Effects of Culture on Service Encounters & Customers' Satisfaction

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Abstract: For many researchers and marketers, customer satisfaction has become a critical success factor and carries an important aspect of business process. Culture is believed to be an important social influence which has significant impact on consumers and the way they behave. Authors assert that culture is a prominent part of social interactions while customers' involvement with others in business[1,2]. Customers shape up their perception on service quality primarily during the service encounters because of embedded features of services as intangible and inseparable. Professor Geert Hofstede's 5-Dimensional Model for cultural differences[3]offers a practical roadmap. However, for a firm operation in cross cultural environment, a deep down further analysis of other local cultural dimensions is helpful for better customer interaction. These days It is very important for service firms to be conscious to adapt new services excellence philosophy, though sustaining the fundamental service excellence benchmark. Particularly for high intangible and high contact services, good employee-customer interactions are key, and a better understanding of how to adapt service delivery behavior to the values of major cultural groups are highly beneficial to service firms.
Key words: Culture, Inter-cultural, Customer Satisfaction, Service Encounters, Services Outsourcing.

INTRODUCTION

Market globalization is one of the most important changes that have impacted the services marketing over the past 25 years. Enormous opportunities emerged for services marketing organizations to expand across geographical boundaries[4]. Market globalization also triggered multiculturalism that resulted in increase in international immigrants living within a country[5]. World trade organization data 2012 shows estimated services turnover in $ 4.25 trillion value and 24% contribution in overall global trade[6].

As with globalization and vide presence of multinationals across world, managers are increasingly engaged in cross cultural work environment and therefore, these progression exhibit challenges to the management practices because managers behavior acceptance would greatly differ by culture & country. The complexity in multiculturalism and managers' job is to deal with effectively in a service organization is a focal point of this concept paper.

Intense heterogeneity level in Services results as high level of customization in service encounters. Because of this, a unique approach is usually used. Since, services are clearly distinguished from manufacturing products primarily based on tangibility factor. Therefore, these are regarded as intangible, untouchable and cannot be stored. Due to the perish ability of the services, usually, are consumed as it gets produced. Major core concern while marketing services in diverse countries or globally is the point that the insubstantial and attached features of services are mainly affected by the ethnic stimuli.

LITERATURE REVIEW

Many authors and marketers understand and believe that customer satisfaction is the most critical aspect for any firm. Since, it is logical frame that customer satisfaction will eventually result in customers' retention and loyalty to the product or services a firm offer with continuous stream of revenue. Many firms devise & execute their marketing activities with an ultimate goal of customer satisfaction, a key area that convey the strong connection between multiple staged buying behaviors of the customers. Authors[7]suggest that positive word of mouth from customer side is only possible through pleasant and satisfied experience with product or service. Such experiences further motivate customers on repeat buying or to try the other product mix or line extensions of the same firm and explicitly share the information with their closed one. Communication strategy with a blend of cultural norms become more important particularly Societies that are closely knitted with a group of people just like Pakistan where social relations are stronger and wider and as a result, dissatisfied customers quickly switch to other product or services and spread a negative word of mouth. In such market dynamics, firms get trapped into enormous pressure to continuously strive in improving their services and products or both.

Culture is defined as a society's entire way of life and its products. A society which has shared culture composed of individuals. A several implications are observed like culture is learned and shared, at the same time it is non-material as well as material. For many reasons, a man kind is so successful because of cultural significance and its impact on daily life. Culture is believed to be an important social influence which has significant impact on consumers and

the way they behave and is a prominent part of social interactions while customers' involvement with others in business[1,2,8.] Due to the inherent features of services as intangible and inseparable, customers shape up their perception on service quality primarily during the service encounters. Although there are several factors that influence an overall customer satisfaction like how well service provider understand the customer problems and ready or tailored made solutions. However, in a cultural perspective, social interaction becomes an important determinant in customer satisfaction during a service encounter[9]. Service encounter refers to a situation when a customer and a service provider come into contact[10]. Inter-cultural interactions happen when customer and services provider who interact with each other are from different cultural back ground. Thus, cultural differences do affect behaviors, expectations and resulted customers' satisfaction during such service encounters.

