# CROSS-CULTURAL VALUES DIFFERENCES VERSUS CROSS-COUNTRY DIFFERENCES IN THE SERVICE FAILURE'S SEVERITY

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### **ABSTRACT**

Most cross-cultural studies have been conducted with samples from different countries (Eastern versus Western countries) or at the societal level (collectivistic societies versus individualistic societies). Although these studies have addressed relevant research questions, there is a need to investigate cultural differences within countries as well. Indeed people from a given country may not always frame mentally a context or an event in a strict individualist or collectivist way. Hence it is increasingly important to examine cultural variability at the individual-level rather than a country level. In this paper we conducted two studies, and showed that cross-country comparison (US versus Puerto Rico) was not relevant to understand the influence of culture on the severity judgment, however cultural values differences investigated at the individual level (idiocentrism versus allocentrism) matters. Findings support that subjects assess differently the severity of negative events not because they originate from different countries, but due to the fact that they cling to different cultural values' orientations.

### INTRODUCTION

Although the concept of severity is an important topic in the criminology and psychology fields (e.g. Mandelzys, 1979; Allen 1986; Bennett and Earwaker, 1994; Heller et al. 1983), it has received little attention in marketing sciences. In this vein, recent research in marketing suggests that academicians as

well practitioners have much to gain from a further understanding of service failure severity (De Matos et al., 2007).

In fact assessing the issue of severity is a critical especially in the service context, where failures occur more often (Fisk et al., 1993). For instance, it has been recognized that the higher the severity of a failure is, the lower the overall satisfaction will be (Mattila 1999, Weun et al, 2004).

Moreover the degree of severity may have an impact on deciding the appropriate service recovery strategy that a marketer should deploy to remedy to the failure (McCollough et al, 2000).

In addition, the magnitude of severity has shown to affect the attribution of failure; the more severity is perceived the more the customer will blame the service provider (Laufer et al. 2005).

Further the severity magnitude can interact with the type of unfairness experienced by the customer, indeed as the service failure becomes more severe, the positive influence of both interactional and distributive justice on satisfaction evaluations decreases (Weun et al, 2004).

Overall marketers are faced with the challenge of understanding how customers mentally frame the severity of the wrongdoing or the degree of hurt, to be willing to address the right service recovery and ultimately to resolve the problem.

Nevertheless, as globalization grows this challenge becomes more complex as the severity issue is extended to different cultural contexts. This is especially true in intercultural as well intra-cultural contexts, where cultural boundaries are unclear. Even within a same country as well a same marketplace, customers may cling to different cultural values and will assess differently the severity of the service failure.

In claiming so, investigating customers' sensitivity to an experienced harm or loss should be apprehended from a cultural perspective and more particularly at the individual level of culture rather than societal or country level.

In this paper we review literature on the service failure's severity as well cross-cultural differences in evaluating the severity, and we conducted two empirical studies. The first study investigates whether allocentric subjects perceive more severity than idiocentric ones within a same country. The second study tests whether differences in assessing severity are due to the differences in trait of culture (i.e. allocetntric versus idiocentric) or the country of origin. As we proceed, we discuss the findings and we conclude with main research implications and research limitations.

### LITERATURE REVIEW

### SERVICE FAILURE AND SEVERITY

The major factor that affects whether or not a conflict is pursued is the severity of the conflict (Leung 1988). The more severe the incident, the more negative will be the victim's reactions (Schoenbach, 1990). In marketing literature the severity issue was addressed in the context of service failure, referred to as the magnitude of service failure (Weun et al., 2004) and criticality (Mattilla, 1999).

It has been recognized that minor problems, involving mild inconvenience to the consumer are less likely to elicit strong negative behavior such as revenge (Folkes, 1984). However service failures involving more serious problems can result in severe loss and shape vengeful behaviors (Bechwatti and Morrin, 2003).

In addition, the perception of the severity influences the blame attribution especially when culpability is ambiguous. The more a severity is perceived the more blame will be assessed to the firm (Laufer et al., 2005).

Likewise, the severity of a service failure can influence the type of recovery necessary to mitigate the customer's dissatisfaction, such as if the customer will expect an apology or a compensation. For instance, a customer will expect some compensation from the service provider if the failure resulted in a financial loss than if it did not (McCollough, 2009).

