of dining experiences compared across four different restaurants within a five star hotel-restaurant-retail complex in a Southern Taiwanese city of importance, but which receives comparatively few non-Asian visitors. The thesis sought to examine the degree to which a Chinese culture might influence the dining experience within restaurants in a hotel that had standard operating procedures based on best international practice – which effectively means the practices of western multinational hotel groups such as the Hyatt or Sheraton. Given more time and more resources, the research would have benefited from cross-cultural comparisons with more European and North American respondents. Unfortunately such visitors are comparatively uncommon in Kaohsiung, and if the researcher had the funds to stay in a city such as Taipei, this deficiency might have been corrected. Nonetheless, it is felt that the current study is not without value as it permitted examination of the way Chinese culture impacted upon dining experiences by permitting data to be collected from a significantly large enough sample to permit

analysis across different types of restaurants and dining situations, and found some *prima facie* evidence that *guanxi* had a role to play, however minor. Nonetheless, as is discussed later, the halo effect may have been of more importance in that when diners select a five-star restaurant they are in effect setting down the parameters within which they choose to act.

A Trend of Social Desirability Response

Inclusion of the 'importance' component of attitude has methodological implications for quality management and measurement. Some researchers support the notion that if attributes are perceived as being important, they become a proxy of satisfaction. Many studies recognise the value of the importance-performance matrix. They argue that the matrix will pinpoint the items which are needed to be improved or maintained. However, in this study, the value of the I-P matrix appears to be limited. Most items in the four studied restaurants fell into the 'keep up the good work' category (high importance and high satisfaction). This optimistic result may be questionable due to an inclination to give a 'social desirability' response. The possible explanation for this is that Taiwanese guests are reluctant to present 'true' feelings in a formal customer satisfaction survey. It suggests that the most valuable information can be obtained from informal interviews with guests. This unstructured data collection process provides a context for trust building and as friendships developed, guests will be more likely to convey the true feelings about their consumption experience. Thus, it suggests a need for qualitative satisfaction data to supplement the weakness of self-reported surveys and the need for ethnographic research. The satisfaction data can be collected through satisfaction inquiry by the restaurant manager or service staff

during the meal service. However, an ethnographic approach is time consuming, implies a small sample and raises issues as to the degree of generalisation that is possible. In defense of this thesis it should be reiterated that the early work was qualitative and based upon conversational techniques with identifiable stakeholders.

Halo Effect

A 'halo effect' on attribution importance and satisfaction is observed in the thesis. That is, the perceived existence of five-star rating or hotel brand for the study hotel (Grand Hi-Lai Hotel) seems to have resulted in high importance rating and high satisfaction rating. This perception distortion is evidenced by the Chi-Squared test of relationship between attribute importance (attribute satisfaction) and star rating/brand name. Wirtz and Bateson (1995) first identified that 'halo effects' can be present in satisfaction data and severely limit their interpretability. For example, dissatisfaction with one attribute can cause overall dissatisfaction with a product. There are two types of halo effects in the marketing literature. First, a customer's liking/disliking for a certain brand may blind him toward its specific negative/positive qualities and this type of halo was observed in this study which is undertaken in a five-star international context. The second type asserts that customer's attitude towards a dominant quality may bias his opinion towards other qualities. It has been suggested that the halo effect occurs when people intend to maintain cognitive consistency and/or to avoid cognitive dissonance (Wirtz, 2000).

Wirtz (2000) argued that service satisfaction evaluation may be more susceptible to halo effects than goods. This is because services have a high degree of credence and ambiguous attributes, which are difficult to evaluate. Credence attributes cannot be assessed by consumers even after a service has been consumed (e.g. the hygiene conditions in the kitchen of a restaurant). Ambiguous attributes depend entirely on the perception of the customer and are subject to varied interpretations (e.g. a messy desk in a travel agency implies a sign of roaring business by some and may be seen as a disorganised situation by some others). He later proposed three methods to reduce halo impacts. First, measurement after consumption showed less halo than delayed measurement. Second, a relative rating scale contained less halo effects than standard satisfaction scales when the number of attributes is not too complex. Third, the evaluation of many attributes reduced halo in comparison to an evaluation of few attributes when a standard satisfaction rating scale was applied (Wirtz, 2001). This thesis was compliance with proposed time of measurement to avoid global impressions in making specific judgment. However, due to a large number of attributes, standard satisfaction rating scales were used instead of relative rating scales. According to Wirtz (2001), when the more complex relative rating scale is used, halo effects are not reduced when subjects had to evaluate a large number of attributes which increased the complexity of the task.

It might appear that the statistical analysis in this thesis signals the existence of halo effects in measures of satisfaction with the attributes of the service, but it is not able to depict the actual nature of the relationship between the measure and the actual performance or operationalisation of the service and the manner in which it is experienced. It can be argued that within behavioural research it is important to understand the presence, magnitude and impact of the halo effect in

the customer satisfaction context. Wirtz (2000) has conducted an experiment using a travel agency service in an attempt to disentangle these relationships. It can be argued that similar research can be undertaken in the hotel-restaurant service sector. It would be of interest to explore how the halo effect could be controlled and/or reduced in the collection of satisfaction data. Perhaps the researcher should adopt a more qualitative approach, such as that of participant observation and discussion with guests about their impressions of the environment within which they are experiencing the service. It might also be that the halo effect, like that of cultural values, exists subconsciously in the guests' decision-making process. Guests may not indeed be conscious of this until asked questions by the researcher.

It can be objected that this thesis should have taken into account the halo effect when designing the research. On the other hand, it must be pointed out that much of the work pertinent to this issue was only just appearing in the hospitality academic literature at the time when this research was being commenced.

Although the researcher was aware of some of the earlier work, for example that published in 2000, it appeared at that time just one small strand within the totality of the academic literature. Much of that literature was still being dominated by the confirmation-disconfirmation paradigm, and it is only the experience of having collected the data and then subsequently analysing it, that showed this issue to be of some importance. Given the nature of the research design it is still ambiguous as to what degree the halo effect has a role to play in satisfaction measurement, and indeed it might be purely specific to this type of research where the subject matter relates to services in a five-star hotel complex. It may be less apparent in less prestigious surroundings.

Personal Reflection of the Thesis

Finally, a few personal words. The researcher was formally trained in the quantitative, positivistic tradition, and as a consequence of having undertaken a Masters degree in the United States, had a strong belief in adopting quantitative research procedures. It was therefore, with some dismay, that upon meeting her supervisor, one of his first comments was that if she thought that undertaking a doctoral thesis was similar to that work she had done for her Masters degree, although with simply a larger sample, then she was mistaken! He then further compounded her confusion by the comments that in, any substantial process of research, there are three learning processes. The first is to learn about the nature and subject that is being researched. The second is to learn something about the research process, and the third is to learn something about oneself. Initially the researcher sought to apply a purely quantitative approach, but was disabused of this by her supervisor. She further had to undergo the experience of listening to him expound upon the epistemologies and ontologies of research at some length! Consequently, the initial stages of research were those of a qualitative design, and involved long discussions with waiting staff, managers and guests at the hotel complex in question. Initially, perhaps, there was an attitude that such a stage in the research design was solely effective only in terms of improving the final research instrument, and so better obtain quantitative data to permit generalisation. The emergence of the issue of the halo effect, and its problematic impact on the interpretation of the statistical data, implies that a qualitative research has uses beyond and above simply that of better designing questionnaires. If indeed one is to understand more fully the experiences of restaurant guests, then there is a need

to encourage them to articulate these in their own words, and to probe carefully into both the conscious and the subconscious decision making processes that are involved. This is not to say that the positivistic tradition lacks any further usefulness. It obviously enables generalisation, and produces quantitative performance measures that are of help to management in assessing its own performance, and the performance of its staff. This researcher has therefore learnt more about the nature of research as a result of undertaking this doctoral degree. In addition, it might be said that the process of having to engage with both the supervisors, and to explain to managers, employees and guests at the hotel, the nature of her research, and why she has wanted to undertake it, and the implications of its possible findings, have produced a learning process wherein she has had to face the development of more rounded social skills, and the acquisition of confidence to engage in new dialogues in new contexts. In short, the supervisor was correct! However, as a finally aside, such a learning process was not only due to him and the research design. Living in New Zealand and going white water rafting and bungy jumping has also helped!

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APPENDICES

Appendix A: Guest, Waiting Staff and Management Interview Questions

Guest Interview Questions

1. What attributes are important to you when making hotel service quality judgment?
2. In your past dining experience, did you find a significant difference of perceived service from what you thought should be? In your opinion, what causes this perception variance?
3. Please describe pleasant and unpleasant incidents in hotel dining experience.
4. Compared to other hotel dining in different hotel premises, what do you like this hotel most?

Waiting Staff Interview Questions

1. What are the customer expectations of the restaurant services?
2. What are the management's expectations of the restaurant services?
3. What attributes are important to guests while making a quality judgment?
4. What are the challenges in delivering high quality services as guests/management expect?
5. What efforts do the hotel make to improve or maintain service quality?

Management Interview Questions

1. In your opinion, what is service quality?
2. What are the customer expectations of the restaurant services?
3. What attributes are important to guests while making a quality judgment?
4. What are the challenges in delivering high quality services as guests expect?

**Appendix B: Guest, Waiting Staff and Management
Questionnaire**

Guest Questionnaire

Restaurant _____ Time of day: lunch dinner

I am a doctoral student in the Department of Tourism Management at the University of Waikato, New Zealand, working on my thesis on the subject of customer satisfaction of hotel dining. This research is being undertaken under the guidance of Professor Chris Ryan and Dr. Tim Lockyer. This survey deals with your opinions of current hotel dining experience. Thank you for agreeing to complete this questionnaire. Your name and address is not required and it will not be possible to identify you from your answers.

Section One: Importance and Satisfaction

Please indicate the extent of importance and performance to which you think the restaurant possesses the features described by each statement in **the current dining occasion**. You may circle **one** of the seven numbers next to each statement that show how strong your feelings are. The scale of importance and performance is shown below respectively.

