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DIFFERENT FACTORS AFFECTING CUSTOMER SATISFACTION FOR YOUNG
GENERATIONS IN FINE DINING RESTAURANT: A CROSS-CULTURAL STUDY OF
THE UNITED STATES AND SOUTH KOREA

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ABSTRACT

Customer satisfaction is influenced by various factors. As the restaurant industry is vastly expanding worldwide, restaurant industry professionals must understand what builds and affects customer satisfaction based on cultural differences, especially for fine dining restaurants, as customers tend to have higher expectations for such establishments. This study sought to compare and contrast the different factors affecting customer satisfaction in fine dining restaurants in two different cultures. The two countries, the United States and South Korea, embody individualism and collectivism, respectively, based on Hofstede's (1980) model of cultural dimensions. Adopting a quantitative approach, past dining experiences at fine dining restaurants were measured with foci on the food quality, service quality, physical environment, similarity to other customers, and physical appearance of other customers. The reliability variables were tested using Cronbach's alpha and factor analysis. Also, *t* tests were conducted to ascertain the significance of mean differences. Regression analysis was conducted to test research hypotheses. Besides investigating the differences in factors affecting customer satisfaction in fine dining restaurants among the different cultures, this study sought to present practical managerial implications that can be implied to a restaurant business that is rapidly growing worldwide. Results show that food quality, service quality, and physical appearance of other customers had no distinctive effects on customer satisfaction between participants from the United States or South Korea. Physical environment and similarity to other customers appeared to have higher impacts on the United States population compared to the South Korean population.

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Chapter 1

Introduction

Many restaurant companies are going abroad as the international market for hospitality grows rapidly. Among 500 of the largest restaurant chains in the United States, the international unit growth was 9% in 2012 while domestic growth was only 2.2% (Maze, 2013). As the hospitality industry becomes more globalized, understanding different perspective on factors affecting customer satisfaction in restaurants of guests from all over the world is becoming a necessity rather than an advantage.

The main research question of this study was: “How do cultural differences affect customer satisfaction in fine dining restaurants?” With a broad geographic focus, this study contributes to the hospitality industry with a better understanding of the behaviors of global customers in the fine dining restaurant setting. This research focused on the level of product and service perceptions in fine dining restaurants in two different countries. As the definition of restaurant segments differs among cultures, “fine dining restaurants,” which have the most standardized image in many countries, was chosen as the specific segment for this study.

One important aspect of customer perspective is customer satisfaction. Customer satisfaction is considered to be one of the most critical priorities for industry professionals since it is directly related to marketing strategies and customer loyalty (Ryu & Han, 2009). Customer satisfaction has multiple definitions; this study followed the definition of Anderson, Eugene, Claes, and Donald (1994) of transaction-specific customer satisfaction: “a post-choice evaluative judgment of a specific purchase occasion” (p. 54). Customer satisfaction is affected by various

factors. Studies have focused on both tangible and intangible components; a proper combination of both should be examined to accurately measure customer satisfaction. The reason both industry professionals and academics are concerned with customer satisfaction is because it is related to customer loyalty, which is subsequently related to the revenue of a business (Hallowell, 1996).

Ryu and Han (2010) examined the relationship between food quality, service quality, and the physical environment and customer satisfaction, and its subsequent impact on behavioral intention in quick-casual restaurants. This research revealed that all three factors - food quality, service quality, and the physical environment - were significant determinants of customer satisfaction. Also, the study demonstrated a positive relationship between customer satisfaction and behavioral intention.

It is difficult to capture the definite components of customer satisfaction because everyone has different perspectives on and expectations for products and services. Pizam and Taylor (2009) claimed satisfaction is non-universal due to the fact that each individual experiences different satisfaction out of hospitality experiences based on different needs, objectives, and past experiences. The current study adopted Hofstede's (2011) model of individualism versus collectivism to measure the difference in satisfaction between two cultures. Hofstede (2011) described individualism in this way: "the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family" (p. 11); on the other hand, collectivism implicates that "people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts, and grandparents), that continue protecting them in exchange for unquestioning loyalty, and oppose other in-groups" (p. 11). Hofstede scored each country to group them into the two dimensions; the higher the score, the

more individualistic the country was. According to these definitions, the current research defined the United States (score = 91) as an individualistic country and South Korea (score =18) as a collectivist country.

To summarize, the purpose of this study was to examine the cultural differences in the factors affecting customer satisfaction in fine dining restaurants. This study specifically measured the difference between an individualistic country and a collectivistic country, the United States and South Korea respectively.

Chapter 2

Literature Review

2.1 Individualism vs. Collectivism

Clearly, there are differences in the perceptions of factors that affect customer satisfaction in fine dining restaurants among individuals from different backgrounds. Mattila (2000) conducted a quantitative study in Singapore, which illustrated the impact of culture and gender on customer evaluations of service encounters. The research included both hotels and restaurants, including cafés and fine dining restaurants. The results revealed that customer evaluations of service encounters depended on cultural backgrounds. Furthermore, the study showed that Asian customers had lower satisfaction with service in both hotels and restaurants.

Hofstede (1980) identified the cultural dimensions of individualism and collectivism which can explain the difference in one's level of perceptions. Individualism is defined as a mindset in which individuals place greater importance on personal interests rather than group interests (Wagner & Mock, 1986). Individualistic people tend to ignore others when they conflict with their personal interests (Wagner, 1995). This means individualists will perceive personal-related factors more critically when purchasing products and services. Collectivistic individuals identify themselves with the needs and concerns of others (Crandall, 1980). This means collectivists will perceive group-related factors more significantly when purchasing products and services.

2.2 Customer Satisfaction

Customer satisfaction has been heavily researched in the past literature, and academia has suggested multiple definitions. Customer satisfaction is affected by various factors. Oliver (1977) suggested that the level of satisfaction is dependent on the level of expectations of customers. The disconfirmation theory by Oliver (1977) illustrated that different backgrounds lead to different levels of satisfaction due to the differences in the level of expectations. Disconfirmation theory (Namkung, 2007) suggests that if performance exceeds expectations, a customer will be positively satisfied, and on the other hand, if the performance fails to meet expectations, the customer will be dissatisfied. .

2.3 Food Quality

One of the important factors affecting customer satisfaction in fine dining restaurants is food quality. In fact, food quality is considered to be the most critical factor for United States customers (Parasuraman & Zeithaml & Berry, 1988). Food quality can be defined by both objective and subjective terms. Objective quality is defined as the physical characteristics of food while subjective quality is defined as the perceived quality of food by customers (Klaus, 2005). Perceived quality is defined as “judgment about an entity’s overall excellence or superiority” (Zeithaml, 1987, p. 88). As the definition of perceived quality suggests, the quality is therefore measured subjectively and affected by the characteristics of the person doing the judging. High food quality can have a positive effect on customer satisfaction, while poor food quality can have a negative effect on customer satisfaction.