However, if the service failure is perceived as significantly severe, and even the service provider initiates a strong service recovery, customers may remain upset, will engage in a negative word-of-mouth, and will be less likely to develop trust and commitment toward the service provider (Weun et al., 2004).

### CROSS-CULTURAL DIFFERENCES IN THE SEVERITY JUDGEMENT

Little is known about the effect of culture on the severity evaluation, although investigating cross-cultural differences in the assessment of severity is relevant to understand whether offenses are perceived more seriously in one culture than another and then if these offenses will potentially arise confrontational behaviors or not.

For instance, Itoi et *al.*, (1996) found that Japanese students rated the harm related to an offense as more severe than their American counterparts and are more inclined to engage in non-adversarial behaviors such as excuses and apologizes; as Japanese tend to make conflicts covert (or to otherwise mitigate them) rather than resolving them, they are more likely to experience an inner pressure (e.g. suppressing private feelings and maintaining social harmony) and this induces a higher social sensitivity to offenses that leads to an hyperperception of harming others.

Likewise, in regard to moral offenses, Scott & Al-Thakeb (1980) and Evans & Scott (1984) found that American students perceive less seriousness compared to Kuwaiti university students. These differences are explained by the effect of religiosity on the perceived seriousness of an offense: respondents who score high in religious values perceive offenses more seriously than do respondents with low scores in religious values (Al-Thakeb and Scott, 1981; Newman and Trilling 1975).

Moreover, the severity assessment is strongly related to the risk perception that is a function of the probability and the importance of loss (Mitchell 1998). When investigating the risk judgment, from a cross cultural perspective, Bontempo et al., (1997) found that respondents from Hong Kong and Taiwan (collectivist cultures) are more sensitive to the magnitude of potential losses than respondents from United States and Netherlands (individualist cultures).

In fact, the influence of culture on severity assessment seems to be more complex as its scope goes beyond the country level or societal level. Indeed two persons originate from one country may mentally appraise an offense differently because of their differences in cultural values' orientations, although they live in the same country. Likewise two persons originate from different countries may appraise an offense in the same way because they share same cultural values' orientation, although they live in different countries. Hence there is a need to investigate cross-cultural differences in severity seriousness at the individual level as well.

In claiming so, one can argue that individuals who share collectivist cultural values (i.e. allocentrics) are likely to recognize more severity in an inflicted harm due to their higher sensitivity to the social connectedness and harmony that are somewhat consistent with religious values. Accordingly harming other people will be strongly disapproved as it may threaten the social harmony. In this light, it is safe to

argue that following a severe incident allocentrics may perceive more severity related to an offense than do idiocentrics. From this, we derived 2 hypotheses:

 $H_1$ : Subjects within a same country, pooled in allocentrics and idiocentrics, will report a different level of severity, such as allocentrics will perceive more severity in a service failure than idiocentrics.

H<sub>2</sub>: Subjects from two culturally distant countries, will report similar magnitude of severity (a cross country comparison), but pooled in allocentric subjects and idiocentric they will report different level of severity (cultural values' orientations comparison).

### STUDY 1: CULTURAL DIFFERENCES IN THE PERCEPTION OF OFFENSE SEVERITY

The purpose of this study is to select a set of tales that score high in severity and realism and to test whether the perceived severity differs between allocentric and idiocentrics subjects.

### **Participants**

100 undergraduate students from a university based in Quebec responded to a Web-based survey. We screened students based on the following criterion: subjects should be born and grew up in Quebec. Overall we retained only 70 students. Among them 31 participants were males and 39 females. In indicating their ethnic origins 22 were assigned to the Western culture and 48 to the Eastern culture.

### Measures

### Episodes realism

We measured episodes realism with 3 items derived from Bechwati and Morrin (2003) and McCullough et al., (2000)'s measures. Examples of items are "the situation described above is realistic" and "this story is likely to occur in students' real life". To increase measure sensitivity items were rated using a 10-point Likert scale ranging from 1=strongly disagree to 10=strongly agree.

### Offense severity

We measured the severity of the incident with 3 items derived from Weun et al., (2004) developed in the consumption context. A sample of items includes: "If this offense were really happening to me it would create a major problem for me", and "If this offense were really happening to me, it would cause me a great deal of inconvenience". Items were also rated using a 10-point Likert scale.

