Article Title Page

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The voice of the Chinese customer: Facilitating e-commerce encounters

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Structured Abstract:

Purpose - Numerous studies report the failure of Western e-commerce experiences to effectively engage the Chinese customer. While culture shapes significantly customers interpretation of their e-commerce experience we have not considered the way (dis)satisfactory determinants shape managerial action outside the Western world. Present study addresses this gap.

Design/methodology/approach - Our action research design, spread over a six-year period, integrates critical incidents to facilitate managerial reflection.

Findings - We surface a new dimension of respect while revealing important distinct interpretations of existing dimensions of e-satisfaction.

Originality/value - Our narrative integrates a prototypical e-commerce experience with our contextualized dimensions to crystalize fundamental insights for management of Chinese e-commerce encounters.

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1. Introduction

E-commerce can be seen as a great global equalizer of service delivery and consumption. Yet, a surprising number of high-profile Western companies have stumbled in their China e-commerce efforts. Drivers of online (dis)satisfaction, within Greater China, appear to have aspects not well understood by many global firms. This paper reports e-commerce encounters that do not fit neatly into existing service constructs, and how management deals with culturally salient dimensions that run counter to Western assumptions.

Online service encounters play an increasingly important role for customers across the globe. In China, Taobao has 370 million registered users and holds approximately 90% of the local online customer market with sales of US$160.5 billion in 2012 (Mu, 2012; Wang & Ren, 2012). Across greater China, such as in Taiwan, the largest online sales portal PChome is a dominant feature of the local cyber landscape with total sales of US$415m in 2011 (M.O.P.S., 2011). Unlike their Western counterparts, most Asian consumers purchase online through portals that offer goods from a diverse range of retailers and a spectrum of services (Wen, 2010). PCHome, in Taiwan, like Taobao, in China, offers entertainment and business news, product reviews, auctions, and micro-storefronts for individuals and small businesses. Amazon and eBay, the two leading online retailers (US$48.07Bn and US$11.65Bn in respective revenue in 2011) (United States Securities and Exchange Commission, 2011) also act as retail platforms for retailers, but there is a noticeable divergence from the Far-East Asian approach.

Existing online service encounter research has focused on the categories consumers perceive in their encounters (e.g., Holloway & Beatty, 2008). Specific channels, or even general approaches, however, may involve factors not previously understood by researchers.

2

More importantly, the role of culture cannot be overlooked in online service encounter (Rowley, 2006), as different online channel orientations are quite obvious to anyone visiting locally created portals, such as Taobao and PChome. On the surface, these sites are visually busy and crowded as compared to their Western counterparts. At a deeper level, they attempt to create relationships with their customers, important to local Chinese culture, which Western firms entering the Greater China region often overlook. This is symptomatic of the way Western online retailers have stumbled in China; overlooking fundamental modifications to meet local market expectations (Wang & Ren, 2012).

This current study employs an action research design centered on facilitating managerial understanding towards the design of Chinese customers' e-commerce experience. We explore this topic by joining with a local entrepreneur to develop a research partnership over a six-year period. This provides an excellent opportunity to explore the topic from a Chinese customer's perspective.

As part of our action research approach we surface and analyze customers' critical service incidents i.e., a critical incident technique (CIT) study. While the emergent (dis)satisfying service categories have commonalities with Western findings they incorporate subtle, but significant internalized differences. Most relevant is the emergence the category of respect, where Chinese customers linked service dissatisfaction and satisfaction with culturally salient values. Our approach introduces the voice of the Chinese customer in a way that crystalizes management understanding towards a contextually bound approach to configuring e-commerce offerings for local Chinese customers.

The remainder of this paper is structured as follows: we briefly review e-service (dis)satisfaction before introducing culturally defined perceptions of Western customers. Next

we discuss the action research process before moving to findings. Discussion of the relevance of findings to theory and manage of the e-commerce experience for Chinese customers follows. We end with reflection, conclusion, and limitations.

2. E-service (dis)satisfaction

Technologies have a substantial impact on customers' evaluation of the service experience. Understanding satisfaction requires a focus on those factors outside the zone of tolerance as these relate to issues that are critical to customer experience (Johnston, 1995). Thus, understanding sources of satisfaction is important to managers in order to avoid failures (Holloway & Beatty, 2008).