Namkung and Jang (2007) investigated the relationship between food quality and satisfaction and behavioral intention in mid- to upscale restaurants in three eastern cities in the United States. The results revealed food quality has a significant effect on customer satisfaction. Also, this study demonstrated the positive relationship between positive customer satisfaction and behavioral intentions, mainly associated with revisit intentions.

Klaus (2005) claimed that food quality is often measured by means–end approaches, expectancy value approaches, economics of information approaches, and satisfaction/dissatisfaction approaches. According to these approaches, food quality is often examined using tangible components based on an individual's subjective perceptions. Hui (1986) illustrated individualism as value-independence and self-sufficiency when sharing of material resources. On the other hand, collectivism does not mind sharing tangible resources; Triandis (1983) gave the example of hunting in collectivistic cultures where people do not mind sharing foods among villagers. That said, the present study interpreted the measurement of food quality as a more individualistic dimension and hypothesized that:

H1: Food quality has a stronger impact on customer satisfaction in cultures high in individualism than collectivistic cultures.

2.4 Service Quality

It is not only the foods on the table that affect customer satisfaction but also the services delivered by the restaurants. Since customers have various expectations for, and perceptions of, service, it is difficult for restaurants to deliver a high quality of service due to the intangible characteristics of services (Fu, 2001). Therefore, examining the different components of service

quality that customers feel positively or negatively about is critical in today's hospitality industry. Understanding the different components based on cultural differences will help both academics and industry professionals improve marketing projects and train employees to provide the right service for the right customers.

Even though customer satisfaction has been studied broadly in the past, customer satisfaction measured with SERVQUAL in fine dining restaurants is not sufficient. In 2012, Ching, Cheng, Fu, and Hsiu studied service quality management using the Importance-Performance & Gap Analysis (IPGA) model and Decision Making Trial and Evaluation Laboratory (DEMATEL) analysis in eight fine dining restaurants in Taipei, Taiwan. The results showed that reliability, responsiveness, and assurance were the keys for service quality improvements..

Cronin and Taylor (1992) found that the service quality measurement was mainly affected by the service perception alone. As Hui (1986) demonstrated, collectivists do not mind sharing tangible resources among societies, implying that collectivistic cultures value intangible resources, such as relationships, above tangible resources. Also, Schwartz (1992, 1994) described collectivists as people who value favors and a sense of belongingness. Customers who tend to value human relationships and human contact, which can be described as intangible elements, should thus tend to value the quality of service provided by employees. Therefore, the present study hypothesized that:

H2: Service quality has a stronger impact on customer satisfaction in cultures high in collectivism than individualistic cultures.

2.5 Physical Environment

Wall and Berry (2007) defined the physical environment as a message-creating medium that can stimulate customers to choose certain restaurants. According to Mehrabian and Russel (1974), individuals react to their physical environment with either approach or avoidance. Approach behaviors can be interpreted as positive reactions to the environment, whereas avoidance behaviors can be seen as negative reactions. The physical environment has been shown to influence customer behaviors in a restaurant environment (Booms & Bitner, 1982). For example, Han and Ryu (2009) confirmed the relationship between three essential factors of the physical environment (décor and artifacts, spatial layout, and ambient conditions), price perception, customer satisfaction, and customer loyalty in restaurants.

The conceptual model for service quality consists of a dimension of tangibility that embraces both food quality and physical environment. Customers who value their personal interests more than those of others tend to value the sources that can affect self-actualization (Hui, 1986). Therefore, the present study hypothesized that:

H3: Physical environment has a stronger impact on customer satisfaction in cultures high in individualism than collectivistic cultures

2.6 Other Customers

A number of researchers have considered other customers as a factor in service environment affecting customer satisfaction (Brocato, 2012; Homburg, 2001; Miao & Mattila, & Mount, 2011; Thakor, 2008). Other customers who are present in a service setting can influence the focal customers' perceptions of the service setting in two opposite ways: enhancement or

detraction (Mourali, 2003). Grove and Fisk (1997) said observing other customers' behaviors may affect the evaluation of the service experience of the focal customer. Other customers can play critical roles in customers' perceptions of the restaurants, especially in fine dining where customers place themselves in a luxurious service environment,

In 2012, Brocato, Voorhees, and Baker developed scale items to examine the influence of cues from other customers. The items included similarity, physical appearance, and suitable behavior. Similarity is defined as the extent to which observing customers can identify themselves with other customers in the same service environment (Martine & Pranter, 1989). Physical appearance includes gender, age, and appearance; focal customers identify themselves with other customers who have similar physical appearances (McGrath & Otnes, 1995). Suitable behavior is defined as the extent to which focal customers evaluate other customers' behaviors as positive or negative (Brocato, 2012). While similarity and physical appearance are measured using observable cues, suitable behaviors require closer interactions among customers. However, due to the uniqueness of Korean culture, it would be inappropriate to measure suitable behavior since Korean people do not interact in restaurant settings, especially in fine dining restaurants. Therefore, the present research excluded suitable behavior from the factors due to the cultural uniqueness of Korea.

Hofstede (1984) stated that individuals from collectivistic countries value the sense of "belongingness." Similarity with other customers and observation of other individuals impacts on the observing individuals affect whether they feel they are in the right place and are thus closely related to the sense of belongingness. Also, having a similar physical appearance to other customers in the environment impacts focal customers' feelings about whether they are among

others that are from the same society. As other customers' dimensions influence the experiences other people have in the same environment, the present study hypothesized that:

