

# **Developing host-guest relationships in Thai tourist resorts**

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*For my mother, Dr. Kesorn Thujinda (M.D.), and my husband,  
Mr. Kultree Sophonsiri, who always make me feel warm, safe and loved*

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## Declaration

I, Mrs. Vanida Sophonsiri, declare that the PhD thesis entitled *Developing host-guest relationships in Thai tourist resorts* is no more than 100,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signed \_\_\_\_\_

Date \_\_\_\_\_

## **Abstract**

This relationship marketing study investigates the influence of national culture on the development of host-guest relationships between local and international tourists and Thai resort operators on Samui Island, Thailand. It proposes that a quality relationship between tourists and resort operators, which is characterised by high levels of trust and commitment, is the major determinant of customer loyalty. In particular, it concentrates on the major cultural differences between Thai and Australian tourists that impinge upon host-guest relationship development.

To assist in the study, a research model developed by Morgan and Hunt (1994) was modified and used to conceptualise host-guest relationships and to inform the data collection procedure. Based on survey data collected from Australian and Thai tourists that arrived on Samui Island between January and February 2005, it was found that Australian and Thai respondents have different service experiences during their vacation. Moreover, they also weigh the importance of the antecedents of trust and commitment differently. The findings of the study highlight the need for resort operators to interact with tourists in a culturally sensitive manner. The managerial implications of the results of this study for resort operators are presented, and some recommendations for future service management and delivery strategies are suggested.

# **Chapter One**

## **Introduction**

### **1.1 Background to the study**

Thailand relies heavily on tourism for economic growth and development. There are several reasons for this. Firstly, revenue from international tourists exceeded Bt 470.6 billion or AUD\$ 15.69 billion per annum in 2006 (Bank of Thailand 2007), which equates to approximately 6.0 % of GDP. These figures are predicted to increase dramatically. According to the World Tourism Organization (2001), international tourists arrived in Thailand is expected to exceed 36.9 million by 2020.

In common with most service industries, customer loyalty is an important aspect of stability and growth within the tourism sector because maintaining an existing customer provides several economic benefits. Indeed, customer loyalty has become a key goal for most businesses (Berry & Parasuraman 1991; Bowen & Chen 2001), because researchers agree that retaining existing or repeat customers is more profitable than continually seeking new ones. Research has found, for example, that loyal customers purchase more, incur lower marketing costs and spread positive word-of-mouth communication (Dwyer, Schurr & Oh 1987; Reicheld & Sasser 1990; Berry & Parasuraman 1991; Bowen & Chen 2001).

The key to customer loyalty is the development of positive relationships (Dwyer, Schurr & Oh 1987; Morgan & Hunt 1994). Whilst this has been a feature of service marketing for some time, recent and emerging research in hospitality studies also

places significant emphasis on host-guest relations and the development of relationships through the provision of genuine hospitality (Lashley 2000).

The importance of developing relationships between hosts and guests within Thailand's tourism industry was highlighted by the Tsunami that killed over 60,000 people in South and South East Asia in 2004. It has been widely reported, for example, that repeat visitors were the first tourist group to return to Thailand after the incident. There were two major reasons for this. Firstly, repeat visitors understand the local environment and are able to assess the situation and risk in a more informed manner compared with those who have not previously been to Thailand (TAT 2004). Tourists who were not familiar with Phuket, for example, cancelled their trips because they thought that the whole Island of Phuket had been destroyed. In reality, only 10% of the island was affected by the Tsunami and this was understood by those who had previously visited. Secondly, tourists who had previously visited felt a need to help and support the locals, particularly in the case of service providers they knew from previous holidays (Rittichainuwat 2006). Consequently, customer loyalty and the development of strong and enduring host-guest relationships are very important for Thailand. Moreover, achieving repeat visitation offers greater prospects as a beneficial and sustainable tourism industry strategy than expensive promotional campaigns or discounting. Thus, it is argued, that to ensure long-term viability and economic growth for Thailand's tourist industry, there is a need to better understand how to generate and maintain customer loyalty.

It is now recognised that Thai tourist destinations are vulnerable to unforeseen situations that can leave the tourism industry at great risk. However, Thailand is



fortunate in having several geographically dispersed and unique tourism regions, though few are as well-known internationally as Phuket and Pattaya. Strategies that assist the retention of customers and the promotion of Thailand as a tourist destination through positive word-of-mouth communication also offer the capacity to assist with the promotion and development of these less well known resorts.

Dwyer, Schurr and Oh (1987) assert that every customer has the potential to generate repeat business for a firm. Consequently, there have been many attempts over the past two decades to identify the factors that can increase levels of customer loyalty. In the 1980s, it was thought that the major determinant of customer loyalty was satisfaction. At that time, a large body of work focusing on the improvement of service quality pointed the way to higher levels of customer satisfaction. In hindsight, the proposition that providing high levels of service quality gain the highest level of customer loyalty is now viewed as being poorly grounded. Zeithaml, Berry and Parasuraman (1996) have noted that during the 1980s many business executives appeared willing to trust their intuition and committed resources to improving customer satisfaction levels with no apparent data to support the link between this strategy and customer loyalty. Recently, published research has noted that customer satisfaction does not always lead to customer loyalty (Bowen & Shoemaker 2003; Mattila 2001). These research publications show that the concept of customer loyalty is more complex than was originally thought. It is a paradox that loyal customers do not always repurchase, and, equally, those who do repurchase are not necessarily loyal customers (Mattila 2001). Mattila's contention is consistent with the American Customer Satisfaction Index (ACSI), which cautions that 'customer satisfaction has a

positive effect on loyalty, but the magnitude of that effect varies greatly across companies and industries' (American Customer Satisfaction Index 2005).

Since it was first noted that customer satisfaction does not always lead to customer loyalty, considerable research has attempted to fill this gap in knowledge. Various models have identified a number of antecedents as central to the discovery of the actions that increase customer loyalty. There is wide consensus among researchers that customers need to commit to a relationship with a firm in order to establish their loyalty. As a result, identifying the factors that foster the development of a buyer-seller relationship has become a key theme in the marketing literature. The common factors in relationship development proposed by previous researchers are: trust (Crosby, Evans & Deborah 1990; Morgan & Hunt 1994; Moorman, Zaltman & Deshpande 1992; Ball, Coehall & Machas 2004), commitment (Morgan & Hunt 1994; Moorman, Zaltman & Deshpande 1992; Verhoef 2003), communication (Anderson & Weitz 1989) and reputation (Anderson & Weitz 1989, Ball, Coehall & Machas 2004). Of these, trust and commitment stand out in many studies because they have been recognized as important variables that lead to a healthy business relationship (Dwyer, Schurr & Oh 1987; Morgan & Hunt 1994; Moorman, Zaltman & Deshpande 1992; Beloucif, Donaldson & Kazanci 2004).

Most researchers agree that trust and commitment are central elements of a successful relationship and a considerable number of studies have sought to establish how trust and commitment influences the development of buyer-seller relationships (Morgan & Hunt 1994; Bowen & Shoemaker 2003). Trust is defined as '... a belief by a person in the integrity of another individual' (Larzeiere & Huston 1980, p.595), whilst

commitment is ‘...an enduring desire to maintain a valued relationship’ (Moorman, Zaltman & Deshpande 1992, p.316). As a result, it is frequently argued that customers will stay with a provider to whom they are committed, but before they can commit to any relationship they have to have a feeling of trust towards their business partners.

Morgan and Hunt (1994) were the first to propose that trust and commitment are the key ingredients of a successful relationship. Their model of relationship marketing identifies trust and commitment as the key mediating variables of the model, and they also assert that five key constructs need to be considered in order to achieve customer loyalty. These constructs are termination costs, relationship benefits, shared value, communication and opportunistic behaviour, which are discussed later under the heading “Key Mediating Variable model”. These constructs are then fully explained in the literature review which is presented in Chapter Two. However, it should be noted at this point that these five constructs assist in the development of trust and commitment, and that trust and commitment, in turn, influence customer loyalty.

A major focus of this study is to identify cross-national differences in the development of trust and commitment between customers of Thai resort hotels and resort hotel operators. This will be achieved by comparing the attitudes of resort guests from Australia and Thailand. Specifically, the present research will evaluate how Australian and Thai resort guests perceive the importance of the antecedents of trust and commitment as predictors of customer loyalty.

An understanding of the essential differences between cultures, particularly those between the East and the West, has the potential to open up new issues of research in

hospitality. There is a need to more comprehensively understand the relationship between trust and commitment, and the development of loyalty in an international tourism context that involves quite different cultures in a host and guest relationship.

## **1.2 Problem statement**

The development of a host-guest relationship in a cross-cultural context necessarily involves cultural understanding. According to Reisinger and Turner (2003), the major cause of misunderstanding between local hosts and international tourists results from cultural differences. They further argue that the degree of cultural differences between hosts and tourists varies from very little to extreme differences. Conway and Swift (2000), for example, claim that the cultural differences between Western hosts and Western tourists are considered to be relatively insignificant, whilst there are significant differences between Asian hosts and Western tourists (and vice versa). They assert that the greater the difference between the host and tourist cultures, the greater time and effort required to develop successful relationships (Conway & Swift 2000). One of the reasons for this is that individuals from distinct cultures have perceptions of the appropriate way to develop and maintain relationships. Interactions between local hosts and international tourists from very different cultural backgrounds are less likely to become successful unless the hosts understand those differences and are able to adjust their service provision in a manner that is acceptable to, and valued by, international tourists.

The capacity of individuals to adjust to other cultures is essential to the effective operation of international business and may be defined as intercultural competence. Francis (1991, p.408) notes that ‘... similarity will lead to more liking but only when

cooperation is expected'. In a service context, cooperation between service providers and customers plays an important part in creating a memorable service experience. As a result, an international resort operator wishing to provide an appropriate service experience, and establish and maintain good relationships with international guests, needs to ensure that service staff interact with international guests in a culturally sensitive manner (Reisinger & Turner 2003).

To identify cultural sensitivity, it is important to distinguish specific cultural differences between service providers and their international guests. In the present investigation, a relationship marketing model is employed to identify the variables that influence development of relationships between Thai resort hosts and their local and international (Australian) guests.

As indicated earlier, current thinking (Dwyer, Schurr & Oh 1987; Morgan & Hunt 1994) is that the formation of a relationship between service providers and customers is the key to ensuring high levels of customer loyalty. Due to the growing global focus of tourism provision, it is appropriate to understand the implications of culture on host-guest relationship development. However, since relationship marketing was first introduced in 1983 and despite considerable research into the development of relationships within various business contexts, no studies have been conducted into the development of relationships between local service providers and international tourists within a hospitality context. It is the intention of this research to contribute to an understanding of this knowledge gap. This will be achieved by determining the importance of the various antecedents of trust and commitment among Australian and Thai tourists. Indeed, it will increase the understanding between Thai service

providers and both local (Thais) and international (Australian) tourists so that both group of tourists are effectively catered for.

### **1.3 Research questions and objectives**

The aim of this research is to explore the development of host-guest relationships within the hospitality industry in a cross-national context. More specifically, it investigates the influence of culture on the development of trust and commitment, which are known as the major ingredients of successful relationships, in service encounters between Thai resort operators and tourists from both Australia and Thailand. The study provides a better understanding of the differences between Australian and Thai guests so that hospitality providers in Thailand can better manage the host-guest relationship and fashion their service delivery in a manner that engages customers in an ongoing relationship. In particular, this study aims to answer the research question: What are the differences between Australian and Thai resort guests in terms of the development of trust, commitment, and ongoing relationships with Thai resort operators?

**RQ1:** Do Australian and Thai tourists have similar host-guest experiences during their holiday?

**RQ2:** Do each of the five antecedents have a similar impact on the development of successful host-guest relationships (characterised by high levels of trust and commitment) for both Australian and Thai tourists?

In order to answer these specific research questions, the Key Mediating Variables (KMV) model of relationship marketing proposed by Morgan and Hunt (1994) was employed as a starting point. This model was used to measure the importance of each antecedent of trust and commitment. A number of cultural dimensions proposed by various cross-cultural researchers (Argyle 1986; Hall 1966, 1973; Hampden-Turner & Trompenaars 1993; Hall & Hall 1987; Hofstede 1980; Kluckhohn & Strodtbeck 1961; Maznevski 1994; Schein 1992; Stewart 1971; Trompenaars 1984, 1993; Trompenaars & Hampden-Turner 2002) are then used to explain the differences that were found between Australian and Thai resort tourists in the context of relationship development and ultimately customer loyalty.

#### **1.4 Significance and anticipated outcomes**

Thailand's resort sector has benefited from strong and stable international tourist demand. In addition to the physical attractions of Thailand's coastal resorts, the relationship between hosts and guests has a positive impact on tourism demand. Notwithstanding, this observation, tourism is still a fragile industry, where external factors can suddenly lead to a reduction in demand. Consequently, it is essential to develop a strategy that encourages a strong relationship between tourists and Thai resort operators. This in turn will encourage repeat visitation as well as positive word-of-mouth communication, which will assist in developing sustainable tourism demand.

The importance of customer loyalty and the development of relationships between hosts and guests within the Thai tourism industry has been highlighted by the devastating Tsunami that recently impacted the Asian region. Several tourism resorts

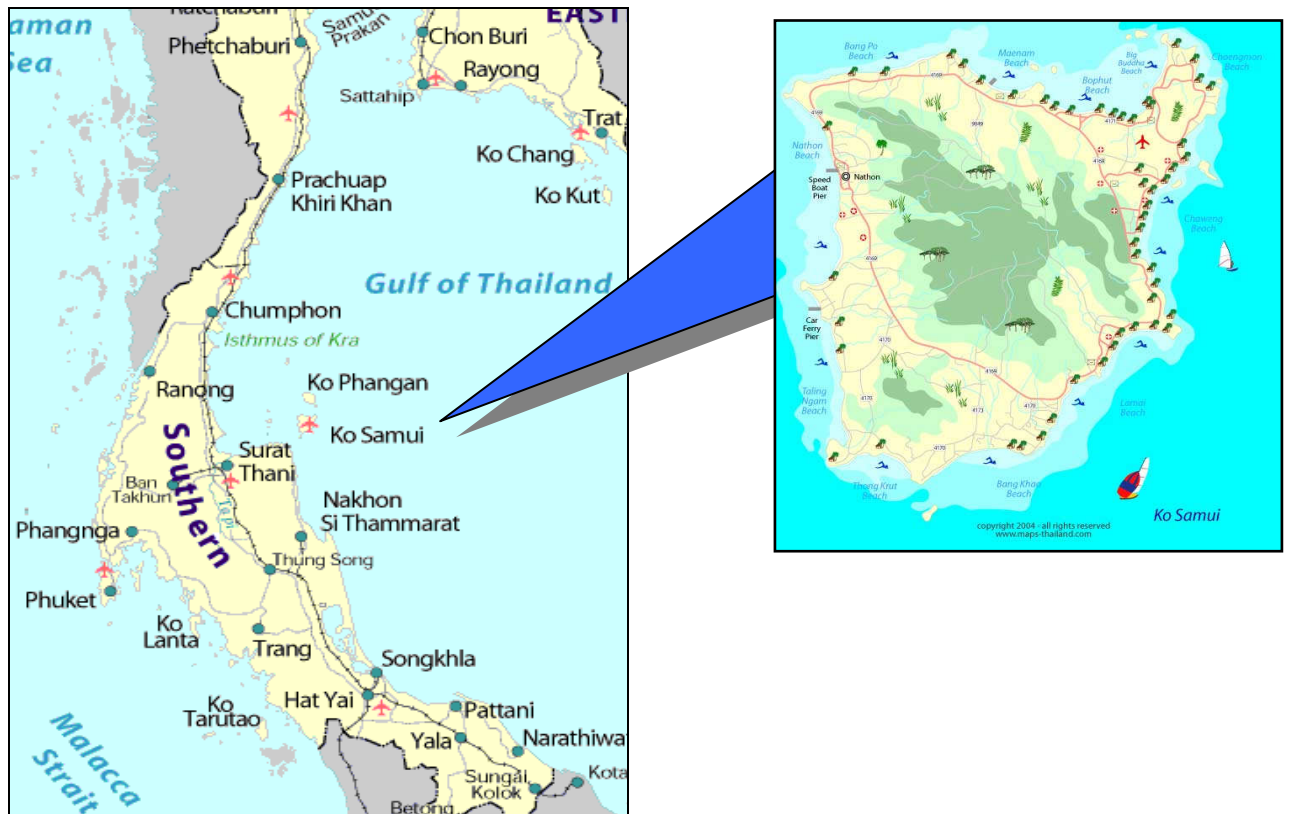
were adversely affected, including Phuket, leaving the local tourism industry with a diminished tourism product. However, Thailand is fortunate in that several other attractive destinations were left virtually untouched. Effective marketing strategies are required to promote these destinations if Thailand is to continue to attract tourists. Strategies that assist in the retention of customers and the promotion of Thailand as a tourist destination through positive word-of-mouth communication can assist with this goal. It is hoped that the results of the present study will assist Thai resort operators to develop stronger host-guest relationships that will lead to repeat visitation, and the promotion of Thai resorts through positive word of mouth communication.

### **1.5 Study Location**

The proposed study was conducted in Thailand to obtain the cross-cultural perspectives of tourists holidaying on Samui Island. Data were collected from 600 resort guests using self-administered questionnaires. The sample consisted of equal numbers of Thai and Australian tourists who stayed at holiday resorts in Samui Island, Thailand over the period January to February 2005.

Samui Island is the third largest island in Thailand and is located in the Southern part of the country. It is a complete resort destination that comprises several beaches and a large number of tourist attractions. The major beaches are Chaweng beach, Mae Nam beach and Lamai beach. In 2006, the accommodation establishment on Samui Island attracted more than 755,766 international guests (TAT 2006). This generated approximately 13,146.36 million baht or AUD\$ 438.21 million in revenue, a significant income level for this region.



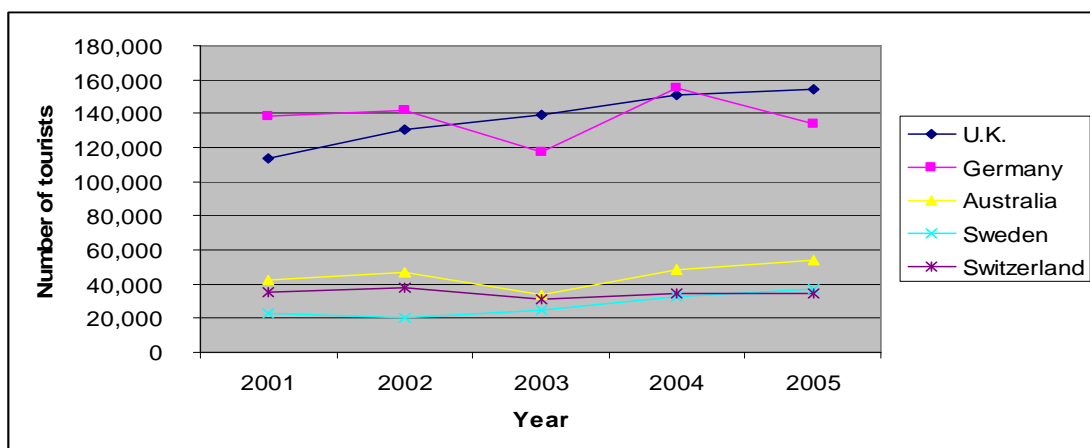


**Figure 1.1:** Location of study area

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previous study that also looked at relationship development in business hotels (Bowen & Shoemaker 2003), there was a subtle difference in that business hotel guests do not always choose where they stay. Instead a business-to-business relationship is developed between the company that the guest works for, and the business hotel. In the present study, guests are the formal arbiter of their destination – therefore relationship marketing becomes a central concern of resort management.



**Figure 1.2:** International tourist arrivals at accommodation establishment in Samui Island during year 2001 – 2005 (Top five nationalities)

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Australian tourists were selected as the representative of Western tourists in the present research for several reasons. Firstly, Australian tourist arrival numbers have shown strong growth in tourist arrivals during the past five years (see Figure 1.2). Secondly, Australian tourists were the third largest group of international tourists to arrive on Samui Island over the same period. Finally, Australian tourists provide a potential ongoing market for Samui Island because they require less time to travel to the island when compared to other countries that have shown strong demand for holidays at Samui Island, for example, Germany and the United Kingdom. According to the TAT (2006), Samui Island welcomed more than 54,145 Australian tourists in 2005, a 10.68% increase compared with the previous year. One of the reasons for this

increase was that Samui Island served as an alternative destination for international tourists, who shifted their holidays from the Andaman coast (Phuket) where the Tsunami struck in 2004.

## **1.6 Contribution to knowledge**

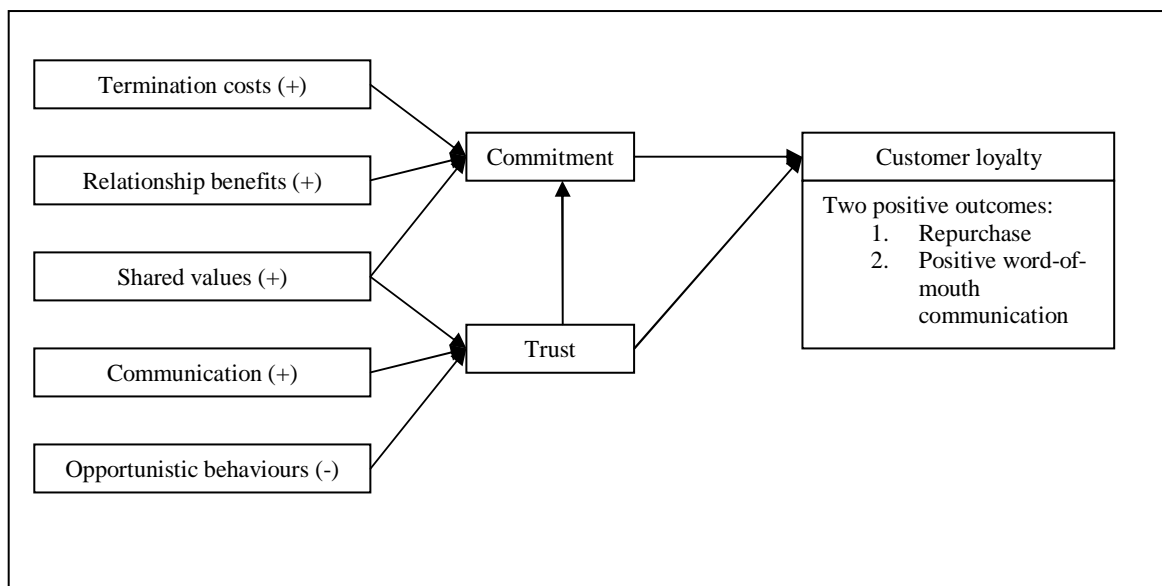
This study provides a significant contribution to knowledge in terms of the theory and practice of relationship marketing. It explores cross-national differences between customer perceptions of the role of the five antecedents of trust and commitment in a resort setting. This, in turn, can provide resort management and relevant government agencies in Thailand with a new perspective on how to build loyalty between local resort operators and international tourists.

## **1.7 Introduction to the conceptual framework**

The major goal of relationship marketing is to build customer loyalty (Bowen & Shoemaker 2003). However, in order to gain customer loyalty, businesses (in this case resorts) need to develop a relationship between exchange partners (guests) to reach the commitment phase, which is a phase where the exchange partners commit to a relationship (Scanzoni 1979). One of the most popular relationship marketing models is the Key Mediating Variable (KMV) model first proposed by Morgan and Hunt (1994) that has subsequently been used successfully in many relationship marketing studies across a variety of disciplines (each of the study will be fully discussed in Chapter Four).

The proposed conceptual model for this study is adapted from the KMV model first proposed by Morgan and Hunt (1994). The model is well established and previous

replications have used the Key Mediating Variable model to measure relationship benefits in a cross-national context. Metric equivalence of the constructs contained in the KMV model has been established by these means. Consequently, the KMV model is used as a starting point to establish a host-guest relationship development model in a resort context. This will be fully explained in Chapter Four, which provides full details on how the conceptual framework was developed.



**Figure 1.3:** Conceptual framework  
**Source:** Adapted from Morgan and Hunt (1994).

Figure 1.3 presents a diagram of the proposed structural model for relationship marketing, including the determinants of trust and commitment, the influence of trust and commitment and customer loyalty, which is an expected outcome from the establishment of a relationship (each of the concepts will be fully explained in Chapter Two). As indicated in Figure 1.3, trust and commitment are considered to be central to relationship development. Five antecedents are proposed in the KMV model that influence trust and commitment. Termination costs and relationship benefits lead to a high level of commitment. Shared values provide positive influence on both trust

and commitment. Communication increases the level of trust. Opportunistic behaviour decreases the level of trust.

Given the cultural differences between Australians and Thais, it was proposed that the significance of the five antecedents of relationship marketing may differ across different cultural groups. Moreover, it should be noted that the influence of shared values on trust and commitment might not be obvious in a cross-national service context. This study highlights these differences and provides recommendations in relation to the development of trust and commitment for Thai resort operators.

## **1.8 Thesis outline**

As shown in Figure 1.4, the thesis is divided into nine chapters. The explanations of how each chapter contributes to the understanding of research questions are presented as follows:

Relationship marketing is the marketing philosophy that aims to enhance and maintain an existing customer. Since its first introduction in 1983 (Berry 1983), the philosophy of relationship marketing has been widely adopted by many service businesses, which in turn lead to customer loyalty becoming a major aim of those organisations. Although the aim is clear, the road towards customer loyalty is somewhat far from agreement. **Chapter Two** investigates the argument surrounding the philosophy of relationship marketing including the concept of customer loyalty and the findings of previous studies focusing on those aspects of relationship marketing that are relevant to the research questions. In particular, this chapter demonstrates how these concepts relate to the investigation of the influence of trust

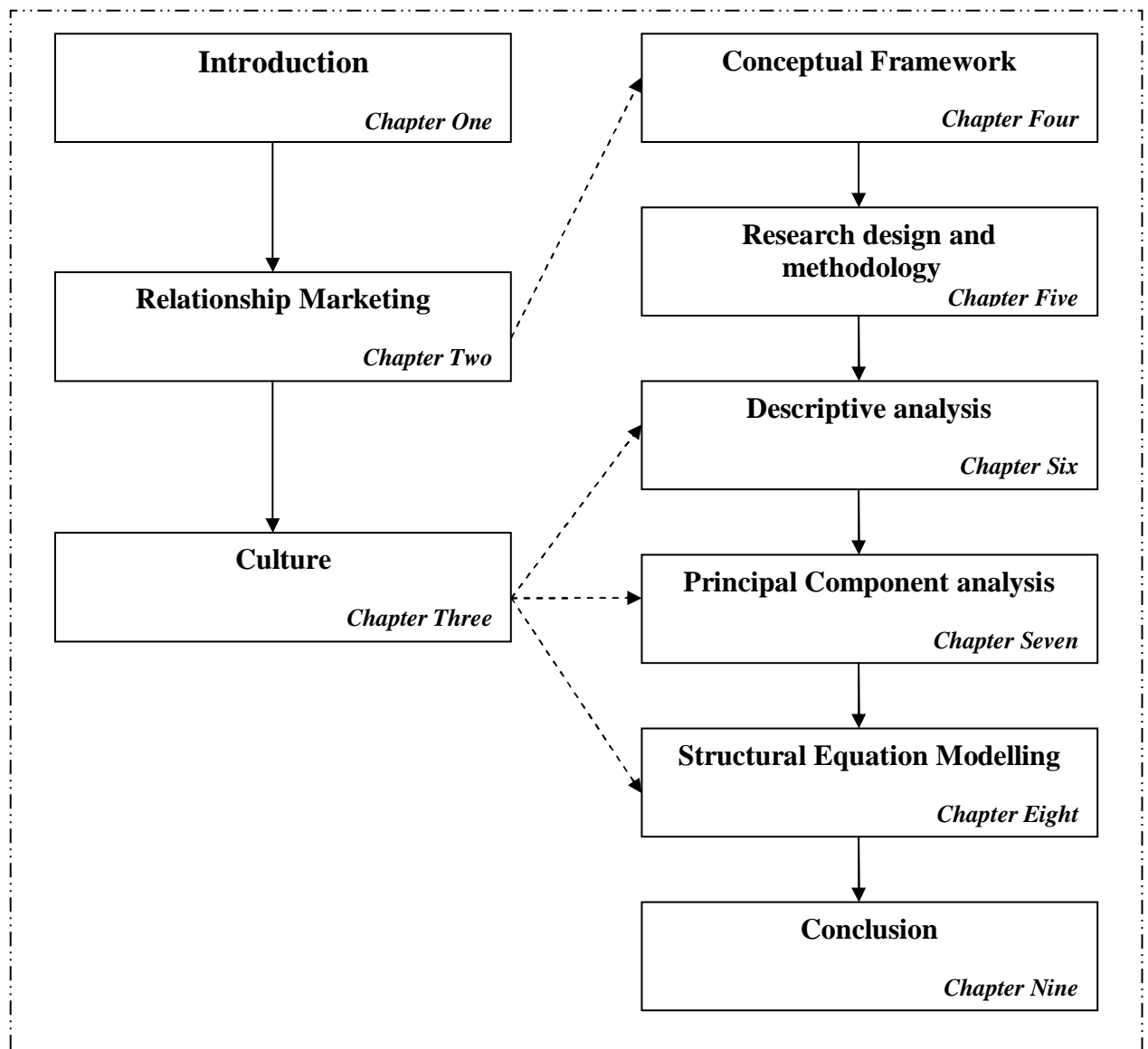
and commitment in service encounters such as those that take place between Thai resort operators and Australian tourists.

Culture is referred to as “a collective programming of the mind” because it has a great influence on how people think or behave. In this study, culture was thought to have an impact on the development of host-guest relationships within a hospitality context.

**Chapter Three** explains the concept of culture and explores the various cultural dimensions proposed by leading cross-cultural researchers. Those cultural dimensions are then employed to explain the differences between Australian and Thai cultures that can have an influence on host-guest interaction and eventually on the development of host-guest relationships in a hospitality context, so that a deeper understanding of Australian and Thai respondent views can be provided when discussing the implications of this study.

The KMV model of relationship marketing proposed by Morgan and Hunt (1994) was used as a starting model for the current investigation for several reasons. One is that it has been widely used by many researchers across various contexts. **Chapter Four** discusses how the KMV model was used in the past, which in turn provides a theoretical background for the present researcher in applying the KMV model in investigating the development of host-guest relationships in a resort context.

The validity of any research depends greatly on the quality of data used in the study, and a well-planned data collection procedure is essential for ensuring high quality data. **Chapter Five** explains how the research was conducted.



**Figure 1.4:** Chapter structure summary

**Chapter Six** presents the results of the descriptive analysis which will then be used to assist the inferential analysis outlined in the following two chapters. Three descriptive analysis techniques are used including frequencies, mean and standard deviations and Mann-Whitney U tests to summarise the data from Australian and Thai respondents.

Although this study adapts an existing model used in previous studies (Morgan & Hunt 1994), it does not employ the same questionnaire. Principal component analysis is conducted in order to regroup the variables (from all studies including the study of

Morgan and Hunt) before undertaking further analysis using Structural equation modelling. **Chapter Seven** provides the results from the principal component analysis.

The factors identified by the principal component analysis (PCA) discussed in Chapter Seven, are further analysed in **Chapter Eight** using the Structural equation modelling technique that is one of the most effective statistical techniques for examining relationships between constructs. Chapter Eight investigates these relationships between relationship quality (trust and commitment) and customer loyalty.

**Chapter Nine** provides a summary of findings and a conclusion. Further, it highlights how the current study provides a contribution to knowledge and the implications for hospitality and tourism practitioners and policy makers. This chapter also outlines the limitations of the study as well as providing recommendations for further research.



# Chapter One

## Introduction

### 1.1 Background to the study

Thailand relies heavily on tourism for economic growth and development. There are several reasons for this. Firstly, revenue from international tourists exceeded Bt 470.6 billion or AUD\$ 15.69 billion per annum in 2006 (Bank of Thailand 2007), which equates to approximately 6.0 % of GDP. These figures are predicted to increase dramatically. According to the World Tourism Organization (2001), international tourists arrived in Thailand is expected to exceed 36.9 million by 2020.

In common with most service industries, customer loyalty is an important aspect of stability and growth within the tourism sector because maintaining an existing customer provides several economic benefits. Indeed, customer loyalty has become a key goal for most businesses (Berry & Parasuraman 1991; Bowen & Chen 2001), because researchers agree that retaining existing or repeat customers is more profitable than continually seeking new ones. Research has found, for example, that loyal customers purchase more, incur lower marketing costs and spread positive word-of-mouth communication (Dwyer, Schurr & Oh 1987; Reicheld & Sasser 1990; Berry & Parasuraman 1991; Bowen & Chen 2001).

The key to customer loyalty is the development of positive relationships (Dwyer, Schurr & Oh 1987; Morgan & Hunt 1994). Whilst this has been a feature of service marketing for some time, recent and emerging research in hospitality studies also

places significant emphasis on host-guest relations and the development of relationships through the provision of genuine hospitality (Lashley 2000).

The importance of developing relationships between hosts and guests within Thailand's tourism industry was highlighted by the Tsunami that killed over 60,000 people in South and South East Asia in 2004. It has been widely reported, for example, that repeat visitors were the first tourist group to return to Thailand after the incident. There were two major reasons for this. Firstly, repeat visitors understand the local environment and are able to assess the situation and risk in a more informed manner compared with those who have not previously been to Thailand (TAT 2004). Tourists who were not familiar with Phuket, for example, cancelled their trips because they thought that the whole Island of Phuket had been destroyed. In reality, only 10% of the island was affected by the Tsunami and this was understood by those who had previously visited. Secondly, tourists who had previously visited felt a need to help and support the locals, particularly in the case of service providers they knew from previous holidays (Rittichainuwat 2006). Consequently, customer loyalty and the development of strong and enduring host-guest relationships are very important for Thailand. Moreover, achieving repeat visitation offers greater prospects as a beneficial and sustainable tourism industry strategy than expensive promotional campaigns or discounting. Thus, it is argued, that to ensure long-term viability and economic growth for Thailand's tourist industry, there is a need to better understand how to generate and maintain customer loyalty.

It is now recognised that Thai tourist destinations are vulnerable to unforeseen situations that can leave the tourism industry at great risk. However, Thailand is

fortunate in having several geographically dispersed and unique tourism regions, though few are as well-known internationally as Phuket and Pattaya. Strategies that assist the retention of customers and the promotion of Thailand as a tourist destination through positive word-of-mouth communication also offer the capacity to assist with the promotion and development of these less well known resorts.

Dwyer, Schurr and Oh (1987) assert that every customer has the potential to generate repeat business for a firm. Consequently, there have been many attempts over the past two decades to identify the factors that can increase levels of customer loyalty. In the 1980s, it was thought that the major determinant of customer loyalty was satisfaction. At that time, a large body of work focusing on the improvement of service quality pointed the way to higher levels of customer satisfaction. In hindsight, the proposition that providing high levels of service quality gain the highest level of customer loyalty is now viewed as being poorly grounded. Zeithaml, Berry and Parasuraman (1996) have noted that during the 1980s many business executives appeared willing to trust their intuition and committed resources to improving customer satisfaction levels with no apparent data to support the link between this strategy and customer loyalty. Recently, published research has noted that customer satisfaction does not always lead to customer loyalty (Bowen & Shoemaker 2003; Mattila 2001). These research publications show that the concept of customer loyalty is more complex than was originally thought. It is a paradox that loyal customers do not always repurchase, and, equally, those who do repurchase are not necessarily loyal customers (Mattila 2001). Mattila's contention is consistent with the American Customer Satisfaction Index (ACSI), which cautions that 'customer satisfaction has a

positive effect on loyalty, but the magnitude of that effect varies greatly across companies and industries' (American Customer Satisfaction Index 2005).

Since it was first noted that customer satisfaction does not always lead to customer loyalty, considerable research has attempted to fill this gap in knowledge. Various models have identified a number of antecedents as central to the discovery of the actions that increase customer loyalty. There is wide consensus among researchers that customers need to commit to a relationship with a firm in order to establish their loyalty. As a result, identifying the factors that foster the development of a buyer-seller relationship has become a key theme in the marketing literature. The common factors in relationship development proposed by previous researchers are: trust (Crosby, Evans & Deborah 1990; Morgan & Hunt 1994; Moorman, Zaltman & Deshpande 1992; Ball, Coehall & Machas 2004), commitment (Morgan & Hunt 1994; Moorman, Zaltman & Deshpande 1992; Verhoef 2003), communication (Anderson & Weitz 1989) and reputation (Anderson & Weitz 1989, Ball, Coehall & Machas 2004). Of these, trust and commitment stand out in many studies because they have been recognized as important variables that lead to a healthy business relationship (Dwyer, Schurr & Oh 1987; Morgan & Hunt 1994; Moorman, Zaltman & Deshpande 1992; Beloucif, Donaldson & Kazanci 2004).

Most researchers agree that trust and commitment are central elements of a successful relationship and a considerable number of studies have sought to establish how trust and commitment influences the development of buyer-seller relationships (Morgan & Hunt 1994; Bowen & Shoemaker 2003). Trust is defined as '... a belief by a person in the integrity of another individual' (Larzeiere & Huston 1980, p.595), whilst

commitment is ‘...an enduring desire to maintain a valued relationship’ (Moorman, Zaltman & Deshpande 1992, p.316). As a result, it is frequently argued that customers will stay with a provider to whom they are committed, but before they can commit to any relationship they have to have a feeling of trust towards their business partners.

Morgan and Hunt (1994) were the first to propose that trust and commitment are the key ingredients of a successful relationship. Their model of relationship marketing identifies trust and commitment as the key mediating variables of the model, and they also assert that five key constructs need to be considered in order to achieve customer loyalty. These constructs are termination costs, relationship benefits, shared value, communication and opportunistic behaviour, which are discussed later under the heading “Key Mediating Variable model”. These constructs are then fully explained in the literature review which is presented in Chapter Two. However, it should be noted at this point that these five constructs assist in the development of trust and commitment, and that trust and commitment, in turn, influence customer loyalty.

A major focus of this study is to identify cross-national differences in the development of trust and commitment between customers of Thai resort hotels and resort hotel operators. This will be achieved by comparing the attitudes of resort guests from Australia and Thailand. Specifically, the present research will evaluate how Australian and Thai resort guests perceive the importance of the antecedents of trust and commitment as predictors of customer loyalty.

An understanding of the essential differences between cultures, particularly those between the East and the West, has the potential to open up new issues of research in

hospitality. There is a need to more comprehensively understand the relationship between trust and commitment, and the development of loyalty in an international tourism context that involves quite different cultures in a host and guest relationship.

## **1.2 Problem statement**

The development of a host-guest relationship in a cross-cultural context necessarily involves cultural understanding. According to Reisinger and Turner (2003), the major cause of misunderstanding between local hosts and international tourists results from cultural differences. They further argue that the degree of cultural differences between hosts and tourists varies from very little to extreme differences. Conway and Swift (2000), for example, claim that the cultural differences between Western hosts and Western tourists are considered to be relatively insignificant, whilst there are significant differences between Asian hosts and Western tourists (and vice versa). They assert that the greater the difference between the host and tourist cultures, the greater time and effort required to develop successful relationships (Conway & Swift 2000). One of the reasons for this is that individuals from distinct cultures have perceptions of the appropriate way to develop and maintain relationships. Interactions between local hosts and international tourists from very different cultural backgrounds are less likely to become successful unless the hosts understand those differences and are able to adjust their service provision in a manner that is acceptable to, and valued by, international tourists.

The capacity of individuals to adjust to other cultures is essential to the effective operation of international business and may be defined as intercultural competence. Francis (1991, p.408) notes that ‘... similarity will lead to more liking but only when

cooperation is expected'. In a service context, cooperation between service providers and customers plays an important part in creating a memorable service experience. As a result, an international resort operator wishing to provide an appropriate service experience, and establish and maintain good relationships with international guests, needs to ensure that service staff interact with international guests in a culturally sensitive manner (Reisinger & Turner 2003).

To identify cultural sensitivity, it is important to distinguish specific cultural differences between service providers and their international guests. In the present investigation, a relationship marketing model is employed to identify the variables that influence development of relationships between Thai resort hosts and their local and international (Australian) guests.

As indicated earlier, current thinking (Dwyer, Schurr & Oh 1987; Morgan & Hunt 1994) is that the formation of a relationship between service providers and customers is the key to ensuring high levels of customer loyalty. Due to the growing global focus of tourism provision, it is appropriate to understand the implications of culture on host-guest relationship development. However, since relationship marketing was first introduced in 1983 and despite considerable research into the development of relationships within various business contexts, no studies have been conducted into the development of relationships between local service providers and international tourists within a hospitality context. It is the intention of this research to contribute to an understanding of this knowledge gap. This will be achieved by determining the importance of the various antecedents of trust and commitment among Australian and Thai tourists. Indeed, it will increase the understanding between Thai service

providers and both local (Thais) and international (Australian) tourists so that both group of tourists are effectively catered for.

### **1.3 Research questions and objectives**

The aim of this research is to explore the development of host-guest relationships within the hospitality industry in a cross-national context. More specifically, it investigates the influence of culture on the development of trust and commitment, which are known as the major ingredients of successful relationships, in service encounters between Thai resort operators and tourists from both Australia and Thailand. The study provides a better understanding of the differences between Australian and Thai guests so that hospitality providers in Thailand can better manage the host-guest relationship and fashion their service delivery in a manner that engages customers in an ongoing relationship. In particular, this study aims to answer the research question: What are the differences between Australian and Thai resort guests in terms of the development of trust, commitment, and ongoing relationships with Thai resort operators?

**RQ1:** Do Australian and Thai tourists have similar host-guest experiences during their holiday?

**RQ2:** Do each of the five antecedents have a similar impact on the development of successful host-guest relationships (characterised by high levels of trust and commitment) for both Australian and Thai tourists?



In order to answer these specific research questions, the Key Mediating Variables (KMV) model of relationship marketing proposed by Morgan and Hunt (1994) was employed as a starting point. This model was used to measure the importance of each antecedent of trust and commitment. A number of cultural dimensions proposed by various cross-cultural researchers (Argyle 1986; Hall 1966, 1973; Hampden-Turner & Trompenaars 1993; Hall & Hall 1987; Hofstede 1980; Kluckhohn & Strodtbeck 1961; Maznevski 1994; Schein 1992; Stewart 1971; Trompenaars 1984, 1993; Trompenaars & Hampden-Turner 2002) are then used to explain the differences that were found between Australian and Thai resort tourists in the context of relationship development and ultimately customer loyalty.

#### **1.4 Significance and anticipated outcomes**

Thailand's resort sector has benefited from strong and stable international tourist demand. In addition to the physical attractions of Thailand's coastal resorts, the relationship between hosts and guests has a positive impact on tourism demand. Notwithstanding, this observation, tourism is still a fragile industry, where external factors can suddenly lead to a reduction in demand. Consequently, it is essential to develop a strategy that encourages a strong relationship between tourists and Thai resort operators. This in turn will encourage repeat visitation as well as positive word-of-mouth communication, which will assist in developing sustainable tourism demand.

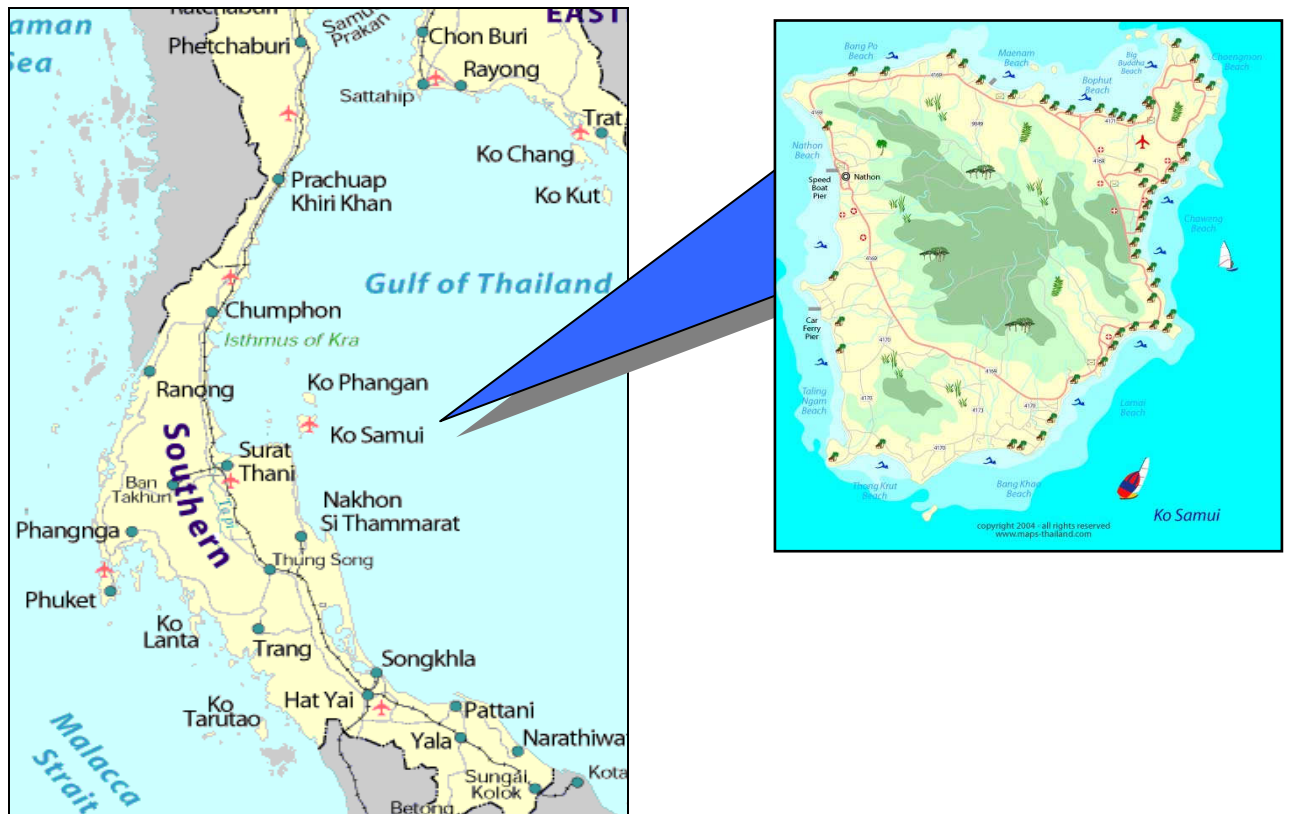
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### **1.5 Study Location**

The proposed study was conducted in Thailand to obtain the cross-cultural perspectives of tourists holidaying on Samui Island. Data were collected from 600 resort guests using self-administered questionnaires. The sample consisted of equal numbers of Thai and Australian tourists who stayed at holiday resorts in Samui Island, Thailand over the period January to February 2005.

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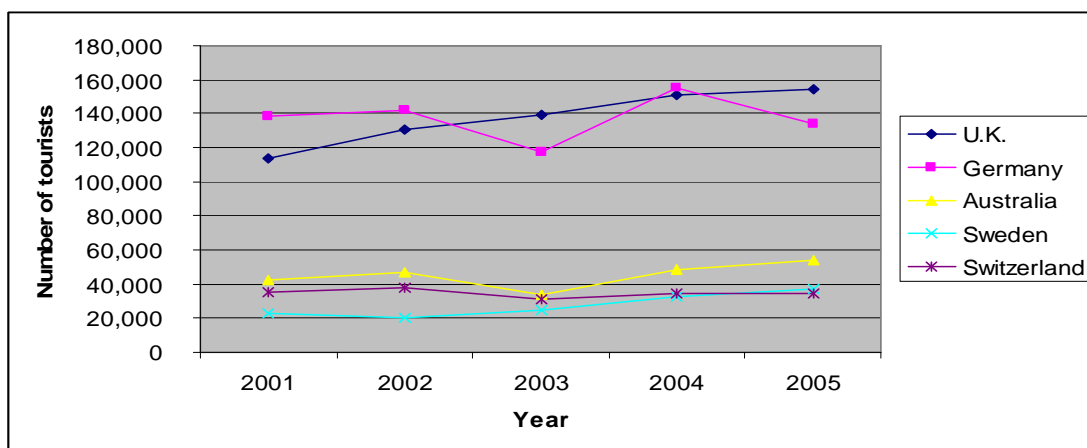


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## **1.6 Contribution to knowledge**

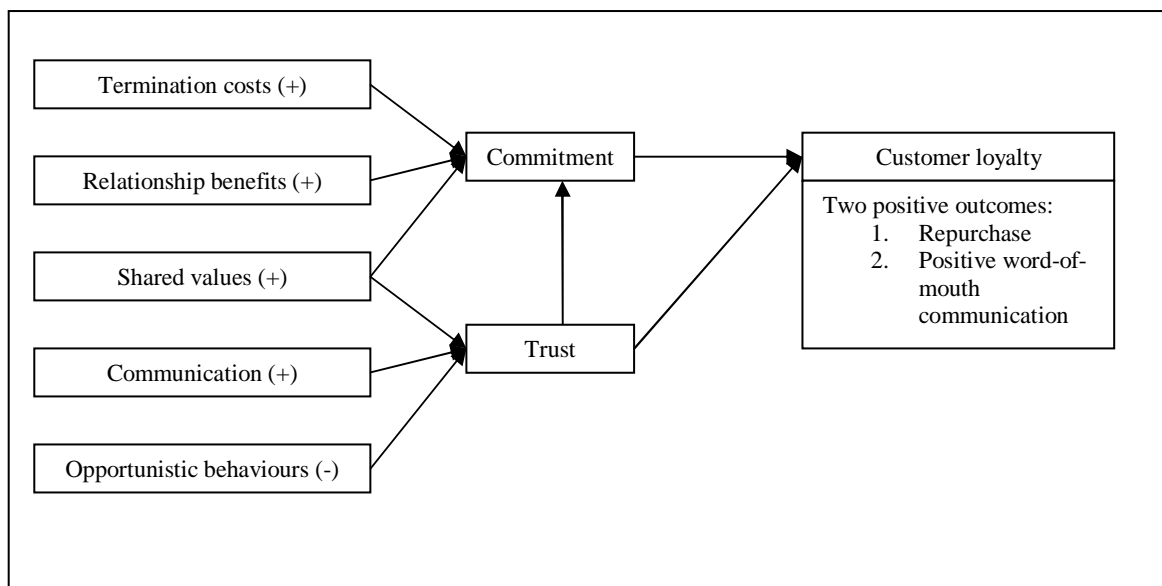
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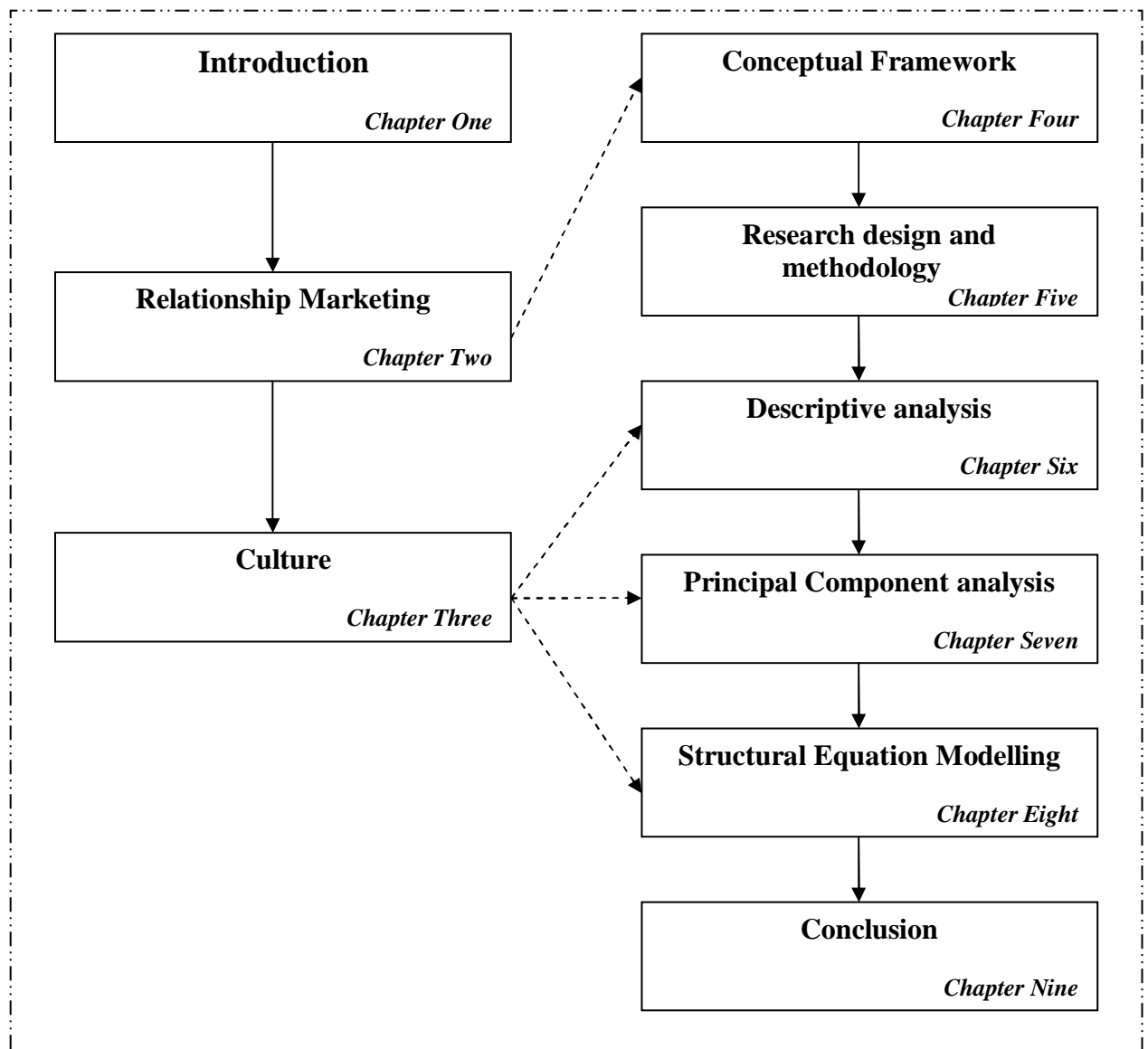
Culture is referred to as “a collective programming of the mind” because it has a great influence on how people think or behave. In this study, culture was thought to have an impact on the development of host-guest relationships within a hospitality context.

**Chapter Three** explains the concept of culture and explores the various cultural dimensions proposed by leading cross-cultural researchers. Those cultural dimensions are then employed to explain the differences between Australian and Thai cultures that can have an influence on host-guest interaction and eventually on the development of host-guest relationships in a hospitality context, so that a deeper understanding of Australian and Thai respondent views can be provided when discussing the implications of this study.

The KMV model of relationship marketing proposed by Morgan and Hunt (1994) was used as a starting model for the current investigation for several reasons. One is that it has been widely used by many researchers across various contexts. **Chapter Four** discusses how the KMV model was used in the past, which in turn provides a theoretical background for the present researcher in applying the KMV model in investigating the development of host-guest relationships in a resort context.

The validity of any research depends greatly on the quality of data used in the study, and a well-planned data collection procedure is essential for ensuring high quality data. **Chapter Five** explains how the research was conducted.





**Figure 1.4:** Chapter structure summary

**Chapter Six** presents the results of the descriptive analysis which will then be used to assist the inferential analysis outlined in the following two chapters. Three descriptive analysis techniques are used including frequencies, mean and standard deviations and Mann-Whitney U tests to summarise the data from Australian and Thai respondents.

