



# Developers and terminators in hypermarkets' relationships with Chinese customers

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## Abstract

**Purpose** – The purpose of this paper is to identify distinguishing attributes of (dis)satisfying service contacts in a Chinese cultural context.

**Design/methodology/approach** – The data were collected in the form of critical incidents from a purposive snowball sample of hypermarket customers. Analysis of the responses revealed 277 critical judgements related (dis)satisfying determinants.

**Findings** – Findings reveal 17 determinants with 37 sub-determinants for all the experiences: five determinants relate to satisfactory evaluations, seven to dissatisfactory, and a further five to both. The determinants represent a marked departure from existing determinants of service quality described in the Western oriented literature.

**Originality/value** – The findings are related to Chinese (Confucian) culture to suggest determinants that can both develop and lead to termination of hypermarkets' relationships with their customers. A focus on the developers and terminators provides practical insights to foreign and indigenous managers of hypermarkets in the Far East for focus in service delivery.

**Keywords** China, Far East, Hypermarkets, Customer services quality, Customer satisfaction

**Paper type** Research paper

## 1. Introduction

Rising incomes have made many Far-Eastern markets attractive propositions for large international hypermarket chains (Dawson *et al.*, 2003). With foreign entrants into these markets, local (wet/traditional markets) were anticipated to decline as customers switched to stores with extensive ranges, attractive services capes and customer service. However, this shift has failed to materialize (Goldman *et al.*, 1999, 2002; Ho, 2005) and as a result the hypermarket sector has become increasingly competitive. In Taiwan alone there have been multiple entry–exits of foreign retailers who have been drawn to this apparently attractive market. These included Makro's cessation of eight hypermarkets (due to cost pressures) (Lue and Chen, 2003) and TESCO with six stores, due to an inability to overcome entrenched competition represented by Carrefour (in partnership with Uni-President a local conglomerate) and RT-mart (indigenously developed) during eight years of competition.

Given the increasingly competitive marketplace (Hsueh, 2005), hypermarkets have focused on product range, competitive pricing and service quality for differentiation. The latter through direct customer contact in the service encounters (Czepiel *et al.*, 1985) offers the opportunity for interactive marketing whereby value is added through people and the social processes (Lovelock *et al.*, 2005). The service dividend of this investment comes in the form of favourable behavioural intentions, such as repurchase and referral.



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Therefore, a key task of management is to train, support and motivate staff so that customer contacts (the interactive marketing effort) creates a positive impression.

Whilst some studies have explored customer perceptions of service in general retail settings (Bitner *et al.*, 1990; Parasuraman *et al.*, 1988), few have considered supermarkets (Dabholkar *et al.*, 1996), and even fewer have focused on Chinese customer responses to service offers (Imrie *et al.*, 2002; Stanworth *et al.*, 2007).

This research adopted a customer perspective with the goal to find describe distinguishing attributes of satisfying and dissatisfying service contacts in a Chinese cultural context. More specifically the researcher set out to answer the following two questions:

- (1) What aspects of encounters are (dis)satisfying for customers of supermarkets in a Chinese cultural setting?
- (2) What is the relationship between the determinants and evaluations of supermarket service (dis)satisfaction in a Chinese cultural setting?

In the following paragraphs the concept of service quality and satisfaction is discussed, before focusing on retail service quality in a Chinese cultural setting.

## 2. Service quality in retail settings

With service quality of growing importance in the 1980s Parasuraman *et al.* (1985, 1988) sought to provide a measurement of effectiveness for organizations in the form of SERVQUAL. This spawned a significant track of research and critique that has centered on data collection technique and the robustness of the original five factor structure (Buttle, 1996; Smith, 1995). SERVQUAL has been described as inappropriate for application to retail stores (Finn and Lamb, 1991), and more suited to pure service settings (Dabholkar *et al.*, 1996).

In response to SERVQUAL's limitations Dabholkar *et al.* (1996) developed the retail service quality scale (RSQS). Through qualitative techniques (phenomenological and in-depth interviews and customer reported observations), and with reference to the literature, they proposed that customers think of service quality at three levels. Within these levels, the five dimensions of physical aspects, reliability, personal interaction, problem solving and policy are core to customer evaluations of store service quality. These dimensions shared many commonalities with SERVQUAL apart from the addition of a new dimension policy that included items on quality of merchandize, parking and credit cards.