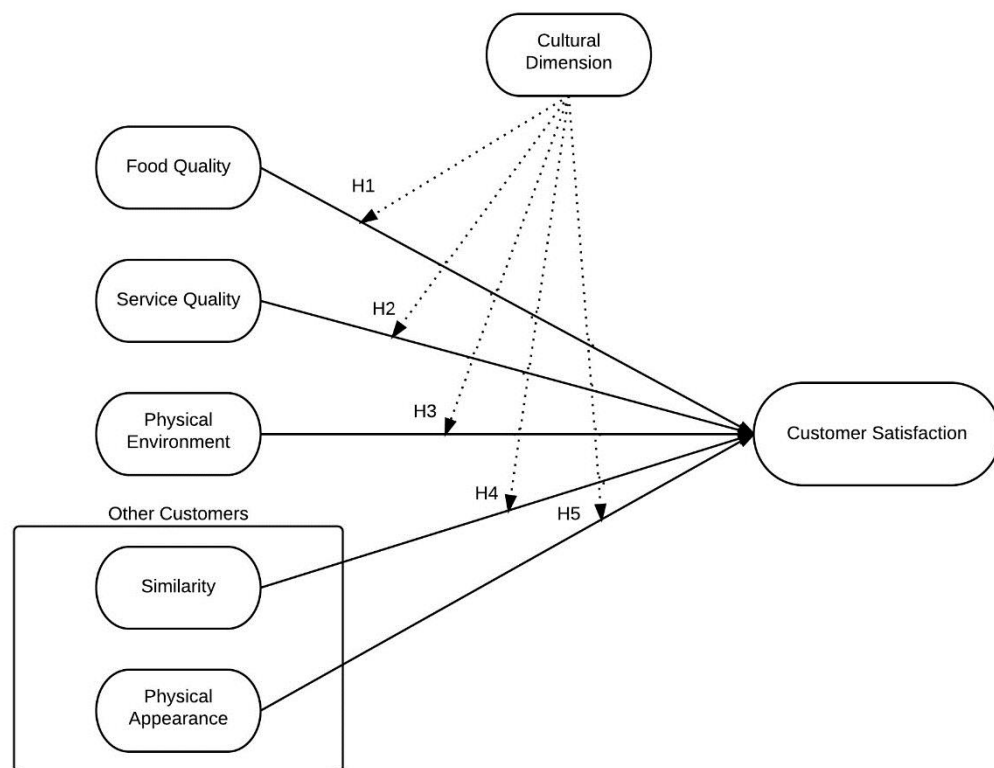
H4: Similarity to other customers has a stronger impact on customer satisfaction in cultures high in collectivism than individualistic cultures.

H5: Physical appearance of other customers has a stronger impact on customer satisfaction in cultures high in collectivism than individualistic cultures.

2.7 Conceptual Model

The conceptual model illustrating these relationships can be seen in figure 1.

Figure 1. Conceptual Model



Chapter 3

Methodology

3.1 Research Design

This research utilized a quantitative method to obtain data. A self-administered online survey asking about respondents' past visits to fine dining restaurants was distributed in the United States and South Korea. The responses were analyzed using Statistical Package for the Social Sciences (SPSS).

This research focused on young generations, aged 18 to 30, and especially on college students. The reasoning behind the selection of the sample for this study was because previous studies have shown that age plays an important role in customer satisfaction (Homburg, 2001). Studies have shown that younger generations are more sensitive to certain factors, such as other customers, in the service environment (Thakor, 2003). Sproles (1985) and Sproles and Kendall (1986) developed six traits of young consumers in the United States: (1) perfectionism, (2) value-conscious, value-for-money orientation, (3) brand consciousness, (4) novelty-fad-fashion consciousness, (5) shopping-avoider/time-saver satisfaction, and (6) confused, support-seeking decision making. Among the six traits, the value-conscious, value-for-money orientation trait well represents the reason this research chose a young generation for the study sample. The value-conscious trait is explained by young consumers seeking the best value for the money they spend (Sproles, 1985; Sproles & Kendall, 1986). The value-conscious trait would reflect the impacts of factors on the level of satisfaction since fine dining restaurants offer high quality of products and services at higher prices; as younger generations are sensitive with the value for

money, the sample demographic would illustrate the impacts more adequately. Therefore, in order to capture the effects of different factors on customer satisfaction based on cultural differences more effectively, this research used younger generations between the ages of 18 and 30 for the study sample.

Since the survey was distributed in two different countries, the survey needed to be consistent. The survey for South Korea was translated from English to Korean by a bilingual PhD student at a state university and later reverse-translated to English by another bilingual undergraduate student at the same university to make sure the translation agreed with the original.

3.2 Sampling and Data Collection

Data for this research were collected using an online self-administered survey of residents of the United States and South Korea who had experience dining at fine dining restaurants. The questionnaires were distributed using a snowball-sampling technique; because of the broad geographic conditions of this cross-cultural study and financial limitations, the survey respondents were asked to refer the online survey to their friends. The snowball method is often used when a sample population is hard to reach (Auerbach & Silverstein, 2003). Even though the snowball-sampling method lacks randomness for the sample chosen, it was considered to be the best method for this study to obtain data from the broad geographic areas of the United States and South Korea.

The targeted sample was 100 residents from each country. As younger generations are more sensitive to environments and value for the money (Sproles & Kendall, 1984; Thakor,

2003), the target sample aged from 18 to 30. Also, since the survey asked respondents to share their insights based on their past experiences in fine dining restaurants, people who did not have any prior fine dining experiences were asked not to complete the survey. The initial sample was chosen from one university from each country. The initial participants were asked to forward the e-mailed surveys to at least five more people, regardless of their demographic characteristics, in order to reach the target number of samples. After a four-week survey period, a total of 286 responses were collected, of which 231 responses were usable, including 81 United States responses and 150 Korean responses.

3.3 Measurement

A widely used measurement to examine service quality in a hospitality setting is SERVQUAL, developed by Parasuraman, Zeithaml, and Berry (1988). The SERVQUAL instrument measures the gap between the expectations of the customers and their perceptions using a 7-point scale. SERVQUAL measures five dimensions (tangibles, reliability, responsiveness, assurance, and empathy) from the authors' "conceptual model of service quality" (Parasuraman & Zeithaml & Berry., 1988). A number of researchers have questioned the validity of the differences between expectations and perceptions (Carman, 1990). Teas (1993) reported that respondents indicated confusion related to the actual questions. Cronin and Taylor (1992) investigated the measurement of SERVQUAL and concluded that their investigation supported the performance-only approach. Therefore, the current research only focused on the perceptual aspect of the SERVQUAL instrument.

The current research used a self-administered questionnaire that was comprised of the 28 items shown in Table 1. The items were measured on a 7-point Likert scale from 1 to 7 (strongly disagree to strongly agree, respectively). Nineteen items were adopted from a previous study (Andaleeb, 2006) to measure food quality, service quality, physical environment, and satisfaction. The remaining nine items were adopted from another study by Brocato (2012), which developed a scale concerning the influence of other customers in the service experience, with a focus on similarity and physical appearance. Lastly, the respondents' demographic data was collected using three items including gender, age, and country of residence.

Table 1. Survey Items

Food Quality	
1	The food was fresh
2	The temperature of the food was just right
Service Quality	
3	Employees were attentive
4	Employees were helpful
5	Service was prompt
6	Server's appearance was neat
7	Employees understood my needs
8	Server was courteous
9	Server had knowledge of the menu
10	I received exactly what I ordered the first time
11	My order was served error-free
Physical Design and Appearance	
12	Lighting in the restaurant was appropriate
13	Adequate parking was available
14	The restaurant was clean
15	The décor was visually appealing
Other Customers	
Similarity	
16	I could identify with the other patrons in the facility
17	I was similar to the other patrons in the facility
18	The other patrons were like me
19	The other patrons came from a similar background to myself
20	I fit in with the other patrons
Physical Appearance	
21	I liked the appearance of the other patrons
22	The other patrons were dressed appropriately
23	The other patrons looked nice
24	The other patrons looked like they were my type of people
Satisfaction	
25	Overall, I was satisfied with my dining experience
26	I would return to the restaurant in the future
27	I would recommend the restaurant to others
28	Considering the type of restaurant, the quality of service was excellent

3.4 Data Analysis

SPSS was used to describe study participants' profiles, establish Cronbach's alphas, and run t tests, and regressions. Cronbach's alpha measures the internal consistency of items to get the reliability of measures. T tests were used to test if there were significant differences in dependent variables between the two cultures (Reisinger & Turner, 2003). Regression analysis was used to see if independent variables had significant impacts on customer satisfaction by country and to test the hypotheses.

