The Influence of Social Capital on Service Quality Evaluation

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Abstract:

Purpose: This research provides guidance for the global manager by determining the manner through which social interaction influences service quality evaluation. Furthermore, this paper explores the function of economic development in altering the role of social relationships in service quality evaluation.

Design/methodology/approach: Consistent with the critical realism paradigm a multi-method design is adopted for this study. Sociologist Pierre Bourdieu’s (1986) structuralist perspective of culture is utilised as the analytical framework.

Findings: The findings challenge both marketing and sociology theory that propose that individuals are less focussed on nurturing inter-personal relationships as they are empowered economically. Indeed it is found that social networks (i.e. social capital) perform a key role in service quality preference formation and dissemination. The evidence suggests that economic development has not mitigated the influence of social relationships upon service consumption.

Research limitations/implications: Identifies a research agenda towards developing a measure of service quality that more comprehensively probes the social element of the service encounter. In order to more fully explore the impact of economic capital on the service quality construct it is identified that a longitudinal study is required that focuses upon nations as they transition from developing to developed nation status.

Practical implications: This study has significant implications for marketing managers seeking to build a presence in Taiwan or other similarly profiled Confucian based societies. It is advised that strategists should adopt a customised strategic plan when operating within Taiwan and similarly profiled cultures. In particular this study encourages a focus upon nurturing inter-personal relationships and leveraging these relationships to effectively communicate to target markets in Confucian societies.

Originality/value: This study adopts a sociological perspective of the cultural influence upon the service quality evaluation process. This approach is presented as preferable to the national values-oriented studies (e.g. Hofstede, 1984) that have dominated research in the area.

Key Words: Culture, Relationships, Service Quality, Status, Social Capital, Taiwan

Introduction

In order to successfully implement service internationalisation a detailed knowledge of the target foreign culture is required (e.g. beliefs, values, lifestyles, symbols, psycholinguistics, and attitudes). This
information may be used to manage the alignment of service offerings with local tastes, and create perceptual stimuli to foster trust and encourage consumption (Fugate, 1996). Misunderstanding socio-cultural nuances may however frustrate the ability to effectively manage adaptation of service offerings to local preferences. Within an increasingly globalised service market space service quality modelling and measurement perform an important role in informing managers of the success of their service product. There is uncertainty however of the nomological validity of existing service quality tools in culturally diverse markets. This paper examines the influence that the Taiwanese socio-cultural environment has upon the service quality construct, and in doing so makes a contribution to understanding the efficacy of managers of international enterprises using existing conceptualisations of the construct in culturally diverse markets.

Literature review

Service Quality Modelling
There are two major schools of thought that have sought to conceptualise a consumer’s perspective of the service quality construct. The first is the Nordic perspective that delineates service quality into functional and technical dimensions (Gronroos, 1984). The second school, SERVQUAL, is a North American perspective and has a five dimensional structure to describe evaluation of the service experience (Parasuraman et al., 1985, Parasuraman et al., 1988). It is the SERVQUAL model that has dominated much of the research in the area, perhaps due to the accessibility of an accompanying measurement instrument that can be easily applied by both managers and researchers alike. Numerous criticisms have challenged both the dominance of the SERVQUAL model and conceptual structure of apriori modelling of the service quality construct (e.g. Boulding et al., 1993, Cronin and Taylor, 1992, DeSarbo et al., 1994, Parasuraman et al., 1991, Mc Dougall and Levesque, 1994, McAlexander et al., 1994, Rust and Oliver, 1994, Parasuraman et al., 1994, Zeithaml et al., 1996). Dabholkar, Thorpe, and Rentz (Dabholkar et al., 1996) extend these criticisms by suggesting a need to more fully account for the complexity of human perceptions in the structure of the service quality construct. Accordingly these authors construct and test a hierarchical conceptualisation of retail service quality that proposes three levels of abstraction in service quality evaluation: (1) customers' overall perceptions of service quality, (2) primary dimensions, and (3) sub-dimensions. This hierarchical approach represents a possible framework to reconcile the differences between the Nordic and SERVQUAL models while also incorporating a consideration of culture as an antecedent of consumer tastes and perceptions. All of this modelling activity was, however, conducted within the socio-economic bubble of developed Western nations. What follows is an examination of the limited research activity that has sought to understand the service quality construct in a world where the international trade of services has become more frequent.