The limited research addressing (dis)satisfaction in Chinese cultural settings remains tied to macro behavioral models and their associated quantitative (Western) survey instruments. As Smith and Reynolds (2002) show, any macro level theory, may not apply well within a specific space or among specific consumers. By imposing macro theories we risk misinterpreting or overlooking local (dis)satisfiers that influence customers' perceptions. Researchers report existing offline service quality dimensions neglect a significant proportion of the dimensionality driving Chinese customers' evaluations (Feinberg, Ruyter, Trappey, & Lee, 1995; Imrie, Cadogan, & McNaughton, 2002; Stanworth, 2009). Warden, Stanworth, Chen, and Hwang (2012) point out the importance of grounded data collection to avoid generalities that align with theory but not with individuals' local experiences.

Academic attention has been directed towards dissecting the dimensions of online service quality, rather than the drivers of (dis)satisfactory encounters (Holloway & Beatty, 2008). This perspective focuses on how customers, functioning in the absence of employee interaction, evaluate e-service through such dimensions as ease of navigation, on-time delivery, and privacy

4

(Parasuraman, Zeithaml, & Malhotra, 2005; Wolfingbarger & Gilly, 2003). Measurements of the relationship between dissatisfaction and technological attributes of the service encounter do not account for the heterogeneity of satisfaction and dissatisfaction antecedents (Lin, Wu, Liao, & Liu, 2006).

2.1. Chinese customer

There is growing evidence that the Chinese customer engages with and evaluates service experiences in subtly different, but important, ways from his/her Western counterpart (Furrer, Liu, & Suharshan, 2000; Tse & Ho, 2009). Offline, physical, service satisfaction research reveals Chinese customers' concerns form unique service quality dimensions as compared to Western customers (Stanworth, 2009). Imrie (2002) finds the dimensions of sincerity, politeness, and generosity salient to Chinese consumers' off-line service quality evaluations. Kettinger and Lee (1994) argue for Asian-specific factors to explain customer satisfaction. While Feinberg et al. (1995) find service quality dimensions differ across Taiwan, America, and the Netherlands. The distinct nature of Chinese off-line service quality attributes to the norms and values embedded in Chinese culture (Tse & Ho, 2009).

Few studies examine the specifics of Chinese customers' (dis)satisfaction in off-line service even in the face of the already substantive and still increasing importance of the Chinese market. Stanworth (2009) finds Chinese social intercourse norms, such as Chin-chieh, emphasizing expressions of warmth, closeness, and helpfulness, are instrumental to creating customer delight, while policy and procedure behaviors are often linked to dissatisfaction. These highly culturally specific values point to a rich tapestry of service (dis)satisfaction. Findings like these support arguments that high level service abstractions may not be applicable across all cultural settings (e.g., Smith & Reynolds, 2002). More importantly, such abstractions are not

5

actionable by management. A grounded approach can enrich and expand theoretical abstractions, while acting as a confirmation and clarification of service satisfaction theory.

3. Research methodology

3.1. Action research

Action research is a well-established strategy that integrates scholars and practitioners in exploring organizational phenomena (Raelin, 1999). The approach centers on producing knowledge in vivo that is both derived from and applicable to specific managerial contexts. Such an approach can act as a confirmatory test of theories-in-use, allowing them to be challenged when they fail to achieve desired consequences (Greenwood, 1998). This critical surfacing and critiquing of assumptions takes place in the dialectical relationship between reflection and action. Reflection acts as a precursor to action that in turn invites further action and subsequent reflexivity with a refinement of approaches (Høyrup, 2004). Over numerous iterations, the researcher becomes more receptive to alternative reasoning by allowing knowledge to crystalize between self-knowledge, action, and knowledge-of-other (Raelin, 1999).