Although this study adapts an existing model used in previous studies (Morgan & Hunt 1994), it does not employ the same questionnaire. Principal component analysis is conducted in order to regroup the variables (from all studies including the study of

Morgan and Hunt) before undertaking further analysis using Structural equation modelling. **Chapter Seven** provides the results from the principal component analysis.

The factors identified by the principal component analysis (PCA) discussed in Chapter Seven, are further analysed in **Chapter Eight** using the Structural equation modelling technique that is one of the most effective statistical techniques for examining relationships between constructs. Chapter Eight investigates these relationships between relationship quality (trust and commitment) and customer loyalty.

**Chapter Nine** provides a summary of findings and a conclusion. Further, it highlights how the current study provides a contribution to knowledge and the implications for hospitality and tourism practitioners and policy makers. This chapter also outlines the limitations of the study as well as providing recommendations for further research.

## **Chapter Two**

### **Relationship Marketing**

#### **2.1 Introduction**

This chapter reviews the findings of previous studies focused on the concepts surrounding relationship marketing, especially those that are relevant to the research questions presented in this thesis. In particular, this chapter demonstrates how these concepts are related to the investigation into the influence of trust and commitment in service encounters such as those that take place between Thai resort operators and Australian tourists.

#### **2.2 Customer loyalty**

Customer loyalty is an important aspect of service provision because it is argued that retaining existing customers generates more profit than attracting new ones (Reichheld & Detrick 2003; Reichheld & Scheffer 2000). Consequently, creating customer loyalty has become a major goal of many businesses, particularly for those in the service sector (Bove & Johnson 2000). This section defines customer loyalty, explains how customer loyalty has been perceived in the past, and presents current thinking on how customer loyalty is achieved.

In the past, customer loyalty has been manifested by the act of repurchase. However, recent studies show that not every customer who repurchases a service is genuinely loyal to the firm (Dick & Basu 1994; Jones & Sasser 1995). Dick and Basu (1994), for example, classify loyal customers into four groups according to their attitudes and behaviours. These groups have characteristics described as loyalty, latent loyalty,

spurious loyalty and no loyalty. Of the four groups, there are only two types, loyalty and spurious loyalty that are associated with high levels of repurchase. The distinction between loyalty and spurious loyalty is that loyalty is associated with a strong positive attitude toward a firm, whilst spurious loyalty is associated with a weak, but positive attitude toward a firm. Moreover, Jones and Sasser (1995) assert that loyalty can also be classified into four categories according to the level of satisfaction, loyalty and repurchase intention. These categories are loyalist, defector, mercenary and hostage. Jones and Sasser (1995) assert that only two groups of customers repurchase, they are: loyalists and hostages. The distinction between them is that a loyalist is a customer who wants to be in a relationship, whereas a hostage is a customer who has little option because there are barriers to exiting, and remains in the relationship despite levels of dissatisfaction with the goods or services provided. In other words, loyalists see the relationship as valuable and wish to maintain the relationship, while hostages are unhappy but trapped in the relationship and are motivated to get out of the relationship as soon as they have a chance.

In summary, Dick and Basu (1994) and Jones and Sasser (1995) report that not every customer who repurchases is truly loyal towards the firm. True loyal customers are those who repurchase whilst having a positive attitude towards the firm. More recent work by Bowen and Chen (2001), which focuses on investigating the relationship between customer satisfaction and customer loyalty in a hotel context, has identified true loyalty to consist of two simultaneous dimensions: repurchase intention and positive word-of-mouth communication. Since this thesis is conducted within a resort hotel context that is very similar to the context of Bowen and Chen's (2001) study, their concept of customer loyalty is followed closely in this thesis.

### **2.3 Service quality, customer satisfaction and customer loyalty**

The concepts of service quality, customer satisfaction and customer loyalty have permeated the marketing literature for some considerable time. Over the last twenty years in particular, there has been a large body of work concerned with the improvement of service quality in order to ensure a high level of customer satisfaction. This is because, traditionally, customer satisfaction is proposed to be a major determinant of customer loyalty (Cardozo 1965; Parasuraman, Zeithaml & Berry 1985). Consequently, providing high levels of service quality in order to gain the highest level of customer satisfaction is thought to be the most important goal for many businesses (Parasuraman, Zeithaml & Berry 1985; Reichheld & Sasser 1990; Zeithaml, Parasuraman & Berry 1990). However, more recently a number of academics and practitioners report that customer satisfaction is a complex phenomenon that might not always lead to customer loyalty (Bloemer & Ruyter 1999; Fornell 1992; Jones & Sasser 1995; Lee, Lee & Feick 2001; Reichheld 1993; Reichheld & Teal 1996; Yi & La 2004). This section aims to explore the link between customer satisfaction and customer loyalty within published academic work.

According to Oliver and DeSarbo (1988), the customer satisfaction paradigm began with the work of Cardozo in 1965. Cardozo (1965) was among the first to propose that customer satisfaction leads to customer loyalty and as a result he advised that marketers should pay more attention to uncovering the determinants of customer satisfaction. In his article, Cardozo (1965) proposes that customer effort (meaning the amount of effort a customer has to expend to access or purchase a service or product) together with customer expectations have a major influence on levels of customer satisfaction. Whilst Cardozo's proposal to increase customer effort by making it more

difficult for customers to buy a product or service in the hope of increasing customer satisfaction is not the most practical thing to do, especially in a highly competitive market, many researchers support his later proposal concerning the link between customer expectations and customer satisfaction (Parasuraman, Zeithaml & Berry 1988; Zeithaml, Parasuraman & Berry 1990).

Anderson (1973) was the first to propose a systematic way of measuring customer satisfaction. Prior to his work, customer satisfaction was measured by simply asking a straight-forward question such as ‘generally speaking, what kind of a job do you think the manufacturer is doing in giving you the kind of products you want?’ (Peckham 1963, p.26). Anderson (1973) argued that levels of customer satisfaction are very much dependent on what customers expect from a service provider or employee. He indicated that dissatisfaction occurs when there is a disparity between expectations and actual performance, suggesting that service providers can easily ensure high levels of customer satisfaction by providing services that meet or exceed customer expectations. However, in practice, providing a level of service that meets or exceeds customer expectations is far from simple, because there are many factors that might influence performance. Parasuraman, Zeithaml and Berry (1985), for example, identify four factors or gaps that can create a disparity between customer expectations and their perceptions of service quality. The first gap is the customer expectation-management perception gap. Most managers feel that they know what their customers want and this may not be correct. Consequently, it is more than likely that managers fail to provide service that meet customers expectations, which in turn has a negative impact on the evaluation of service quality. The second gap is the management perception-service quality specification gap. Sometimes, managers are aware of what

customers expect from them, but fail to establish the service specification to ensure that those expectations are met due to other factors such as limitation of resources and market conditions. The third gap is the service quality specification – service delivery gap. This gap occurs when the guidelines about how to perform the service are available, but the service personnel are unable to perform according to those guidelines. The fourth gap is the service delivery – external communications gap. Although external communications such as advertising are a powerful marketing tool, exaggerated messages in advertising could create excessive expectation on how services will be delivered, which in turn can lead to customer dissatisfaction. Parasuraman, Zeithaml and Berry (1985) suggested that if these four gaps are closed, the gap between expected service and perceived service will be bridged.

Of the four gaps listed above, bridging the gap between customer expectations and management perceptions is the most complicated. According to Payne (1995), service is a very subjective concept and therefore, very much depends on the perspective of the beholder. As a result, it can be difficult for management to recognise that there is a gap between their perceptions and those of their customers. Moreover, the concept of customer expectation is influenced by many external factors including prior experiences and occupation (Davis, Stone & Lockwood 1998). Consequently, it can be extremely difficult for service providers to identify and understand exactly what customers expect from their service providers.

The dimensions of service as well as the characteristics of the service environment are many and varied. In an effort to identify the interplay between these factors and to make the concept of customer expectation more manageable, Parasuraman, Zeithaml

and Berry (1988) introduced the SERVQUAL instrument. This is a research-based set of general expectations that customers have toward their service provider. SERVQUAL consists of five dimensions that involve the core features of service provision. These dimensions are represented by tangibility, reliability, responsiveness, assurance and empathy. Parasuraman, Zeithaml and Berry (1988) proposed that meeting or exceeding customer expectations in each of these key areas can improve customer satisfaction. According to Berry and Parasuraman (1991, p.16), these dimensions are defined as:

- |                      |   |
|----------------------|---|
| (i) Reliability      | The ability to perform the promised service dependably and accurately.                    |
| (ii) Tangibles       | The appearance of physical facilities, equipment, personnel and communications materials. |
| (iii) Responsiveness | The willingness to help customers and to provide prompt service.                          |
| (iv) Assurance       | The knowledge and courtesy of employees and their ability to convey trust and confidence. |
| (v) Empathy          | The provision of caring, individualized attention to customers.                           |

Though there are criticisms regarding the use of SERVQUAL (Cronin & Taylor 1992, 1994), it can be argued that the introduction of SERVQUAL changed the face of the service industry. This is because it identifies the key component of service quality allowing management to recognise gaps in their service delivery. In turn, this presents the opportunity to achieve consistent levels of service, thus making customer satisfaction more achievable. For some considerable time SERVQUAL was the only model available to assist in delivering high levels of service quality, and the five components of the model became the most popular strategy for competing in a service environment, especially where a high level of competition was evident. Although SERVQUAL was grounded in the philosophy that retaining an existing customer is



essential for business sustainability, it is now recognised that satisfaction alone may not be enough to gain an edge on competitors.

Since the publication of the SERVQUAL model, customer satisfaction and service quality have been thought to be the most effective determinants of customer loyalty. However, recently there are a number of published studies supporting the view that customer satisfaction does not always lead to customer loyalty, and examples of this work includes that by Fornell (1992), Jones and Sasser (1995), Bloemer and Ruyter (1999), and Yi and La (2004). Fornell (1992) points out that the link between customer satisfaction and loyalty can vary from industry to industry. He explains that each industry experiences different market conditions and that these conditions can have a moderating impact on the link between customer satisfaction and customer loyalty. Jones and Sasser (1995) also advocate this view, advising that the effect of customer satisfaction on customer loyalty in a highly competitive industry, where a lot of substitutes are available in the market and the costs of switching to those substitutes or “switching costs” are low, seem to be weaker than other industry sectors where the competition is low and switching costs are high. Bloemer and Ruyter (1999, p.315) also assert that the link between customer satisfaction and customer loyalty can be moderated by positive emotions that customers hold towards the firm especially in a high-involvement service setting where ‘the service delivery takes place over an extended period of time and active customer participation occurs’. More recently, Yi and La (2004) have proposed that the link between customer satisfaction and customer loyalty can be different among various groups of customers. They suggest that the strong link between customer satisfaction and customer loyalty can

only be found in a group of what they term “high loyalty customers” and not in a group of “low loyalty customers”.

Since a considerable amount of credible evidence indicates that satisfaction does not always lead to loyalty, relationship marketing researchers have turned their attention to other determinants that provide more promising results in improving customer loyalty (Berman 2005; Bowen & Shoemaker 2003; Chu & Fang 2006; MacMillan et al. 2005; Morgan & Hunt 1994; Oliver & Rust 1997; Patterson 1997). Consequently, there are two schools of thought each proposing new determinants of customer loyalty.

The first school of thought consists of those who believe that customer delight provides a promising result in improving the levels of customer loyalty. Proponents of this view (Berman 2005; Oliver & Rust 1997; Patterson 1997) argue that simply satisfying customers is not enough to retain customers, and they propose that unless a customer is delighted (which is a feeling of positive surprise) they are unwillingly to become a loyal customer.

The second school of thought consists of those who believe that simply providing a higher level of satisfaction, or customer delight, cannot in itself ensure a high level of customer loyalty. Proponents of this view argue that customers may choose another service provider for a variety of exogenous reasons apart from not being satisfied or delighted. Researchers who belong to this school of thought suggest that many customers have many other reasons for defecting apart from dissatisfaction. They suggest that the only things that can prevent customers from switching to an

alternative provider is a state of relationship quality being created between the service provider and customer (Kotler 1999). According to Morgan and Hunt (1994), relationship quality is characterised by high levels of trust and commitment. Consequently, this school of thought commonly asserts that trust and commitment are the key ingredients of customer loyalty (Bowen & Shoemaker 2003; Chu & Fang 2006; MacMillan et al. 2005; Morgan & Hunt 1994).

In summary, the link between customer satisfaction and customer loyalty has been in the spotlight for some considerable time. It is now accepted that customer satisfaction does not always lead to customer loyalty. The reasons for this observation, that are somewhat anti-intuitive, are not clear. Of the two schools of thought that have arisen in this regard, it is the second approach (proposing that trust and commitment has a significant influence on customer loyalty) that forms the basis of this study.

## **2.4 Development of the relationship marketing paradigm**

Although there is some evidence to show that the practice of relationship marketing has been used by middle-eastern businessmen for some time (Gronroos 1994), the amount of published research on relationship marketing began to increase only after Berry formally introduced the concept in 1983. Prior to this time, several researchers were reporting that academics and practitioners did not pay enough attention to retaining existing customers (Ryans & Wittink 1977; Schneider 1980).

In 1983, Berry (1983, p.25) defined relationship marketing as ‘... attracting, maintaining and – in multi-service organizations – enhancing customer relationships’. He stated that relationship marketing is essential for every service firm suggesting that

relationship marketing is most applicable for firms that expect to have more than one business transaction with their customers. His view assumes that the consumer has control over the buying decision and that there are other alternatives available in the market. Consequently, it is important for these service firms to not only be able to attract new customers but also able to retain existing ones.

A major focus of relationship marketing has been the delivery of high levels of service quality. In his early work, Berry made it very clear that service quality was a key component of relationship marketing, both in his first article on relationship marketing and his later publications (Parasuraman, Zeithaml & Berry 1985, 1988). In his first article in 1983, Berry presented five common relationship marketing practices used in a service industry. These practices include ensuring high quality of services that customers pay for (core service strategy), keeping the history of the specific needs of each customer in order to customise the service to meet those specific needs (relationship customisation), providing special services that are not available elsewhere (service augmentation), providing discounts and special deals (relationship pricing) and creating a pleasant workplace for employees because satisfied employees commonly provide a better service to customers (internal marketing).

It can be noted that most of the strategies presented by Berry (1983) are designed to lead to only one outcome; that is, delivering service quality. Since then improving service quality seems to appear in almost every article published by Berry and his colleagues. As a result, service quality became a most desirable topic for relationship marketing researchers throughout the 1980s.

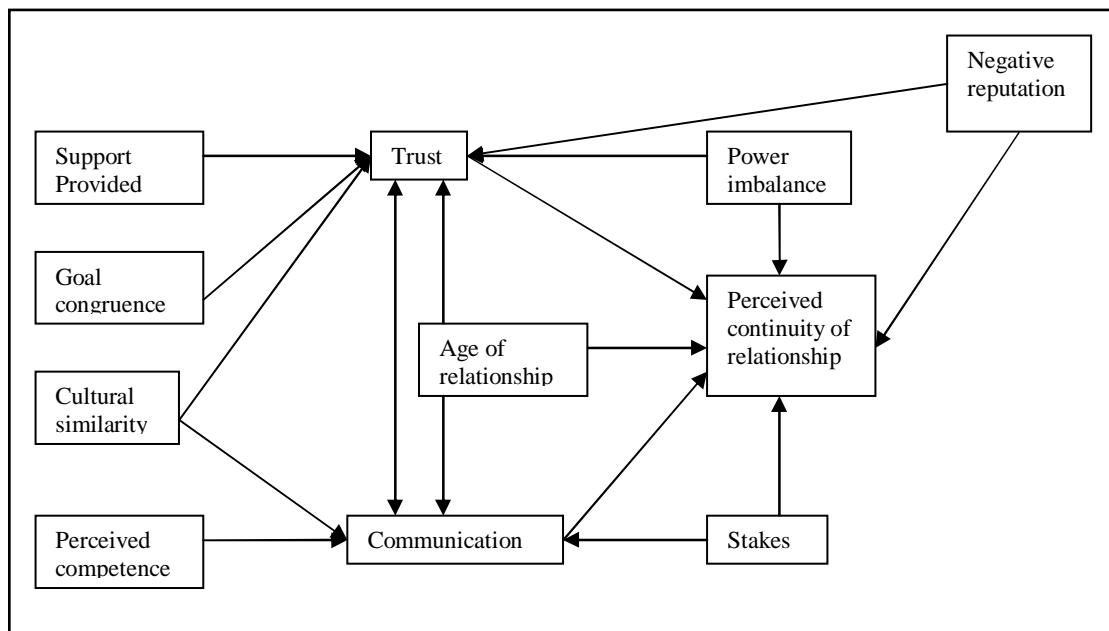
In the latter period of the 1980s, however, relationship marketing entered a new phase. The introduction of the buyer-seller relationship developed into a complex process, the components of which were proposed by Dwyer, Schurr and Oh in 1987. These authors were the first to actually describe how relationships between buyers and sellers are developed. At the heart of this work was the inclusion of the five phases of relationship development from a social exchange context, including awareness, exploration, expansion, commitment and dissolution (Scanzoni 1979) that are used to explain relationship development within a business context. Their process of relationship development is very broad, but nevertheless provides the foundation for the majority of relationship marketing publications that have emerged since that time.

## **2.5 Modelling successful relationships**

Since the publication of Dwyer, Schurr and Oh's relationship development framework in 1987, several models of relationship development have been proposed to assist those wishing to develop business relationships. The models considered were developed by Anderson and Weitz (1989), Crosby, Evans and Cowles (1990), Anderson and Narus (1990), Moorman, Zaltman and Deshpande (1992), Morgan and Hunt (1994), Wetzels, Ruyter and Birgenlen (1998), Garbarino and Johnson (1999) and Bove and Johnson (2000). In the analyses below, the context of each model is described, and its applicability to resort tourism marketing evaluated.

### 2.5.1 Relationship development between manufacturers and members of conventional purchase channels (Anderson & Weitz 1989)

Anderson and Weitz (1989) examined the relationship development between manufacturers and members of conventional purchase channels. The relationship in this context is quite different from many buyer-seller relationships in that the sellers (manufacturers) are more powerful than the buyers. The main purpose of Anderson and Weitz's (1989) study is to examine the factors that can ensure a harmonious continuity of this relationship.



**Figure 2.1:** Determinants of continuity in conventional industry channel dyads

Source: Anderson and Weitz (1989, p.311)

The major elements of this model are continuity, trust and communication. Continuity was proposed to be the result of increased trust and communication between the exchange partners. Other factors included in the model were the proposed determinants of these three major elements, these being: the level of *support provided*, since high levels of support provided to channel members can lead to an increase in trust; *goal congruence*, as exchange partners that have an agreement on organizational

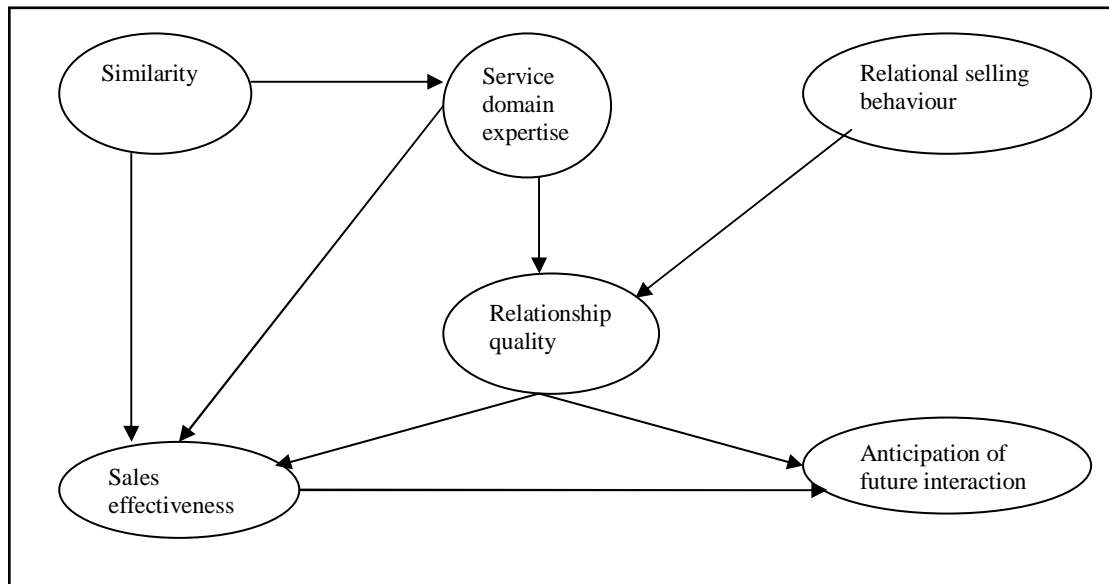
goals are likely to show more trust in their partner; *cultural similarity*, because exchange partners who come from a similar cultural background are likely to inherently have higher levels of trust and communication towards their partners; *perceived competence*, based on the idea that how well the exchange partners perform can increase communication; *age of the relationship*, since the longevity of the relationship is thought to increase the level of trust, communication and continuity; *negative reputation*, because the level of trust and continuity decreases when manufacturers have a reputation for being unfair; *power imbalance*, where trust and continuity decrease when manufacturers exercise their power to control a channel member; and personal *stakes*, since communication and continuity increase when channel members perceive themselves to be an important member in the relationship.

Although the aim of Anderson and Weitz' (1989) model was to represent the factors important to the continuity of a relationship, which might be argued as being related to the concept of customer loyalty in a service context, many of the factors proposed in their model (including support provided, goal congruence, power imbalance and stakes) are too specific to the industrial context to be generally useful. As a result, it is considered that their model would not provide a useful basis upon which to explain the development of host-guest relationships in a service context.

### **2.5.2 Relationship development between life insurance customers and personal sellers (Crosby, Evan & Cowles 1990)**

Crosby, Evan and Cowles (1990) investigated the antecedents and consequences of relationship quality between life insurance customers and personal sellers. The buyer-seller relationship in this context is considerably different from the relationship in an

industrial setting as presented by Anderson and Weitz (1989), in that the more powerful member in this context is the buyer, which in this case is the life insurance customer.



**Figure 2.2:** Relationship quality model  
**Source:** Crosby, Evan and Cowles (1990, p.69)

Moreover, this relationship is not a working partnership. An insurance agent who sells life insurance to a customer commonly becomes the customer's only contact through the life of the insurance policy. Therefore, the development of a relationship between a life insurance agent and a customer is far more important than the development of an insurance company and a customer.

In this model, relationship quality, which is a two-dimensional construct, consists of trust and satisfaction that are proposed to be mediating constructs between three antecedents and two consequences of relationship quality. This implies that relationship quality between personal sellers and life insurance customers helps increase sales effectiveness and the anticipation of future interaction. However, to



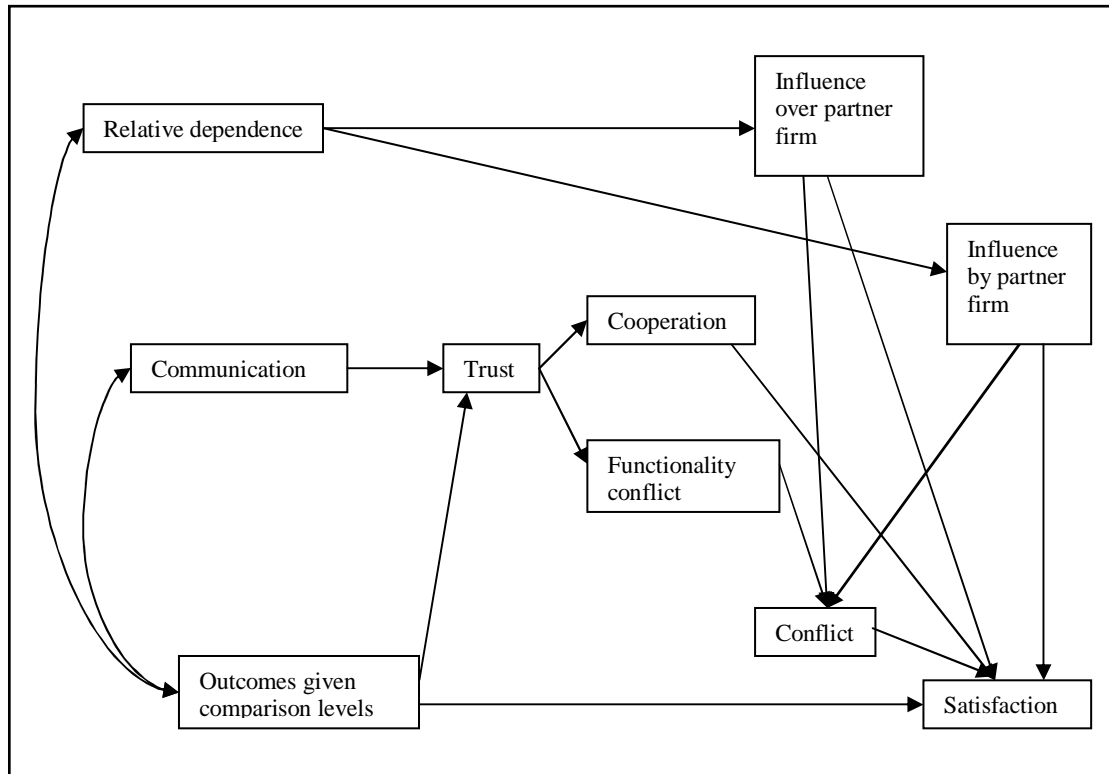
increase the level of relationship quality, personal sellers should have a high degree of similarity with customers (*similarity*), a high degree of expertise in what they are selling (*service domain expertise*) and, finally, the sellers should also behave in a manner that enhances and maintains their interpersonal relationship with their customers (*relational selling behaviours*).

It can be argued that this model would have some important limitations when attempting to explain the relationship between a resort and its guest. One limitation arises from the way the model has been developed to explain a one-on-one relationship between a salesperson and customer, a situation that is not critical in the resort industry. Moreover, whilst this model has been used with some success in the relatively limited relationship between an insurance agent and a buyer, the limited nature of the interaction does not allow a detailed enough perspective to be developed. Hence, the antecedents of relationship quality proposed by these authors are not as comprehensive as the relationship development models proposed by other researchers such as Morgan and Hunt (1994), Garbarino and Johnson (1999) and Bove and Johnson (2000).

### **2.5.3 Relationship marketing between manufacturers and distributors (Anderson & Narus 1990)**

In a similar approach to that of Anderson and Weitz (1989), a model of the working partnership between a manufacturer and distributor was proposed by Anderson and Narus (1990) in order to explain the development of a buyer-seller relationship in an industrial context. The major goal of Anderson and Narus' (1990) model was to ensure sustainable satisfaction in the working partnership between exchange partners

that is thought to lead to a long-term continuation of the relationship between the manufacturer and distributor.



**Figure 2.3:** Model of manufacturer and distributor working partnerships  
 Source: Anderson and Narus (1990, p.44)

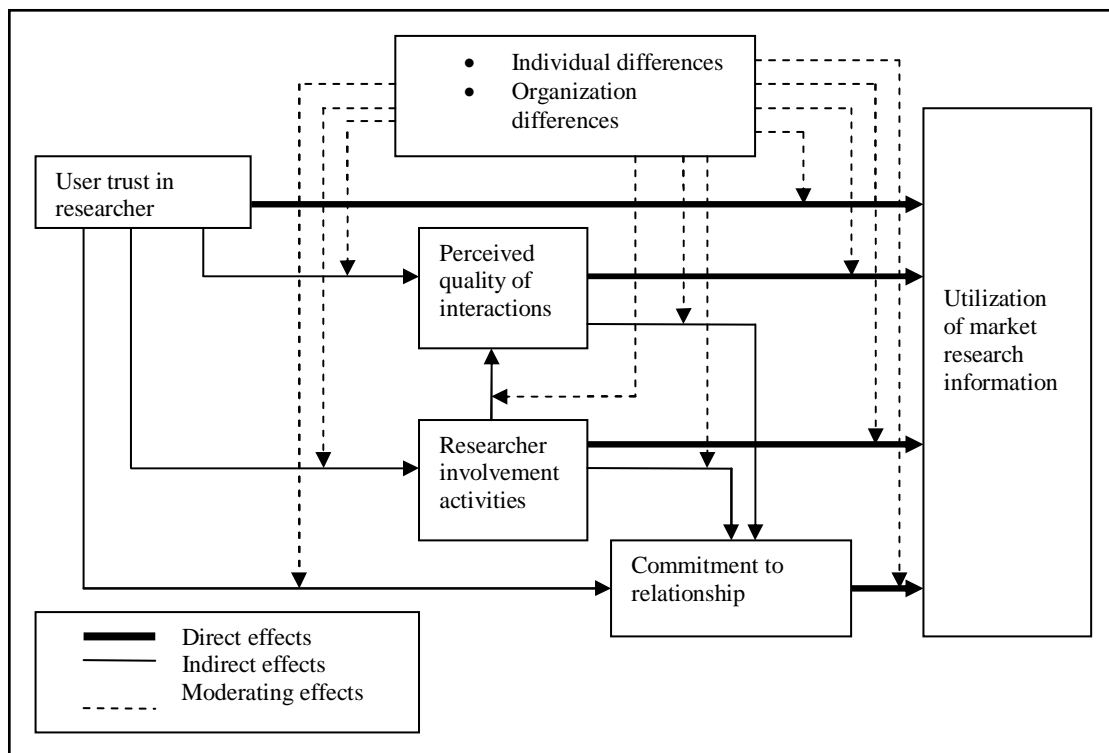
As indicated in Figure 2.3, Anderson and Narus (1990) suggest that the level of satisfaction in a working partnership can be directly influenced by four factors. These factors are *influence over partner firm*, *influence by partner firm*, *cooperation*, *conflict* and *outcomes given comparison levels*. Although Anderson and Narus (1990) agree with the previous researchers (Anderson & Weitz 1989) that communication increases trust, trust and communication are not thought to play an important role in improving the level of satisfaction because they do not have a direct impact on satisfaction. In the formulation of Anderson and Narus (1990), it appears that trust can only influence satisfaction indirectly though cooperation and functional conflict.

The Anderson and Narus' (1990) model is considered to be less suitable for the current investigation for several reasons. As mentioned earlier in the discussion of the Anderson and Weitz' (1989) model, this model contains constructs that can only be applied in an industrial context, including relative dependence, influence over partner firm, influence by partner firm, outcomes given comparison levels and cooperation. Moreover, satisfaction, that is the focal consequence of this model, is thought to be a less desirable outcome of relationship development in a service context, because the link between satisfaction and customer loyalty is thought to be weak in a hospitality context. Consequently, the Anderson and Narus' (1990) model is not considered applicable to the resort context.

#### **2.5.4 Relationship development between researchers and the user of research (Moorman, Zaltman & Deshpande 1992)**

From an organisational perspective, long-term relationships between providers and users of market research can provide competitive advantages to the firm. For example, a short-term relationship between researchers and research users means that firms have to hire a new researcher every time they want to further investigate issues within their organisation. One of the problems arising from the hiring of new researchers, who have less experience with the firm, is that they are likely to have less understanding about the nature of the firm and therefore are unlikely to produce the most effective information. Moreover, users commonly feel reluctant to use information provided by such researchers. Consequently, the development of a long-term relationship between researchers and users is thought to be an important factor in ensuring the effective utilisation of research information.

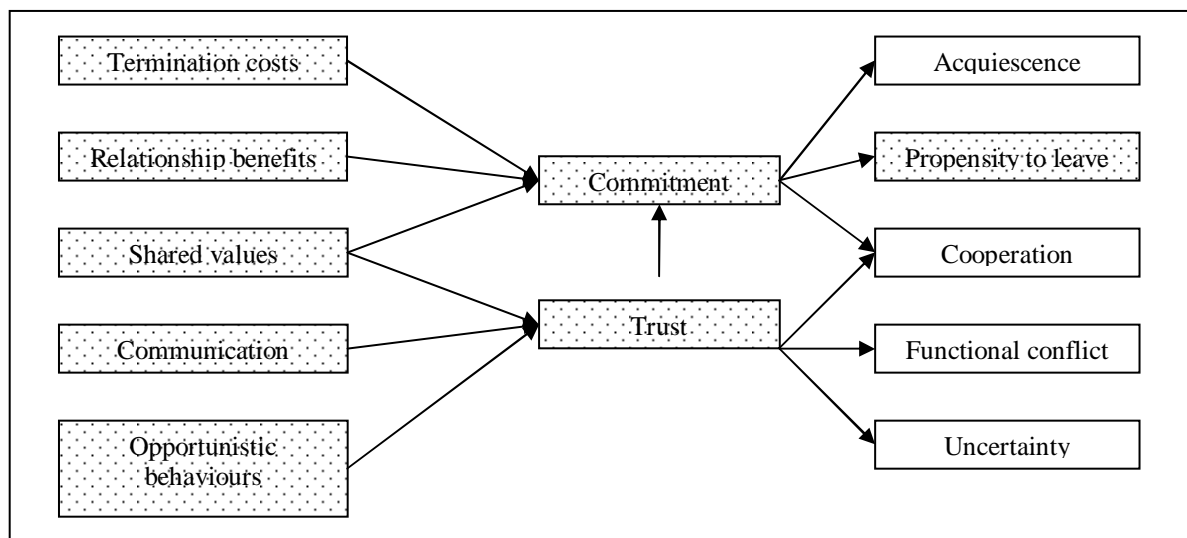
According to Figure 2.4, there are four determinants of utilisation of market research information. These determinants are *user trust in researcher*, *perceived quality of interactions*, *researcher involvement activities* and *commitment to relationship*. Trust is proposed to be the most influential construct in this model. This is because it provides a positive influence on the utilization of market research information both directly and indirectly. It also indicates that every link proposed in this model is moderated by individual differences and organisational differences.



**Figure 2.4:** Model of relationship between providers and users of market research  
**Source:** Moorman, Zaltman and Deshpande (1992, p.316)

The model proposed by Moorman, Zaltman and Deshpande (1992) is the least comprehensive model of those presented in this section. Moreover, the utilisation of market research information, which is the focal outcome of this model, is not applicable to a resort context. Consequently, this model will not be used in this thesis.

## 2.5.5 Relationship development between automobile suppliers and dealers (Morgan & Hunt 1994)



**Figure 2.5:** The KMV model of relationship marketing  
**Source:** Morgan and Hunt (1994, p.22)

Morgan and Hunt (1994) developed the key mediating variables (KMV) model in order to explain the development of relationships between tire manufacturers and dealers.

These authors proposed trust and commitment to be the key mediating variables of their relationship marketing model describing the development of relationship quality. This means that the quality of a relationship between an exchange partner can be perceived as high only when an individual trusts and is committed to a relationship with their partners. Consequently, it is important for the supplier, who seeks to develop such relationships with their dealers, to provide whatever is necessary to ensure a high level of trust and commitment. In their model, Morgan and Hunt (1994) propose five constructs as the major antecedents of relationship quality (trust and commitment). These are termination costs, relationship benefits, shared values, communication and opportunistic behaviour. Morgan and Hunt (1994) also indicate

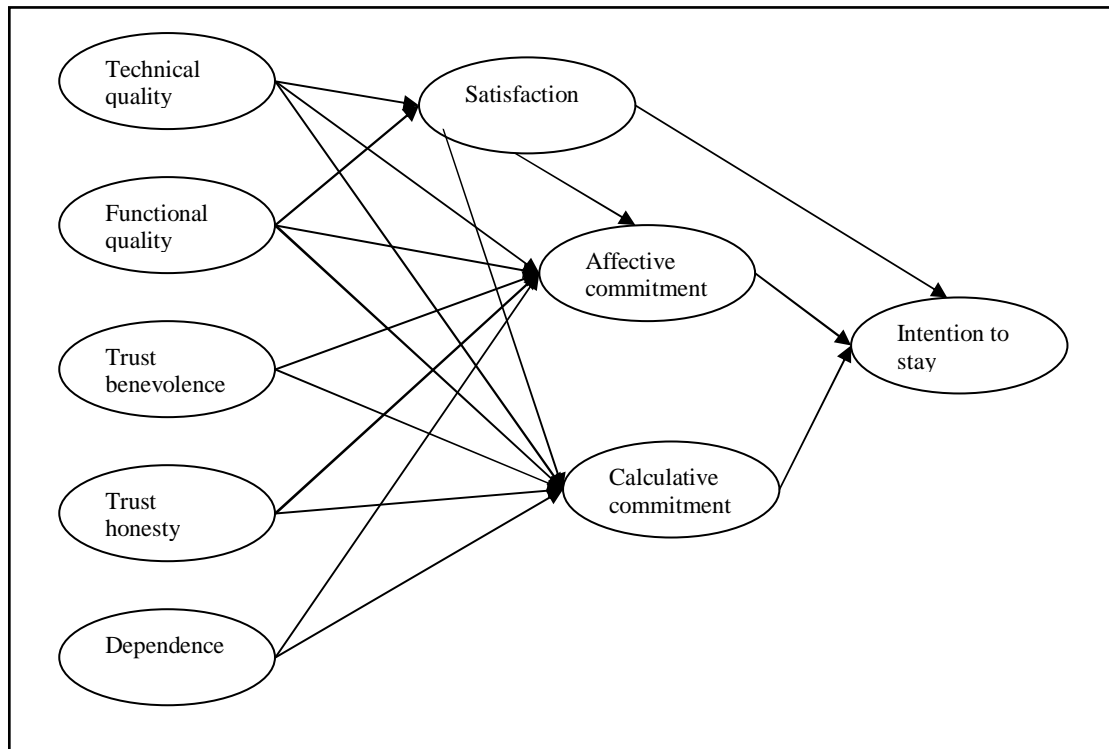
that relationship quality between the suppliers and their dealers will lead to five outcomes including high *acquiescence*, low *propensity to leave*, high *cooperation*, high *functional conflict* and low *uncertainty*. Several links presented in their model are adopted from other relationship models proposed by the previous researchers, including the link between trust and commitment (Moorman, Zaltman & Deshpande 1992), the link between shared values and trust (Anderson & Weitz 1989) and the link between communication and trust (Anderson & Narus 1990).

Despite the fact that the KMV model was developed in an industrial context, it contains constructs that are very broad, which in turn allow this model to be easily adjusted to other contexts. Moreover, the KMV model has a high degree of validity due to the fact that it has been used as a starting model by several later researchers including Zineldin and Jonsson (2000), Friman., Garling, Millet, Mattsson and Johnston (2002), Cote and Latham (2003), Bowen and Shoemaker (2003), MacMillan et al. (2005) and Li, Browne and Wetherbe (2006). The complete discussion of how these later researchers applied the KMV model in their studies will be presented in Chapter Four. Furthermore, the KMV model is more comprehensive than most others.

#### **2.5.6 The relationship development between a manufacturer and an industrial customer (Wetzels, Ruyter & Birgelen 1998)**

Wetzels, Ruyter and Birgelen (1998) investigated the relationship between a manufacturer and an industrial customer in the Dutch office equipment industry. There are three mediating variables between the antecedents and *intention to stay* including *satisfaction*, *affective commitment* and *calculative commitment*. The antecedents are *technical quality*, *functional quality*, *trust benevolence*, *trust honesty*

and *dependence*. Although there are five exogenous constructs included in the model, they only cover three major determinants of satisfaction and commitment including service quality (technical quality and functional quality), trust toward an exchange partner (trust benevolence and trust honesty) and dependence.



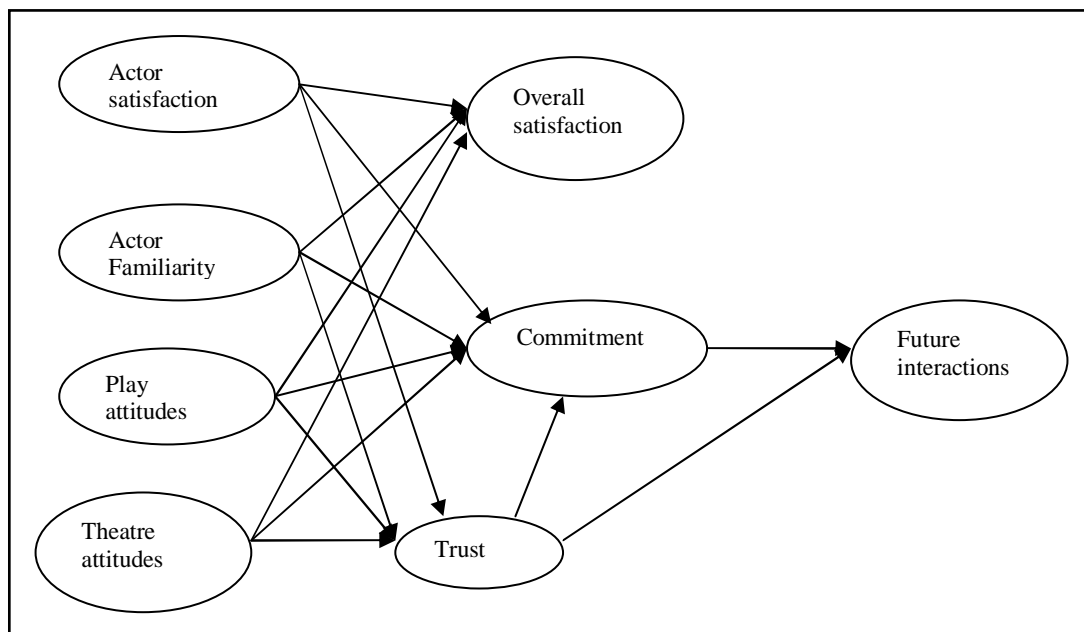
**Figure 2.6:** Model of relationship development between the office equipment manufacturer and its industrial customer

**Source:** Wetzels, Ruyter and Birgelen (1998, p.413)

In the hospitality industry, the link between satisfaction and intention to stay is found to be relatively weak. Therefore, it would be inappropriate to adapt a model that proposes satisfaction as a determinant of intention to stay, as part of explaining the host-guest relationship in a resort context.

### 2.5.7 Relationship development between a theatre company and a customer (Garbarino & Johnson 1999)

Garbarino and Johnson (1999) examined relationship development between a theatre company and customers. The relationship between exchange partners in this context is quite different from those discussed previously as there is no direct interaction between service provider (actor) and customer. Unlike the hospitality industry, where service staff personally communicate with guests during a service encounter, actors provide the service by performing on the stage while customers enjoy the show from a distance. The lack of interpersonal interaction between service provider and customers are an explanation of why the antecedents of relationship quality are quite different from what has been proposed by the previous studies presented in this section.



**Figure 2.7:** Model of relationship development between a theatre company and customer

**Source:** Garbarino and Johnson (1999, p.74)



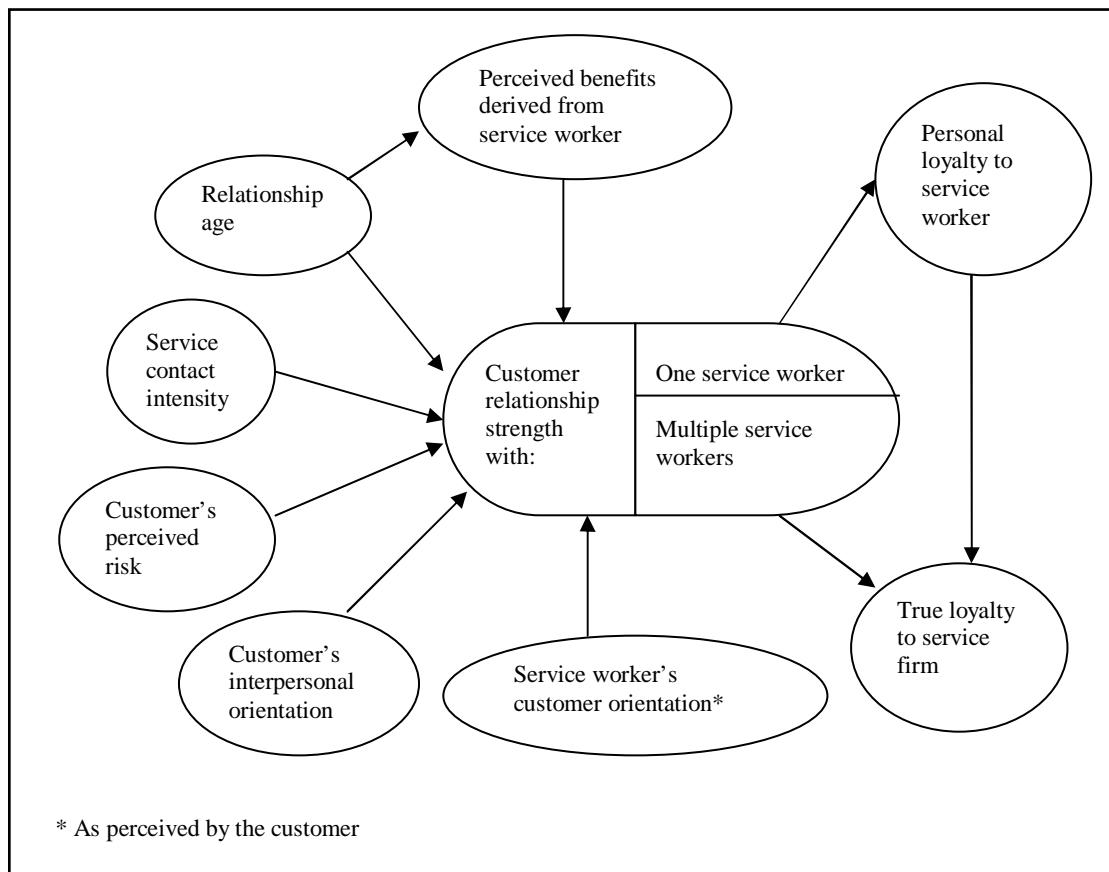
Similar to many relationship marketing researchers, Garbarino and Johnson (1999) agree with Morgan and Hunt (1994) who propose that trust and commitment are the mediating variables in their relationship development model. However, the determinants of trust and commitment proposed in Garbarino and Johnson's (1999) model are different from those previously proposed by Morgan and Hunt (1994). These determinants are *actor satisfaction*, *actor familiarity*, *play attitudes* and *theatre attitudes*. Every determinant is proposed to have a positive influence on trust, commitment and satisfaction whilst only trust and commitment lead to future interaction.

Despite the fact that the focal outcome proposed in the Garbarino and Johnson's (1999) model is a desirable outcome for our study, the set of determinants included in their model (although relevant to a service context) are not as comprehensive as those proposed by Morgan and Hunt (1994). Moreover, the independent constructs included in the Garbarino and Johnson (1999) model are too specific to a theatre context and cannot be adapted to suit a resort context. Consequently, the Garbarino and Johnson (1999) model is not used as a starting model in this thesis.

#### **2.5.8 Relationship development between a customer and a service worker in professional and personal service context (Bove & Johnson 2000)**

Bove and Johnson (2000) investigated the relationship between a customer and service worker in professional and personal service contexts such as hairdressing and law. In these contexts, customers usually have one-on-one contact with one or two service workers and most of the time they prefer to be served by the same service worker every time they consume services.

This model consists of five antecedents that lead to customer relationship strength with service workers on a one-on-one basis or several regular workers. The antecedents are *perceived benefits derived from the service worker*, *relationship age*, *service contact intensity*, *customer's perceived risk*, *customer's interpersonal orientation* and *service worker's customer orientation* as perceived by the customer. However, it should be noted that only relationship strength with multiple service workers has a direct impact on true loyalty to the firm, whilst the relationship strength with one service worker can lead to true loyalty through personal loyalty to that service worker.



**Figure 2.8:** The customer-service worker relationship model

Source: Bove and Johnson (2000, p. 493)

According to Bove and Johnson (2000), the customer-service worker relationship model is more suitable for professional and personal service businesses, where customers frequently interact with the same service worker every time they contact the service firm. Although the Bove and Johnson (2000) model is arguably comprehensive in explaining relationship development between service workers and customers, it is quite limited in the investigation of the relationships in a resort context. Therefore, this model is not sufficient to be used as a starting model for the present investigation. Moreover, in contrast to the KMV model that is widely used as a starting model in various studies, this model has never been tested and does not have any research based on empirical data analysis.

Of the models presented in this section, the KMV model provides a systematic, rational approach to relationship marketing research. This model was chosen to provide the original basis of the conceptual framework for this study for several compelling reasons. These are (i) the KMV model is the most comprehensive relationship marketing model when compared with other existing models, (ii) the KMV model is an improved version of many previous models, (iii) the KMV model has been widely used in many analytical studies (Bowen & Shoemaker 2003; Cote & Latham 2003; Friman et al. 2002; MacMillan et al. 2005; Morgan & Hunt 1994) and (iv) the KMV model has been shown to be valid in a service context within the hospitality industry (Bowen & Shoemaker 2003). The next section will provide details of the manner in which the KMV model has been integrated in to previous studies.

## **2.6 The KMV model of relationship marketing and its implications**

In the KMV model, Morgan and Hunt (1994) propose that trust and commitment are central to successful relationships and, that there are five antecedents that influence trust and commitment. These are termination cost, relationship benefit, shared values, communication and opportunistic behaviour. Morgan and Hunt (1994) assert that termination cost, relationship benefit, shared values and communication are the antecedents that create a positive impact on trust and commitment, whilst opportunistic behaviour creates a negative impact. Since its introduction in 1994, the KMV model has been widely used in many studies such as those by Friman et al. (2002), Zineldin and Jonsson (2000), Bowen and Shoemaker (2003), Cote and Latham (2003), MacMillan et al. (2005) and Li, Browne and Wetherbe (2006).

The next sections provide a definition and discussion on each of the components of the KMV model as a precursor to its use in this study.

### **2.6.1 Termination costs**

Termination or switching costs are proposed by Morgan and Hunt (1994) to be one of the most important determinants of relationship commitment. This section explains the concept of termination costs and will identify the link between termination costs and commitment for an ongoing business relationship.

Porter (1980) was among the first to define the concept of termination cost. He proposed that termination costs are any costs that occur when customers terminate their current relationship and secure an alternative. A similar definition has been proposed by subsequent researchers. Klemperer (1987) defines termination costs as

the ‘... substantial changeover costs of switching from a product to one of its substitutes,’ whilst Jones, Mothersbaugh and Beatty (2000) describe termination costs as any costs that make it more difficult or costly for a customer to change service providers.

There have been many attempts to classify termination costs into different categories. Some researchers see termination costs as economic costs only (Morgan & Hunt 1994), whilst many researchers agree that there are many types of termination cost. For example, Jackson (1985) points out that there are three types of termination cost; psychological, physical and economic; but later work by Ping (1993) indicates that there are only two types of termination costs; economic and psychological. Economic cost includes a penalty fee that companies charge for breaching a condition within a contract. Psychological costs include social loss such as losing one’s friendship with staff. Ping’s classification has now been accepted and used by many services marketing researchers (Sharma & Patterson 2000).

A substantial body of research has been conducted around the concept of termination costs with a specific emphasis on the link between termination costs and commitment (Jones, Mothersbaugh & Beatty 2000; Klemperer 1987; Lee, Lee & Feick 2001; Morgan & Hunt 1994; Patterson & Smith 2003; Ping 1993; Sharma & Patterson 2000; Yang & Peterson 2004). In most studies, termination costs are recognised as an important tool that a company uses in order to counter a price war. It has been used successfully in many industries, especially in highly competitive industries where products/services are almost identical, for example, insurance and mobile phone services. Harris, Schulenburg and Graf (1991) found that an insurer used termination

costs to prevent its customers from ending their contract with the company. This was a clear example of a company using this strategy to establish itself as a monopoly power. Similar patterns were found in many studies with mobile phone services. For example, Lee, Lee and Feick (2001) found that many customers stay with their current mobile phone service company because the termination costs are high.

Although termination costs have been repeatedly reported to have a positive impact on customer intention to stay, because it encourages customers to think twice before they switch for a more attractive alternative, it is still questionable whether or not termination costs should be used as a means of developing a relationship. Many researchers assert that high termination costs create more harm than good, especially economic termination costs such as cancellation penalties. There is considerable evidence to indicate that many dissatisfied customers are locked into relationships, because they have to endure very high cancellation fees if they leave their current providers (Klemperer 1987; Ping 1983). Patterson and Smith (2003, p.107) advise that this type of retention behaviour has given rise to the identification of a new type of customer loyalty, known as “captive loyalty”, which they describe as the least acceptable form of customer loyalty. This type of loyalty is also defined as false loyalty where customers are locked into a relationship rather than genuinely committed to it (Yang & Peterson 2004). These authors (p.805) argue that while ‘dissatisfied customers are likely to maintain business relationships with existing service providers and resist the dissolution of the relationship’ in order to avoid high termination costs, these customers might see themselves as hostages and are likely to defect to alternative service providers as soon as an opportunity becomes available.

In summary, it is clear that termination costs can be a useful instrument to retain existing customers even when the satisfaction level is less than ideal. However, it is considered dangerous for service providers to perceive that they have a healthy relationship with their captive customers or “hostages”, as many will defect to another provider at the first opportunity. As a result, a service provider should not rely solely on termination costs to retain customers, and this suggests that some benefits should be provided during a service encounter in order to ensure that customers consider themselves to be in a happy and healthy relationship. In the next section, the impact of relationship benefits on commitment is discussed.

### **2.6.2 Relationship benefits**

Relationship benefits are proposed by Morgan and Hunt (1994) to be one of the three determinants of relationship commitment. This section explains the concept of relationship benefits, and explores how relationship benefits can increase levels of commitment.

According to Gwinner, Gremler and Bitner (1998, p.102), relationship benefits can be defined as ‘those benefits customers receive from long-term relationships above and beyond the core service performance (e.g. reduced anxiety as opposed to on-time package delivery)’. Obviously, it can be argued that this kind of benefit is only available to long-term customers, as a reward for being loyal to the firm (Gwinner, Gremler & Bitner 1998). The importance of relationship benefits has increased since the marketplace has become more competitive. In today’s competitive environment it is widely agreed that providing functional benefits (i.e. core services) is not enough to retain existing customers and that firms need to provide relationship benefits to

distinguish themselves from other providers. Relationship benefits are thought to provide substantial competitive advantages for businesses. For example, Morgan and Hunt (1994) assert that customers normally go to a service provider who will provide them with special benefits. Relationship benefits make committing to a relationship more valuable. Gwinner, Gremler and Bitner (1998) recommend that service providers build loyalty strategies around relationship benefits because there is a strong link between relationship benefits and commitment which in turn lead to loyalty. Bowen and Shoemaker (2003, p.36) state that 'for a customer to enter into a relationship, the relationship must provide value for that customer'. This means that once relationship benefits are presented, customers are more likely to increase their intention to stay in the relationship. Relationship benefits are suggested to be amongst the most important motivators for customers to maintain relationships with service providers (Patterson & Smith 2001). In Morgan and Hunt's (1994) study, the concept of relationship benefits is perceived as one-dimensional and to only concern economic benefits provided to customers by their suppliers. However, the more recent study by Gwinner, Gremler and Bitner (1998), which is more service-oriented, argues that there are three types of relationship benefits used by service providers to reward their loyal customers. These are confidence benefits, social benefits and special treatment benefits (Gwinner, Gremler & Bitner 1998).

Confidence benefits are 'the reduction of uncertainty in transactions and the increase in realistic expectations for the service encounter' (Yen & Gwinner 2003, p.485). These benefits are especially important for service businesses, where a product cannot be seen, touched, or tasted prior to consumption. When extrapolated to the context of the present investigation, this means that by revisiting the same resort, guests can be



confident about the quality of services they will receive, which reduces their perception of the risks involved during service encounters.

Social benefits are ‘... the emotional aspects of relationships and focus on personal recognition of customers by employees and the development of friendships between customers and employees’ (Yen & Gwinner 2003, p.485). In general, customers who develop a friendship with service staff are likely to feel committed to a service provider. Friendships between customers and service staff are likely to develop more often in an extended service encounter, rather than during a brief encounter. Resort service encounters are often extended, because most resort guests are holiday seekers who normally spend more time enjoying themselves within a resort compared to, for example, business travellers. In this context, the formation of relationships between guests and staff are more likely to be developed within a resort context than in business hotels.