Siu and Cheung (2001) tested the RSQS with customers of an international department store in Hong Kong. They failed to find the same structure as Dabholkar *et al.* (1996) similar to another Far Eastern (Singaporean supermarkets) retail study (Mehta and Lalwani, 2000). Siu and Cheung (2001) concluded the scale could be applied in Hong Kong, but modifications were required. Ellis *et al.* (2003) drew a similar conclusion and following their pilot study with the RSQS, they removed and modified a number of scale items. Kim and Jin (2001) also emphasized the difficulty to achieve the same RSQS factor structure in a study of both US and Korean customers of discount stores.

Therefore, these studies suggest the dimensionality of service quality may differ across industries (Finn and Lamb, 1991) and/or cultures (Farley and Lehmann, 1994; Gaur and Agrawal, 2006; Kim and Jin, 2001; Malhotra *et al.*, 1994; Winsted, 1997). In her deep study of Japanese and American consumers' perceptions of service quality, Winsted (1997) not only found new quality factors for the Japanese group, but also demonstrated the meanings ascribed to the factors occasionally varied. It is likely that distant cultural

groups (Trompenaars and Hampden-Turner, 1998) (i.e. Chinese and Western in the context of this paper) will ascribe varying significances to quality factors.

### 3. Chinese retail service quality

There have been comparatively few cross cultural studies of service (Smith and Reynolds, 2002; Zhang *et al.*, 2005). Both Feinberg *et al.* (1995) and Imrie *et al.* (2002) are amongst the few who have studied service quality in a Chinese cultural setting; both are discussed in the subsequent paragraphs.

Feinberg *et al.* (1995) used the critical incident technique (CIT) to identify service quality dimension for retail consumers in the USA, Taiwan and the Netherlands. The largest difference lay between the perceptions of the U.S. and Taiwanese customers. The former described good service themes relating to good merchandise/what I want, friendly and good prices, whereas for the later emphasized polite, friendly, felt important/respected and competent/knowledgeable sales people. In terms of bad service themes, US customers emphasized *doesn't have what I want, impolite/impersonal* and *not knowledgeable*, while Taiwanese customers focused on *impolite/impersonal, ignored* and *problems in delivery*. These findings reflect the importance U.S. customers ascribe to reliability (Zeithaml *et al.*, 1990). The same variable has been found to be far less important to Far Eastern customers (e.g. Kim and Jin, 2001; Mehta and Lalwani, 2000; Siu and Cheung, 2001).

Imrie *et al.* (2002) employed semi-structured interviews and focus groups as the basis for their framework labelled the Confucian relational ethic (CRE). The CRE included three major themes: sincerity, generosity and courtesy/politeness, which demonstrated some broad consistencies with SERVQUAL (e.g. empathy) but also revealed a much richer conceptualization of the personal encounter. The sincerity dimension focused on how staff went beyond myopic task definition to display genuineness (also found by Winsted (1997)), as evaluated by displays of willingness, enthusiasm and respect. Politeness reflected cultural norms in terms of face and Chin Chieh where the former is related to cold, and the latter to the amicable attitudes and friendly behaviours of warm politeness. Their final theme of generosity related to passive and active service. Whilst the former relates to delivery of core attributes, these can be anticipated to fall below expectations. However, the desire to continue the relationship with the provider and subservience to groups norms (Yau, 1988) implies customers are willing to accept service levels without complaint.

## 4. Method

### 4.1 Critical incident technique

Given the exploratory nature of the current study, the CIT, developed by Flanagan (1954), was implemented. The approach involves collecting stories that are then subject to either content analysis (Bitner *et al.*, 1990) or some form of grounded theory analysis (Johnston, 1995; Keaveney, 1995). The approach has been widely used for service research (Gremler, 2004) and is also particularly suited to this study because CIT is culturally neutral (i.e. avoiding problems with scale equivalence (Feinberg *et al.*, 1995; Smith, 1995)).

An incident can be considered critical if "it contributes or detracts from the general aim of the activity in a significant way" (Bitner *et al.*, 1990). Specifically the incident must fulfil four criteria:

- (1) involve customer–hypermarket interaction,
- (2) be (dis)satisfying from the customers' point of view,

- (3) represent a discrete episode and
- (4) be clear to the researcher (Bitner *et al.*, 1990; Flanagan, 1954).