Service Quality in an International Context
Consideration of the formative influence of the socio-cultural environment upon service quality evaluation has hitherto received only periphery attention within the literature. While numerous researchers have examined the role that national cultural values play as an antecedent of the service quality (e.g. Donthu and Yoo, 1998, Winsted, 1997, Furrer et al., 2000, Mattila, 1999) there has been limited consideration of how the socio-cultural environment and economic status inform the evaluation of service provider-customer interactions (e.g. Imrie, 2005). In the only cross-national study of its type Malhotra et al. (2005) discuss how economic development, individual needs, and national values may influence service quality evaluation. In their study of banking consumers in USA, India, and the Philippines they conclude that as nations become more developed consumers exhibit less of an emphasis upon evaluating service provider-customer interactions and more of an emphasis upon technology. Their study also examines, with inconclusive results, the role of social norms in forming an emphasis upon courteous service. There are, however, a number of limitations within this study leading to uncertainty as
to the validity of its findings. The most prominent is the reliance upon Parasuraman et al.'s (1988) conceptualization of the service quality construct. While there is acknowledgement by these researchers that other conceptualizations are possible, the adoption of this narrow, culturally bound, perspective of service quality has serious consequences in a cross-national study of this type. The selection of the USA as the sole developed nation within the study is also problematic. Several authors have conceptualized alternative models of the service quality construct within developed Asian nations (e.g. Imrie, 2000; Winsted, 1997) that differ markedly from Parasuraman et al.'s (1988) conceptualization of the construct. Consequently, any conclusions in respect to the role of developmental status drawn in Malhotra et al.'s (2005) study could alternatively be attributed to the national values context. The final matter of concern is the adoption of Hofstede's' national value typology as a means of explaining the socio-cultural influence upon service quality evaluation. Hofstede's (1984) national value dimensions address values at a national level and don't attempt to explain the manner within which culture, values included, influence consumption in a social context. Such a narrow approach to defining culture appears flawed as there is no theoretical justification to isolate values from the rest of the cultural field (Bourdieu, 1990; Radcliffe-Brown, 1949). Values alone, such as Hofstede (1984) and Schwartz and Bilsky's (1987) schemas, cannot fully explain how individual consumers reconcile their individual preferences with broader cultural influences. These values frameworks are also limited in their view of culture as a homogenous and monolithic construct confined within national boundaries. Bourdieu (1990) identifies that the division of social science into disciplines that separately consider individuals (i.e. psychology) and those that look at collectives (i.e. sociology, social psychology and cultural anthropology) as an “initial error of definition” (Bourdieu, 1993, p. 15). He identifies such a division as failing to understand that individuals only exist alongside and within collective social structures. When this perspective is applied to the study of culture’s influence upon service quality evaluation it is seen that the values-orientated apriori studies only make a limited contribution, as they fail to adopt a holistic perspective of the individual operating within a social network. In reality culture is a dynamic construct that captures the values, beliefs, institutions, and interpersonal norms of a society.

A Sociological Perspective of Culture
In preference to adopting a values route this research paper utilises sociologist Pierre Bourdieu’s (1990), essentially structuralist, view of culture to examine the influence of the socio-cultural environment upon the service quality construct. Structuralism is the view that the social world is comprised of rules and systems that guide/inform an individual behaviour. Values are identified as only one element of this social system. Central to Bourdieu’s manner of exploring social structures are the concepts of 'structure' and ‘agency’ (Bourdieu, 1990). The political situation, institutions, economy, religious beliefs, and consumption rituals, amongst others, are seen by sociologists, such as Bourdieu (1990), as being structural formative influences in an ever changing socio-cultural landscape. This broad perspective of culture is balanced with the concept of agency wherein Bourdieu provides a framework to explore how the essentially self-interested individual is equipped with the faculties to control their own actions, regardless of the social context.

Bourdieu's theorising, while not empirically tested within the marketing management domain, holds the promise of providing greater insight on the dynamic origins of service preferences and expectations, than the narrow values analytical perspectives (e.g. Hofstede's national value schema) which hitherto have dominated international marketing research in the service quality domain. This perspective holds that understanding the choices that individual consumers make, both purposefully and unconsciously, is seen as only being possible with reference to their social world and in particular the accumulation of resources utilised in leveraging advantage in the social world. This focus upon the individual consumer’s interaction with the social world has particular relevance to understanding service quality due to the customer co-production (Vargo and Lusch, 2004) and public nature of many service encounters. Within many service encounters customers are thrust into inter-personal contact with other actors in the servicescape. Given that perceptions of service evaluation are formed during consumption it could be expected that these social encounters may influence the evaluation process.
**Consumption and Status Gaming**

In depicting social relationships Bourdieu presents a model of social organisation where individuals compete in multidimensional status games (Bourdieu and Wacquant, 1984). He conceptualises the area of consumption as one such status game (Bourdieu, 1984). For the purposes of this research, service consumption may be considered one such field. In the game of consumption the individual is proposed by Bourdieu (1984) to compete for capital through consuming in a manner that will differentiate him/her from other social players (i.e. consumers). In an extension of the accumulation of economic capital, whereby an individual has command over economic resources (i.e., cash and assets), Bourdieu (1986) asserts that individuals also attempt to accumulate both cultural and social capital as a means of building status, which he terms symbolic capital.

**Cultural Capital and Consumption**

Cultural capital represents the knowledge, skills, and education that give the individual status in a society. Bourdieu distinguishes between three types of cultural capital: the embodied state, the objectified state, and an institutionalised state (Bourdieu, 1986). He describes how cultural capital may be *embodied* within the individual whereby cultural learning forms a long lasting disposition of both the body and mind. Culture in the embodied state is assimilated into the individual not in a genetic sense but usually through a process of socialisation, often within the family unit. In his 1984 work examining the origin of taste, Bourdieu (1984) theorises that individuals *embody* cultural knowledge, as it pertains to artistic appreciation (i.e. evaluation), through an interaction between more formal sources of knowledge which are then inculcated through their social experiences (i.e. informal knowledge sources). In other words, there is a hierarchy at play whereby those that possess the cultural capital, whether it be knowledge of the arts or services, are motivated to share their insight through a process of socialisation. Similarly, less experienced service consumers may require guidance from other more experienced consumers.