Chapter 4

Data Analysis

4.1 Pearson's Correlation Coefficient, Cronbach's Alpha, and Factor Analysis

Pearson's correlation coefficient was used to determine the relationship between two items under food quality measurement. There was a positive strong relationship between the two items that was statistically significant with $r=.814$ and $p<.001$.

Cronbach's alpha was used to assess the reliability of the scales used in this study. The results are shown in Table 3. For service quality the Cronbach's alpha value was higher than 0.70, and results indicated that the alpha could not be increased if any items were deleted. However, the results from the physical environment showed that if the item "adequate parking was available" was deleted, the Cronbach's alpha would increase from 0.799 to 0.811. Deleting this one item from the physical environment scale resulted in a total of three items in the factor.

Table 2. Cronbach's alpha results

Factors	Cronbach's Alpha	Number of Items	Cronbach's Alpha if Item deleted
Food Quality	0.897	2	
Service Quality	0.933	9	
Physical Environment	0.799	4	0.811

A factor analysis with a varimax rotation was conducted in order to confirm that the items were loaded into two factors identified for the current study including similarity to other customers and physical appearance of other customers. The total variance, shown in Table 3, shows that two of the components had eigenvalues higher than 1. Component 1 had an eigenvalue of 5.308 and component 2 had an eigenvalue of 1.307. The eigenvalues confirmed two factors of other customers: similarity to other customers and physical appearance of other customers. The rotated component matrix, shown in Table 4, confirmed that these two factors clearly loaded as expected. All items had factor loadings greater than 0.7.

Table 3. Factor analysis results

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.308	58.980	58.980	5.308	58.980	58.980
2	1.307	14.523	73.503	1.307	14.523	73.503
3	0.644	7.161	80.664			
4	0.497	5.527	86.191			
5	0.350	3.892	90.083			
6	0.319	3.550	93.633			
7	0.284	3.154	96.787			
8	0.177	1.972	98.759			
9	0.112	1.241	100.000			

Table 4. Factor analysis matrix with factor loadings

Rotated Component Matrix		
	Component	
	1	2
I could identify with other patrons in the facility	0.719	0.125
I was similar to the other patrons in the facility	0.898	0.236
The other patrons were like me	0.863	0.271
The other patrons came from a similar background to myself	0.706	0.354
I fit right in with other patrons	0.728	0.448
I liked the appearance of the other patrons	0.328	0.818
The other patrons were dressed appropriately	0.248	0.847
The other patrons looked nice	0.154	0.892
The other patrons looked like they were my type of people	0.367	0.734

4.2 Mean Values and T-Test

The means for all independent variables by country are shown in Table 5. For food quality, the mean for U.S. respondents (5.6914) was higher than for those from South Korea (5.3667). For service quality, the mean for U.S. responses (5.3958) was higher than those from South Korea (5.2854). For physical environment, the mean for U.S. responses (5.4625) was higher than those from South Korea (5.3266). For similarity, the mean for South Korean responses (4.5356) was higher than those from the U.S. (4.3825). For physical appearance, the mean for U.S. responses (4.9469) was higher than those from South Korea (4.5608). The means showed Americans rated the food quality, service quality, physical environment, and physical appearance of other customers slightly higher than South Koreans, but South Koreans rated the similarity to other customers slightly higher than Americans.

Table 5. Mean values

	Country	N	Mean	Std. Deviation	Std. Error Mean
Food Quality	US	81	5.6914	1.12241	0.12471
	Korea	150	5.3667	1.19376	0.09747
Service Quality	US	80	5.3958	1.17147	0.13097
	Korea	146	5.2854	0.98156	0.08123
Physical Environment	US	80	5.4625	1.14429	0.12794
	Korea	148	5.3266	1.08412	0.08911
Similarity	US	80	4.3825	1.39917	0.15643
	Korea	149	4.5356	1.08634	0.08900
Physical Appearance	US	80	4.9469	1.12838	0.12616
	Korea	148	4.5608	1.11751	0.09186

T-tests were used to test the significance of the difference in means by country.. As can be seen in Table 6, for food quality, Levene's test for equality of variance showed a significance

of 0.920, which indicated equal variances were assumed between the countries. The two-tailed significance had a value of 0.045, which indicated the United States participants rated food quality higher than South Korean participants.

Table 6. T-test results

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig.(2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Food Quality	Equal Variacnes Assumed	0.010	0.920	2.014	229	0.045	0.32469	0.16123	0.00700	0.64238
	Equal Variacnes not Assumed			2.051	172.938	0.042	0.32469	0.15828	0.01228	0.63711
Service Quality	Equal Variacnes Assumed	6.539	0.011	0.754	224	0.451	0.11045	0.14640	-0.17805	0.39894
	Equal Variacnes not Assumed			0.717	140.170	0.475	0.11045	0.15412	-0.19426	0.41515
Physical Environment	Equal Variacnes Assumed	1.387	0.240	0.886	226	0.377	0.13592	0.15341	-0.16638	0.43822
	Equal Variacnes not Assumed			0.872	143.687	0.385	0.13592	0.15591	-0.17207	0.44392
Similarity	Equal Variacnes Assumed	4.822	0.029	-0.917	227	0.360	-0.15307	0.16695	-0.48203	0.17589
	Equal Variacnes not Assumed			-0.851	131.086	0.397	-0.14307	0.17998	-0.50910	0.20296
Physical Appearance	Equal Variacnes Assumed	0.008	0.930	2.481	226	0.014	0.38606	0.15560	0.07944	0.69269
	Equal Variacnes not Assumed			2.474	160.698	0.014	0.38606	0.15606	0.07788	0.69425

For physical appearance, Levene's test for equality of variances had a value of 0.930, which indicated equal variances were assumed between the countries. The two-tailed significance had a value of 0.014, which indicated the United States respondents rated the physical appearance of other customers higher than the South Korean respondents. No other significant differences in means were noted in the comparison of means.

4.3 Regression

The conceptual model in this study suggested that country was a moderating factor of the proposed relationships among food quality, service quality, physical environment, similarity to other customers, physical appearance of other customers, and customer satisfaction. Therefore, a

regression with interactions was completed. The results, shown in Table 7, indicated that the interaction between physical environment and country and similarity to other customers and country showed marginal significance at $p < .1$. The graphs below provide further illustration of these relationships.