Action research requires reflective tools and processes encouraging personal managerial reflection. Critical incidents provide the means to understand underlying trends, motives, or structures (Gray, 2007). Events become critical as they are framed in a wider social or organizational context (Tripp, 1993). This reveals assumptions on which beliefs are built, allowing critical reflection (Mezirow, 1990). Our approach follows Street and Meister's (2004) action research stages of description (action planning and action taking), reflection/commentary (evaluating), and theory building (specifying learning and diagnosing) leading to another cycle (see Figure 1).
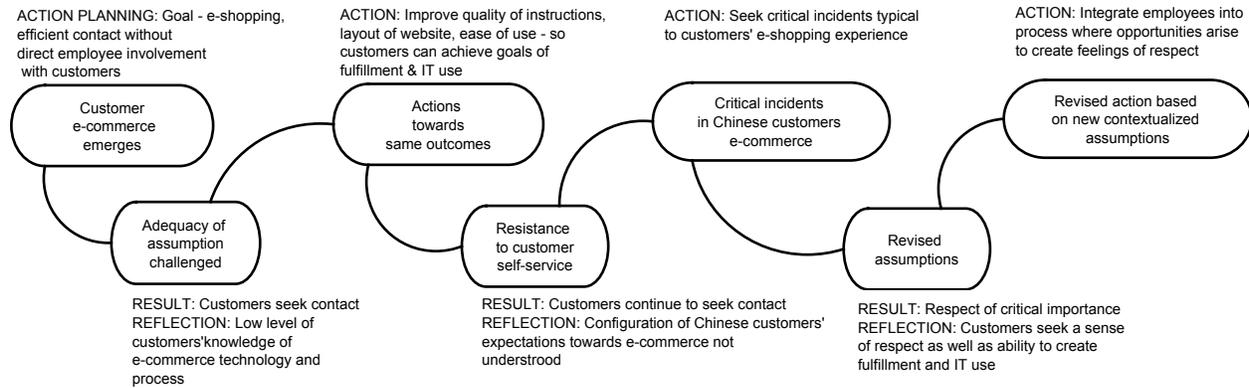
ACTION PLANNING: Goal - e-shopping, efficient contact without direct employee involvement with customers

ACTION: Improve quality of instructions, layout of website, ease of use - so customers can achieve goals of fulfillment & IT use

ACTION: Seek critical incidents typical to customers' e-shopping experience

ACTION: Integrate employees into process where opportunities arise to create feelings of respect

Customer e-commerce emerges

Actions towards same outcomes

Critical incidents in Chinese customers e-commerce

Revised action based on new contextualized assumptions

Adequacy of assumption challenged

Resistance to customer self-service

Revised assumptions

RESULT: Customers seek contact
REFLECTION: Low level of customers'knowledge of e-commerce technology and process

RESULT: Customers continue to seek contact
REFLECTION: Configuration of Chinese customers' expectations towards e-commerce not understrood

RESULT: Respect of critical importance
REFLECTION: Customers seek a sense of respect as well as ability to create fulfillment and IT use

Figure 1 Research flow

3.2. Research process

We choose as our action research focus, Internet startups in the local market. After contacting a number of startups, through local business associations and university business incubators, we began regular contacts with three entrepreneurs in Taiwan. From these, we developed a close and open communication channel with a manager opening an online store that supplied information services and implemented a platform for translation services. Mr. Lee (not his real name) only asked for anonymity, otherwise becoming a complete and total open participant in the action research process.

We progressed through four main iterations of action planning, executing modified approaches, reflecting on results and isolating learning points that then informed the next cycle of action. Over a six year period, we met with Mr. Lee and documented both our reactions to unfolding events involving his Internet startup.

At the end of the second iteration our reflection revealed the limits of Mr. Lee's current experience in a way that invited an intervention to stimulate reflection between experience, knowledge and action. Our intervention followed Gray's (2007) recommendation to integrate critical incidents into cycles of managerial action and reflection. This approach

provides a mechanism to integrate the customers' value system, as represented in significant categories, into processes of reflection on action (Brookfield, 1991).

We solicited critical incidents using questions adapted and translated to Mandarin from Meuter, Ostrom, Roundtree et al. (2000). This online questionnaire elicited detailed descriptions about why an e-commerce transaction was (dis)satisfying and after pilot testing the refined instrument was deployed to the web. Following Bitner et al.'s (1990) stipulations, a valid incident involved e-commerce transactions represented by a discrete (dis)satisfying episode. This left a sufficient sample size of 245 valid incidents for analysis of which 143 (58%) were satisfactory and 102 (42%) dissatisfactory (Gremler 2004). The sample contains more female (70%) than male (30%) respondents whose ages range from 20 to 50 years of age; the majority falling into the 21-30 (63%) range.

Analysis yielded grounded insights that stimulated reflection on action in our two further iterations of action research. By integrating the CIT survey results into the action research process, we created what Greenwood (1998) labels a double loop. During the course of our study we took extensive field notes while, where possible, recording our interviews with Mr. Lee. By integrating the perspectives of all three researchers into our research process with Mr. Lee, along with observations and other categorical data, we achieved triangulation and increased research robustness (Denzin, 1989). Our next section reports on the start of our action research that integrates the rich detail of our CIT findings.

4. Research context and results

Our action research component focused on Mr. Lee, originally from Taiwan, who moved to the United States to study. Mr. Lee was greatly impressed by the Internet boom of online shopping during the late 1990s and early 2000s. An avid user of Amazon and Buy.com,

Mr. Lee returned to Taiwan thinking to start a local internet business with little to no overhead and no fixed offices, depending rather on a fully automated process.