Professor Geert Hofstede's 5-Dimensional Model for cultural variances[3] offers a practical roadmap, to study in what way customer service is induced by philosophy. Past studies have exhibited that cultural dimensions affect services. The 5-dimensions in this model ("power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance and long-term vs. short-term orientation") signify usual concerns in the cultural routines of nations and are positioned on 5 important parts of individual conduct. The relatively stress in this article is on the scopes like, power distance, individualism vs. collectivism, masculinity vs. femininity and ambiguity evading since their influences are more instant. Following caption are some of the examples of comparing Pakistan with developed & developing countries.

Figure1 Comparison of Cultures by Geert Hofstede

(Source: http://geert-hofstede.com/countries.html)

The above caption is good explanation to the cultural differences exist among comparative countries. We may refer to examples of call centers or IT help line that most of the western companies are outsourcing to Indian or Asian countries. These call centers' agent is directly dealing with the customer in a service encounter with diverse cultural back ground and expectations.

PAKISTAN'S CULTURE

"Pakistan's population is surpassing 180 million with a growth rate 1.47% and is categorized as sixth most crowded country with an area occupying 796,095 KMs and has a 1,046 KMs shoreline alongside the Arabian Sea and the Gulf of Oman in the south and is bordered by India to the east, Afghanistan to the west and north, Iran to the southwest and China in the far northeast. Cultural division of Pakistan comprises Punjabi, Sindhi, Pashtun (Pathan), Baloch, Muhajir (immigrants from India at the time of partition and their descendants). Islam is the official and widely practicing religion with Muslim 97% (Sunni 77%, Shi'a 20%) and minorities are 3% of population comprising Christian, Hindu, and other (inc. Sikh). Urdu is the only official language of Pakistan. English as 2nd language is generally spoken in Pakistani elite, private, corporate and most of the government ministries"[7].

The extended family is the foundation of the common arrangement and distinct uniqueness. Devotion to the family has priority on other social relations and even on professional relations. Preference is considered optimistically, as it guarantees hiring people who can be trusted[11]. The family is more private than in many other cultures. It is considered inappropriate to ask questions about a Pakistani's wife or other female relatives. Families are quite large by western standards, often having up to 6 children.

People in Pakistan are respected due to their age and position as it is a hierarchal society. Senior citizens are considered to be more experienced and wise to make decisions in the interest of group of people. Therefore, their decision-making power considered to very valuable and with high weightage. Similarly, if somebody is at higher position then he/she be respected and considered to be most respectable person to have right to make decisions in the interest of people. Greetings are often between same gender people. Greeting style vary gender to gender and relation to relation. Sometimes its verbally greetings if person is unfamiliar or is of opposite gender. Similarly, greetings can extend to shaking hands or a hug if people are of same gender and have known each other very well. Also, greetings take time as people tend to ask about each other health, family and other matters such as business, education or other domestic affairs. Pakistanis are very warm and loving people as they care for each other like family. if any of neighbor, friend or relative is in need of help or is in trouble. People of Pakistan are very welcoming too with great hospitality services as they greet guests warmly and invite them to stay at their place too if they come from different part of the country. Pakistanis forename or surname often comprised of person's cast, tribe, occupation or other status indicator. Talking about personal space of Pakistanis, they are so involved with their family, friends and other relatives that they do not demand / expect personal space or privacy like western culture. They won't necessarily keep distance and may stand very close to next person while conversing with each other. For western culture, it could be considered as violating personal space while on the hand they are acting very sincere and close friend to next person. Pakistani usually avoid direct communications until unless they are very close to someone or they have some grudges for other person. Also, Pakistanis usually don't have direct eye communication while conversing.