### Allocentrism-Idiocentrism trait:

Allocentrism and idiocentrism were measured using a short version of 13 items (e.g. Shafiro, 2004, Callow and Schiffman, 2004) adapted from the original INDCOL scale (Triandis 1983). These items address the extent to which participants agree or disagree (7=strongly agree, 1=strongly disagree) that they exhibited allocentric and idiocentric attributes. A sample of items includes "I feel good when I cooperate with others" for allocentrism subscale and "being a unique individual is important to me" for idiocentrism subscale.

### **Procedure**

Participants were gave a booklet of 12 stories borrowed from UNDERDOGS' program, a TV show of CBC. The program relates real fights, with real frustration, where outraged customers are involved in a battle against perpetrator firms (see appendix 1).

## **APPENDIX 1: CASES FROM UNDERDOGS PROGRAM TV ON CBC**



Story # :	1
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# Liz & Fabian versus Big Appliance

Liz & Fabian bought a well-known brand name vacuum cleaner through an infomercial. After more than a year, the vacuum cleaner still has not arrived. The appliance company says it isn't responsible... but Liz & Fabian want them to take responsibility for the problem.

Story # 2	Burt and his wife changed their minds about their
	funeral plans and cancelled their contract. They got
Burt versus Big Funeral	their money back, except for the money for a cremation urn. Burt wants the funeral company to cough up their 'urnings'.

# Story # 3

### **Tom versus Big Auto**

Tom bought into the dream of a vehicle that would last a decade. But when the transmission in his \$40,000 van went kaput just past its warranty, Tom's dream died with it. Now he's trying to wake up the company, and he won't be satisfied until they've paid the cost of his new transmission.

Story # 4	When Patrick's family signed up for long distance service, he thought they were getting a great deal. But
Patrick versus Big Phone	Patrick says the company ended up charging him for 6 years of internet service that he insists he never asked for and never used. He wants that money back.

# Story # 5 Mark agreed to renew his cell phone contract for unlimited calling at a great low rate, but when the bills came in the charges were substantially higher. Mark

	wants the company to honour the contract he signed.
Story # 6 Antoinette versus Big Office Supply	Antoinette was shocked to discover that the crashed computer she returned was repaired and sold to another customer, along with the personal files she stored on it. She wants the company to only sell computers with clean hard drives.
Story # 7 Nathan versus. Big Rewards	Nathan had not used his loyalty program card in years, and then discovered that because of company policy, his points had been wiped out. Nathan believes he earned his points and he wants them back.
Story # 8 Dawn versus Big Car	Dawn says a faulty passenger door on her new minivan put her family in danger. After repeated attempts to have the faulty door fixed, Dawn was left angry and frustrated at the company's inability to satisfy her concerns.
Story # 9 Victoria versus Big Cellphone	Victoria purchased a new phone, assured of the local calling rate. But instead, her phone number was based in another city 300 km south of where she lives and many of her calls have been charged the long distance rate, even checking her voicemail.
Story # 10 Faye versus Big Gas Co.	When Faye's husband died last year, she removed his name from their gas bill. The utility gave her a new account and charged her at a higher rate. Faye says she's owed money.
Story # 11 Catlin versus Big Toilet	Catlin won a contest, but found it impossible to actually receive his prize: an iPod. Now he's fighting a big paper company, and he's got his whole high school habind him.
Paper	behind him.
Story # 12  Nick versus Big Auto	Nick bought a new minivan in 2003. Since then, the van has been in the shop nearly two dozen times, for a total of about 6 months. Nick says his van is obviously
	a lemon, and he believes the car company should replace it.

After reading each story, the participants were asked to rate 6 items assessing the realism and severity of the offenses. At the end of the survey, participants are asked to answer to idiocentrism/ allocentrism items, and to specify their gender, country of birth, how longer they live in the country, and their ethnicity identification.

# Analyses and Results

Episodes' evaluations

Cronbach's alpha coefficients were computed for realism and severity measures. The reliability of the scales proved to be acceptable among all cases (values ranging from 0.786 to 0.975 for the realism scale and 0.891 to 0.980 for the severity scale).

Descriptive statistics were performed to assess the ratings of realism and severity. Table 3 shows the means, standard deviations: among all tales story#6, story#5 and story# 9 reported the highest average scores of "realism and severity" (respectively M= 8.233, M= 8.105 and M=7.757). These stories relate critical incidents occurring with a computer repair service (story# 6), a phone company (stories#5 and #9).