There are apparent similarities noted here between the embodiment of cultural capital and the opinion leadership literature. The marketing literature on opinion leadership suggests that opinion leadership is more likely in product categories in which pleasure or satisfaction is derived from product usage or in which association with the product provides a form of self-expression. Bourdieu’s (1984) embodiment of cultural capital is, however, more subtle than the opinion leadership literature would suggest. Inculcation of knowledge is not transmitted instantaneously as an obvious piece of advice or as a ‘gift’, as is the case in consumer opinion sharing. Rather embodiment of cultural knowledge occurs whereby those holding the cultural capital subtly influence a person’s character and way of thinking and their advice giving is motivated by a drive to build status.

The *objectified state* of cultural capital is the possession of goods wherein culture is made manifest (e.g. art works, books, scientific instruments). In other words, these tangible objects are a realisation, or alternatively a critique, of cultural theory. However, while a person may readily translate cultural capital in an objectified state (e.g. through possession of a painting) into economic capital they can only understand its cultural meaning, appreciate its artistic or cultural merit, if they have the correct embodied cultural capital (Bourdieu, 1986). Cultural capital, as it is expressed in an *institutionalised state*, is a type of objectified cultural capital that merits addressing separately. Bourdieu describes this capital as being an institutional recognition of the cultural capital held by an individual. This is most often made manifest through the conferment of academic credentials or qualifications. It facilitates easier conversion of cultural capital into economic capital by aligning a monetary value with a certain institutional level of achievement. In the service sector there are attempts to leverage institutionalised cultural capital for economic gain. The publication of international rankings by business schools, the attainment of a star rating in the accommodation sector, the conferment of industry specific awards and achievements, are all examples of attempts to provide clear signals to the market place of the cultural capital possessed by an organisation, or individuals therein.
Social Capital and Consumption

Social capital represents accumulated social network assets comprised of social obligations or connections (e.g. group membership, relationships, and networks of influence or support). In certain circumstances possession of these networks of relationships may be convertible into economic capital (e.g. securing a lucrative business contract through inter-personal contacts). Indeed the impact of social networks has long been identified within the marketing literature as a significant influence upon consumption behaviour (Reingen and Kernan, 1986). Social networks are often utilised by service consumers to inform service selection and evaluation due to the inherent intangibility of services making it difficult to both discern and evaluate the determinant attributes of the service offer. An opinion leader is an individual who is recognised as having a long-term relationship with a product category and therefore able to offer credible advice to others in their social network (Rose et al., 1995, Venkatraman, 1990). Opinion leadership is likely to have particular prevalence when a consumer is considering a complex, or high involvement, purchase (Upah, 1983). The public nature of the service experience may also impact upon the dissemination of opinion, where consumers with a particular expertise may utilise a public consumption space to establish and build status (Schutte and Ciarlante, 1998).

Status Gaming and Service Quality Evaluation

Within his theorising on status gaming Bourdieu (1984) presents an argument whereby the ambitious middle classes (i.e. possessing economic capital) abandon their emphasis upon network connections to focus their energy upon improving their individual social position. As a consequence Bourdieu submits that the importance of social capital will diminish in modern, affluent societies (Lai, 2001). “It is in the area of sociability and the corresponding satisfactions that the petit bourgeois makes the greatest, if not the most obvious, sacrifices. He is convinced that he owes his position solely to his merit, and that for his salvation he only has himself to rely on... For the petit bourgeois, kinship and friendship can no longer be an insurance against misfortune and disaster... They are merely hindrances, which have to be removed whatever the cost, because the gratitude, the mutual aid, the solidarity and the material and the symbolic satisfactions they give, in the short or long term, are amongst the forbidden luxuries” (Bourdieu, 1984, p. 337).

Bourdieu’s (1984) perspective concurs in some respects with the, earlier mentioned, study by international marketing researchers Malhotra et al. (1994, 2005), who similarly assert that an increase in economic developmental status (i.e. economic capital) results in consumers being less active in evaluating service provider-customer interactions (i.e. social capital). Both these studies, however, utilise different conceptualisations of culture to explain consumer behaviour and address different stages of the consumer decision making model. Only Malhotra et al. (2005) presents any empirical data to support these claims. Given the aforementioned limitations of Malhotra’s (2005) study, in particular its reliance upon Hofstede’s (1980) national values typology as a basis for both hypotheses formulation and analysis, there is an absence of studies in the marketing domain specifically exploring the social dimension of service quality evaluation and how this interacts with individual net financial worth (i.e. economic capital). The current research addresses this important gap in the extant literature by attempting to (a) model service quality evaluation within the case boundary of a developed Asian economy, (b) determine the manner that social interaction within this developed economy influences service quality evaluation. This is done through mapping the cultural identity of the case and how it impacts upon the accumulation and exercise of social capital in the service evaluation process.