Special treatment benefits involve both economic and other customisation advantages. These benefits include privileges received by loyal customers when contracting with a service provider. This treatment makes customers feel more important than other guests, and encourages them to become committed to the service provider. In a resort context, a loyalty program has become one of the most common ways used to repay loyal customers. This approach provides frequent customers with a special price as well as special treatment from the resort. For example, it takes frequent customers less time to check in, and they are more likely to receive complimentary items from the resort.

Although each type of relationship benefit has been found to have a positive impact on customer loyalty, in previous studies (Gwinner, Gremler & Bitner 1998; Hennig-Thurau, Gwinner & Gremler 2002), some relationship benefits have been found to have a greater impact on commitment than others. Gwinner, Gremler and Bitner (1998) suggest several factors that account for this, including the nature of the business and the characteristics of the customers.

Some researchers have found that different types of relationship benefits have a greater or lesser impact on commitment, depending on the nature of the service encounter. For example, Yen and Gwinner (2003) found that, in contexts where there is less direct contact between customers and staff, only confidence benefits and special treatment benefits have a significant impact on customer loyalty. Gwinner, Gremler and Bitner (1998) further find that social and special treatment benefits are more or less influential depending on the type of service. They suggest that social and special treatment benefits are likely to be much more important in high employee-customer contact service encounters, rather than in low employee-customer contact operations such as online shopping. It should be noted that service encounters within a resort context are an extended encounter, where there is a high degree of employee-customer contact. Consequently, social and special treatment benefits are expected to play an important part in influencing commitment.

Other researchers find that, not only does the nature of the service encounter impact the effect of each relationship benefit on commitment, the nationality of customers can also have an impact on how customers perceive the importance of each relationship benefit on commitment. Patterson and Smith (2001), for example, found

that people from different cultures put different emphases on relationship benefits. In their study they adapted the survey instrument used by Gwinner, Gremler and Bitner (1998) in order to identify how US and Thai customers respectively value each type of relationship benefit. They point out that confidence benefits are found to have the strongest impact on commitment in the USA, while special treatment benefits are found to have the strongest impact on commitment in Thailand.

In summary, relationship benefits can be conceptualised as providing customers with rewards for their loyalty. Relationship benefits can be classified into three different categories: confidence benefits, social benefits and special treatment benefits. It has been found that each category of relationship benefit has an impact on commitment, depending on the nature of the service encounter, as well as the cultural background of customers.

### **2.6.3 Shared values**

The concept of shared values is the only construct in the KMV model that is proposed to be an antecedent of both trust and commitment. This section aims to explain the concept of shared values, and explore how shared cultural values can lead to a higher level of both trust and commitment. According to Conway and Swift (2000), ‘the higher the level of psychic distance, the greater the time and effort required to develop successful relationships’ (p.1391). This highlights the fact that relationship development between people who share the same values is likely to be easier than the development of relationships between those who do not share the same values. It has also been found that the differences in values and norms between customers and service providers can also lead to misunderstanding during service encounters, which

in turn can lead to unhappy customers and frustrated service providers (Cushner & Brislin 1996).

The concept of shared values has been found to have a positive impact on relationship development. A number of previous studies link shared values and relationship development. Researchers have found that shared values can lead to many elements that influence successful relationships such as liking (Francis 1991), attraction, better communication (Anderson & Weitz 1989), trust (Dwyer, Schurr & Oh 1987; Morgan & Hunt 1994) and commitment (Dwyer, Schurr & Oh 1987; Morgan & Hunt 1994). However, the main emphasis of this thesis is to highlight the importance of shared values between resort guests and their service providers, as a major determinant of both trust and commitment.

Extending the proposition of Dwyer, Schurr and Oh's (1987) research, Morgan and Hunt (1994) conducted an empirical study that confirms the positive links between shared values and the development of both trust and commitment. In their study, Morgan and Hunt (1994, p.25) define shared values as '... the extent to which partners have beliefs in common about what behaviours, goals, and policies are important or unimportant, appropriate or inappropriate, and right or wrong'. They emphasise the importance of shared ethical values as an antecedent of trust and commitment. Indeed, they have found that buyers who perceive their suppliers share the same ethical values are likely to have higher trust as well as higher commitment toward suppliers. Researchers who adopt the KMV model have repeatedly concluded that shared values between exchange partners provide a positive impact on the development of trust and commitment (MacMillan et al. 2005; Mukherjee & Nath

2003). MacMillan et al. (2005) have found that senior managers who are responsible for funding decisions are likely to have higher trust and commitment towards non-profit organisations (NPOs) when they believe that the NPOs share the same values, for example, the beliefs about the way staff should be treated. In their study, Mukherjee and Nath (2003) found that customers are more likely to trust and commit to banks that share values such as ethics, security, and privacy as their customers.

There is some evidence that shared cultural values have a similar impact on the development of trust between exchange parties. For example, Anderson and Weitz (1989) found that shared cultural values (or cultural similarity) encourage higher levels of trust toward an exchange partner. Armstrong and Yee (2001) have also found that similarity in cultural values is a very important determinant of trust for both Chinese ethnic industrial buyers and sellers in Malaysia. In line with Armstrong and Yee (2001), Golesorkhi (2006), also found that cultural similarity has a positive impact on judgements of trustworthiness. This is because, according to Golesorkhi (2006), ‘... judgements of trustworthiness are prone to cultural misunderstanding’ (p.206). He explains that cultural misunderstanding has a negative impact on the development of trust, whilst cultural similarity has a positive impact on the judgement of trustworthiness. Accordingly, it can be argued that people are likely to trust an exchange partner with whom they share a cultural similarity, rather than those exchange partners whom they find hold different cultural values to them, mainly because there are less likely to be cultural misunderstandings. Consequently, it could be argued that customers are likely to trust their local service providers, more than international service providers. Although Golesorkhi (2006) asserts a strong link between cultural similarity and the judgement of trust-worthiness, he also notes that

the impact of cultural similarity on the judgement of trustworthiness can be more or less important depending on the culture of that person. For example, in a collectivist society it is very important for an exchange partner to be recognised as a member of an in-group in order to gain trust (Holmes & Tangtongtavy 1995). A higher degree of similarity leads to a higher level of trust. For example, friends and family gain more trust than a person from the same country and a person from the same country gains more trust than a person from a different country. However, this logic does not always play out in the same way in an individualist society, where people do not make a great distinction between in-groups and out-groups. In such societies, people commonly trust people due to other factors rather than the degree of similarity. Consequently, the effect of similarity on the judgement of trustworthiness in collectivist societies is likely to be greater than in individualist societies. From that perspective, it can be argued that shared values might have less impact on the development of trust and commitment between Thai tourists and Thai service providers.

Despite the fact that a positive link between shared values and the development of trust and commitment has been found in many studies, no previous study has found a link between shared cultural values and commitment. However, it is arguable that shared cultural values provide the same impact on the development of trust and commitment as other types of shared values. According to Hofstede (1980), culture can be defined as ‘... the collective programming of the human mind that distinguishes the members of one human group from those of another’ (p.24). From this perspective, it can be noted that all human values are rooted in culture, because values can be greatly influenced by culture (Hofstede 1980). Previous studies have found that culture has a strong influence on many aspects of values. For example, it

has been found that the differences in work values found in IBM workers are the result of differences in national cultures (Hofstede 1980). Moreover, Bartels (1967) has also found that culture has a significant impact on ethical values. Since ethics can be defined as a standard of what should be perceived as right or wrong, it can be noted that people from different societies might have different ethical standards due to cultural differences (Bartels 1967). In other words, ethical values that are acceptable in one society might not be accepted in another. Bartels' contention has been supported by many business ethics researchers. For example, Sims (2006) found that there are significant differences in ethical values between respondents from Jamaica and other countries, including those who come from Israel, South Africa and the USA. Sims' study found that people who share the same cultural values commonly share other values as well. Since sharing the same ethical values is proven to have a positive impact on the development of trust and commitment, and that sharing the same cultural values can also mean sharing the same ethical values, it is arguable that customers who share the same cultural values as their service providers, are likely to have higher levels of trust and commitment toward them.

In summary, it may be concluded that the concept of shared values has been linked to many elements of successful relationships. In line with Morgan and Hunt's (1994) previous study, this thesis emphasises the importance of shared values as a determinant of trust and commitment and that shared cultural values provide a positive impact on both trust and commitment.

#### **2.6.4 Communication**

Communication refers to ‘... the formal as well as informal sharing of meaningful and timely information between [partners]’ (Anderson & Narus 1990, p.44). This section aims to explore the link between communication and trust with specific emphasis on service provider-customer interaction.

Communication is hypothesised to be “the essential glue” for relationships that holds the partners together (Mohr & Nevin 1990). It is perceived to be one of the most important ingredients for the development of business relationships (Dwyer, Schurr & Oh 1987; Morgan & Hunt 1994). Indeed, Dwyer, Schurr and Oh (1987) assert that people only want to commit to relationships with people that have the same opinion or share the same goal, and it is important for them to know about their future partner before committing to the relationship. They suggest that communication plays a very important role in helping both parties to decide whether or not they want to continue to the next stage of the relationship, because after a series of communications both partners will have a better understanding of each other’s wants, issues, inputs and priorities. Dwyer, Schurr and Oh (1987) contend that communication is essential when a relationship is in an exploratory stage, where both parties have less idea of who they are dealing with. They explain that in these early stages ‘... relationship is very fragile in the sense that minimal investment and interdependence make for simple termination’ (Dwyer, Schurr & Oh 1987, p.16).

A large body of previous research has found communication to be a pre-requisite of trust in various contexts including online banking (Adamson, Chan & Handford 2003; Mukherjee & Nath 2003), the automobile industry (Morgan & Hunt 1994) and the



wood industry (Zineldin & Jonsson 2000). It is suggested that exchange partners must be communicated with within a timely, meaningful and reliable manner for them to trust another party (Morgan & Hunt 1994; Mukherjee & Nath 2003).

Though the link between communication and trust is the main emphasis in this section of the literature review, it is important to acknowledge that there are also some studies that identify a link between communication and commitment (Sharma & Patterson 1999; Zineldin & Jonsson 2000). Sharma and Patterson (1999), for example, were among the first researchers to document the link between communication and relationship commitment. The results of their study reveal that not only does communication have a direct impact on trust, a result that is consistent with previous research (Morgan & Hunt 1994), but it also has a direct impact on commitment. They argue that frequent and effective communication will not only help service providers reduce perceived risk among their customers, that in turn creates trust, but, over time it can also create a bond between service providers and their customers, which subsequently leads to relationship commitment. They point out that the linkage between communication and relationship commitment can vary depending on the ‘... recurring interaction between [service providers and customers], the risk and uncertainties involved, as well as the complex nature of the service’ (Sharma & Patterson 1999, p.158). In concurrence with Sharma and Patterson (1999), Zineldin & Jonsson (2000) also found that communication, mostly through fax and phone, between suppliers and dealers within the Swedish wood industry led to greater trust and commitment.

A number of service marketing researchers also report on the virtues of effective communication within a service context. For example, Zeithaml, Parasuraman and Berry (1990) argue that communication can be used to shape customers' expectations. They point out that effective communication will lead to higher levels of satisfaction, while faulty communication such as overpromising in selling, advertising and other company's communication, will lead to higher levels of customer dissatisfaction. Consequently, they assert that it is important for service providers to ensure that they communicate the right message that gives a correct picture of what would be provided during a service encounter as a means of preventing customers from being dissatisfied. Moreover, Sharma and Patterson (1999) assert that communication can be used to help their customers to overcome the feeling of uncertainty and risk during the consumption of a service. They observe that most services have an intangible dimension, which makes it difficult for service providers to maintain control over many of the aspects of service provision. As a result, there is a lot of uncertainty and risk involved during service consumption. Consequently, they suggest that service providers need to communicate with their customers in order to help them to overcome their feeling of uncertainty and the fear of risk (Sharma & Patterson 1999). Furthermore, Lovelock, Patterson & Walker (2004), suggest that "good communication" that is, empathy, responsiveness and product knowledge, helps service providers to create a better understanding between themselves and their customers. Moreover, communication also conveys the service providers' willingness to provide the best service to their customers, which in turn leads customers to believe that their service providers will behave in a manner that reflects the best interests of their customers. As a result, customers tend to overlook any occasional mistakes that may occur during a service encounter.

In summary, communication has been hypothesised as an important ingredient for successful relationships. Whilst some researchers have found that communication also leads to trust alone, there are others who found that communication leads to commitment as well as trust. After conducting a comprehensive review of literature, it can be noted that, despite a large body of work on communication in service contexts, minimal hospitality related research has been conducted around the concept of communication.

### **2.6.5 Opportunistic behaviours**

Opportunistic behaviour is proposed to have a negative impact on trust. This section aims to explain the concept of opportunistic behaviour, and explore how opportunistic behaviour can decrease levels of trust between customers and service providers.

The most widely quoted definition of opportunism is presented by Williamson (1975). He defines opportunism as ‘... self-interest seeking with guile’ (Williamson 1975, p.6). This definition suggests that the essence of opportunistic behaviour is the notion of guile. The term guile has been explained as those behaviours that involve ‘... lying, stealing, cheating and calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse’ (Williamson 1985, p.47). From that perspective, it can be argued that not every self interest seeking behaviour is counted as opportunistic behaviour. In other words, people can engage in self-interest seeking behaviour, but such behaviour is not always perceived as being opportunistic. Moreover, Hardy and Magrath (1989) assert that in most cases opportunistic behaviour is not an unlawful act, which is an important point for the conduct of business. Therefore, when engaging in opportunistic behaviour opportunistic parties do not directly break the law or a legal

contract. Instead they take advantage of or exploit the other party, often using loopholes in a contract or by behaving in an unethical but nonetheless legal manner.

It has long been known that opportunistic behaviour has a negative impact on business success, because it can be related to a great deal of economic loss (especially to organisations that have been disadvantaged by the behaviour of another party). Early academic work related to this concept commonly focuses on identifying the factors or potential factors that encourage or prevent opportunistic behaviour, in order to assist companies to eliminate, reduce, or manage opportunistic behaviour (Brown, Dev & Lee 2000; Dani, Backhouse & Burns 2004; Hardy & Magrath 1989; John 1984; Wathne & Heide 2000). Various factors have been proposed by researchers that can be used to prevent an exchange partner from engaging in opportunistic behaviour. These factors are trust (Dani, Backhouse & Burns 2004), shared goals (Brown, Dev & Lee 2000; Dani, Backhouse & Burns 2004), investment (Brown, Dev & Lee 2000; Dani, Backhouse & Burns 2004) and ownership (Brown, Dev & Lee 2000).

Current thinking suggests that opportunistic behaviour can also be negatively linked to many elements of successful relationship development (Lee, Pae & Wong 2001). Researchers have found, for example, that opportunistic behaviour has a negative impact on loyalty intention (Chiou & Shen 2006), trust (Dwyer, Schurr & Oh 1987; Hardy & Magrath 1989; Morgan & Hunt 1994) and commitment (Gutiérrez, Cillán & Izquierdo 2004). However, the main emphasis of this thesis is to explore the link between opportunistic behaviour and the development of trust.

To date, the research conducted into the relationship between trust and opportunistic behaviour has been exploratory. Some researchers have found that trust between the parties prevents them from behaving in an opportunistic manner. However, other researchers propose that opportunistic behaviour has a negative impact on the level of trust (Friman et al. 2002; MacMillan et al. 2005; Morgan & Hunt 1994; Mukherjee & Nath 2003). The latter group of researchers suggests that opportunistic behaviour prevents an individual from trusting an exchange partner, and that a lack of opportunistic behaviour encourages higher levels of trust toward an exchange partner. In other words, people are less likely to trust their exchange partners, if they believe that the exchange partners are likely to engage in opportunistic behaviour. There is considerable evidence to support the proposition that opportunistic behaviour negatively impacts on the development of trust across various business contexts. These contexts include the automobile industry (Morgan & Hunt 1994), international business-to-business (Friman et al. 2002), not-for-profit (MacMillan et al. 2005) and online banking (Mukherjee & Nath 2003). For example, Morgan and Hunt (1994) found that buyers who believe that suppliers engage in opportunistic behaviour are less likely to trust those suppliers. Friman et al. (2002) found that a lack of opportunistic behaviour leads to higher level of trust between exchange partners in international business to business relationships. MacMillan et al. (2005) found that organisational funders are likely to trust not-for-profit organisations (NPO) that do not engage in opportunistic behaviour. Mukherjee and Nath (2003) found that opportunistic behaviour of banks such as distortion of information and violation of rules and regulations, has a significant negative impact on trust toward the banks in an online banking context. When the findings of these and other previous studies are considered, it would be expected that opportunistic behaviour would have a similar

impact on the development of trust within a resort context. In other words, resort guests are likely to feel less trusting of service providers, if they perceive that service providers engage in, or are likely to engage in opportunistic behaviour. Consequently, this thesis explores the link between opportunistic behaviour and trust.

It can also be argued that the level of opportunistic behaviour perceived during an intercultural service encounter, where hosts and guests come from different cultural backgrounds, is likely to be higher than the perception of levels of opportunistic behaviour during an intracultural service encounter. This is because cultural values have a strong influence on how people perceive opportunistic behaviour. According to Hofstede (1980), people from different cultural backgrounds usually have different programming of the mind. This, in turn, stresses their perceptions in certain directions, especially in relation to the perception of what is right or wrong. There are many researchers who have found that behaviour that is perceived as acceptable in one culture might be perceived as opportunistic in another (Al-Khatib, Vitell & Rawwas 1997; Babakus et al. 2004; Doney, Cannon & Mullen 1998). For example, self-interest seeking behaviour is argued to be an acceptable behaviour in individualist and masculine societies, but not in collectivist societies; while Chan, Cheng and Szeto (2002) found that *guanxi*, which is defined as ‘...a particularized and personalized relationship based on reciprocal exchange of favors’ (Lee, Pae & Wong 2001, p.52), is acceptable for collectivist societies, but is perceived as an act of corruption by individualist societies.

Consequently, it might be argued that guests are likely to be prone to concern about opportunistic behaviour when dealing with an international service provider who

comes from a different cultural background to them. This, in turn, might lead guests to believe that an international service provider is less trustworthy than a service provider from their own culture or country, a proposition that is supported by Skarmeas (2006) who reports that perceptions of opportunism that occur during interactions between people from different cultures, usually occurs as a result of differences in cultural background. This difficulty can be overcome by being aware of cultural differences, and using this knowledge to close the gap between cultures.

In summary, opportunistic behaviour can be defined as any self-interest seeking behaviour that allows an individual to take advantages of an exchange party. In most cases, this kind of behaviour is not an unlawful act but is perceived to be unethical and thus leads to a reduction in trust. During an intercultural service encounter, service providers can be perceived as engaging in opportunistic behaviour simply because of the cultural differences between service providers and their guests. It is suggested that the perception of opportunistic behaviour that guests have toward their international service providers can be reduced by improving cultural awareness among service providers. This, in turn, will increase the level of trust that guests have toward the service providers.

### **2.6.6 Trust**

According to Morgan and Hunt (1994), trust is proposed to be one of two key mediating variables in the KMV model of relationship marketing. This section provides a definition and discussion on the concept of trust.

Trust is defined in the literature in different ways. Some researchers see trust as a perception of the trusting character of another individual only (Anderson & Narus 1986; Coulter & Coulter 2002; Doney & Cannon 1997; Larzeiere & Huston 1980; Schurr & Ozanne 1985), whilst other researchers add a willingness to trust another person into the definition of trust (Ganesan 1994; Moorman, Zaltman & Deshpande 1992).

The first group of researchers argue that trust occurs when a trusting party perceives that another party is trustworthy in terms of their integrity (Coulter & Coulter 2002; Larzeiere & Huston 1980), reliability (Schurr & Ozanne 1985), credibility (Doney & Cannon 1997), benevolence (Anderson & Narus 1990; Doney & Cannon 1997), honesty (Coulter & Coulter 2002), confidentiality (Coulter & Coulter 2002) and the capability to fulfil promises (Singh & Sirdeshmukh 2000).

Other researchers (Moorman, Zaltman & Deshpande 1992) suggest that a trusting party also needs to be willing to rely on another party for trust to exist. In other words, they assert that the trusting party needs to feel vulnerable and uncertain about the situation in order to feel the need to trust the other party. Consequently, this group of researchers asserts that the definition of trust should include a belief in an exchange partner's trustworthiness as well as a willingness to trust on the part of the trusting party.

Morgan and Hunt (1994), whose definition is one of the most widely quoted by relationship marketing researchers, argue that willingness to trust should be conceptualised as an outcome of trust rather than included as a component of the



definition of trust. In line with Morgan and Hunt (1994) and other researchers that belong to the first group (Anderson & Narus 1990; Coulter & Coulter 2002; Doney & Cannon 1997; Larzeiere & Huston 1980; Schurr & Ozanne 1985), trust is conceptualised in this thesis as a belief by a resort guest that a service provider (resort operator) is trustworthy. From a resort guest's perspective, service providers are perceived to be trustworthy when they keep the promises that they have made, including those presented in brochures and other promotional materials that influence the purchase decision, or promises made in person during a service encounter.

Over the years, a considerable amount of marketing research has been conducted on the concept of trust. A recent study (Halliday 2004) suggests that the concept of trust is proposed to be binary where trust can be conceptualised both as an initiator of relationships and as a contributor to relationships. It can be observed that the research on trust can be divided into two groups depending on how trust is treated. On one hand, researchers in the first group commonly treats trust as an initiator of relationships, usually highlighting the effect of trust on other factors such as customer satisfaction (Soderlund & Julander 2003) rather than highlighting the effect of trust on commitment. On the other hand, researchers in the second group commonly treats trust as a contributor to relationships, usually shedding light on how trust can lead to a higher level of commitment, or other factors, that provide a positive impact on relationship continuity. Much of the research in this group finds trust to be one of the major determinants of successful relationships both in the development of an interpersonal relationship (Larzeiere & Huston 1980) as well as a business relationship (Anderson & Weitz 1989; Doney & Cannon 1997; Ganesan 1994; Morgan & Hunt 1994; Selnes 1998). It has been observed that the majority of the

marketing literature belongs to this group of research (Halliday 2004) and there are several issues that can be drawn from a critical review of literature on the concept of trust as a contributor to relationships.

Firstly, the most common purpose of research on trust has been to explore its antecedents and its consequences. The common antecedents or factors that have been found in previous studies to have an impact on trust are: shared values (Anderson & Weitz 1989; Armstrong & Yee 2001; Doney & Cannon 1997; Johnson & Grayson 2005; MacMillan et al. 2005; Morgan & Hunt 1994; Mukherjee & Nath 2003; Zineldin & Jonsson 2000), communication (Adamson, Chan & Handford 2003; Anderson & Weitz 1989; Anderson & Narus 1990; Casielles, Alvarez & Martin 2005; Crotts & Andibo 2001; MacMillan et al. 2005; Morgan & Hunt 1994; Mukherjee & Nath 2003; Selnes 1998; Zineldin & Jonsson 2000), reputation (Adamson, Chan & Handford 2003; Casielles, Alvarez & Martin 2005; Doney & Cannon 1997; Ganesan 1994; Johnson & Grayson 2005), trust in an employee or salesperson (Casielles, Alvarez & Martin 2005; Doney & Cannon 1997), opportunistic behaviours, which have a negative impact on trust (Armstrong & Yee 2001; Bowen & Shoemaker 2003; MacMillan et al. 2005; Morgan & Hunt 1994; Mukherjee & Nath 2003; Zineldin & Jonsson 2000), expertise (Armstrong & Yee 2001; Johnson & Grayson 2005), satisfaction (Crotts & Andibo 2001; Ganesan 1994; Garbarino & Johnson 1999; Johnson & Grayson 2005; Leisen & Hyman 2004; Miyamoto & Rexha 2004; Zineldin & Jonsson 2000) and social bonds (Crotts & Andibo 2001; Zineldin & Jonsson 2000).

The common consequences of trust are: anticipation of future intentions (Caceres & Paparoidamis 2007; Garbarino & Johnson 1999; Johnson & Grayson 2005; Sanzo, Santos, Vazquez & Alvarez 2003), commitment (Moorman, Zaltman & Deshpande 1992; Morgan & Hunt 1994) and relationship enhancement (Selnes 1998). The main emphasis of this thesis is to present trust as a major determinant of commitment. Extensive research shows that there is a strong link between trust and commitment across different contexts, such as online shopping (Ha 2004), online banking (Mukherjee & Nath 2003), supply chain management (Chu & Fang 2006) and luxury hotels (Bowen & Shoemaker 2003).

The KMV model, proposed by Morgan and Hunt (1994), is the most comprehensive model for relationship marketing because it simultaneously employs three of the most common antecedents of trust (namely shared values, communication and opportunistic behaviours). Since the KMV model has been adopted in this thesis, only those antecedents that appear in the KMV model are included in the following discussion.

Research on trust can be divided into two groups depending on the nature of the relationship; there are interpersonal relationships as discussed by Larzeiere & Huston (1980) and business relationships as discussed by relationship marketing researchers such as Dwyer, Schurr and Oh (1987), Moorman, Zaltman and Deshpande (1992) and Morgan & Hunt (1994). There are two types of business relationships. These are inter-organisation relationships and organisation–customer relationships.

This study involves organisation-customer relationships and it makes an important contribution to the field because few studies have been conducted into the development of trust between people from different cultural backgrounds. It can be noted that despite a large amount of research, which has been conducted around the concept of trust, most of the previous studies were conducted within an intra-cultural context, where both exchange partners are of the same cultural background. Some researchers (Doney, Cannon & Mullen 1998) suspect that the development of trust between people from the same culture might be different from the development of trust between people who hold different cultural backgrounds.

In summary, trust can be defined as the guest's belief that a service provider is trustworthy. Trust has been proposed as a key ingredient in the development of a successful relationship. The concept of trust has been linked to many factors that are perceived to lead to successful relationships. Consequently, many researchers have proposed several antecedents of trust as a means to relationship development. However, few investigations concerning the development of trust between people from different cultural backgrounds have been conducted, and the development of trust between hosts and guests within a hospitality context remains unresearched. In conclusion, despite a large amount of research on trust, there is no study concerning the development of trust between guests and hosts within an intercultural hospitality context.

### **2.6.7 Commitment**

Along with trust, commitment has been theorised to be one of the key mediating variables for successful relationships (Morgan & Hunt 1994). Commitment is thought

to play an important part in relationship development. According to Gundlach, Achrol and Mentzer (1995, p.78), commitment is ‘... an essential ingredient for successful long-term relationships’. This section explains the concept of commitment and explores how commitment can lead to customer loyalty, a goal of most successful service organisations.

Commitment has been conceptualised in a number of different ways such as an unwillingness to consider an alternative (Leik & Leik 1977), an action that is undertaken in order to maintain a relationship (Dwyer, Schurr & Oh 1987), and a desire to maintain a relationship (Bowen & Shoemaker 2003; Moorman, Zaltman & Deshpande 1992; Morgan & Hunt 1994). After an extended review of literature, it can be noted that the definition of commitment proposed by most researchers consists of two major components. These are a belief that the relationship is important and its consequence, which is a subsequent desire to maintain the relationship. In other words, researchers commonly propose that commitment is the positive feeling that customers have toward their relationship with a service provider, which in turn encourages them to maintain the relationship indefinitely. The key to ensuring a high level of commitment is to assist customers to realise the importance of their relationship with a service provider. As a result, there is a need to conduct continual research in order to determine what factors encourage a high level of commitment between the service provider and customers, as a means to ensure a high level of customer loyalty.

Commitment has become one of the most popular issues in relationship marketing research during the past 20 years, mainly because the marketplace has become more

competitive. Commitment is perceived to be essential for business success (O'Malley & Prothero 2004) as it helps a company to retain a business relationship with its customers (Dwyer, Schurr & Oh 1987; Garbarino & Johnson 1999; Gummesson 2002; Gundlach, Achrol & Mentzer 1995; Hocutt 1998; Moorman, Zaltman & Deshpande 1992; Morgan & Hunt 1994). Many researchers recognise the importance of commitment as a major determinant of long-term relationships, noting that commitment along with trust is central to all successful relationships (Bowen & Shoemaker 2003; Garbarino & Johnson 1999; Morgan & Hunt 1994). The importance of commitment is reinforced by recent studies that have found that commitment leads to repurchase intentions, as well as positive word-of-mouth communication (Fullerton 2005; Garbarino & Johnson 1999; Sanzo 2003; Wetzels, Ruyter & Birgelen 1998).

Although a large amount of research on commitment refers to commitment as a unitary concept (Bowen & Shoemaker 2003; Moorman, Zaltman & Deshpande 1992; Morgan & Hunt 1994), some researchers see commitment as a binary concept consisting of two dimensions. These are affective commitment and continuance commitment, also called calculative commitment (Fullerton 2005; Gounaris 2005; Wetzels, Ruyter & Birgelen 1998). Affective commitment can be referred to as '... an affective state of mind an individual or partner has toward a relationship with another individual or partner' (Wetzels, Ruyter & Birgelen 1998, p.409). Continuance commitment can be referred to as '... the perceived structural constraints that bind the firm to its partner and not a cognitive consideration of possible future opportunities' (Gounaris 2005, p.128).

The researchers, who see commitment as a binary concept, commonly argue that the concept of commitment needs to be categorised into two dimensions, because each dimension can be influenced by different factors, and each can have a different effect on relationship development (Fullerton 2005; Gounaris 2005; Wetzels, Ruyter & Birgelen 1998).

On one hand, affective commitment is a genuine feeling that exchange partners have toward one another. The determinants of this type of commitment should be the factors that encourage an exchange partner to view a relationship as important, and thus genuinely encourage them to stay in the relationship. Examples of those factors are trust (Dwyer, Schurr & Oh 1987; Moorman, Zaltman & Deshpande 1992; Morgan & Hunt 1994), switching cost (Morgan & Hunt 1994; Patterson & Smith 2003), relationship benefits (Patterson & Smith 2001) and shared values (Morgan & Hunt 1994).

On the other hand, continuance commitment is not a genuine feeling that exchange partners have toward one another. Customers only stay in a relationship because the cost of terminating the relationship is too high. The determinants of this type of commitment are expensive penalties that usually apply when exchange partners want to end a relationship, or when there is a lack of an alternative. This kind of determinant helps a firm trap an exchange partner in an unwanted relationship. It can be noted that most of the time, the determinants that lead to one type of commitment will not lead to the alternative. In fact, in many cases the determinants that create a positive impact on one type of commitment, can create a negative impact on the other type of commitment. For example, trust does not only exclusively provide a positive

impact on affective commitment; it also provides a negative impact on continuance commitment (Gounaris 2005). Morgan and Hunt (1994) present a link between economic termination costs and affective commitment. According to this perspective, it could be argued that the impact of termination costs on different types of commitment, can vary depending on the types of termination costs, and on the degree to which termination costs are applied. On the one hand, low termination costs and psychological termination costs are assumed to provide a positive impact on affective commitment, because they do not force customers to stay, but encourage customers to rethink the positive advantages of being in the relationship before terminating the relationship. On the other hand, high economic termination costs are assumed to lead to continuance commitment, because it makes customers feel they are trapped in an unwanted relationship.

Affective commitment and continuance commitment have different effects on relationship development. It is argued that affective commitment provides a positive impact on relationship development, whilst continuance commitment provides a negative impact on a relationship (Fullerton 2005; Gounaris 2005; Wetzels, Ruyter & Birgelen 1998). Fullerton (2005), for example, notes that affective commitment has a strong positive impact on both repurchase intention and advocacy across three service settings, namely banking services, telecommunications services and grocery retail services. However, it has been found that continuance commitment not only has a weak positive impact on repurchase intentions in two service settings, banking and telecommunication services, but also has a negative impact on repurchase intentions in grocery service settings. Continuance commitment has been found to have a negative impact on advocacy (another term for positive word-of-mouth



communication) across all service settings. Moreover, in business-to-business services, Gounaris (2005) finds that only affective commitment can lead to a higher intention to stay in a relationship with a service provider. Furthermore, Wetzel, Ruyter and Birgelen (1998), find that affective commitment has a stronger positive impact on intention to stay than continuance commitment.

An extensive literature review indicates that affective commitment is a dominant dimension of commitment in most research publications dealing with relationship marketing despite the fact that researchers have not reached full agreement on how commitment should be perceived (unitary or binary). However, there is evidence that most of the relationship marketing researchers (even those who perceive commitment as a unitary concept) use affective commitment to operationalise the concept of commitment (Caceres & Paparoidamis 2007; Garbarino & Johnson 1999; Morgan & Hunt 1994). A number of researchers used affective commitment measurements when measuring the concept of commitment in their studies. For instance, Morgan and Hunt (1994) measure their commitment concept by adapting an affective commitment scale from the work of Allen and Meyer (1990). Secondly, in most studies trust is found to have a positive impact on commitment. As mentioned earlier, trust only provides a positive impact on affective commitment. Since trust provides a negative impact on continuance commitment, it can be assumed that in these studies the concept of commitment referred to, is a form of affective commitment (Fullerton 2005). Thirdly, many studies commonly propose positive links between commitment and customer loyalty in terms of increasing repurchase intention, as well as positive word-of-mouth communication or advocacy (Caceres & Paparoidamis 2007; Fullerton 2005). Again, as mentioned earlier, such links can only be true when affective commitment is

employed, because only affective commitment has been found to have a strong positive impact on customer loyalty in both aspects (repurchase intention and positive word-of-mouth communication). In contrast, continuance commitment only provides a weak positive impact on repurchase intentions but results in a negative impact on positive word-of-mouth communication (Fullerton 2005).

In summary, the key to the concept of commitment is that customers need to realise the importance of their relationship with a service provider before they will become committed to the relationship. Researchers have not agreed about whether commitment should be perceived as unitary or binary. Those researcher who see commitment as a binary concept, suggest that commitment can be categorised into two categories: affective commitment and continuance commitment. Since only affective commitment has been found to provide a positive impact on relationships in terms of increasing repurchase intention and positive word-of-month communication, it can be noted that most of the relationship marketing studies commonly operationalise commitment as affective commitment. Therefore, in line with these previous studies, the concept of commitment in this thesis is operationalised as affective commitment.

## **2.7 Summary**

Although the link between customer satisfaction and customer loyalty has been in the spotlight for some considerable time, an extensive review of literature conducted in this chapter indicates that customer satisfaction does not always lead to customer loyalty. Nowadays, relationship quality is thought to be the key ingredient of customer loyalty. As a result, several models of relationship development have been

proposed by previous researchers to assist those wishing to develop business relationships. Those relationship development models were reviewed in this chapter in order to assist the researcher to select the most appropriate starting model for this thesis. It was found that the KMV model provides the most systematic, rational approach to relationship marketing research and therefore was chosen to provide the original basis of the conceptual framework for this thesis.

A comprehensive literature review also highlighted the fact that no previous studies have been identified that involve hospitality research in an intercultural context with regards to the development of customer loyalty from trust and commitment. This reinforces the importance of this study. However, prior to embracing the research design it is essential to develop an understanding of the major cultural differences between Eastern and Western societies that have been identified in previous cross-national research. The next chapter provides insights into the cultural dimensions proposed by various groups of cross-cultural researchers with particular reference to Australia and Thailand, and thus provides input into the development of propositions that are presented in Chapter Four.

## **Chapter Three**

### **Culture**

#### **3.1 Introduction**

According to Hofstede (1980, p.9), ‘the survival of mankind will depend to a large extent on the ability of people who think differently to act together’. Inherent in this quote is the need to gain insights into the norms of other cultures particularly in the context of business relationships. In order to understand the development of host-guest relationships in a multicultural service encounter, the concept of culture and its influence on the development of relationships needs to be clarified. This chapter is an additional literature review chapter, which aims to review the existing cultural dimensions proposed by previous cross-cultural researchers. In particular, it seeks to employ those cultural dimensions to identify the cultural differences between Australian and Thai guests during a host-guest interaction so that a deeper understanding of Australian and Thai respondent views can be provided when discussing the implications of this study.

#### **3.2 Definition of culture**

Culture can be defined in a variety of ways depending on the disciplinary background of the researcher. Some anthropologists, for example, assert that culture is created by humans, whilst others, such as behavioural anthropologists, believe that culture is a determinant of human behaviour. The complexity of the phenomenon is highlighted by Kroeber and Kluckhohn (1985) who note that there are over 160 definitions of culture within the literature. However, despite disagreement in terms of how culture should be defined, most researchers agree that people from different cultural

backgrounds commonly have different perceptions of the world and are thus likely to act differently when they experience the same circumstances. According to Reisinger and Turner (2003), every society consists of one dominant culture and several subcultures. The dominant culture literally means the culture that dominates how most people in a society behave in general, while the subculture refers to the culture that is shared by a specific group of people based on race, ethnicity, geographic region or economic or social class. The present investigation concentrates only on the differences in dominant cultures between hosts and guests in a resort context. As a result, the differences in subcultures between Thai hosts and Thai guests will not be examined or analysed here.

### **3.3 Cultural differences during service encounters: the East - West perspective**

Previous cross-national research related to service encounters suggests that various aspects of service can be greatly influenced by culture. The most popular issues that are frequently investigated by cross-cultural researchers are customer expectations and the evaluation of service (Armstrong, Mok & Go 1997; Hernandez et al. 1991; Lee and Ulgado 1997; Mattila 1999; Sultan & Simpson 2000; Yau 1988), host-guest interaction (Reisinger 1997; Reisinger & Turner 1998, 1999, 2002, 2003; Turner & Reisinger 2000), satisfaction (Truong & King 2006) and service recovery (Mattila & Patterson 2004; Wong 2004).

Those studies that investigate the impact of culture on customer expectations and the evaluation of services (Armstrong, Mok & Go 1997; Hernandez et al. 1991; Kanousi 2005; Lee and Ulgado 1997; Mattila 1999; Sultan & Simpson 2000; Yau 1988)

commonly indicate that Western and Eastern customers have different expectations, and therefore evaluate services differently. Lee and Ulgado (1997), for example, found that American and South Korean customers have different expectations when patronizing fast-food restaurants. Their study found that Americans perceive low food price to be the most important aspect of quality in a fast-food restaurant. In contrast, South Koreans perceive reliability and empathy to be more important in their evaluations of fast-food restaurants. Mattila (1999) also found that culture has an important role to play in shaping the way customers evaluate the quality of service. In Mattila's study, Eastern and Western leisure travelers were found to be quite different in terms of what they perceive to be important in their evaluation of the services provided by hotels. Eastern travelers were likely to be less satisfied with their service provider compared to their Western counterparts.

Culture can also influence the host-guest interaction during a service encounter. Several studies on the influence of culture on host-guest interaction have been conducted by Reisinger (1997), Reisinger and Turner (1998, 1999, 2002) and Turner and Reisinger (2000). The results of these studies reveal that the cultural differences between Australian hosts and Asian tourists (Indonesian, Japanese, Korean, Chinese and Thai) are significant. For example, Turner and Reisinger (2000) found that Australian hosts and Thai tourists are culturally different in terms of rules of social behaviour, perception of service, communication style, preferred forms of social interaction and satisfaction with interactions.

Mattila & Patterson's (2004) more recent work complements these studies, as they maintain that culture not only influences the way customers evaluate the quality of

services, but it also has a strong impact on customers' perceptions of service recovery or complaints handling efforts. For example, they found that Westerners (Americans) and Easterners (Thais and Malays) have different perceptions of which service-recovery strategy has a more positive impact on post-recovery satisfaction. For instance, when a service failure occurs, Americans value compensation as the most effective service-recovery technique. In contrast Thais and Malays are found to prefer a speedy resolution and a genuine apology as a service-recovery procedure. In addition to Mattila and Patterson's (2004) work, the results of Wong's (2004) study, which is conducted in an international service setting, is of interest. Wong (2004) found compensation to improve the perception of service recovery not only for American customers, but also for Australians and Singaporeans. Wong's (2004) study supports the previously noted research by Mattila and Patterson (2004) confirming that an apology alone has little or no impact on post-recovery satisfaction among Americans. Wong (2004) also found that both Singaporeans and Australians value a genuine apology as a service recovery procedure more than compensation. However, it should be noted that only American customers who are satisfied with the level of compensation offered, are willing to repurchase and spread positive word-of-mouth communication (Wong 2004).

### **3.4 Cultural dimensions**

According Reisinger and Turner (2003), people from different cultural backgrounds commonly have different rules of social interaction, perceptions and values. In their extended review of culture related literature, they identified at least 11 sets of cultural dimensions proposed by previous researchers (Parsons 1951; Kluckhohn & Strodtbeck 1961; Stewart 1971; Hall 1966, 1969, 1973, 1977, 1983; Hall & Hall

1987; Hampden-Turner & Trompenaars 1993; Hofstede 1980, 1984, 1991; Adler 1986; Argyle 1986; Schein 1992; Trompenaars 1984, 1993; Trompenaars & Hampden-Turner 2002; Maznevski 1994). These dimensions are presented below and then summarised and discussed in the context of the present study.

#### **3.4.1 Parsons' (1951) cultural dimensions**

- Affective/Affective neutrality
- Universalism/Particularism
- Diffuseness/Specificity
- Ascription/Achievement
- Instrument/Expressive
- Self-oriented/Collective-oriented

#### **3.4.2 Kluckhohn and Strodtbeck's (1961) cultural dimension**

- Good/A mixture of good and evil/Evil
- Changeable/Unchangeable
- Subjugate/Harmony/Mastery
- Doing/Being/Being-in-becoming
- Individualistic/Collateral (Collectivistic)
- Linear (Hierarchical)
- Past/Present/Future
- Public/Private/Mixed

#### **3.4.3 Stewart's (1971) cultural dimensions**

- Changeable/Unchangeable
- Subjugation/Harmony/Control
- Doing/Being/Becoming
- Formal/Informal
- Egalitarian/Hierarchical
- Direct/Indirect
- Self-oriented/Group-oriented
- Present/Future



#### **3.4.4 Hall's (1966, 1969, 1973, 1977, 1983) and Hall and Hall's (1987) cultural dimensions**

- Agreement
- Monochronic/Polychronic
- Amount of space
- Possessions
- In-group/Out-group
- Friendship
- Authority
- Past/Present/Future
- Low/High context
- Public/Private/Intimate/Personal/Social
- Covert/Overt messages

#### **3.4.5 Hofstede's (1980) cultural dimensions**

- Low/High power distance
- Low/High uncertainty avoidance
- Individualism/Collectivism
- Masculinity/Femininity

#### **3.4.6 Argyle's (1986) cultural dimensions**

- Formal/Informal
- Contact/Non-contact

#### **3.4.7 Schein's (1992) cultural dimensions**

- Individualism/Groupism
- Participation and involvement
- Role relationships
- Doing/Being/Being-in-becoming
- Work/Family/Personal
- Evil/Good/Mixed
- Control/Harmony/Subjugation
- Past/Present/Near or far future
- Monochronic/Polychronic
- Planning/Development
- Discretionary time horizons  
(Function/Occupation/Rank)
- Temporal symmetry/Pacing

### **3.4.8 Trompenaars' (1984, 1993), Hampden-Turner and Trompenaars' (1993) and Trompenaars and Hampden-Turner's (2002) cultural dimensions**

- Universalism/Particularism
- Internal/external
- Inner/Outer directed
- Achievement/Ascription
- Analysing/Integrating
- Equality/Hierarchy
- Individualism/Collectivism and communitarianism
- Affective/Neutral
- Sequential/Synchronic
- Past/Present/Future

### **3.4.9 Maznevski's (1994) cultural dimensions**

- Good/Evil
- Changeable
- Subjugation/Harmony/Mastery
- Doing/Being
- Containing/Controlling
- Individual/Collective
- Hierarchical

### **3.5 Differences between Eastern and Western cultures**

An extensive review of the literature suggests that not every cultural dimension noted above is considered during a service encounter. The host-guest interaction and therefore host-guest relationship development, are thought to be influenced by 15 dimensions including *Amount of space* (Hall 1966, 1973; Hall & Hall 1987), *Individualism/Collectivism* (Hampden-Turner & Trompenaars 1993; Hall 1966, 1973; Hall & Hall 1987; Hofstede 1980; Maznevski 1994; Schein 1992; Stewart 1971; Trompenaars 1984, 1993; Trompenaars & Hampden-Turner 2002), *Monochronic/Polychronic* (Hall 1966, 1973; Hall & Hall 1987; Hampden-Turner & Trompenaars 1993; Schein 1992; Trompenaars 1984, 1993; Trompenaars &

Hampden-Turner 2002), *Instrumental/Expressive* (Parsons 1951), *High/ Low power distance* (Hall 1966, 1973; Hall & Hall 1987; Hampden-Turner & Trompenaars 1993; Hofstede 1980; Maznevski 1994; Stewart 1971; Trompenaars 1984, 1993; Trompenaars & Hampden-Turner 2002), *Formal/Informal* (Argyle 1986), *Universalism/Particularism* (Hampden-Turner & Trompenaars 1993; Parsons 1951; Trompenaars 1984, 1993; Trompenaars & Hampden-Turner 2002), *Doing/Being/Being-in-becoming* (Kluckhohn & Strodtbeck 1961; Schein 1992; Stewart 1971), *Achievement/Ascription* (Parsons 1951; Hampden-Turner & Trompenaars 1993; Trompenaars 1984, 1993 Trompenaars & Hampden-Turner 2002), *Diffuseness/Specificity* (Parsons 1951), *Uncertainty avoidance* (Hofstede 1980), *Good/Evil/Mixed* (Kluckhohn & Strodtbeck 1961; Maznevski 1994; Schein 1992), *Past/Present/Future* (Hall 1966, 1973; Hall & Hall 1987; Hampden-Turner & Trompenaars 1993; Kluckhohn & Strodtbeck 1961; Parsons 1951; Schein 1992; Trompenaars 1984, 1993; Trompenaars & Hampden-Turner 2002), *High/Low context* (Hall 1966, 1973; Hall & Hall 1987). The evaluations of how these dimensions can influence the host-guest interaction and the development host-guest relationships are explained below.

### **3.5.1 Amount of space**

This dimension is particularly important for the investigation of host-guest interaction in that it differentiates cultures based on the requirement of physical space between the exchange partners during their interaction. In general, it can be noted that the amount of physical space required during an interpersonal interaction can vary depending on the type of interaction including intimate, personal, social and public interactions (Hall 1966). Universally, it is agreed that an intimate interaction requires the least amount of space while a public interaction requires the most amount of

space. However, it has been suggested that the amount of space required during a social interaction is culturally-specific (Reisinger & Turner 2003), which means that the amount of space that is considered to be appropriate during each type of interaction can vary from culture to culture. People from different cultural backgrounds need different amounts of physical distance when they interact with their exchange partners (Hall 1966, 1973; Hall & Hall 1987). According to Hall (1966), people from colder-climate countries commonly require greater amounts of space than those who come from warmer-climate countries. For example, British businesspeople are likely to stand further apart from their exchange partners, compared to those from Arab countries (Reynolds & Valentine 2004).

### **3.5.2 Individualism/Collectivism**

This dimension explains how people perceive themselves, either as an individual or as part of a group. The individualism-collectivism dimension is considered to be one of the most frequently used dimensions to investigate relationship development. This dimension was first introduced by Parsons (1951) who described it as Self-oriented/Collective oriented and was later referred to as *Individualistic/ Collateral* (Kluckhohn & Strodtbeck 1961), *Self-oriented/ Group-oriented* (Stewart 1971), *In-group/ Out-group* (Hall 1966, 1973; Hall & Hall 1987), *Individualism/ Collectivism* (Hofstede 1980), *Individualism/ Groupism* (Schein 1992), *Individualism/ Communitarianism* (Trompenaar 1984, 1993; Hampden-Turner & Trompenaars 1993) and *Individual/Collective* (Manevski 1994).

Individualists are those who perceive themselves as individuals, intent on taking care of themselves and their immediate family, while collectivists are those that perceive

themselves as a part of a group. In collectivist societies, there is a clear distinction between an in-group and an out-group member. People from collectivist societies are very different when compared to those from individualist societies. Unlike the individualists, those from collectivist societies have very strong ties between members of their in-group. Therefore, being an in-group or out-group member in such a society can make a big difference (Earley 1993; Hofstede 2001). An in-group refers to individuals who have been accepted as a part of the group such as family and friends, while out-groups are those people who have not been accepted as a part of the group. In a collectivist society, in-group and out-group members are treated differently and this is expected. In contrast to an out-group member, for example, an in-group member has every right to receive special treatment (Hofstede, 2001; Patterson & Smith, 2001), be trusted (Gurhan-Canli & Maheswaran 2000; Triandis 2000) and be able to transfer trust via his/her positive word-of-mouth (Doney, Canon & Mullen 1998; Patterson & Smith 2003) as long as he/she belongs to the group.

Individuals will do whatever serves the group-interest in order to maintain harmony within that group and thus ensure an on-going privilege (Patterson & Smith 2001). For example, for Thais, being in a particular group as an honourable member of that group is very important, because there are a lot of privileges to be received; however, unquestioning loyalty is demanded in return. As a result, it is essential to do whatever it takes to maintain harmony within the group by getting along with the rest of the group and being perceived as an in-group member, which is referred to by Thais as *Pakpuak* (Holmes & Tangtongtavy 1995). Indeed, Thais go to great lengths to maintain relationships by making sure that they do not offend others by their actions or words (Patterson & Smith 2001).

From this point of view, the nature of a collectivist society can provide both positive and negative impacts on relationship development and management. For example, when it comes to attracting new customers it is more difficult to gain trust and enhance new relationships with customers from collectivist societies than those from individualist societies (Huff & Kelly 2003). If an individual is not a member of an in-group or does not know any of the in-group members (Doney, Canon & Mullen 1998; Patterson & Smith 2003), it will take some time before members of the group trust and agree to engage with that person. However, once trust is formed it is likely to lead to a strong and long lasting relationship (Batonda & Perry 2003).

### **3.5.3 Monochronic/Polychronic**

According to Hall (1969), the monochronic/polychronic dimension is about people's perception of time, which in turn affects the way they manage their time (Hall 1969). This dimension was first introduced by Hall (1966, 1969, 1973) and Hall and Hall (1987) and was later adopted by Schein (1992) and Trompenaars and Hampden-Turner (2002). It is sometimes referred to as sequential/synchronic culture (Trompenaars & Hampden-Turner 2002).

People from different cultural backgrounds are thought to have different perceptions of time. People from monochronic cultures commonly view time as a tangible resource that can either be spent, wasted, or killed and once the time is up, it is gone forever while people from polychronic culture perceive time as elastic and intangible (Schein 1992). Due to different perceptions of time, people from monochronic and polychronic cultures are thought to have different ways of managing their time. In monochronic cultures, people are likely to have a strict timeframe associated with

various tasks. They determine when each task should be finished and often rush a task in order to meet their preset timetable. With this emphasis on meeting time related goals, they are likely to become anxious or irritated when someone or something is late. In contrast, people from polychronic cultures are far more relaxed about the use of their time compared to people from monochronic cultures. They do not have a strict timetable of when things should be done, because it is believed that things will take as long as they will take (Schein 1992) and if there are any interruptions there is always another time. In Thailand, which is a polychronic society, people are likely to be quite spontaneous about their timetable (Holmes & Tangtongtavy 1995; Welty 2005). Holmes and Tangtongtavy (1995) refer to the Thai people's orientation towards time as a lack of enthusiasm for meeting deadlines as they are far more relaxed than their Western counterparts when things cannot be done on time. As a result, running late or even missing a pre-arranged meeting in Thailand is considered far less severe than it would be in Western countries (Welty 2005).

In addition, it can also be noted that people from monochronic cultures and polychronic cultures are different in terms of how they manage the use of their time. People from monochronic cultures commonly deal with one task at a time while people from polychronic cultures commonly deal with several tasks or people at the same time (Hall 1969, 1973, 1989). Moreover, since people from monochronic cultures commonly feel that everything has its time and place and any change or disturbance in this culture is perceived to be very serious, they are likely to be more frustrated when someone cuts in the time-line compared with their polychronic counterparts (Trompenaars & Hampden-Turner 2002). It can be argued that the intercultural interaction between people from these two cultures could be problematic.

This dimension can have a significant influence on host-guest interaction in several aspects. For example, a monochronic customer is likely to become extremely impatient and frustrated when they are trying to have a private discussion with the polychronic host, when the host tries to deal with several customers at the same time.

#### **3.5.4 Instrumental/Expressive**

People from different societies have different expectations of their social interactions (Parsons 1951). In an instrumental-oriented society, people interact with others with certain goals in mind, while people from expressive-oriented societies engage in a social interaction because they genuinely enjoy each other's company. In a way, this dimension is considered to have some similarities with Hofstede's (1980) masculine/feminine dimension in a sense that it distinguishes cultures based on the degree of assertiveness. According to Hofstede (1980), people from masculine societies are those who put more emphasis on money and possessions. It can be assumed that people from masculine societies are likely to have the same agenda as instrumental-oriented people during their social interactions. However, in contrast to masculine cultures feminine cultures emphasise the value of social goals rather than economic goals. This, again, is similar to an expressive-oriented culture where people expect nothing more than just having a good time with their exchange partners during social interactions.

#### **3.5.5 High/Low power distance**

This dimension indicates the degree of inequality in society and reflects the extent to which those in society accept that power is distributed unequally in the population. Researchers refer to this dimension using various terms including



*Egalitarian/Hierarchical* (Stewart 1971), *Authority* (Hall 1966, 1973; Hall & Hall 1987), *Low/high power distance* (Hofstede 1980), *Equality/Hierarchy* (Trompenaars 1984, 1993; Hampden-Turner & Trompenaars 1993; Trompenaars & Hampden-Turner 2002) and *Hierarchical* (Maznevski 1994). A high power distance society is a society where an unequal distribution of power is accepted. In contrast to high power distance society, people from low power distance societies feel that everyone should have the same rights and be treated in the same way. Thailand is an example of a high power distance societies, where people are likely to be treated differently according to their social status. One example of the behaviour that portrays social status in Thailand is the *wai*. The *wai* is ‘... the traditional Thai greeting where the hands are brought together in a sort of prayer position ...’ (Holmes & Tangtongtavy 1995, p.50). Although everyone in Thai society deserves a *wai* because it is common etiquette in Thailand, the social status of the giver and the receiver of the *wai* can be judged by the level of the palms when the *wai* is performed. That is people bring the joined palms up to face level when they have lower social status or less power than the person that they are greeting. Those of higher social status bring their palms up to the chest when other people perform the *wai* to them.

This dimension is particularly important for the study of host-guest interaction during a service encounter because it can have a major influence on how people interact with each other. People from high power distance societies can be very different from those from low power distance societies in several aspects of the host-guest interaction during a service encounter. One aspect is the way they interact with a service provider during a service encounter. That is, in high power distance societies, people expect powerful members to display and use their power and may even feel

uncomfortable when powerful members of society fail to do so (Hofstede 1980; Usunier 2000). Therefore, a powerful person from a high power distance society must try to display their power, in order to let other people know their position in society, and thus gain full cooperation from others (Hofstede 1980). As a result, Thai guests are likely to behave in a manner that reminds the service provider of their status during a service encounter (Holmes & Tangtongtavy 1995). This contrasts with general practices in low power distance societies where full cooperation from subordinates can only be achieved when superiors try not to look overly powerful (Hofstede 1980). In Australia, for example, a customer will get good service only when they treat a service provider nicely without displaying their power Sharp (1992). Consequently, Australian guests are likely to behave in a friendly and easy-going manner during a service encounter. Another aspect of a host-guest interaction that can be influenced by the low/high power distance dimension is the level of trust that guests have towards their service providers during a service encounter. It is suggested that Australian guests, who come from a low power distance society, are likely to trust their service providers more than Thai guests, who come from a high power distance society (Hofstede 1980).