Importance Scale							
Extremely Unimportant	Very Unimportant	Unimportant	Neither Important nor Unimportant	Important	Very Important	Extremely Important	No Opinion Not Applicable
1	2	3	4	5	6	7	0

Satisfaction Scale							
Extremely Dissatisfied	Very Dissatisfied	Dissatisfied	Neither Satisfied nor Dissatisfied	Satisfied	Very Satisfied	Extremely Satisfied	No Opinion Not Applicable
1	2	3	4	5	6	7	0

	Please indicate in this column how IMPORTANT the feature is in determining the quality of CURRENT dining.									Please indicate in this column how SATISFIED you were with the feature in CURRENT dining.								
1	Waiting staff are generally friendly.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
2	Waiting staff generally smile while serving guests	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
3	Waiting staff are generally polite and respectful to guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
4	Waiting staff generally provide prompt service.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
5	Waiting staff generally look professional, clean and neat.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
6	Waiting staff generally anticipate guest's needs.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
7	Waiting staff provide personalised services.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
8	Waiting staff or supervisors/managers advise guests about the menu when needed.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
9	Waiting staff are consistently courteous with guests throughout the meal.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
10	Waiting staff address guests by name with the title of social status.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
11	Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
12	Food tastes nice.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
13	Food meets high standards of hygiene.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
14	Food appears to be fresh.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
15	Food is well presented.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
16	Dishes are unique to this restaurant and reflect the style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
17	There is a wide selection of food choice.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
18	Food quality is consistently good.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
19	The food's ingredients reflect the style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
20	Pricing is appropriate for this style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
21	Amount and composition of food is appropriate.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
22	Specials/promotions are a regular feature in this restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	

23	The dining room is clean.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
24	The toilets are clean.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
25	Tableware is properly washed and clean.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
26	The interior decoration is visually appealing and reflects the theme of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
27	The ambience of dining room reflects the style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
28	The seating is comfortable.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
29	Car parking is available.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
30	Table arrangements are of a high standard.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
31	It is safe and secure dining in this restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
32	Waiting staff or supervisors/managers establish good customer relationship.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0

Section Two: Feelings of Dining Experience

Please consider how you felt about the **current dining experience**. Again, you may circle **one** of the seven numbers next to each statement that best reflects your attitude. The scale is shown below:

Agreement Scale							
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree	No Opinion Not Applicable
1	2	3	4	5	6	7	0

1 I obtain a sense of relaxation from this dining experience	1	2	3	4	5	6	7	0
2 I obtain physical comfort from this dining experience	1	2	3	4	5	6	7	0
3 I feel I am respected by waiting staff and feel a sense of privilege.	1	2	3	4	5	6	7	0
4 I feel that I am important to this restaurant.	1	2	3	4	5	6	7	0
5 I feel that today's meal and services are value for money.	1	2	3	4	5	6	7	0
6 I feel at home.	1	2	3	4	5	6	7	0
7 I enjoy today's dining experience.	1	2	3	4	5	6	7	0
8 I feel a sense of luxury/a sense of being 'royal'.	1	2	3	4	5	6	7	0
9 I enjoy the meal.	1	2	3	4	5	6	7	0

Section Three: Total Satisfaction of Dining Experience

1. Please circle the number on this scale which best reflects **the overall satisfaction in current dining occasion.**

Extremely Dissatisfied	Very Dissatisfied	Dissatisfied	Neither Satisfied nor Dissatisfied	Satisfied	Very Satisfied	Extremely Satisfied	No Opinion Not Applicable
1	2	3	4	5	6	7	0

2. Please circle the number on this scale which best reflects how likely you are to **revisit** this restaurant?

Absolutely Not Revisit	Very Unlikely	Unlikely	Neither Likely nor Unlikely	Likely	Very Likely	Absolutely Revisit	No Opinion Not Applicable
1	2	3	4	5	6	7	0

3. Please circle the number on this scale which best reflects how likely you are to **recommend** this restaurant to others?

Absolutely Not Recommend	Very Unlikely	Unlikely	Neither Likely nor Unlikely	Likely	Very Likely	Absolutely Recommend	No Opinion Not Applicable
1	2	3	4	5	6	7	0

Section Four: Cultural Impact

This section concerns your perception of the influence of Chinese cultural value on staff-guest relationship and dining behaviour. Please circle the number that best reflects **the level of agreement** to the following statements.

Agreement Scale							
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree	No Opinion Not Applicable
1	2	3	4	5	6	7	0

1	I expect that the waiting staff perform services in the tradition of Chinese culture.	1	2	3	4	5	6	7	0
2	Dining in five-star international hotels is a high-class and fashionable activity. This allows me to show 'face' or status and impress my guests/clients.	1	2	3	4	5	6	7	0
3	Even though I am with immediate family members, I still feel good about dining in five-star international hotels because I regard it as a 'life reward' activity.	1	2	3	4	5	6	7	0
4	Dining in five-star international hotels is an activity for fostering social relationship with family members, colleagues, subordinates, superiors or business partners.	1	2	3	4	5	6	7	0
5	I generally seldom make complaints about dissatisfactory meals/services because I accept what I am given.	1	2	3	4	5	6	7	0
6	I seldom make complaints about unsatisfactory meals/services because Chinese culture avoids embarrassment to restaurant managers and waiting staff.	1	2	3	4	5	6	7	0
7	Hotel personnel must save guest's 'face' in any circumstance.	1	2	3	4	5	6	7	0
8	I generally do not have high expectations of the meals/services they are going to consume because I perceive that everything is predetermined and beyond my control.	1	2	3	4	5	6	7	0
9	I view the personalised service delivery as 'giving face' and therefore long-term relationships are more likely to be established and maintained.	1	2	3	4	5	6	7	0
10	I regard hotel personnel who are familiar as <i>shoujen</i> (close friend). While in <i>shoujen</i> relationship, I enjoy their services and feel less dissatisfied even when the level of service is not of a normal standard.	1	2	3	4	5	6	7	0
11	The extra services provided by restaurant managers, such as complimentary food, favourable comments and bending rules to meet guest's request, make me feel special. Such "face enhancing" qualities enhance my visits to a restaurant.	1	2	3	4	5	6	7	0

12	The host of dining party can obtain <i>mien-tsu</i> by the quality of the food, the maintenance of highly boisterous atmosphere and close attendance of waiting staff and managers.	1	2	3	4	5	6	7	0
13	Older people, family elders or higher superiors (such as boss, client) within a dining party is likely to direct my perception of satisfaction of dining.	1	2	3	4	5	6	7	0
14	In a family dining occasion, other members of the family (such as mother-in-law, relatives, parents, children) may influence my perception of satisfaction of dining.	1	2	3	4	5	6	7	0
15	I like a bustling atmosphere in the restaurant. A large number of people in restaurant facilitate the satisfaction of dining.	1	2	3	4	5	6	7	0

Section Five: Current Dining Behaviour

1. How would you describe **current dining occasion**? Please tick one appropriate answer.

Business Family With Whom ? _____ Dining with friends or colleagues for leisure Others _____

2. In the past 12 months, how many times have you dined at **this restaurant**? (including this visit) _____ times.

3. How many times within the last 12 months have you dined in **other restaurants** (domestic or abroad) of similar price and service to this restaurant? _____ times.

4. How important is the **star rating of the hotel** to you while evaluating **current dining experience**? Please circle one of numbers where appropriate on this scale.

Extremely Unimportant	Very Unimportant	Unimportant	Neither Important nor Unimportant	Important	Very Important	Extremely Important	No Opinion Not Applicable
1	2	3	4	5	6	7	0

5. How important is the brand name of the hotel to you while evaluating current dining experience? Please circle one of numbers where appropriate on this scale.

Extremely Unimportant	Very Unimportant	Unimportant	Neither Important nor Unimportant	Important	Very Important	Extremely Important	No Opinion Not Applicable
1	2	3	4	5	6	7	0

6. What does the price of current meal signal to you? Please tick one appropriate answer.

A 'luxury' price meal A high priced meal A moderate priced meal A budget meal

Section Six: Respondent Profile

1. Gender: Male Female
2. Age: 18-25 26-35 36-45 45-65 Over 65
3. Area of Residency: Local Visitor Please indicate the region where you normally live _____
4. Education Level: Less than junior high High School/Voc high school College/Uni graduate Post-graduate
5. Disposable Income Per Month:
- | | |
|---------------------|--------------------------|
| Less than US\$576 | <input type="checkbox"/> |
| US\$577-US\$1,153 | <input type="checkbox"/> |
| US\$1,154-US\$2,017 | <input type="checkbox"/> |
| US\$2,018-US\$2,882 | <input type="checkbox"/> |
| More than US\$2,883 | <input type="checkbox"/> |

Thank you for your time. It is very much appreciated.

Waiting Staff Questionnaire

I am a doctoral student in the Department of Tourism Management at the University of Waikato, New Zealand, working on my thesis on the subject of customer satisfaction of hotel dining. This research is being undertaken under the guidance of Professor Chris Ryan and Dr. Tim Lockyer. This survey deals with waiting staff opinions of service delivery system. Thank you for agreeing to complete this questionnaire. Your name and address is not required and it will not be possible to identify you from your answers.

Section One: Importance and Performance

Please indicate the extent of importance and performance to which you think the restaurant overall possesses the features described by each statement. You may circle **one** of the seven numbers next to each statement that show how strong your feelings are. The scale of importance and performance is shown below respectively.

Importance Scale							
Extremely Unimportant	Very Unimportant	Unimportant	Neither Important nor Unimportant	Important	Very Important	Extremely Important	No Opinion Not Applicable
1	2	3	4	5	6	7	0

Performance Scale							
Extremely Poor	Very Poor	Poor	Neither Good nor Poor	Good	Very Good	Excellent	No Opinion Not Applicable
1	2	3	4	5	6	7	0

	Please indicate in this column how IMPORTANT the feature is to guests in determining quality of dining.									Please indicate in this column how you would access the PERFORMANCE of the restaurant and staff.								
1	Waiting staff are generally friendly to guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
2	Waiting staff generally smile while serving guests	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
3	Waiting staff are generally polite and respectful to guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
4	Waiting staff generally provide prompt service.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
5	Waiting staff generally look professional. clean and neat.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
6	Waiting staff generally anticipate guest's needs.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
7	Waiting staff provide personalised services.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
8	Waiting staff or supervisors/managers advise guests about the menu when needed.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
9	Waiting staff are consistently courteous with guests throughout the meal.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
10	If waiting staff know a guest's name, it is important to address guests by name and title.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
11	Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
12	Food tastes nice.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
13	Food meets hygiene standards	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
14	Food appears to be fresh.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
15	Food is well presented.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
16	Dishes are unique to this restaurant and reflect the style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
17	There is a wide selection of food choice.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	

18	Food quality is consistently good.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
19	The food's ingredients reflect the style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
20	Pricing is appropriate for this style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
21	Amount and composition of food is appropriate.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
22	Specials/promotions are important to guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
23	The dining room is always kept clean.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
24	The toilets are always kept clean.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
25	Tableware is always kept clean.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
26	The interior decoration is visually appealing and reflects the theme of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
27	The ambience of dining room reflects the style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
28	The seating is comfortable for our guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
29	Car parking is available for guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
30	Tables are well arranged.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
31	It is safe and secure dining in this restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
32	Waiting staff or supervisors/managers establish good customer relationship.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0

Section Two: Cultural Impact

This section concerns your perception of the influence of Chinese cultural value on staff-guest relationship and guest's dining behaviour. Please circle the number that best reflects the level of agreement to the following statements.