Methodology

Research Design

Given the theory building objectives of this study, critical realism was selected as the research paradigm to guide data collection and analysis. This paradigm holds that theoretical replication, and interpretation with reference to established bodies of literature, are a means of advancing knowledge of the ‘real’ word.
(Easton, 2002, Guba and Lincoln, 1994). As such the research design encompassed a series of primary data collection (i.e. interviews and focus groups) followed by an interpretive deductive analysis of relevant inter-disciplinary literature.

**Sample**

In order to test the cultural stability of the service quality construct and satisfy the criterion for single case selection (Yin, 1994), the identification of a case with a naturally occurring boundary was required. While the breadth of the research agenda meant there was a large population of possible cases, Taiwan was selected as the case boundary as it possesses a distinctive cultural context from that utilised by other service quality modellers (e.g. North American and Scandinavia) and is a developed economy. Convenience, in terms of the accessibility research resources, was also a consideration. Taiwan is ethnically 98% Han Chinese (Government Information Office, 2007) and has maintained a cohesive operation of traditional Chinese values in everyday consumption decisions. To further facilitate intensive study (Stake, 2005) complexity was added to the case design through purposeful sampling (Patton, 1990). Three groups were selected for inclusion in the sample, based upon the judgement of the researcher: (1) Taiwanese nationals residing within New Zealand (2) Taiwanese Nationals resident within Taiwan; (3) Expatriate New Zealanders who had recently or were currently resident within Taiwan. Through examining the contribution of each sample and the level of (dis)agreement with other samples within the case a comprehensive understanding was able to be constructed of the focal area.

**Data collection Procedures**

The research was composed of two phases of theory building followed by an interpretive stage within which the primary data analysis was unfolded within the existing bodies of literature. The initial phase of theory building comprised a series of twenty seven in-depth interviews, with triangulation of informant perspectives from each sample. An initial model was developed of Taiwanese service quality evaluation. This was followed by eight focus groups, each comprising seven informants to further refine and build the conceptual model (Daume, 1997). Each focus group was homogenous in respect to gender, age and place of residency (i.e. Taiwanese in both New Zealand and Taipei). To ensure conceptual equivalence (Cavusgil and Das, 1997) all interviews and focus groups adhered to a research protocol. Specifically, the protocol addressed the manner within which Taiwanese evaluate service quality without any reference to previous service quality models. Scope was given for informants to explore any cultural drivers of service consumption expectations within the Taiwan case. The research protocol for the focus groups was extended to also explore the role that social relations performed in the assessment of service quality for the case sample. All data collection was conducted in the first-language of informants (i.e. Chinese or English) and parallel-translated into English for analysis.

**Method of Analysis**

Two modes of coding were pursued within this research first-level coding and pattern coding respectively. First-level coding is a means of inductively summarising segments of data into categories. Pattern coding meanwhile seeks to further reduce the data through grouping the codes generated within first-level coding into broader conceptual groupings (Van Maanen 1979a). Miles and Huberman (1994) draw an interesting parallel between first-level and pattern coding with the factor and cluster analysis techniques that are respectively employed within quantitative analysis. Given the linguistic limitations of the researcher extreme care was exercised in interpreting and reporting the specific, and numerous, phrases that Taiwanese informants utilised when reporting their manner of assessing service quality. The parallel translation technique (Usunier 1996) employed within this study ensured there was agreement reached by two independent translators on the meaning of both interview and focus group transcripts. These same translators subsequently reviewed the outcome of coding procedures. Consistent with Miles and Huberman’s (1994) contention that the construction of data displays is an integral part of the data analysis process, semi-structured text matrices were constructed for each coding category and sample group. A
review of these matrices informed iterative data collection procedures and the deductive analysis that followed. Finally, consistent with the critical realism paradigm guiding this research, a multi-discipline deductive, literature informed, interpretive analysis was conducted to validate/correlate findings with knowledge within related fields (e.g. sociology, psychology, and anthropology).

Results and discussion

Primary Data Analysis: The Taiwan Service Quality Model
The first thing that was notable within modelling Taiwanese Service Quality is the identification of multiple levels of abstraction, or stepping stones, that consumers use to form their evaluation of each dimension. Consistent with theoretical developments in the area (e.g. Carman, 1990, Czepiel et al., 1985, Dabholkar et al., 1996, Mc Dougall and Levesque, 1994, Mohr and Bitner, 1995) the model generated in this study recognises that Taiwanese consumers break evaluation of larger dimensions into smaller sub-dimensions in order to manage the complexity of the evaluative task. The multi-level model proposes three levels of abstraction: (1) customer overall perceptions of service quality, (2) two primary dimensions of ‘process/outcome quality’ and ‘personal interaction quality’, and (3) seven contributing sub-dimensions (i.e. reliability, personal security, responsiveness, tangibles, sincerity, politeness, and generosity).