### **3.5.6 Formal/Informal**

The degree of formality is another dimension of cultural difference, which could have a significant influence on the success of a host-guest interaction. This dimension differentiates cultures based on the degree of formality required during an interaction. This dimension is related to the equality/inequality dimension presented earlier. This distinction between formal and informal cultures means that interactions between exchange partners are likely to be more formal in societies where inequality is

acceptable (high power distance societies) as opposed to societies where inequality is unacceptable (low power distance societies). In a formal culture, there are strict social rules that govern the interaction between exchange partners. In contrast to a formal culture, people from informal cultures are likely to be more relaxed when they interact and communicate with their exchange partners. Australia is thought to be an example of a country where the culture is informal, while Thailand is thought to be an example of a country with a formal culture. This dimension may have a significant influence on host-guest interactions. Guests from a high power distance society may expect service staff to behave in a formal manner during a service interaction, while guests from low power distance societies may prefer to be served in a more open and friendly manner. In Thailand, for instance, service staff are expected to treat their customers in a very formal and respectful manner. As a result, Thai customers might regard service staff who try to be too friendly as crossing the line (*Mai roojak thee soong thee tam*). Consequently, the establishment of strong social ties between Thai customers and service providers is likely to be limited in a formal (high power distance) society (Patterson & Smith 2001).

### **3.5.7 Universalism/Particularism**

This dimension indicates how people behave. People from a universalism culture, as the name implies, commonly follow a universal set of rules, with a standard rule about what and how things should be done, under certain circumstances. Generally, those rules are more concerned about what is right. People from Particularism, on the other hand, do not have a strict rule of how one should behave. They are encouraged to act out of their obligation towards their relationship with others, and therefore the justification of what is right or wrong can vary depending on the unique nature of

each circumstance. Consequently, people from particularism cultures usually interact and communicate with others according to social situations and circumstances while people from universalism cultures generally interact and communicate with others in the same standardised manner. Thailand is a particularism society where people commonly have a different set of rules when dealing with others. In Thailand, people commonly treat others differently under different circumstances. They are likely to be relaxed when they interact with an in-group member but are likely to interact with powerful people in a formal manner. It is not uncommon for every rule to be ignored, and every regulation to be altered, when dealing with both an in-group member and powerful people.

### **3.5.8 Doing/Being/Being-in-becoming**

In a “doing” culture, people commonly feel that they can control and manipulate their circumstances. As a result, they are likely to put more effort into manipulating and taking control of their environment and their faith (Schein 1992). In the being culture, it is believed that an individual cannot change the environment. They can only accept, adapt and enjoy what they have (Schein 1992). According to Schein (1992), the being-in-becoming culture refers to ‘... the idea that the individual must achieve harmony with nature by fully developing his or her own capacities and, thereby, achieve a perfect union with the environment’ (p.176). Schein (1992) notes that being-in-becoming-oriented people are in fact those who belong to being societies but are more religious than an average person. These people commonly live their lives accordingly to the philosophy of their religion in order to seek an improvement of their spiritual life. Examples of people who hold a being-in-becoming culture include Hinduism, Zen and Buddhist monks (Reisinger & Turner 2003). It can be noted that

people from both being and becoming cultures commonly emphasise ‘... passivity, defensiveness and strive for social harmony in interpersonal relations at the expense of efficiency’ (Reisinger & Turner 2003, p.94). Australia is an example of a doing culture while Thailand is a being and being-in-becoming culture. This is reflected in Thailand’s art and music and is based on the notion of environmental harmony. Australians, on the other hand, seek to manage the environment and use it to fulfill their needs. Doing cultures often find life, at least on holiday, to be both different and more relaxing in a being-in-becoming culture. However, it is not known whether this extends to business relationships.

It is also considered that the doing/being/being-in-becoming dimension has an interrelationship with the subjugation/harmony/mastery, proposed by other researchers (Kluckhohn & Strodtbeck 1961; Maznevski 1994; Schein 1992; Stewart 1971) in that the latter dimension is a consequence of the first dimension. According to Schein (1992), people from a doing culture are likely to try to control nature, whilst people from a being or being-in-becoming culture are likely to be either subjugated (Southeast Asian countries) or harmonised with nature (many Asian countries).

Reisinger and Turner (2003) point out that ‘harmony in interpersonal relations appears to be an extremely important value in Eastern cultures’ (p.97). People from Eastern societies are likely to avoid certain activities including expressing negative emotions, criticising others, expressing negative opinions and complaining, that could create conflict with their exchange partner. The notion of saving face is very important in Thailand (Holmes & Tangtongtavy 1995; Komin 1990; Welty 2005). Consequently, to maintain harmony in society, Thai people commonly avoid doing

things that could attack one's pride regardless of whether or not the participants are their superiors or subordinates (Holmes & Tangtongtavy 1995). As a result, they are likely to engage in mannerisms and actions that ensure a smooth interpersonal relationship between exchange partners, such as using a pleasant tone and expressing indirect verbal messages (Holmes & Tangtongtavy 1995). This involves trying to find the best way to soften negative messages (Komin 1990), and trying not to correct others in public so that they are not humiliated, as this could create tension with that person and impact on harmony within the group (Welty 2005). According to Komin (1990) there are several social values held by Thai people that are evident during social interactions. These values are: caring and consideration, being kind and helpful, being responsive to situations and opportunities, being self-controlled and tolerant, being polite and humble, being calm and cautious and being contented and social.

### **3.5.9 Achievement/Ascription**

This dimension is related to how people assess each other. The dimension was introduced by Parsons in 1951 and was further validated by Trompenaars (1984, 1993) and Hampden-Turner and Trompenaars (1993). In achievement cultures, people gain respect from their performance and what they can achieve while people from an ascription culture gain respect from who they are (this greatly depends on their inherent qualities such as gender, family heritage, race and ethnic group) and who they know (connections). In ascription-oriented cultures, people are likely to be more appreciative when dealing with formal position-holders while it might be more preferable for people from achievement-oriented cultures to deal with someone who has enough data to solve the problem for them (Trompenaars & Hampden 2002). It is felt that differences between Australian and Thai guests regarding this cultural

dimension could create confusion in host-guest interactions. This is suggested because when something goes wrong during a service encounter, people from western cultures are usually comfortable dealing with any member of staff that can resolve the problem. This is noted within the literature on empowerment and the concept of empowerment is widely promoted and used in the hospitality industry (Lashley 1997, 2001). Given the cultural differences noted earlier, it is felt that this practice might not be appropriate in relation to Thai guests, who may feel more comfortable if their problems have been acknowledged by those who are high up in the organisation such as managers.

#### **3.5.10 Diffuseness/Specificity**

In a diffuseness culture, personal contact and agreement is perceived to be valuable and therefore preferred over a contract. Contracts are perceived to be an essential part of business procedure for specific cultures. In a specific culture, people commonly trust only the hard evidence such as a paper contract rather than a promise made by a person. Australia is an example of a specific culture while Thailand is an example of a diffuseness culture. The implications of this cultural orientation are that when dealing with Australian guests, it may be important to provide them with some solid evidence to confirm details of their vacation. For example, if the resort operator were to include additional services such as a late check-out, it is likely that it would need to be provided in writing to be taken seriously. In contrast to their Australian counterparts, Thai guests may not require written confirmation as long as someone in a high position such as a manager personally makes a promise to them.

### **3.5.11 Uncertainty avoidance**

This dimension was proposed by Hofstede (1980) and differentiates people from different cultures by the way they feel about the unknown. When the situation becomes uncertain, people from low uncertainty avoidance societies and high uncertainty avoidance societies tend to react to the same situation in different ways. In a high uncertainty avoidance society, people feel uncomfortable in uncertain situations and thus follow strict laws and rules in order to minimise the possibility of exposing an unknown situation. On the other hand, in a low uncertainty avoidance culture people do not need many rules and regulations, because they are more resistant to unknown situations and tend to manage their emotions very well (Hofstede 1980). According to Patterson and Smith (2001), Thailand is a medium uncertainty avoidance society and Thais are less likely to complain when something goes wrong, because they do not like to engage in any type of confrontation that could lead to a loss of face in public (Patterson & Smith 2001). As a result, they usually say *Mai pen rai* (which is equivalent to “no worries” in Australia) when something goes wrong rather than confront the service providers. Australians come from a low uncertainty avoidance society. They are not afraid to fight for what is right and therefore they do not hesitate to make a comment if anything goes wrong during a service encounter. For example, if someone were to jump the queue when they are waiting for services, Australians are likely to confront that person without fear of losing face. The uncertainty avoidance dimension can also differentiate Australians from Thais in terms of their travel preferences. During their holiday, Australians are not afraid to travel by themselves and are likely to move from one resort to another in order to serve their need for adventure. In contrast to Australians, Thais are likely to



travel in groups and tend to stay at the resort they are familiar with in order to avoid disappointment.

### **3.5.12 Good/Evil/Mixed**

This dimension explains the perception that people have towards human nature. It was first proposed by Kluckhohn and Strodtbeck (1961) and was used later by other researchers (Schein 1992; Maznevski 1994). This dimension indicates that people from different cultural backgrounds commonly have different perceptions towards human nature (Kluckhohn & Strodtbeck 1961; Schein 1992; Maznevski 1994). Reisinger and Turner (2003) suggest that this dimension could have a significant influence on people's attitude towards others. In Western cultures, people believe that human nature is good and therefore, they are likely to have an optimistic view towards new people until those people engage in opportunistic behaviour. In contrast to Westerners, people from Eastern societies are commonly more cautious when interacting with new people because they believe that people can be born to be either good or bad. As a result, people from Eastern cultures are likely to observe the behaviour of their exchange partners in order to make sure that those people are good, before they further develop a relationship with them. This dimension could have a great influence on how guests perceive the trustworthiness of the service staff. Australian guests are likely to have positive views towards service staff while Thai guests are likely to be cautious and therefore closely observe the behaviours of the staff in order to see if they can genuinely trust the staff.

### 3.5.13 Past/Present/Future

People from different cultures are likely to be attracted to different periods of time, past, present, or future. This dimension was first proposed by Parsons (1951) and further validated by other researchers (Kluckhohn & Strodtbeck 1961; Hall 1966, 1973; Hall & Hall 1987; Schein 1992; Trompenaar 1984, 1993; Hampden-Turner & Trompenaars 1993). In past culture, where people mainly focus on the past, people pay less attention to time schedules and punctuality (Reisinger & Turner 2003). In a present-oriented culture, people value the importance of now. They commonly believe the future is unknown and therefore it is important to treasure every moment in life. People from future-oriented cultures commonly place emphasis on what might happen in the future rather than in the past or present. They commonly perceive time as a limited resource that can be wasted or killed. As a result, they tend to manage the use of their time in an effective manner. Thailand is a past-oriented society.

One example of Thai culture that reflects their past-oriented culture is the notion of *Bunghun*. According to Komin (1990), the term *Bunghun* can be referred to as ‘... a psychological bond between someone who, out of sheer kindness and sincerity, renders another person the needed help and favor, and the latter’s remembering of the goodness done and his ever-readiness to reciprocate the kindness...’ (p.168). Once having received a favor from others, Thai people will always be appreciative of what other people have done in the past. Such appreciation usually lasts for a long period of time and is likely to have a significant impact on their future interaction with these people. Australians tend to be either present or future thinking and Westerners generally are perceived to be future oriented. In a host-guest encounter Westerners cannot perceive why a problem was not foreseen and prepared for whereas in a past-

oriented society one cannot predict the future. This clearly has the potential to have a significant impact on host-guest relations as problems arise and can cause frustration in host-guest encounters.

#### **3.5.14 High/Low context**

The major application of this dimension is on communication style. In particular, this dimension differentiates people based on how they balance the degree of context and information provided when they communicate (Hall 1966, 1973). According to Hall (1977), high context communication, as the name implies, contains more contextual information whilst low context communication places more emphasis on providing basic information rather than a context. Stewart (1971) has linked his direct/indirect dimension to Hall's low/high context. He indicates that people from direct (low context) cultures commonly interact with and communicate with their exchange partners in a direct and open manner. In contrast to low-context cultures, people from indirect (high context) cultures interact and communicate through the use of third parties, intermediaries and ambiguous messages.

According to Reisinger (1997), Thai tourists are found to have a different style of communication compared to their Australian hosts. Thai tourists communicate in an indirect and implicit manner with an extensive use of non-verbal expression whilst the Australian hosts communicate in a direct and explicit manner. Although people from low context cultures are expected to communicate in an explicit and direct manner, it would be inappropriate for people from high context cultures to communicate in the same way. This is because people from high context cultures are, in fact, the same people who value harmony in society. In order to maintain the highest level of

harmony in society, people are advised to avoid saying things directly. Instead, they are encouraged to use an indirect message and try to use a lot of non-verbal cues during an interaction. Thailand is well known for non-verbal communication mainly associated with humour and smiling even if the message being portrayed is negative. This is added on the premise that a negative issue is often better presented whilst smiling. Westerners find this behaviour difficult to follow and can be frustrated by both the desire for harmony and the ambiguous message.

### **3.5.15 Affectivity/Affective neutrality**

This dimension explains differences between people in terms of what they perceive as important during the decision making process. The dimension was introduced by Parsons (1951) and was further validated by Trompenaar (1984, 1993) and Hampden-Turner and Trompenaars (1993). In affective cultures, people make decisions based on emotions while people from affective neutrality commonly make decisions based on cognitive information and facts. The Thai are more affective while Westerners are more affective neutrality. This in turn can lead to quite different appraisals on the same circumstances and a lack of meaningful communication.

### **3.5.16 Contact/Non-contact**

Argyle (1986) proposes that the degree of physical contact can be varied across cultures. Although there seems to be some similarity between this dimension and the amount of space dimension, these dimensions work with a different logic. In Western cultures, people prefer to have a wider conversation distance from their exchange partners but they do not mind touching or being touched by their exchange partners. Contrary to Western cultures, it is more polite for people from Eastern cultures to

stand closer to their exchange partners, but it would be inappropriate for their exchange partners to touch them or for them to touch their exchange partners. Unexpected body contact is commonly perceived by Thais as inappropriate but may be easily forgiven. However, it should be noted that a violation of a certain part of the body can be severe as each body part is perceived to have a different status in a hierarchy. For Thai people, the head has the highest status sitting above every other part of the body in the hierarchy. This is because it is thought to be the locus of the soul. As a result, touching the head can be perceived as a sign of disrespect. In fact, even an invasion of one's head's space such as passing things over or close to other people's head space is perceived as rude by Thais people (Holmes & Tangtongtavy 1995). This can cause confusion in a Thai/Australian host-guest encounter if the contact is not between a Thai who is used to Western contact, and is consequently surprised by physical or near physical contact.

### **3.6 Summary**

It has been argued that culture is a determinant of human behaviour. Researchers commonly highlight the differences between Western and Eastern cultures. Many cross-cultural studies have been conducted in order to identify differences between people from different cultural backgrounds in terms of their behaviours during a service encounter. However, none of these studies have identified the influences of culture on the development of host-guest relationships in a hospitality context. In this chapter, several cultural dimensions proposed by previous researchers have been summarised and discussed to show how Australian guests can be different to Thai guests and Thai services providers in terms of how they are likely to behave during a

host-guest interaction. This is important, because it influences the development of host-guest relationships.

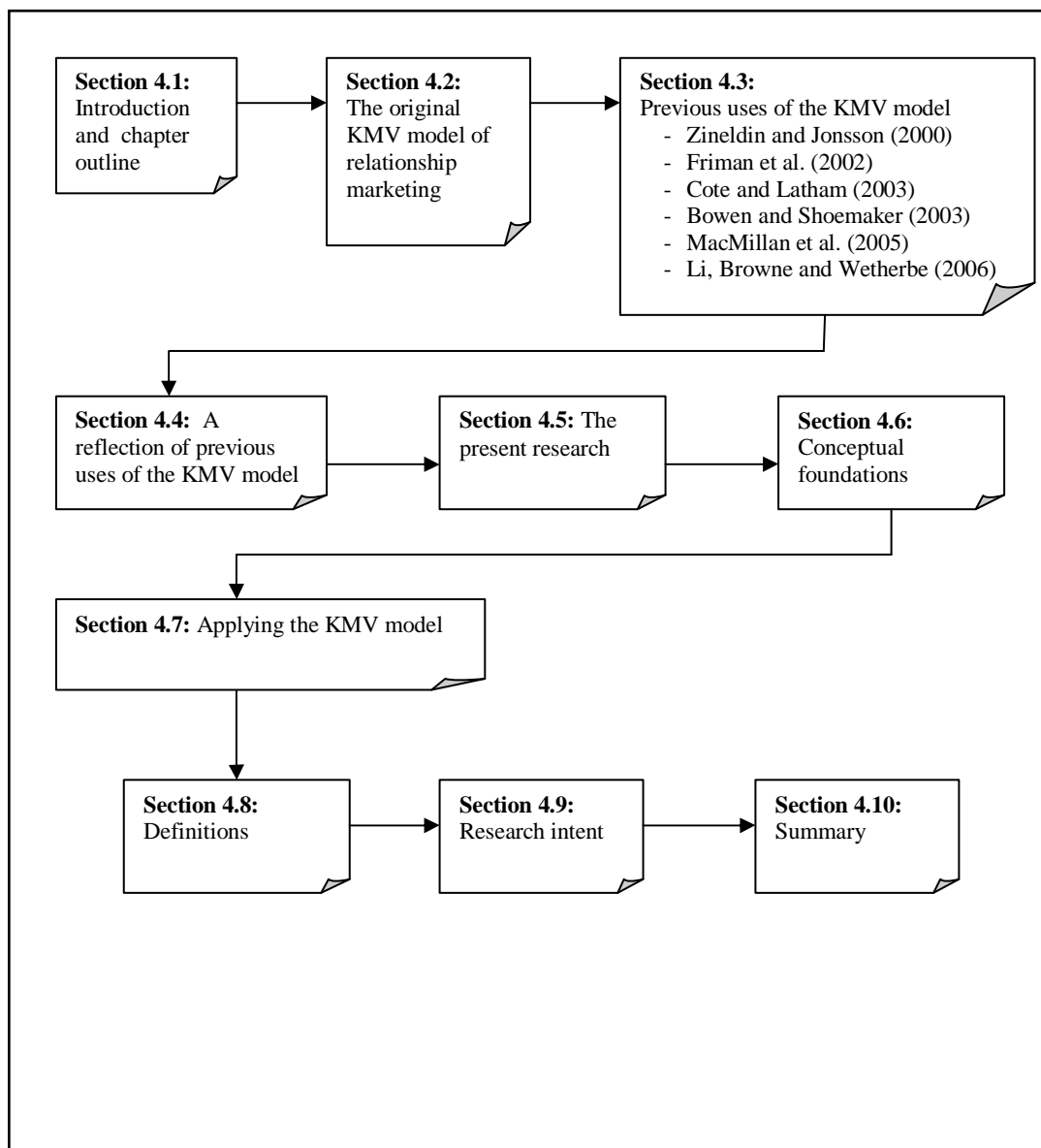
This evaluation of various cultural dimensions suggests that Australians are indeed culturally different to their Thai counterparts. In essence, Australian culture can be characterised as having a greater amount of space requirement, individualism, monochronic, instrumental, low power distance, informal, universalism, doing, achievement, specific, low uncertainty avoidance, good, present-oriented, low context, affective neutrality and contact culture. Thai culture can be characterised as having a smaller space requirement, collectivism, polychronic, expressive, high power distance, formal, particularism, being and being-in-becoming, ascription, diffuseness, medium uncertainty avoidance, mixed, past-oriented, high context, affective and non-contact culture.

# Chapter Four

## Conceptual Framework

### 4.1 Introduction

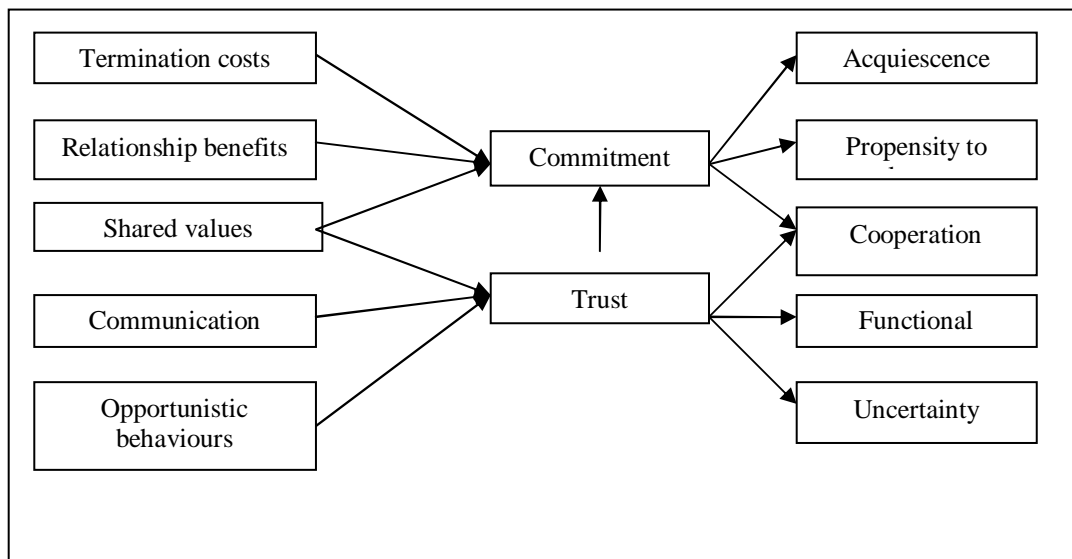
This chapter provides a discussion of the theoretical conceptual framework of this investigation. It details the industry context of the research, the concepts and models used to plan and shape the research approach and provides definitions of key terms used.



**Figure 4.1:** Structure of the chapter

As indicated in Figure 4.1, the chapter is presented in several sections. These are: Section 4.2, Morgan and Hunt's (1994) original Key Mediating Variable model of relationship marketing (KMV model); Section 4.3, a description of several influential uses of the KMV model, together with an explanation of how the model has been modified to meet the needs of this particular thesis context; Section 4.4, a reflection of previous uses of the KMV model; Section 4.5, an explanation of the unique nature of the present study; Section 4.6, the conceptual foundations of the research approach; Section 4.7, the way in which the KMV model will be applied to the needs of the present research questions; Section 4.8, a definition of how the key terms related to the KMV model have been used in the present thesis; Section 4.9, a discussion of how the research question has been dissected for ease of investigation and Section 4.10, a summary of this chapter.

## 4.2 The original KMV model of relationship marketing



**Figure 4.2:** The original KMV model of relationship marketing  
**Source:** Morgan and Hunt (1994, p.22)



The Key Mediating Variables (KMV) model of relationship marketing consists of three major parts. At the centre of the model are the two key mediating variables, which are *trust* and *commitment* between the provider and client. This is the most important part of the KMV model because they were proposed to be the heart of a successful relationship and also because of their abilities to influence the outcomes proposed in the model (Morgan & Hunt 1994). As a consequence, unlike other variables that may be included or excluded from the model according to the context of the study, trust and commitment must always be included. As the following examples will show, trust and commitment have been included in all relationship marketing investigations regardless of the nature of study.

The second part of the original model consists of the antecedent variables of trust and commitment. These antecedents are *termination costs*, *relationship benefits*, *shared values*, *communication* and *opportunistic behaviours*. The first four of these (termination costs, relationship benefits, shared values and communication) are antecedent variables that have been found to have a positive influence on trust and commitment whilst the fifth, opportunistic behaviours, is likely to have a negative influence on a business relationship. These antecedent variables proposed by Morgan and Hunt (1994) represent the most general marketing conditions that appear to affect the key mediating variables, but as will be seen in later discussions, in particular circumstances the importance of the antecedent variables can alter, leading to the addition of some context dependent issues, or the removal of some variables that are reduced to a minor role in any particular study.

The third part of the original Morgan and Hunt model consists of five variables related to the consequences of trust and commitment, that are also known as the outcomes of a successful business relationship. These consequences (outcomes) are an increasing acceptance and adherence to specific requests or policies of partners (*acquiescence*), decreasing likelihood to terminate the relationship (*propensity to leave*), increasing ability to work together (*cooperation*), increasing ability to see the conflict as a manageable matter (*functional conflict*) and decreasing uncertainty in the relationship (*uncertainty*). Again, the outcome proposed in the KMV model can be amended to accommodate the context of the present study. It is arguable that the outcomes proposed by Morgan and Hunt (1994) may be preferable in a collaborative relationship commonly found in a business-to-business context, while other outcomes such as customer loyalty might be more important in a business-to-customer context.

The next section will provide examples of how the KMV model has been modified in the context of particular investigations since its first introduction in 1994. In particular, the discussion will focus upon areas of the KMV model where modifications have been made in order to assist the researcher to justify the modifications introduced into this conceptual framework for use in the present study.

### **4.3 Previous uses of the KMV model**

Since its introduction in 1994, the KMV model has been used in a wide variety of studies that relate, generally, to relationship marketing. In the following sections, examples of studies that have been based upon this model are described. An important aspect of these descriptions, that has relevance to the present study, are comments on how previous researchers have slightly modified the original KMV model, in terms of

the antecedents and consequences of trust and commitment, to suit their special contexts.

#### **4.3.1 Zineldin and Jonsson (2000) and the Swedish wood industry**

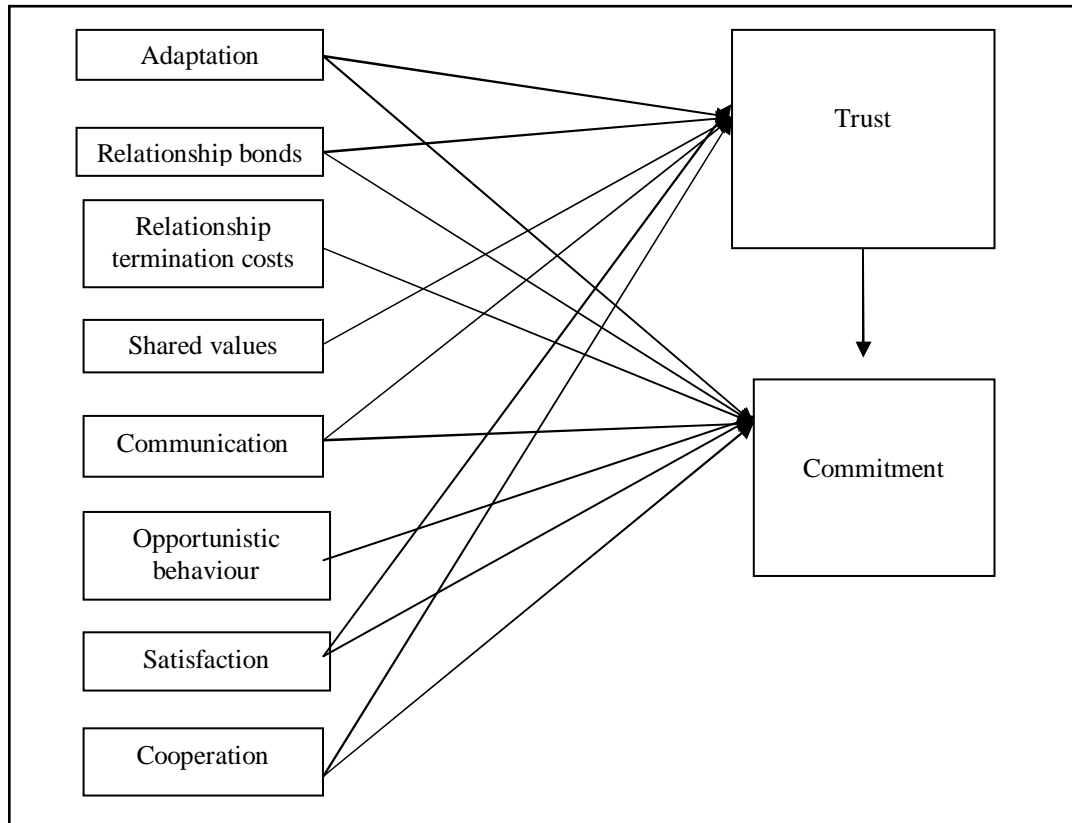
Zineldin and Jonsson (2000) adapted the KMV model in order to investigate relationship development between a dealer and a supplier within the Swedish wood industry (see Figure 4.3). In their study, the nature of the supplier-dealer relationship in the Swedish wood industry was a collaborative relationship where, because of the geographical situation and the nature of the study, both parties need to work together rather than simply having a reciprocal buying or selling role. To provide further context, it needs to be understood that the Swedish wood industry is a very small industry with only 431 dealers making up the entire population of stakeholders. The dealers included in this study have been doing business with their suppliers for a long time, with the average length of relationship between dealer and supplier being approximately 15 years. Moreover, it is suggested that the business operations in the Swedish wood industry are arguably conservative in nature. For example, it was indicated that most interaction between supplier and dealer are usually carried out through less automated channels, such as facsimile and the telephone and consequently, the interactions between exchange parties in this industry are arguably more personal than in other business operations that have become more automated.

In the Swedish wood industry, like most distribution relationships, the suppliers are the powerful members in the relationships. Consequently, they commonly manage to maintain their existing dealers by exercising their power through ownership and vertical integration. Although such methods have been successfully used to

encourage dealers to stay with the same suppliers, it also has the potential to create tension between them. Nowadays, it is argued that collaborative relationships between suppliers and dealers not only reduce the tension between the parties, but they also provide competitive advantages to the suppliers. For example, dealers who engage in a collaborative relationship are likely assist their suppliers in improving the product design process by sharing information about what customers want, which in turn help suppliers in developing the right product for the end users. In common with Morgan and Hunt (1994), Zineldin and Jonsson (2000) proposed that trust and commitment are the indicators of a successful collaborative relationship. Consequently, they concentrated on examining factors influencing trust and commitment in supplier-dealer relationships in order to understand how to ensure a successful collaborative relationship between suppliers and dealers in this industry.

In order to achieve the aims of their study, Zineldin and Jonsson (2000) made several changes to the KMV models, by adding four new antecedents into the model. These additional antecedents were: willingness of the suppliers to adapt to the dealer (*adaptation*); the bonds between supplier and dealer (*relationship bonds*); perceived satisfaction in the relationship (*satisfaction*); and how well both parties work together (*cooperation*). However, it should be noted that four out of the five antecedents contained in the original KMV model (including termination costs, shared values, communication and opportunistic behaviours) as well as trust and commitment, are kept in the same position. Although it is difficult to tell from Zineldin and Jonsson's (2000) report why relationship benefit was excluded from the model, the addition of new antecedents can be explained by the unique nature of the Swedish wood industry

in terms of the restricted number of alternative arrangements available, and the long-term working conditions that had been developed between the exchange partners.



**Figure 4.3:** An adapted version of the KMV model proposed by Zineldin and Jonsson (2000).

**Source:** Zineldin and Jonsson (2000, p.250)

The results of Zineldin and Jonsson's investigation indicate that satisfaction, shared values, communication and the lack of opportunistic behaviour have a strong positive influence on trust, while commitment is strongly influenced by satisfaction, communication, adaptation, cooperation and relationship bonds. Whilst these additions to the KMV model appear to have been valuable in this particular research context, Zineldin and Jonsson (2000) point out that the results of their study would be less applicable if the industry were to become more automatic and computerised. For example, relationship bonds could be more difficult to develop when the exchange partners communicate via an automated channel such as email instead of using the

telephone or having face-to-face interactions. Moreover, the link between satisfaction and commitment may be weaker in a highly competitive context compared to the Swedish wood industry, because in a highly competitive context customers can easily switch to an alternative, even when they are satisfied with the current providers.

#### **4.3.2 Friman et al. (2002) and an international business-to-business relationship in the service sector**

This study investigates an international business-to-business relationship, that has a specific focus on the service sector (including telecommunication, education and temporary services). Similar to Zineldin and Jonsson's (2000) work, the relationships examined are the collaborative relationships between five entrepreneurs from three countries (including Sweden, Australia and the UK) and their international partners. The entrepreneurs included in this study commonly rely on their international partners' resources in order to fulfil customer demand. In other words, the international partners in the relationship were those who provide the resources and support for the entrepreneurs, in exchange for monetary rewards. The relationships between entrepreneurs and their international partners had been established for approximately three years when the study was conducted, which was a significantly shorter time when compared to the supplier-dealer relationship in the Swedish wood industry.

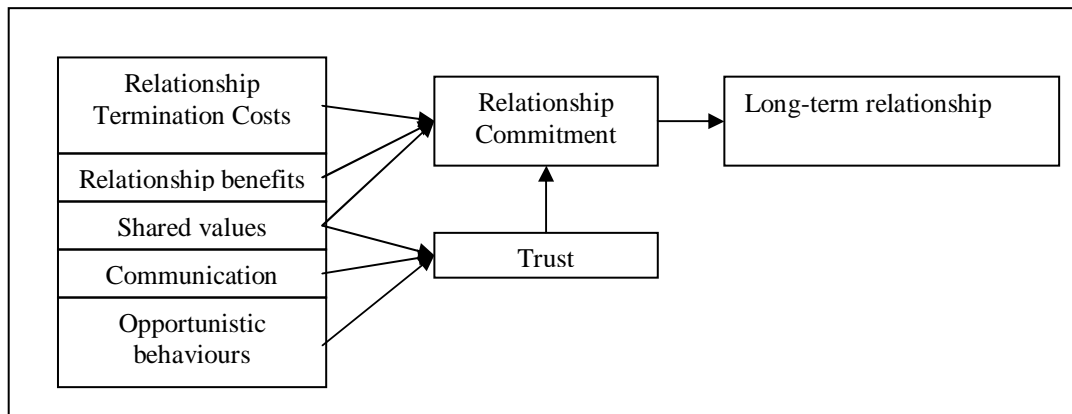
Since the major aim of Friman et al.'s (2002) study was to examine if Morgan and Hunt's KMV model is applicable in an international context, Friman et al. (2002) adopt every antecedent proposed by Morgan and Hunt (1994). Interestingly, the additional antecedents of trust and commitment proposed by Zineldin and Jonsson

(2000) have not been used by Friman et al., and this may be due to several key differences in the two business contexts, including the shorter length of the relationship in the case of Friman et al., which may make the importance of factors such as adaptation, relationship bonds and cooperation less obvious in the investigation of international business-to-business relationships compared to that of Zineldin and Jonsson where the length of relationship between exchange partners is longer.

Despite the agreement regarding the second part of the KMV model (antecedents), Friman et al. propose different outcomes from Morgan and Hunt's previous model. In Friman et al.'s (2002) investigation, long-term relationships are indicated to be an outcome of commitment. Although the concept "long-term relationship" is very similar and can be connected to the concept "commitment", they are two different concepts (Caceres & Pappas 2007). The major difference between these concepts is that long-term relationship is demonstrated in an action whereas commitment is a desire or thought. Long-term relationship was proposed to be a result of a strong desire to maintain the relationship with the exchange partners (high commitment).

Due to the exploratory nature of this study, each entrepreneur is asked to recall a critical incident regarding the development of the relationship with their exchange partners with the main focus on the five antecedents proposed in the original KMV model. Although this study is conducted on a very small scale (only five respondents), it did provide in-depth detail on how each entrepreneur felt about their international business partner. In summary, Friman et al. (2003) found strong support for every

antecedent included in the Morgan and Hunt (1994) KMV model, but none of the factors outside the Morgan and Hunt's (1994) KMV model such as fairness, perceived relationship effectiveness and reciprocity, were mentioned as important by the entrepreneurs included in this study. This indicates that the KMV model may be an appropriate theoretical framework for other service sector studies in the future. However, it should be noted that the outcomes of trust and commitment were not tested, because the study only aimed to investigate the potential antecedents of trust and commitment in a service sector context. Nevertheless, it was argued that trust and commitment should lead to a long-term relationship in the service sector, and to seek a long term relationship would equate to repeat purchasing or, what has already been described in Chapter Two, as customer loyalty.



**Figure 4.4:** The adapted version of the KMV model proposed by Friman et al. (2002)  
**Source:** Friman et al. (2002, p.404)

### 4.3.3 Cote and Latham (2003) and the healthcare industry

Cote and Latham's investigation in the healthcare industry focuses on examining the factors affecting the development of the physician-insurer relationship. The relationship between physicians and insurers is a collaborative relationship that is a common form of business-to-business relationship. Both physicians and insurers need to work together to provide services to the end user, in this case their patients. In

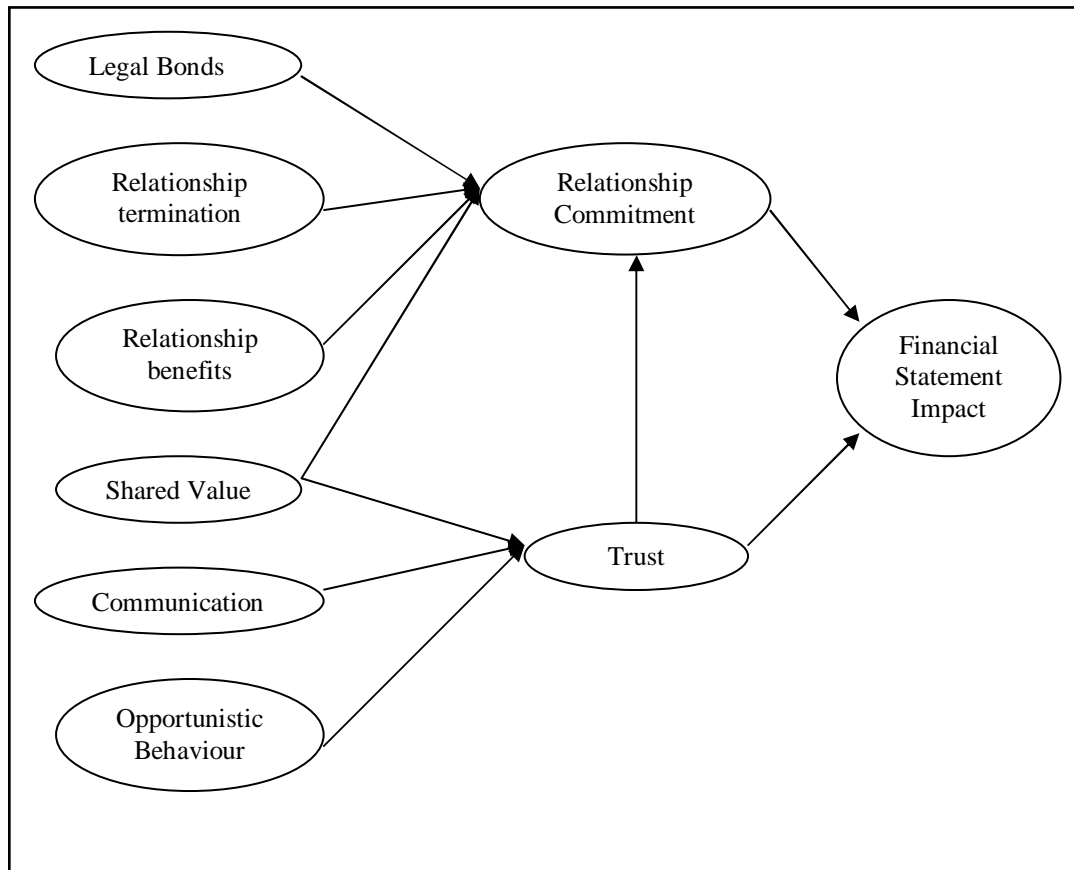


general, an insurer provides financial guidelines on what should be done (insurance policy), while a physician takes physical care of their patients and subsequently claims payment from the insurer.

In Cote and Latham's (2003) study, some modifications have been made in two parts of the original KMV model that are antecedents and outcomes. In terms of antecedents of relationship quality, the new construct *legal bond* that refers to the legal contract that prevents both parties from terminating the current relationship, is added into the model as an additional determinant of commitment. The outcome of relationship quality in this study is also different from what had been previously proposed by Morgan and Hunt (1994). Cote and Latham (2003) proposed that higher levels of trust and commitment can lead to better financial performance for the physician, in that high levels of trust lead to the reduction of cost while high levels of commitment lead to increasing benefit. For instance, a trusting physician is less likely to feel the need to monitor their insurer, which in turn allows them to avoid any costs associated with monitoring procedure such as repeat phone calls, letters and other correspondence.

Moreover, it can be argued that physicians, who are in a committed relationship with their insurers, commonly receive benefits such as favourable terms and special service that could help increase the financial position of the physician as a reward for their commitment. This is quite different from the outcome proposed by other studies, in the sense that a successful physician-insurer relationship is proposed to provide a benefit to the respondents (physicians) themselves rather than to their exchange partners (insurers). Whilst, in Bowen and Shoemaker (2003) study, business travelers

were employed as respondents in order to investigate whether successful relationships can provide competitive advantages for luxury hotels, in this study, physicians were employed as the respondents in order to find out whether successful relationships with their insurer can, in fact, improve the financial performance of the physician.



**Figure 4.5:** The adapted version of the KMV model proposed by Cote and Latham (2003)

**Source:** Cote and Latham (2003, p.32)

Results of this work with show that while every antecedent proposed in Cote and Latham’s (2003) model is supported, there is a different degree of influence for each of the levels of trust and commitment. Relationship benefits are found to have the strongest influence on the level of commitment, followed by legal bonds, termination costs and shared values, while opportunistic behaviours are found to have the strongest influence on trust. Interestingly, it is found that the relationship between

communication and trust is non-linear where higher communication does not always lead to higher level of trust. In other words, the level of trust can be decreased if there is either too little, or too much, communication. Moreover, as proposed in the model, trust and commitment are found to have a positive influence on financial statement impact. However, trust has greater impact on the improvement of financial position compared to commitment.

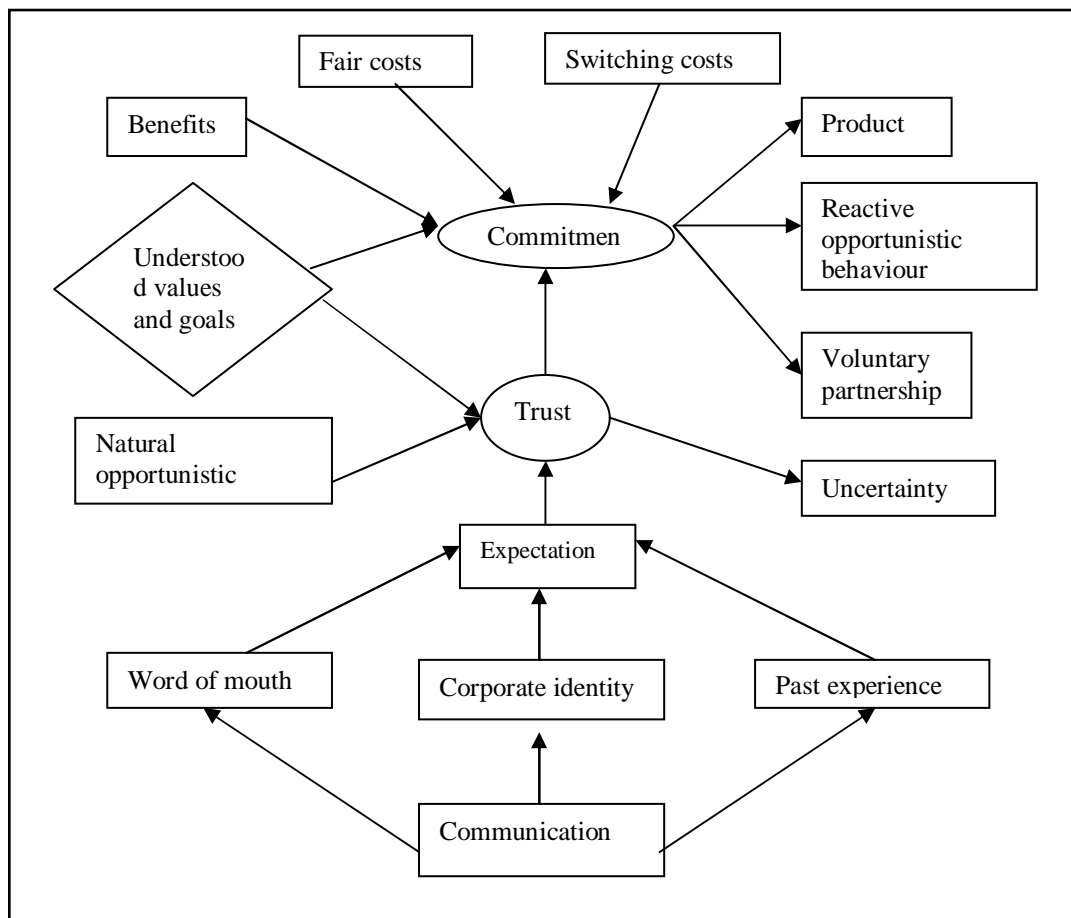
#### **4.3.4 Bowen and Shoemaker (2003) and the luxury hotel context**

Host- guest relationships within a luxury hotel context (with particular attention on the business traveler) is a major focused of the Bowen and Shoemaker's (2003) study. The luxury hotel sector is a mature and highly competitive market, where there are many other hotels offering similar products for customers. Consequently, building strong customer loyalty is an essential strategy for ensuring hotel profitability. The host-guest relationship is different from other relationships previously investigated in other studies in two respects. Firstly, the study examines business-to-customer relationships where previous studies (Morgan & Hunt 1994; Zineldin & Jonsson 2000; Friman et al. 2002; Cote & Latham 2003) examine the business-to-business relationship. The business-to-customer relationship is different from the business-to-business relationship in the sense that it is not a collaborative relationship, where exchange partners have to work together to deliver a product or service to an end user. It is a relationship where one party (the luxury hotel) has an obligation to provide a service to the other party (the business traveler) with no reciprocal requirement. Secondly, the interactions between the exchange parties in this relationship are likely to be shorter and less frequent than the interactions between exchange parties in business-to-business relationships.

Six constructs are proposed by Bowen and Shoemaker (2003) to be the major determinants of trust and commitment, while four constructs are proposed as the outcome of relationship quality (high levels of trust and commitment). As shown in Figure 4.6, the antecedents of trust and commitment were *switching costs* (equivalent to Morgan and Hunt's termination costs), *fair costs* (a perception that the price is fair), *benefits* (equivalent to Morgan and Hunt's relationship benefits), *understood values and goals* (equivalent to Morgan and Hunt's shared values), *natural opportunistic behaviour* and *expectation* (that can be directly influenced by effective communication). In contrast to Zineldin and Jonsson (2000), Bowen and Shoemaker (2003) assert that satisfaction does not always lead to commitment. This is because, unlike the Swedish wood industry, the hospitality industry is a highly competitive industry where customers may switch to another property simply because they seek variety, or receive a better offer, or some other incentive. Consequently, the construct "satisfaction" is not included in the Bowen and Shoemaker's (2003) model. Instead, they add the construct "fair costs" into the Morgan and Hunt's (1994) KMV model as an additional antecedent of commitment. Fair costs can be referred to as '... the perceived value of the room rate and the fairness of the costs' (Bowen & Shoemaker 2003, p.36).

Despite the comment made by Friman et al. (2002) that fairness has not been mentioned by entrepreneurs as a significant influence on trust or commitment, Bowen and Shoemaker (2003) propose that customers are likely to become committed to a hotel that provides a better offer that they perceive as being fair. However, it should be noted that only four out of the six antecedents are measured in this study. Shared value between customers and hotel staff is not measured due to the complexity of the

concept, while expectation is not measured because it is argued that it had already been measured in a previous study, conducted by Parasuraman, Berry and Zeithaml (1991). Furthermore, reactive opportunistic behaviour is not measured because it is argued that loyal customers that are the majority of respondents employed in this study are less likely to engage in a reactive opportunistic behaviour.



**Figure 4.6:** Adapted version of the KMV model proposed by Bowen and Shoemaker (2003)

Source: Bowen and Shoemaker (2003, p.35)

There are four new outcomes proposed by Bowen and Shoemaker (2003) as a result of their investigation into the nature of relationship quality between business travelers and luxury hotels. These outcomes are *product use*, *reactive opportunistic behaviour*, *volunteer partnership* and *uncertainty*. They argue that committed customers are

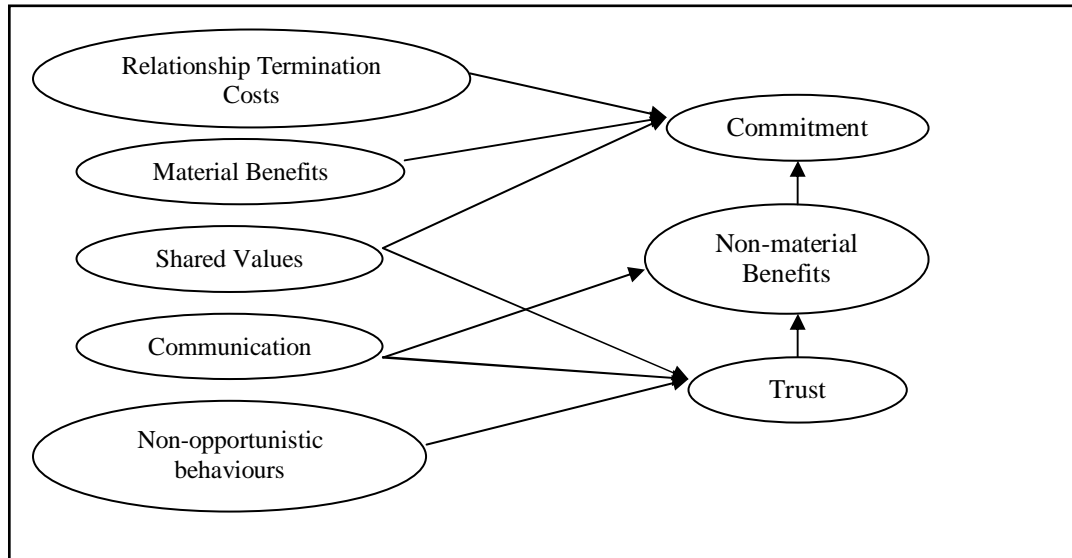
likely to have a greater intention to use the facilities within the hotel (product use), spread positive word-of-mouth communication (volunteer partnership) and avoid engaging in opportunistic behaviour; while customers who exhibit a high level of trust towards hotels are likely to have a lower level of uncertainty.

The results of Bowen and Shoemaker's study confirm every link proposed in their model (except for the two antecedent constructs that are not measured) including shared values, expectation and reactive opportunistic behaviours (which is the proposed outcome of commitment). The finding indicates that each antecedent has a different degree of influence on trust and commitment. For example, relationship benefits and trust are found to have a strong influence on commitment, while switching costs and fair costs are found to have a weak impact on commitment.

#### **4.3.5 MacMillan et al. (2005) and the not-for-profit sector**

The MacMillan et al.'s (2005) focus is on the relationship development in a nonprofit organisation context. The not-for-profit sector has become a very highly competitive industry due to the increasing number of nonprofit organisations (NPOs) and the decreasing number of funders. In order to survive in a highly competitive environment, it is suggested that NPOs should concentrate on maintaining their existing fund suppliers (funders) through the development of strong, lasting relationships. There are two types of fund suppliers, who lend the financial support to NPOs; individual fund suppliers and organisational funders. It is found that organisational funders generally provide a much greater support for NPOs than individual funders, and therefore in most cases, organisational funders are the main source of income for the NPOs. This is why maintaining an existing organisational

funder is essential for the survival of the NPO. Consequently, this study concentrates on examining the development of the relationship between NPOs and their organisational funders.



**Figure 4.7:** The adapted version of the KMV model proposed by Macmillan et al. (2005).

**Source:** Macmillan et al. (2005, p.808)

Every original antecedent of trust and commitment proposed by Morgan and Hunt (1994) is included in their conceptual model. However, MacMillan et al. (2005) have rearranged the positions of those existing constructs. For example, the concept of relationship benefits is divided into two constructs, namely material benefits and non-material benefits. Although both of these constructs are linked to commitment, that is similar to Morgan and Hunt's (1994) model, the importance of each construct in their contribution to commitment (and therefore to the overall model) are proposed to be different. Material benefit is operationalised as an ordinary antecedent of commitment while nonmaterial benefit plays a significant role in mediating the link between trust and commitment (see Figure 4.7).

As indicated in MacMillan et al.'s (2005) proposed model, trust is thought to influence commitment through nonmaterial benefits. This means that trust can provide a positive influence on commitment by increasing the funders' awareness of nonmaterial benefits received from supporting the NPOs. It should be noted that MacMillan et al. (2005) failed to retest the direct link between trust and commitment, that is suggested by Morgan and Hunt (1994) and supported by other researchers (Zineldin & Jonsson 2000; Friman et al. 2002; Cote & Latham 2003; Bowen & Shoemaker 2003). Moreover, MacMillan et al. (2005) also add the link between communication and nonmaterial benefit into the model, suggesting that a knowledgeable and professional communication does not only increase the levels of trust that funders have towards NPOs, but also helps to increase the levels of nonmaterial benefits perceived by funders. Consequently, communication is proposed to be a determinant of both trust and nonmaterial benefit.

The results of the MacMillan et al. study validate most of the antecedents included in the original KMV model with the exception of termination costs. Nonmaterial benefits are found to have the strongest influence on commitment, while the link between material benefits and commitment is not significant. Trust is found to be the strongest determinant of nonmaterial benefits. Termination costs, like material benefits, do not have a significant influence on commitment, and it is suggested that high termination costs might discourage funders to lend support in the first place.

#### **4.3.6 Li, Browne and Wetherbe (2006) and the website industry**

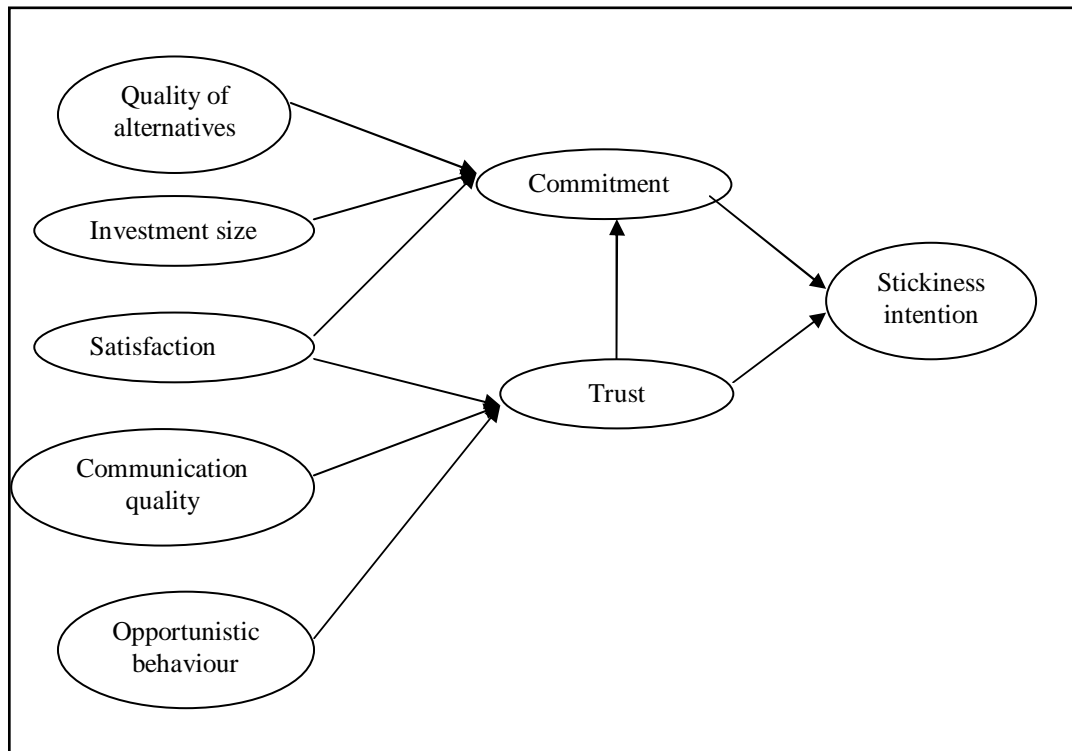
This recent study by Li, Browne and Wetherbe (2006) investigates the relationship between a web site and a user. Like Bowen and Shoemaker's (2003) study, the



relationships examined in this study are business-to-customer relationships. However, the nature of this study is quite different from the former study in that the exchange partners in this study have a unique way of interacting with each other. In the website industry context, participants interact with each other via the internet, which is less personal compared with, for example, the host-guest interactions in a luxury hotel context. Since interactions through the internet are likely to be perceived as having less of a human touch than face-to-face interaction, the benefits and costs perceived by internet customers are likely to be different, to customers who have a direct personal contact with service providers (Colgate, Oliver & Elmsly 2005). This could explain why the major determinants of trust and commitment proposed by Li, Browne and Wetherbe (2006) are quite different from previous studies that examine relationships where the partners interact with each other face-to-face (Morgan & Hunt 1994; Zineldin & Jonsson 2000; Friman et al. 2002; Cote & Latham 2003; Bowen & Shoemaker 2003; MacMillan et al. 2005).