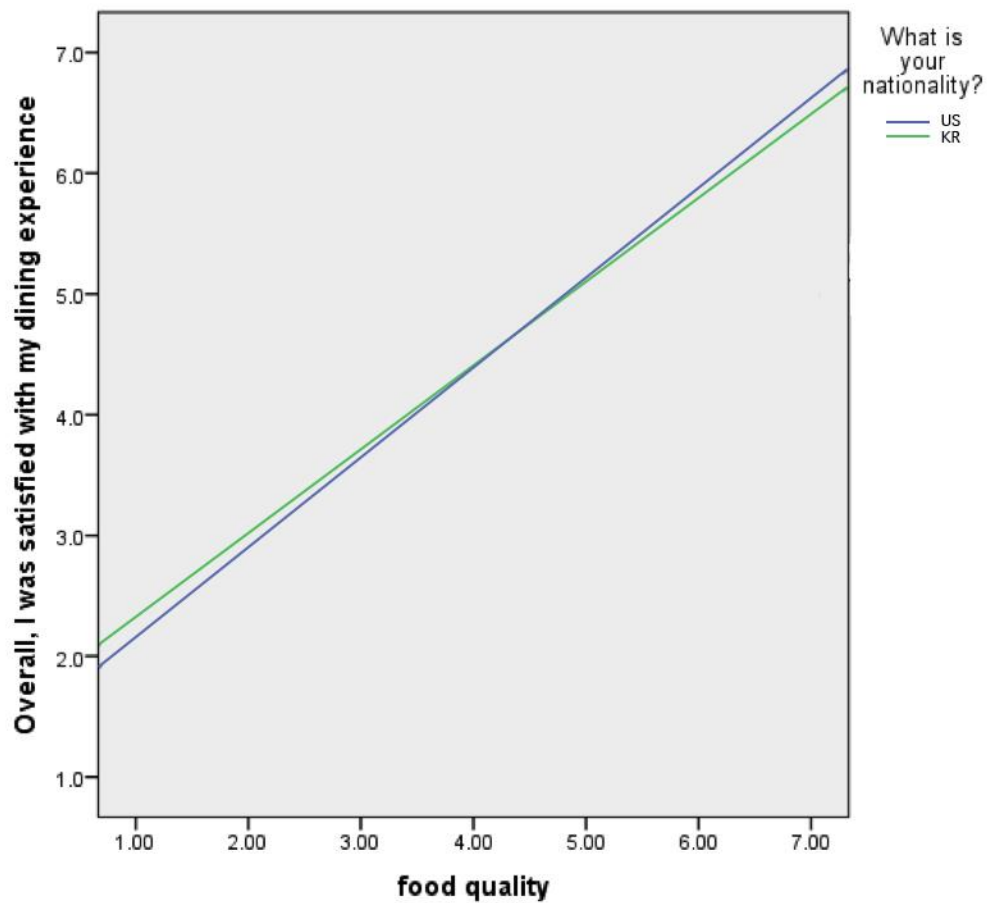
Table 7. Regression with interaction results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.831	0.423		1.967	0.051
	food quality	0.467	0.154	0.486	3.036	0.003
	service quality	0.34	0.144	0.313	2.358	0.019
	physical environment	-0.285	0.141	-0.277	-2.021	0.045
	similarity	0.11	0.072	0.118	1.538	0.126
	physical appearance	0.276	0.107	0.275	2.586	0.01
	What is your nationality?	-0.429	0.532	-0.181	-0.806	0.421
	physical environment Xcountry	0.287	0.167	0.681	1.717	0.087
	food qualityXcountry	-0.116	0.173	-0.28	-0.672	0.503
	service qualityXcountry	0.064	0.177	0.15	0.363	0.717
	similarityXcountry	-0.184	0.102	-0.378	-1.798	0.074
	physical appearanceXcountry	-0.001	0.127	-0.002	-0.009	0.993

a. Dependent Variable: Overall, I was satisfied with my dining experience

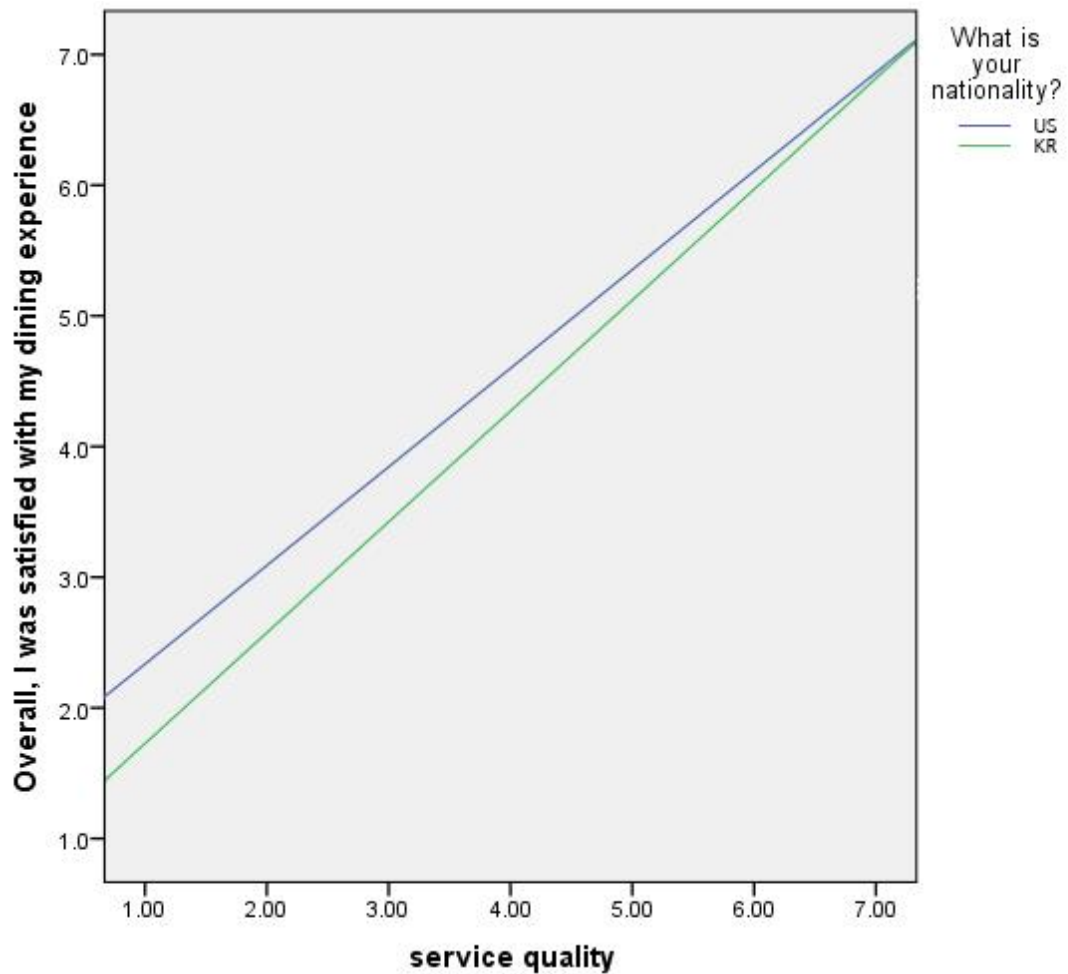
As can be seen in figure 2, the United States respondents' satisfaction was slightly lower than South Korean respondents at low levels of food quality but slightly higher than South Korean respondents at high levels of food quality. The interaction between food quality and country was not significant. These results rejected the H1.