In fact, with respect to other incidents, these service failures are more likely to occur in students' real life. These types of service failures were manipulated successfully in previous cross-cultural studies on consumer behavior and had shown a common sense of incident to students from different countries to evoke strong negative reactions to a severe offense (e.g. Bechwatti and Morrin, 2003; Chan and Wan 2008).

Among other tales, story#6 is the most interesting as it reports the highest scores in terms of severity and realism (respectively M = 8.229. and M = 8.162). This is not surprising given that a loss of a computer containing personal files, as described in this case, is a severe incident that may result in a great deal of inconvenience especially for students.

**Table 3:** Descriptive statistics of realism and severity assessments

		•		All students	·		
	Cronbach'			N=70	Cronbach'		
	S	Mean	SD		s	Mean	SD
	Alpha				Alpha		
Story#1	0.773	6.793	1.868	Story#7	0.884	6.548	2.296
Realism	0.786	7.619	1.966	Realism	0.947	7.538	2.592
Severity	0.932	5.967	2.873	Severity	0.949	5.557	2.893
Story#2	0.850	5.464	2.133	Story#8	0.886	7.731	2.194
Realism	0.856	5.933	2.438	Realism	0.891	7.700	2.413
Severity	0.929	4,995	2.695	Severity	0.951	7.762	2.702
Story#3	0.916	6.831	2.343	Story#9	0.836	8.105	1.854
Realism	0.947	7.733	2.434	Realism	0.975	8.048	2.560
Severity	0.978	5.929	2.946	Severity	0.891	7.766	2.306
Story#4	0.939	6.938	2.590	Story#10	0.909	6.662	2.390
Realism	0.966	7,605	2.737	Realism	0.936	6.562	2.777
Severity	0.961	6,271	2.969	Severity	0.970	6.762	2.731
Story#5	0.849	<u>7.757</u>	2.035	Story#11	0.924	5.690	2.499
Realism	0.899	8.162	2.224	Realism	0.942	6.800	2.733
Severity	0.980	7.352	2.876	Severity	0.936	4.581	2.806
Story#6	0.821	8.233	1.812	Story#12	0.838	7.500	1.858
Realism	0.903	8.229	2.103	Realism	0.862	7.233	2.197
Severity	0.930	8.238	2.506	Severity	0.903	8.161	2.149

Allocentrism and Idiocentrism traits

Items were factor analyzed with a Varimax rotation. This analysis yielded two factors namely allocentrism and idiocentrism with factor loadings ranging from .609 to .967 for the earlier and .835 to .941 for the latter. After an iterative process we deleted 2 items from the allocentrism subscale as they had cross-loading anomalies. The factors achieved a Cronbach's alpha of .945 and .969 respectively for allocentrism and idiocentrism subscales.

**Table 4:** Factor Analysis & Reliability results of Allocentrism/Idiocentrism scale.

Factor loadings	Factor 1	Factor 2
Allocentrism (Cronbach's alpha= .945)		
1. To me, pleasure is spending time with others	<u>.967</u>	
3. I feel good when I cooperate with others	<u>.756</u>	
5. It is important to me to maintain harmony	<u>.749</u>	
6. I would feel proud, if another person gets recognition	<u>.951</u>	
7. The well-being of others is important to me	<u>.609</u>	
13. My happiness depends very much on the happiness of those around me	<u>.651</u>	
Idiocentrism (Cronbach's alpha=.969)		
2. I rely on myself most of the time; I rarely rely on others		<u>.901</u>
4. My personal identity, independent of others, is very important to me		.854
8. I often do my own thing		.883
10. I'd rather depend on myself than others		
11. Being a unique individual is important to me.		<u>.835</u> <u>.941</u>
Variance explained = 9.395		
Cumulative variance explained = 85.414%		

### *Index scores and sampling design*

Following Gregory et *al.* (2002)'s procedure, allocentrism items were reverse coded to create and index score labeled idiocentrism-allocentrism trait where 1= allocentrism and 7=idiocentrism. The index values were dichotomized based on the median split technique (e.g., Dutta - Bergerman and Wells, 2002). This dichotomization allows us classifying students into two groups: 35 idiocentric subjects and 35 allocentric ones. The range of index scores was from 2.36 to 4.64. With a median split at 3.86, allocentrics had scores between 2.36 and 3.86, while idiocentrics had scores between 3.86 and 4.64.