Agreement Scale							
Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Agree	No Opinion Not Applicable
1	2	3	4	5	6	7	0

1	Guests expect that the waiting staff and managers perform services in the tradition of Chinese culture.	1	2	3	4	5	6	7	0
2	Dining in five-star international hotels is seen as a high-class and fashionable activity. This allows guests to show "face" or status and impress their guests/clients.	1	2	3	4	5	6	7	0
3	Even though hotel guests come in with immediate family members, they still feel good about dining in five-star international hotels because they regard it as a "life reward" activity.	1	2	3	4	5	6	7	0
4	Dining in five-star international hotel is an activity for fostering social relationship with family members, colleagues, subordinates, superiors or business partners.	1	2	3	4	5	6	7	0
5	Guests seldom make complaints about unsatisfactory meals/services because they accept what they are given.	1	2	3	4	5	6	7	0
6	Guests seldom make complaints about unsatisfactory meals/services because Chinese culture avoids embarrassment to restaurant managers and waiting staff.	1	2	3	4	5	6	7	0
7	Hotel personnel must save guest's 'face' under any circumstance	1	2	3	4	5	6	7	0
8	Guests generally do not have high expectations of the meals/services they are going to consume because they perceive that everything is predetermined and beyond their control.	1	2	3	4	5	6	7	0
9	I view the personalised service delivery as 'giving face' and long-term relationships are more likely to be established and maintained.	1	2	3	4	5	6	7	0
10	Guests regard hotel personnel with whom they are familiar as <i>shoujen</i> (close friend) and are less dissatisfied when the services do not meet their normal standards.	1	2	3	4	5	6	7	0

11	The extra services provided by restaurant managers, such as complimentary food, favourable comments and bending rules to meet guest's request, make guests feel special. Such 'face enhancing' qualities enhance guest visits to a restaurant.	1	2	3	4	5	6	7	0
12	The host of a dining party can obtain <i>mien-tsu</i> by the quality of the food, the maintenance of enthusiastic atmosphere and close attendance of waiting staff and managers.	1	2	3	4	5	6	7	0
13	Older people, family elders or higher superiors (such as boss, client) within a dining party is likely to direct guest's perception of satisfaction of dining.	1	2	3	4	5	6	7	0
14	In a family dining occasion, other members of the family (such as mother-in-law, relatives, parents, children) may influence guest's perception of satisfaction of dining.	1	2	3	4	5	6	7	0
15	Guests like a bustling atmosphere in the restaurant. A large number of people in restaurant facilitate the satisfaction of dining.	1	2	3	4	5	6	7	0
16	I expect managers issue clear service procedures, so I can follow the required service delivery. I perceive such service procedures are less troublesome to my work and to the organisation.	1	2	3	4	5	6	7	0

Section Three: Perceptions of Quality Management

This question concerns your perceptions of quality management in the areas of service specification, human resources management, communication flow, leadership and policy within the organisation. You may circle one of the seven numbers next to each statement that show how satisfied your are in those areas.

Performance Scale							
Extremely Poor	Very Poor	Poor	Neither Good nor Poor	Good	Very Good	Excellent	No Opinion Not Applicable
1	2	3	4	5	6	7	0

1	Kitchen staff are able to adjust in food preparation in order to fit a guest's preference.	1	2	3	4	5	6	7	0
2	The level of communication between restaurant and kitchen.	1	2	3	4	5	6	7	0
3	Communication between management and waiting staff on service performance and service design is satisfactory.	1	2	3	4	5	6	7	0
4	Standardised Operation Procedure (SOP) is well defined.	1	2	3	4	5	6	7	0
5	The company's policies are flexible enough to cater for guest's needs.	1	2	3	4	5	6	7	0
6	Management allocates adequate manpower and resources during peak periods.	1	2	3	4	5	6	7	0
7	The organisation from top to front-line employees is committed to developing a 'service culture.'	1	2	3	4	5	6	7	0
8	Service specifications are consistent with a 'service culture.'	1	2	3	4	5	6	7	0
9	Management leadership is consistent with a 'service culture.'	1	2	3	4	5	6	7	0
10	Waiting staff participate in the decision-making about satisfying guest needs.	1	2	3	4	5	6	7	0
11	Waiting staff are involved in providing feedback, sharing information and making suggestions about customer service needs.	1	2	3	4	5	6	7	0
12	Waiting staff are encouraged to take more responsibility for their own performance and improvement.	1	2	3	4	5	6	7	0
13	You feel a sense of being empowered by management.	1	2	3	4	5	6	7	0

14	Management deals quickly with customer complaints.	1	2	3	4	5	6	7	0
15	The organisation uses customer survey, interviews or suggestion systems to check guest satisfaction.	1	2	3	4	5	6	7	0
16	Restaurant staff training programs are adequate for service delivery and quality improvement.	1	2	3	4	5	6	7	0
17	I feel highly motivated and satisfied when working in this organisation.	1	2	3	4	5	6	7	0
18	Training topics focus not only on skills-based technique but also managerial and personal development.	1	2	3	4	5	6	7	0
19	I enjoy serving people and am not afraid of talking to strangers.	1	2	3	4	5	6	7	0
20	I recognise that individual preferences exist in service encounters, so they do not feel irritated with different requests.	1	2	3	4	5	6	7	0
21	I usually attend every training section although it is not compulsory.	1	2	3	4	5	6	7	0
22	The appraisal and incentive system is linked to customer satisfaction.	1	2	3	4	5	6	7	0

Section Four: Perceptions of Star Rating, Brand Name and Price to Guest Satisfaction

1. How important is the **star rating of the hotel** to guests while evaluating the **dining experience**?

Please circle **one** of numbers where appropriate on this scale.

Extremely Unimportant	Very Unimportant	Unimportant	Neither Important nor Unimportant	Important	Very Important	Extremely Important	No Opinion Not Applicable
1	2	3	4	5	6	7	0

2. How important is the **brand name of the hotel** important to guests while evaluating the **dining experience**?

Please circle **one** of numbers where appropriate on this scale.

Extremely Unimportant	Very Unimportant	Unimportant	Neither Important nor Unimportant	Important	Very Important	Extremely Important	No Opinion Not Applicable
1	2	3	4	5	6	7	0

3. What is your perception of **price of dining** in this restaurant? Please tick **one** appropriate answer.

A luxury price meal A high priced meal A moderate priced meal A budget meal

Section Five: Respondent Profile

- 1. Gender: Male Female
- 2. Age: Under18 18-25 26-35 36-45 46-65
- 3. Education Level: Less than junior high High School/Voc high school College/Uni graduate Post-graduate
- 4. Years Working Within This Organisation: Less than 1 Year 1-3 years 4-6 years 7-9 years More than 10 years
- 5. Years Working in the Hotel/Restaurant Industry: Less than 1 year 1-3 years 4-6 years 7-9 years More than 10 years
- 6. Employment Status: Part-time If yes, how many hours did you work last week? 5-10 hrs 11-15hrs 16-20 hrs
Full-time In a period of practical training
- 7. How many different hotels or restaurants have you worked in? (including this hotel) 1 2 3-4 More than 5
- 8. Job Position: Waiter/Waitress Others _____

Thank you for your time. It is very much appreciated.

Restaurant Management Questionnaire

I am a doctoral student in the Department of Tourism Management at the University of Waikato, New Zealand, working on my thesis on the subject of customer satisfaction of hotel dining. This research is being undertaken under the guidance of Professor Chris Ryan and Dr. Tim Lockyer. This survey deals with management opinions of service delivery system. Thank you for agreeing to complete this questionnaire. Your name and address is not required and it will not be possible to identify you from your answers.

Section One: Importance and Performance

Please indicate the extent of importance and performance to which you think the restaurant and your staff overall possess the features described by each statement. You may circle **one** of the seven numbers next to each statement that show how strong your feelings are. The scale of importance and performance is shown below respectively.

Importance Scale							
Extremely Unimportant	Very Unimportant	Unimportant	Neither Important nor Unimportant	Important	Very Important	Extremely Important	No Opinion Not Applicable
1	2	3	4	5	6	7	0

Performance Scale							
Extremely Poor	Very Poor	Poor	Neither Good nor Poor	Good	Very Good	Excellent	No Opinion Not Applicable
1	2	3	4	5	6	7	0

	Please indicate in this column how IMPORTANT the feature is to hotel guests in determining quality of dining.									Please indicate in this column how you would assess the PERFORMANCE of your staff and restaurant.								
1	Waiting staff are generally friendly to guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
2	Waiting staff generally smile while serving guests	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
3	Waiting staff are generally polite and respectful to guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
4	Waiting staff generally provide prompt service.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
5	Waiting staff generally look professional, clean and neat.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
6	Waiting staff generally anticipate guest's needs.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
7	Waiting staff provide personalised services.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
8	Waiting staff or supervisors/managers advise guests about the menu when needed.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
9	Waiting staff are consistently courteous with guests throughout the meal.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
10	If waiting staff know a guest's name, it is important to address guests by name and title.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
11	Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
12	Food tastes nice.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
13	Food meets hygiene standards	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
14	Food appears to be fresh.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
15	Food is well presented.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
16	Dishes are unique to this restaurant and reflect the style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	
17	There is a wide selection of food choice.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0	

18	Food quality is consistently good.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
19	The food's ingredients reflect the style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
20	Pricing is appropriate for this style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
21	Amount and composition of food is appropriate.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
22	Specials/promotions are important to guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
23	The dining room is always kept clean.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
24	The toilets are always kept clean.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
25	Tableware is always kept clean.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
26	The interior decoration is visually appealing and reflects the theme of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
27	The ambience of dining room reflects the style of restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
28	The seating is comfortable for our guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
29	Car parking is available for guests.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
30	Tables are well arranged.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
31	It is safe and secure dining in this restaurant.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0
32	Waiting staff or supervisors/managers establish good customer relationship.	1	2	3	4	5	6	7	0	1	2	3	4	5	6	7	0

Section Two: Cultural Impact

This section concerns your perception of the influence of Chinese cultural value on staff-guest relationship and guest's dining behaviour. Please circle the number that best reflects the level of agreement to the following statements.