Each incident represents an evaluation of specific aspects, which can describe quality attributes (Brady and Cronin, 2001) rather than simply rely on a single overall evaluation of satisfaction (Westbrook, 1987). The CIT approach is time consuming (Johnston, 1995), but can result in rich descriptive data.

#### 4.2 Data collection procedure

Stauss' (1993) approach was used in the design of a CIT collection form. Each respondent was asked (in Chinese) to describe both a satisfying and dissatisfying incident experience. Following the instructions, respondents were first asked:

Please think of a good service experience that you had when you were shopping in a hypermarket. Please describe in detail this good service experience so that I can easily understand it.

The wording of the question was designed to orient respondents to thinking about interaction with the provider and to encourage detail. A subsequent set of probing questions were designed to encourage participants to provide richer descriptions:

Exactly what happened?

What specific circumstances lead to the situation?

What did you or the service provider do or say?

What made you feel the situation was satisfying? (Please do not just give one word.) What thoughts and feelings did you have?

When did this take place?

Questions relating to the dissatisfactory experience followed the same format. In the final section, respondents were asked for their basic information: age, sex, income, time spent in the hypermarket, frequency of hypermarket visit and amount spent per visit.

A pilot study tested face validity and overall clarity of the instrument. Based on feedback from 17 contacts, the CIT form was revised to arrive at a final version.

#### 4.3 Sample

Mindful of the profile of hypermarket shoppers, purposive snowball sampling was used to gather data from respondents. Initially, second year graduate students and their personal contacts who had jobs were targeted. Each respondent was then asked to invite their parents and other contacts to participate in the study. Those CITs not meeting the four criteria as a valid response were removed (33 satisfying and 27 dissatisfying)[1]. A sample of 174 incidents remained that split into 88 satisfying and 86 dissatisfying incidents. Given the exploratory nature of the research, and comparable sampling to Farrero and Argüelles (2005), the sample was deemed acceptable. The sample exhibited a good representation of hypermarket shoppers in Taiwan (Table I).

#### 4.4 Analysis

Since the number of CITs was low, but the data comparatively rich, the researcher chose to follow Johnson (1995) and Keaveney's (1995) approach, focusing on discrete aspects within the CIT descriptions. For example, if an incident referred to both "friendly attitude" and "bargain suggestions" then this was coded as "friendly attitude"

|                               | Hypermarket customers          |       | This study          |     |
|-------------------------------|--------------------------------|-------|---------------------|-----|
| Sex                           | Male <sup>a</sup>              | 43%   | Male                | 35% |
|                               | Female <sup>a</sup>            | 57%   | Female              | 65% |
| Typical age                   | 30-49 <sup>b</sup>             | 56.8% | 31-40               | 55% |
|                               | 20-29 <sup>b</sup>             | 21.7% | 21-30               | 44% |
| Average spending per visit    | 501-1,500NT\$ <sup>c</sup>     |       | 1-2,000NT\$         | 36% |
|                               |                                |       | less than 1,000NT\$ | 55% |
| Average frequency of shopping | 2-3 times a month <sup>d</sup> |       | 1-2 times/month     | 74% |
|                               |                                |       | 3-4 times/month     | 15% |
| Time spent in store           | 1-2 h in store <sup>e</sup>    | 59.4% | 1-2 h in store      | 77% |

**Table I.**  
Sample profile compared  
to literature

**Notes:** <sup>a</sup>AC NIELSEN, 2008; <sup>b</sup>ISURVEY, 2008; <sup>c</sup>ACTMEDIA, 2003; <sup>d</sup>AC Nielsen, 2006; <sup>e</sup>AC Nielsen, 2006

and “bargain suggestions”. Through a careful and iterative process, the incidents were coded to 277 critical judgements, using the qualitative analysis software programme Xsight for support. This represents 1.6 critical judgements per incident, similar to Johnston (1995) and is less than Keaveney (1995) (4.2 per incident). Descriptions averaged 87 and 107 words for satisfying and dissatisfying incidents, respectively, which is higher than Johnston (Johnston, 1995) (30 words per incident) and indicated a high degree of data richness.