### Cultural differences in the severity of harm's assessment

Independent sample t-tests are performed for stories 5, 6 and 9 to examine the effects of idiocentrism-allocentrism trait on the evaluation of harm severity. Table 5 compares the means and standard deviations for allocentric subjects and idiocentrics ones. Although the results are not all significant, they clearly indicate that allocentric group consistently shows higher means than the idiocentric group: allocentric subjects rated the perceived harm as more severe compared to the idiocentrics (respectively M  $_{\rm allocentric}$ = 8.304 vs. M  $_{\rm idiocentrics}$  = 6.400; M  $_{\rm allocentric}$  = 9.257 vs. M  $_{\rm idiocentrics}$  = 7.219 and M  $_{\rm allocentric}$  =7.809 vs. M  $_{\rm idiocentrics}$  =7.723). Specifically, story 6 showed a significant differences (respectively t=.000, p<0.05). Overall results lend general support to the fact that, when faced with an offense, allocentrics perceive more severity than idiocentrics.

Table 5: Differences in Severity assessment between Idiocentrics and Allocentrics

	Idiocentrics N=35		Allocei N=.		
	Mean	SD	Mean	SD	t
Severity #5	6.400	3.092	8.304	2.315	.073
Severity # 6	7.219	2.975	9.257	1.323	.000*
Severity # 9	7.723	2.452	7.809	1.741	.117

<sup>\*</sup> **P**< .05

#### Discussion

This study has examined the effect of differences in cultural values' orientations on ratings of harm severity. Consistent with the previous studies (e.g. Itoi 1996) the results provide general support for the higher sensitivity of allocentric subjects to the severity of harmful incidents compared to the idiocentric ones.

The susceptibility of allocentric subjects to rate more severe an incident may be explained by the fact that allocentrics are socialized to protect social harmony and goodwill, but even this harmony may be threatened by any offense this will be strongly disapproved resulting in an over-perception of the severity. Such cultural differences in the perception of harm severity serve as important clues for interpreting the effects of culture on the mental judgment and cognitive responses toward harmful encounters.

### STUDY 2: CULTURAL DIFFERENCES VERSUS COUNTRY DIFFERENCES IN OFFENSE EVALUATION

In study 2, we retain tale 6 because it has highest levels of realism and offense severity (a severe incident with a computer repair service) as proved in study 1. Further, we used a pre-test to assess whether tale 6 is or not willing to induce a psychologically equivalent stimulus across country samples.

In fact stimulus equivalence is a critical issue in cross-cultural research because a stressor used in various cultural contexts should be a common evocative event to different countries to ascertain that any differences in responses are attributed to the individual level of cultural differences and not to a non-equivalent function of the stimulus (Anderson 1967). In particular, situations used in studies on consumer behavior should be functionally equivalent across nations before investigating cultural differences. For instance, Patterson et *al.* (2006) tested the scenario equivalence between Thailand and Australia in terms of realism and severity before investigating the effect of cultural values orientations (i.e. measured at the individual level) on fairness perceptions following a service failure recovery.

Accordingly, to be equivalent the stimulus used in this study should evoke comparable interpretation regarding the realism and the severity of the incident. In other words, the offense should have an equivalent magnitude and relevance to persons across countries. More explicitly, differences between subjects' reactions to the stimulus should result from differences between cultural traits (idiocentrism versus allocentrism) rather than differences between their country of origin (i.e. two persons originate from one country may appraise an offense differently because of their differences in cultural values' orientations, although they live in the same country. Likewise two persons originate from different countries may appraise an offense in the same way because they share same cultural values' orientation, although they live in different countries).

Therefore, in this study, the stimulus equivalence was tested by comparing the realism and severity scores across country samples before pooling the data into allocentrics and idiocentrics groups.

### **Participants**

We employed the same procedure used in the first study in screening the participants for second one (i.e. subjects should be born and grew up in their country of origin). Undergraduate students from 2 universities located in San Juan in Puerto Rico (n=34) and Washington in United States (n=30) were asked to assess the severity and realism of a service incident occurred with a computer repair service. This type of service was manipulated successfully in previous cross-cultural studies on consumer behavior and has shown a common sense of incident to students from different countries (e.g. Chan and Wan, 2008). We selected Puerto Rico and US countries because they have very different cultural patterns (Triandis et *al.*, 1984). Further previous works have shown that Puerto Ricans score higher in allocentrism and lower in idiocentrism whereas Americans score higher in the latter and low in the earlier (Triandis et *al.*, 1988, 1983). In doing so, we intend to ensure an equal balance between allocentric and idiocentric subjects.