After scanning the local market, Mr. Lee planned to offer translation services through an e-commerce platform. He considered himself well qualified to understand the business requirements. Mr. Lee also felt the market was ripe for a fully electronic solution, which would be more scalable and efficient than existing walk-in offices providing translation services, while also satisfying customers' needs for convenience.

Our discussion with Mr. Lee impressed us in his emphasis that the online services run independent of staff interactions. Chinese texts, such as business and government reports would come in, and Mr. Lee's software would route jobs to contractors who then uploaded completed translation jobs. Clients, Mr. Lee assumed, then downloaded and completed payment.

From the outset, clients raised numerous questions about interaction with the website and relished opportunities for personal interaction on the specifics of how their jobs should be executed. At this stage, our discussion with Mr. Lee lead to the reflection that customers lacked knowledge about e-commerce and the process of arranging translation work through the website. This indicated that while a stable e-commerce platform was achieved, customers were reluctant to substantially engage with either the interface or related processes.

The project started with the aspiration to build an e-commerce system that was easy for customers to use whilst minimizing employee contact. Our interaction with Mr. Lee quickly surfaced customers' continued desire for contact that we diagnosed as a lack of knowledge about the shopping process on the site. This clarified the next stage of action to create user guides, refine the purchase process, and carry out extensive pre-testing with customers. In the face of all these significant improvements to usability, customers' continued to

seek contact. The situation felt paradoxical; Mr. Lee's system was patently easy to use, yet customers were reluctant to engage with it. This invited a more critical surfacing of new knowledge to direct and refine action to more realizable goals. Our CIT findings provide a rich platform for interplay between customers' perspectives and Mr. Lee's aspirations (see Figure 2 and appendix).

Critical incidents formed four categories for both satisfactory and dissatisfactory incidents. Fulfillment and IT make up the majority of incidents (74 and 32, respectively, for dissatisfactory and 88 and 68, respectively, for satisfactory). Capability to deal with problems makes up the next two categories, but respondents show they are especially sensitive to what they view as *respect*.

4.1. CIT category: Fulfillment

Fulfillment is normally recognized as the core aspect upon which e-service encounters are judged (Holloway & Beatty, 2008; Massad, Heckman, & Crowston, 2006). Current results strongly reflect this with 162 mentions by 50% of respondents. We label this category *fulfillment*, which includes both satisfactory and dissatisfactory incidents depending on the extent to which customers believe expectations towards quality of the goods, accuracy of delivery, accuracy of description and delivery time are met. This category is built upon five and six subcategories for satisfaction and dissatisfaction, respectively.

Left diagram (Dissatisfiers):

Assistance 3 (2%)

Fulfillment 73 (57%)

Inflexibility, 8 (6%) — Inconvenience

Price, 8 (6%) — Expensive than others; Charge the wrong amount of money

Quality of goods, 16 (13%) — Different specification; Defective product

Description, 18 (14%) — Different from it is seen on the website

Return goods, 3 (2%) — Charge extra fees while refund/return product

Delivery time, 17 (13%) — Unreasonable late

Delivery accuracy, 6 (5%) — Fail to deliver right product on time

Dissatisfiers

System design, 6 (5%) — Not informative; Privacy concerns

Access, 25 (20%) — Service hours; Unstable system

Service attitude, 21 (16%) — Passive service; Blame customers

IT 31 (25%)

Respect 21 (16%)

Right diagram (Satisfiers):

Fulfillment 88 (45%)

Assistance 6 (3%)

Price, 14 (7%) — Lower price than others; Discount

Quality of goods, 13 (7%) — Fine quality; Carefully packed

Description, 12 (6%) — Accurate specification; Exact as it is seen on the website

Return goods, 6 (3%) — Willing and easy to refund/return product

Delivery time, 40 (20%) — Deliver on time; Fast delivery

Delivery accuracy, 9 (5%)

Satisfiers

System design, 19 (10%) — Timely information; Clear and easy interface

Service attitude, 18 (9%) — Active service; Warm and friendly (Chin-chieh)