Following initial coding, it is recommended that other coders review the validity of the allocation of data to categories (Butterfield *et al.*, 2005). This proceeded in two rounds. In the first, following a detailed briefing, two coders (A and B) allocated the data to existing codes and subsequent discussion led to category reduction and increased clarity of group descriptions. In the second round, two coders (C and D) arrived at an average of 83.2 and 81.5 per cent (satisfactory and dissatisfactory, respectively) agreement with the coding from round one and since this is above the accepted norm of 80 per cent it was considered acceptable (Gremler, 2004).

## 5. Findings

Findings reveal 17 determinants with 37 sub-determinants for all the experiences (Table II). Five determinants relate to satisfactory evaluations, seven to dissatisfactory and a further five to both. These are described in the following sections.

*Chin Chieh* relates to the greatest level of positive evaluations. *Chin Chieh* (親切), also identified by Imrie *et al.* (2002)[2], focuses on friendly warm associations. Often used in a spoken form (“She was very *Chin Chieh*”) the concept is rooted in developing positive relationships with others and shows parallels with Winsted’s (1997) conversation factor. Specific to hypermarkets, *Chin Chieh* consists of three sub-determinants, *warm behaviours* (e.g. “they smiled”), *offering customer help* (e.g. “The service staff showed me where the yogurt is and then told me the other things I could find near there”[3]) and a *sense of closeness* (e.g. “the clerk is friendly”).

*Customer assistance* was highly positive, and often ascribed to staff offering help without being asked and is made up of two sub-determinants. The first sub-determinant, *voluntarily offering help*, reflects elements of both *need anticipation* (Imrie *et al.*, 2002) and responsiveness (Parasuraman *et al.*, 1988) and was described by one respondent as, “the staff told me I could go to counter two to check out and they helped me push my cart”. The second sub-determinant was *related benefits*, which a

| Determinants                             | Number of observations | Percentage of satisfying observations (%) | Percentage of satisfying observations to total satisfying (%) | Percentage of satisfying observations to total observations (%) | Number of observations | Percentage of dissatisfying observations (%) | Percentage of dissatisfying observations to total dissatisfying (%) | Percentage of dissatisfying observations to total observations (%) |
|--|------------------------|---|---|---|------------------------|--|---|--|
| <b>Satisfying</b>                        |                        |   |   |   |                        |  |   |  |
| Chin Chieh                               | 41                     | 29.1                                      | -   | -   | -                      | -  | -   | -  |
| Customer assistance                      | 20                     | 14.2                                      | -   | -   | -                      | -  | -   | -  |
| Value                                    | 16                     | 11.3                                      | -   | -   | -                      | -  | -   | -  |
| Enthusiasm                               | 12                     | 8.5                                       | -   | -   | -                      | -  | -   | -  |
| Saving shopping time                     | 10                     | 7.1                                       | 70.2  | 35.9  | -                      | -  | -   | -  |
| <b>Both satisfying and dissatisfying</b> |                        |   |   |   |                        |  |   |  |
| Alternative                              | 12                     | 8.5                                       | -   | -   | 17                     | 12.5   | -   | -  |
| Patient                                  | 12                     | 8.5                                       | -   | -   | 9                      | 6.6  | -   | -  |
| Respect                                  | 10                     | 7.1                                       | -   | -   | 29                     | 21.3   | -   | -  |
| Competent                                | 6                      | 4.3                                       | -   | -   | 19                     | 14.0   | -   | -  |
| Queue time                               | 2                      | 1.4                                       | 29.8  | 15.2  | 7                      | 5.1  | 59.6  | 29.3   |
| <b>Dissatisfying</b>                     |                        |   |   |   |                        |  |   |  |
| Policy and procedure                     | -                      | -   | -   | -   | 14                     | 10.3   | -   | -  |
| Store environment design                 | -                      | -   | -   | -   | 13                     | 9.6  | -   | -  |
| Quality of product                       | -                      | -   | -   | -   | 7                      | 5.1  | -   | -  |
| Friendly                                 | -                      | -   | -   | -   | 6                      | 4.4  | -   | -  |
| Access to staff                          | -                      | -   | -   | -   | 6                      | 4.4  | -   | -  |
| Responsiveness                           | -                      | -   | -   | -   | 5                      | 3.7  | -   | -  |
| Hard sell                                | -                      | -   | -   | -   | 4                      | 2.9  | -   | -  |
| Total (number of observations = 276)     | 141                    | 100.0                                     | -   | -   | 136                    | 100.0  | 40.4  | 19.9   |

**Table II.**  
Summary of results

respondent described as, “the staff of the fresh area let me wash my hands after touching the fish[4]”.