Agreement Scale							
Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Agree	No Opinion Not Applicable
1	2	3	4	5	6	7	0

1	Guests expect that the waiting staff and managers perform services in the tradition of Chinese culture.	1	2	3	4	5	6	7	0
2	Dining in five-star international hotels is seen as a high-class and fashionable activity. This allows guests to show 'face' or status and impress their guests/clients.	1	2	3	4	5	6	7	0
3	Even though hotel guests come in with immediate family members, they still feel good about dining in five-star international hotels because they regard it as a 'life reward' activity.	1	2	3	4	5	6	7	0
4	Dining in five-star international hotel is an activity for fostering social relationship with family members, colleagues, subordinates, superiors or business partners.	1	2	3	4	5	6	7	0
5	Guests seldom make complaints about unsatisfactory meals/services because they accept what they are given.	1	2	3	4	5	6	7	0
6	Guests seldom make complaints about unsatisfactory meals/services because Chinese culture avoids embarrassment to restaurant managers and waiting staff.	1	2	3	4	5	6	7	0
7	Hotel personnel must save guest's 'face' under any circumstance	1	2	3	4	5	6	7	0
8	Guests generally do not have high expectations of the meals/services they are going to consume because they perceive that everything is predetermined and beyond their control.	1	2	3	4	5	6	7	0
9	I view the personalised service delivery as 'giving face' and therefore long-term relationships are more likely to be established and maintained.	1	2	3	4	5	6	7	0
10	Guests regard hotel personnel with whom they are familiar as <i>shoujen</i> (close friend) and are less dissatisfied when the services do not meet their normal standards.	1	2	3	4	5	6	7	0

11	The extra services provided by restaurant managers, such as complimentary food, favourable comments and bending rules to meet guest's request, make guests feel special and enhance their 'face.'	1	2	3	4	5	6	7	0
12	The host of a dining party can obtain <i>mien-tsu</i> by the quality of the food, the maintenance of enthusiastic atmosphere and close attendance of waiting staff and managers.	1	2	3	4	5	6	7	0
13	Older people, family elders or higher superiors (such as boss, superior, client) within a dining party is likely to direct guest's perception of satisfaction of dining.	1	2	3	4	5	6	7	0
14	In a family dining occasion, other members of the family (such as mother-in-law, relatives, parents, children) may influence guest's perception of satisfaction of dining.	1	2	3	4	5	6	7	0
15	Guests like a bustling atmosphere in the restaurant. A large number of people in restaurant facilitate the satisfaction of dining.	1	2	3	4	5	6	7	0
16	I expect waiting staff follow the required service delivery because I perceive such service is less troublesome to the organisation.	1	2	3	4	5	6	7	0

Section Three: Perceptions of Quality Management

This section concerns your perceptions of quality management in the areas of service specification, human resources management, communication flow, leadership and policy within the organisation. You may circle one of the seven numbers next to each statement that show how satisfied you are in those areas.

Performance Scale							
Extremely Poor	Very Poor	Poor	Neither Good nor Poor	Good	Very Good	Excellent	No Opinion Not Applicable
1	2	3	4	5	6	7	0

1	Kitchen staff are able to adjust in food preparation in order to fit a guest's preference.	1	2	3	4	5	6	7	0
2	The level of communication between restaurant and kitchen.	1	2	3	4	5	6	7	0
3	Communication between management and waiting staff on service performance and service design is satisfactory.	1	2	3	4	5	6	7	0
4	Standardised Operation Procedure (SOP) is well defined.	1	2	3	4	5	6	7	0
5	The company's policies are flexible enough to cater for guest's needs.	1	2	3	4	5	6	7	0
6	Management allocates adequate manpower and resources during peak periods.	1	2	3	4	5	6	7	0
7	The organisation from top to front-line employees is committed to developing a 'service culture.'	1	2	3	4	5	6	7	0
8	Service specifications are consistent with a 'service culture'	1	2	3	4	5	6	7	0
9	Management leadership is consistent with a 'service culture.'	1	2	3	4	5	6	7	0
10	Waiting staff participate in the decision-making about satisfying guest needs.	1	2	3	4	5	6	7	0
11	Waiting staff are involved in providing feedback, sharing information and making suggestions about customer service needs.	1	2	3	4	5	6	7	0
12	Waiting staff are encouraged to take more responsibility for their own performance and improvement.	1	2	3	4	5	6	7	0
13	Waiting staff are empowered by management.	1	2	3	4	5	6	7	0

14	Management deals quickly with customer complaints.	1	2	3	4	5	6	7	0
15	The organisation uses customer survey, interviews or suggestion systems to check guest satisfaction.	1	2	3	4	5	6	7	0
16	Restaurant staff training programs are adequate for service delivery and quality improvement.	1	2	3	4	5	6	7	0
17	Overall, my staff feel highly motivated and satisfied in working in this organisation.	1	2	3	4	5	6	7	0
18	Training topics focus not only on skills-based technique but also managerial and personal development.	1	2	3	4	5	6	7	0
19	Overall, my staff enjoy serving people and are not afraid of talking to strangers.	1	2	3	4	5	6	7	0
20	My staff recognise that individual preferences exist in service encounters, so they do not feel irritated with different requests.	1	2	3	4	5	6	7	0
21	My staff usually attend every training section although it is not compulsory.	1	2	3	4	5	6	7	0
22	The appraisal and incentive system is linked to customer satisfaction.	1	2	3	4	5	6	7	0

Section Four: Perceptions of Star Rating, Brand Name and Price to Guest Satisfaction

1. How important do you think is the **star rating of the hotel** to guests in their assessment of **dining experience**?
Please circle **one** of numbers where appropriate on this scale.

Extremely Unimportant	Very Unimportant	Unimportant	Neither Important nor Unimportant	Important	Very Important	Extremely Important	No Opinion Not Applicable
1	2	3	4	5	6	7	0

2. How important is **brand name of the hotel** to guests in their assessment of **dining experience**?
Please circle **one** of numbers where appropriate on this scale.

Extremely Unimportant	Very Unimportant	Unimportant	Neither Important nor Unimportant	Important	Very Important	Extremely Important	No Opinion Not Applicable
1	2	3	4	5	6	7	0

3. What is your perception of **price** of dining in this restaurant? Please tick **one** appropriate answer.

A luxury price meal A high priced meal A moderate priced meal A budget meal

Section Five: Respondent Profile

1. Gender: Male Female
2. Age: Under18 18-25 26-35 36-45 46-65
3. Education Level: Less than junior high High School/Voc high school College/Uni graduate Post-graduate
4. Work Years Within This Organisation: Less Than 1 Year 1-3 Years 4-6 Years 7-9 Years More than10 Years
5. Years Working in the Hotel/Restaurant Industry: Less than 1 year 1-3 years 4-6 years 7-9 years More than 10 years
6. How many different hotels or restaurants have you worked in? (including this hotel) 1 2 3-4 More than 5
7. Job Position: (Assistant) Manager (Assistant) Supervisor Captain Others _____.

Appendix C: Crosstabulation of Time of the Day, Patronage Restaurant and Monthly Disposable Income

Time of the day			Monthly Disposable Income					Total	
			Less than US\$576	US\$577-US\$1,153	US\$1,154-US\$2,017	US\$2,018-US\$2,882	More than US\$2,882		
Lunch Restaurant	Shanghaiese Dunpling	count	13	37	41	9	29	129	
		% within Restaurant	10.1%	28.7%	31.8%	7.0%	22.5%	100.0%	
		%within Monthly	20.0%	28.9%	35.0%	23.1%	35.8%	30.0%	
		Disposable Income % of Total	3.0%	8.6%	9.5%	2.1%	6.7%	30.0%	
		Steak House	count	18	30	26	10	17	101
			% within Restaurant	17.8%	29.7%	25.7%	9.9%	16.8%	100.0%
	%within Monthly		27.7%	23.4%	22.2%	25.6%	21.0%	23.5%	
	Disposable Income % of Total		4.2%	7.0%	6.0%	2.3%	4.0%	23.5%	
	Tauwanese Restaurant		count	14	29	16	12	15	86
			% within Restaurant	16.3%	33.7%	18.6%	14.0%	17.4%	100.0%
		%within Monthly	21.5%	22.7%	13.7%	30.8%	18.5%	20.0%	
		Disposable Income % of Total	3.3%	6.7%	3.7%	2.8%	305.0%	20.0%	
		Teppanyaki Restaurant	count	20	32	34	8	20	114
			% within Restaurant	17.5%	28.1%	29.8%	7.0%	17.5%	100.0%
	%within Monthly		30.8%	25.0%	29.1%	20.5%	24.7%	26.5%	
	Disposable Income % of Total		4.7%	7.4%	7.9%	1.9%	4.7%	26.5%	
	Total		count	65	128	117	39	81	430
			% within Restaurant	15.1%	29.8%	27.2%	9.1%	18.8%	100.0%
%within Monthly		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Disposable Income % of Total		15.1%	29.8%	27.2%	9.1%	18.8%	100.0%		
Dinner Restaurant		Shanghaiese Dunpling	count	20	44	42	14	30	150
			% within Restaurant	13.3%	29.3%	28.0%	9.3%	20.0%	100.0%
	%within Monthly		25.0%	25.9%	29.6%	21.2%	29.4%	26.8%	
	Disposable Income % of Total		3.6%	7.9%	7.5%	2.5%	5.4%	26.8%	
	Steak House		count	13	47	24	15	18	117
			% within Restaurant	11.1%	40.2%	20.5%	12.8%	15.4%	100.0%
		%within Monthly	16.3%	27.6%	16.9%	22.7%	17.6%	20.9%	
		Disposable Income % of Total	2.3%	8.4%	4.3%	2.7%	3.2%	20.9%	
		Tauwanese Restaurant	count	29	36	25	9	17	116
			% within Restaurant	25.0%	31.0%	21.6%	7.8%	14.7%	100.0%
	%within Monthly		36.3%	21.2%	17.6%	13.6%	16.7%	20.7%	
	Disposable Income % of Total		5.2%	6.4%	4.5%	1.6%	3.0%	20.7%	
	Teppanyaki Restaurant		count	18	43	51	28	37	177
			% within Restaurant	10.2%	24.3%	28.8%	15.8%	20.9%	100.0%
		%within Monthly	22.5%	25.3%	35.9%	42.4%	36.3%	31.6%	
		Disposable Income % of Total	3.2%	7.7%	9.1%	5.0%	6.6%	31.6%	
		Total	count	80	170	142	66	102	560
			% within Restaurant	14.3%	30.4%	25.4%	11.8%	18.2%	100.0%
%within Monthly	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%		
Disposable Income % of Total	14.3%		30.4%	25.4%	11.8%	18.2%	100.0%		

Appendix D: Crosstabulation of Education Level, Gender and Age

Gender	Education Level		Age				Total
			18-25	26-35	36-45	46-65	
Male	Less than junior	count	8	2	5	6	21
		% within Education Level	38.1%	9.5%	23.8%	28.6%	100.0%
		% within Age	13.8%	1.2%	3.7%	6.5%	4.7%
	High school/Voc high school	count	12	22	11	10	55
		% within Education Level	21.8%	40.0%	20.0%	18.2%	100.0%
		% within Age	20.7%	13.4%	8.2%	10.9%	12.3%
	College/Uni graduate	count	33	106	86	58	283
		% within Education Level	11.7%	37.5%	30.4%	20.5%	100.0%
		% within Age	56.9%	64.6%	64.2%	63.0%	63.2%
	Post graduate	count	5	34	32	18	89
		% within Education Level	5.6%	38.2%	36.0%	20.2%	100.0%
		% within Age	8.6%	20.7%	23.9%	19.6%	19.9%
	Total	count	58	164	134	92	448
		% within Education Level	12.9%	36.6%	29.9%	20.5%	100.0%
		% within Age	100.0%	100.0%	100.0%	100.0%	100.0%
Female	Less than junior	count	2	4	2	3	11
		% within Education Level	18.2%	36.4%	18.2%	27.3%	100.0%
		% within Age	1.6%	1.7%	1.5%	4.5%	1.9%
	High school/Voc high school	count	20	46	39	16	121
		% within Education Level	16.5%	38.0%	32.2%	13.2%	100.0%
		% within Age	15.5%	19.3%	28.9%	24.2%	21.3%
	College/Uni graduate	count	99	144	76	42	361
		% within Education Level	27.4%	39.9%	21.1%	11.6%	100.0%
		% within Age	76.7%	60.5%	56.3%	63.6%	63.6%
	Total	count	129	238	135	66	568
		% within Education Level	22.7%	41.9%	23.8%	11.6%	100.0%
		% within Age	100.0%	100.0%	100.0%	100.0%	100.0%
	Total	count	8	44	18	5	75
		% within Education Level	10.7%	58.7%	24.0%	6.7%	100.0%
		% within Age	6.2%	18.5%	13.3%	7.6%	13.2%
Total	count	1	7	3	2	13	
	% within Education Level	1.4%	7.7%	3.2%	0.9%	13.2%	
	% of Total	22.7%	41.9%	23.8%	11.6%	100.0%	