Figure 2. Regression graph of food quality by country



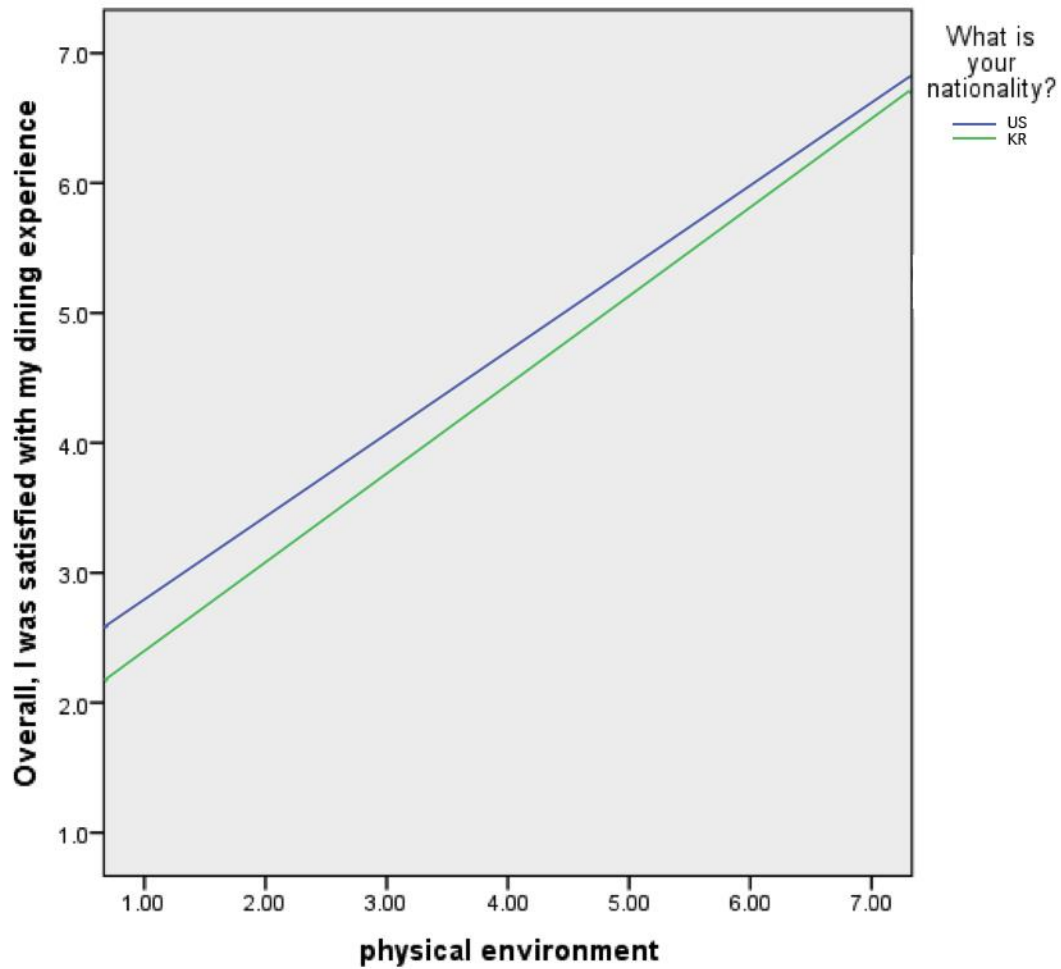
As can be seen in figure 3, South Korean respondents' satisfaction was lower at low levels of service quality, but when service quality was rated high, satisfaction levels were similar for both countries. The interaction between service quality and country was not significant. These results rejected the H2.

Figure 3. Regression graph of service quality by country



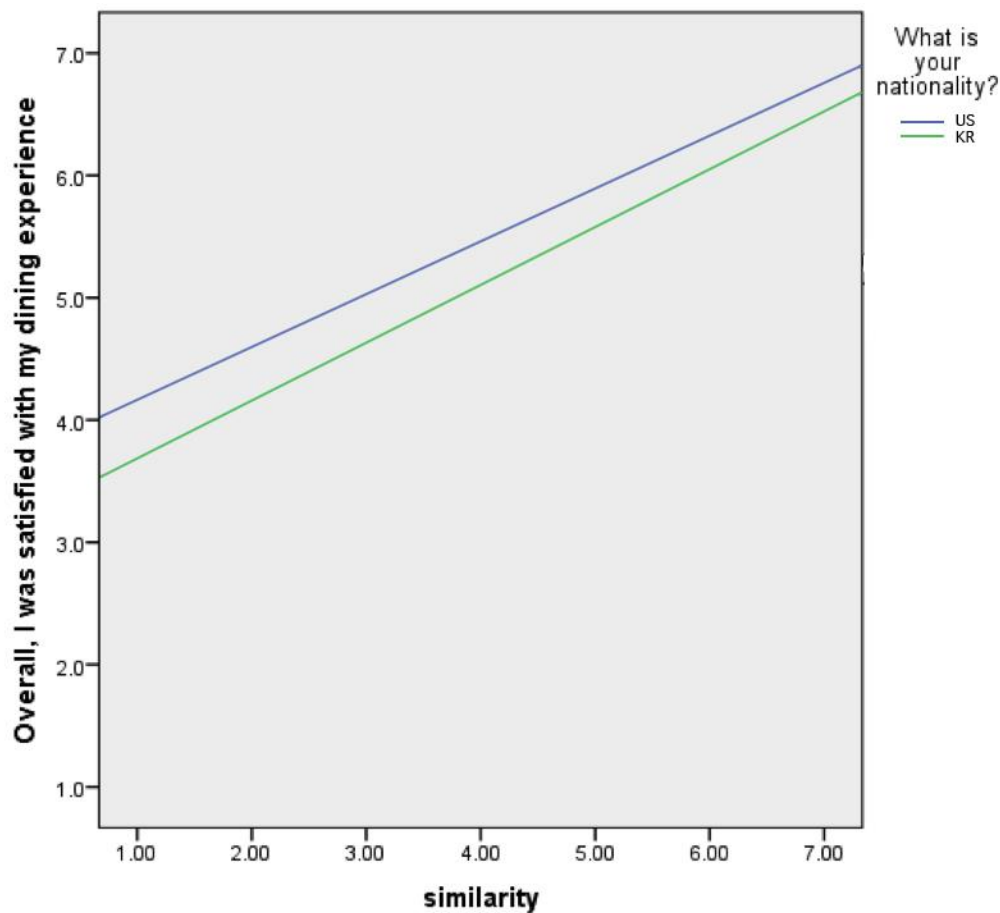
As can be seen in figure 4, physical environment had more impact on customer satisfaction in the United States compared to South Korea at all levels. This impact was marginally significant at $p < .1$, which partially supports hypothesis H3.