Some of the antecedents previously proposed by Morgan and Hunt (1994) are replaced with new antecedents from the investment model developed by Rusbult (1983). These new antecedents are quality of alternatives, investment size and satisfaction. However, Li, Wetherbe and Browne (2006) point out that the additional determinants of commitment from the investment model are similar to the concepts of termination costs and relationship benefits included in the original KMV model by Morgan and Hunt (1994). A lack of quality alternatives and a large investment size are quite similar to some aspects of termination costs because it discourages web site users from switching to other web sites. Satisfaction is also thought to be another important type of relationship benefit because it encourages an internet user to

commit to use a certain website. Shared values are excluded from the model because Li, Browne and Wetherbe (2006) suggest that this concept is less relevant in a business-to-customer relationship than it is in a business-to-business relationship.



**Figure 4.8:** The adapted version of the KMV model proposed by Li, Browne and Wetherbe (2006)

**Source:** Li, Browne and Wetherbe (2006, p.114)

One other modification that Li, Browne and Wetherbe (2006) made to the original KMV is with the outcomes of a successful relationship between a web site and its user. They propose that high levels of trust and commitment should lead to *stickiness intention*. The term “stickiness intention” is a common term used to explain customer loyalty in the web site context, and according to Li, Browne and Wetherbe (2006), stickiness can be referred to as ‘... repetitive visits to and use of a preferred website ...’ (p.104), that is also the definition drawn from the concept of customer loyalty proposed by Oliver (1980).

Li, Browne and Wetherbe's results show that every antecedent of trust and commitment proposed in this study, are found to have an impact on trust and commitment. Even though it can be observed that a lack of alternatives, large investment size and satisfaction do in fact contain some aspects of termination cost, it fails to cover the non-economic aspect of termination cost, such as loss of friendship that is a very important aspect of termination costs in most contexts, where the exchange parties have a face-to-face interaction. Moreover, whilst it indicates that trust and commitment are found to have a positive influence on stickiness intention, commitment was found to be a stronger determinant of stickiness intention than trust.

#### **4.4 A reflection on the previous uses of the KMV model**

Several observations have been identified to result from an in-depth review of previous studies using the KMV model (Zineldin & Jonsson 2000; Friman et al. 2002; Cote & Latham 2003; Bowen & Shoemaker 2003; MacMillan et al. 2005; Li, Browne & Wetherbe 2006). First, it can be observed that since its first introduction in 1994 the KMV model has been consistently used as a generic model applicable in many business contexts with slight modifications. The term "generic" is introduced here in order to highlight the fact that the antecedents proposed by Morgan and Hunt (1994) are in fact broad concepts that have provided guidance for over more than a decade for other researchers to specify concepts that suit the particular nature of their research. For example, the "relationship bond", that has been added to the conceptual model by Zineldin and Jonsson (2000), is arguably a social aspect of relationship benefit (also known as social benefit). Moreover, the concept "a lack of quality alternative" in the study of Li, Browne and Wetherbe (2006) is another aspect of termination costs. Furthermore, the term "stickiness intention" used in the study by

Li, Browne and Wetherbe (2006) is the reverse concept of the propensity to leave proposed by Morgan and Hunt as one of the consequences of a lack of commitment.

Furthermore, antecedents and consequences of trust and commitment are common areas that have been modified according to the context of the particular study, while the central part of the model (trust and commitment) remain untouched in most studies (with the exception of the study by MacMillan et al. (2005). This, in turn, means that it can be argued that antecedents and consequences of trust and commitment might be varied, depending on the context of the study, but trust and commitment should remain as the integral part of a successful relationship regardless of the context. Despite the various attempts to add or remove some of the original antecedents proposed by Morgan and Hunt (1994), it should be noted that certain antecedents have been used repeatedly by most studies. For example, communication and opportunistic behaviour have been kept in every modified model, while other antecedents including termination cost, relationship benefit and shared value are kept in the majority of the modified models.

Additionally, the concept of shared values is not tested in those studies investigating a business-to-customer relationship (Bowen & Shoemaker 2003; Li, Browne & Wetherbe 2006). Bowen and Shoemaker (2003) assert that shared values are an important determinant of trust and commitment, but are difficult to measure due to the complexity of the concept. In contrast to Bowen and Shoemaker (2003), Li, Browne and Wetherbe (2006) exclude shared values from their model, arguing that this concept is less relevant to the development of business-to-customer relationships than to the development of business-to-business relationships.

Finally, the comparison of results from most studies indicates that each antecedent of trust and commitment can be weaker or stronger, depending on the context of the study. For example, in the study of Bowen and Shoemaker (2003), relationship benefit is found to have a strong influence on commitment, while it is found to have no significant impact on commitment in the Morgan and Hunt's (1994) study.

#### **4.5 The present research**

The present research has a number of unique features compared with the previous studies discussed above. First, it is conducted in a location where understanding the needs of domestic tourists (generally with the same cultural background) is as difficult as understanding those of international tourists. At one level, it should be appreciated that, in common with other international destinations (such as Bali, Fiji and the Maldives), the majority of tourists arriving at accommodation establishments on Samui Island are international tourists. Indeed, according to the Tourism Authority of Thailand (2005), almost 90% of resort guests are international tourists. Consequently, understanding how to develop strong relationships with international tourists, in this case Australian tourists, is vital for the survival of island resorts. However, it is essential to realise that the importance of developing strong relationships with local tourists, in this case Thai tourists, should not be overlooked. Although Thai tourists are the minority of the tourist population on Samui Island, they are still an important and sustainable source of tourists who can be relied on during difficult times. In Phuket, for example, Thai tourists supplemented the destination's revenue during the SARS period when the number of international tourists dropped dramatically. Consequently, resort operators need to understand how to develop relationships with

Australian and with Thai tourists, implying that more subtle, flexible strategies, will need to be implemented.

Although the Bowen and Shoemaker's (2003) study has already investigated the development of host-guest relationships in a hotel context, they have focused only on business travelers. According to Mattila (1999), business travelers are not suitable respondents in a cross-national study such as this, because it is found that 'business travelers acted as a relatively homogenous target market regardless of cultural background', whereas leisure travelers are likely to be more heterogeneous according to their culture (p.384). Since the major aim of the present investigation is to identify the influence of cultural differences on the development of trust and commitment, leisure travelers are selected as the target respondents for this study and in consequence a resort is considered to be an appropriate site for this study.

Resort guests, who are commonly traveling for leisure purposes, are selected as the respondents rather than business travelers for the present investigation, because it is considered that whilst this group of consumers provides many economic benefits, at the same time they present several unique challenges for hospitality managers. They are arguably less price sensitive, and that in turn allows resort operators to add more margin into the price without affecting sales, but this group of customers are very difficult to maintain, as they are willing to switch to other properties even when they are satisfied with the current property. According to Huffadine (1999), the main reason for staying at a resort is to be pampered and to enhance enjoyment and well-being. As a result, it is likely that many resort guests would feel tempted to try out a new property regardless of their satisfaction levels with their current service provider.

Consequently, being able to understand how to develop a successful host-guest relationship in a resort context in the face of this apparent lack of customer loyalty is likely to provide a significant competitive advantage for hospitality managers.

#### **4.6 Conceptual foundations**

The information that is been sought by this investigation is culturally determined; that is, it seeks the opinion of specific cultural groupings of resort guests. Therefore, for the present study a constructionist framework is most appropriate. Data must be obtained directly from the group affected, and the resultant claims will be restricted to implications for this group. The review of the results of previous research presented in Section 4.3, highlights the degree of influence that each antecedent of the KMV model has had on the development of trust and commitment. These studies show that the impact of these antecedents depends on the nature and context of the research. From a theoretical perspective of symbolic interactionism, it can be explained that people from different contexts perceive the symbolic importance of each antecedent differently. In some cases, the same concept can have a significantly different influence on the development of trust and commitment. For example, termination costs are found to have a strong influence on commitment in a business context, yet it is found to have no impact on commitment in a not-for-profit organisation context. Consequently, to be able to more clearly understand host-guest relationships in a resort hotel context, further research needs to be conducted in this context.

As discussed earlier in Chapter Three, Australians and Thais are different in terms of cultural orientation. Therefore, the present research proposes that Australian and Thai tourists are likely to weigh the importance of each antecedent (termination costs,

relationship benefits, shared values and communication) differently. The antecedents that provide a strong influence on trust and commitment for Australian tourists are likely to be different from the antecedents that influence the level of trust and commitment for Thai tourists. This holds particular relevance for strategy planning in multi-cultural resort situation.

#### **4.7 Applying the KMV model**

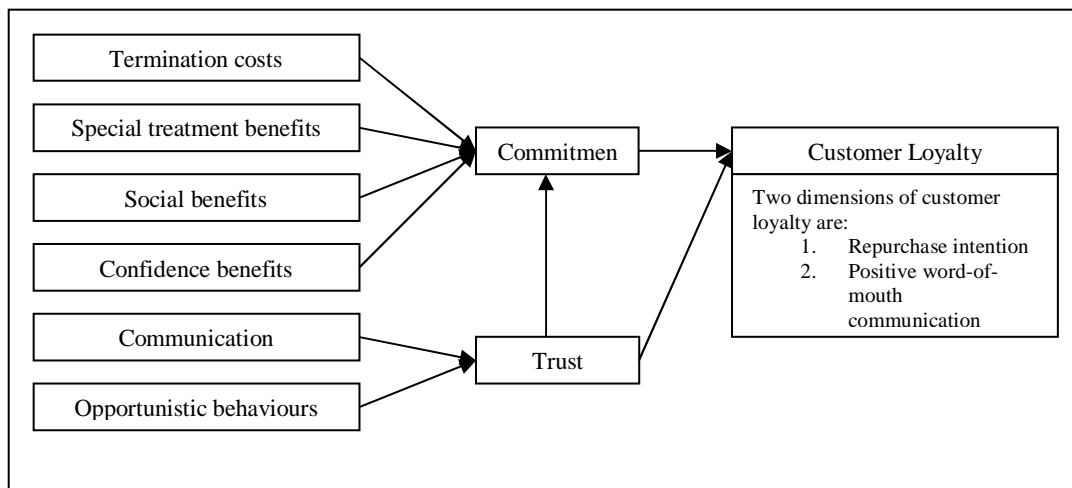
Despite the fact that most of the previous studies using the KMV model have attempted to include additional antecedents into the model (Bowen & Shoemaker 2003; Cote & Latham 2003; Friman et al. 2002; Li, Browne & Wetherbe 2006; MacMillan et al. 2005; Zineldin & Jonsson 2000), these modified versions of the KMV model have not been widely accepted. In fact, an extensive review of literature indicates that none of the studies in the relationship marketing area, have permanently adopted or adapted any of the modified versions of the KMV model proposed by the researchers described in this chapter.

In line with most previous studies, this research adopts the Morgan and Hunt (1994) KMV model as a starting model and proposes a slightly modification of the model in terms of the antecedents and consequences of trust and commitment, in order to make it more appropriate to a resort context.

Three major modifications are made to the antecedents of trust and commitment. The concept of termination costs and the concept of relationship benefits are operationalised in different ways from the original model, due to the unique nature of a resort context. Termination cost is thought to be a two-dimensional concept



consisting of economic termination costs and non-economic termination costs. Moreover, the one-dimensional concept of relationship benefits proposed by Morgan and Hunt (1994) is replaced by a three-dimensional concept of relationship benefits (including special treatment benefits, social benefits and confidence benefits) based on Gwinner, Gremler and Bitner's (1998) relationship benefit typology. Furthermore, the concept of shared values is excluded from the modified model. As indicated in Chapter Three, the values in any one culture group are shared.



**Figure 4.9:** Conceptual framework of the present research

In the current investigation, the values of Thai tourists and hosts can be assumed to be the same (the differences between subcultures are not investigated in the present study) whilst the values of Australian tourists can be assumed to be different from their hosts. Therefore, it is not possible to investigate the comparison between Australian and Thai tourists in term of shared values with hosts. In summary, six constructs are proposed to be antecedents of trust and commitment. Termination costs, special treatment benefits, social benefits and confidence benefits are proposed to increase commitment. Communication is proposed to increase trust while opportunistic behaviour is proposed to have negative impact on trust (see Figure 4.9).

The five original consequences of trust and commitment in the Morgan and Hunt (1994) KMV model are replaced by customer loyalty. This is a preferable outcome in the resort context. Customer loyalty is operationalised as a two-dimensional concept including repurchase and positive word-of-mouth communication (Bowen & Chen 2001). In previous applications of the KMV model customer loyalty has been proposed as an outcome of trust and commitment (Friman et al. 2002; Bowen & Shoemaker 2003; Li, Browne & Wetherbe 2006). This has also been the case in other relationship marketing research (Caceres & Paparoidamis 2007). For example, Friman et al. (2002) propose that trust and commitment can lead to long-term relationships. In the hospitality industry context, a long-term relationship equates to repeat visitation. In line with Friman et al. (2002), Li, Browne and Wetherbe (2006) have also found a link between relationship quality (high levels of trust and commitment) and customer loyalty (operationalised as stickiness intention). Moreover, Bowen and Shoemaker (2003) have confirmed that positive word-of-mouth communication (operationalised as volunteer partnership) is an outcome of commitment.

## **4.8 Definitions**

### ***Resort hotel***

King and Whitelaw (2003) point out that there are different views of how the term *resort* should be defined. Sometimes a particular property is referred to as a resort due to its size and location (King & Whitelaw 2003). However, Gee (1981) asserts that a resort should be defined as a place that promotes and enhances a feeling of well-being and the enjoyment of guests. Agreeing with Gee's (1981) view, Huffadine (1999) asserts that people come to resorts in order to be pampered. At resorts, guests will be

able to ‘... participate in a wide variety of sports, recreation and entertainment and escape day-to-day stresses’ (Huffadine 1999, p.13).

### ***Relationship marketing***

Relationship marketing is a marketing process that involves attracting, maintaining and enhancing customer relationships (Berry 1983). Similarity to Morgan and Hunt (1994), the present study proposes that trust and commitment are central to a successful relationship. A successful relationship between service providers and guests can be characterised by high levels of trust and commitment. In the present research it is proposed that a successful host-guest relationship (high levels of trust and commitment) leads to customer loyalty.

### ***Termination cost***

Termination cost is the perception of any cost that occurs when customers terminate the current market relationship and secure an alternative (Porter 1980). Only psychological termination costs (such as the loss of friendship, the fear of uncertainty) are included in the present research as being the determinants of commitment.

### ***Relationship benefits***

The concept of relationship benefits is taken to mean any special benefits that customers receive when they have developed a relationship with a service provider (Gwinner, Gremler & Bitner 1998). Unlike Morgan and Hunt (1994), the present investigation uses Gwinner, Gremler and Bitner’s (1998) concept of relationship benefits, which is a three-dimensional concept consisting of special treatment benefits, social benefits and confidence benefits.

### ***Shared values***

Morgan and Hunt (1994, p.25) define shared value as ‘... the extent to which partners have beliefs in common about what behaviours, goals and policies are important or unimportant, appropriate or inappropriate and right or wrong’. This thesis emphasises the importance of shared values as a determinant of trust and commitment. In particular, we propose that shared cultural values provide a positive impact on both trust and commitment. However, based on the study of Goleorkhi (2006), it is arguable that the impact of shared cultural values on trust and commitment is likely to be stronger for people from the same cultural background, than those who come from a different cultural background. In the present research, the concept of shared values is treated as an equivalent of shared cultural values. Therefore, it is proposed that Thai guests share the same cultural values with Thai service providers, whilst Australian guests do not share the same cultural values with Thai service providers. Like Bowen and Shoemaker (2003), shared values are thought to be an important determinant of trust and commitment, although in their work shared values are not measured due to the complexity of the concept.

### ***Communication***

In the present research, communication will be used to refer to any form of information sharing between a service provider and a customer (Anderson & Narus 1990). The effectiveness of communication between a service provider and a customer in a resort hotel setting can be evaluated by several elements, including a timeliness of information, reliability of information and empathy of service staff towards guests. In our study, communication is proposed to be one of the factors that

lead a resort guest having higher trust towards their service provider (resort operators).

### ***Opportunistic behaviours***

The most widely quoted definition of opportunism belongs to Williamson (1975). Williamson (1975, p.6) defines opportunism as ‘... self-interest seeking with guile’. After considering the available literature, it seems that the concept of opportunistic behaviour commonly refers to any behaviour that might not be illegal but is somewhat immoral. In this study, opportunistic behaviour is defined as behaviour that service providers exhibit that lead a resort guest to believe that the provider is trustworthy. In line with previous researchers (Morgan & Hunt 1994; Williamson 1975), our research proposes that a resort guest is unlikely to trust service providers, when they feel that the service provider engages in opportunistic behaviour.

### ***Trust***

The definition of trust is drawn from the work of Morgan and Hunt in 1994, which is the most quoted definition available in the relationship marketing literature. Morgan and Hunt (1994) identify that the notion of trust consists of two aspects, reliability and integrity of the exchange partner. In the present research, resort guests are likely to trust resort operators that have high integrity and are reliable in terms of their ability to provide service quality.

### ***Commitment***

After an extended literature review, it is observed that the definition of commitment proposed by most researchers consists of two major components. These are a belief

that the relationship is important and its consequence that is a subsequent desire to maintain the relationship. In the present research, and in line with previous research, commitment is defined as a positive feeling that customers have toward their relationship with a service provider, which in turn encourages them to maintain the relationship indefinitely (Bowen & Shoemaker 2003; Moorman, Zaltman & Deshpande 1992; Morgan & Hunt 1994). Consistent with the approach of Morgan and Hunt (1994), the concept of commitment is operationalised as affective commitment in the present study.

### *Customer loyalty*

In the past, customer loyalty has been manifested by the act of repurchase. However, recent studies have shown that not every customer who repurchases is genuinely loyal to the firm (Dick & Basu 1994; Jones & Sasser 1995). Accordingly, Bowen and Chen (2001) have identified true loyalty to consist of two simultaneous dimensions, repurchase intention and positive word-of-mouth communication. This definition is adopted here for the concept of customer loyalty. In addition to the original KMV model, our study proposes that customer loyalty is one of the major consequences of commitment.

## **4.9 Research intent**

A major focus of this research is to identify cross-national differences on the development of trust and commitment, by comparing the attitudes of resort guests originating from different countries, in this case Australians and Thais. Specifically, this study seeks to examine the differential impact of the five antecedents on trust and commitment between Australian and Thai tourists. This in turn allows the researcher

to understand the pattern of host-guest relationship development, not only in an intercultural service encounter (between Thai service provider and Australian tourists) but also in an intracultural service encounter (between Thai service provider and Thai tourists). In order to facilitate this investigation, the two research questions have been formulated. The research questions are:

**RQ1:** Do Australian and Thai tourists have similar host-guest experiences during their holiday?

**RQ2:** Do each of the five antecedents have a similar impact on the development of successful host-guest relationships (characterised by high levels of trust and commitment) for both Australian and Thai tourists?

In order to investigate the first research question, a series of nine propositions have been designed to enable a systematic approach to data collection and analysis. These propositions have been derived from Morgan and Hunt's (1994) KMV model, and are as follows:

- (i) Under the same circumstances, Australian and Thai Tourists are likely to experience different levels of termination costs;
- (ii) Under the same circumstances, Australian and Thai tourists are likely to experience different levels of special treatment benefits;
- (iii) Under the same circumstances, Australian and Thai tourists are likely to experience different levels of social benefits;
- (iv) Under the same circumstances, Australian and Thai tourists are likely to experience different levels of confidence benefits;
- (v) Under the same circumstances, Australian and Thai tourists are likely to experience different levels of communication with service providers;
- (vi) Under the same circumstances, Australian and Thai tourists are likely to experience different levels of opportunistic behaviours engaged by the service staff;

- (vii) Under the same circumstances, Australian and Thai tourists are likely to experience different levels of trust toward service providers;
- (viii) Under the same circumstances, Australian and Thai tourists are likely to experience different levels of commitment towards service providers;
- (ix) Under the same circumstances, Australian and Thai tourists are likely to experience different levels of customer loyalty towards service providers;

The following six propositions relate to the second research question. These propositions have been developed on the basis of the review of cross-national research in Chapter Three.

- (x) Australian and Thai tourists place different emphasis on termination costs;
- (xi) Australian and Thai tourists place different emphasis on special treatment benefits;
- (xii) Australian and Thai tourists place different emphasis on social benefits;
- (xiii) Australian and Thai tourists place different emphasis on confidence benefits;
- (xiv) Australian and Thai tourists place different emphasis on communication;
- (xv) Australian and Thai tourists place different emphasis on opportunistic behaviours.

#### **4.10 Summary**

This chapter has explained Morgan and Hunt's KMV model and discusses the use of the Model in various contexts, including the Swedish wood industry, the international service sector, the healthcare industry, the luxury hotel industry, the not-for-profit sector and the web site industry. Several observations have been identified as a result of an in-depth review of those studies. These observations are: (i) the KMV model has been consistently used as a generic model applicable in many business contexts with slight modifications, (ii) antecedents and consequences of trust and commitment are common areas that have been modified according to the context of the particular study, while the central part of the model (trust and commitment) remains untouched in most studies, (iii) the concept of shared values is not tested in those studies investigating a business-to-customer relationship, (iv) the comparison of results from



most studies indicates that each antecedent of trust and commitment can be weaker or stronger, depending on the context of the study. These observations are then used to assist the researcher to modify the KMV model in a manner that is suitable for the unique nature of the present investigation. Finally, two research questions are proposed together with supporting propositions, in order to achieve the major aim of the study.

The next chapter on research methodology outlines the research framework used in the thesis.

## **Chapter Five**

### **Research Design and Methodology**

#### **5.1 Introduction**

The aim of this study is to explore the role and influence of trust and commitment in a cross-national context within the hospitality industry. Specifically, this study seeks to evaluate how Thai and Australian resort guests perceive the importance of the antecedents of trust and commitment as predictors of behavioural intention.

The purpose of this chapter is to outline the research framework and design. This includes discussion on the analytic methods employed. These are six sections: (i) research foundations, (ii) justification, (iii) the survey development, (iv) sampling and data collection, (v) ethics and confidentiality.

#### **5.2 Research foundations**

As the literature review has shown, the importance of trust and commitment has been recognised by many scholars as an essential ingredient in successful relationships. As a result, considerable research has been conducted around this topic during the past decade. However, from a constructionism perspective there is still room for further research to be conducted in order to provide a deeper understanding of how successful business relationships are formed, developed and maintained. Unlike objectivism where knowledge is universal and there is little need to retest knowledge once the research has been conducted, constructionism argues that under different circumstances, the meaning of an object can be perceived in different ways (Crotty 1998). Consequently, knowledge that is gained in one context should not be tied up to

a particular meaning, rather it should be tested in different time frames, places and contexts. From that perspective, it can be seen that constructionism provides the framework for this study to make a contribution to knowledge as it ‘... approach [es] the object in a radical spirit of openness to its potential for new or richer meaning’ (Crotty 1998, p.51).

There are several theoretical perspectives that are compatible with constructionism, such as phenomenology, hermeneutics and symbolic interaction. Each theoretical perspective involves a different point of view on how to understand and explain the world. Phenomenology asserts that the meaning of any object comes directly and immediately after the person engages with the particular phenomenon. This theoretical perspective suggests that such meaning arises from personal experiences of a person toward a particular phenomenon. Hermeneutics, on the other hand, defines the meaning according to what has been written. Clearly the hermeneutics theoretical perspective is more appropriate to research that aims to understand the meaning of the written word.

Unlike other theoretical perspectives, symbolic interaction ‘deals directly with issues such as language, communication, interrelationships and community’ (Crotty 1998, pp.7-8). Since people use symbols in communicating with one another, this theoretical perspective argues that the meaning of any object is drawn from the interaction between people in the community. As Crotty (1998) asserts:

All knowledge, and therefore all meaningful reality... is contingent upon human practices, being constructed in and out of interaction between human beings and their world, and developed and transmitted within an essentially social context (p.42).

It is thought that people from the same community will interpret a particular symbol in the same way. Since this study is based on the assumption that people who have the same cultural background should weigh the importance of each antecedent of trust and commitment (termination costs, relationship benefits, shared values and communication) in the same way and people from dissimilar cultural backgrounds will weigh them differently, symbolic interaction is the most appropriate theoretical perspective for this study into the role and influence of trust and commitment in service encounters within the hospitality industry.

### **5.3 Justification**

Although there are several compatible research methods available to conduct this study such as focus groups, interviews, observation and the survey method, each has advantages and limitations. Consequently, researchers need to identify the exact nature of the study and the appropriate fit with the research question prior to selecting the appropriate research method. In general, there are several characteristics of research that affect the justification of the research method. These are: (1) the number of respondents involved in the study (Hair, Bush & Ortinau 2000), (2) the degree of generalisation (Hair, Bush & Ortinau 2000), (3) the availability of an existing construct, (4) the availability of time and cost (Malhotra et al. 1996; Parasuraman 1991), (5) potential bias (Malhotra et al. 1996) and (6) the type of data required (Hair, Bush & Ortinau 2000; Lukas et al. 2004; Malhotra et al. 1996; Parasuraman 1991). All of these factors influence the process of method selection. However, in this study the survey method is thought to be the most appropriate research method for this thesis and this is justified as follows.

Firstly, different research methods, qualitative or quantitative, are suitable for different research studies depending on the required degree of generalisation of the results. On one hand, qualitative methods such as focus group interviews and observation are suitable for research that aims to uncover new concepts or constructs. The results of this type of research commonly provide knowledge that can only be true for the individuals who are included in the study and are used as a means to identify new areas, themes, or constructs for further study. This type of research does not lead to generalisation. On the other hand, quantitative methods, such as the survey method are suitable for research that aims to extend existing concepts or constructs. This type of research commonly involves larger numbers of respondents, which in turn allows researchers to claim a higher degree of generalisation of the results. This thesis aims to extend an existing relationship marketing model, the KMV model, to a resort hotel context. Consequently, the quantitative survey method is suitable for this thesis.

Secondly, the selection of research method commonly depends on the availability of an existing construct. As noted earlier, studies that involve new concepts or constructs commonly use qualitative research methods such as focus group interviews and observation, because measurable concepts or constructs are not available. Fortunately, studies that involve existing concepts or constructs usually do not have to develop new sets of measures since there are a considerable amount of measurable constructs and variables available from previous studies. This thesis adopts the KMV model of relationship marketing, which as Chapter Four has shown, has been widely used as a conceptual model in a variety of contexts. As a result, there are many valid and reliable measurements that have been tested by previous researchers. Since there is no

requirement for the development of new measures, qualitative or exploratory methods cannot be justified. As a result, a quantitative survey method is used in this thesis.

## **5.4 The survey instrument**

### **5.4.1 Questionnaire development**

The concept of trust and commitment has been a feature of the relationship marketing literature for some considerable time. Consequently, a raft of previous studies have been completed and a number of existing questions have been published on this topic. After an extensive literature review, existing validated scaled questions from 30 different studies were found, all of which related to trust, commitment and their antecedents. Therefore, the challenge for this study is how to select the most suitable questions out of this large pool of existing questions rather than how to create a new set of questions. In order to eliminate the least relevant questions and thus be able to select the most appropriate questions for the study, four phases of questionnaire development were conducted. These involve justification of the questions, reviewing the general content of each study, eliminating irrelevant questions, eliminating questions that were identical or almost identical, and finally eliminating some questions that were similar in terms of the information solicited from respondents.

#### *5.4.1.1 Phase one: Reviewing the general content of each study*

A number of studies were identified as relevant in the literature review. These studies were analysed and potential emerging questions were critically reviewed. It is found that reviewing each study before using its questions provided a number of advantages. Firstly, it provided information that the researcher could use to evaluate whether or not the study was similar to the current study in terms of context and population

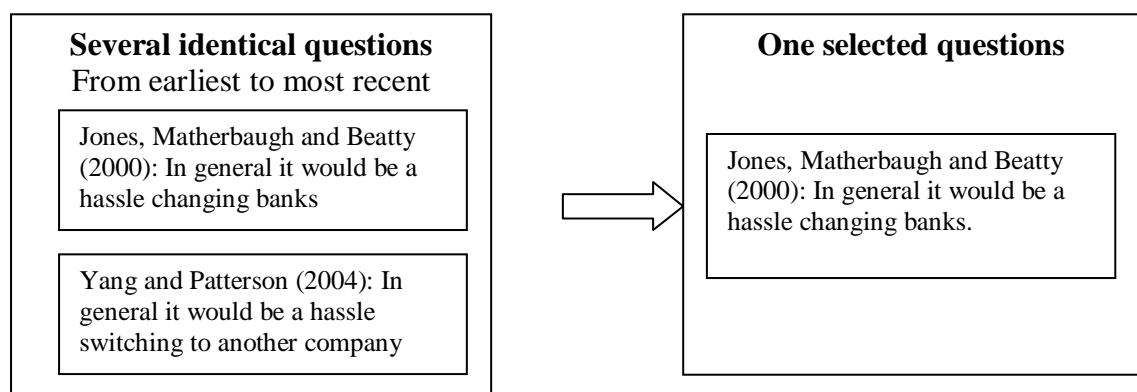
(Bradburn, Sudman & Wansink 2004). This, in turn, assisted the selection of the questions that were relevant or irrelevant to the aims of this study and allowed the researcher to move to the next phase (eliminating irrelevant questions). Secondly, reviewing each study had the advantage of making the researcher aware of any possible problems that might occur when using the particular questions because, in many cases, the authors discussed the problems that they had encountered with particular questions and made suggestions for ameliorating these problems in future research. For example, in their study entitled; “The commitment-trust theory of relationship marketing”, Morgan and Hunt (1994) suggest that they only looked at relationship benefits in its economic sense and that future research should also consider non-economic relationship benefits to be a determinant of commitment.

#### *5.4.1.2 Phase Two: Eliminating irrelevant questions*

After critically reviewing each study, information is used from the previous phase to evaluate questions that are relevant, and to identify those that are not by looking at the context of the study, as well as the content of the questions themselves. All irrelevant questions are eliminated during this phase and only relevant questions are passed onto the next elimination phase where identical questions are eliminated. An example of one of the questions that was irrelevant and was eliminated during this phase was ‘This supplier is quite willing to make a long-term investment in helping us’ (Anderson & Weitz 1989). This question is eliminated because it is asking about long-term investment between a business and a supplier that is not applicable for a resort context.

#### 5.4.1.3 Phase Three: Eliminating identical questions

Though irrelevant questions are removed during the previous phase, many questions remain. A large number of these questions are almost identical because they were modifications of questions in previous studies. For example, the question ‘In general it would be a hassle changing banks’ used by Jones, Mothersbaugh and Beatty (2000) is resembles the question ‘In general it would be a hassle switching to another company’ used by Yang and Peterson (2004). The earlier version is the original question (Jones, Mothersbaugh & Beatty 2000) whereas the latter version (Yang & Peterson 2004) is an adopted version (see Figure 5.1).



**Figure 5.1:** Example of how identical questions were eliminated.

Therefore, this phase of development begins with a process where similar questions were placed together in year order (For example, 1990, 1992, 1992 ...). This provides a means of distinguishing an original question from an adopted question, and ultimately assists the elimination process. In this way, several versions of similar questions are eliminated leaving only one question of each type. In most cases (unless the later versions are more appropriate to the current study) the later versions are eliminated and the original questions were chosen to represent those question types.



#### *5.4.1.4 Phase Four: Eliminating similar questions*

It may sometimes be appropriate to ask the same question twice in order to check the consistency of the answer. However, a questionnaire should not take too long to complete. According to Jennings (2001), the time involved in the data collection process is especially important when the decision to participate is voluntary. The quicker the process the more people are willing to participate in the study. This is especially true in the case of a study seeking opinions of resort guests while they are on holiday. In this situation qualitative data collection methods, such as participant observation, in-depth interviews and/or focus groups, may not be the most appropriate ways to collect data because the guests would find the data collection processes intrusive (on their holiday time).

Taking these factors into account, this phase of the research is conducted to eliminate questions that explore the same theme. For example, the questions 'I am committed to my relationship with my researcher' (Moorman, Zaltman & Deshpande 1992), 'I am very committed to this grocery store' (Bettencourt 1997) and 'I feel a commitment to continuing a relationship with this hairstylist' (Price & Arnould 1999) all seek to establish the level of commitment that customers have towards their exchange partner. As a result, only one of these questions and not all three are used in the present questionnaire. When selecting which question to use, the best option is to select a question that had been used in many studies rather than one that had been used in only one study. When eliminating similar questions, an analysis is conducted of previous studies with a view to determining how often a particular type of question is used. The question that has been used most frequently is selected for this study because this

version is seen to have undergone the most testing, and therefore is likely to be more valid. The final questionnaire is given in Appendix B.

#### **5.4.2 Back translation**

Once the questionnaire was developed, back translation was used to translate the questions into Thai. This method provides the best translation results (Brislin, Lonner & Thorndike 1973) and has been found to be one of the most, if not the most, popular translation method in the conduct of cross-cultural research. This method allows the researcher to check the quality of both the questionnaire and the translator even when the researcher ‘... does not know the local language, but wants to ask the questions of people in that culture’ (Brislin, Lonner & Thorndike 1973, p.40). One drawback of this method occurs when the first translation retains the original language structure. A translation that contains the structure of the original language is easy to translate back but the results of the translation are not always readily understandable amongst local respondents. In previous studies, many cross-cultural researchers have reported problems where the original questionnaire has been perfectly translated into the particular language by one professional translator and back translated by another professional translator. A problem occurs when the questions are presented to local respondents and are found to be meaningless. In such cases, at least, two differences have been found between the approaches of professional translators and the average local respondent. Firstly, professional translators are more familiar with English than the average person, and more likely to understand the passage even when it has not been translated into the proper target language. Secondly, professional translators use academic language whilst local people use everyday language. Academic language contains academic terms that cannot be easily understood by average people,

especially when translated back and forth. Consequently, Brislin, Lonner and Thorndike (1973) suggest that rather than just having the original questionnaire translated into the target language and back translated into the original language, it is also important to have the first translation re-written in a form that can be understood by the person who ‘... [speaks] the target language but no other’ (p.56). In other words, in many cases the translated text is written in highly academic terms and needs to be translated into everyday language.

In the present study, back translation was adopted with an additional rewrite process to ensure the most effective translated-version of the questionnaire (Brislin, Lonner & Thorndike 1973). Two professional translators and a committee of professional Thai writers were employed in the translation process. To begin the process, one professional translator is asked to translate the original questionnaire into Thai. After that, three professional Thai writers discussed the real meaning of each question and, where necessary, adjusted the translation into a version that could be readily understood by Thais. Finally, the second professional translator is asked to back translate into English. After comparing the original questions with the new set of questions that are translated back into English by the second professional translator, it was found that the two sets were matched. This means that the original questionnaire and the translated Thai-version of the questionnaire were equivalent in terms of content and meaning.

### **5.4.3 Pre-testing**

Despite the fact that every question used in this study has been used repeatedly and previously validated, the final questionnaire was pre-tested twice prior to

commencing the data collection. This pilot study is conducted to ensure that each question is understood and that the answers provided by respondents are selected from among the options presented in an informed way. The first pre-testing process was conducted after the original version of the questionnaire was developed and the second pre-testing process was conducted after the questionnaire was translated into Thai. This process was conducted to identify any errors in the questionnaire, which in turn allowed the researcher to adjust the questionnaire before conducting the actual research. After conducting the pre-test, some minor problems to expression were identified and adjusted accordingly.

#### **5.4.4 Questionnaire design**

##### *5.4.4.1 Questionnaire layout*

In this thesis considerable attention was paid to designing the sequence of questions in order to make it easy for respondents to understand the flow of questions (Parasuraman 1991). The questions were divided into sections depending on the content of the questions. There are two major sections in the questionnaire.

Section one consists of seven sub-sections. These sub-sections contain the questions that represent almost every construct of the conceptual model; namely trust, commitment, termination costs, relationship benefits, communication and opportunistic behaviour. The questions relating to shared values are not included in this study since the existing questions concerning this concept were neither applicable to the host-guest relationship nor to a resort context. Moreover, according to some cross-cultural researchers (Hofstede 1980; Hofstede & Bond 1988), it may be assumed that Thai service providers will share the same values as Thai guests, but not

with Australian guests as a result of cultural differences. Indeed, it is precisely these perceived differences that this thesis seeks to understand. The questions within this section (section one) were about the feelings that respondents have toward the resort they stayed at during their time on Samui Island. In this section, respondents were asked to tick the box that most accurately reflects their opinion for each statement (option: 1= Strongly disagree and 7 = Strongly agree).

Section two consists of a series of demographic questions as well as some other questions that could be used to assist the researcher to identify differences between Australian and Thai respondents. These included age, gender, occupation and income levels. The other questions include the number of times the respondents have stayed in their current holiday resort, the number of times they have visited Thailand and the time they may have spent at any other resort on Samui Island. This section was included at the end of the questionnaire because it is suggested that respondents are less willing to complete questionnaires if this kind of question appears at the beginning of the questionnaire (Parasuraman 1991).

#### *5.4.4.2 Questionnaire appearance*

It is often reported that the appearance of a questionnaire, in terms of its design and the quality of paper used to produce the questionnaire, has a positive influence on completion rate (Parasuraman 1991, Zikmund 2003). Much effort was put into designing the questionnaire in order to ensure an attractive and high quality presentation of the questionnaire. The questionnaire was designed by a professional graphic designer in a booklet format (rather than a large number of pages stapled together). The paper used to produce the questionnaire was high quality and made

from water-proof paper so that respondents had the option of completing the questionnaire at the beach or near the pool (see Appendix A).

## **5.5 Sampling and data collection**

### **5.5.1 Justification of the sampling method**

The first person encountered was interviewed and subsequently after completing each interview, the next person. A refusal was overlooked until the next person accepted. Very few people refused to participate. There are limitations in a convenience sample of this type and there is a risk of response bias. In order to overcome potential bias, the sampling was conducted in different locations and a large sample was collected.

### **5.5.2 Data collection procedure**

Prior to commencing data collection, the number of tourist arrivals to Samui Island was assessed using statistics provided by the Tourism Authority of Thailand (TAT), which is the government agency responsible for tourism promotion. Arrival statistics for 2004 and 2005 show that Australian tourist arrivals on Samui Island during January and February were 62.3% (in 2004) and 68.5% (in 2005) of the total number of Thai tourists that arrived during the same period. This would suggest that the Australian sample size should be between 62.3% and 68.3% of the Thai sample size in order to ensure that the sample size for the two groups is in the right proportion. However, according to Zikmund (2003), sample size should be based on the size of the population. Based on this prescription a suitable sample size for a population between 10,000 and 20,000 would be approximately 297 to 302 respondents. Since the total population of Australian and Thai tourist arrivals in January and February was 15,452 and 10,584 respectively, a total of 300 respondents for each nationality is

a suitable sample size. Leading quantitative academics have asserted that a total of 300 respondents is a sufficient sample size for most quantitative studies, and a suitable number for various types of statistical analysis such as descriptive techniques, correlation and factor analysis (Comrey & Lee 1992; Field 2005; Kass & Tinsley 1979; Tabachnick & Fidell 2001). This consideration is especially important for the conduct of factor analysis where it has been found that the parameters tend to be stable regardless of changes to the number of respondents per variable, when the sample size is equal to or larger than 300 respondents (Kass & Tinsley 1979).

In order to achieve the target number of respondents, the data collection process was conducted in several places including in resorts, at the airport, at the ferry pier and in other places on Samui Island where tourists congregate. In the first instance resort guests were accessed by agreement with resort management. Prior to going to Samui Island the researcher had made arrangements through the Tourism Authority of Thailand (TAT), to have the questionnaires given to arriving guests at resort hotels on Samui Island. In order to ensure that the number of required Australian tourists could be identified most efficiently; the various resort hotels were listed. The sales manager of Qantas Holidays, one of the premier travel wholesalers for the Australian tourism market, was contacted to help in identifying the most popular resorts for Australian tourists on Samui Island. Following this discussion, 16 resort hotels were identified. A list of these 16 resort hotels was sent to the TAT to negotiate an agreement to survey at these properties. These were identified as the most appropriate resorts and agreement was reached with various resort managers. However, it was anticipated that resort guests might be reluctant to complete questionnaires while on holiday, so several other data collection points were identified for the survey. These were local

attractions where resort guests spend most of their time during their holiday (e.g. beaches) as well as at the airport and the ferry pier where tourists depart from the island. Resort guests were intercepted during their stay or just prior to departure. A full explanation of how responses were achieved is provided below. It was anticipated that the hotel survey method would include a higher level of incomplete surveys. However, the two combined methods provide a large and representative sample.

#### *5.5.2.1 Resorts*

Management in several resorts agreed to distribute the questionnaires. These included Muang Samui resort, Chaweng Regent resort, Nora Beach Resort and Spa, Anantara Resort and Spa, Amari Palm Reef resort, Imperial Boat House resort, Imperial Samui resort, Impiana resort, Nova Samui and Banana Fan Sea resort. A total of 1,000 questionnaires (500 for Australian respondents and 500 for Thai respondents) were distributed to each resort depending on the agreement reached between the resort managers and the researcher. Due to management privacy, the researcher was not allowed to make direct contact with guests. The questionnaires were left at the front desk at most resorts for receptionists to distribute to guests when they were checking in. The house keeping staff were to pick up the completed questionnaires following check out. At the end of the data collection period, 87 completed questionnaires (66 Australian and 25 Thai) were returned to the researcher.

Since the numbers of completed questionnaires were insufficient, some additional resorts were added for the study. Those resorts were Charlie's Hut, Montien House, Chaba Samui resort, Long Beach resort, Chaweng Villas and Chawengburi resort. A



total of 86 completed questionnaires (70 Australians and 16 Thais) were returned from these properties.

At the end of this stage, 177 completed questionnaires (136 Australians and 41 Thais) had been collected from the resort hotels. This number was insufficient for data analysis purposes. Consequently, the data collection procedure was expanded to local attractions on the island.

#### *5.5.2.2 Local attractions*

These attractions included the Bungy Jump, Toureast travel agency and Chaweng beach. At the end of this stage, the researcher collected a total of 189 completed questionnaires (148 Australians and 16 Thais), which was still insufficient. Consequently, the data collection procedure was extended to the airport and ferry pier in order to collect data from tourists prior departure.

#### *5.5.2.3 Airport and Ferry pier*

Since the peak periods vary (the ferry pier was busy in the morning while the airport was busy in the afternoon), the researcher was able to collect at both places during the day. A total of 68 completed questionnaires (all Thai) were collected from the ferry pier at the island capital, also known as Na Thon. Most of the respondents were tourists who were travelling by car, arriving at the ferry pier to cross back to the mainland. Data was collected while respondents were queuing in their cars waiting to board the ferry. A total of 344 completed questionnaires (152 Australian and 191 Thai) were collected at the airport. Respondents were approached after they had checked in their baggage and were waiting for the final boarding call. The response

rate was highest at the airport, because there were few interesting activities at the airport and the waiting period ranged from one to three hours. As a result, most respondents were happy to fill out the questionnaires. At the end of this stage, a total of 600 completed questionnaires (300 Australians and 300 Thais) had been received.

## **5.7 Ethics and confidentiality**

Before conducting the data collection, the study was approved by the Ethics Committee of Victoria University in order to ensure the rights, liberties and safety of the participants. In addition, before respondents decided to proceed, a cover letter was presented on the second page of the questionnaire to explain the purpose of the study and the ethical rules. In the letter, participants were informed that they were participating voluntarily and no risks, such as psychological, moral, legal or other risks, would be involved.

Completed questionnaires collected from the participants are kept in a secure place at Victoria University under the researcher's control and are only available to the researcher and supervisors. The results are only reported in aggregate form in order to prevent any possible identification of individual responses from.

## **5.8 Summary**

The validity of any research depends greatly on the quality of data used in the study, and a well-planned data collection procedure is essential for ensuring high quality data. Constructionism provides the framework for this thesis while symbolic interaction is the most appropriate theoretical perspective for this study into the role and influence of trust and commitment in service encounters within the hospitality

industry. The concept of trust and commitment has been a feature of the relationship marketing literature for some considerable time. Therefore, survey method is thought to be the most appropriate research method for this thesis. The questionnaire instrument is developed by using the four-phase questionnaire development to select the most appropriate questions out of the existing, validated questions used in previous studies. Once the English-version of the questionnaire was completed and pre-tested, the three-stage back translation method was used to translate the questions into Thai. A total of 600 respondents (300 Australians and 300 Thais) were obtained in this study using a convenience sampling method. As a result, a total of 600 usable questionnaires was achieved.

The next three chapters provide the results of the data analysis including descriptive analysis (Chapter Six), principal components analysis (Chapter Seven) and Structural equation modelling (Chapter Eight).

# Chapter Six

## Descriptive Analysis

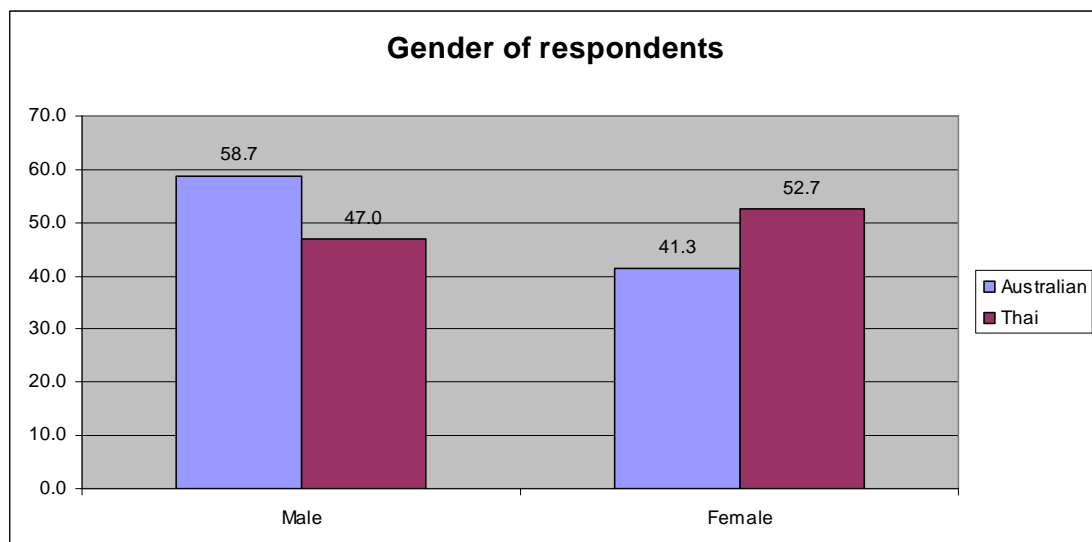
### 6.1 Introduction

In presenting the analysis of the data collected and discussed in Chapter Four, a preliminary analysis was conducted to summarise the data. This chapter presents the results of the descriptive analysis to assist the inferential analysis outlined in the next chapter. Four sections are included in the current chapter. These are: Frequency, Mean and standard deviation, Mann-Whitney U test and summary.

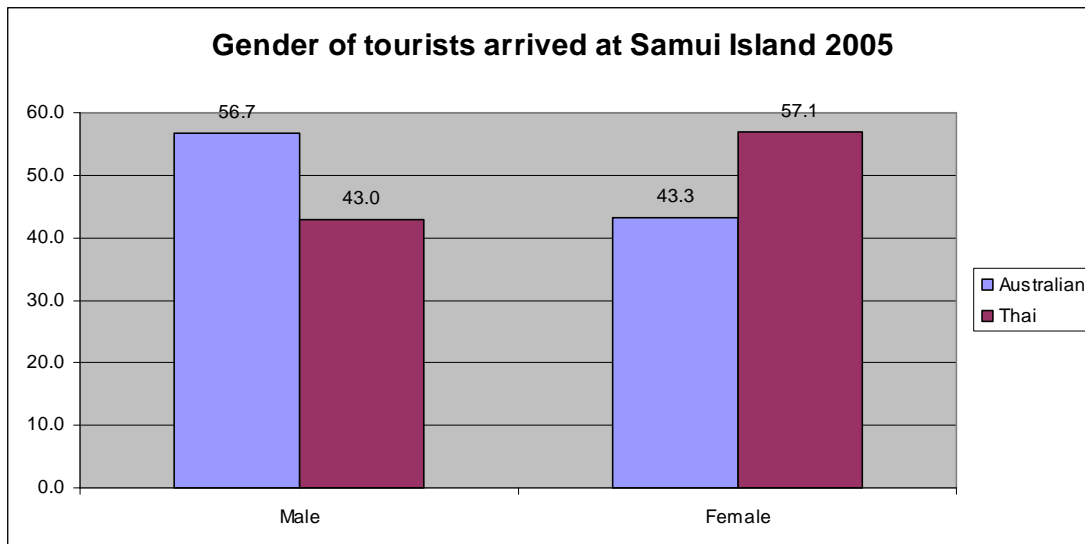
### 6.2 Frequency

In this section, a frequency test was used to analyse respondent profiles (see second section of the questionnaire located in Appendix B).

#### 6.2.1 Gender



**Figure 6.1:** Gender of respondents  
Source: Data analysis (2008)

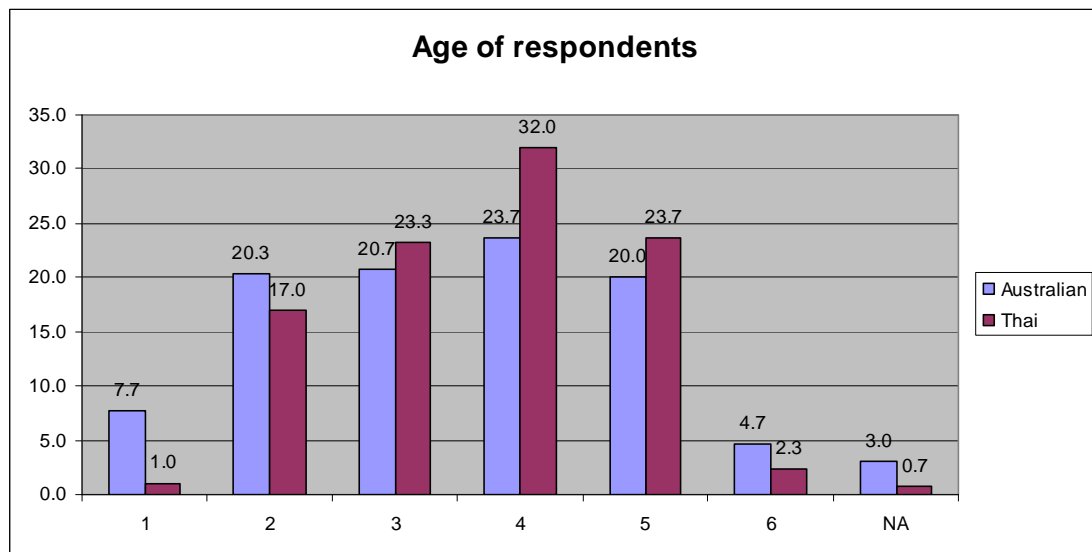


**Figure 6.2:** Gender of tourists arrived at Samui Island in 2005  
**Source:** Tourism Authority of Thailand (2006)

The Australian respondents (sample) consisted of 58.7% male and 41.3% female respondents. This pattern corresponds with the gender balance of international tourist arrivals on Samui Island in 2005 (population) where there are 56.7% male and 43.3% female arrivals (TAT 2006). This indicates that the sample is representative of the total population in regard to gender.

The Thai respondents (sample) comprise 47.0% male and 52.7% female (with 0.3% missing values). This pattern is also similar to Thai tourist arrivals on Samui Island in 2005 (population) where there are 43.0% male and 57.1% female arrivals (TAT 2006). This indicates that the sample is representative of the total population of Thai tourists in regard to gender.

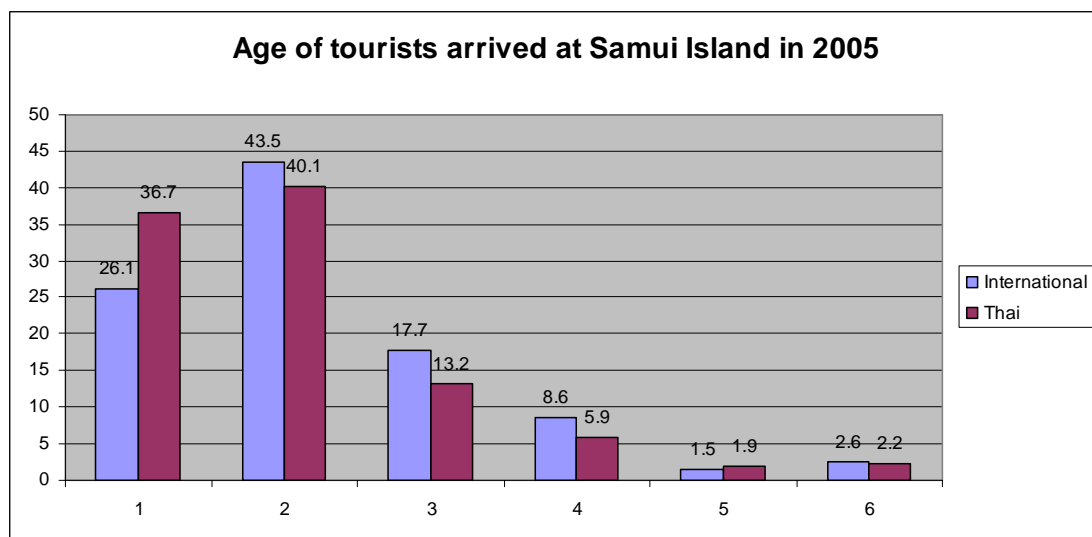
## 6.2.2 Age



**Figure 6.3:** Age of respondents

Source: Data analysis (2008)

1= Less than 20 years    2= 20 to 25 years    3= 26 to 30 years  
 4= 31 to 40 years        5= 41 to 60 years    6= More than 60 years  
 NA = Missing data



**Figure 6.4:** Age of tourists arrived at Samui Island in 2005

Source: Tourism Authority of Thailand (2006)

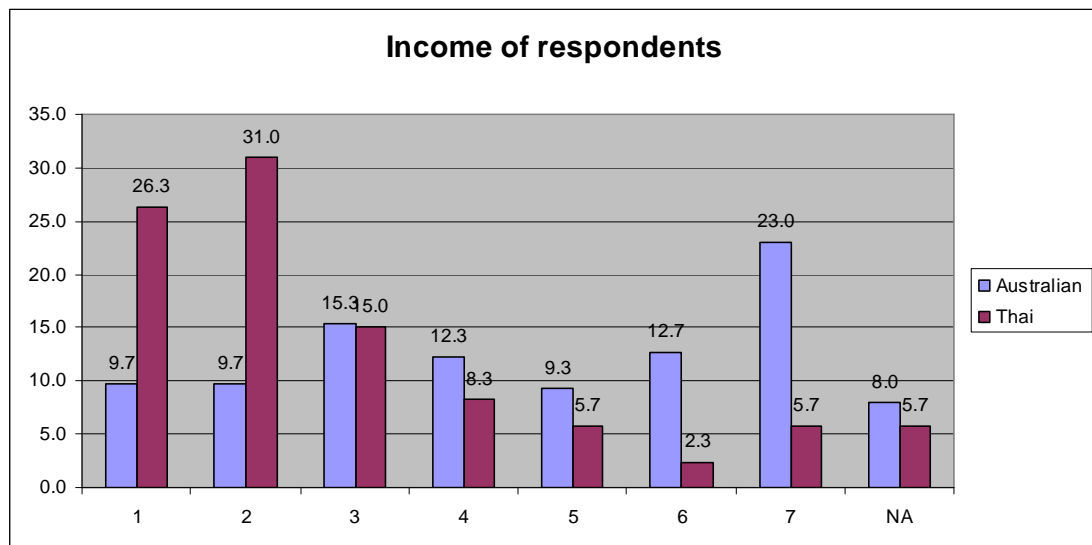
1 = 15 – 24 years old; 2 = 25 – 34 years old; 3 = 35 – 44 years old  
 4 = 45 – 54 years old; 5 = 55 – 64 years old; 6 = More than 64 years old

The majority of Australian respondents (84%) are of working age (between 25 – 60 years old) with a slight over representation of young adults (64.7%) that are between

20 – 40 years of age. This pattern is consistent with data reported by the Tourism Authority of Thailand (TAT 2006) that found that the majority of international tourists arriving on Samui Island during 2005 (population) were of working age with a slight over representation of young adults (64.6%). This indicates that the sample of the present study is representative of the population in regard to age.