The generosity, politeness and sincerity dimensions, all components of personal interaction quality, have not featured within apriori modelling of the service quality construct, the findings of which are summarised in table 1 (see below). Data analysis suggested that social behaviours that constitute courteous and polite behaviour had a powerful role to play for Taiwan case participants. Notably this dimension was the dominant topic spontaneously discussed by informants within this study. A total of 24% of all coding addressed the issue under four themes—friendliness, hospitality, service orientation, and respect. The theme of friendliness and what is considered hospitable behaviour were clearly the dominant traits within this dimension. Each of these cues was further clustered into either cold or warm politeness (refer table 1). While early modelling featured politeness as a distinct dimension (Gronroos 1984; Parasuraman et al. 1985) it was later dropped as a criterion within refinement of the SERVQUAL model and subsumed within the assurance dimension (Parasuraman et al. 1988). The Nordic model does, however, retain a consideration of courteousness within the concept of functional quality. The Chinese cultural tradition extends back over a five thousand year time period. As a result the ethnic Chinese people of Taiwan possess quite established and resilient behavioural norms, in regard to both the politeness and friendliness of service participants. Indeed this research found that Taiwanese consumers enthusiastically embraced their Chinese cultural heritage, resulting in some clear expectations of the roles and behaviours that should be adhered to as an integral component of a service experience. Generous service was depicted as an interpretation of the server’s motivation to serve and was broken down into two components, passive versus active service. Passive service was described as merely being functional and responsive in nature, while active service was a perceived extension beyond the functional level to introduce a new dynamic level of personalised service. Informants indicated that delivery of only the core technical service attributes (i.e. functional service) was a forgone expectation and therefore could not constitute active service provision. Merely passive service delivery of technical service attributes was therefore not likely in most instances to stimulate either a complaint or compliment response. Meanwhile, active service provision is not simply an issue of market orientation, or indeed friendliness. It is going beyond the reactive initiation of a service process to the proactive provision of consumer needs, prior to their awareness of latent needs. This anticipation of consumer needs was a constant and uniting feature of commentary on active service provision in all sample groups. Indeed there was widespread support for the notion that a myopic transactional focus upon delivery of technical aspects of the core service could not be considered quality service at all. This view held that passive delivery of technical service attributes was merely the necessary framework within which quality (i.e. active) service could be delivered.
### Table 1: Dimensions of Personal Interaction Quality

<table>
<thead>
<tr>
<th>Sincerity</th>
<th>Cold Politeness</th>
<th>Warm Politeness</th>
<th>Passive Service</th>
<th>Active Service</th>
</tr>
</thead>
</table>
| The importance of the consumer’s business is affirmed through:  
- acknowledgement of provider’s subservient role  
- respect  
- flexibility in meeting consumer needs  
- eagerness/willingness to serve (e.g. body-language, smile)  
- appropriate level of discourse (in accordance with relationship that has been developed) | no passion  
- myopic task orientation  
- performs the required task  
- shows respect (e.g. eye contact; attention to formal manners) | amicable attitude (e.g. welcoming and not being forced to leave after meal)  
- customer orientation (i.e. genuine desire to serve)  
- establish rapport with regular clients (i.e. individualised attention)  
- submissive manner: ordered and patient manner  
- pleasant demeanour and smile  
- anticipation of consumer needs  
- flexibility in service delivery process | functional focus  
- responsive, rather than proactive | an attitude: evidence sought that “they are happy to serve you”  
- anticipation of consumer needs  
- enthusiasm/willingness in service provision  
- endeavouring to exceed minimum expectations  
- flexibility/inventiveness in meeting consumer needs |

The sincerity dimension explicates how consumers consider the appropriateness and genuineness of encounters with service personnel when evaluating service quality. There were found to be three pillars underpinning the sincerity concept: (1) transparency of intention; (2) respectful attitude; and (3) customer orientation. An evaluation of sincerity was determined by assessing both dialogue and body language. This includes an expectation that personnel adhere to the established behavioural norm of progressively and diligently developing the service relationship. The dominant contributor to a friendly disposition, or attitude, was a perception of the sincerity inherent within the relationship. Although a contributor to an assessment of the friendliness exhibited within a service encounter, this concept is represented as a distinct dimension, as sincerity can clearly occur in the absence of a perception of friendliness.

**Interpretive Analysis: Cultural Identity and Service Evaluation**

An attempt was made to conceptually map the characteristics of the Taiwanese cultural identity, how this is manifested in the exercise of capital exchange (i.e. economic, social, cultural, and symbolic capitals), and finally their influence upon the Taiwanese service quality model (i.e. responsiveness, personal security, tangibles, reliability, generosity, politeness, and sincerity). A dynamic interplay of endogenous and exogenous forces was found to have created complexity within the identity politics of contemporary Taiwanese society (Chu, 2000). The international isolation, nation building efforts by the exiled Kuomintang (i.e. Nationalist party) and the democratisation process have in combination prompted the Taiwanese people to re-examine issues of national and cultural identity (Chu, 2000, Tu, 1996). Consequently, the Taiwan identity is reported to have drifted towards a new Taiwanese cultural identity consisting of a blend of traditional Chinese values/customs with new egalitarian values (Chang, 2006).