Pakistani individuals choose to communicate in a non-communicational manner, consequently they will mention that they "will try" relatively admitting that they could not or would not be capable to execute something. Moreover, Quietness is habitually used as a conversing instrument. Pakistanis choose one to one dealing. Pakistanis consider phone as an extremely anonymous medium for corporate interaction. You should arrive at meetings on time and be prepared to be kept waiting. In private sector, Pakistanis who are regular to work with global corporations regularly struggle for timekeeping, however they are not constantly prosperous. Generally, Pakistanis have an open-door rule, even while they are in a conference. This means there may be frequent interruptions. Business gatherings start after extended inquests about well-being, household, etc. Never ask about a coworker's wife or daughters. During initial meetings, dealing might not be conversed at all, as the association is still being established.
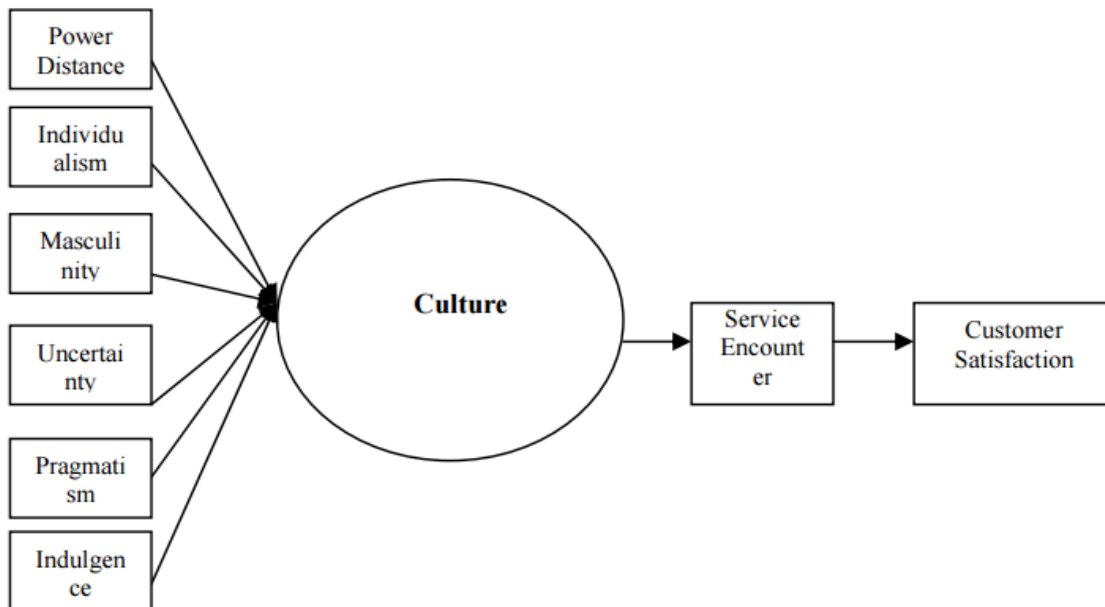

Figure 2 Effects of Culture on Service Encounters and Customer Satisfaction

CONCLUSION

Role of culture is inevitable as customer expect delivery of services according to culture. It is also vital for managers to adapt the changes with culture change while maintaining the service quality benchmark.

It is observed that good employee – customer interaction results in better understanding of customer expectations, thus helping service firms in adapting to the expected service delivery of customers which is a key factor especially for professional services domain and are usually intangible ones.

In a multi-cultural service encounters, several guidelines are suggested for reducing the service quality gap: First, service firms should focus on providing the training and awareness about cultural differences when employees move from one culture to other or interacting over dynamic IT environment. Also have ready technology related solutions such as brief profile of the customer with their social norm on the computer screen during a service encounter. This will also enable the service provider to quickly adapt to the new cultural characteristics. Second, firms may focus on the communication skills with emphasis on the accent that is clear and concise to avoid discrepancies in expectations of customer and service provider with respect to service quality. Some time, customer from a diverse culture may not be well worse with the language ability commonly used by the service provider and in such case; service provider should have some resource dedicated to coop-up language issue. Finally, service provider should have a sound procedure and system to log customer complaints occurs due to cross-cultural reasons and timely address those complaints to avoid customers' switch to other products or services.

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