Similar to the Australian respondents, the majority of Thai respondents included in the present study (96%) are in the working age group (between 20 – 60 years old) with a slight over representation of young adults (72.3%). It can be observed that the pattern of age distribution of the Thai sample is also consistent with the general age distribution of Thai tourists, who arrived at Samui Island during 2005 where the majority of tourists (75.03%) were in the workforce with a slight over representation of young adults (62.76%). This indicates that the sample included in the present study is representative of the Thai tourist population of Samui Island during 2005) relative to age.

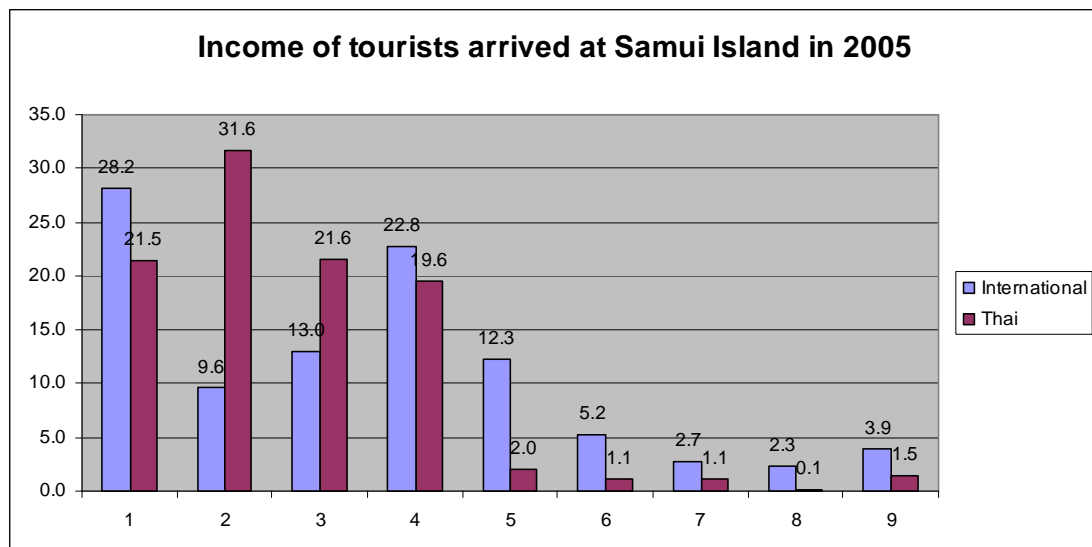
### 6.2.3 Levels of income



**Figure 6.5: Income of respondents**

Source: Data analysis (2008)

- 1= Less than AUD\$10,000 per year      2=AUD\$10,001-AUD\$20,000 per year  
 3= AUD\$20,001-AUD\$30,000 per year      4=AUD\$30,001-AUD\$40,000 per year  
 5= AUD\$40,001-AUD\$50,000 per year      6=AUD\$50,001-AUD\$60,000 per year  
 7= More than AUD\$60,000 per year      NA = Missing data



**Figure 6.6: Income of tourists arrived at Samui Island in 2005**

Source: Tourism Authority of Thailand (2006)

- 1 = No income; 2 = Less than AUD\$4,000; 3 = AUD\$4,000.4 – AUD\$6,000  
 4 = AUD\$6,000.4 – AUD\$12,000; 5 = AUD\$12,000.4 – AUD\$18,000  
 6 = AUD\$18,000.4 – AUD\$24,000; 7 = AUD\$24,000.4 – AUD\$30,000  
 8 = AUD\$30,000.4 – AUD\$36,000; 9 = More than AUD\$36,000

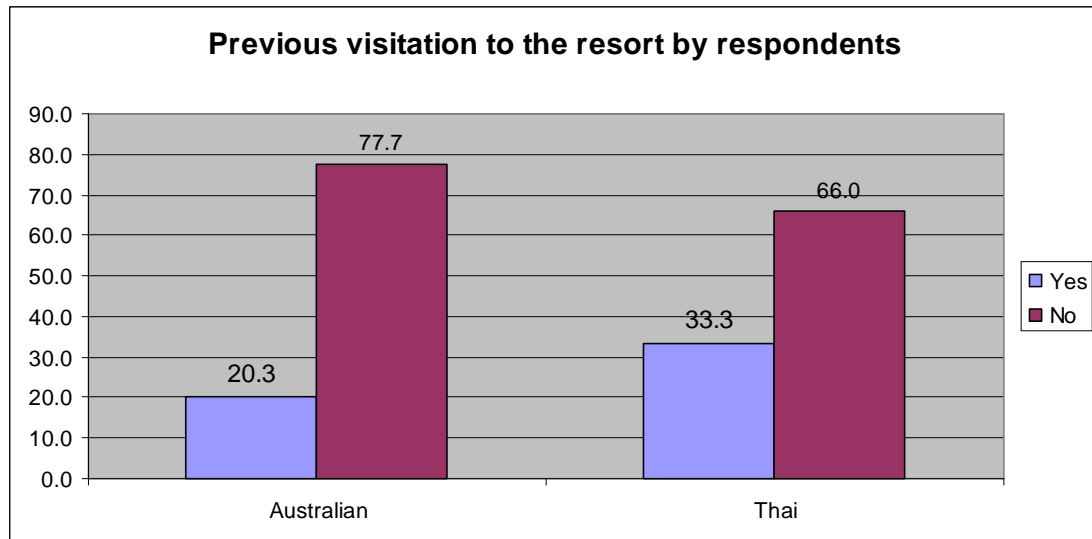


It can be noted that more than half of the Australian respondents earn more than AUD\$30,000 (57.3%) while only 6.7% of international tourist arrivals on Samui Island during 2005 earn this level of income. There are three reasons for this. Firstly, data collection for the present study was conducted during the peak period on Samui Island (January – February). At this time of year, prices for accommodation are more expensive than during the rest of the year. This could have prevented lower-income tourists, who have a limited budget, from holidaying at Samui Island during the data collection period. Secondly, Australian respondents are likely to be those who have higher income compare to other Australian tourists due to the fact that the majority of these respondents are willing to pay more for their accommodation (more than 60% of Australian respondents reported to have stayed at the resort rated as three stars or more). Finally, over representation of low income tourists might also be attributed to the fact that the data from the TAT does not only consist of Australian tourists but also consists of other international tourists including those who come from countries with lower income levels than Australia, such as Malaysia and China. A report on the number of Australian tourist arrivals on Samui Island by level of income is not available. Furthermore, it is possible that short-haul tourists incur less cost and have a higher propensity to travel shorter distances because of a lower income.

In contrast to Australian respondents, the majority of Thai respondents (73.2%) earn less than AUD\$30,000 (though the majority of Thai respondents are also reported to stay at the resort rated as three stars or more). The overall income level of Thai respondents (sample) is higher than for Thai tourists arriving on Samui Island during 2005 (population). As discussed previously, the most likely reason is because the data collection for the present study is conducted during peak season when the price of

accommodation increases dramatically. This in turn makes it more difficult for Thai tourists with lower income levels to be able to holiday at Samui Island during that period.

#### 6.2.4 Previous visitation to the resort



**Figure 6.7:** Previous visitation to the resort by respondents  
**Source:** Data analysis (2008)

Most Australian respondents were first time visitors to their resort destination (77.7%) with only 20.3% stating that they were repeat visitors. Similar to Australian tourists, the majority of Thai tourists are also first time visitors to the resorts at which they were holidaying when surveyed (66%) with only 33.3% stating that they are repeat visitors (see Figure 6.7).

In summary, it can be noted that the profile of Australian respondents and Thai respondents is similar in regard to gender and age. However, Australian respondents earn more income than Thai respondents. In the next section, the means and standard deviations of the responses for each question on the questionnaire are presented.

### 6.3 Means and standard deviations

In this section, mean scores and standard deviations are presented to identify the pattern of responses from the Australian and Thai respondents as well as identify any differences between those groups (see Table 6.1).

**Table 6.1:** Comparison of means and standard deviations

Measurement items	Mean		Std. Deviation		Skewness	
	Australian	Thai	Australian	Thai	Australian	Thai
Losing friendly relationship	4.2	3.5	1.8	2.0	-0.4	0.2
A hassle	3.8	4.1	1.8	1.9	-0.1	0.0
Wasting time	3.8	4.1	1.8	1.9	-0.1	-0.1
A risk	4.6	4.6	1.8	1.8	-0.5	-0.5
A need for adjustment	3.6	3.9	1.9	1.9	0.0	0.0
A need to explain	3.5	3.9	1.9	1.9	0.2	0.0
Highest service	5.4	5.2	1.4	1.6	-0.8	-0.8
Discounts or special deals	3.3	4.1	2.0	1.9	0.3	-0.2
Higher priority	3.3	4.1	2.0	1.8	0.2	-0.2
Customisation	3.6	4.6	1.9	1.6	0.0	-0.4
Faster service	3.3	4.3	1.9	1.7	0.3	-0.2
Treated as friend	4.2	4.5	1.9	1.8	-0.4	-0.4
Attention to needs	4.7	5.0	1.8	1.6	-0.6	-0.6
Developed friendship	4.6	4.9	1.8	1.6	-0.6	-0.5
Less risk	4.8	5.1	1.4	1.4	-0.3	-0.5
More confidence	5.1	5.4	1.4	1.4	-0.4	-0.7
Less anxiety	4.9	5.4	1.6	1.4	-0.6	-0.9
Know what to expect	5.3	5.1	1.4	1.5	-0.8	-0.6
Information can be trusted	5.7	5.5	1.2	1.3	-0.9	-0.6
Inform if service fails	5.5	5.5	1.3	1.3	-0.8	-0.7
Fulfil promises	5.8	5.6	1.3	1.3	-1.2	-0.6
Problem are important to staff	5.6	5.5	1.3	1.4	-0.8	-0.8
Express opinions	5.0	4.6	1.5	1.7	-0.5	-0.4
Alteration of facts	3.8	5.3	1.9	1.3	-0.1	-0.4
Break promises	3.6	5.2	2.1	1.4	0.1	-0.6
Trustworthiness	5.9	5.5	1.2	1.3	-1.2	-0.7
Integrity	5.8	5.5	1.2	1.3	-0.8	-0.6
Service quality	5.2	5.2	1.5	1.5	-0.6	-0.6
Value for money	5.4	5.3	1.5	1.5	-0.8	-0.7
Feel committed	4.8	4.7	1.6	1.6	-0.5	-0.4
Relationship is important	4.6	5.0	1.7	1.5	-0.4	-0.5
Wish to retain	4.8	5.0	1.7	1.6	-0.5	-0.6
Proud to tell others	5.1	5.1	1.7	1.7	-0.6	-0.7
Being patient	5.7	4.9	1.3	1.6	-1.2	-0.5
Recommend resort	5.6	5.3	1.5	1.5	-1.0	-0.9
First choice	5.2	5.3	1.7	1.6	-0.8	-0.8
Loyal patron	4.4	4.3	1.9	2.0	-0.3	-0.3
Definitely go back	5.0	4.8	1.8	1.8	-0.7	-0.5

Source: Data analysis (2008)

The results of this section suggest that there are some similarities between Australians and Thais in terms of the patterns of mean scores within the same concept, such as trust. However, differences between Australians and Thais are also found in many variables across every concept. Since some differences between Australians and Thais on each variable vary from variable to variable, there is a need to identify whether the differences found in this section are statistically significant. According to the skewness values presented in the tables throughout this section, it can be noted that the data for the present study is not normally distributed (skewness  $\neq 0$ ). Therefore, it is not appropriate to use a parametric test for comparative analysis of variables without a data transformation. In order to simplify the analysis, an alternative non-parametric Mann-Whitney U test is used in the following section. The Mann-Whitney U test is the most powerful test for comparing variables based on mean rankings and does not require a normal distribution for the variables analysed.

## **6.4 Mann-Whitney U test**

This section identifies significant differences between the Australian and Thai respondents. The Mann-Whitney U test has been used to test the first nine research propositions. These propositions relate to research question one (RQ1): *Do Australian and Thai tourists have similar host-guest experiences during their holiday?*

### **6.4.1 Termination costs**

The significant differences between Australian tourists and Thai tourists in this section (at  $p < 0.05$ ) were noted in: (1) I will lose a friendly and comfortable relationship if I change holiday resorts and (2) If I change holiday resort, I will have to spend a lot of time explaining my needs to the staff. Consequently, the proposition (i): *Under the same circumstances, Australian and Thai Tourists are likely to*

*experience different levels of termination costs* was supported. It can be noted that the Australian and Thai respondents are statistically different on only two out of six variables in this section. Australians have more concern about losing a friendly and comfortable relationship if they change holiday resorts than Thais. However, Thais have more concern than Australians about having to spend a lot of time explaining their needs to the staff if they change holiday resorts.

**Table 6.2:**

The Mann-Whitney U Test  
of the significant differences in level of termination costs  
between Australian tourists and Thai tourists

Variables	Nationality	N	Skewness	Mean	Std. Deviation	z-test	Sig. (2-tailed)
I will lose a friendly and comfortable relationship if I change holiday resorts.	Australian	300	-0.359	4.2	1.8	-4.679	0.000
	Thai	299	0.191	3.5	2.0		
In general it would be a hassle changing holiday resorts.	Australian	298	-0.127	3.8	1.8	-1.600	0.11
	Thai	300	-0.02	4.1	1.9		
I will waste a lot of time if I change holiday resort.	Australian	298	-0.102	3.8	1.8	-1.738	0.082
	Thai	300	-0.063	4.1	1.9		
If I change the holiday resorts, there is a risk that the new resort/staff won't be as good.	Australian	299	-0.537	4.6	1.8	-0.322	0.748
	Thai	300	-0.474	4.7	1.8		
It take me a great deal of time and effort to get used to a new holiday resort.	Australian	300	0.024	3.6	1.9	-1.677	0.094
	Thai	300	0.04	3.9	1.9		
If I change holiday resort, I will have to spend a lot of time explaining my needs to the staff.	Australian	300	0.153	3.5	1.9	-2.638	0.008
	Thai	300	-0.03	3.9	1.9		

**Source:** Data analysis (2008)

Higher mean scores on 'losing friendly relationship' from the Australian data indicates that Australians are more concerned about losing friendly and comfortable

relationships if they change holiday resorts. There are several possible reasons for this, Australians may be more likely to develop a friendly relationship with service staff during a service encounter than their Thai counterpart. This could be because Australians come from a low-power distance and informal society. In Australian society, the attitude 'I am the boss ... I am paying you aren't I' is typically not acceptable (Sharp 1992, p.108). Relationships between Australians at all levels of society are informal, and therefore they are likely to behave in an easy-going approachable manner when interacting with service providers. This, in turn, will encourage resort employees to loosen up and to develop a friendly relationship with them.

In contrast to the practices prevalent in Australian society, Thai society is underpinned by a high-power distance and a formal culture where a guest is likely to behave in a manner that reflects their perceptions of their position in society during a service encounter. As a result, they are less likely to develop a friendly relationship with service staff. Higher mean scores on 'a need to explain' from the Thai data indicates that Thais are more concerned than Australians about spending a lot of time explaining their needs to the staff at new holiday resorts.

## **6.4.2 Relationship benefits**

### *6.4.2.1 Special treatment benefits*

The significant differences between Australian tourists and Thai tourists in this section (at  $p < 0.05$ ) were noted in: (1) I get discounts or special deals that most guests don't get, (2) I am placed higher on the priority list when there is a list, (3) The resort uses information from my prior stay to customise services for me, (4) I get faster service than most guests. Consequently, the proposition (ii): *Under the same*

circumstances, Australian and Thai tourists are likely to experience different levels of special treatment benefits was supported.

**Table 6.3:**

The Mann-Whitney U Test  
of the significant differences in level of special treatment benefit  
between Australian tourists and Thai tourists

Variables	Nationality	N	Skewness	Mean	Std. Deviation	z-test	Sig. (2-tailed)
I get the resort's highest level of service.	Australian	298	-0.843	5.4	1.4	-1.203	0.229
	Thai	299	-0.764	5.2	1.6		
I get discounts or special deals that most guests don't get.	Australian	298	0.258	3.3	2.0	-5.42	0.000
	Thai	300	-0.176	4.1	1.9		
I am placed higher on the priority list when there is a list.	Australian	293	0.161	3.4	2.0	-4.574	0.000
	Thai	299	-0.190	4.1	1.8		
The resort uses information from my prior stay to customize services for me.	Australian	279	0.009	3.6	2.0	-5.878	0.000
	Thai	296	-0.406	4.6	1.6		
I get faster service than most guests.	Australian	292	0.260	3.3	2.0	-6.113	0.000
	Thai	295	-0.249	4.3	1.8		

Source: Data analysis (2008)

It is notable that Australians are statistically different than Thais across most aspects of special treatment benefits (except 'I get the resort's highest level of service'). The mean scores show that apart from getting the resort's highest level of service, Australians feel that they receive special treatment benefits less often than their Thai counterparts. One of the reasons could be that Thai people come from a high-power distance and collectivist society, where an in-group or powerful member is expected to be treated differently to others. In Thai society where the culture is characterised by collectivism and high-power distance, it is common practice to take care of a regular

guest before any other guests, regardless of where they are in the queue (faster service).

A good example of the practice used by a service provider in a collectivist and high-power distance society is provided by Warden et al. (1999):

‘... there are no signs or other written policies stating that more important customers will be served ahead of less important customers. These restaurants also follow a first-come-first-served policy, but such a policy is necessarily influenced by the power distance characteristics of the culture the restaurant functions with in, resulting in more important customers being served, or expecting to be served, ahead of less important customers irregardless [sig.] of arrival time’ (p.447)

These types of cultural distinction are evident in Thailand where many people accept such practices. Even if they feel that it is unacceptable for someone to jump the queue, they are inclined to accept the practice in order to maintain harmony. On the other hand, Thai people who are powerful or have a special relationship with service providers, rarely hesitate to take full advantage of their relationship by insisting on faster or special services. This is not acceptable in Australian society, because Australians feel that everyone should be treated in an equal manner and expect people to be dealt with on a first-come, first-served, basis. They are likely to become very frustrated if other people jump the queue (monochronic) and are likely to confront those people without fear of losing face (low uncertainty avoidance).

#### *6.4.2.2 Social benefits*

There are no significant differences between Australian and Thai respondents on the level of social benefits (at  $p < 0.05$ ). It can be noted that although there are some differences between Australian and Thai respondents regarding the level of social



benefits received during a service encounter, differences were found to be statistically significant. This indicates that Australians and Thais receive the same level of social benefits from their service providers (see Table 6.4). Consequently, the proposition (iii): *Under the same circumstances, Australian and Thai tourists are likely to experience different levels of social benefits* was not supported.

**Table 6.4:**

The Mann-Whitney U Test  
of the significant differences in level of social benefits  
between Australian tourists and Thai tourists

Variables	Nationality	N	Skewness	Mean	Std. Deviation	z-test	Sig. (2-tailed)
The staffs here are more likely to treat me as a personal friend.	Australian	299	-0.358	4.2	1.9	-1.781	0.075
	Thai	297	-0.368	4.5	1.8		
The staff here will pay attention to my special needs.	Australian	300	-0.615	4.7	1.8	-1.476	0.140
	Thai	299	-0.613	5.0	1.6		
I have developed a friendship with service staff.	Australian	299	-0.594	4.6	1.8	-1.779	0.075
	Thai	299	-0.527	4.9	1.6		

**Source:** Data analysis (2008)

#### 6.4.2.3 Confidence benefits

The significant differences between Australian and Thai tourists in this section (at  $p < 0.05$ ) are noted in: (1) I believe there is less risk that something will go wrong, (2) I have more confidence the service will be performed correctly and (3) I have less anxiety when I stay here. Consequently, the proposition (iv): *Under the same circumstances, Australian and Thai tourists are likely to experience different levels of confidence benefits* was supported.

**Table 6.5:**

The Mann-Whitney U Test  
of the significant differences in level of confidence benefits  
between Australian tourists and Thai tourists

Variables	Nationality	N	Skewness	Mean	Std. Deviation	z-test	Sig. (2-tailed)
I believe there is less risk that something will go wrong.	Australian	298	-0.340	4.8	1.4	- 2.847	0.004
	Thai	300	-0.518	5.1	1.4		
I have more confidence the service will be performed correctly.	Australian	297	-0.377	5.1	1.4	- 3.163	0.002
	Thai	300	-0.688	5.4	1.4		
I have less anxiety when I stay here.	Australian	297	-0.597	4.9	1.6	- 3.859	0.000
	Thai	299	-0.900	5.4	1.4		
I know what to expect when I stay here.	Australian	297	-0.751	5.4	1.4	- 1.587	0.112
	Thai	298	-0.598	5.1	1.5		

**Source:** Data analysis (2008)

It can be noted that there are statistically significant differences between Australian and Thai respondents across most aspects of confident benefits scores (except 'I know what to expect when I stay here'). The higher mean scores from Thai respondents indicate that they receive higher levels of confidence benefits than their Australian counterparts. One possible explanation as to why Thais have higher mean scores on most variables regarding confidence benefits, could be that they are dealing with a regional service provider, who is more familiar and possibly more accountable to them.

### 6.4.3 Communication

**Table 6.6:**

The Mann-Whitney U Test  
of the significant differences in level of communication  
between Australian tourists and Thai tourists

Variables	Nationality	N	Skewness	Mean	Std. Deviation	z-test	Sig. (2-tailed)
The holiday resort provides information that can be trusted.	Australian	300	-0.876	5.7	1.2	-2.246	0.025
	Thai	298	-0.572	5.5	1.3		
The holiday resort provides information if service delivery problems occur.	Australian	295	-0.761	5.5	1.3	-0.713	0.476
	Thai	298	-0.709	5.5	1.4		
The holiday resort fulfills promises to guests.	Australian	300	-1.183	5.8	1.3	-2.113	0.035
	Thai	299	-0.614	5.6	1.3		
Service staffs communicate the attitude that my problems are important to them.	Australian	296	-0.802	5.6	1.3	-0.066	0.947
	Thai	300	-0.847	5.5	1.4		
The staff/management and I communicate and express our opinions to each other frequently.	Australian	297	-0.482	5.0	1.5	-2.669	0.008
	Thai	298	-0.400	4.6	1.7		

**Source:** Data analysis (2008)

The significant differences between Australian and Thai tourists in this section (at  $p < 0.05$ ) are noted in: (1) The holiday resort provides information that can be trusted, (2) The holiday resort fulfills promises to guests and (3) The staff/management and I communicate and express our opinions to each other frequently. Consequently, the proposition (v): *Under the same circumstances, Australian and Thai tourists are likely to experience different levels of communication with service providers* was supported. It can be noted that Australians are statistically different from Thais on three out of five variables in this section. Higher mean scores from Australian respondents on all three variables indicate that Australians feel that they have higher levels of communication than Thais.

These differences could be caused by cultural differences between Australians and Thais (including good/evil/mixed and high/low power distance dimensions). Australians feel more than is the case with Thais that the information provided by service staff can be trusted. Again, as discussed earlier in section 6.4.3, it could be that Thais come from a society where people are encouraged to remain suspicious towards new people (as people can be born either good or bad), and especially towards service staff who are commonly perceived to have a lower social status than guests (high power distance). Moreover, Australians feel that staff fulfill promises to them more than is the case with Thais because it is possible that they have lower expectations of service staff, and are likely to attribute cultural misunderstanding to any failure in fulfilling promises. This could also be reflective of their culture where people are commonly perceived as good until it is proven otherwise (good/evil/mixed dimension). Furthermore, Australians may feel that they communicate their opinions with service staff more than is the case with Thais, because they come from a low-power distance society, where two way communication between a guest and service staff is likely to occur more frequently.

Thai culture is characterised by high-power distance values where superiors are encouraged to behave in a manner that displays their power as much as they can. Therefore, the flow of communication between Thai guests and service staff is commonly one way. Australian culture, on the other hand, is shaped by low-power distance where the gap between superior (a guest) and subordinate (a service staff) is very small. Australian guests commonly ‘... try to look less powerful than they are ...’ (Hofstede 1980, p.46) and thus become more approachable to service staff. Australians commonly initiate a conversation with service staff during a service

encounter, which in turn fosters relationship development. Moreover, it could be assumed that the duration of the communication between Thai guests and service providers is expected to be relatively short. This explanation has been supported by the work of Reisinger (1997) who found that the majority of Asian tourists (approximately 70%) spend five or less than five minutes talking to service providers.

#### 6.4.4 Opportunistic behaviours

The significant differences between Australian tourists and Thai tourists in this section (at  $p < 0.05$ ) were noted in: (1) Sometimes, the service staff will have to alter the facts slightly in order to get what they need from the guests and (2) The service staff sometimes promise to do things without actually doing them later. Consequently, the proposition (vi): *Under the same circumstances, Australian and Thai tourists are likely to experience different levels of opportunistic behaviours engaged by the service staff* was supported.

**Table 6.7:**

The Mann-Whitney U Test  
of the significant differences in level of opportunistic behaviours  
between Australian tourists and Thai tourists

Variables	Nationality	N	Skewness	Mean	Std. Deviation	z-test	Sig. (2-tailed)
Sometimes, the service staff will have to alter the facts slight in order to get what they need from the guests.	Australian	296	-0.069	3.8	2.0	-9.261	0.000
	Thai	299	-0.445	5.3	1.4		
The service staff sometimes promised to do things without actually doing them later.	Australian	295	0.106	3.6	2.1	-9.451	0.000
	Thai	298	-0.643	5.2	1.4		

**Source:** Data analysis (2008)

It can be noted that Australians are statistically different from Thais on both variables in this section. The higher mean scores from Thai respondents indicate that Thais feel that service staff engage in opportunistic behaviour more than is the case with

Australian respondents. This could be because Australians are usually encouraged to be optimistic towards others (good/evil/mixed dimension), and are likely to blame deficient language skills or cultural misunderstanding when staff alter the facts or fail to keep promises. This finding is consistent with the study of Stauss and Mang (1999) where they claim that ‘... [international customers] may identify the cultural difference as an underlying reason, and may attribute the failure partly to himself/herself’ (Stauss & Mang 1999, p.340). However, service providers are advised to avoid engaging in opportunistic behaviour as much as they can because cultural misunderstanding can only be used as an explanation of service failure for a limited time. According to Stauss and Mang (1999), ‘the more the foreign customer becomes a regular customer, the more he/she will be convinced that the service provider now know his/her expectations and neglects them intentionally’ (p.341).

#### **6.4.5 Trust**

The significant differences between Australian and Thai tourists in this section (at  $p < 0.05$ ) were noted in: (1) The staff can be trusted at all times and (2) The staff have high integrity. Consequently, the proposition (vii): *Under the same circumstances, Australian and Thai tourists are likely to experience different levels of trust toward service providers* was supported. It can be noted that Australian and Thai respondents are found to be statistically different on trustworthiness and integrity but not service quality and value for money. The results show that Australians have higher mean scores than Thais on both variables, indicating that they trust their service providers more than is the case with Thai respondents. This result is quite different from the findings of Armstrong and Yee (2001) who found that buyers are likely to trust sellers more with whom they perceive a cultural similarity. Although Thai service providers

are likely to have more cultural similarity with Thai guests than with Australians guests, there are certain cultural values that prevent Thai guests from trusting their Thai service providers.

**Table 6.8:**

The Mann-Whitney U Test  
of the significant differences in level of trust  
between Australian tourists and Thai tourists

Variables	Nationality	N	Skewness	Mean	Std. Deviation	z-test	Sig. (2-tailed)
The staff can be trusted at all time.	Australian	299	-1.215	5.9	1.2	-3.608	0.000
	Thai	299	-0.663	5.5	1.4		
The staff have high integrity.	Australian	299	-0.794	5.8	1.2	-2.250	0.024
	Thai	300	-0.648	5.5	1.3		
The service quality always meets my expectations.	Australian	297	-0.619	5.2	1.5	-0.434	0.664
	Thai	297	-0.609	5.2	1.5		
The service quality at this resort is worth the money.	Australian	298	-0.85	5.4	1.5	-0.945	0.345
	Thai	297	-0.716	5.3	1.5		

**Source:** Data analysis (2008)

Firstly, unlike their Australian counterparts who come from a society where people are commonly perceived as good, until it is proven otherwise, Thai guests come from a culture that encourages people to think that people are either born good or bad. Therefore Thai providers should not be trusted unless they provide evidence to the contrary. Since the majority of respondents are first time visitors (see Section 6.2.4), it is not surprising that Thai guests seem to be more cautious towards their new service providers, while Australians have a positive perception towards them. Secondly, Thai guests come from a high power distance society where people are discouraged to trust those who have lower status. Since Thai guests commonly perceive service staff to

have lower status, they are less likely to trust such staff. Thirdly, Thais (collectivists) usually find it more difficult to trust someone who is not a family member or friend, especially those whom they have just met. Consequently, they are likely to perceive service providers as an out-group, and therefore find it difficult to trust them during their first or second visit. This explanation is supported by the work of Huff and Kelly (2003), who found that people from individualist societies have a higher propensity to trust an out-group member than those from collectivist societies. However, it should be noted that the development of trust between service providers and Thai guests is possible, but it may take more time and effort than the development of trust between service providers and Australian guests (Shaffer & O'Hara 1995).

#### **6.4.6 Commitment**

The significant differences between Australian tourists and Thai tourists in this section (at  $p < 0.05$ ) are noted in: (1) The relationship is important for me to maintain and (2) I am patient with the staff at this resort if they make a mistake. Consequently, the proposition (viii): *Under the same circumstances, Australian and Thai tourists are likely to experience different levels of commitment towards service providers* was supported.

It can be noted that Australians are statistically different from Thais in the case of two out of five variables. On the one hand, Thais feel that the relationship is more important for them to maintain, than Australians. This may be because they come from a collectivist society where people value relationships more than those who come from individualist societies. On the other hand, Australians feel that they are likely to be more patient with the staff at the resort if they make a mistake than is the



case with Thai respondents. According to Hofstede (1980), people from a low-power distance society such as Australia are likely to blame the system, rather than a person when something goes wrong, whilst people from a high-power distance society (Thailand) commonly blame a person rather than the system, especially those who are less powerful than themselves.

**Table 6.9:**

The Mann-Whitney U Test  
of the significant differences in level of commitment  
between Australian tourists and Thai tourists

Variables	Nationality	N	Skewness	Mean	Std. Deviation	z-test	Sig. (2-tailed)
I am committed to my relationship with this holiday resort.	Australian	299	-0.581	4.8	1.7	-1.002	0.317
	Thai	300	-0.427	4.7	1.6		
The relationship is important for me to maintain.	Australian	299	-0.431	4.6	1.7	-2.219	0.026
	Thai	300	-0.493	5.0	1.5		
I wish to retain my relationship with this holiday resort.	Australian	300	-0.466	4.8	1.7	-1.707	0.088
	Thai	298	-0.598	5.0	1.6		
I am proud to tell others that I am a regular guest of this holiday resort.	Australian	298	-0.638	5.1	1.7	-0.173	0.863
	Thai	299	-0.723	5.1	1.7		
I am patient with the staff at this resort if they make a mistake.	Australian	300	-1.154	5.7	1.3	-6.622	0.000
	Thai	298	-0.506	4.9	1.6		

Source: Data analysis (2008)

#### 6.4.7 Customer loyalty

The significant difference between Australian tourists and Thai tourists in this section (at  $p < 0.05$ ) was noted in: I would recommend this holiday resort to someone who seeks my advice. Consequently, the proposition (ix): *Under the same circumstances,*

*Australian and Thai tourists are likely to experience different levels of customer loyalty towards service providers* was supported.

The higher mean score from Australians suggests that Australians feel that they would recommend the holiday resort to someone who seeks their advice more than Thais. The statistically significant difference between Australian and Thai respondents on one out of four variables indicates there are not many differences between Australians and Thais, in terms of the level of loyalty towards their service provider, regardless of the different level of mean scores found in the determinants of customer loyalty, presented in the previous sections.

**Table 6.10:**

The Mann-Whitney U Test  
of the significant differences in level of loyalty  
between Australian tourists and Thai tourists

Variables	Nationality	N	Skewness	Mean	Std. Deviation	z-test	Sig. (2-tailed)
I would recommend this holiday resort to someone who seeks my advice.	Australian	299	-1.006	5.6	1.5	-2.619	0.009
	Thai	299	-0.893	5.3	1.5		
I would consider this holiday resort my first choice, if I were going back to Samui Island.	Australian	300	-0.790	5.2	1.7	-0.052	0.959
	Thai	297	-0.794	5.3	1.6		
I am a loyal patron of this holiday resort.	Australian	297	-0.266	4.4	1.9	-0.131	0.896
	Thai	297	-0.347	4.3	2.0		
If I were going to Samui Island next time, I would definitely go back to this holiday resort.	Australian	300	-0.658	5.0	1.8	-1.718	0.086
	Thai	299	-0.529	4.8	1.8		

Source: Data analysis (2008)

## 6.5 Summary

The frequency of the respondents' profiles (section 6.1) indicates that both Australian and Thai samples are representative of total tourist populations in regard to gender

and age. Most respondents included in the present investigation have higher incomes than the average income of tourists who arrived on Samui Island, which could be because the data was collected during the peak period on the island, where the price of accommodation increases dramatically, compared to the rest of the year. It can be observed that most of the respondents are first time visitors.

The comparison of mean scores (section 6.2) indicates that there are differences between Australian and Thai respondents across every concept. The results of the Mann-Whitney U test (section 6.3) suggest some differences identified by the comparison of the mean scores are not statistically significant, however, it is confirmed that there are differences between Australian and Thai respondents on at least one variable across every concept.

It can be noted that although there are differences between Australian and Thai respondents across most antecedents of loyalty, all respondents report a similar level of loyalty (the significant difference between the two groups of respondents is found on only one out of four variables). As a result, it is questionable that Australian and Thai respondents might perceive the importance of each antecedent of loyalty differently. In the next chapter, inferential analysis will be conducted in order to find out if each antecedent has the same impact on loyalty for Australian and Thai respondents.

## **Chapter Seven**

### **Principal Component Analysis**

#### **7.1 Introduction**

In the previous chapter, respondents' profiles were summarised and responses from both groups of respondents were compared. The results of this between group-comparison confirm that the influence of the antecedents of trust and commitment are different for Australian and Thai tourists. However, it is notable that the level of loyalty that both groups of respondents feel towards their resort operators is broadly similar. Therefore, it is not the level of loyalty, but the importance of each antecedent of loyalty that is distinguished between Australian and Thai respondents. This is a significant finding because it identifies the importance of providing a deeper understanding of the factors that inspire customer loyalty, among each group, in order for resort operators to fashion their service provision in a manner that will lead to full commitment.

There are two possible multivariate methods, which can be used to identify the importance of each antecedent in predicting the changes on the levels of trust and commitment. These are multiple regression and principal component analysis. Although multiple regression analysis commonly assists in predicting dependent variables based on independent variables, it is not used here because it does not recognise the likely interrelationship between the independent variables, which forms an important assumption of the present analysis. This is because each variable included in the questionnaire represents a particular antecedent, and these variables are interrelated to each other variables to some degree. It is highly likely that there is an

interrelationship between the variables that comprise the same antecedent. Moreover, it is not uncommon to find that some measurement items (variables) of one antecedent will be related to those that of another antecedent. Therefore, it is important for the multivariate analysis used in this investigation to explore the interrelationships among those variables. It may be argued that principal component analysis (PCA) is the most suitable method for several reasons. It is commonly used to analyse interrelationships between variables. Moreover, it also identifies the importance of each group (factor) in explaining the variation between variables. PCA does not make as many assumptions about the data as multiple regression, and is capable of creating new summary variables from a larger number of variables. Consequently, principal component analysis was used to test the second set of research propositions. These propositions relate to research question two (RQ2) which was presented as follows:

*Do each of the five antecedents have a similar impact on the development of successful host-guest relationships (characterised by high levels of trust and commitment) for both Australian and Thai tourists?*

There are two major rotational techniques when conducting principal component analysis - oblique factor rotation and orthogonal factor rotation. According to Hair, Anderson and Tatham (1998), these two rotation techniques serve different research objectives and thus a clear research objective needs to be identified before selecting a particular rotational technique. Oblique factor rotation is suitable for research that aims to maximise the number of meaningful factors or constructs, while orthogonal factor rotation is more appropriate for research aiming to maximise the difference between the derived construct. Since the ultimate goal of this chapter is to classify each measurement variable into a smaller set of factors, so that the importance of each

factor in predicting trust and commitment can be best identified, orthogonal factor rotation is the most suitable technique for this study. Specifically, the varimax approach is used to achieve the maximum possible simplification of the columns of the factor matrices, that is, to maximise the variance of the factor loadings in this way the analysis will maximise the separation between the factors.

## **7.2 Principal component analysis of determinants of relationship quality**

Analysis focused upon the 25 variables representing the four hypothesised antecedents of trust and commitment: termination cost, relationship benefit, communication and opportunistic behaviour. This section aims to classify these variables into groups (factors) in order to see if these variables belong to the same group for both Australians and Thais and to allow for a clearer understanding of the differences between the cultural groupings.

### **7.2.1 Australian sample**

The Kaiser-Meyer-Olkin value of 0.909 exceeds the recommended value of 0.6, and Bartlett's Test of Sphericity is statistically significant. This shows that there is a high degree of interrelationship among the variables within the Australian sample. The unrotated factor solution extracted five factors with eigenvalues greater than one. According to Table 6.1, these five factors account for 71.4% of the explained variance with the first factor explaining 37%.

**Table 7.1:** Result of the unrotated factor extraction from the 25 variables representing four antecedents of trust and commitment in the Australian sample

Factor	Eigenvalues	Percentage of Variance	Cumulative Percentage
1	9.260728	37.0	37.0
2	4.417133	17.7	54.7
3	1.55845	6.2	60.9
4	1.509567	6.0	67.0
5	1.106647	4.4	71.4

**Source:** Data analysis (2008)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = 0.909

Bartlett's Test of Sphericity = 4860.593, Significance = 0.000

The pattern loadings, factor structure and factor interpretation are shown in Table 7.2.

The dimensions were defined by the variables with significant factor loadings of 0.6 and above. Reliability tests on each of the factors indicate Cronbach's Alpha coefficients above 0.76. This means that the four-factor solution for the 23 variables can be accepted (some of the initial scale items are not included in the final result because their loading values are below 0.6).

**Table 7.2:** Result of varimax rotated factor matrix in the Australian sample for the 25 variables representing four antecedents of trust and commitment

<b>Factor One</b>		<b>Factor Three</b>	<b>L.D.</b>
Faster service	0.81	Inform if service fails	0.84
Higher priority	0.77	Problems are important to staff	0.83
Customisation	0.77	Fulfil promises	0.8
Discounts or special deals	0.75	Information can be trusted	0.75
Treated as friend	0.71	Express opinions	0.73
Developed friend	0.64	<i>Reliability Cronbach's Alpha</i>	<i>0.881</i>
<i>Reliability Cronbach's Alpha</i>	<i>0.917</i>	<b>Factor Four</b>	
<b>Factor Two</b>		Less anxiety	0.81
Wasting time	0.82	Less risk	0.8
A hassle	0.8	More confidence	0.76
A risk	0.76	Know what to expect	0.72
A need to adjust	0.71	Reliability Cronbach's Alpha	0.868
A need to explain	0.71	<b>Factor Five</b>	
Losing a friendly relationship	0.61	Alteration of facts	0.85
<i>Reliability Cronbach's Alpha</i>	<i>0.899</i>	Break promises	0.77
		<i>Reliability Cronbach's Alpha</i>	<i>0.764</i>

**Source:** Data analysis (2008)

*LD: Factor Loading*

An inspection of the variables loading significantly on the four factors shows that every factor is very well defined by several variables, except factor five that is defined by only two variables. Although it is very common to eliminate a factor that contains only two variables, it could be argued that only two variables representing opportunistic behaviour are included in the questionnaire. Therefore, this factor should not be eliminated. Consequently, the five-factor solution for the 23 variables in the Australian sample is accepted. The Five factors kept for the purpose of further analysis are:

- **Factor One:** This factor comprises the set of variables used by previous studies (Gwinner, Gremler & Bitner 1998; Patterson & Smith 2001) to measure special treatment benefit and social benefit (two of the three dimensions of relationship benefit).
- **Factor Two:** This factor comprises the set of variables used in previous studies to measure the concept of termination costs.
- **Factor Three:** This factor comprises the set of variables used in previous studies to measure the concept of communication.
- **Factor Four:** This factor comprises the set of variables used in previous studies (Gwinner, Gremler & Bitner 1998; Patterson & Smith 2001) to measure confidence benefit, which is one of three dimensions of relationship benefit.
- **Factor Five:** This factor comprises the set of variables used in previous studies (John 1984) to measure opportunistic behaviour.

The four-factor solution identified in Table 7.2 can be interpreted as follows.



***Factor one:***

This factor is the most important factor for Australians being the first factor drawn out from the set of variables. This indicates that special treatment and social benefits are important to Australians. Chief among the variables listed as important is to get faster service (0.81) followed by to be placed higher on a priority list (0.77), to get customised service (0.77) and to get discounts or special deals (0.75). It is not surprising to see that Australians feel that getting prompt service is the most important variable. One reason is because of their monochronic cultural background where time is perceived to be one of the most valuable resources that could be wasted or made good use of. Consequently, it is common for people from such cultures to place more emphasis on the relationship benefit that can assist them in saving valuable time. Although to be treated as a friend (0.71) and develop friendship (0.64) are also important, they are not as important as the variables with higher correlations. Consequently, Australians place higher emphasis on special treatment benefits than social benefits. This may be a reflection of the instrumental as well as masculine cultural values of Australian culture where people feel that money and possessions are more important than relationship quality. The results from the descriptive analysis (Chapter Six) suggest that Australians do not receive either special treatment benefit or social benefits compared relative to their Thai counterparts.

On the one hand, low levels of special treatment benefits could be because Australian guests fail to ask for these kinds of benefit, during a service encounter. Although Australian society is thought to be underpinned by masculinity, it is also governed by a low power distance value. People in a low power distance society, especially those who are less powerful, feel that everyone should be treated equally. Therefore, they

will be less than happy to see other people receiving special treatment benefits. As with people from many western societies, Australians are not afraid to defend what they think is right, and they are likely to confront other people who try to get a special treatment. Consequently, Australians may feel uncomfortable in themselves to ask, as well as to receive, special treatment benefits in front of other guests. Since the result here shows that special treatment benefits are important to Australians when developing trust and commitment with a resort hotel, resort operators need to initiate the special treatment offer to guests and find a better strategy to provide those special treatment benefits to guests without either involving or disturbing other guests. There are several strategies that could be used in providing special treatment benefits to guests. For example, resort operators could install an express check-in area for regular guests within a private area, allowing these guests can check in more quickly without upsetting other guests. Moreover, resort operators can also increase the perception of special treatment benefits by providing customised service. To do this, resort management need to keep a record of guest preferences. A database where information is easily retrieved would be useful so that preferences can be checked when a guest checks in. In this way, Australian guests can be made to feel special in an attentive and friendly but potentially private way. When checking in, a receptionist might ask if the guest would like ice brought to their room as usual. At restaurants, cashiers may automatically offer a complimentary drink or special discount to a regular guest.

According to the descriptive analysis, the mean scores for social benefits are quite low, which could be explained by high power distance values held by Thai resort staff. The concepts of being treated as a friend and developing friendship are related

and it could be argued that the improvement in skills regarding the development of friendship with guests is likely to enhance the way guests feel about how they are being treated. Apart from the language barrier between Australian guests and Thai resort staff, it could also be argued that Thai resort staff may not have the same perception of how and when to interact with Australian guests. For example, resort staff commonly perceive guests to be superior while perceiving themselves as subordinate. This kind of perception may limit their conversation strictly to service related topics, and only speaking when being spoken to. Australian guests, who expect service staff to initiate conversation, might find Thai resort staff to be too formal and less interesting. Consequently, the development of friendships between Australian guests and Thai staff during a service encounter could be limited. In order to increase levels of social benefits felt by Australian guests, resort operators need to train their service staff to accommodate the Australian cultural approach, so that they know how to interact with Australian guests during service encounters.

### ***Factor Two***

This factor comprises the set of variables used by previous studies to measure the level of termination costs felt by customers. It accounts for 17.7 of the explained variance. Wasting time (0.82) and the hassle of finding an alternative resort (0.80) receive the highest scores. Again, this also reflects the monochronic value in Australian culture where people are likely to avoid time-consuming activities. Although this could present a competitive advantage for many resort hotels, where there are few available alternatives, it could be problematic for resort operators in some areas such as Samui Island where there are many other accommodation options. The results of the descriptive analysis (Chapter Six) suggests that Australians have

only a minimal concerns about time wasting and hassle in relation to finding another resort. This means that finding a new resort neither consumes much time nor involves hassle. Unfortunately, these two variables are greatly influenced by external factors such as an increasing number of resort hotels in the area, and not much can be done to improve this situation in the short term. However, resort operators can concentrate on improving the awareness of the other variables important for the development of trust and commitment (including a risk, a need to adjust, a need to explain and losing a friendly relationship). Several strategies could be used to increase the awareness of these aspects of termination costs that in turn improve the levels of trust and commitment, such as increased service quality and a higher degree of customisation. For example, resort guests who receive an excellent service experience from a resort hotel may be more hesitant to switch to a new resort hotel because they feel that such a decision involves high risk. Moreover, customised service may also increase the guest concerns about needing to adjust and needing to explain at another resort. For example, if a resort operator always fulfils the guests' specific preferences (such as having a bottle of white wine or even a bunch of flowers ready in their room upon arrival) without guests needing to remind them every time they make a reservation, guests are more likely to feel uncomfortable switching to another resort where they have to explain these preferences all over again or adjust to not receiving them. Consequently, the more customised services that are provided during a service encounter, the higher the need for guests to adjust and explain their needs at a new resort hotel. It should be noted that losing a friendly relationship is the least important variable on this factor. Although Australians are easy-going people who make friends everywhere they go, the result here indicates that such relationships provide a lesser contribution to the development of a sustained relationship. Again, this could be

explained by the masculine and instrumental values in Australian culture, where relationships are considered to be less important than money and possessions. Moreover, it could be that Australian guests do not develop friendships with resort operators (as mentioned in the last factor); therefore, they are less likely to feel the loss of a friendly relationship as important. Resort operators should place more emphasis on aspects of termination cost other than developing friendly relationships with guests.

### ***Factor three***

This factor comprises the set of variables used by previous studies to measure quality of communication. Despite the higher mean scores from Australian respondents across almost every variable in this factor as shown in the descriptive analysis (Chapter Six), Australians feel that communication is a less significant contributor of explained variance compared to the previous two factors presented and accounts for only 6.2% of total explained variance. Australians feel that being informed if service fails (0.84) is the most important variable loading on this factor. When service delivery problems occur, it is important for resort operators to inform Australian guests about those problems, so that they know what is happening.

The next most significant variable in this factor is to have staff communicate that a guest's problems are important to them (0.83). This aspect of communication is very similar to the concept of empathy proposed by Parasuraman, Zeithaml and Berry (1988). Once experiencing a problem during a service encounter, Australians like to feel that resort operators are genuinely concerned about their problem. Because Australians come from a low context society, they are likely to be more appreciative

if the service staff explicitly inform the guest about how they feel about the guests' problem, rather than letting guests assume their feeling through the reading of a non-verbal or any implicit message. This is because non-verbal communication is thought to be very culturally specific, which in turn can be interpreted differently by people from different cultural backgrounds (Wolfgang 1984). For example, a smile is globally recognised as a sign of happiness (Keating et al. 1981). However, in Thailand a smile can also be a reflection of various emotions other than happiness such as sadness or a struggle (Holmes & Tangtongtavy 1995). Thai resort staff may simply smile because they feel that the guests' problems are important for them, and they are struggling to solve the guest's problem. Instead of feeling appreciative towards the service staff, Australian guests are likely to perceive the smile as a negative sign showing that resort staff do not take their problem seriously, and therefore they are likely to become upset with the service staff. Consequently, resort operators must pay attention to training their staff to communicate with the positive reactive attitudes when dealing with guests and to not rely on non-verbal signals.

Since Australians put a similar emphasis on having their promises fulfilled (0.80), resort operators should pay similar attention in ensuring that every promise made to the guest is always fulfilled. Consequently, care must be taken when making any promises to guests. A promise that is not achievable should not be made. Moreover, every promise made to guests should be documented in order to avoid any chance that the promise is overlooked.

#### ***Factor Four***

This factor comprises the set of variables used in previous studies to measure levels of confidence benefits that customers feel that they have received during a service encounter. This factor is the second least important to Australians and accounts for only 6.0% of the total explained variance. However, it should be noted that this result is not consistent with previous studies (Gwinner, Gremler & Bitner 1998) where confidence benefit was found to be very important for Western (US) customers. The lower emphasis on confidence benefits amongst Australian guests might arise because they are from a low uncertainty avoidance society. In general, people from a low uncertainty avoidance society commonly take risks, because they are likely to have less anxiety when experiencing the unknown. Consequently, they do not feel the need for such high confidence benefits guests from higher uncertainty avoidance societies. In most cases, Australians are likely to feel that staying in different resort hotels is rather amusing, more than anxiety causing. Resort operators should not rely on a confidence benefit to ensure the development of relationship quality with Australian guests. Australians are likely to be less hesitant to switch to another resort hotel if resort operators have failed to deliver a substantial amount of special treatment and social benefit, built up an awareness of certain termination costs and supplied effective communication.

#### ***Factor Five***

This factor comprises the set of variables used to measure the opportunistic behaviour of staff during service encounters. This factor accounts for 4.4% of total explained variance. As the last factor, it could be argued that it is the least important factor for Australian respondents. It is difficult to tell why this is so. Either staff are never seen

to engage in opportunistic behaviour during a service encounter or Australian guests feel that staff engage in such behaviour because of an acceptable level of cultural misunderstanding. It should be noted that Australian guests felt that alteration of facts (0.85) has more impact on relationship quality than breaking promises (0.77), although both issues register high loadings. Consequently, opportunistic behaviour will stand out most clearly to Australians when facts are altered or promises are broken. So these two issues need to be recognised as important negative behaviour amongst service staff.

### 7.2.2 The Thai sample

The Kaiser-Meyer-Olkin value of 0.928 exceeds the recommended value of 0.6, and Bartlett's Test of Sphericity is statistically significant indicating that there is a high degree of interrelationship among the variables in the Thai sample. The unrotated factor solution extracted four factors with eigenvalues greater than one. According to Table 7.3, these five factors account for 66.5% of the explained variance with the first factor explaining 42.7%.

**Table 7.3:** Result of the unrotated factor extraction from variables representing four antecedents of trust and commitment relational attributes in the Thai sample

Factor	Eigenvalue	Percentage of Variance	Cumulative Percentage
1	10.684836	42.7	42.7
2	3.2030996	12.8	55.6
3	1.4320363	5.7	61.3
4	1.2940183	5.2	66.5

**Source:** Data analysis (2008)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = 0.928

Bartlett's Test of Sphericity = 4956.412, Significance = 0.000

The pattern loadings, factor structure and factor interpretation are shown in Table 7.4.

The dimensions are defined by the variables with significant factor loadings equal to



or above 0.6. Reliability tests on each of the factors indicate Cronbach's Alpha coefficients above 0.87. This means that the four-factor solution for the 22 variables can be accepted (some of the initial scale items are not included in the final result because their loading values are below 0.6).

An inspection of the variables that load significantly on the four factors shows that every factor is well defined by several variables. Consequently, the four-factor solution for the 22 variables in the Thai sample is accepted. The four factors kept for the purposes of further analysis are:

- **Factor One:** This factor comprises the set of variables used by previous studies to measure communication and opportunistic behaviour.
- **Factor Two:** This factor comprises the set of variables used by previous studies (Gwinner, Gremler & Bitner 1998; Patterson & Smith 2001) to measure special treatment benefit and social benefit (two of three dimensions of relationship benefit).
- **Factor Three:** This factor comprises the set of variables used by previous studies to measure the concept of termination costs.
- **Factor Four:** This factor comprises the set of variables used in previous studies (Gwinner, Gremler & Bitner 1998; Patterson & Smith 2001) to measure confidence benefit that is one of three dimensions of relationship benefit.

**Table 7.4:** Result of varimax rotated factor matrix in the Thai sample for the 25 variables representing four antecedents of trust and commitment

Thai sample			
Factor One	L.D.	Factor Three	L.D.
Inform if service fails	0.79	Wasting time	0.87
Fulfil promises	0.77	A hassle	0.79
Information can be trusted	0.76	A risk	0.79
Problems are important to staff	0.76	A need for adjustment	0.77
Alteration of facts	0.74	A need to explain	0.7
Break promises	0.69	Losing a friendly relationship	0.63
<i>Reliability Cronbach's Alpha</i>	<i>0.893</i>	<i>Reliability Cronbach's Alpha</i>	<i>0.894</i>
Factor Two		Factor Four	
Faster service	0.76	Less anxiety	0.8
Treated as friend	0.73	More confidence	0.73
Developed friend	0.71	Less risk	0.68
Higher priority	0.7	Know what to expect	0.67
Customisation	0.68	<i>Reliability Cronbach's Alpha</i>	<i>0.879</i>
Attention to needs	0.67		
<i>Reliability Cronbach's Alpha</i>	<i>0.908</i>		

**Source:** Data analysis (2008)

*LD: Factor Loading*

The four-four factor solution identified in Table 7.4 can be interpreted as follows.