### Stimulus equivalence

Although Puerto Rican's sample has lower mean scores of realism and severity, compared with US sample, (respectively M  $_{Puerto\ Rico\ sample} = 6.225 \le M$   $_{US\ sample} = 6.300$  and M  $_{Puerto\ Rico\ sample} = 6.127 \le M$   $_{US\ sample} = 6.322$ ), these differences were not significant (all t were > .05). This result indicates that both groups of participants agreed that the scenario was realistic, that the problem presented in the scenario was major and they would be equally irritated and angered by the situation.

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Test of equivalence	Puerto Rico	US	<i>T</i> -value
	N = 34	N = 30	
Realism (Cronbach's alpha= .948)	6.225	6.300 (1.407)	.626
1. The situation described above is realistic	(1.478)	6.23 (1.501)	(ns)
2. This story is likely to occur in students' real life	6.29(1.508)	6.48 (1.271)	.851 (ns)
3. I think the situation described in this story could really	6.36 (1.295)	6.27 (1.596)	.676 (ns)
happen to some students.	6.12 (1.701)		.530 (ns)
Severity (Cronbach's alpha= .950)		6.322 (1.382)	
4. The offense described in this story is severe	6.127	6.47 (1.279)	.558
5. The offense described in this story may result in a	(1.472)	6.23 (1.633)	(ns)
major problem.	6.26 (1.463)	6.27 (1.461)	.380 (ns)
6. This offense could cause a great deal of inconvenience.	6.09 (1.676)		.681 (ns)
_	6.03 (1.446)		.997 (ns)

<sup>\*</sup>Standard deviations are in parentheses

ns: t-value is not significant at 0.05

all items were measured with a 7 Likert scale (1 = Strongly disagree and 7=Strongly agree).

### Allocentrism-idiocentrism tendencies

We assessed the reliability of the allocentrism-idiocentrism measure for both samples (see table below). In both samples two items were removed (item 13 of the allocentrism subscale and item 2 of the idiocentrism subscale). The elimination of these items improved the Cronbach's Alpha of allocentrism subscale (= .886 for US sample, and .944 for Puerto Rico sample) and idiocentrism subscale (= .851 for US sample, and .861 for Puerto Rico sample).

Overall the allocentrism-idiocentrism scale showed a satisfactory reliability for the American sample (Cronbach's alpha=.923) and Puerto Rican sample (Cronbach's alpha=.918).

**Table 7:** Reliability results for idiocentrism and allocentrism subscales

	Puerto	Rico sample	US sample		
-	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	
Idiocentrism Subscale		$(\alpha = .784)$		$(\alpha = .828)$	
2. I rely on myself most of the time I rarely rely on others	.241	. <u>861</u>	.431	<u>.851</u>	
4. My personal identity independent of others is very important to me	.299	.821	.627	.795	
8. I often do my own thing	.809	.661	.758	.753	
10. I'd rather depend on myself than others	.796	.736	.788	.751	
11. Being a unique individual is important to me	.802	.659	.571	.811	
Allocentrism Subscale		$(\alpha = .860)$		$(\alpha = .821)$	
1. To me pleasure is spending time with others	.579	.850	.580	.795	
3. I feel good when I cooperate with others	.483	.859	.718	.777	
5. It is important to me to maintain harmony	.711	.832	.785	.772	
6. I would feel proud if another person gets recognition	.428	.862	.645	.784	
7. The wellbeing of others is important to me	.715	.830	.769	.770	
9. I would help within my means if another person were in financial difficulty	.680	.836	.565	.797	
12. I like sharing little things with others	.699	.832	.658	.784	
13. My happiness depends very much on the happiness of those around me	.614	<u>.944</u>	.274	<u>.886</u>	

We computed separate allocentrism and idiocentrism scores for each participant based on self-report measures of allocentrism and idiocentrism. A comparison of means revealed that as expected American subjects score higher in idiocentrism (M  $_{idiocentrism} = 5.001$ ) and lower in allocentrism (M  $_{allocentrism} = 3.985$ ) conversely their Puerto Rican counterparts score higher in allocentrism (M  $_{allocentrism} = 4.677$ ) and lower in idiocentrism (M  $_{idiocentrism} = 3.991$ ).