Informed, 18 (9%) — Confirmation; Timely update

Access, 48 (24%) — Less effort; Saving time
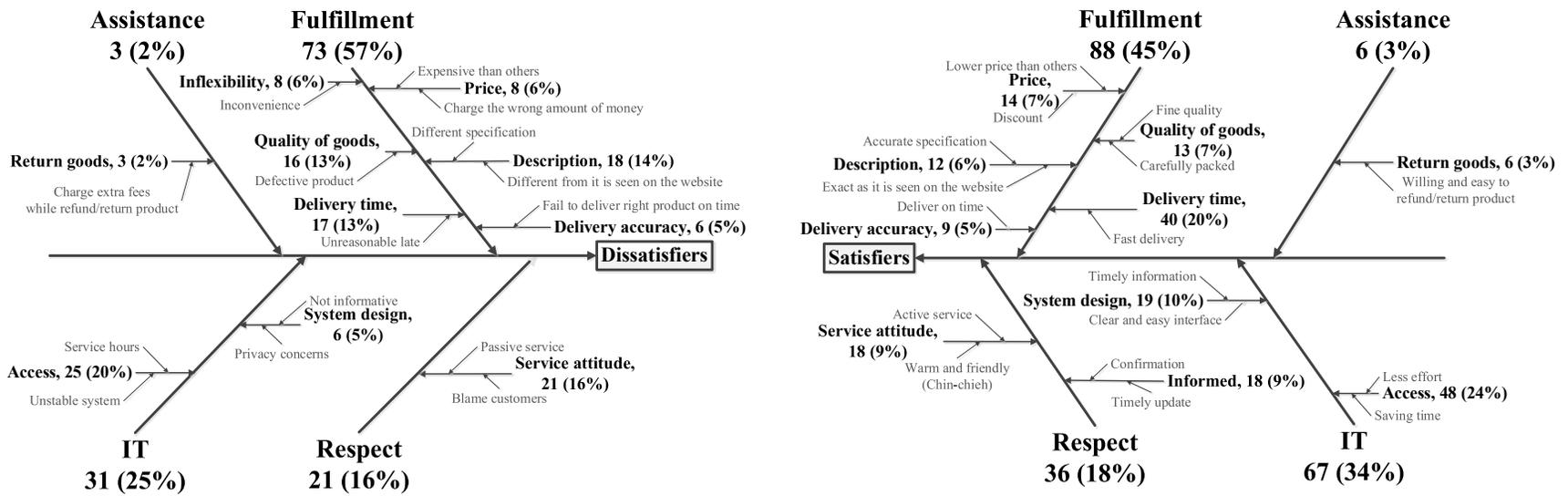
Respect 36 (18%)

IT 67 (34%)

Figure 2 Chinese customer (dis)satisfaction with e-commerce encounters

Fulfillment, when satisfying, delivers on the core promises related to price, description, quality of goods, delivery time, and delivery accuracy. Among these, delivery time is mentioned most frequently, as next day delivery, "I transferred [the money] that day, getting the goods next day. Great efficiency!" (SAT#23). The sub-category of *price* satisfies when the product price was lower than the competition and/or when the seller gave special concessions, such as an incident described by a satisfied respondent, "I got the book I wanted on the online and got a very nice discount" (SAT#252). Leading dissatisfaction impressions are problems with description, "The pictures online looked pretty. However, the real products were made of bad material. This made me feel they had used good commodities for promotion but the bad one for selling" (DIS#145). Closely behind are the subcategories of delivery time, "But I didn't see anything one month after payment." (DIS#158), and quality of goods, "The webpage reported all the products were new, but I received one that looked used" (DIS#141).

Dissatisfaction about fulfillment includes the subcategory of inflexible, which does not appear in satisfactory incidents. Respondents report this category in relation to the system process and how issues make it difficult to collect the goods, "The time to pick up my ticket is not flexible or convenient" (DIS#244). The technology of an e-service is also core to previous findings of satisfaction, also found in the current study and reported next.

4.2. Managerial reflection: Fulfillment

Our discussions with Mr. Lee showed that from the start of his entrepreneurial effort, fulfillment played a role in the business, with delivery time and quality two attributes clients paid special attention to. From the start, however, fulfillments never moved through the smooth e-process he envisioned. "Every customer wants to tell us about the special situation of their translation, but I am trying to make the process efficient," Mr. Lee reported.

Mr. Lee's target market segment was high-end clients willing to pay above market price for a better quality product. Client expectation of turnaround time was also something Mr. Lee reported he needed to manage up front, "When customers call asking for discounted pricing, which is often, I need to explain our higher quality, which they appreciate." Automated processes were often interrupted by, "Clients taking up a lot of phone time, and even asking for face-to-face meetings—almost always focused on price." Mr. Lee's Website was quite clear in describing his service's advantages, but he felt clients preferred to establish a relationship. "They feel if they can see me in person, it will be hard for me to refuse a favor," Mr. Lee reported to us.