### ***Factor One***

This factor is representative of two factors (factors three and factor five) identified by the Australian respondents in the final section. Since Thai respondents rank this factor differently from their Australian counterparts, the propositions (xiv): *Australian and Thai tourists place different emphasis on communication* and (xv): *Australian and Thai tourists place different emphasis on opportunistic behaviours* were supported. Although Australians feel that communication and opportunistic behaviour are not as important as other factors because they only explain 10.6% of total variance (6.2% from Communication and 4.4% from opportunistic behaviour), Thais identify that the combination of these factors is most important. It can be noted that this factor alone is responsible for 42.7% or almost half of total explained variance. The most important

variable in this factor is being informed if service fails (0.79). This variable has also been identified as the most important aspect of communication among Australian resort guests. This means that it is very important for guests to be informed when service delivery problems occur, irrespective of culture. This is the most important variable that is loaded on the most important factor among Thai guests. It could be that Thai guests come from a higher uncertainty avoidance society compared to their Australian counterparts; they are likely to be more anxious in unknown situations than Australians. With this in mind, resort operators need to take extra care to manage this issue in order to ensure that they respond appropriately when service delivery problems occur.

Many academic papers suggest that employee empowerment is the most appropriate way to deal with service delivery problems (Lashley 1995). The main focus of employee empowerment is to give frontline employees the power to deal with service delivery problems, without referring them to management. This approach is faster and more responsive. However, it should be noted that Thai guests are different from Western guests. Thai culture is governed by an ascription value as opposed to an achievement value that characterises Australian culture. Therefore, methods such as employee empowerment, that have been successfully used when dealing with Australian guests, might not be appropriate for dealing with Thai guests. It may be argued that employee empowerment will be ineffective when dealing with Thai resort guests, because it is likely to lead to a perception that the complaint or problem is not taken seriously by senior staff, and this may alienate guests, and negatively effect the development of quality relationship, and by implication, customer loyalty . It is also likely to cause frustration in some cases and make the problem even more serious that

it really is. For example, when Thai guests experience a service failure and find it difficult to make staff understand their problem, they commonly request to see a manager. They are likely to become even more upset if an empowered staff member refuses to call upon their manager. Consequently, resort operators need to be aware of this sensitive issue when dealing with Thai guests. They would be more appreciative if someone in a superior position (such as supervisor or managers) rather than just a front-line staff member informs them of problems, and would be even more forgiving if these superiors were to apologise personally.

It can be noted that variables relating to opportunistic behaviour have slightly lower loading scores than variables relating to communication. While one could argue that the variables representing opportunistic behaviour are less important than those representing quality of communication, these variables still load on the most important factor and are very important. Consequently, resort operators also need to pay special attention to these issues as they are capable of quickly developing a negative response in Thai guests.

### ***Factor Two***

This factor comprises the set of variables used in previous studies to measure special treatment benefit and social benefit. Unlike Australian counterparts, Thai guests feel that this factor is the second most important, accounting for 12.8% of explained variance. Consequently, the proposition (xi): *Australian and Thai tourists place different emphasis on special treatment benefits* and (xii): *Australian and Thai tourists place different emphasis on social benefits* were supported. Getting faster service (0.76) is the most important benefit for both Australian and Thai guests. This

suggests that every guest, regardless of their nationality, expects to be served quickly so that they can make the most of their holiday. It is not surprising to see that Australian guests, who come from a monochronic culture, place more emphasis on getting faster service than their Thai counterparts, who come from a polychronic culture.

As expected in an expressive and feminine society such as Thailand, Thai guests put more emphasis on social benefits than on other aspects of special treatment benefits, apart from getting faster service. This in turn reflects the expressive and feminine values in Thai culture where people genuinely enjoy social interaction with each other (expressive) and care more about the quality of relationships (feminine). This in turn explains why Thai respondents feel that being treated as a personal friend (0.73) and the development of a relationship (0.71) are more valuable relationship benefits, compared to material benefits such as discounts or special deals. Consequently, when dealing with Thai guests, it is important for resort operators to pay more attention to creating a friendly atmosphere during a service encounter.

Unfortunately, the result of the descriptive analysis (Chapter Six) reveals that the mean scores on these two variables are just above mid point, which in turn suggests that there is room for improving the levels of social benefits provided to Thai guests. There could be several reasons why the mean scores on the two variables for social benefits are not as high. One is that Thai guests commonly perceive themselves as different from those who serve them, and usually prefer to deal with people who are their own kind (high power distance society) or people who have high position in an

organization, rather than those in frontline positions (ascription). Therefore, they are less likely to spend too much time talking to the resort staff.

Resort operators might need to understand the values that underpin Thai culture in order to develop an effective friendship with guests. Thai culture is characterised by high power distance and there are several issues that need to be considered when developing a friendship with guests during a service encounter. Firstly, Thai guests commonly perceive themselves as superior and perceive resort operators as subordinate. In Thai society, it is a subordinate's responsibility to initiate conversation with a superior. With that in mind, it is important for resort operators to have great interpersonal skills, so that they can initiate conversation and therefore cultivate friendships with guests more effectively. Secondly, resort operators need to ensure that they send the right person to deal with Thai guests. Therefore, they are likely to feel more appreciative when being treated as a friend or developing a relationship with supervisors or managers, rather than with average front-line staff. As a result, it may be beneficial for resort hotel managers to come out of their office every now and then to spend, some time talking to the guests. At Indigo pearl hotel (Phuket, Thailand), guests are invited to an executive cocktail party every Tuesday night where they can socialise with administrative staff (such as the general manager and managers from every department of the resort) in person.

Interestingly, getting discounts and special deals is not included on this factor; it can be argued that Thai guests do not emphasise this issue. Despite the fact that many Thai guests commonly bargain for almost everything, this indicates that Thais obviously do not value this benefit when it is offered. This could mean that Thai guests will not

mind if the price cannot be reduced, as long as a high quality of service has been delivered.

### ***Factor Three***

This factor comprises the set of variables used in previous studies to measure levels of termination costs felt by customers. This factor accounts for 5.7% of the explained variance. It is notable that Thais place this factor in third place while Australians rank it as the second most important factor, which in turn suggests that termination costs are more important for Australians than for Thais. Consequently, the proposition (x): Australian and Thai tourists place different emphasis on termination costs was supported. This is consistent with the results from the study of Patterson and Smith (2003) where it was found that switching barriers (which is another term for termination costs) has a greater impact on propensity to stay with service providers in Australia than in Thailand. They felt that the following variables were central considerations in their level of trust and commitment towards a resort operator: wasting time (0.87), a hassle (0.79), a risk (0.79), a need for adjustment (0.77), a need to explain (0.70) and losing a friendly relationship (0.63). Australians place this factor in a higher ranking than Thais, indicating that this factor is more important for Australians than for Thais. However, it should be noted that both Australians and Thais rank each variable within this factor in the same order. Although it is hard to tell why each variable was ranked in this order, it is interesting to observe that Thai respondents also feel that losing a friendly relationship is the least important aspect of termination cost despite the fact that they indicate developing friendship as one of the three most important aspects of relationship benefits. It may be that Thai guests rarely develop a strong friendship with service staff even though they might like to and

therefore are less likely to be aware of the importance of losing a friendly relationship.

#### ***Factor Four***

This factor comprises the set of variables used in previous studies to measure confidence benefit. It accounts for 5.2% of total explained variance, indicating that Thais place low emphasis on this factor. These variables are: less anxiety (0.80), less risk (0.73), more confidence (0.68) and know what to expect (0.67). Consequently, the proposition (xiii): *Australian and Thai tourists place different emphasis on confidence benefits* was supported. Although it was mentioned in Chapter Three that Thailand has a higher uncertainty avoidance score than Australia, both Australians and Thais place this factor in the same ranking. This in turn means that Thais do not value confidence benefit any higher than their Australian counterparts regardless of the difference in their uncertainty avoidance values.

### **7.3 The principal component analysis of relationship quality**

A principal component analysis was conducted, including the nine variables regarding trust and commitment that are the antecedents of customer loyalty.

#### **7.3.1 Australian sample**

The Kaiser-Meyer-Olkin value of 0.866 exceeds the recommended value of 0.6, and Bartlett's Test of Sphericity is statistically significant. This shows that there is a high degree of interrelationship among the variables within the Australian sample. The unrotated factor solution extracted five factors with eigenvalues greater than one.



According to Table 6.1, these two factors account for 70.8% of the explained variance with the first factor explaining 54.3%.

**Table 7.5:** Result of the unrotated factor extraction from variables representing trust and commitment in the Australian sample

Factor	Eigenvalues	Percentage of Variance	Cumulative Percentage
1	4.890305975	54.3	54.3
2	1.480875139	16.5	70.8

**Source:** Data analysis (2008)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = 0.866

Bartlett's Test of Sphericity = 1744.924, Significance = 0.000

The pattern loadings, factor structure and factor interpretation are shown in Table 7.6.

The dimensions are defined by the variables with significant factor loadings equal to or above 0.6. Reliability tests on both factors indicate Cronbach Alpha coefficients above 0.76. This means that the all four-factor solution for the 23 variables can be accepted (some of the initial scale items are not included in the final result because their loading values are below 0.6).

**Table 7.6:** Results of the varimax rotated factor matrix in the Australian sample for the nine variables representing trust and commitment (significant factor loading only)

Australian sample			
F1		F2	
Feel committed	0.9	Trustworthiness	0.86
Relationship is important	0.89	Integrity	0.9
Wish to retain	0.89	Service quality	0.68
Proud to tell others	0.78	Value for money	0.61
<i>Reliability Cronbach's Alpha</i>	0.929	<i>Reliability Cronbach's Alpha</i>	0.840

**Source:** Data analysis (2008)

LD: Factor Loading

An inspection of the variables loading significantly on the factors indicates that every factor is very well defined by several variables. Consequently, the two-factor solution for the eight variables in the Thai sample is accepted. The factors kept for the purpose of further analysis are:

- **Factor One:** This factor comprises the set of variables used by previous studies to measure commitment.
- **Factor Two:** This factor comprises the set of variables used by previous studies to measure trust.

### ***Factor one***

This factor comprises the set of variables used by previous studies to measure commitment. This is the dominant factor accounting for 54.3% of total explained variance. These variables are: feel committed (0.90), relationship is important (0.89), wish to retain (0.89) and proud to tell other (0.78). Obviously, the first three variables are very close to one another, which in turn indicate a similar degree of importance. Although Australians agree that they are patient with the staff, they feel that being patient is not at all important, as it has not been loaded onto the factor.

### ***Factor two***

This factor comprises the set of variables used by previous studies to measure trust. This factor accounted for 16.5% of total variance, which indicates that it is less important than the first factor of commitment. It can be observed that Australians put more emphasis on trustworthiness and integrity than on service quality and value for money.

### **7.3.2 Thai sample**

The Kaiser-Meyer-Olkin value of 0.856 exceeds the recommended value of 0.6, and Bartlett's Test of Sphericity is statistically significant. This shows that there is a high

degree of interrelationship among the variables within the Australian sample. The unrotated factor solution extracted five factors with eigenvalues greater than one. According to Table 7.7, these five factors account for 71% of the explained variance with the first factor explaining 55.4%.

**Table 7.7:** Result of the unrotated factor extraction from variables representing trust and commitment in the Thai sample

Factor	Eigenvalues	Percentage of Variance	Cumulative Percentage
1	4.983351	55.4	55.4
2	1.405677	15.6	71.0

**Source:** Data analysis (2008)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = 0.856

Bartlett's Test of Sphericity = 1751.055, Significance = 0.000

The pattern loadings, factor structure and factor interpretation are shown in Table 7.8. The dimensions are defined by the variables with significant factor loadings equal or above 0.6. Reliability test on each of the factors indicates Cronbach Alpha coefficients above 0.80. This means that the two-factor solution for the 8 variables could be accepted.

**Table 7.8:** Results of the varimax rotated factor matrix in the Thai sample for the nine variables representing trust and commitment (significant factor loading only)

Thai sample			
Factor One	L.D.	Factor Two	L.D.
Feel committed	0.83	Trustworthiness	0.91
Relationship is important	0.88	Integrity	0.89
Wish to retain	0.87	Value for money	0.65
Proud to tell others	0.76	<i>Reliability Cronbach's Alpha</i>	0.840
Being patient	0.72		
<i>Reliability Cronbach's Alpha</i>	0.901		

**Source:** Data analysis (2008)

*LD: Factor Loading*

An inspection of the variables loading significantly on the factors indicates that every factor is very well defined by several variables. Consequently, the two-factor solution

for the eight variables in the Thai sample is accepted. The factors kept for the purpose of further analysis are:

- **Factor One:** This factor comprises the set of variables used by previous studies to measure commitment.
- **Factor Two:** This factor comprises the set of variables used by previous studies to measure trust.

### ***Factor one***

Unlike in Australian sample, the first factor derived from Thai sample comprises every variable used by previous studies in measuring the concept of commitment. This factor includes: feel committed (0.83), relationship is important (0.88), wish to retain (0.87), proud to tell others (0.76) and being patient (0.72). This is the dominant factor accounting for 55.4% of total explained variance that is a similar percentage compared with their Australian counterpart. This means that both Australians and Thais place similar emphasis on commitment as a means to ensure customer loyalty.

### ***Factor two***

This factor comprises the set of variables used by previous studies to measure the concept of trust. This factor accounted for 15.6% of total explained variance, indicating that it is less important than the first factor. Consistent with Australians, Thais also place more emphasis on trustworthiness and integrity than service quality and value for money. In fact, value for money is not at all important for Thais as it has not been loaded into this factor.

## 7.4 Summary

Principal component analysis is used to classify the variables related to the antecedents of relationship quality (characterized by high levels of trust and commitment) into groups. In the Australian sample, the variables are classified into five factors including social and special treatment benefits (factor one), termination costs (factor two), communication (factor three), confidence benefits (factor four) and opportunistic behaviour (factor five). In the Thai sample, the variables are classified into four factors including communication and opportunistic behaviour (factor one), social and special treatment benefits (factor two), termination costs (factor three) and confidence benefit (factor four). Additionally, the result of the principal component analysis also indicates that Australians and Thais weigh the importance of each factor in a significantly different manner, which in turn leads to the acceptance of many general hypotheses under the second research question: *Do each of the five antecedents have a similar impact on the development of successful host-guest relationships (characterised by high levels of trust and commitment) for both Australian and Thai tourists?*

In the next chapter the relationships between relationship quality (characterised by high trust and commitment) and their antecedents and between relationship quality and customer loyalty are examined using structural equation modelling.

## **Chapter Eight**

### **Structural Equation Modelling**

#### **8.1 Introduction**

In the previous chapter, principal component analysis (PCA) was used to identify the important determinants of trust and commitment and the variables that significantly load on these factors. However, the PCA has provided limited insights with respect to which variables are indicators of trust or commitment. The purpose of this chapter is to examine the relationships between relationship quality (characterised by high trust and commitment) and their antecedents and between relationship quality and customer loyalty. In particular, the analysis in this chapter aims to assess which factors influence guests in their relationships to hosts in determining levels of trust and commitment. Multiple regression analysis is often used to predict changes in dependent variables caused by a set of independent variables. However, it is not used in the present investigation because multiple regression analysis can only be used to identify relationships between a set of independent variables and a single dependent variable, not between constructs derived from principal components analysis. Structural equation modelling (SEM) is suitable for the purpose of the present study because it can be used to investigate the relationships between constructs. Consequently, it is used in this chapter to examine the strength of the relationship between the factors derived from the two principal components analyses (PCA) conducted in the previous chapter. These factors and the variables that make up each factor together with the codes used in the SEM models are presented in the following sections.

## 8.2 Causal relationships for the Australian sample

### *Relational attributes:*

#### 1. Special treatment and social benefits (Factor 1)

<b>Factor variables</b>	<b><u>Codes</u></b>
I get faster service than most guests.	STB5
The resort uses information from my prior stay to customize services for me.	STB4
I am placed higher on the priority list when there is a list.	STB3
I get discounts or special deals that most guests don't get.	STB2
The staffs here are more likely to treat me as a personal friend.	SCB1
I have developed a friendship with service staff.	SCB3

#### 2. Termination costs (Factor 2)

<b>Factor variables</b>	<b><u>Codes</u></b>
I will waste a lot of time if I change holiday resort.	SW3
In general it would be a hassle changing holiday resorts.	SW2
If I change the holiday resorts, there is a risk that the new resort/staff won't be as good.	SW4
It take me a great deal of time and effort to get used to a new holiday resort.	SW5
If I change holiday resort, I will have to spend a lot of time explaining my needs to the staff.	SW6
I will lose a friendly and comfortable relationship if I change holiday resorts.	SW1

#### 3. Communication (Factor 3)

<b>Factor variables</b>	<b><u>Codes</u></b>
The holiday resort provides information if service delivery problems occur.	COMMU2
Service staffs communicate the attitude that my problems are important to them.	COMMU4
The holiday resort fulfills promises to guests.	COMMU3
The holiday resort provides information that can be trusted.	COMMU1
The staff/management and I communicate and express our opinions to each other frequently.	COMMU5

#### 4. Confidence benefits (Factor 4)

<b>Factor variables</b>	<b><u>Codes</u></b>
I have less anxiety when I stay here.	CB3
I believe there is less risk that something will go wrong.	CB1
I have more confidence the service will be performed correctly.	CB2
I know what to expect when I stay here.	CB4

#### 5. Opportunistic behaviour (Factor 5)

<b>Factor variables</b>	<b><u>Codes</u></b>
Sometimes, the service staff will have to alter the facts slight in order to get what they need from the guests.	OB1
The service staff sometimes promised to do things without actually doing them later.	OB2

### ***Relationship quality:***

#### 6. Commitment

<b>Factor variables</b>	<b><u>Codes</u></b>
I am committed to my relationship with this holiday resort.	COMM1
The relationship is important for me to maintain.	COMM2
I wish to retain my relationship with this holiday resort.	COMM3
I am proud to tell others that I am a regular guest of this holiday resort.	COMM4

#### 7. Trust

<b>Factor variables</b>	<b><u>Codes</u></b>
The staff can be trusted at all time.	TR1
The staff have high integrity.	TR2
The service quality always meets my expectations.	TR3
The service quality at this resort is worth the money.	TR4

### ***Intentional behaviour:***

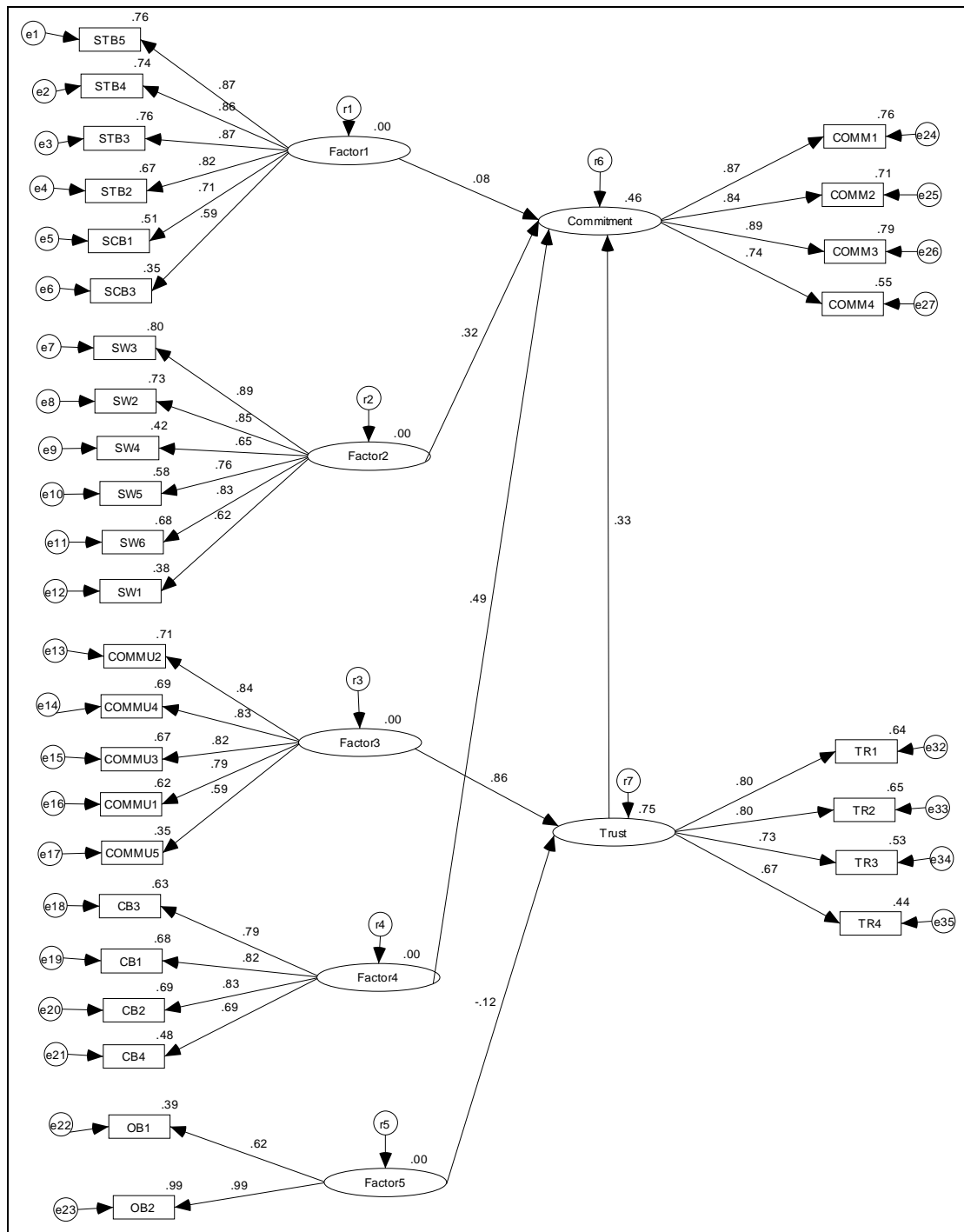
#### 8. Loyalty

<b>Factor variables</b>	<b><u>Codes</u></b>
I would recommend this holiday resort to someone who seeks my advice.	L1
I would consider this holiday resort my first choice, if I were going back to Samui Island.	L2
I am a loyal patron of this holiday resort.	L3
If I were going to Samui Island next time, I would definitely go back to this holiday resort.	L4

### **MODEL 1: Causal relationship between relational attributes and relationship quality (Australian sample)**

The initial model presented in Figure 8.1 is designed to predict relationship quality (high level of trust and commitment) using the relational attribute factors derived from PCA as predictors. These factors are *Special treatment and social benefit*, *Termination cost*, *Communication*, *Confidence benefits* and *Opportunistic behaviour*. Note that the order of the factors is the same as the order determined by the principal components analysis in Chapter Seven. The variables listed to load on the components are the same variables in the same order of significance as the relevant principal components analysis.





**Figure 8.1:** The initial model of relational attributes and relationship quality (Australian sample)

**Source:** Data analysis (2008)

The initial model presented in Figure 8.1 yields a Chi-Square of 1,880.297 (df =428, p=0.000). According to Hair, Anderson and Tatham (1998), Chi-square is the more appropriate measurement of overall model fit for a sample size between 100 – 200 but will become less reliable with a sample size outside this range. Since the Australian

sample size is larger than 200 (n=300), other goodness-of-fit measures are also used to complement the chi-square measure. This model yields a Goodness-of-Fit Index = 0.684, Adjust Goodness-of-Fit Index = 0.634, Root Mean Square Residual = 0.736 and Root Mean Square Error of Approximation = 0.107 suggesting that the model needs to be adjusted in order to improve the fit.

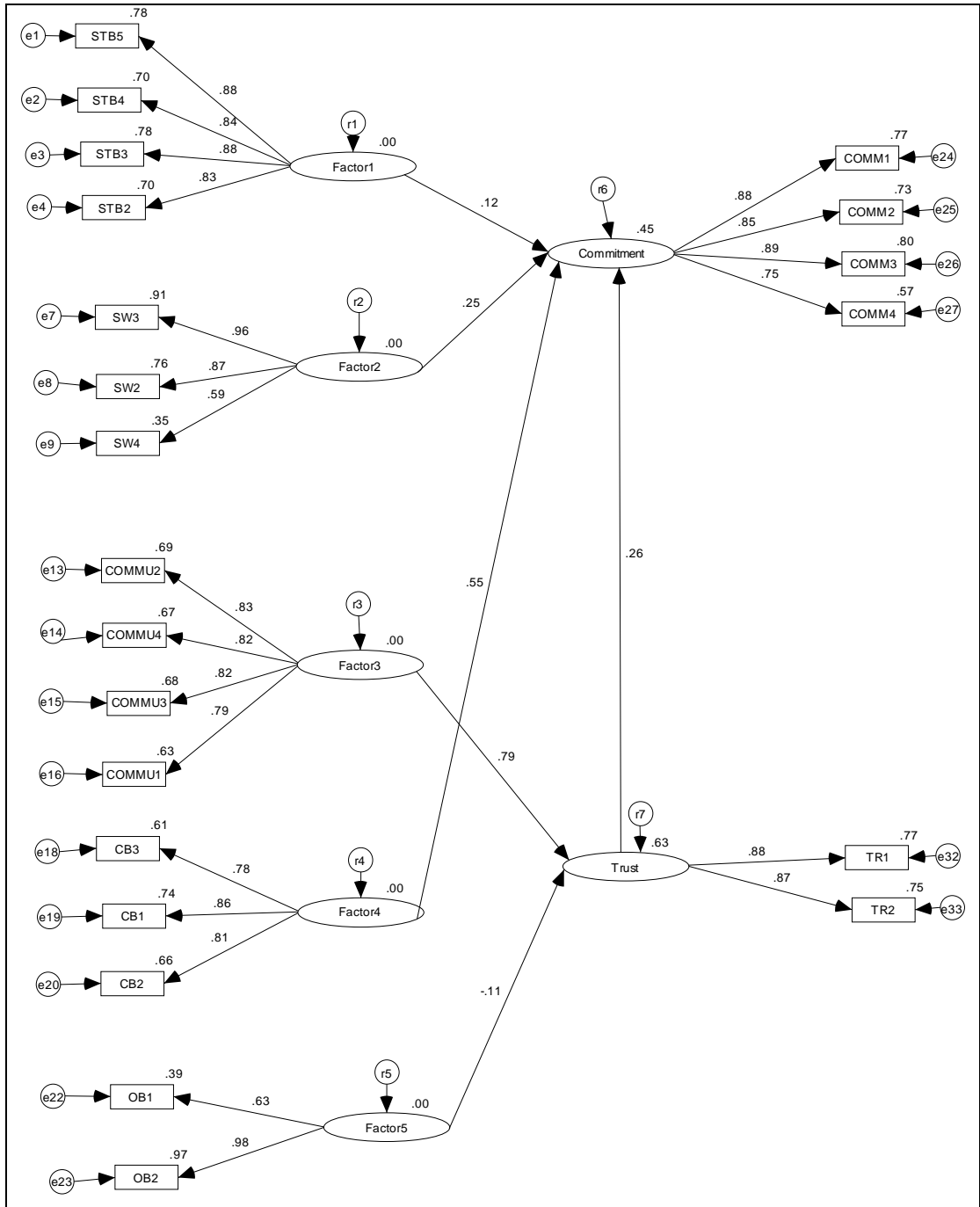
Based on the PCA result presented in the last chapter, a total of nine of the least important variables were removed prior to testing the final model. After removal the fit measures increase as indicated in Table 8.1. The modified final model (Figure 8.2) displays the causal relationship between relational attributes and relationship quality, showing only the significant paths. All measures show a good fit (Table 8.1) and indicate that the model can be accepted.

**Table 8.1:** Fit measures of initial and adjusted models of relational attributes and relationship quality (Australian sample)

Initial model	Adjusted model
RMR = 0.736	RMR = 0.622
GFI = 0.684	GFI = 0.823
AGFI = 0.634	AGFI = 0.780
CFI = 0.792	CFI = 0.888
RMSEA = 0.107	RMSEA = 0.093
Chi-square = 1,880.297	Chi-square = 726.721
df = 428	df = 203

Source: Data analysis (2008)

The diagram in Figure 8.2 shows that relational attributes account for 63% and 45% of the variance of *trust* and *commitment* respectively, indicating a high degree of explanation for both dimensions of relationship quality. There are direct positive correlations found between *special treatment benefit* and *commitment*, *termination cost* and *commitment*, *confidence benefit* and *commitment* and between *communication* and *trust*.



**Figure 8.2:** Adjusted model of relational attributes and relationship quality (Australian sample)  
**Source:** Data analysis (2008)

The linkages vary with the strongest path being evidenced between *communication* and *trust* (0.79), followed by the paths between *confidence benefit* and *commitment* (0.55), *termination cost* and *commitment* (0.25) and between *special treatment benefit*

and *commitment* (0.12). There is only one direct negative correlation found between *opportunistic behaviour* and *trust* (-0.12), and the relationship has the correct sign.

A causal relationship is identified as positively associated (0.26) between the latent unobserved dependent variables – trust and commitment. This relationship is moderately statistically significant, and indicates that trust is also a predictor of commitment (and not the reverse). There is also some covariance between the relational attributes factors that are correlated with one another:

	<b><u>r</u></b>
Special treatment benefit $\leftrightarrow$ Termination cost	0.62
Communication $\leftrightarrow$ Confidence benefit	0.55
Termination cost $\leftrightarrow$ Confidence benefit	0.33
Termination cost $\leftrightarrow$ Opportunistic behaviour	0.42
Special treatment benefit $\leftrightarrow$ Confidence benefit	0.37
Special treatment benefit $\leftrightarrow$ Opportunistic behaviour	0.48
Special treatment benefit $\leftrightarrow$ Communication	0.13
Communication $\leftrightarrow$ Opportunistic behaviour	-0.23

Most factors are found to be correlated to another factor in a positive direction. Only communication and opportunistic behaviour are found to be associated in a negative direction. This could mean that good communication between resort operators and their guests could prevent guests from feeling that staff engage in opportunistic behaviour. Special treatment benefit and termination cost are found to be highly associated in a positive direction ( $r = 0.62$ ). The correlation between special treatment benefit and communication is weakly positive ( $r = 0.13$ ), but nonetheless statistically significant.

In summary, relational attributes do affect relationship quality although they have a more pronounced influence on *trust* than on *commitment*. Five factors are found to

have an influence on relationship quality as identified by Australian guests and presented below:

**Special treatment benefit** (indicators include getting faster service, customised service, placed higher on the list, getting discounts and special deals)

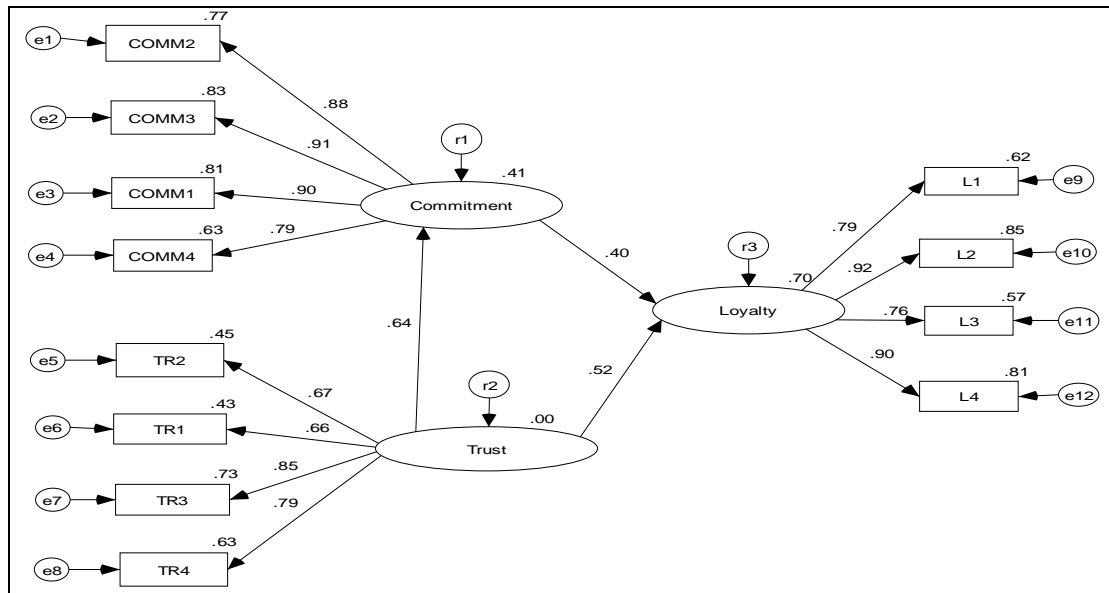
**Termination cost** (indicators include wasting time, a hassle and a risk)

**Communication** (indicators include inform if service fails, problems are important to staff, Fulfil promises and Information can be trusted)

**Confidence benefit** (indicators include less anxiety, less risk and more confidence)

**Opportunistic behaviour** (indicators include alteration of facts and break promises)

**MODEL 2: Causal relationship between relationship quality and behavioural intention (Australian sample)**



**Figure 8.3:** The initial model of relationship quality and behavioural intention (Australian sample)

Source: Data analysis (2008)

The initial model presented in Figure 8.3 is designed to predict behavioural intention using trust and commitment as predictors. The initial model presented in Figure 8.3

yields a Chi-Square of 311.009 (df = 51, p= 0.000), Goodness-of-Fit Index = 0.859 , Adjust Goodness-of-Fit Index = 0.784 , Root Mean Square Residual = 0.164 and Root Mean Square Error of Approximation = 0.131 suggesting that the model could be adjusted in order to improve overall fit.

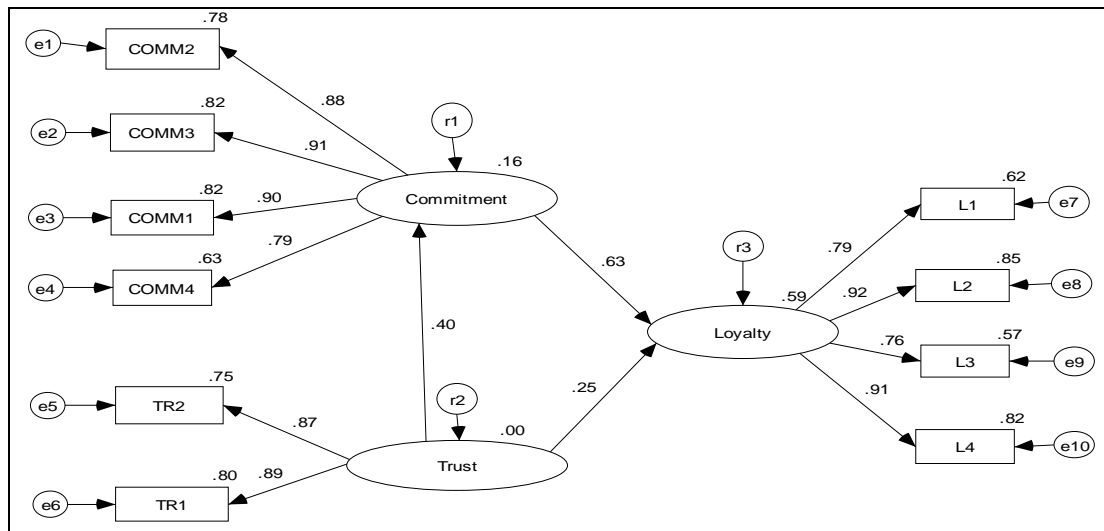
Based on the PCA result presented in Chapter Seven, a total of the two least important variables were removed prior to testing the final model. After removal the fit measures increase as indicated in Table 8.2. The modified final model (Figure 8.4) displays the causal relationship between relationship quality and behavioural intention, showing a significantly increased fit of the model. All measures show a good fit (Table 8.2) and indicate that the model can be accepted.

**Table 8.2:** Fit measures of initial and adjusted model of relationship quality and behavioural intention (Australian sample)

Initial model	Adjusted model
RMR =0.164	RMR = 0.154
GFI = 0.859	GFI = 0.925
AGFI = 0.784	AGFI = 0.871
CFI = 0.910	CFI = 0.961
RMSEA = 0.131	RMSEA = 0.099
Chi-square = 311.009	Chi-square = 126.079
df = 51	df = 32

Source: Data analysis (2008)

The diagram in Figure 8.4 shows that relational attributes account for 59% of the variance in *behavioural intention*. A positive correlation is found between commitment and behavioural intention (0.63) and thus is higher than the correlation found between trust and behavioural intention (0.25). This means that commitment is the better predictor of behavioural intention compared with trust.



**Figure 8.4:** The adjusted model of relationship quality and behavioural intention (Australian sample)

Source: Data analysis (2008)

In summary, relationship quality does affect behavioural intention *commitment* has more influence on *behavioural intention* than *trust*.

### 8.3 Causal relationships for the Thai sample

#### *Relational attributes:*

#### 1. Communication and opportunistic behaviour (Factor 1)

##### **Factor variables**

The holiday resort provides information if service delivery problems occur.

The holiday resort fulfills promises to guests.

The holiday resort provides information that can be trusted.

Service staffs communicate the attitude that my problems are important to them.

Sometimes, the service staff will have to alter the facts slight in order to get what they need from the guests.

The service staff sometimes promised to do things without actually doing them later.

##### **Codes**

COMMU2

COMMU3

COMMU1

COMMU4

OB1

OB2

#### 2. Special treatment and social benefits (Factor 2)

##### **Factor variables**

I get faster service than most guests.

The staffs here are more likely to treat me as a personal friend.

I have developed a friendship with service staff.

I get the resort's highest level of service.

The resort uses information from my prior stay to customize services for me.

The staff here will pay attention to my special needs.

##### **Codes**

STB5

SCB1

SCB3

STB1

STB4

SCB2

### 3. Termination costs (Factor 3)

<b>Factor variables</b>	<b><u>Codes</u></b>
I will waste a lot of time if I change holiday resort.	SW3
In general it would be a hassle changing holiday resorts.	SW2
If I change the holiday resorts, there is a risk that the new resort/staff won't be as good.	SW4
It take me a great deal of time and effort to get used to a new holiday resort.	SW5
If I change holiday resort, I will have to spend a lot of time explaining my needs to the staff.	SW6
I will lose a friendly and comfortable relationship if I change holiday resorts.	SW1

### 4. Confidence benefits (Factor 4)

<b>Factor variables</b>	<b><u>Codes</u></b>
I have less anxiety when I stay here.	CB3
I have more confidence the service will be performed correctly.	CB2
I believe there is less risk that something will go wrong.	CB1
I know what to expect when I stay here.	CB4

### *Relationship quality:*

### 6. Commitment

<b>Factor variables</b>	<b><u>Codes</u></b>
I am committed to my relationship with this holiday resort.	COMM1
The relationship is important for me to maintain.	COMM2
I wish to retain my relationship with this holiday resort.	COMM3
I am proud to tell others that I am a regular guest of this holiday resort.	COMM4
I am patient with the staff at this resort if they make a mistake.	COMM5

### 7. Trust

<b>Factor variables</b>	<b><u>Codes</u></b>
The staff can be trusted at all time.	TR1
The staff have high integrity.	TR2
The service quality at this resort is worth the money.	TR4

### *Intentional behaviour:*

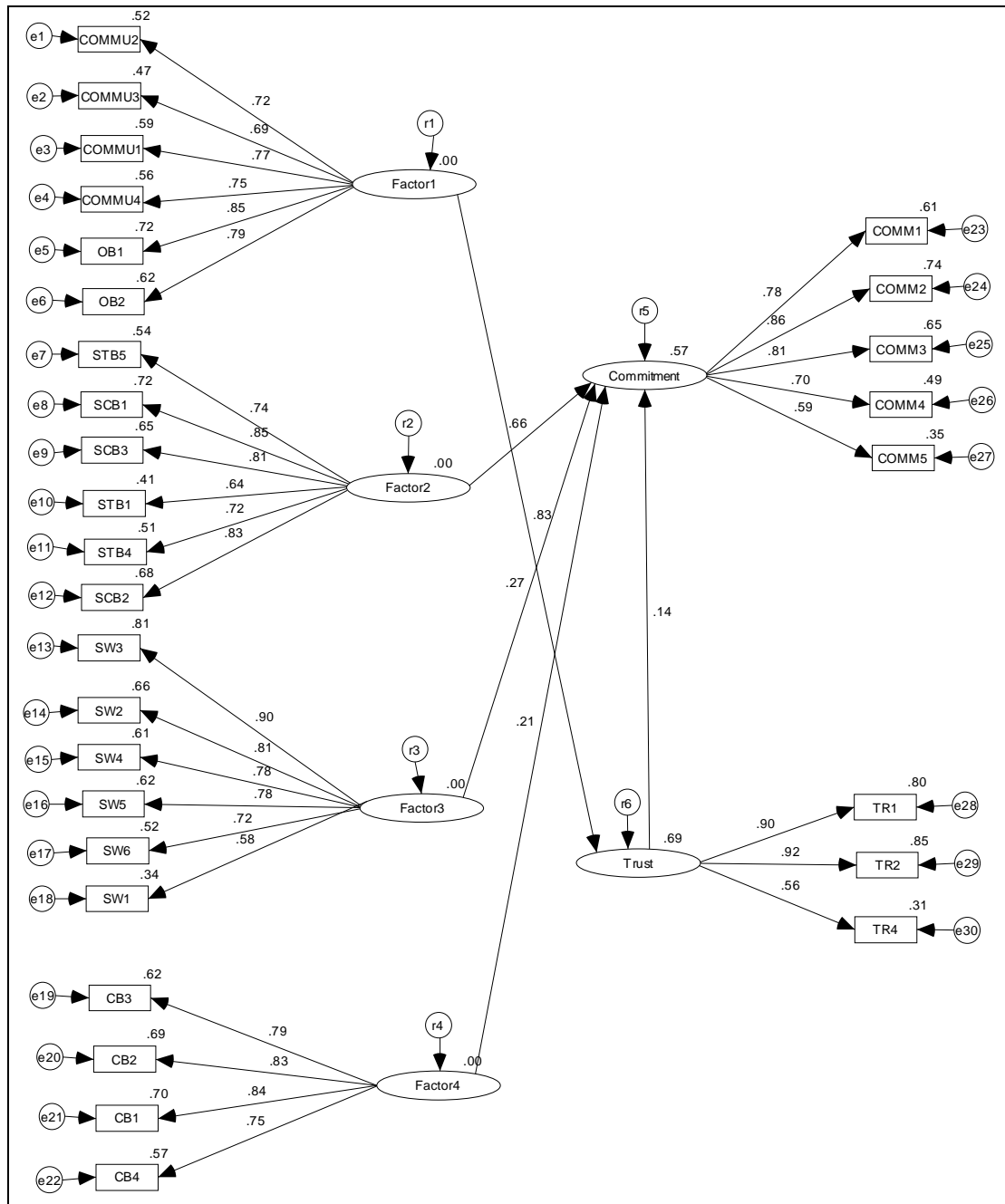
### 8. Loyalty

<b>Factor variables</b>	<b><u>Codes</u></b>
I would recommend this holiday resort to someone who seeks my advice.	L1
I would consider this holiday resort my first choice, if I were going back to Samui Island.	L2
I am a loyal patron of this holiday resort.	L3
If I were going to Samui Island next time, I would definitely go back to this holiday resort.	L4



**MODEL 3: Causal relationship between relational attributes and relationship quality (Thai sample)**

The initial model presented in Figure 8.5 is designed with a view to predict relationship quality (high level of trust and commitment) using factors derived from the PCA as predictors in Chapter Seven.



**Figure 8.5:** The initial model of relational attributes and relationship quality (Thai sample)  
**Source:** Data analysis (2008)

These factors are *Special treatment and social benefit*, *Termination cost*, *Communication*, *Confidence benefits* and *Opportunistic behaviour*. The initial model presented in Figure 8.5 yields a Chi-Square of 1,632.591 (df = 400, p=0.000), Goodness-of-Fit Index = 0.737, Adjust Goodness-of-Fit Index = 0.687, Root Mean Square Residual = 0.737 and Root Mean Square Error of Approximation = 0.102 suggesting that the model can be adjusted in order to improve overall fit.

Based on the PCA result presented in the last chapter, total of nine least important variables were removed prior to testing the final model. After removing the fit measures increase as indicated in Table 8.3. The modified final model (Figure 8.6) displays the causal relationship between relational attributes, and relationship quality, showing a significantly increased fit of the model. All measures show a good fit (Table 8.3) and indicate that the model can be accepted.

**Table 8.3:** Fit measures of initial and adjusted models of relational attributes and relationship quality (Thai sample)

Initial model	Adjusted model
RMR = 0.737	RMR = 0.661
GFI = 0.737	GFI = 0.806
AGFI = 0.687	AGFI = 0.750
CFI = 0.813	CFI = 0.863
RMSEA = 0.102	RMSEA = 0.109
Chi-square = 1632.591	Chi-square = 667.6
df = 400	df = 149

Source: Data analysis (2008)

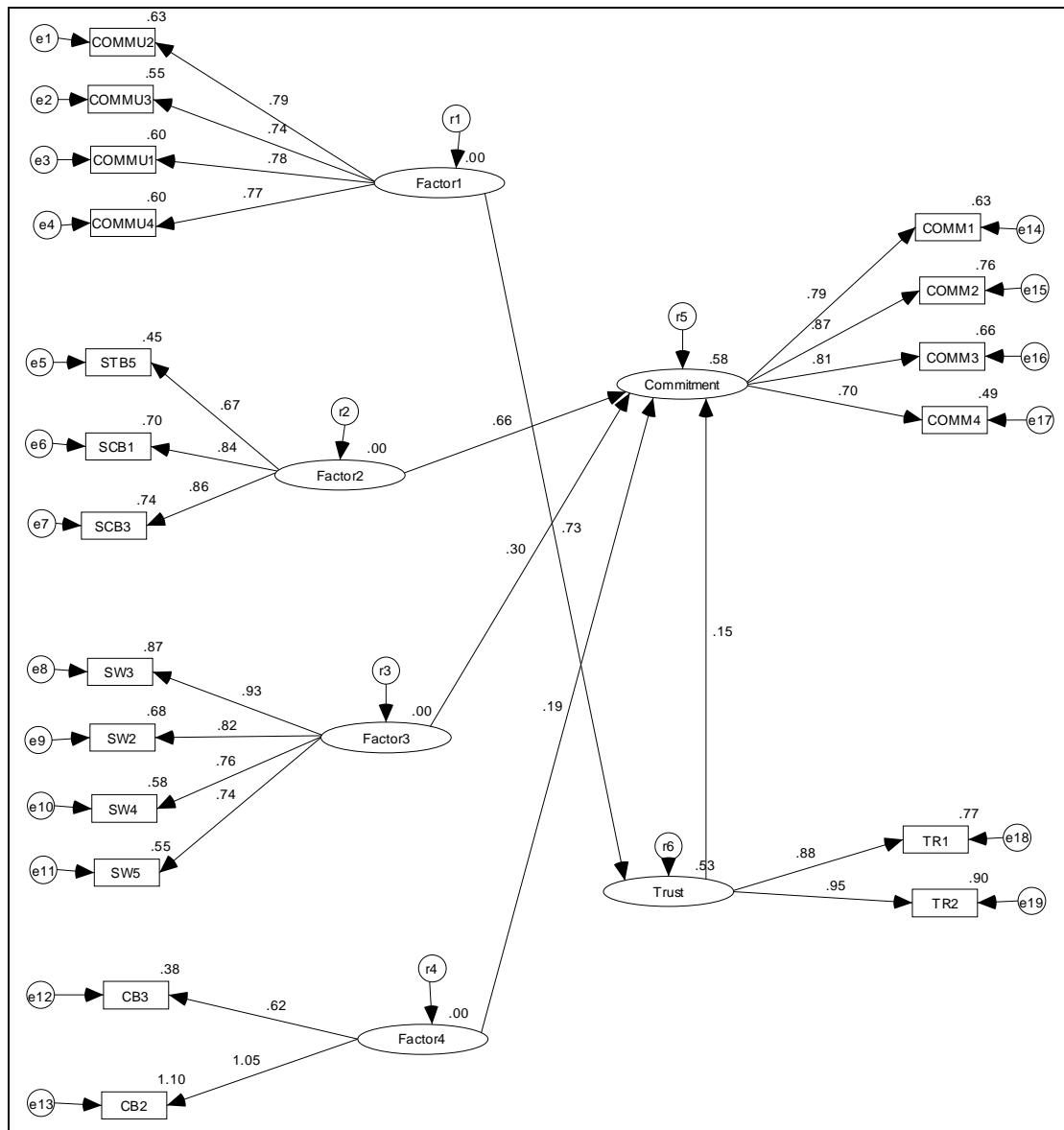
The path diagram in Figure 8.6 shows that relational attributes account for 53% and 58% of the variance of *trust* and *commitment* respectively, indicating a high degree of explanation for both dimensions of relationship quality. There are direct positive correlations found between *communication* and *trust*, *special treatment* and *commitment*, *termination cost* and *commitment* and between *confidence* and

*commitment*. The linkages vary with the strongest path being between *communication* and *trust* (0.73), followed by the paths between *special treatment benefit* and *commitment* (0.66), *termination cost* and *commitment* (0.30) and between *confidence benefit* and *commitment* (0.19).

A causal relationship is identified as being positively associated (0.15) between the latent unobserved dependent variables – trust and commitment. This relationship is moderate statistical significant, and indicates that trust is also a predictor of commitment (and not the reverse). There is also some covariance between the relational attribute factors that are correlated with one another:

	<u><b>r</b></u>
Communication $\leftrightarrow$ Special treatment benefit	0.51
Special treatment benefit $\leftrightarrow$ Termination cost	0.55
Termination cost $\leftrightarrow$ Confidence benefit	0.41
Communication $\leftrightarrow$ Termination cost	0.24
Special treatment benefit $\leftrightarrow$ Confidence benefit	0.64
Communication $\leftrightarrow$ Confidence benefit	0.64

The relationships between *special treatment benefit* and *confidence benefit* as well as between *communication* and *confidence benefit* are found to be highly associated in a positive direction ( $r = 0.64$ ). The correlation between communication and termination cost is weakly positive ( $r = 0.24$ ), but nonetheless statistically significant.



**Figure 8.6:** The adjusted model of relational attributes and relationship quality (Thai sample)

**Source:** Data analysis (2008)

In summary, relational attributes do affect relationship quality although they have a more pronounced influence on *trust* than on *commitment*. Five factors found to have an influence on relationship quality as identified by Thai guests are presented below:

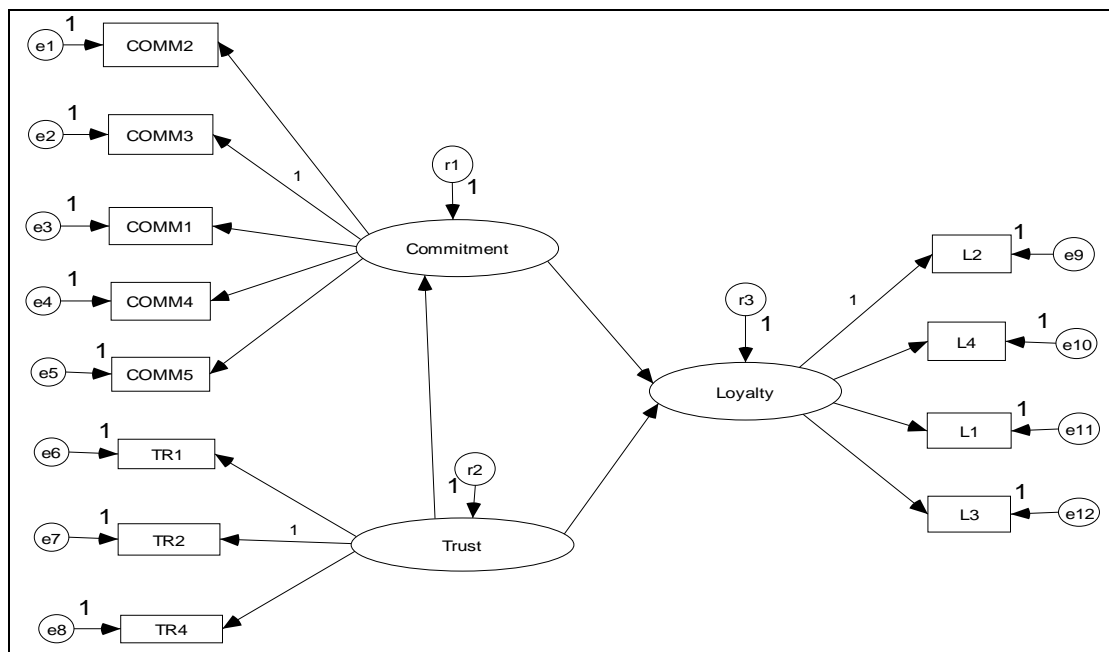
**Communication** (indicators include inform if service fails, fulfil promises, information can be trusted and problems are important to staff)

*Special treatment benefit* (indicators include getting faster service, treated as friend and developed friendship)

*Termination cost* (indicators include wasting time, a hassle, a risk and a need to adjust)

*Confidence benefit* (indicators include less anxiety and more confidence)

**MODEL 4: Causal relationship between relationship quality and behavioural intention (Thai sample)**



**Figure 8.7:** The initial model of relationship quality and behavioural intention (Thai sample)

Source: Data analysis (2008)

The initial model presented in Figure 8.7 is designed with a view to predict behavioural intention using trust and commitment as predictors. The initial model presented in Figure 8.7 yields a Chi-Square of 245.778 (df = 51, p= 0.000), Goodness-of-Fit Index = 0.890, Adjust Goodness-of-Fit Index = 0.831, Root Mean Square Residual = 0.256 and Root Mean Square Error of Approximation = 0.113, suggesting that it is possible to modify the model to improve overall fit.

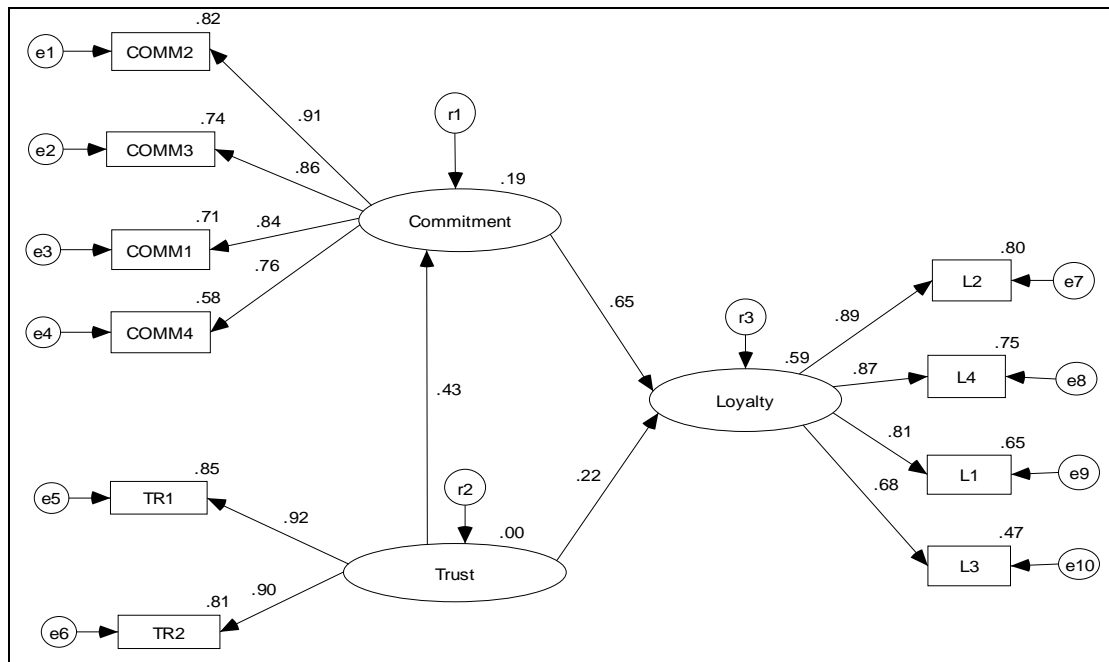
Based on the PCA result presented in Chapter Seven, the two least important variables are removed prior to testing the final model. After removing the fit measures increase as indicated in Table 8.4. The modified final model (Figure 8.8) displays the causal relationship between relationship quality and behavioural intention, showing a significantly increased fit of the model. All measures show a good fit (Table 8.4) and indicate that the model can be accepted.