Figure 4. Regression graph of physical environment by country



As can be seen in figure 5, similarity to other customers had more impact on customer satisfaction for the United States respondents compared to South Korean respondents at all levels, though the gap narrowed at higher levels of similarity to other customers. The interaction between similarity to other customers and country was significant at $p < .1$, which partially supports hypothesis H4.

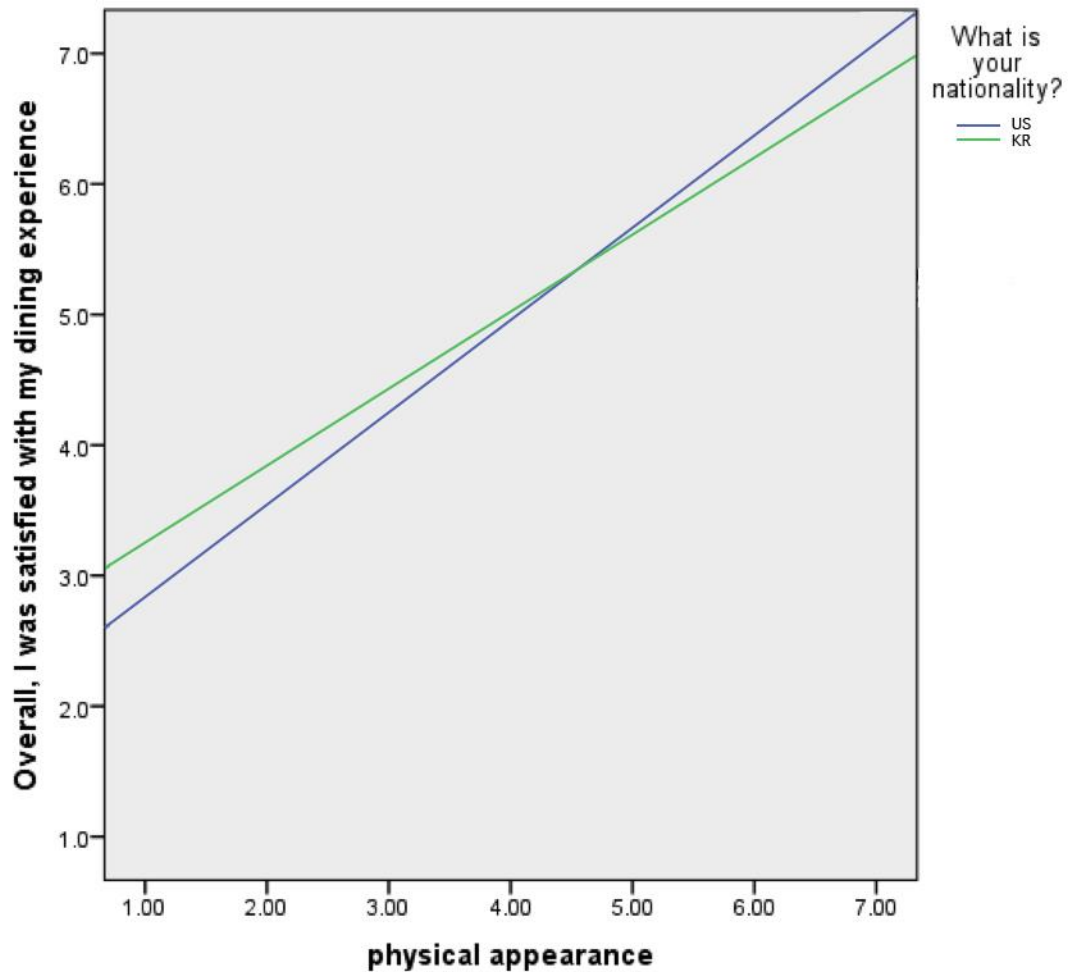
Figure 5. Regression graph of similarity to other customers by country



As can be seen in figure 6, the United States respondents' satisfaction was lower at low levels of physical appearance of other customers, but the United States respondents' satisfaction was higher at high levels of physical appearance of other customers. The interaction between

physical appearance of other customers and country was not significant. These results rejected the H5.

Figure 6. Regression graph of physical appearance of other customers by country



Chapter 5

Discussion

In this study, different factors affecting customer satisfaction in fine dining restaurants were studied between the United States and South Korea using regression analysis. Among the

five hypotheses this research proposed, three were rejected. Hypothesis 3 was partially supported, indicating physical environment has a stronger impact on customer satisfaction in cultures high in individualism than collectivistic cultures. Hypothesis 4 was also partially supported, with the results indicating that similarity to other customers has a stronger impact on customer satisfaction in cultures high in individualism than collectivistic cultures. The three factors including food quality, service quality, and physical appearance appeared to have no distinct effects on customer satisfaction in fine dining restaurants between the United States respondents and South Korean respondents. A possible explanation for this is that, in recent years, many collectivistic countries, especially those in East Asia, have become westernized and thus are more individualistic and thus no differences are detectable (King, 2002).

5.1 Food Quality

While food quality was rated higher by the United States respondents than South Korean respondents, there was no significant difference in the impact on satisfaction. Therefore, the results rejected hypothesis 1 (“Food Quality has a stronger impact on customer satisfaction in cultures high in individualism than collectivistic cultures.”). One possible explanation is that the United States diners may have considered other factors in fine dining experiences as important as food quality.

5.2 Service Quality

The results indicated that service quality impacted South Koreans slightly more, as when the service quality was rated low, lower satisfaction was rated compared to the United States; but

when the service quality was rated high, a similar level of satisfaction was rated for both countries. However, the results showed that the difference on effects had no significant distinction between the United States and South Korea. Therefore, hypothesis 2 (“Service quality has a stronger impact on customer satisfaction in cultures high in collectivism than individualistic cultures.”) was rejected. One possible explanation for the results is that since service quality is one of the most critical factors in dining experiences, it affects both individualistic cultures and collectivistic cultures equally.