The dimension of *value* relates to promotional activities across three sub-items of *promotion*, “prices were reduced for special festivals,” *free gifts*, “customers can get a free gift when they accumulate enough points,” and *bargain suggestions*, “the staff suggested that I could buy two because it would be cheaper than the one.” Chinese customers (McDonald, 1991) appear to spend more time evaluating price than their Western counterparts (Ackerman and Tellis, 2001) and actively seek opportunities to find reductions or bargains (Lee, 2000; Trappey, 1997), making value an important culturally related construct.

Behaviours associated with *enthusiasm* (e.g. “the check out clerk helped me pack the bags enthusiastically”) were classified as positive. As was support to *save shopping time*, which was facilitated through two sub-determinants of *information on products’ location* (e.g. “It saved me time because the staff told me the correct location of the product”) and *information on product*, “I saved time after the staff explained the product in detail”.

*Attentiveness* related to both (dis)satisfactory evaluations and centered on the service staff’s speed and attention to details. The underlying theme was care for the customer, which would reflect a person rather than task orientation found in Far Eastern cultures (Trompenaars and Hampden-Turner, 1998) along with the attitudinal component of respect (*jing*) in terms of cautiousness, seriousness and attentiveness (Chan, 2006). In the case of satisfactory evaluations, this related to handling *returns* (“The staff changed the product for me quickly when I told them I’d bought the wrong item”) and *queries* (“The staff asked a colleague to quickly search for the bar code missing from the clothes”). Whilst for dissatisfactory judgments attentiveness was associated with *carelessness* (“the staff forgot to remove the security tag from the clothes so the alarm rang”) and *lack of customer understanding* (“customers cannot easily see the products because the staff are in the way stacking goods”).

Staff were positively perceived as *patient* when providing *product introductions* (“staff patiently introduced the advantages and disadvantages of different TVs”), *answering questions* (“the staff patiently answered my questions about the washing machine”) or *trying products* (“the staff patiently let me try many different types of exercise equipment”). Impatience reflected negative evaluations: “the staff was too busy and just pointed where I could find the product”.

*Respect* has been shown to be important in Chinese or Confucian contexts (Chan, 2006; Ma and Smith, 1992). Positively respondents appreciated *responsiveness* (“A staff person responded to the customer opinion form that I wrote”) in giving respect to their opinions. The displays of humility and *polite* behaviours towards customers were also found to be a positive theme by Feinberg *et al.* (1995) and Imrie *et al.* (2002), where it was labelled CRE. *Politeness* was mentioned in, for example, the “welcome,” given to customers at the store entrance. Negative evaluations of *impolite* behaviours (the most significant negative theme also found in Feinberg *et al.*’s (1995) study) related to being *hurried* (“the check out staff hurried me to pack the goods without helping me”), having goods *thrown or pushed* (“staff threw the receipt on my products after checkout”), displays of *bad emotion* (“the check out staff do not care about customers’ feelings that were caused by the staff’s bad behaviour”) and/or staff using an *unpleasant tone of voice* (“the check out staff told me loudly to go to another counter and put the check out closed board up”). The failure to keep *promises* (“the staff didn’t improve the problem with the fresh food after I made suggestions to them and they promised to do

something about it”) and/or the unwillingness to take *responsibility* (“the staff told me no one else complained the milk was sour . . . and no one cared that the milk I bought was sour”) were also important negative sub-determinants of respect. Whilst these appeared to relate to reliability (i.e. “Keeping promises”: (Parasuraman *et al.*, 1988)) a review of the items suggested a focus on maintaining appropriate behaviours (i.e. “the server should serve” (Hofstede and Bond, 1988)).

*Competence* was described positively as the ability to handle tasks (“staff introduced different parts of the product clearly”) and negatively (“the staff told me the food was fresh and arrived recently but I saw it was past date when I got home”). Specific to negative evaluations was the inability to *give directions* (“the staff person said he didn’t know where the product was located”) or to handle *parking management* (“cars were jammed at the exit of the parking and stopped on the slope, and the staff encouraged us to go through the exit even if we couldn’t”). Similarly *queue time* reflected positive (“more counter check-outs were opened with more customers and so I saved some time”) or negative scheduling or *performance of staff* (“customers stood in a queue to wait for check-out because there were too few staff”).