Indeed, the drive to establish an authentic Taiwan identity, distinct from Mainland China, has a large constituency. Several interview informants reported the Taiwanese identity was composed of more traditional, or authentic, aspects of Chinese culture than found elsewhere. Indeed within the one interview informant referred to a “siege mentality” where Taiwanese were observed to view themselves as more Chinese than the mainlanders. Support is also found within the anthropology literature for this perspective. “Taiwan is the only province of China that has not undergone the sweeping changes of a socialist
revolution: Chinese life has greater continuity with the past there (i.e. within Taiwan), it can be argued, than anywhere else” (Gates and Martin Ahern, 1981, p. 8).

While all three of the major Chinese philosophies (i.e. Buddhism, Confucianism, and Taoism) were evidenced in this study to have some influence upon service consumption Confucianism was found to be the most pervasive. Indeed both the consumer behaviour literature (i.e. Xia and Alain, 2000) and primary data analysis of Taiwan case informants highlighted Confucianism’s continued influence in building harmonious consumption relationships. One Taiwanese case informant even mentioned the importance of being tolerant as some things were “not worth disrupting the harmony of the universe” (Taiwanese resident within Taiwan). Schwartz (1994) similarly notes a desire by Taiwanese for harmonious relationships, with his indices of individual values scoring Taiwan higher than most Western nations on this attribute. Contrary to both Buddhism and Taoism, which focus upon understanding and harmony with the universe, Confucianism focuses upon humankind as a subject of knowledge towards building harmonious relationships. Confucius encouraged improvement of knowledge and its dissemination by collective means towards the betterment of social relations throughout all levels of society. To this end Confucianism emphasises the pursuit of higher order personal goals: building your personality, harmonising your family, ruling over the country, and bringing peace to the world (Xia and Alain, 2000).

Status Gaming and the Service Quality Construct

It was found within the primary data analysis that the hierarchical nature of Taiwanese culture contributes to an intensification of competition for status (i.e. symbolic capital) within service consumption. The accumulation of various types of capitals to resource this competition for status is a focal point of service quality evaluation within Taiwan. Cultural, social, as well as economic capitals are all found to perform a pivotal role in supporting status gaming in Taiwan. In the sections that follow a summary is presented of key elements that were discovered in these service consumption games, with social capital in particular being highlighted for its role.

Cultural Capital and Service Quality

The centrality of the family unit within Taiwan society is presented as the ideal environment for the embodiment of cultural capital. Knowledge, or cultural capital, about service consumption was observed to be transmitted in the form of quality standards and preferences. Issues such as what constitutes polite service, an appropriate level of inter-personal discourse, and an understanding of the division of roles within the service process are all transmitted in this manner. Indeed within the stage one primary data analysis an example emerged within an illustration of the various roles at play within a Taiwanese restaurant dining experience. It was explained that one individual, normally a senior male figure, would be expected to assume a leadership role (i.e. described as “the king of the table”) and ensure that the serving personnel attended to their roles in a dutiful and sincere manner. Any failure in terms of the quality of the food or service was reported as reflecting badly upon the table leader, resulting in social embarrassment (i.e. loss of face 面子). Through repeated exposure to similar service situations children would begin to embody what are considered the correct service delivery processes and standards of service. Indeed the evidence suggests an appreciation of the distinction between quality, satisfactory, or acceptable (cha bu duo 差不多) service levels are acquired in this manner. All the second order dimensions of generosity, politeness, sincerity, tangibles, responsiveness, personal security and reliability have an element of intangible appreciation that require embodied cultural knowledge to arrive at a quality assessment. While in some instances there may be objective elements within these dimensional assessments (e.g. what constitutes on time delivery) most of the service quality dimensions are dominated by subjective assessments similar to artistic appreciation in the fine arts (i.e. Bourdieu’s theoretical research on taste was focussed on artistic appreciation). These norms, preferences, and tastes are seen by Bourdieu (1984) as being acquired through the daily interaction with the family unit and other members of societal groups to which the individual belongs. In this manner cultural knowledge, including tastes
and preferences, is embodied into the individual through a process of socialisation. An example is the discernment required to assess between cold and warm (qin qi 親切) politeness. While some aspects, particularly surrounding the formality of manners (i.e. cold politeness), may be purposely instructed most elements of politeness are more subtly embodied through the mentoring of parents. The hierarchical structure of the Taiwanese family, focused upon harmonious familial relationships, no doubt serves to emphasise adherence to these societal expectations.

Economic Capital and Service Quality Evaluation

It is also found that the exchange of economic capital plays an important role in establishing status (i.e. symbolic capital) for the Taiwanese. Integral to the exchange of economic capital are the cultural practices of reciprocation and obligation that focus upon higher-order harmonisation and relationship building. The Confucian concept of bao (報) establishes a clear basis for reciprocity of action. It is proposed within the Confucian belief system that reciprocation between two individuals should be as certain as cause and effect (Yang, 1957). Indeed, this concept of bao (報) is regarded by Taiwanese as being a personal code of conduct, where the individual is prescribed to anticipate and respond in a direct and proportionate manner to every action. This concept of reciprocity is fundamental to understanding the generosity dimension that was discovered within modelling of Taiwan service quality evaluation. If a Taiwanese service provider is generous there is an implied obligation that the customer should reciprocate in some manner. To deviate from these accepted norms would place on an individual’s social status in jeopardy, termed loss of face. The concept of reciprocation was observed to involve the utilisation of economic assets to leverage influence within a social network towards attaining greater influence, or status. As such, generosity transcends the differentiation within Bourdieu’s (1990) depiction of both economic and social capitals.