Appendix E: Item-to-Total Correlation

Guests' Responses of Importance and Performance Scale		
Restaurant Attributes	Importance	Performance
Waiting staff are generally friendly.	0.616	0.748
Waiting staff generally smile while serving guests.	0.652	0.739
Waiting staff are generally polite and respectful to guests.	0.676	0.782
Waiting staff generally provide prompt service.	0.648	0.777
Waiting staff generally look professional, clean, and neat.	0.636	0.751
Waiting staff generally anticipate guest's needs.	0.672	0.759
Waiting staff provide personalised services.	0.647	0.783
Waiting staff or supervisors/managers advise guests about the menu when needed.	0.613	0.766
Waiting staff are consistently courteous with guests throughout the meal.	0.630	0.807
Waiting staff address guests by name with the title of social status.	0.448	0.689
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	0.629	0.797
Food tastes nice.	0.556	0.733
Food meets high standards of hygiene.	0.634	0.765
Food appears to be fresh.	0.648	0.755
Food is well presented.	0.725	0.785
Dishes are unique to this restaurant and reflect the style of restaurant.	0.687	0.774
There is a wide selection of food choice.	0.633	0.767
Food quality is consistently good.	0.713	0.769
The food's ingredients reflect the style of restaurant.	0.722	0.802
Pricing is appropriate for this style of restaurant.	0.673	0.782
Amount and composition of food is appropriate.	0.685	0.765
Specials/promotions are a regular feature in this restaurant.	0.495	0.654
The dining room is clean.	0.668	0.770
The toilets are clean.	0.679	0.723
Tableware is properly washed and clean.	0.659	0.750
The interior decoration is visually appealing and reflects the theme of restaurant.	0.718	0.779
The ambience of dining room reflects the style of restaurant.	0.707	0.760
The seating is comfortable.	0.720	0.744
Car parking is available.	0.618	0.632
Table arrangements are of a high standard.	0.715	0.721
It is safe and secure dining in this restaurant.	0.717	0.766
Waiting staff or supervisors/managers establish good customer relationship.	0.655	0.780

APPENDIX E: Item-to-Total Correlation

Waiting Staff Responses of Importance and Performance Scale		
Restaurant Attributes	Importance	Performance
Waiting staff are generally friendly.	0.410	0.881
Waiting staff generally smile while serving guests.	0.596	0.855
Waiting staff are generally polite and respectful to guests.	0.490	0.845
Waiting staff generally provide prompt service.	0.731	0.851
Waiting staff generally look professional, clean, and neat.	0.700	0.658
Waiting staff generally anticipate guest's needs.	0.786	0.784
Waiting staff provide personalised services.	0.674	0.699
Waiting staff or supervisors/managers advise guests about the menu when needed.	0.581	0.818
Waiting staff are consistently courteous with guests throughout the meal.	0.461	0.884
Waiting staff address guests by name with the title of social status.	0.578	0.661
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	0.400	0.886
Food tastes nice.	0.477	0.754
Food meets high standards of hygiene.	0.641	0.698
Food appears to be fresh.	0.864	0.595
Food is well presented.	0.602	0.690
Dishes are unique to this restaurant and reflect the style of restaurant.	0.806	0.698
There is a wide selection of food choice.	0.666	0.678
Food quality is consistently good.	0.818	0.692
The food's ingredients reflect the style of restaurant.	0.862	0.771
Pricing is appropriate for this style of restaurant.	0.873	0.698
Amount and composition of food is appropriate.	0.812	0.786
Specials/promotions are a regular feature in this restaurant.	0.810	0.544
The dining room is clean.	0.764	0.800
The toilets are clean.	0.748	0.620
Tableware is properly washed and clean.	0.645	0.841
The interior decoration is visually appealing and reflects the theme of restaurant.	0.749	0.759
The ambience of dining room reflects the style of restaurant.	0.770	0.791
The seating is comfortable.	0.751	0.633
Car parking is available.	0.658	0.598
Table arrangements are of a high standard.	0.681	0.717
It is safe and secure dining in this restaurant.	0.691	0.835
Waiting staff or supervisors/managers establish good customer relationship.	0.757	0.817

APPENDIX E: Item-to-Total Correlation

Management Responses of Importance and Performance Scale		
Restaurant Attributes	Importance	Performance
Waiting staff are generally friendly to guests.	0.714	0.972
Waiting staff generally smile while serving guests	0.714	0.973
Waiting staff are generally polite and respectful to guests.	0.643	0.971
Waiting staff generally provide prompt service.	0.527	0.972
Waiting staff generally look professional, clean and neat.	0.614	0.971
Waiting staff generally anticipate guest's needs.	0.771	0.972
Waiting staff provide personalised services.	0.580	0.971
Waiting staff or supervisors/managers advise guests about the menu when needed.	0.799	0.971
Waiting staff are consistently courteous with guests throughout the meal.	0.842	0.972
If waiting staff know a guest's name, it is important to address guests by name and title.	0.580	0.973
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	0.323	0.971
Food tastes nice.	0.684	0.971
Food meets hygiene standards	0.854	0.972
Food appears to be fresh.	0.838	0.972
Food is well presented.	0.530	0.972
Dishes are unique to this restaurant and reflect the style of restaurant.	0.556	0.972
There is a wide selection of food choice.	0.322	0.972
Food quality is consistently good.	0.808	0.972
The food's ingredients reflect the style of restaurant.	0.728	0.972
Pricing is appropriate for this style of restaurant.	0.780	0.972
Amount and composition of food is appropriate.	0.496	0.971
Specials/promotions are important to guests.	-0.042	0.972
The dining room is always kept clean.	0.747	0.973
The toilets are always kept clean.	0.743	0.972
Tableware is always kept clean.	0.747	0.973
The interior decoration is visually appealing and reflects the theme of restaurant.	0.789	0.972
The ambience of dining room reflects the style of restaurant.	0.789	0.972
The seating is comfortable for our guests.	0.820	0.971
Car parking is available for guests.	0.570	0.972
Tables are well arranged.	0.619	0.973
It is safe and secure dining in this restaurant.	0.743	0.972
Waiting staff or supervisors/managers establish good customer relationship.	0.743	0.973

APPENDIX E: Item-to-Total Correlation

Guests' Responses of Feeling Scale	
I obtain a sense of relaxation from this dining experience.	0.779
I obtain physical comfort from this dining experience.	0.812
I feel I am respected by waiting staff and feel a sense of privilege.	0.848
I feel that I am important to this restaurant.	0.869
I feel that today's meal and services are value for money.	0.823
I feel at home.	0.893
I enjoy today's dining experience.	0.878
I feel a sense of luxury/a sense of being 'royal'.	0.821
I enjoy the meal.	0.817

Guests' Responses of Cultural Value Scale	
I expect that the waiting staff perform services in the tradition of Chinese culture.	0.489
Dining in five-star international hotels is a high-class and fashionable activity. This allows me to show 'face' or status and impress my guests/clients.	0.544
Dining in five-star international hotels is regarded as a 'life reward' activity.	0.475
Dining in five-star international hotels is an activity for fostering social relationship with family members, colleagues, subordinates, superiors or business partners.	0.514
I generally seldom make complaints about dissatisfactory meals/services because I accept what I am given.	0.520
I seldom make complaints about unsatisfactory meals/services because Chinese culture avoids embarrassment to restaurant managers and waiting staff.	0.494
Hotel personnel must save guest's 'face' in any circumstance.	0.496
I generally do not have high expectations of the meals/services they are going to consume because I perceive that everything is predetermined and beyond my control.	0.454
I view the personalised service delivery as 'giving face' and therefore long-term relationships are more likely to be established and maintained.	0.549
I regard hotel personnel who are familiar as 'shoujen' (close friend). While in 'shoujen' relationship, I enjoy their services and feel less dissatisfied even when the level of service is not of a normal standard.	0.529
The extra services provided by restaurant managers, such as complimentary food, favourable comments and bending rules to meet guest's request, make me feel special. Such 'face enhancing' qualities enhance my visits to a restaurant.	0.567
The host of dining party can obtain 'face' by the quality of the food, the maintenance of highly boisterous atmosphere and close attendance of waiting staff and managers.	0.562
Older people, family elders or higher superiors (such as boss, client) within a dining party is likely to direct my perception of satisfaction of dining.	0.578
In a family dining occasion, other members of the family (such as mother-in-law, relatives, parents, children) may influence my perception of satisfaction of dining.	0.546
I like a bustling atmosphere in the restaurant. A large number of people in restaurant facilitate the satisfaction of dining.	0.437

APPENDIX E: Item-to-Total Correlation

Waiting Staff and Management Responses of Cultural Value Scale		
	Waiting Staff	Management
Guests expect that the waiting staff and managers perform services in the tradition of Chinese culture.	0.630	0.130
Dining in five-star international hotels is seen as a high-class and fashionable activity. This allows guests to show 'face' or status and impress their guests/clients.	0.653	0.399
Dining in five-star international hotels is regarded as a 'life reward' activity.	0.724	0.561
Dining in five-star international hotels is an activity for fostering social relationship with family members, colleagues, subordinates, superiors or business partners.	0.483	0.812
Guests seldom make complaints about unsatisfactory meals/services because they accept what they are given.	0.065	0.765
Guests seldom make complaints about unsatisfactory meals/services because Chinese culture avoids embarrassment to restaurant managers and waiting staff.	0.229	0.859
Hotel personnel must save guest's 'face' under any circumstance	0.278	0.718
Guests generally do not have high expectations of the meals/services they are going to consume because they perceive that everything is predetermined and beyond their control.	0.170	0.508
I view the personalised service delivery as 'giving face' and therefore long-term relationships are more likely to be established and maintained.	0.425	0.738
Guests regard hotel personnel with whom they are familiar as 'shoujen' (close friend) and are less dissatisfied when the services do not meet their normal standards.	0.660	0.480
The extra services provided by restaurant managers, such as complimentary food, favourable comments and bending rules to meet guest's request, make guests feel special and enhance their 'face'.	0.442	0.685
The host of a dining party can obtain 'face' by the quality of the food, the maintenance of enthusiastic atmosphere and close attendance of service staff and managers.	0.453	0.506
Older people, family elders or higher superiors (such as boss, superior, client) within a dining party is likely to direct guest's perception of satisfaction of dining.	0.521	0.717
In a family dining occasion, other members of the family (such as mother-in-law, relatives, parents, children) may influence guest's perception of satisfaction of dining.	0.619	0.800
Guests like a bustling atmosphere in the restaurant. A large number of people in restaurant facilitate the satisfaction of dining.	0.228	0.626