4.3. CIT category: IT

The technology of online service delivery is seen as core by respondents, consisting of 34 and 25 percent of satisfiers and dissatisfiers, respectively. System design is the interface experienced during the service encounter and led to satisfaction (10%) when information delivered was perceived as timely and presented within an easy to use interface, "I could see what was still available through the system" (SAT#193).

Negative experiences with system design constituted only five percent of dissatisfactory incidents. Poor system design was blamed when respondents experienced a lack of information and privacy concerns, "The information was not clear and the interface wasn't easy to understand" (DIS#200).

The sub-dimension of convenience, 24 percent of satisfiers, is one of the main reasons for online use. Reducing shopping effort and saving time, when experienced, are important to satisfaction, "I can get the product through convenience stores near where I live. I can also pay in the convenience store. It is convenient for me because I don't use credit card"

(SAT#177). Most of the technology dissatisfactory incidents are related to convenience, totaling 20 percent of all dissatisfaction reports. Negative mentions are driven by experiences of an unstable system and difficulties in accessing the system supporting online shopping, "The system is so unstable. It crashed right before I was about to finish the transaction" (DIS#298).

4.4. Managerial reflection: IT

Mr. Lee possesses an advanced degree in computer software engineering and is nimble in his business site's development. The competitive advantage of the business, in his mind, is the automated features. Some customers shared this vision, but Mr. Lee often struggled with what he saw as customer inability to complete the most simple of online tasks, "A client called me and told me that the system is hard to use, but it is just a shopping basket, I mean this is exactly what Amazon does."

Simply executing the process for customers turned out to be much more challenging than Mr. Lee anticipated. Time spent, for example, on creating a secure upload and storage feature, was of little use when clients simply avoided the whole system by emailing their documents--asking for Mr. Lee's staff to do any uploading required. Thus, one of the core efficiencies of the original business goal was continuously bumping up against what Mr. Lee perceived as inefficiencies.

Mr. Lee reported, "I originally thought we could get away without any front line staff at all. I mean, how hard is it? The clients already have the material in electronic format, but even just logging in often seemed more than they were willing to do." Convenience for these customers revolved around the ability to call for support over the telephone. Convenience was often understood in a broad sense. So simple online tasks such as selecting a proofreader or uploading a paper became convenient by being able to quickly resort to interpersonal support

Rather than a lean operation, Mr. Lee reluctantly employed staff for answering phone inquiries 12 hours a day, seven days a week. A few customers fully appreciated and took advantage of the technology on offer, "Our very best clients are totally into the convenience the technology brings, and they use all the features, but this is a small minority."

Emerging from the data is a clear integration of relationship with the service provider, without any separation caused by online interaction. The online component is viewed as the front line employee from years past. Respondents in this study did not lower their service expectations because the interaction was mediated by technology. In fact, whether interacting with automated systems or humans, respondents indicated respect as a source of satisfaction (18 percent of satisfying incidents) and dissatisfaction (16 percent of dissatisfying incidents).

4.5. CIT category: Respect

This dimension signals the sellers' integrity towards supporting the buyer. We label this category *respect* and its significance to e-service encounters is clear with 18% and 16% of satisfying and dissatisfying mentions, respectively. Respect combines satisfactory and dissatisfactory incidents reflecting impressions of the seller's approach to the e-service encounter through the subcategories of attitude and care.

Respect, when satisfying, draws on impressions of attitude towards the e-service encounter. The customer has a sense of warm attitude when the seller actively services them, "I didn't know how to shop online. It was the vendor who taught me how, step-by-step on messenger" (SAT#43). This extended to sellers' actively sharing practical insights: "She also chatted with me and told me some tips" (SAT#43). Positive attitude also surface as the seller's warm and friendly reactions to the customer's difficulties in completing purchases, "I got some problem during transfer. Therefore, I delayed the payment for quite a long time. When I

contacted the vendor, his attitude was always so chin-chieh, and he contacted me proactively and frequently. It was very sweet" (SAT#15). The seller's warm attitude, conveyed through patient explanation, led to the possibility of the customer accepting a less than perfect product, "The vender communicated the information patiently and showed the product in details. However, the buyer found a problem with the product (it readily crashed when taking photos). While it is not perfect, it is acceptable" (SAT#199).

Leading dissatisfactory impressions of the seller's attitude are blaming the customer, "I found the product I received was not clean. I called them and they told me that they did check before sending. They suggested that I was the person who made it dirty. I was very, very dissatisfied with their reaction" (DIS#54). Passively dealing with customers' questions or problems, closely followed, "The call center replied to me with a bad attitude. It took me lots of time to communicate with them" (DIS#421).