Social Capital and Service Quality

It is social capital however that is found to be the most influential of all the capitals on the evaluation of Taiwan service quality. The newly discovered dimensions of generosity and sincerity (i.e. in the first section of this study) are attributes found to be necessary in the nurturing of relationships and building social capital. Quite contrasting the assertion by Bourdieu (1984) that economic prosperity leads to the demise in the activation of social capital, evidence from both the primary data and sociological literature indicates that social capital has retained a prominent role in every day Taiwanese service consumption. Indeed the everyday social practices of ‘face’ (mianzi 面子) and ‘guanxi’ (關係) were found to be important sources of social capital for Taiwanese consumers (Bian, 2001, Lin and Fu, 2003). Guanxi (關係) explains the inter-connected nature of relationships based upon reciprocation and obligation. It was found within the sociological literature that building and maintaining guanxi (關係) networks is a social investment in terms of power and status (Butterfield, 1982, Marsh, 2003). Meanwhile giving or building face (mianzi 面子) describes the cultural requirement to affirm status and honour (Edelmann, 1985). Within the context of building social networks possessing face translates into the capacity to source resources from one’s social network.

Finally, the competition for social capital was also observed to influence the evaluative mechanism through a tolerance for less than satisfactory service. In the Taiwan case this tolerance was expressed by the phrase ‘cha bu duo’ (差不多), or ‘it is acceptable service’. In contrast to the earlier discussion of relational aspects, where Taiwanese customers were found to have elevated expectations, informants in the Taiwan case study expressed a tolerance for minor instances of service quality failure. Indeed there was a commonly utilised phrase that described an attitude of less than satisfactory, but tolerable, service as “acceptable” or “cha bu duo” (差不多). Service delivery assessments that were described as acceptable were regarded as failing the disconfirmation test to determine satisfactory service quality and yet would not elicit complaint or active switching behaviours. It was reasoned that to express dissatisfaction with relatively minor infractions would result in loss of face (mianzi 面子) and damage.
broader social relationships (i.e. social capital) and the reputation of the complainant in terms of power and status (i.e. symbolic capital). In terms of the zone of tolerance (Zeithaml et al., 1993) this attitude can be seen to extend the lower boundary of the zone below adequate and predictive expectation levels to a include new category of acceptable (cha bu duo 差不多) service for the Taiwan case. It was observed, however, that not every instance of less than satisfactory service qualified as acceptable (cha bu duo 差不多) service. Informants reported that Taiwanese consumers assessed the longer term value of the relationship before determining if an instance of less than satisfactory service was 'cha bu duo' (差不多). The significance of the service failure appeared to be balanced with the risk of loss in social and symbolic capitals to determine whether to grant tolerance.

Theoretical implications

In conclusion, the body of evidence on social relations within Taiwan suggests that the transformative consequences of a modern developed economy are more complex than suggested by Bourdieu (1984) and Malhotra (2005). Taiwan consumers have not forsaken their extensive social networks as key influences upon their service consumption. Service consumption continues to be an important field wherein the Taiwan populace compete for social position (i.e. symbolic capital). Given the duality of Taiwan society (Yang, 1993), where traditional Chinese culture is merged with Western values and practice, consumers appear to have retained their existing relationship networks and added to it other sources of capital readily available within the market place. The continued relevance of traditional Chinese culture within modern service consumption was apparent when modelling relational aspects of service quality evaluation within the Taiwan case. In particular there was a clear evidential link with the Confucian philosophical doctrine.

The initial modelling in this study also joins the chorus of researchers presenting alternative means of evaluating the service quality evaluation (e.g. Donthu and Yoo, 1998, Winsted, 1997, Furrer et al., 2000, Mattila, 1999). Within the consumption and evaluation of services there were found to be culturally constructed norms of the roles that need to be performed in a service encounter. The willingness of both service providers and customers to adhere to these roles in a genuine (i.e. sincere) and generous manner, all within the bounds of polite behaviour were found to be valued in Taiwanese society. The sincerity dimension that was discovered has not featured within apriori modelling of the service quality construct. Discussion within both the in-depth interviews and focus groups indicated that the hierarchical nature of Taiwan society was not so much a suppression of the self to the greater societal benefit, rather the identity of Taiwanese was found to be ‘much more aligned to the collective than self-interest’(Taiwanese resident in New Zealand). As a result there was found to be an acceptance of the hierarchical structure and the role of the individual as a sincere contributor to the greater good of society. Support for this perspective is also found in the work of Lionel Trilling (1974), who asserts that the concepts of sincerity and authenticity both emerged from the medieval world, with authenticity replacing sincerity in the modern Western (i.e. individualist) ontology. Concurring with the antecedents of the sincerity dimension discovered within primary data analysis (i.e. ‘customer orientation’, ‘respectful attitudes’, and in particular ‘transparency of intention’), Trilling (1974) defines sincerity as “the absence of dissimulation or feigning of pretence” (p.14) and as “a congruence between avowal and actual feeling” (p.4). This author reasons that in the middle ages the order of European society was understood to be structured and ordained by God (i.e. a divine hierarchy). For the modern Western individualist the world is no longer a part of a divine hierarchy but rather “a human construction seen as the sum of individual energies and desires” (Handler, 1986, p. 3). The discovery of the sincerity dimension within modelling Taiwan service quality is consistent with an anthropological perspective on the role of the individual within a hierarchical and deterministic societal structure. While modern Western civilisation has largely abandoned a hierarchical view on the natural order of society, in favour of the role of the individual (Cassirer, 1955), evidence in the current study suggests that Taiwan remains a hierarchical society wherein social status, and the competition for it, has considerable currency.
Managerial implications