APPENDIX E: Item-to-Total Correlation

Waiting Staff and Management Responses of Quality Management Scale		
	Waiting Staff	Management
Kitchen staff are able to adjust in food preparation in order to fit a guest's preference.	0.510	0.633
The level of communication between restaurant and kitchen.	0.154	0.588
Communication between management and waiting staff on service performance and service design is satisfactory.	0.828	0.284
Standardised Operation Procedures (SOP) is well defined.	0.699	0.220
The company's policies are flexible enough to cater for guest's needs.	0.506	0.847
Management allocates adequate manpower and resources during peak periods.	0.548	0.621
The organisation from top to front-line employees is committed to developing a 'service culture.'	0.755	0.831
Service specifications are consistent with a 'service culture.'	0.738	0.915
Management leadership is consistent with a 'service culture.'	0.688	0.423
Waiting staff participate in the decision-making about satisfying guest needs.	0.606	0.569
Waiting staff are involved in providing feedback, sharing information and making suggestions about customer service needs.	0.750	0.371
Waiting staff are encouraged to take more responsibility for their own performance and improvement.	0.678	0.371
Waiting staff are empowered by management.	0.897	0.835
Management deals quickly with customer complaints.	0.901	0.619
The organisation uses customer survey, interviews or suggestion systems to check guest satisfaction.	0.758	0.402
Restaurant staff training programs are adequate for service delivery and quality improvement.	0.804	0.809
Overall, my staff feel highly motivated and satisfied in working in this organisation.	0.795	0.654
Training topics focus not only on skills-based technique but also managerial and personal development.	0.694	0.695
Overall, my staff enjoy serving people and are not afraid of talking to strangers.	0.605	0.704
My staff recognise that individual preferences exist in service encounters, so they do not feel irritated with different requests.	0.697	0.855
My staff usually attend every training section although it is not compulsory.	0.813	0.603
The appraisal and incentive system is linked to customer satisfaction.	0.762	0.925

APPENDIX F: Gap Analysis of Importance of Restaurant Attributes

Gap 1. – Management’s Perceived Attribute Importance vs. Guests’ Perceived Attribute Importance				
Restaurant Attributes	Guests’ Perceived Importance (G)	Management Perceptions (M)	Gap (G-M)	t-value
Waiting staff are generally friendly.	6.13	6.22	-0.10	-0.33
Waiting staff generally smile while serving guests.	6.15	6.22	-0.07	-0.25
Waiting staff are generally polite and respectful to guests.	6.18	6.11	0.07	0.25
Waiting staff generally provide prompt service.	5.97	5.78	0.19	0.65
Waiting staff generally look professional, clean, and neat.	6.18	6.11	0.07	0.27
Waiting staff generally anticipate guest's needs.	6.15	6.56	-0.40	-1.44
Waiting staff provide personalised services.	5.90	5.78	0.12	0.38
Waiting staff or supervisors/managers advise guests about the menu when needed.	5.81	5.78	0.04	0.11
Waiting staff are consistently courteous with guests throughout the meal.	5.99	5.89	0.10	0.32
Waiting staff address guests by name with the title of social status.	5.10	6.00	-0.90	-2.09*
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	6.17	6.22	-0.05	-0.18
Food tastes nice.	6.42	5.89	0.53	2.07*
Food meets high standards of hygiene.	6.52	6.44	0.08	0.33
Food appears to be fresh.	6.52	6.44	0.07	0.32
Food is well presented.	5.78	5.56	0.22	0.75
Dishes are unique to this restaurant and reflect the style of restaurant.	5.96	6.11	-0.15	-0.53
There is a wide selection of food choice.	5.84	5.67	0.17	0.54
Food quality is consistently good.	6.25	6.22	0.02	0.08
The food's ingredients reflect the style of restaurant.	6.09	5.89	0.20	0.72
Pricing is appropriate for this style of restaurant.	5.86	5.56	0.30	1.01
Amount and composition of food is appropriate.	5.80	5.33	0.47	1.57
Specials/promotions are a regular feature in this restaurant.	5.44	5.11	0.33	0.84
The dining room is clean.	6.42	6.22	0.19	0.79
The toilets are clean.	6.38	6.00	0.38	1.50
Tableware is properly washed and clean.	6.41	6.22	0.19	0.73
The interior decoration is visually appealing and reflects the theme of restaurant.	5.83	5.78	0.05	0.16
The ambience of dining room reflects the style of restaurant.	5.85	5.78	0.08	0.25
The seating is comfortable.	5.91	5.89	0.02	0.06
Car parking is available.	6.19	5.78	0.41	1.40
Table arrangements are of a high standard.	5.92	6.00	-0.08	-0.28
It is safe and secure dining in this restaurant.	6.12	6.00	0.12	0.42
Waiting staff or supervisors/managers establish good customer relationship.	5.80	6.00	-0.20	-0.61
Overall (combined scale of 32 attributes)	6.03	5.96	0.08	0.39
Note: * indicates the mean difference is significant at 0.05 level. N (listwise)= 804 guests and 9 management				

APPENDIX F: Gap Analysis of Importance of Restaurant Attributes

Gap 2. – Waiting Staff's Perceived Attribute Importance vs. Guests' Perceived Attribute Importance				
Restaurant Attributes	Guests' Perceived Importance (G)	Waiting Staff Perceptions (S)	Gap (G-S)	t-value
Waiting staff are generally friendly.	6.13	6.00	0.13	0.59
Waiting staff generally smile while serving guests.	6.15	5.88	0.27	1.27
Waiting staff are generally polite and respectful to guests.	6.18	6.31	-0.13	-0.63
Waiting staff generally provide prompt service.	5.97	5.88	0.09	0.41
Waiting staff generally look professional, clean, and neat.	6.18	6.00	0.18	0.91
Waiting staff generally anticipate guest's needs.	6.15	6.06	0.09	0.42
Waiting staff provide personalised services.	5.90	5.81	0.08	0.36
Waiting staff or supervisors/managers advise guests about the menu when needed.	5.81	5.94	-0.12	-0.51
Waiting staff are consistently courteous with guests throughout the meal.	5.99	6.00	-0.01	-0.06
Waiting staff address guests by name with the title of social status.	5.10	6.00	-0.90	-2.79*
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	6.17	6.13	0.05	0.21
Food tastes nice.	6.42	6.06	0.36	1.86
Food meets high standards of hygiene.	6.52	6.19	0.33	1.90
Food appears to be fresh.	6.52	6.44	0.08	0.47
Food is well presented.	5.78	5.69	0.09	0.41
Dishes are unique to this restaurant and reflect the style of restaurant.	5.96	6.13	-0.17	-0.76
There is a wide selection of food choice.	5.84	5.94	-0.10	-0.42
Food quality is consistently good.	6.25	6.38	-0.13	-0.64
The food's ingredients reflect the style of restaurant.	6.09	6.13	-0.04	-0.18
Pricing is appropriate for this style of restaurant.	5.86	6.13	-0.27	-1.19
Amount and composition of food is appropriate.	5.80	6.13	-0.33	-1.44
Specials/promotions are a regular feature in this restaurant.	5.44	6.19	-0.75	-2.58*
The dining room is clean.	6.42	6.44	-0.02	-0.12
The toilets are clean.	6.38	6.56	-0.18	-0.98
Tableware is properly washed and clean.	6.41	6.44	-0.03	-0.15
The interior decoration is visually appealing and reflects the theme of restaurant.	5.83	5.75	0.08	0.34
The ambience of dining room reflects the style of restaurant.	5.85	6.13	-0.27	-1.21
The seating is comfortable.	5.91	5.81	0.09	0.43
Car parking is available.	6.19	6.44	-0.25	-1.13
Table arrangements are of a high standard.	5.92	5.81	0.10	0.46
It is safe and secure dining in this restaurant.	6.12	6.25	-0.13	-0.61
Waiting staff or supervisors/managers establish good customer relationship.	5.80	6.31	-0.51	-2.13*
Overall (combined scale of 32 attributes)	6.03	6.10	-0.07	-0.49

Note:
* indicates the mean difference is significant at 0.05 level.
N (listwise)= 804 guests and 16 waiting staff

APPENDIX F: Gap Analysis of Importance of Restaurant Attributes

Gap 3. – Management 's Perceived Attribute Importance				
vs.				
Waiting Staff's Perceived Attribute Importance				
Restaurant Attributes	Management Perceptions (M)	Waiting Staff Perceptions (S)	Gap (M-S)	t-value
Waiting staff are generally friendly to guests.	6.22	6.00	0.22	0.69
Waiting staff generally smile while serving guests.	6.22	5.88	0.35	1.10
Waiting staff are generally polite and respectful to guests.	6.11	6.31	-0.20	-0.61
Waiting staff generally provide prompt service.	5.78	5.88	-0.10	-0.27
Waiting staff generally look professional, clean and neat.	6.11	6.00	0.11	0.33
Waiting staff generally anticipate guest's needs.	6.56	6.06	0.49	1.37
Waiting staff provide personalised services.	5.78	5.81	-0.03	-0.09
Waiting staff or supervisors/managers advise guests about the menu when needed.	5.78	5.94	-0.16	-0.45
Waiting staff are consistently courteous with guests throughout the meal.	5.89	6.00	-0.11	-0.29
If waiting staff know a guest's name, it is important to address guests by name and title.	6.00	6.00	0.00	0.00
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	6.22	6.13	0.10	0.29
Food tastes nice.	5.89	6.06	-0.17	-0.45
Food meets hygiene standards	6.44	6.19	0.26	0.77
Food appears to be fresh.	6.44	6.44	0.01	0.02
Food is well presented.	5.56	5.69	-0.13	-0.28
Dishes are unique to this restaurant and reflect the style of restaurant.	6.11	6.13	-0.01	-0.04
There is a wide selection of food choice.	5.67	5.94	-0.27	-0.62
Food quality is consistently good.	6.22	6.38	-0.15	-0.42
The food's ingredients reflect the style of restaurant.	5.89	6.13	-0.24	-0.60
Pricing is appropriate for this style of restaurant.	5.56	6.13	-0.57	-1.75
Amount and composition of food is appropriate.	5.33	6.13	-0.79	-2.16*
Specials/promotions are important to guests.	5.11	6.19	-1.08	-1.80
The dining room is always kept clean.	6.22	6.44	-0.22	-0.59
The toilets are always kept clean.	6.00	6.56	-0.56	-1.62
Tableware is always kept clean.	6.22	6.44	-0.22	-0.56
The interior decoration is visually appealing and reflects the theme of restaurant.	5.78	5.75	0.03	0.06
The ambience of dining room reflects the style of restaurant.	5.78	6.13	-0.35	-0.87
The seating is comfortable for our guests.	5.89	5.81	0.08	0.19
Car parking is available for guests.	5.78	6.44	-0.66	-1.72
Tables are well arranged.	6.00	5.81	0.19	0.48
It is safe and secure dining in this restaurant.	6.00	6.25	-0.25	-0.63
Waiting staff or supervisors/managers establish good customer relationship.	6.00	6.31	-0.31	-0.86
Note: * indicates the mean difference is significant at 0.05 level. N (listwise)= 9 management and 16 waiting staff				