The following items only related to negative evaluations, with *policy and procedure* the most dominant. Three sub-determinants included *flexibility*, *supply shortage* and *promotional information*. Flexibility described situations where rules, policies or procedures were inconvenient or seemed over zealously applied (“they told me I couldn’t take the bag into the store and I needed to put it in a locker. They said it was their policy and I had to follow their rules”). Such negative evaluations can predictably occur in a society with a personal orientation (Trompenaars and Hampden-Turner, 1998) that places priority on social harmony over rule adherence (Hofstede and Bond, 1988). In terms of the other two sub-determinants, supply shortage relates to stock shortages post promotion (“the speed they supplied goods was not fast enough after they ran the promotion”) and the accuracy of promotional information (“the flyer promoted these goods, but in fact there was no promotion on these goods in the store”).

*Store environmental design* referred to the layout of the store, made up of two sub-determinants: *signage* and *parking*. Dabholkar *et al.*’s (1996) measure of service quality for retail stores included three items on physical aspects (related to cleanliness, attractiveness and convenience of public areas to the degree store layout helps customers find what they want and move about with ease). However, whilst many Western customers have structured shopping habits, epitomized in the use of lists, most Chinese customers are rarely so “organized” (Sue-Feng, 2006) and the whole shopping experience is more hedonistic (Warden *et al.*, 2008). Given this expectation, a significant aspect of negative evaluations related to signage and the difficulty in locating bargains (“goods on promotions were not signed clearly”). The inconvenience of parking was also described (“the parking design is not good. They have a one way system . . . you can’t go backwards”).

In evaluating *product quality* customers focused on both *freshness* and *quality control*. Chinese customers pay great attention to freshness (Hsu and Chang, 2002; Schvaneveldt *et al.*, 1991) and so negative evaluations concentrated on a failure to achieve freshness (“the hypermarket doesn’t pay attention to fresh foods. Some items in the delicatessen were not covered”). In other cases, customers were disappointed by the lack of quality control (“I bought a bicycle and when I got home I saw it was broken. Product quality is not well controlled in the hypermarket”).

Customers described *unfriendly* judgments, when, for example, “two staff in the fresh area stood there chatting with each other. Then they told me to take the fish

myself when I asked for help.” Other authors have discussed the idea of *passive service* (Imrie *et al.*, 2002) or *civility* (Winsted, 1997) when referring to basically acceptable levels of service or standards of behaviour. However, the incidents reported here fell short of even minimal standards of service, indicating the relevance of the determinant of *access to staff*. Sub-attributes included *staff availability* (“there was no one available at the service counter at night”) and *only the service center can help* (“the check out staff said they didn’t know and told me to ask the service center”) demonstrated how lack of staff physical presence and knowledge defined the access issue.

Two final determinants of dissatisfactory evaluations related first to *responsiveness* (“The staff didn’t inform customers the goods would be delivered to my home later. I had to ask them myself”). From this perspective, responsiveness fits with the existing (Dabholkar *et al.*, 1996; Parasuraman *et al.*, 1988) concept of a (un)willingness to serve. The second determinant described *hard sell* or sales pressure (Feinberg *et al.*, 1995) (“I ignored the salesperson, but she still tried the hard sell on me”).

## 6. Discussion: determinants of satisfaction and dissatisfaction

Early work on the determinants of (dis)satisfaction by Johnston (1995) suggested two key issues. First, the causes of (dis)satisfaction differ, and secondly, dissatisfaction items are not necessarily the opposite of satisfaction items. In a recent summary of this line of research, Vargo *et al.* (2007) suggested an appropriate approach is to examine the relationship between four categories of factors, i.e. satisfiers, dissatisfiers, criticals and neutrals and (dis)satisfaction. The presence of satisfiers leads to satisfaction whilst their absence does not result in dissatisfaction (Cadotte and Turgeon, 1988). Dissatisfiers, absence or weak performance, can lead to dissatisfactory evaluations, but increasing evidence of the item does not increase satisfaction (Cadotte and Turgeon, 1988). Criticals, tend to relate to the generic or core part of an offering (Vargo *et al.*, 2007) and can lead to either (dis)satisfactory evaluations (Cadotte and Turgeon, 1988), but the dominance of one tendency indicates the overriding evaluation of that criteria (Johnston, 1995). The final category of neutrals elicits neither positive nor negative evaluations independent of their presence or absence (Cadotte and Turgeon, 1988).