5.3 Physical Environment

The results indicated that physical environment had a marginally stronger impact on customer satisfaction for the United States respondents compared to South Korean respondents. The results provide partial support for hypothesis 3 (“Physical environment has a stronger impact on customer satisfaction in cultures high in individualism than collectivistic cultures.”). Hui (1986) argued that people from individualistic cultures focus on personal interests and value resources that can determine self-actualization. Also, Bitner (1990, 1992) argued that, since service quality is intangible, the physical environment serves a critical role as an intangible resource at a restaurant, which supports the current research’s argument that individualists focus more on the tangibility of nature.

5.4 Similarity

The results indicated that similarity to other customers had a stronger impact on customer satisfaction for the United States respondents compared to the South Korean population. The

results provide partial support for hypothesis 4 (“Similarity to other customers has a stronger impact on customer satisfaction in cultures high in collectivism than individualistic cultures.”). Possible explanations could be that in South Korea many younger generations are going to fine dining restaurants with their friends; younger Korean people often dine in fine dining restaurants spontaneously, without prior plans that would allow them to dress accordingly; and the luxurious standards of other customers in fine dining restaurants have become nebulous in South Korea. Therefore, expectations of other customers to be similar to focal customers in fine dining would have a smaller impact on South Korean respondents compared to United States respondents.

5.5 Physical Appearance

While physical appearance was rated higher by United States respondents than South Korean respondents, there was no significant difference in the impact on satisfaction. Therefore, the results rejected hypothesis 5 (“Physical appearance has a stronger impact on customer satisfaction in cultures high in collectivism than individualistic cultures.”). According to Brocato, Voorhees, and Baker (2012), physical appearance of other customers has a higher impact on younger generations. Therefore, the current research contradicted Brocato, Voorhees, and Baker (2012) for the 18–30 year-old demographics since there was no significant difference.

Chapter 6

Conclusion

6.1 Study Limitations

This study showed different factors affecting customer satisfaction in fine dining restaurants across the United States and South Korea, but it had several limitations that may have affected the results.

The first limitation was that this was a study of the young generations' (18–30 years old) perceptions of the factors identified. Thus, the results cannot be generalized to the population at large. It is very possible that the results in a study of older respondents would provide different findings since older generations may still possess many of the cultural traits attributed to individualistic and collectivistic cultures. Young respondents in both countries may have been much more exposed to the cultural thinking of other countries.

The second limitation was that this study grouped the responses by country but did not identify the demographic characteristics between the two countries. Since educational levels, income levels, and gender may play significant roles in customers' perceptions of service experiences, future research should identify demographic variables to compare results, validate them, and see whether differences exist.

The third limitation was that, due to the broad geographic reach of this research and limited time, a relatively small sample was gathered. Using a snowball method and social media posts prevented this research from effectively gathering responses from large populations. Further researches should employ various data-gathering methods to reach larger populations more effectively.

The last limitation was that this research only compared two countries to represent the cultural differences. As discussed in the discussion, South Korea has been vastly westernized in recent years. Therefore, it was difficult to clearly show the cultural differences of collectivism and individualism by comparing these two countries. Therefore, future research should expand the geographic research sites to include more countries from collectivistic and individualistic backgrounds to better reflect the cultural differences.

6.2 Managerial Implications

The findings of this study showed that factors including food quality, service quality, and physical appearance of other customers had no distinctive effects on customer satisfaction in fine dining restaurants between United States respondents and South Korean respondents. However, the results from this study also suggested that physical environment and similarity to other customers affected respondents differently based on cultural differences. Both physical environment and similarity to other customers appeared to have stronger impacts on the individualistic countries.

As the results indicated, controllable variables exist that can increase customer satisfaction in fine dining restaurants. First, the physical environment must be taken into consideration based on cultural differences. The expectations for, and perceptions of, the physical environment may be different for different cultures; décor and cleanliness, which are important in the United States, may not be as important in South Korea. Therefore, the different expectations for, and perceptions of, the physical environment must be evaluated before fine dining restaurants start operating in different countries.

Second, customer portfolio management must be taken into consideration based on cultural differences. Customers who are from cultures high in individualism are likely to care about the similarity to other customers who are in the same fine dining settings, while customers who are from collectivistic countries are likely to care less about other customers. Thus, customer portfolio management to maintain the standards expected in fine dining restaurants is essential. Also, as many younger generations' perceptions of other customers in restaurant settings are changing these days, revised customer segmentation and portfolio management are critical in fine dining restaurant operations.

Third, even though food quality and service quality appeared to have no distinctive impacts on customer satisfaction across the two cultures examined in this study, they are still the most essential factors in fine dining restaurants in general. Thus, while cultural differences do not act as moderating factors for food quality and service quality, adequate management for both factors is critical for customer satisfaction.

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Global Hospitality Management Program

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Hotel Management School Maastricht, the Netherlands

February 2014

- July 2014

RELEVANT WORK EXPERIENCE

Hyatt Regency Shatin

Shatin, Hong Kong

Student Trainee

September 2014 – November 2014

- Performed various basic operations role at hotel's 5 different departments
- Strengthened teamwork with people from different backgrounds and understanding of other departmental operations of a business

JW Marriott Seoul

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Intern

June 2014 – July 2014

- Performed an back office assistance role at hotel's wedding sales & marketing office
- Planned and designed creative wedding sales & marketing projects
- Strengthened communication and time management skills

Nittany Lion Inn

University Park, PA

Banquet Server

February 2013 – May 2013

- Teamed with peers to prepare for variety of conferences and events to serve 100+ guests each day
- Improved customer relationship management skills and learned to accommodate special needs

The Penn Stater Conference Hotel

University Park, PA

Intern

August 2012 – December 2012

- Performed an office operations role at hotel's front desk
- Managed administrative and technical logistics in effort to maintain service quality
- Strengthened customer relationships, which led to an increased number of repeat guests

South Redifer Commons

University Park, PA

Server

March 2012 – May 2012

- Teamed with peers to prepare quality food on time and to serve 500+ students each day
- Learned to deal with a variety of customers with different needs

LEADERSHIP & ACTIVITIES

The Bridge Initiatives

University Park, PA

Marketing Manager

January 2015 – Present

- Attended weekly meetings to discuss possible marketing efforts
- Created marketing projects resulting in 10% increase in membership in 1 semester
- Coordinated Annual TBI Conference to increase awareness of volunteer works
- Supported THON to help child cancer patients by conducting fundraising events

Korean International Student Organization (KISO)

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*Founder, Executive Officer**September 2012– Present*

- Founded student organization to provide career opportunities and mentorship for Korean students at PSU
- Directed annual recruiting event resulting in 50% increase in membership
- Coordinated events and acted as key contact for professionals in the field
- Organized Korean culture events

Schreyer Business Consulting Club

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- Attended weekly meetings and case studies to further enhance knowledge of the consulting industry
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