APPENDIX G: Gap Analysis of Performance of Restaurant Attributes

Gap 4. – Management 's Perceived Performance vs. Guests' Perceived Quality				
Restaurant Attributes	Guests' Perceptions (G)	Management Perceptions (M)	Gap (G-M)	t-value
Waiting staff are generally friendly.	5.42	5.56	-0.13	-0.43
Waiting staff generally smile while serving guests.	5.39	5.33	0.06	0.18
Waiting staff are generally polite and respectful to guests.	5.40	5.44	-0.05	-0.15
Waiting staff generally provide prompt service.	5.43	5.44	-0.01	-0.04
Waiting staff generally look professional, clean, and neat.	5.57	5.44	0.13	0.44
Waiting staff generally anticipate guest's needs.	5.40	5.44	-0.05	-0.14
Waiting staff provide personalised services.	5.26	5.44	-0.18	-0.56
Waiting staff or supervisors/managers advise guests about the menu when needed.	5.26	5.44	-0.18	-0.54
Waiting staff are consistently courteous with guests throughout the meal.	5.40	5.44	-0.05	-0.15
Waiting staff address guests by name with the title of social status.	4.99	5.22	-0.23	-0.67
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	5.25	5.33	-0.08	-0.26
Food tastes nice.	5.47	5.44	0.02	0.08
Food meets high standards of hygiene.	5.53	5.11	0.42	1.46
Food appears to be fresh.	5.53	5.22	0.31	1.07
Food is well presented.	5.27	4.78	0.49	1.66
Dishes are unique to this restaurant and reflect the style of restaurant.	5.20	4.89	0.31	1.02
There is a wide selection of food choice.	5.16	4.56	0.60	1.99*
Food quality is consistently good.	5.34	4.78	0.56	1.89
The food's ingredients reflect the style of restaurant.	5.32	5.11	0.21	0.73
Pricing is appropriate for this style of restaurant.	5.27	5.44	-0.17	-0.56
Amount and composition of food is appropriate.	5.30	5.11	0.19	0.64
Specials/promotions are a regular feature in this restaurant.	4.90	4.89	0.02	0.05
The dining room is clean.	5.56	5.56	0.00	0.01
The toilets are clean.	5.57	5.33	0.24	0.81
Tableware is properly washed and clean.	5.55	5.67	-0.12	-0.40
The interior decoration is visually appealing and reflects the theme of restaurant.	5.31	5.67	-0.36	-1.21
The ambience of dining room reflects the style of restaurant.	5.29	5.22	0.07	0.22
The seating is comfortable.	5.27	5.44	-0.17	-0.58
Car parking is available.	5.48	5.00	0.48	1.55
Table arrangements are of a high standard.	5.35	5.11	0.24	0.82
It is safe and secure dining in this restaurant.	5.44	5.11	0.33	1.10
Waiting staff or supervisors/managers establish good customer relationship.	5.27	5.67	-0.39	-1.20
Overall (combined scale of 32 attributes)	5.35	5.27	0.74	0.33
Note: * indicates the mean difference is significant at 0.05 level. N (listwise)= 710 guests and 9 management				

APPENDIX G: Gap Analysis of Performance of Restaurant Attributes

Gap 5. — Waiting Staff's Perceived Performance				
vs.				
Guests' Perceived Quality				
Restaurant Attributes	Guests' Perceptions (G)	Waiting Staff Perceptions (M)	Gap (G-M)	t-value
Waiting staff are generally friendly.	5.42	5.38	0.05	0.21
Waiting staff generally smile while serving guests.	5.39	5.31	0.08	0.32
Waiting staff are generally polite and respectful to guests.	5.40	5.63	-0.23	-0.93
Waiting staff generally provide prompt service.	5.43	5.56	-0.13	-0.58
Waiting staff generally look professional, clean, and neat.	5.57	5.69	-0.11	-0.50
Waiting staff generally anticipate guest's needs.	5.40	5.44	-0.04	-0.15
Waiting staff provide personalised services.	5.26	5.38	-0.11	-0.46
Waiting staff or supervisors/managers advise guests about the menu when needed.	5.26	5.50	-0.24	-0.93
Waiting staff are consistently courteous with guests throughout the meal.	5.40	5.25	0.15	0.60
Waiting staff address guests by name with the title of social status.	4.99	5.44	-0.44	-1.71
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	5.25	5.69	-0.44	-1.79
Food tastes nice.	5.47	5.38	0.09	0.40
Food meets high standards of hygiene.	5.53	5.69	-0.16	-0.72
Food appears to be fresh.	5.53	5.25	0.28	1.29
Food is well presented.	5.27	5.06	0.21	0.93
Dishes are unique to this restaurant and reflect the style of restaurant.	5.20	5.19	0.01	0.04
There is a wide selection of food choice.	5.16	5.00	0.16	0.69
Food quality is consistently good.	5.34	5.38	-0.04	-0.17
The food's ingredients reflect the style of restaurant.	5.32	5.56	-0.24	-1.11
Pricing is appropriate for this style of restaurant.	5.27	5.69	-0.41	-1.81
Amount and composition of food is appropriate.	5.30	5.44	-0.13	-0.59
Specials/promotions are a regular feature in this restaurant.	4.90	5.31	-0.41	-1.66
The dining room is clean.	5.56	5.69	-0.13	-0.58
The toilets are clean.	5.57	5.56	0.01	0.04
Tableware is properly washed and clean.	5.55	5.56	-0.02	-0.08
The interior decoration is visually appealing and reflects the theme of restaurant.	5.31	5.69	-0.38	-1.70
The ambience of dining room reflects the style of restaurant.	5.29	5.50	-0.21	-0.95
The seating is comfortable.	5.27	5.38	-0.10	-0.46
Car parking is available.	5.48	5.88	-0.40	-1.71
Table arrangements are of a high standard.	5.35	5.63	-0.27	-1.21
It is safe and secure dining in this restaurant.	5.44	5.75	-0.31	-1.40
Waiting staff or supervisors/managers establish good customer relationship.	5.27	5.63	-0.35	-1.42
Overall (combined scale of 32 attributes)	5.35	5.48	-0.13	-0.75
Note:				
N (listwise)= 710 guests and 16 waiting staff				

APPENDIX G: Gap Analysis of Performance of Restaurant Attributes

Gap 6. — Management's Perceived Performance vs. Waiting Staff's Perceived Performance				
Restaurant Attributes	Management Perceptions (M)	Waiting Staff Perceptions (S)	Gap (M-S)	t-value
Waiting staff are generally friendly to guests.	5.56	5.38	0.18	0.52
Waiting staff generally smile while serving guests.	5.33	5.31	0.02	0.05
Waiting staff are generally polite and respectful to guests.	5.44	5.63	-0.18	-0.47
Waiting staff generally provide prompt service.	5.44	5.56	-0.12	-0.32
Waiting staff generally look professional, clean and neat.	5.44	5.69	-0.24	-0.63
Waiting staff generally anticipate guest's needs.	5.44	5.44	0.01	0.02
Waiting staff provide personalised services.	5.44	5.38	0.07	0.15
Waiting staff or supervisors/managers advise guests about the menu when needed.	5.44	5.50	-0.06	-0.12
Waiting staff are consistently courteous with guests throughout the meal.	5.44	5.25	0.19	0.46
If waiting staff know a guest's name, it is important to address guests by name and title.	5.22	5.44	-0.22	-0.43
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	5.33	5.69	-0.35	-0.88
Food tastes nice.	5.44	5.38	0.07	0.18
Food meets hygiene standards	5.11	5.69	-0.58	-1.47
Food appears to be fresh.	5.22	5.25	-0.03	-0.11
Food is well presented.	4.78	5.06	-0.28	-1.01
Dishes are unique to this restaurant and reflect the style of restaurant.	4.89	5.19	-0.30	-0.83
There is a wide selection of food choice.	4.56	5.00	-0.44	-1.20
Food quality is consistently good.	4.78	5.38	-0.60	-1.56
The food's ingredients reflect the style of restaurant.	5.11	5.56	-0.45	-1.20
Pricing is appropriate for this style of restaurant.	5.44	5.69	-0.24	-0.76
Amount and composition of food is appropriate.	5.11	5.44	-0.33	-0.75
Specials/promotions are important to guests.	4.89	5.31	-0.42	-0.95
The dining room is always kept clean.	5.56	5.69	-0.13	-0.33
The toilets are always kept clean.	5.33	5.56	-0.23	-0.62
Tableware is always kept clean.	5.67	5.56	0.10	0.26
The interior decoration is visually appealing and reflects the theme of restaurant.	5.67	5.69	-0.02	-0.06
The ambience of dining room reflects the style of restaurant.	5.22	5.50	-0.28	-0.69
The seating is comfortable for our guests.	5.44	5.38	0.07	0.17
Car parking is available for guests.	5.00	5.88	-0.88	-1.98
Tables are well arranged.	5.11	5.63	-0.51	-1.19
It is safe and secure dining in this restaurant.	5.11	5.75	-0.64	-1.74
Waiting staff or supervisors/managers establish good customer relationship.	5.67	5.63	0.04	0.12
Note: N (listwise)= 9 management and 16 waiting staff				

APPENDIX H: Gap Analysis of Quality Management

Management's Perceptions of Quality Management				
vs.				
Waiting Staff's Perceptions of Quality Management				
Quality Management	Management Perceptions (M)	Waiting Staff Perceptions (S)	Gap (M-S)	t-value
Kitchen staff are able to adjust in food preparation in order to fit a guest's preference.	4.60	5.24	-0.64	-1.58
The level of communication between restaurant and kitchen.	4.50	4.47	0.03	0.07
Communication between management and waiting staff on service performance and service design is satisfactory.	5.50	4.82	0.68	1.95
Standardised Operation Procedures (SOP) is well defined.	5.80	5.24	0.56	1.49
The company's policies are flexible enough to cater for guest's needs.	5.30	5.00	0.30	0.88
Management allocates adequate manpower and resources during peak periods.	5.30	4.88	0.42	1.41
The organisation from top to front-line employees is committed to developing a 'service culture.'	5.10	5.29	-0.19	-0.46
Service specifications are consistent with a 'service culture.'	5.40	5.35	0.05	0.13
Management leadership is consistent with a 'service culture.'	5.60	5.35	0.25	0.72
Waiting staff participate in the decision-making about satisfying guest needs.	6.00	5.12	0.88	1.91
Waiting staff are involved in providing feedback, sharing information and making suggestions about customer service needs.	5.80	5.24	0.56	1.24
Waiting staff are encouraged to take more responsibility for their own performance and improvement.	5.80	5.29	0.51	1.45
Waiting staff are empowered by management.	5.40	5.41	-0.01	-0.04
Management deals quickly with customer complaints.	5.60	5.41	0.19	0.52
The organisation uses customer survey, interviews or suggestion systems to check guest satisfaction.	6.00	5.59	0.41	1.05
Restaurant staff training programs are adequate for service delivery and quality improvement.	5.80	5.35	0.45	1.21
Overall, my staff feel highly motivated and satisfied in working in this organisation.	5.30	5.35	-0.05	-0.11
Training topics focus not only on skills-based technique but also managerial and personal development.	5.60	5.12	0.48	1.10
Overall, my staff enjoy serving people and are not afraid of talking to strangers.	5.50	5.29	0.21	0.69
My staff recognise that individual preferences exist in service encounters, so they do not feel irritated with different requests.	5.90	5.47	0.43	1.30
My staff usually attend every training section although it is not compulsory.	5.20	5.00	0.20	0.52
The appraisal and incentive system is linked to customer satisfaction.	5.40	5.18	0.22	0.49
Note:				
N (listwise)= 10 management and 17 waiting staff				