**Table 8.4:** Fit measures of initial and adjusted models of relationship quality and behavioural intention (Thai sample)

Initial model	Adjusted model
RMR = 0.256	RMR = 0.103
GFI = 0.890	GFI = 0.944
AGFI = 0.831	AGFI = 0.904
CFI = 0.923	CFI = 0.973
RMSEA = 0.113	RMSEA = 0.078
Chi-square = 245.778	Chi-square = 90.208
df = 51	df = 32

Source: Data analysis (2008)

The path diagram in Figure 8.8 shows that trust and commitment account for 59%, of behavioural intention and indicate a high degree of explanation for behavioural intention.



**Figure 8.8:** The adjusted model of relationship quality and behavioural intention (Thai sample)

Source: Data analysis (2008)

## 8.4 Summary

Structural equation modelling (SEM) is suitable for the purpose of the present study because it can be used to investigate the relationships between constructs. This chapter has presented the results of structural equation modelling (SEM) used to determine the strength and pattern of the relationships between trust, commitment and their antecedents. The SEM is performed for each sample and separate models for each nationality are developed accordingly, that is, the Australian relationship development model and Thai relationship development model. Although trust and commitment are included in both models as the determinants of customer loyalty, each model indicates a different set of factors influencing trust and commitment. The Australian relationship development model indicates five factors influencing relationship quality including special treatment benefit, termination cost, communication, confidence benefit and opportunistic behaviour. The Thai relationship development model indicates four factors influencing relationship quality

including communication, special treatment benefit, termination cost and confidence benefit.

The next chapter will summarise the findings of the study, outline marketing strategies that should be developed to appeal to Australian and Thai markets and conclude with recommendations for further research.



# Chapter Nine

## Conclusion

### 9.1 Introduction

Thailand's tourism industry operates within a highly competitive marketplace. The industry needs to strengthen its ability to attract repeat visitors in order to ensure a sustainable long-term competitive position. In this respect, the major aim of the present thesis was to investigate factors that contribute to an increase in the level of customer loyalty that tourists have towards Thai resort operators, which is an essential component of longer term relationship marketing.

Recent literature indicates that a strong relationship between hosts and guests is a determinant of customer loyalty. Tourists can be classified into two groups, domestic tourists and international tourists, both of which are important for the long-term development of the tourism industry. Domestic tourists are important as they serve to provide a base income and potential crisis income when shocks to the system occur, whilst international tourists are important because they are the major income generator of foreign exchange. The greatest difficulty for the hospitality sector is that to maximise the possibility of repeat visitation each group of tourists needs to be treated in a culturally sensitive manner, and cultures differ widely, especially between the East and the West.

An extensive review of the relationship marketing literature, and cross-cultural literature, indicates that little is known about how culture can influence the development of loyalty in host-guest relationships during a service encounter, in a

hospitality context. This study attempts to address the gaps in the literature by focusing on how culture affects the development of host-guest relationships. In particular, the present study explores the differences between Australian and Thai tourists in terms of how they weigh the importance of each relational attribute when developing relationships with Thai resort operators.

## **9.2 Conceptual model**

A review of the relationship marketing literature indicates that relationship marketing has gone through several developmental phases since it was first introduced in 1983. Initially, it was thought that customer satisfaction automatically led to customer loyalty. Therefore, many academics as well as practitioners focused primarily upon improving service quality in order to ensure high levels of customer satisfaction. They assumed satisfaction would increase levels of customer loyalty. However, more recently studies have shown that customer satisfaction is an insufficient condition to ensure high levels of customer loyalty as satisfied customers do not necessarily become repeat visitors. Consequently, recent research has proposed new approaches to the development of customer loyalty.

More recent research can be divided into two schools of thought. The first school of thought asserts that customer loyalty can be achieved by customer delight, whilst the other has identified the need to build a strong long-lasting relationship as a means to ensuring a high level of customer loyalty. The positive link between relationship quality and customer loyalty has been widely established across various industries (see Chapter Two and Chapter Four). However, little is known about how host-guest relationships can affect levels of customer loyalty in a hospitality setting. In line with

the latter school of thought, this thesis proposes that a positive host-guest relationship leads to customer loyalty, and focuses upon developing a model of relationship marketing that can facilitate such a relationship within a hospitality setting.

In a review of relationship development models that have been proposed by previous researchers (Chapter Two), it is proposed that Morgan and Hunt's (1994) KMV model of relationship marketing was the most appropriate starting model for this investigation. The concepts included in the KMV model and the previous modifications of the KMV model have been reviewed and discussed in Section 2.6 and Chapter Four respectively. In that discussion a modified KMV model was developed to suit a hospitality resort context.

### **9.3 The sample**

As mentioned in Chapter Five, a new set of questions was selected from a raft of available questions used by previous relationship marketing researchers, to develop a hospitality relevant survey instrument. Once pre-tested, the questionnaire was then carefully translated into Thai by using a three-step back translation method prescribed by Brislin, Lonner and Thorndike (1973). The three-step back translation method involved two professional translators and a committee of professional Thai writers. A total of 600 completed questionnaires (300 Thai and 300 Australian) was collected from a range of locations on Samui island, including resorts, the airport, and beaches. Samui Island was selected as a site for data collection because it is an isolated island where the majority of visitors are tourists rather than business travelers (who are not likely to choose their own accommodation). Moreover, Samui Island is also the fourth most popular international tourist attraction in Thailand.

A descriptive analysis of the respondent profiles indicates that the respondents in this study form a representative sample of the tourist profile for Samui Island in terms of gender, age, and previous visitation. Two groups of tourists were selected as the respondents for the present study — Australians and Thais. Australian tourists were selected as representative of Western tourists. They are the third largest group of international tourists on Samui Island. Thai tourists were included in this study because they are not only culturally representative of Eastern tourists but also domestic tourists.

## **9.4 Key findings**

### **9.4.1 The results of the Mann-Whitney U test**

Since the data for the present study was not normally distributed, a Mann-Whitney U test (rather than a t-test) was used to identify significant differences between the Australian and Thai respondents. The results of the Mann-Whitney U test indicate that Australians and Thais report different experiences during service encounters. Of 38 measurement items, 19 significant differences were found between the Australian and Thai respondents that in turn confirm that Australians evidence different levels of relational attributes compared to Thais. However, despite these variations the level of customer loyalty to the resort is not significantly different. This implies that Australian and Thai resort guests may have different preferences for essential service provision that in turn contribute to the development of a positive host-guest relationship.

### 9.4.2 The result from principal component analysis

Principal component analysis was used in the present study in order to summarise variables into several factors, and rank those factors according to the level of importance perceived by each group of respondents. This data analysis method was selected over multiple regression analysis because it does not make as many assumptions about the data distribution, and also recognises possible interrelationships between the independent variables.

**Table 9.1:** The comparative ranking of relational attributes across two samples

Australians	ranking	Thais	ranking
<b>Special treatment and social benefits:</b> Faster service Higher priority Customisation Discounts or special deals Treated as friend Developed friend	1	<b>Special treatment and social benefits:</b> Faster service Treated as friend Developed friend Higher priority Customisation	2
<b>Termination costs:</b> Wasting time A hassle A risk A need to adjust A need to explain Losing a friendly relationship	2	<b>Termination costs:</b> Wasting time A hassle A risk A need to adjust A need to explain Losing a friendly relationship	3
<b>Communication:</b> Inform if service fails Problems are important to staff Fulfill promises Information can be trusted Express opinions	3	<b>Communication and opportunistic behaviour:</b> Inform if service fails Fulfill promises Information can be trusted Problems are important to staff Alteration of facts Break promises	1
<b>Confidence benefits:</b> Less anxiety Less risk More confidence Know what to expect	4	<b>Confidence benefits:</b> Less anxiety More confidence Less risk Know what to expect	4
<b>Opportunistic behaviours:</b> Alteration of facts Break promises	5		

**Source:** Data analysis (2008)

According to Table 9.1, the results of the PCA indicate that Australians and Thais place different emphases on relational attributes. Australians place more emphasis on special treatment and social benefits, ranking them higher than termination costs, communication, confidence benefits, and opportunistic behaviour. Thais place more emphasis on communication and opportunistic behaviour, followed by special treatment and social benefits, termination costs, and confidence benefits. This confirms that Australian and Thai respondents weigh the importance of each relational attribute differently.

#### **9.4.3 Results of structural equation modelling analysis**

The SEM was employed to identify the link between concepts. Again, the SEM was used instead of multiple regression analysis because of its ability to discover the link between concepts, while multiple regression analysis can only analyse the link between variables. According to Table 9.2, the results from the SEM analysis confirm that relationship quality (which is characterised by trust and commitment) has a strong positive impact on customer loyalty, regardless of the nationality of the guest.

However, the influence of each antecedent of trust and commitment varies across cultures. For Australians, the major antecedents of trust are communication and opportunistic behaviour while the major antecedents of commitment are confidence benefits, termination costs, and special treatment benefits. For Thais, communication is the only antecedent of trust in this model, while the major antecedents of commitment are special treatment benefits, termination costs, and confidence benefits.

The results suggest that resort operators should be culturally sensitive when creating a service strategy to deal with tourists from different cultural backgrounds.

**Table 9.2:** The ranked determinants of trust, commitment and customer loyalty

	<b>Australians</b>	<b>Thais</b>
<b>Determinants of trust</b>	<b>Communication:</b> - Inform if service fails (+)* - Problems are important to staff (+) - Fulfill promises(+) - Information can be trusted	<b>Communication:</b> - Inform if service fails (+) - Fulfill promises(+) - Information can be trusted (+) - Problems are important to staff (+)
	<b>Opportunistic behaviour:</b> - Alteration of facts (-)** - Break promises (-)	
<b>Determinants of commitment</b>	<b>Confidence benefits:</b> - Less anxiety (+) - Less risk (+) - More confidence (+)	<b>Special treatment benefits:</b> - Faster service (+) - Treated as friend (+) - Developed friend (+)
	<b>Termination costs:</b> - Wasting time (+) - A hassle (+) - A risk (+)	<b>Termination costs:</b> - Wasting time (+) - A hassle (+) - A risk (+)
	<b>Special treatment benefits:</b> - Faster service (+) - Higher priority (+) - Customisation (+) - Discounts or special deals (+)	- A need for adjustment (+)  <b>Confidence benefits:</b> - Less anxiety (+) - More confidence (+)
<b>Determinants of customer loyalty</b>	<b>Commitment:</b> - Feel committed (+) - Relationship is important (+) - Wish to retain (+) - Proud to tell other (+)	
	<b>Trust:</b> - Trust worthiness (+) - Integrity (+)	

Source: Data analysis (2008)

\* (+) = positive influence, \*\*(-) = negative influence

#### **9.4.4 Outcomes**

This thesis has highlighted several key differences between Australian and Thai cultures that appear to have a significant impact on guest service experiences, and on how tourists perceive the importance of each relational attribute.

The results of the Mann-Whitney U test indicate that Australian and Thai guests have different service experiences during their stay, and it is suggested that this is due to the cultural differences inherent to both guests and staff (see Chapter Six). For example, Thais receive higher levels of special treatment benefits from staff than their Australian counterparts, who come from a low-power society where people are expected to be treated equally. The high-power distance culture characteristic of Thai guests not only encourages them to ask for more special treatment as a way of displaying their social status, but at the same time it also discourages the Thais from making friends with the service staff, who are perceived to be of lower social status. However, although Australian tourists generally do not feel that the gap between service staff and guest is as wide as their Thai counterparts, they also find it difficult to bond with resort staff, due to the high-power distance culture held by Thai staff, which discourages resort staff from socialising with guests.

The principal component analysis also confirms that the cultural differences between Australian and Thai guests affects the way they perceive the importance of each relational attribute (see Chapter Seven). The cultural differences between Australian and Thai guests, in terms of how they perceive the importance of time (monochronic/polychronic culture), affects the way each group of guests place emphasis on obtaining faster service. Australian guests, who come from a



monochronic society where time is perceived to be a limited and thus valuable resource, place more emphasis on getting faster service than their Thai counterparts. Moreover, different cultural perspectives in terms of what is perceived to be more important, money and possessions (masculine and instrumental) or relationship quality (feminine and expressive), can be used to explain why Australians place more emphasis on special treatment benefits, while Thais place more emphasis on social benefits.

An overall comparison of results across the data analysis raises a concern regarding the issue of marketing strategies used by some resort operators included in the present investigation. It appears that in some instances, specific management and marketing strategies might have been unwittingly assigned to the wrong group of resort guests. In other words, in their endeavour to introduce practices designed to facilitate the development of a healthy host-guest relationship, resort operators may have been providing services and benefits to some guests who actually perceive them to be relatively unimportant, whilst failing to provide other services that guests would appreciate. For example, obtaining special treatment benefits such as discounts and special deals have been found to be an important factor affecting the development of a host-guest relationship for Australian resort guests, but not so for Thai resort guests. Unfortunately, the results of the present investigation indicate that it is Thai resort guests who receive discounts and special deals more often than their Australian counterparts, suggesting that resort operator's investment in discounts and special deals have been aimed at the wrong group of resort guests (see Chapter Six).

In the next section, a set of proposed marketing strategies, derived from the study is presented in order to alleviate the problems indicated in this section.

## **9.5 Managerial implications**

This thesis has found strong support for the notion that Australian and Thai resort guests are different in terms of what they perceive to be important when developing a relationship with resort operators. This, in turn, suggests that resort operators should employ different marketing strategies when dealing with tourists from different cultural backgrounds. The study stops short of saying that Australians are representative of Western tourists and the Thai of Eastern tourists. However, the general concept is relevant in that more pronounced differences are expected when comparing cultures across the East-West divide. What follows is a suite of possible strategies that resort operators might consider if they wish to invest in culturally specific initiatives to develop close host-guest relationships.

### **Theme 1: The importance of communication**

#### ***Handling service failures (Australian and Thai)***

This thesis has revealed that both Australian and Thai resort guests feel that resort operators should immediately inform them if something goes wrong during a service encounter. However, it is important to understand that the placatory gestures and techniques required when dealing with each group of resort guests are different. For Australians, it is essential that they be promptly informed, and some form of compensation will be appreciated (Hoffman, Kelley & Rotalsky 1995; Mattila & Patterson 2004). Whilst Thai guests also prefer to be immediately informed, a sincere apology rather than compensation is likely to be more effective (Mattila & Patterson

2004). In addition, Thai guests are likely to be more satisfied and tend to be more forgiving if the manager is the one who personally deals with the situation, and promptly informs guests of the proposed solution. When this does not occur the relationship between host and guest is at risk (see Chapter Three).

***Emphasising that problem is important to staff (Australian and Thai)***

Resort operators should ensure that both Australian and Thai guests are made aware that their problems are important to resort staff (see Chapter Seven). When problems arise the process of communication should involve verbal communication to inform Australian resort guests that the guest's problems are important to the resort. The next step would be to ensure that this message has been clearly received. The reason for this cautionary approach is that the use of non-verbal communication could lead to a misunderstanding between host and guest, and although delivered with the best intention, could exacerbate an already difficult situation. For example, staff should be advised not to smile when dealing with an Australian guest's problems as this might be perceived as an indication that the staff do not take their problems seriously (Holmes & Tangtongtavy 1995). Recognising that up to 90% of the communication process has been shown to be non-verbal in nature (Fromkin & Rodman 1983), the use of non-verbal communication is unavoidable in any interaction. Therefore, it is imperative that resort operators should provide some cross-cultural training to their staff so that they understand how the wrong message could be sent to guests simply through body language, including facial expressions, eye contact, posture, gestures, and inter-personal distance used during a service encounter (Mehrabian 1972).

In contrast to this verbal interaction strategy with Australian tourists, resort operators should ensure staff concentrate on positive non-verbal messages when dealing with Thai guests, since they are likely pick up any hidden messages from the staff through their body language, as a part of their evaluation of whether or not staff take their problem seriously. Consequently, staff need to be very careful in controlling their manners so that they can avoid accidentally sending a negative message through their body language. Moreover, Thai guests are not likely to feel that their problems are taken seriously without the presence of a manager. Therefore, it can be argued that an employee empowerment practice, where staff are delegated to deal with a guest's complaint without the involvement of the manager may not be as effective for Thai guests as it may be for Australian guests (see Chapter Three).

***Ensuring that information can be trusted (Australian and Thai)***

The study found that it is wise to verify information prior to providing advice to Australian and Thai guests. For example, if guests were to call a receptionist to ask about the trading hours of a particular local tourist attraction they wished to visit, staff should make a point of contacting a reliable source to double check the accuracy of any information they provide. In this way, good host-guest relationships can be built relatively quickly and easily if staff provide reliable information, that can both save guest time and reduce feelings of anxiety.

***Fulfillment of promises (Australian and Thai)***

It is advisable for resort operators to always make sure that promises made to both Australian and Thai guests are fulfilled. Staff should never hesitate to tell guests when they are asked to do something if they cannot carry out the task. From a guest's

perspective, staff telling the truth when things cannot be done is much better than promising something, but failing to deliver. This issue also requires that staff communicate clearly and promptly with other staff involved with the fulfillment of the promise. For example, if a staff member promises guests to provide a wake up call, they should also communicate the guest's request with another staff member, preferably in writing.

## **Theme 2: Confidence benefits**

### ***Reducing guest's anxiety (Australian and Thai)***

In a hospitality context, there are many unknown factors involved in the delivery of quality service. In a cross-cultural context, guests at resorts are on vacation and in unfamiliar surroundings. These issues have the potential to create high levels of anxiety. In the context of this study, anxiety is defined as a negative feeling associated with uncertainties that resort guests might experience while staying at a particular resort. It is clear from the results of this investigation that both Australian and Thai resort guests place significant emphasis on reducing anxiety when staying at a particular resort. Therefore, the ability to place a guest at ease is an important issue in the development of an on-going relationship. There are many examples of situations that might cause high levels of anxiety. For example, resort guests are likely to feel somewhat anxious when they arrive at a destination at check-in time, especially if they have to wait until a room is prepared for them. Resort guests, especially those from overseas, can feel a high level of anxiety due to a lack of understanding of local customs and not wishing to antagonise their hosts.

The problem of visitor anxiety is a well known phenomenon, and fortunately there are many techniques that can be employed in order to reduce the levels of anxiety experienced by resort guests. This requires some understanding of the guest perspective, and some empathy with the issues that resort guests need to overcome, to arrive at and enjoy the facilities available at their destination. In order to reduce the levels of anxiety associated with waiting, a resort operator should firstly communicate with their guests about why they may have to wait for services, and when those services are expected to be delivered. According to Davis and Heineke (1994), customers are likely to be less dissatisfied with an “explained” wait than with an “unexplained wait”. For example if a guest’s room is not ready, resort staff should advise that the room will be available as soon as it has been cleaned. In this interim period, a resort operator should find a way to entertain guests during their waiting period. This strategy has been found to relieve anxiety and make waiting guests feel welcome (Davis & Heinke 1994). One example, in a Thai context would be to offer a free foot-massage, which is a service that would be appreciated by tired guests, particularly those that have made the long trip from Australia. Resort staff should also create a relaxing atmosphere in the lobby by playing calm music, as this has been found to have a positive effect in reducing the levels of anxiety associated with waiting (Tansik & Routhieaux 1999). Steelman (1991) advises that the types of music that reduces anxiety and induces relaxation are pieces that have tempos ranging between 60 and 80 beats per minute.

If guests are experiencing a high level of anxiety due to a lack of understanding of local customs, as well as other difficulties associated with holidaying in a foreign environment, their anxiety might be reduced by the help of specialized guest relation

personnel, who come from the same country as the guest. Such staff will have a good understanding of the distinction between both cultures and will be able to help guests understand the staff point of view, if there is a cultural misunderstanding. For example, an Australian guest may feel annoyed when staff do something that the guest does not want (especially if previously they indicated this). An Australian guest-relations staff member may be able to explain to the guests that this is consistent with the welcoming nature of Thai customs, rather than being an indication that the staff either have a poor command of English, or fail to listen to guests (see Chapter Three).

### ***Reducing feelings of risk (Australian)***

It is accepted that a customer is likely to perceive higher levels of risk when purchasing a service than when purchasing a product (Eiglier & Langeard 1977; Zeithaml 1981). This is due to the intangible nature of service delivery as well as the fact that a service cannot be assessed prior to purchase. The current thesis has found that it is important for Australian guests to feel that they are in a situation where there is little risk that something will go wrong when they are staying at a resort. A common risk experienced by customers is when they purchase an unfamiliar service (Berry 1995). One way for managers to reduce the level of perceived risk experienced by Australian resort guests, is to offer an explicit service guarantee to the guests. This strategy has been proven to minimise the levels of perceived risk for customers prior to and during their consumption of services (Berry 1995; Kandampully & Butler 2001; Wirtz 1998). This is because it indicates the quality of service, which customers can expect, and also guarantees compensation if such quality is not achieved.

### *Facilitating confidence in service provision (for Australian and Thai guests)*

Having confidence that promised and advertised services will be properly delivered is another reason why guests decide to commit to a particular resort. In general, such confidence can be boosted by having guests experience positive cues including the design of the resort, the professional appearance of staff, an efficient service system, evidence of a good reputation, and how service staff behave during a service encounter. Australians will have more confidence if the resort provides tangible evidence to illustrate how respected they are; this evidence can include a high star rating or winning a prestigious award. The level of confidence that Thai guests have towards resort operators can be boosted through the word-of-mouth communication they receive from their friends and family (see Chapter Three). To assist in this regard, resort operators might establish a referral program for Thai guests where they can earn a “spotter fee” or other types of benefits by simply recommending the resort to their friends and family.

### **Theme 3: Termination costs**

The extensive review of literature on termination costs presented in Chapter Two suggests that many highly competitive industries such as the telecommunication industry have used economic termination costs as a means to trap customers into an unhealthy but binding relationship. Such termination costs are neither appropriate nor preferable for resort operations, especially since word-of-mouth communication is such an important marketing tool. In the present study psychological termination costs have been considered. The results show that both Australian and Thai resort guests place great emphasis on the perception of a dislike for ‘time wasting’ on their vacation, and also any risk involved with switching from the current resort.



Consequently, any procedures that a resort can put in place to save time, and fast-track a guest's arrangements will build psychological reasons for the Australian and Thai guests to continue the host-guest relationship. However, this study found that only Thai resort guests feel that a need for adjustment to a new resort is a strong reason stopping them from switching to a new resort (see Chapter Seven). From that perspective, two strategies are proposed. The first is a transfer service to and from the airport offered by the resort for guests and it is felt that this will be especially well received by Australian guests as it assists with vacation planning, reduces anxiety and removes the need to look for this service at the airport. The second strategy is to spend some additional time with guests either at check in or at a later stage, to orientate them to the resort and to the local area. This should be accompanied by printed maps and guides that will help guests to access all facilities within the resort and locality. It should be of particular value in helping Thai guests to feel at home at their current resort by reinforcing the issue of adjustment, if they were to switch to another property. However, Australians are not as reliant on these psychological termination costs.

These strategies are important because it seems that for resorts, most of the termination costs perceived to be important by guests, can be created by the level of benefit that guests will receive when they stay at the resort. Consequently, the level of termination cost perceived by guests is, in a way, positively related to the successful application of other strategies presented in this section. This means that the better the services are at a particular resort, the higher the level of perceived termination costs.

## **Theme 4: Special treatment and social benefits**

### ***Ensuring faster service (Australian, Thai)***

Both Australians and Thais feel that getting faster service than other guests is an important acknowledgement of their relationship with a resort (see Chapter Seven). However, the results of the current study show that Australian guests appear to have received these kinds of special treatment benefits less often than Thai guests (see Chapter Six). There may be a cultural explanation for this, and one of the reasons could be that Australian guests are either hesitant to ask for or receive this kind of benefit, as they perceive that it may cause conflict with other guests who are also waiting for the same service (see Chapter Seven). In Thailand, it is normal practice for a Thai host to provide a faster check in service to a regular guest by escorting them from the check in queue to provide prompt and personal service. Such an open practice may lead Australian guests to feel uncomfortable in front of other guests. In order to make Australians feel more comfortable when receiving such benefits, a resort operator must provide this service discreetly. Consequently, resort operators might need to have a separate area where regular guests can go in order to get a faster service such as a special counter or a private section. This service is not unusual in the hospitality industry, for example it is normal to have a premier guest check in area at most casino hotels which is accessed by “high rollers”.

### ***High priority (Australian)***

Australian resort guests place emphasis on being on a priority list (see Chapter Seven). To facilitate this requirement, during peak periods, a resort operator might offer a prioritised booking program that allows a regular visitor to secure their

booking. This could also be used throughout the resort so that bookings for restaurants or other resort facilities such as child minding can be made available.

### *Customisation (Australian)*

It is very common for resort operators to provide an extensive range of services to guests. While some resorts offer a pillow menu where guests can select the type of pillow they want to use during their stay, others might offer guests a bath menu where guests can choose the scent of bath oil according to their special preferences (Gelb & Levine 2005). Australian resort guests are likely to be appreciative of this service, particularly if a resort operator can remember the guest's special preferences from their previous stay (see Chapter Seven). Australians will appreciate some customised benefits that show that the resort understands and is prepared to go out of their way to ensure they are made to feel welcome. For example, the availability of Australian beer, vegemite and other familiar products would show some thought has been put into making their stay a pleasant one. Moreover, it is necessary to ensure that every member of the contact staff knows the guest's previous preferences and are able to provide a customised service. This is most efficiently done through a guest history database that contains information about the guest's previous preferences, which are easily accessed by the service staff who are directly involved with providing the service to the guest (Vallen & Vallen 2005). However, a resort operator should also make it clear to the staff that information about guests is confidential, and that privacy must be protected at all times.

### ***Discounts and special deals (Australian)***

In this study, it was found that Australians place more emphasis on getting discounts and special deals than their Thai counterparts (see Chapter Seven), yet they reported that they received such benefits less often than Thai resort guests (see Chapter Six). One reason for this could be that the Australians are reluctant to ask for discounts and special deals. This highlights the need for resort operators to find a way to automatically provide discounts and special deals to regular Australian resort guests. Another way of being discreet in the provision of discounts and special deals is to provide vouchers for food, drink or other services and these could be delivered to the guest's room. As a means to reduce resentment by other guests special treatment might include products or services that may not be valued by the other cultural groups. However, it should be noted that giving a 50% discount to every guest is commonly perceived not to be a special offer, and thus is likely to be less appreciated by special guests (Moseley 1979). Therefore, resort operators must try to offer a variety of discounts or special deals that are genuinely special for each guest, and staff need to be observant of what offers particular guests might appreciate. This suggests that discounts will be regarded as especially valuable if they are tailored to a guest's particular circumstances. For example, staff should offer a free room upgrade for a honeymooner, while offering a late check-out for people attending a conference. This way the guests are likely to feel that the discounts or special deals given to them are still special.

### ***Treated as a friend (Thai)***

The results of the analysis suggest that Thai tourists place more emphasis on being treated as a friend (see Chapter Seven). This issue can be resolved through the act of

genuine hospitality performed by service staff. A concept of genuine hospitality is far beyond a service skill as it commonly involves a caring attitude and a sense of generosity that a host has toward their guest (Telfer 2000). This means that staff can be perceived as good hosts when they are able to perform skilled service, but they will only be perceived as being hospitable when they show that genuinely care about their guests.

When dealing with Thai guests, the staff should always try to provide helpful services and information that make the guests feel that the staff genuinely care about their well-being. Resort staff should keep their eyes open for what guests might value or need, and offer it before they ask for it. For example, staff might decide to give an elderly couple a room that is closer to the lift. When employing new staff, a resort operator needs to look for people, who have a “can do” attitude, rather than those who have good service skills. Moreover, a resort operator should make it clear that staff should do whatever it takes to satisfy guests. In fact, they should launch a “can do” policy where the staff are encouraged to go the extra mile in order to fulfil guests’ special needs. To ensure these strategies are implemented, resort operators need to recruit employees, that have a positive “can do”, hospitable attitude, rather than those that have good technical service skills. Technical skills are important but these can be learned on the job, whereas attitude and behavioural traits are inherent.

### ***Developing a friendship with guests (Thai)***

Although friendly service staff can create a memorable service experience for Thai guests, it is considered inappropriate to seek to develop a friendship with Thai guests, due to the high power distance between guests and service staff (see Chapter Three).

However, it is important that resort operators ensure that managers have a chance to interact with Thai guests during their stay, in order to develop contact with them. Managers should take the time to personally welcome guests or meet with them during their stay. One of the strategies in enhancing the development of contact with guests that has been successfully used by the Indigo Pearl hotel (Phuket, Thailand), is to invite guests to a weekly executive party where they have a chance to socialise with the various managers of the resort.

However, in order for this strategy to be successful, managers need to ensure that it is done in a friendly but polite and humble manner (see Chapter Three). For example, sarcasm should be avoided as it is often perceived as crossing the line (Reisinger 1997). The art of gift giving during special occasions or sending a courtesy reminder for a regular guest if a room is booking out during their regular time of visit, should also be exercised as a strategy to keep in touch with guests.

## **Theme 5: Opportunistic behaviours**

### *Alter the facts (Australian)*

Results of the study indicate that Australians perceive the level of opportunistic behaviour that staff engage in (in Thai resorts) to be quite low (see Chapter Six). This could be because Australians are likely to interpret such behaviour as a cultural anomaly or a misunderstanding in communication rather than an attempt by staff to take advantage of them. However, they are likely to become doubtful of the trustworthiness and integrity of staff if they experience the same behaviour over and over again. Since this issue is thought to be very important for Australians, resort operators need to avoid any practices, which could lead guests to believe that their

staff engage in opportunistic behaviours. There are several practices that are more likely to be perceived by guests as opportunistic. For example, if it appears that facts have been altered in relation to the issues of quantity, quality, price, brand name, product identification, point of origin, merchandising terms, means of preservation, means of preparation, verbal and visual presentations, and dietary or nutritional claims (Perdue, Montgomery, Shock & Stefanelli 1998), then guests will likely to consider that they have been subjected to opportunistic behaviour.

### ***Break promises (Australian)***

It is suggested that in a hospitality context customers pay for promises rather than an actual service. This is due to the intangible nature of a service, where it cannot be experienced in advance (Levitt 1981). Such promises are perceived from advertising material, price, star ratings and other methods of communication such as discussions with travel agents. The results of the present study show that intentionally breaking a promise made to a guest prior to their visit, can have a fatal impact on a relationship because it reduces the level of trust that guests have toward their resort operators. One situation where guests feel that resort operators break promises made to them is when the condition of the actual guestroom experienced by the guest, is not as good as they have seen on a website or brochure. Although a good set of resort photos on the website can increase the chance of attracting new customers to the resort, guests are likely to feel that the resort operator engages in opportunistic behaviour and ultimately have less trust towards the resort operator, if these photos are manipulated or enhanced to project a distorted or untrue image. Resort operators need to ensure that all promotional materials, whilst presenting the best elements of the resort, are accurate in their depiction.

The section above summarises the important issues for the development of a strong host-guest relationship (see Chapter Eight). The section also provides some example of how resort operators can be more culturally sensitive, when dealing with tourists from different cultural backgrounds.

## **9.6 Limitation and directions for future research**

The data used in the present investigation of host-guest relationships was collected from tourists who arrived at Samui Island between January and February 2005. Although the data collection was conducted across a range of locations on Samui Island, which allowed the researcher to cover various groups of tourists who arrived at the island during that time, one limitation is that the data collection represents only a single point in time. One of the problems associated with single point of time data is that the results of the analysis might not accurately reflect the opinions of tourists who arrive at the island during other periods. In particular, it is noted that the respondents in this thesis were on Samui during the peak period, and the tourists might have different perspectives and expectations to those who arrive on the island during off-peak periods where the prices of accommodation are much cheaper. The question is whether critical attitudes vary significantly between guests with different economic resources, and possibly different backgrounds. Any future research examining host-guest relationships might consider either conducting a parallel study in the off-peak season as a comparison, or alternatively conducting a new investigation using a longitudinal data collection method with the data being collected during different periods of time. This study attempted to control this issue by using comparison of sample data against population data (see Chapter Six).



Secondly, this thesis only identifies the differences between tourists from two nationalities in terms of what they feel is important for the development of host-guest relationships. This has led to the proposed model of relationship development for each of these national groups. However, it is likely that the model derived from the data collected in this thesis may not be totally appropriate when developing host-guest relationships with other nationalities. Each group is generally representative of East and West, however, in order to provide an appropriate marketing strategy for tourists from other nationalities, future research may need to explore the determinants of host-guest relationships for other nationalities, such as North Americans or Continental Europeans and North Asians as opposed to South East Asians.

Thirdly, it is thought that host-guest relationship development in different types of service encounters can be significantly different. As a result, the investigation of host-guest relationship development in a resort context might successfully explain the development of host-guest relationships in other moderate-contact service encounters, but might not be appropriate as a framework for relationship development in a high-contact service encounter. Consequently, future research might be needed to explore the determinants of host-guest relationship across a range of high-contact hospitality settings such as cafés and family restaurants, where service staff and guests interact with each other more often.

Nevertheless, a major contribution of this thesis is that the proposed modified KMV model in Chapter Four (Figure 4.9) has proven to be an appropriate framework for the conduct of relationship marketing studies in a hospitality resort context.

Finally, the differences between Australian and Thai resort guests in the development of host-guest relationships found in the present study highlight the need to explore other areas of hospitality practice. Further research might need to explore whether or not operational practices developed in a Western context are appropriate in an Eastern context and vice versa.

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## **Developing host-guest relationships in Thai tourist resorts**

Dear Participant,

My name is Vanida Sophonsiri, I am a Ph.D student of Victoria University, Melbourne, Australia. I am inviting you to participate in my research project that explores the development of host-guest relationships in Thai tourist resorts.

Thailand's economy relies on international tourists for economic growth and success. The importance of developing the relationship between hosts and guests within the Thai tourism industry has been foregrounded by the devastating Tsunami that recently rocked the Asian region. I would like to help Thailand to rebuild its tourism destination following recent Tsunami and you can help by participating in this survey.

The attached questionnaire is designed to study the influence of trust and commitment in service encounters. The information that you provide will help to improve service by understanding the differences between Thai and international resort guests. I seek your help because you are the only one who can give me the correct picture of your holiday experience at this resort. I would be most grateful if you would agree to answer our questions.

Your decision to participate is completely voluntary and there will be no negative consequences if you do not wish to participate. Your anonymous responses will be kept strictly confidential and only members of the research team will have access to the information you provide. Thank you very much for your time and cooperation, we greatly appreciate your help in assisting us with this research.

Yours sincerely,

Mrs. Vanida Sophonsiri (Researcher),  
School of Hospitality, Tourism and Marketing,  
Victoria University, Melbourne, Australia.

Any queries about your participation in this project may be directed to the researcher (Mrs. Vanida Sophonsiri: ph. 61-3-9919-5228) or her supervisor (Associate Prof. Barry O'Mahony: ph. 61-3-9919-5378). If you have any queries or complaints about the way you have been treated, you may contact the Secretary, University Human Research Ethics Committee, Victoria University of Technology, PO Box 14428 MCMC, Melbourne, 8001 (telephone no: 03-9688 4710).



งานวิจัยเรื่อง:  
การสร้างความสัมพันธ์อันดีระหว่างผู้ให้บริการและผู้รับบริการ  
ณ รีสอร์ทที่อยู่ในประเทศไทย

เรื่อง ขอบความอนุเคราะห์ในการกรอกแบบสอบถาม  
เรียน ท่านผู้มีอุปการะคุณ

ดิฉันชื่อ นางวรรณิศา โสภณศิริ ดิฉันเป็นนักศึกษาระดับปริญญาเอกของมหาวิทยาลัยวิกตอเรีย นครเมลเบิร์น ประเทศออสเตรเลีย ขณะนี้ดิฉันกำลังทำวิจัยเรื่องการสร้างความสัมพันธ์อันดีระหว่างผู้ให้บริการและผู้รับบริการ ณ รีสอร์ทที่อยู่ในประเทศไทย งานวิจัยในครั้งนี้มีจุดมุ่งหมายเพื่อจะเปรียบเทียบความคิดเห็นของนักท่องเที่ยวชาวไทยและชาวออสเตรเลียที่เข้าพัก ณ รีสอร์ท บนเกาะสมุย (จังหวัดสุราษฎร์ธานี) โดยผลของงานวิจัยจะเป็นประโยชน์อย่างยิ่งในการพัฒนาการท่องเที่ยวของประเทศไทยให้ได้มาตรฐานระดับสากล

ดิฉันจึงใคร่ขอความอนุเคราะห์เวลาอันมีค่าของท่านเพียงเล็กน้อยในการกรอกแบบสอบถาม การวิจัยในครั้งนี้ และดิฉันขอรับรองว่าข้อมูลของท่านจะถูกเก็บเป็นความลับอย่างดีที่สุด จึงเรียนมาเพื่อโปรดให้ความอนุเคราะห์ด้วยจะเป็นพระคุณยิ่ง

ขอแสดงความนับถือ

นางวรรณิศา โสภณศิริ (ผู้วิจัย)

ภาควิชาการโรงแรม การท่องเที่ยว และการตลาด  
มหาวิทยาลัยวิกตอเรีย นครเมลเบิร์น ประเทศออสเตรเลีย

หากมีข้อสงสัยประการใดท่านสามารถสอบถามไปได้ที่ผู้วิจัยโดยตรง (นางวรรณิศา โสภณศิริ โทร: 61-3-9688-5249) หรือที่อาจารย์ที่ปรึกษาของดิฉัน (Associate Prof. Barry O'Mahony โทร: 61-3-9688-4860) หากมีข้อร้องเรียนประการใดที่เกิดจากเข้าร่วมในงานวิจัยในครั้งนี้ท่านสามารถแจ้งไปที่ the Secretary, University Human Research Ethics Committee, Victoria University of Technology, PO Box 14428 MCMC, Melbourne, 8001 (โทร: 03-9688 4710).

The questionnaire is divided into two sections. Please read the instructions carefully before making a response.

**Section 1: How do you feel about this resort?** The following are statements about how you feel about the holiday resort you are NOW staying at.

**Section 1.1:** From your personal experience of the service at this holiday resort, please tick the box that most accurately reflects the way the resort staff/management communicate with you.

**Options:** 1 = Strongly Disagree, 7 = Strongly Agree

	1	2	3	4	5	6	7
1. The holiday resort provides information that can be trusted.							
2. The holiday resort provides information if service delivery problems occur.							
3. The holiday resort fulfils promises to guests.							
4. Service staff communicate the attitude that my problems are important to them.							
5. The staff/management and I communicate and express our opinions to each other frequently.							

**Section 1.2:** From your personal experience of the service at this holiday resort, how do you feel about the behaviours of the resort staff/manager? Please tick the box that most accurately reflects your opinion for each statement.

**Options:** 1 = Strongly Disagree, 7 = Strongly Agree

	1	2	3	4	5	6	7
1. The staff can be trusted at all time.							
2. The staff have high integrity.							
3. Sometimes, the service staff will have to alter the facts slightly in order to get what they need from the guests.							
4. The service staff has sometimes promised to do things without actually doing them later.							

**Section 2.3:** The following statements are about your feeling toward the holiday resort you are staying at. Please tick the box that most accurately reflects your opinion for each statement.

**Options:** 1 = Strongly Disagree, 7 = Strongly Agree

	1	2	3	4	5	6	7
1. I am committed to my relationship with this holiday resort.							
2. The relationship is important for me to maintain.							
3. I wish to retain my relationship with this holiday resort.							
4. I am proud to tell others that I am a regular guest of this holiday resort.							
5. I am patient with the staff at this holiday resort if they make a mistake.							

**Section 1.4:** From your personal experience with the current holiday resort, why would you stay at this resort next time you visit Samui Island? Please tick the box that most accurately reflects your opinion for each statement.

**Options:** 1 = Strongly Disagree, 7 = Strongly Agree

	1	2	3	4	5	6	7
1. I will lose a friendly and comfortable relationship if I change holiday resorts.							
2. In general, it would be a hassle changing holiday resorts.							
3. I will waste a lot of time changing holiday resorts.							
4. If I change holiday resorts, there is a risk that the new resort/staff won't be as good.							
5. It takes me a great deal of time and effort to get used to a new holiday resort.							
6. If I change holiday resort, I will have to spend a lot of time explaining my needs to the staff.							

**Section 1.5:** The following statements indicate the level of relationship between you and the service staff at this resort

<b>Options:</b> 1 = Strongly Disagree, 7 = Strongly Agree	1	2	3	4	5	6	7
1. I get the resort's highest level of service.							
2. I get discounts or special deals that most guests don't get.							
3. I am placed higher on the priority list.							
4. The resort uses information from my prior stay to customize services for me.							
5. I get faster service than most guests.							
6. The staff here are more likely to treat me as a personal friend.							
7. The staff here will pay attention to my specific needs.							
8. I have developed a friendship with service staff.							

**Section 1.6:** From your personal experience, please assess the degree to which you believe you receive the following benefits by ticking the number that most accurately reflects your opinion for each statement.

<b>Options:</b> 1 = Strongly Disagree, 7 = Strongly Agree	1	2	3	4	5	6	7
1. I believe there is less risk that something will go wrong.							
2. I have more confidence the service will be performed correctly.							
3. I have less anxiety when I stay here.							
4. I know what to expect when I stay here.							
5. The service quality always meets my expectations.							
6. The service quality at this resort is worth the money.							

**Section 1.7:** Please think about the sense of loyalty you have toward this holiday resort and the possibility that you might take the following actions in the future. Please tick the box that most accurately reflects your opinion for each statement.

<b>Options:</b> 1 = Strongly Disagree, 7 = Strongly Agree	1	2	3	4	5	6	7
1. I would recommend this holiday resort to someone who seeks my advice.							
2. I would consider this holiday resort my first choice, if I were going back to Samui Island.							
3. I am a loyal patron of this holiday resort.							
4. If I were going to Samui Island next time, I would definitely go back to this holiday resort.							

**Section 2:** The following questions relate to some demographic details that will greatly assist our analysis and understanding and we would be grateful if you would also answer these. Once again the data will be anonymous and confidential. Please tick the box that most accurately reflects your opinion for each statement.

<p>1. Please indicate your gender by ticking a box:</p> <p>Male <input type="checkbox"/> Female <input type="checkbox"/></p>		<p>3. Please indicate your age range by ticking the box:</p> <table border="1"> <tr><td>Less than 20 years</td><td><input type="checkbox"/></td></tr> <tr><td>20 - 25 years</td><td><input type="checkbox"/></td></tr> <tr><td>26 - 30 years</td><td><input type="checkbox"/></td></tr> <tr><td>31 - 40 years</td><td><input type="checkbox"/></td></tr> <tr><td>41 - 60 years</td><td><input type="checkbox"/></td></tr> <tr><td>More than 60 years</td><td><input type="checkbox"/></td></tr> </table>		Less than 20 years	<input type="checkbox"/>	20 - 25 years	<input type="checkbox"/>	26 - 30 years	<input type="checkbox"/>	31 - 40 years	<input type="checkbox"/>	41 - 60 years	<input type="checkbox"/>	More than 60 years	<input type="checkbox"/>		
Less than 20 years	<input type="checkbox"/>																
20 - 25 years	<input type="checkbox"/>																
26 - 30 years	<input type="checkbox"/>																
31 - 40 years	<input type="checkbox"/>																
41 - 60 years	<input type="checkbox"/>																
More than 60 years	<input type="checkbox"/>																
<p>2. What is your occupation?</p> <p>_____</p>		<p>5. Have you stayed at this holiday resort before?</p> <p>YES <input type="checkbox"/></p> <p>NO <input type="checkbox"/></p> <p>If "yes", how many times have you stayed at this resort?</p> <p>_____</p>															
<p>4. What is your annual income range?</p> <table border="1"> <tr><td>Less than \$10,000 per year</td><td><input type="checkbox"/></td></tr> <tr><td>\$10,000 - \$20,000 per year</td><td><input type="checkbox"/></td></tr> <tr><td>\$20,001 - \$30,000 per year</td><td><input type="checkbox"/></td></tr> <tr><td>\$30,001 - \$40,000 per year</td><td><input type="checkbox"/></td></tr> <tr><td>\$40,001 - \$50,000 per year</td><td><input type="checkbox"/></td></tr> <tr><td>\$50,001 - \$60,000 per year</td><td><input type="checkbox"/></td></tr> <tr><td>More than \$60,000 per year</td><td><input type="checkbox"/></td></tr> </table>		Less than \$10,000 per year	<input type="checkbox"/>	\$10,000 - \$20,000 per year	<input type="checkbox"/>	\$20,001 - \$30,000 per year	<input type="checkbox"/>	\$30,001 - \$40,000 per year	<input type="checkbox"/>	\$40,001 - \$50,000 per year	<input type="checkbox"/>	\$50,001 - \$60,000 per year	<input type="checkbox"/>	More than \$60,000 per year	<input type="checkbox"/>	<p>5. If you are not from Thailand, how many times have you been to Thailand?</p> <p>_____</p>	
Less than \$10,000 per year	<input type="checkbox"/>																
\$10,000 - \$20,000 per year	<input type="checkbox"/>																
\$20,001 - \$30,000 per year	<input type="checkbox"/>																
\$30,001 - \$40,000 per year	<input type="checkbox"/>																
\$40,001 - \$50,000 per year	<input type="checkbox"/>																
\$50,001 - \$60,000 per year	<input type="checkbox"/>																
More than \$60,000 per year	<input type="checkbox"/>																
<p>6. Over the last three years, how often have you stayed at other resorts?</p> <p>_____</p>																	

Thank you very much for your time and your patience

แบบสอบถามฉบับนี้แบ่งออกเป็น 2 ตอน โปรดอ่านคำชี้แจงในแต่ละตอนก่อนที่ทำการตอบคำถามด้วยการกากบาทให้คะแนนแสดงความคิดเห็นลงในช่องว่างที่เหมาะสม

**Section 1:** ท่านรู้สึกอย่างไรกับรีสอร์ทที่ท่านกำลังพักอยู่ในขณะนี้? ข้อความดังต่อไปนี้เกี่ยวกับความรู้สึกที่ท่านมีต่อรีสอร์ทที่ท่านกำลังพักอยู่ในขณะนี้

Section 1.1: วิธีการที่พนักงานหรือผู้บริหารของรีสอร์ทสื่อสารกับท่าน							
คะแนน: 1 = ไม่เห็นด้วยอย่างยิ่ง, 7 = เห็นด้วยอย่างยิ่ง	1	2	3	4	5	6	7
1. รีสอร์ทนี้ให้ข้อมูลที่เชื่อถือได้							
2. พนักงานของรีสอร์ทจะให้คำอธิบายหากเกิดปัญหาในการบริการ							
3. รีสอร์ทปฏิบัติตามข้อตกลงที่ให้ไว้กับผู้เข้าพัก							
4. พนักงานบริการของรีสอร์ทแห่งนี้มักจะแสดงให้เห็นว่าปัญหาของข้าพเจ้ามีความสำคัญต่อพวกเขา							
5. ข้าพเจ้ากับทางรีสอร์ทสามารถสื่อสารแลกเปลี่ยนความคิดเห็นระหว่างกันอย่างสม่ำเสมอ							

Section 1.2: พฤติกรรมของพนักงานหรือผู้จัดการของรีสอร์ท							
คะแนน: 1 = ไม่เห็นด้วยอย่างยิ่ง, 7 = เห็นด้วยอย่างยิ่ง	1	2	3	4	5	6	7
1. พนักงานที่นี้ไว้ใจได้เสมอ							
2. พนักงานที่นี้มีความซื่อสัตย์มาก							
3. พนักงานไม่เคยบิดเบือนข้อเท็จจริง เพื่อหาประโยชน์เข้าตัว							
4. พนักงานบริการไม่เคยทำผิดสัญญาที่ให้ไว้แก่ข้าพเจ้า							

Section 1.3: ความรู้สึกเกี่ยวกับสัมพันธภาพที่ท่านมีต่อรีสอร์ทแห่งนี้							
คะแนน: 1 = ไม่เห็นด้วยอย่างยิ่ง, 7 = เห็นด้วยอย่างยิ่ง	1	2	3	4	5	6	7
1. ข้าพเจ้ายึดมั่นในสัมพันธภาพที่มีต่อรีสอร์ทแห่งนี้							
2. ข้าพเจ้าเชื่อว่าสัมพันธภาพที่ข้าพเจ้ามีต่อรีสอร์ทแห่งนี้มีคุณค่าคู่ควรแก่การรักษาไว้							
3. ข้าพเจ้าต้องการคงความสัมพันธ์อันดีกับทางรีสอร์ท							
4. ข้าพเจ้ามีความภูมิใจที่จะบอกใครๆว่าข้าพเจ้าประจำของรีสอร์ทแห่งนี้							
5. ข้าพเจ้าให้อภัยแก่พนักงานของรีสอร์ทแห่งนี้ได้หากพวกเขาทำอะไรผิดพลาด							

Section 1.4: สาเหตุที่ทำให้ท่านตัดสินใจเข้าพักที่รีสอร์ทแห่งนี้อีกครั้งหากมีโอกาสกลับมาเที่ยวที่เกาะสมุย							
คะแนน: 1 = ไม่เห็นด้วยอย่างยิ่ง, 7 = เห็นด้วยอย่างยิ่ง	1	2	3	4	5	6	7
1. ข้าพเจ้าจะสูญเสียสัมพันธไมตรีอันดีกับรีสอร์ทแห่งนี้หากเปลี่ยนไปพักที่อื่น							
2. คงจะยุ่งยากหากเปลี่ยนไปพักที่อื่น							
3. จะเป็นการเสียเวลาอย่างมากหากข้าพเจ้าจะต้องเปลี่ยนไปพักที่รีสอร์ทอื่น							
4. หากเปลี่ยนรีสอร์ทก็มีความเสี่ยงว่าที่ใหม่อาจจะไม่ดีพอ							
5. ข้าพเจ้าคงต้องใช้เวลาและความพยายามในการปรับตัวกับรีสอร์ทแห่งใหม่							
6. หากเปลี่ยนไปพักที่รีสอร์ทอื่น ข้าพเจ้าต้องเสียเวลามากในการอธิบายความต้องการกับพนักงาน							



**Section 1.5: ระดับความสัมพันธ์ของท่านกับพนักงานบริการของรีสอร์ทแห่งนี้**

คะแนน: 1 = ไม่เห็นด้วยอย่างยิ่ง, 7 = เห็นด้วยอย่างยิ่ง

	1	2	3	4	5	6	7
1. ข้าพเจ้าได้รับการบริการที่ดีที่สุดของรีสอร์ทนั้น							
2. ข้าพเจ้าได้รับส่วนลดหรือข้อเสนอพิเศษที่ผู้เข้าพักส่วนใหญ่ไม่ได้รับ							
3. ชื่อของข้าพเจ้าจะอยู่ในระดับต้นๆหากต้องมีการติดต่อในการรับบริการ							
4. รีสอร์ทใช้ข้อมูลการเข้าพักครั้งก่อนๆในการที่จะปรับปรุงการบริการให้เหมาะกับข้าพเจ้ามากขึ้น							
5. ข้าพเจ้าได้รับการบริการที่รวดเร็วเร็วกว่าผู้เข้าพักรายอื่น							
6. พนักงานที่นี้ปฏิบัติต่อข้าพเจ้าอย่างเพื่อนสนิท							
7. พนักงานที่นี้ใส่ใจต่อความต้องการพิเศษของข้าพเจ้า							
8. ข้าพเจ้าได้สร้างสัมพันธ์ภาพอันดีกับพนักงานบริการ							

**Section 1.6: ความมั่นใจในคุณภาพการบริการที่ท่านมีเมื่อเข้าพัก ณ รีสอร์ทแห่งนี้**

คะแนน: 1 = ไม่เห็นด้วยอย่างยิ่ง, 7 = เห็นด้วยอย่างยิ่ง

	1	2	3	4	5	6	7
1. ข้าพเจ้าเชื่อว่าจะมีความเสี่ยงต่อการเกิดปัญหาดังต่อไปนี้							
2. ข้าพเจ้ามีความเชื่อมั่นว่าจะได้รับการบริการที่ดี							
3. ข้าพเจ้ามีความวิตกกังวลน้อยลงเมื่อเข้าพักที่รีสอร์ทแห่ง							
4. ข้าพเจ้าทราบถึงลักษณะการบริการของที่นี่เป็นอย่างดี							
5. คุณภาพการบริการของที่นี่เป็นไปตามคาดหวังเสมอ							
6. คุณภาพการบริการที่รีสอร์ทแห่งนี้คุ้มค่ากับเงินที่จ่ายไป							

**Section 1.7: กรุณาพิจารณาถึงความเป็นไปได้ที่ท่านจะกระทำสิ่งต่อไปนี้ในอนาคต**

คะแนน: 1 = ไม่เห็นด้วยอย่างยิ่ง, 7 = เห็นด้วยอย่างยิ่ง

	1	2	3	4	5	6	7
1. เมื่อมีคนถามข้าพเจ้าจะแนะนำให้พวกเขาเข้าพักที่รีสอร์ทนี้							
2. หากได้กลับมาสมุยอีกครั้ง ข้าพเจ้าจะพิจารณาเข้าพักที่รีสอร์ทนี้เป็นแห่งแรก							
3. ข้าพเจ้าเป็นลูกค้าประจำของรีสอร์ทนี้							
4. หากได้กลับมาที่เกาะสมุยอีกครั้งข้าพเจ้าจะพักที่รีสอร์ทนี้แน่นอน							

**Section 2: คำถามต่อไปนี้เกี่ยวข้องกับข้อมูลส่วนตัวของท่านซึ่งจะช่วยในการวิเคราะห์และการทำความเข้าใจข้อมูลที่ท่านกรณาดตอบมาแล้วข้างต้น**

1. โปรดระบุเพศของท่าน:

ชาย	<input type="checkbox"/>	หญิง	<input type="checkbox"/>
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2. ท่านประกอบอาชีพอะไร?

\_\_\_\_\_

4. กรุณาระบุระดับรายได้เฉลี่ยต่อปีของท่าน:

น้อยกว่า 300,000 บาท	<input type="checkbox"/>
300,001 - 600,000 บาท	<input type="checkbox"/>
600,001 - 900,000 บาท	<input type="checkbox"/>
900,001 - 1,200,000 บาท	<input type="checkbox"/>
1,200,001 - 1,500,000 บาท	<input type="checkbox"/>
1,500,001 - 1,800,000 บาท	<input type="checkbox"/>
มากกว่า 1,800,000 บาท	<input type="checkbox"/>

5. ท่านเคยเข้าพักที่รีสอร์ทแห่งนี้มาก่อนหรือไม่?

ใช่  ไม่ใช่

ถ้า "ใช่", ท่านเคยมาพักที่นี่เป็นจำนวนกี่ครั้ง?

\_\_\_\_\_

3. กรุณาระบุช่วงอายุของท่าน:

น้อยกว่า 20 ปี	<input type="checkbox"/>
20 - 25 ปี	<input type="checkbox"/>
26 - 30 ปี	<input type="checkbox"/>
31 - 40 ปี	<input type="checkbox"/>
41 - 60 ปี	<input type="checkbox"/>
มากกว่า 60 ปี	<input type="checkbox"/>

5. หากท่านไม่ได้มีภูมิลำเนาอยู่ในประเทศไทย, ท่านเคยมาที่เมืองไทยเป็นจำนวนกี่ครั้ง?

\_\_\_\_\_

ขอขอบคุณอย่างยิ่งที่กรุณาสละเวลาอันมีค่าของท่านในการกรอกแบบสอบถามฉบับนี้