Generally, it is suggested that organizations focus on exceeding expectations (Zeithaml *et al.*, 1990) through a focus on satisfiers (Vargo *et al.*, 2007) in order to achieve high levels of overall satisfaction. Results of such a focus include high referral intention (Heskett, 2002) and profitability through loyalty (Reichheld *et al.*, 1996). However, Geise and Cote (2000) noted that customers tend to view dissatisfaction in a more extreme way than satisfaction, which suggests the overall impact of the former will be greater than the latter in terms of final (dis)satisfactory evaluations (Johnston, 1995; Vargo *et al.*, 2007). Vargo *et al.* (2007) argue that overall criticals have the greatest impact on (dis)satisfaction because of they embody the core offering. Their product focus seems to be at odds with the findings of Johnston (1995) who found that core elements (i.e. reliability) were dissatisfiers. This suggests that criticals that embody both (dis)satisfactory evaluations may be disproportionately influenced by dissatisfactory evaluations (Geise and Cote, 2000). The managerial implication is to eliminate the dissatisfactory elements whilst working on the criticals before moving to satisfiers (Mahesh and Stanworth, 1995).

The current study is set within a Chinese context where the Confucian ethic is pervasive and relevant (Hofstede and Bond; 1988, Ma and Smith, 1992; Wong, 2005). The Confucian ethic emphasizes harmony between people and their environment (Ma and Smith, 1992) and anticipates the family as the prototype for all organizations (Hofstede and Bond, 1988)[5]. Interpersonal relationships are anticipated to be unequal

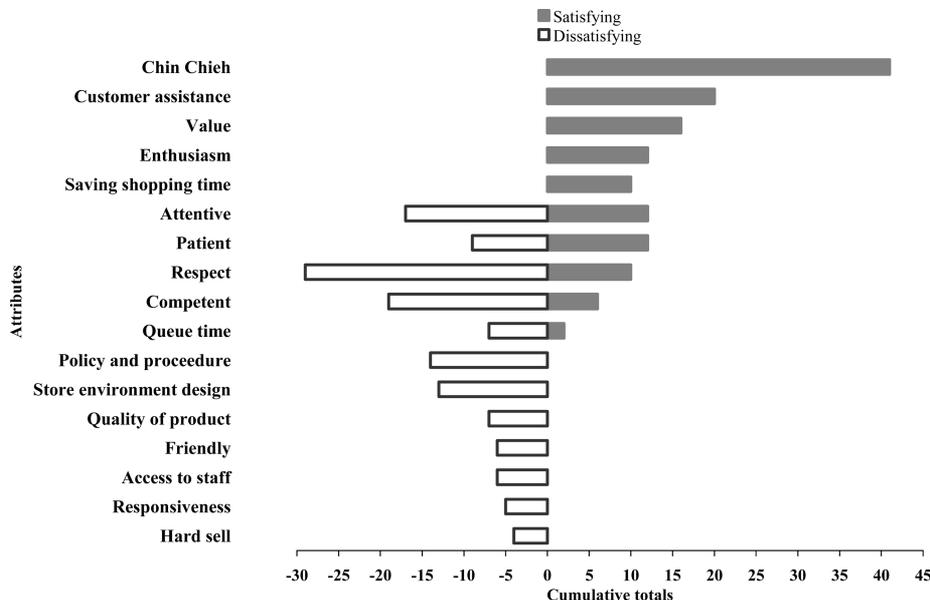
(Hofstede and Bond, 1988) where each person has his/her own position and obligations (Ma and Smith; 1992; Yau, 1988) that are managed with a focus on respect (Chan, 2006), politeness, friendliness and sincerity (Chan, 2006; Yau, 1988). Preservation of face (both of ones own and others) is important as is treating others in a way that you would want to be treated yourself (Hofstede and Bond, 1988)[6]. This leads to an expectation of comprise and the need to be flexible (Yau, 1988).

The analysis (Figure 1) showed:

- five satisfiers: Chin Chieh, customer assistance, value, enthusiasm and saving shopping time;
- seven dissatisfiers: policy and procedure, store environment design, quality of product, friendly, access to staff, responsiveness and hard sell; and
- five criticals: attentive, patient, respect, competent and queue time.