<u>Table 8</u>: One-sample t-Test: means and standard deviations of participants' degree of allocentrism and idiocentrism

Cultural values' orientation						
Country	N	Allocentrism	Idiocentrism	Sig. (2-tailed)		
US	30	3.985 (1.168)	5.001 (1.306)	0.000 *		
Puerto Rico	34	4.677 (1.181)	3.991 (1.029)	0.001*		

Terms in parentheses are standard deviations.

<sup>\*:</sup> t-value is significant at 0.001

### Subjects' classification

Following the same procedure used by Gregory et *al.* (2002), allocentrism items were reverse coded and an index was created for each sample by averaging all items, where 1= allocentric and 9=idiocentric tendencies. A comparison of means showed that overall subjects from US have higher index score than did subjects in Puerto Rico (4.326 vs. 3.637), indicating that US subjects are more idiocentrics than Puerto Rican subjects. A dichotomous median split was then performed so as to categorize students as idiocentric or allocentric (Triandis, 1983). The range of index scores in the US was from 2.00 to 5.09. With a median split at 4.477 allocentrics had score between 2.00 and 4.477 and idiocentrics had score between 4.477 and 5.09. The range of index scores in Puerto Rico was from 3.01 to 7.00. With a median split at 3.545, allocentrics had score between 3.01 and 3.545 and idiocentrics had score between 3.545 and 7.00. In sum this categorization within Puerto Rican sample resulted in 24 allocentrics and 10 idiocentrics, while US sample accounts for 15 allocentrics and 15 idiocentrics.

### Cultural differences versus country differences

A 2 x 2 MANOVA analysis was performed to test the effects of country and cultural values on dependent variables (realism and severity). Results showed significant main effects of allocentrism-idiocentrism (Wilks' Lambda= .839, F=5.665, p=.006) but not the effect of country of origin (Wilks' Lambda= .976, F=.731, p=.486) nor the interact effect (Wilks' Lambda= .836, F=.179, p=.836).

This finding supports that the offense results in an equivalent stimulus (regarding severity and realism) across 2 countries, while allocentric and idiocentric subjects from these countries showed a different sensitivity to the incident.

In addition, we conducted separate ANOVAs for each dependent variable to determine which dependent variables are significant. Again results proved that the main effect of cultural values' orientations on the subjects rating of harm and realism was significant but not the effect of country. Indeed the allocentrism-idiocentrism had significant main effects on both realism (F=10.549, p=.002) and severity (F=7.958, p=.006), whereas the country of origin had insignificant main effects on both dependent variables (respectively F=.065 p=.799 and F=.350, p=.557).

**Table 9:** MANOVA and ANOVA results for the perceived severity and realism

MANOVA	UNIVARIATE F				
a.	Wilks'		10	D 1'	g :
Source	Lambda	F	df	Realism	Severity
Allocentrism/idiocentrism (AI)	. 839	5.665	1	10.549*	7.958*
		*			
Country (C)	.976	.731	1	.065	.350
AI x C	.994	.179	1	.251	.146
* p< .05					

### Discussion

As depicted in figures 1 to 6, the country of origin showed no significant effect on severity and realism assessments. However the allocentric /idiocentrics trait have significant effects on both severity and realism.

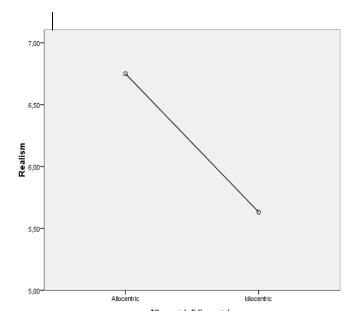
Regarding realism, figure 1 shows that allocentric subjects perceive more realism than idiocentric ones. However a cross country comparison reveals no significant differences between Americans and Puerto Ricans (figure2). Figure 3 reveals that, beyond the fact that allocentrics perceive more realism than idiocentrics, allocentric subjects from Puerto Rico perceive slightly more realism than their counterparts from US, while idiocentric from Puerto Rico perceive less realism than their counterparts from US.