Appendix I: Importance and Satisfaction Paired t-test

Teppanyaki Restaurant: Importance and Satisfaction Paired t-test			
Restaurant Attributes	Importance	Satisfaction	Correlation
Waiting staff are generally friendly.	6.08	5.42	0.17
Waiting staff generally smile while serving guests.	6.13	5.32	0.23
Waiting staff are generally polite and respectful to guests.	6.19	5.37	0.23
Waiting staff generally provide prompt service.	5.84	5.40	0.29
Waiting staff generally look professional, clean, and neat.	6.07	5.52	0.34
Waiting staff generally anticipate guest's needs.	6.10	5.40	0.24
Waiting staff provide personalised services.	5.90	5.19	0.29
Waiting staff or supervisors/managers advise guests about the menu when needed.	5.70	5.11	0.25
Waiting staff are consistently courteous with guests throughout the meal.	5.99	5.31	0.25
Waiting staff address guests by name with the title of social status.	5.18	4.96	0.39
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	6.15	5.24	0.23
Food tastes nice.	6.43	5.51	0.23
Food meets high standards of hygiene.	6.52	5.55	0.28
Food appears to be fresh.	6.51	5.56	0.33
Food is well presented.	5.75	5.20	0.33
Dishes are unique to this restaurant and reflect the style of restaurant.	5.92	5.07	0.22
There is a wide selection of food choice.	5.79	5.02	0.35
Food quality is consistently good.	6.17	5.30	0.30
The food's ingredients reflect the style of restaurant.	6.05	5.28	0.33
Pricing is appropriate for this style of restaurant.	5.82	5.19	0.35
Amount and composition of food is appropriate.	5.74	5.29	0.37
Specials/promotions are a regular feature in this restaurant.	5.34	4.77	0.31
The dining room is clean.	6.39	5.53	0.30
The toilets are clean.	6.34	5.53	0.34
Tableware is properly washed and clean.	6.35	5.60	0.39
The interior decoration is visually appealing and reflects the theme of restaurant.	5.83	5.22	0.38
The ambience of dining room reflects the style of restaurant.	5.80	5.17	0.37
The seating is comfortable.	5.87	5.17	0.35
Car parking is available.	6.18	5.49	0.35
Table arrangements are of a high standard.	5.87	5.24	0.41
It is safe and secure dining in this restaurant.	6.08	5.42	0.44
Waiting staff or supervisors/managers establish good customer relationship.	5.82	5.27	0.35
Note:			
* indicates the mean difference is significant at 0.05 level.			

Appendix I: Importance and Satisfaction Paired t-test

Steak House: Importance and Satisfaction Paired t-test			
Restaurant Attributes	Importance	Satisfaction	Correlation
Waiting staff are generally friendly.	6.28	5.86	0.47
Waiting staff generally smile while serving guests.	6.28	5.91	0.47
Waiting staff are generally polite and respectful to guests.	6.30	5.88	0.32
Waiting staff generally provide prompt service.	6.06	5.78	0.44
Waiting staff generally look professional, clean, and neat.	6.31	5.91	0.39
Waiting staff generally anticipate guest's needs.	6.20	5.74	0.36
Waiting staff provide personalised services.	6.03	5.70	0.46
Waiting staff or supervisors/managers advise guests about the menu when needed.	6.00	5.75	0.43
Waiting staff are consistently courteous with guests throughout the meal.	6.11	5.82	0.42
Waiting staff address guests by name with the title of social status.	5.28	5.32	0.33
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	6.30	5.57	0.38
Food tastes nice.	6.53	5.66	0.22
Food meets high standards of hygiene.	6.63	5.82	0.35
Food appears to be fresh.	6.65	5.77	0.20
Food is well presented.	5.91	5.43	0.33
Dishes are unique to this restaurant and reflect the style of restaurant.	6.08	5.35	0.27
There is a wide selection of food choice.	5.85	5.26	0.16
Food quality is consistently good.	6.38	5.51	0.30
The food's ingredients reflect the style of restaurant.	6.21	5.52	0.21
Pricing is appropriate for this style of restaurant.	5.98	5.45	0.46
Amount and composition of food is appropriate.	5.94	5.51	0.32
Specials/promotions are a regular feature in this restaurant.	5.59	4.99	0.16
The dining room is clean.	6.47	5.86	0.39
The toilets are clean.	6.49	5.76	0.33
Tableware is properly washed and clean.	6.56	5.87	0.33
The interior decoration is visually appealing and reflects the theme of restaurant.	6.02	5.60	0.36
The ambience of dining room reflects the style of restaurant.	6.04	5.58	0.27
The seating is comfortable.	6.07	5.47	0.18
Car parking is available.	6.32	5.63	0.25
Table arrangements are of a high standard.	6.14	5.58	0.24
It is safe and secure dining in this restaurant.	6.28	5.79	0.39
Waiting staff or supervisors/managers establish good customer relationship.	6.02	5.70	0.33
Note:			
* indicates the mean difference is significant at 0.05 level.			

Appendix I: Importance and Satisfaction Paired t-test

Taiwanese Restaurant: Importance and Satisfaction Paired t-test			
Restaurant Attributes	Importance	Satisfaction	Correlation
Waiting staff are generally friendly.	6.10	5.51	0.25
Waiting staff generally smile while serving guests.	6.17	5.47	0.23
Waiting staff are generally polite and respectful to guests.	6.19	5.46	0.25
Waiting staff generally provide prompt service.	6.05	5.40	0.33
Waiting staff generally look professional, clean, and neat.	6.18	5.68	0.42
Waiting staff generally anticipate guest's needs.	6.17	5.45	0.30
Waiting staff provide personalised services.	5.89	5.30	0.30
Waiting staff or supervisors/managers advise guests about the menu when needed.	5.94	5.36	0.38
Waiting staff are consistently courteous with guests throughout the meal.	5.97	5.46	0.32
Waiting staff address guests by name with the title of social status.	5.20	5.01	0.41
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	6.10	5.32	0.27
Food tastes nice.	6.40	5.44	0.26
Food meets high standards of hygiene.	6.46	5.59	0.28
Food appears to be fresh.	6.44	5.56	0.36
Food is well presented.	5.79	5.33	0.34
Dishes are unique to this restaurant and reflect the style of restaurant.	5.98	5.32	0.24
There is a wide selection of food choice.	5.93	5.25	0.37
Food quality is consistently good.	6.20	5.38	0.32
The food's ingredients reflect the style of restaurant.	6.05	5.39	0.35
Pricing is appropriate for this style of restaurant.	5.83	5.29	0.34
Amount and composition of food is appropriate.	5.83	5.27	0.38
Specials/promotions are a regular feature in this restaurant.	5.64	5.02	0.39
The dining room is clean.	6.49	5.76	0.32
The toilets are clean.	6.42	5.75	0.37
Tableware is properly washed and clean.	6.42	5.70	0.42
The interior decoration is visually appealing and reflects the theme of restaurant.	5.81	5.41	0.43
The ambience of dining room reflects the style of restaurant.	5.87	5.32	0.42
The seating is comfortable.	5.93	5.40	0.32
Car parking is available.	6.23	5.63	0.38
Table arrangements are of a high standard.	5.91	5.45	0.30
It is safe and secure dining in this restaurant.	6.16	5.57	0.42
Waiting staff or supervisors/managers establish good customer relationship.	5.93	5.36	0.46
Note: * indicates the mean difference is significant at 0.05 level.			

Appendix I: Importance and Satisfaction Paired t-test

Shanghainese Dumpling: Importance and Satisfaction Paired t-test			
Restaurant Attributes	Importance	Satisfaction.	Correlation
Waiting staff are generally friendly.	6.02	5.04	0.24
Waiting staff generally smile while serving guests.	6.01	4.96	0.10
Waiting staff are generally polite and respectful to guests.	6.07	4.97	0.09
Waiting staff generally provide prompt service.	5.95	5.16	0.12
Waiting staff generally look professional, clean, and neat.	6.15	5.33	0.26
Waiting staff generally anticipate guest's needs.	6.11	5.07	0.14
Waiting staff provide personalised services.	5.82	4.88	0.18
Waiting staff or supervisors/managers advise guests about the menu when needed.	5.67	4.84	0.15
Waiting staff are consistently courteous with guests throughout the meal.	5.87	4.99	0.23
Waiting staff address guests by name with the title of social status.	4.87	4.55	0.20
Waiting staff or supervisors/managers respond to unsatisfactory incidents in professional manner.	6.09	4.94	0.16
Food tastes nice.	6.37	5.24	0.13
Food meets high standards of hygiene.	6.45	5.33	0.24
Food appears to be fresh.	6.44	5.30	0.20
Food is well presented.	5.57	4.99	0.26
Dishes are unique to this restaurant and reflect the style of restaurant.	5.89	5.03	0.07
There is a wide selection of food choice.	5.73	4.92	0.17
Food quality is consistently good.	6.20	5.15	0.19
The food's ingredients reflect the style of restaurant.	5.93	5.09	0.25
Pricing is appropriate for this style of restaurant.	5.75	5.05	0.25
Amount and composition of food is appropriate.	5.73	5.11	0.29
Specials/promotions are a regular feature in this restaurant.	5.34	4.73	0.12
The dining room is clean.	6.34	5.28	0.19
The toilets are clean.	6.31	5.32	0.22
Tableware is properly washed and clean.	6.37	5.25	0.21
The interior decoration is visually appealing and reflects the theme of restaurant.	5.69	5.12	0.21
The ambience of dining room reflects the style of restaurant.	5.71	5.08	0.21
The seating is comfortable.	5.83	5.09	0.26
Car parking is available.	6.07	5.18	0.24
Table arrangements are of a high standard.	5.79	5.12	0.15
It is safe and secure dining in this restaurant.	6.05	5.23	0.22
Waiting staff or supervisors/managers establish good customer relationship.	5.61	4.87	0.26
Note: * indicates the mean difference is significant at 0.05 level.			