(Given the data collection technique, i.e. CIT, neutrals were not present.)

Most notable for its absence, given its importance to Western customers, is reliability (Zeithaml *et al.*, 1990). This finding is similar to other studies where an Eastern culture is sampled (Feinberg *et al.*, 1995; Imrie *et al.*, 2002; Kim and Jin, 2001; Siu and Cheung, 2001). When reviewing the satisfiers, these consumers reflect on the positive anticipated (Confucian) relationship behaviours i.e. warm, friendly (Chin Chieh), concern with serving the customer (saving shopping time) in a genuine enthusiastic manner. As a point of illustration, a customer could describe a contact as Chin Chieh and feel satisfied *whilst not getting the product they were looking for*. In contrast, they could get what they are looking for, without a feeling of Chin Chieh, resulting in dissatisfaction. Both passive service (Imrie *et al.*, 2002) and civility (Winsted, 1997) relate to a barely acceptable level of service. What is suggested here is the satisfiers, with their over tones of relationship development, become significant. A number of authors (Hofstede and Bond, 1988; Yau, 1988) emphasize the willingness of



**Figure 1.**  
(Dis)Satisfying service quality attributes for Chinese customers of hypermarkets

the individual to subsume desires to the needs of the wider group (what “I” want becomes less important than what “We” want). Therefore, satisfying contacts can become those in which the customer has a positive contact that becomes an *outcome in itself*. Re-interpreting this idea through the lens of Grönroos’ (2000) notion of technical quality, what we see is not the Western concept of measurable outcomes but the opportunity to develop or deepen a relationship that is a positive outcome in its own right. On this basis, satisfiers can be described as “developers” given their propensity to develop and deepen interpersonal relationships.

In direct contrast, dissatisfiers represent the direct imposition of rules or poor implementation of management systems (policy and procedure, access to staff) as well as unpleasant staff contact (unfriendly, unresponsive and hard-selling). In essence, these represent the antithesis of what is anticipated (described above) within a social norm of positive relationships. This suggests this group of dissatisfiers can be labelled *terminators* in that they communicate no desire to initiate or continue a relationship. It is also important to note that quality of product is included in this group. This suggests that customers expect the store to provide fresh and good quality products. However, the quality of products is not perceived as an opportunity for differentiation.

## 7. Conclusion

The purpose of this study was two fold: first, to identify determinants of (dis)satisfactory evaluations made by Chinese hypermarket customers. In this exploratory study, data revealed 17 determinants with 37 sub-determinants of (dis)satisfactory evaluations. The second purpose was to explore how these determinants might affect customer (dis)satisfactory evaluations. In this regard, three groups of factors were labelled developers, terminators and influencers in their potential to nurture, hinder and facilitate (respectively) the evolution of a service relationship between the store and its customer.

From a managerial perspective, results suggest a focused policy, with procedures to reduce the effects of terminators, whilst addressing the behavioural aspects embodied in the influencers. Only at this stage can managers look to differentiation through the developers.

## Notes

1. This represents 25 per cent of the total incidents collected and is higher than other studies, e.g. Keaveney (1995) who discarded 11 per cent of CITs collected. The pilot test of the instrument revealed that while respondents clearly understood the questions they were unused to this free-responses format and continually asked for “tick-boxes”. I believe, too, that some responses were given to show willingness to complete the instrument (even if inaccurately/incompletely) in the face-to-face setting rather than giving a direct refusal in order to maintain face.
2. Feinberg *et al.* (1995), whilst not using the term Chin Chieh, refer to “polite/friendliness” and ranked it top of their good service themes.
3. Note all quotes are taken from the CITs and translated from the original Chinese.
4. Chinese cultures use multiple senses in evaluating food purchases (Ackerman and Tellis, 2001). So the ability for the customer to wash their hands after using touch is an important related benefit.
5. This is a visible feature of business life where for example, The Bank, China Trust, has the strap line, “We are family”.
6. It is important to distinguish here between the Christian and Chinese interpretations of this concept. This phrase (also referred to as the golden rule), from a Christian point of

view captures the ideas of forgiveness and understanding. However, in a Chinese context it does not go as far as, "love thy enemies" (Hofstede *et al.*, 1988) and is more negatively and practically construed as demonstrating behaviours that avoiding negative consequences.

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