Satisfaction with respect includes the subcategory of care which is not part of the dissatisfactory incidents. Customers refer to the sellers follow up after dispatch, "The seller also called me to ask if I've received the product and if the product was correct and without any damage" (SAT#343). Customer evaluations attend to the timeliness of the seller's follow up, "I can track the exact time the products would arrive but before it arrived, he gave me a call" (SAT#114).

4.6. Managerial reflection: Respect

Early on, Mr. Lee was convinced service issues just needed some changes in local attitudes. As he told us, during the first six months of operation, "If my clients can just get used to the automated approach, they will like the system." After another year of operation, Mr. Lee reflected on his earlier attitude, "Everything for Chinese is about developing the relationship. I

forgot this during my time in America. When I tried to make the business all online, with as little interaction as possible, I was actually alienating a large part of the market. Some people accepted this, but most did not."

Mr. Lee recognized customers build "relationships with people—not cold machines" and so reluctantly re-examined his approach. The cost of outsourcing phone support was unattractive while even, "hiring local employees means hours of time supervising their etiquette. They are so passive when looking at a customer account." Mr. Lee constantly felt pressure to try and improve his staffs' efficiency and quality of contact to avoid costs that negated the value of his business model.

Clients' reactions to Mr. Lee's early attempts to encourage total online independent use of the system were met with resistance and even hostility, to his surprise. He later explained this, "Pushing clients to be independent can easily cause a loss of face, which is something you want to avoid at all costs." Rather than explanations of how to use the technology, customers were actually seeking a relationship based on respect from Mr. Lee, who pointed out the importance of spending more time with clients, rather than less, "I have to network a lot more than I thought, even attending meetings and retreats hosted by clients."

4.7. CIT category: Assistance

Policies of return/exchange of online purchases vary greatly across Internet firms. It is clearly an issue of risk that consumers pay attention to, but firms must balance with associated costs. Three percent of respondents reported easy return policies as a source of satisfaction, "The vendor offered to collect any returns themselves." Mirroring satisfaction are two percent of respondents reporting dissatisfaction with return policy, "The vender told me that I can exchange mine for a new product but I have to pay the post fee myself" (DIS#274).

4.8. Managerial reflection: Assistance

Mr. Lee's business was forced to deal with assistance issues much sooner than he had expected. "My goal is to give my customers the best translation quality, but the problem is, many of them do not know what good quality English is—that is why they need my service to start with," Mr. Lee reported. Requests for refunds and extended free service began early on, as Mr. Lee pointed out, "Occasionally a client has asked for a refund, but I don't think that is a customer I can keep or even want, so I am not very open to refunds. I do, however, work with clients, on a case-by-case basis, to give them extra service if they are a client I want to retain." Since the translation service turned out to be more heterogeneous than Mr. Lee expected he felt a clear refund policy would have put much of the business at risk.

To avoid requests for refunds on completed translations, Mr. Lee implemented an option for clients to purchase partial translations. Clients could pay an amount they felt comfortable with and once the corresponding amount of translation work was completed then they could check and approve further work. This milestone-like approach allowed new customers to gain confidence in the process and product, and greatly reduced refund requests. Mr. Lee pointed out, "By letting a client buy what he or she feels comfortable with and then following up with more contact, we generate a relationship that builds trust."

5. Discussion

Customer perception of the constituents of good service inevitably is culture bound (Zeithaml & Bitner, 1996). Online transactions are simply the most recent trend in channel development—not fundamentally altering the importance of culture. A popular view is that global trends represent a standardized approach and homogeneity in customer (dis)satisfaction experiences. These culturally constructed dimensions influence perceptions,

even when wrapped in labels that sound universal, like fulfillment and IT. Making such universal assumptions, numerous prominent American companies (including eBay, Expedia, Groupon, Amazon, and Yahoo!) overlook subtle, but vital, perspectives and consequently struggle to replicate their success in China and other markets (Wang & Ren, 2012). Our CIT results indicate this is the case of Internet transactions, in Greater China, where respondents raise relationship based perspectives as key contributors to (dis)satisfaction.

Researchers argue that efficiency and fulfillment are critically important to website service quality (Parasuraman et al., 2005). The core e-commerce elements of fulfillment and IT are noted by the current study's informants as leading to dissatisfaction and satisfaction. These CIT events appear on their surface to be universal, but our action research results show that fulfillment and IT, for individuals, can be culturally bound. This point is reinforced through the dimension of respect, reported by respondents.