Advances in living standards, information technology and access to foreign markets suggest exponential growth in the international exchange of services within the 21st century. Recognising the market opportunities presented by these macro-environmental conditions, multinational service enterprises engage in a number of strategies to leverage access to geographically and culturally disparate markets. A key consideration of international strategists is whether to pursue a standardised global strategy or pursue a strategy customised to the particular cultural or economic situation of the market. The results of this study suggest that different strategies should be adopted to accommodate the differences in the socio-cultural influence upon the service evaluation process. Social networks were found to influence both what attributes of a service are assessed and their relative weighting. This study also finds that the impacts of these socio-cultural differences upon service quality evaluation are enduring and not likely to diminish in response to economic development. This is not to dismiss entirely the role of personal net financial worth (i.e. economic capital) informing the selection and evaluation of services but rather an acknowledgement that the role of social networks is a higher level formative influence upon the service evaluation process. It is possible that as consumers experience growth in discretionary income, such is generally the case in a developed economy, that they actually become more demanding in terms of service provider-customer interactions. The design of the current study did not attempt to explore this matter and as such is a matter for consideration in further research. A longitudinal study would be required to investigate such a claim.

It is notable that until this juncture that, at least within research published in the English language, there has been an absence of service quality modelling within Greater China (i.e. Mainland China, Hong Kong, Macau, and Taiwan). This study provides guidance for practitioners on where to focus limited resources to achieve maximum strategic advantage. As Taiwan (i.e. Chinese Taipei) is a territory that possesses linguistic and a degree of cultural affinity with urban Mainland China the conceptual modelling presented in this study may be utilised by marketers to develop industry based measures for Taiwan, China, and other markets possessing a similar Confucian cultural profile. Most importantly this study highlights the necessity to develop measures of service quality which focus on the social element of service quality evaluation. A particular contribution is the introduction of the generosity and sincerity dimensions that capture important attitudinal aspects of the service provider-customer interaction. The measurement of these dimensions represent a decisive break away from the process orientation of much of the Western based perspective of service quality modelling. They emphasise a distinction between the service outcome and the manner / motivation with which the service is delivered. While these dimensions may have applicability within other cultural contexts they were highlighted as important discriminating criteria by Taiwanese informants. This was earlier interpreted in the previous section as a cultural determination of roles and scripts within inter-personal service encounters.

Consistent with the analysis supporting a strategic focus upon inter-personal relations the family unit is identified in this study as an important antecedent of service preferences. Marketers need to take heed that the imagery within market communications affirms the role of family members and that in the design of service processes acknowledgement is made of these roles. Customer relationship management processes could also be more effective if designed around the business of a family unit rather than the individual. These suggestions may be particularly relevant in high contact services where there is a high social component, such as within the hospitality industry.

Finally, the design of service processes and training of service personnel needs to accommodate the expectations of Taiwanese consumers that serving personal are both active in their roles while simultaneously respecting and building the face of consumers. There is a fine line identified in this study between behaving in a generous and sincere manner and imposing upon the Taiwanese consumer. It is suggested that high contact service firms seeking to establish within this market have a local partner to guide them in getting this balance right.
Limitations

The critical realism paradigm that guides this research holds that through the adoption of multiple perspectives the researcher can approach an understanding of a matter. While triangulation of data sources through a combination of interviews, focus groups, and literature informed deduction assisted in approaching an understanding of reality there are alternative perspectives possible. Accordingly this study does not claim to have fully apprehended Taiwan service quality evaluation nor the cultural and social drivers of this construct, but rather is a representation only of the views of the sample informants perspectives of the focus case- namely Taiwan. The research is further limited by the decisions inherent within research design, data collection, reduction and analysis process. In addition to the limitations inherent within the predominantly convenience (Patton, 1990) nature of the case and sampling boundaries, the utilisation of focus groups also comes with its own limitations. Of particular concern is the potential for conformance, censoring, and conflict avoidance (Carey, 1994). Finally, the findings of the primary data analysis in this research (i.e. interviews and focus groups) can’t be generalised beyond the case boundary.

References


