

CONSUMER ETHNOCENTRISM VS. INTERCULTURAL COMPETENCE AS MODERATORS IN INTERCULTURAL SERVICE ENCOUNTERS

Piyush Sharma, Curtin Business School, Curtin University, Australia
Wu Zhan, The University of Sydney Business School, Australia

For further information, please contact Piyush Sharma, Professor, School of Marketing, Curtin Business School, Bentley, WA 6102, Australia (Piyush.Sharma@curtin.edu.au).

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EXTENDED ABSTRACT

Research Question: Despite growing interest in intercultural service encounters, there are still many unanswered questions and research gaps in this area. For example, Sharma et al. (2012) found a positive effect of perceived cultural distance on interaction comfort instead of the hypothesized negative effect, which is similar to the findings reported by Stauss and Mang (1999), possibly because both these studies tested their models only for service failure and ignored successful service encounters. Sharma et al. (2012) also did not operationalize service quality as a distinct construct and used perceived service level as its proxy, and they did not explore the direct effects of perceived cultural distance on service quality. Moreover, prior research on inter-cultural service encounters includes intercultural competence as a moderator but ignores the role of consumer ethnocentrism, a popular construct and predictor of customer attitudes and behaviors in intercultural interactions (e.g., Sharma, 2005, Thelen et al., 2011). We address all these gaps in this paper with an integrated conceptual framework incorporating perceived cultural distance and service outcome as antecedents, consumer ethnocentrism and intercultural competence as moderators and interaction comfort, service quality and customer satisfaction as outcome variables, in inter-cultural service encounters.

Method & Data: We used a between-subjects 2 X 2 experimental design by manipulating outcome (success vs. failure) and perceived cultural distance (low vs. high) with four versions of an intercultural service encounter scenario in a restaurant similar to prior research (e.g., Sharma et al., 2012). 204 university students in a major Australian city participated in this study and they were told that it was a study of consumer behavior to disguise the real purpose of the study so that they could not guess the hypotheses and to make them participate seriously. We developed many versions of service failures and successes in diverse service categories and pre-tested them with samples drawn from the same undergraduate population used in the main study, asking the participants to rank each scenario on various attributes, including study realism, relevance, credibility and the level of failure or success. We finally chose a restaurant setting with two scenarios (success vs. failure).

Summary of Findings: We found support for all the ten hypotheses. Specifically, service outcome and perceived cultural distance have a significant but contrasting effect on interaction comfort and service quality, which in turn have a positive effect on customer satisfaction. We also show that consumer ethnocentrism negatively moderate the influence of service outcome on interaction comfort and service quality; whereas intercultural competence would positively moderate the influence of perceived cultural distance on interaction comfort and service quality. All these findings help us extend the growing research on intercultural service encounters by addressing some important research gaps.

Key Contributions: In this paper, we introduce a comprehensive framework to extend the growing research on inter-cultural service encounters by incorporating the contrasting moderating roles of consume ethnocentrism and intercultural competence. Results from an experimental study support all our hypotheses and help resolve the mixed or inconclusive findings reported in prior research, especially on the impact of perceived cultural distance on customer satisfaction, by delineating the complex socio-psychological process underlying inter-cultural service encounters. Our research also highlights the importance of not just focusing on service failure and recovery but also look closely at successful service encounters because customers with high ethnocentrism or low intercultural competence scores may feel less interaction comfort, perceive poor service quality and experience lower satisfaction even in successful intercultural service encounters. Hence, service managers would be well advised to train their employees in identifying customers with lower levels of intercultural competence and deal with them more effectively. This may require a lot more patience and understanding from the service employees because they would also have to overcome their own ethnocentric and stereotypical attitudes towards customers from different cultural and ethnic backgrounds compared to their own.

Note: References are available upon request.