With respect to the perceived severity, figure 4, shows that allocentric subjects report more severity than idiocentric ones. More interestingly a cross country comparison showed no significant differences between Americans and Puerto Ricans (figure5). For an in-depth investigation, figure 6 accounts for both levels of comparison the country level as well the individual level of culture (idiocentrism versus allocentrism). Allocentrics from both Puerto Rico as well US, assess the service failure at a greater extend of severity than idiocentrics in both countries.

In the light of these results, one can argue that patterns observed at the country level are different from patterns at the individual level of culture. Obviously the use of a cross-country comparison to investigate cultural differences can lead to misinterpretations as within country patterns can be quite different from between countries patterns. So conclusions about cultural differences drawn from a country level comparison may be fallacious.

<u>Figure 1</u>: Main effect of Cultural Values' Orientations on Realism

**<u>Figure 2</u>**: Main effect of Country on Realism



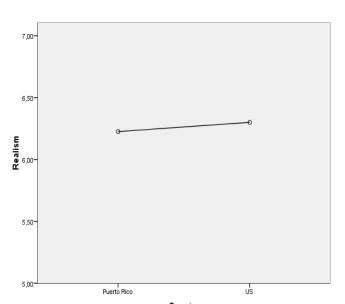
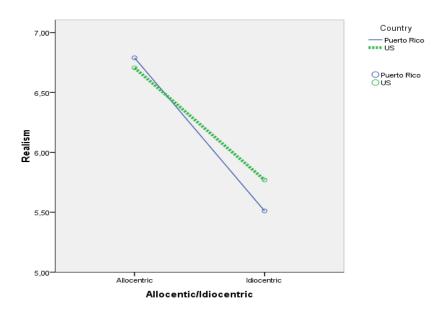
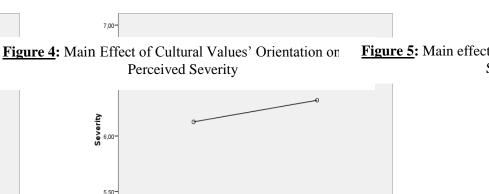


Figure 3: Two way- interaction of Cultural values' Orientation X Country on Realism





Country

Puerto Rico

Figu

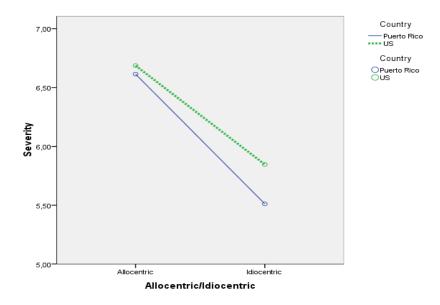
Figu

Figu

Allocentric

Allocentric

<u>Figure 6</u>: Effect of Cultural Values' Orientation on the Perceived Severity by Country



### IMPLICATIONS AND RESEARCH LIMITATIONS

Albeit preliminary and exploratory in nature, this study contends to the fact that respondents may perceive more or less seriousness in an offense depending on their cultural values orientations (i.e. allocentrics perceive more severity in an offense than idiocentrics) and not as function of their country of origin.

The findings give strong evidence that culture should be investigated at the individual level rather than a societal or national level. In this vein, these results support the call echoed by many scholars (e.g. Wang et al., 2004, Gregory 2002, Schwartz 1994) to examine the constructs of culture as trait attributes (e.g. allocentrism and idiocentrism values).

Despite the interesting insights achieved here, we must note that findings of this research must be considered in light of its limitations.

A first limitation stems from the use of a sample of undergraduate students. Although this sample was convenient for the purpose of this study the results should be considered with caution as previous studies showed that responses to a service failure may be correlated with age, and education level (Cota-McKinley et al., 2001). Moreover, the results from this study should be interpreted with caution because of the limited sample size. In this line, additional research could be conducted with a sample that is more representative of customers, to increase the external validity of the findings.

The second limitation is related to the fact that data used here are cross sectional (data are collected at one point of time), so longitudinal research are needed to improve the validity findings (Grégoire et al., 2009).

Further, in order to have a more comprehensive view of the severity assessment and a deeper understanding of the influences of the cognitive appraisals in framing negative events such as a service failure it will be relevant to consider both sides of customers who perceive the severity of a failure and the employee who may initiate the failure.

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