Our action research design surfaces the specifics of customers' evaluations of e-commerce encounters. This acts as the basis of reflection for the prototypical e-commerce manager in our study in a way that crystalizes insights towards managing Chinese customers' e-service encounters. We discovered the promise of fulfillment, as achieved through automated processes, often conflicted with customer expectations for personal access and staff availability. This reflects deep-seated culturally anchored preference for how fulfillment is achieved. Our findings suggest a collision between the Western assumption of systems and processes as a route to reliable fulfillment and the Chinese desire for interpersonal interactions that communicate the sincerity of employees, underpinning product delivery (M. J. Chen, 2002; X.-P. Chen & Chen, 2004).

Action research findings show that IT issues are far from absolute in a way that fits arguments that IT and related systems are culturally construed (e.g., Leidner & Kayworth 2006). Local management expressed frustration that while developing interfaces following established (Western) standards, clients raised cries of dissatisfaction about unfriendly interfaces. The response was to increase staff numbers and maximize customer/staff interaction despite this being what the original automated approach sought to avoid.

The respect dimension is novel to the Chinese context; not referenced in existing research on e-service quality. Chin-chieh, for example, is integral to respect in the Chinese offline context as it communicates positive signals towards developing relationships (Imrie et al., 2002; Stanworth, 2009). An active approach, also salient to offline encounters, demonstrates sincere attempts to help the customer (Stanworth, 2009). This non-technological issue is a core cultural value that local management reported as a key driving aspect of an e-commerce business.

6. Conclusion

Firms with a strong Web-presence may find fully automated systems of customer service lacking when dealing with service issues in some cultural contexts. Chinese customers expect a more socially integrated approach that reflects a warm attitude and an informed service provider. Customers seek feelings of respect, something a fully automated process is challenged to accomplish. Lack of respect, as a dissatisfier, is made up of events where poor service attitude is subjectively felt, which includes passive service. Given the nature of technology interfaces, how a system can avoid the perception of passivity may be an insurmountable challenge. As Wang and Ren (2012) point out, in relation to Baidu (China's leading search engine):

"Therefore, it has a huge sales force that does an enormous amount of hand-holding with customers, educating them about every aspect of online search and advertising . . .

Google may have a better search engine, but we know what Chinese customers need and how to sell to them."

The current study reveals Chinese customers' contextualize their service experience within the paradigm of a relationship. Contact with an efficient system, a Western ideal (e.g., Meuter et al., 2000), in the absence of human interaction, communicates the experience as dissatisfying in a way that repels rather than engages the customer. This distinction for the Chinese online customer is that relations and interpersonal interactions are fundamental (Markus & Kitayama, 1991).

Researchers find differences in Web interface usability across cultures (Nisbett & Masuda, 2003). Chinese culture influenced websites tend to have more elements with independent pieces of information (Reinecke, Schenkel, & Bernstein, 2010), giving them a busy appearance. Chinese may have less of an issue hunting for information than Western users who prefer specific and targeted information to be presented, which may reflect an Asian preference for holistic perception (Miyamoto, Nisbett, & Masuda, 2006). Current results reinforce this holistic emphasis as part of Chinese consumers' online (dis)satisfaction as part of fulfillment, IT, assistance, and especially respect.

7. Limitations

A number of factors limit the scope and generalizability of this work. The phenomenological paradigm employed is a qualitative approach that produces rich, descriptive data but may not be suitable for quantitative implementations. The CIT results are limited to online auction customers and other online businesses sectors in the Chinese context may experience dissimilar service failures and successes. Our (dis)satisfactory dimensions are confirmed through the experiences a local entrepreneur and, although found actionable, may not

parallel other manager experiences. Further work can qualify alignment of e-commerce management in Chinese cultural contexts. The dimension of respect is not included in existing quantitative survey's, which is the advantage of grounded work like the current study, however, further quantitative studies can estimate the validity and reliability of the respect dimension.

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Appendix 1 – Detailed classification of (dis)satisfying encounter dimensions

Attribute	Satisfying incidents			Dissatisfying incidents			Total		
	N of judgments	% of judgments	N of incidents	N of judgments	% of judgments	N of incidents	N of judgments	% of judgments	N of incidents
1. Respect	36	18%	33	21	16%	21	57	18%	54
Service attitude	36	18%	33	21	16%	21	57	18%	54
2. Fulfillment	88	45%	88	73	57%	74	161	50%	162
Description	12	6%	12	18	14%	18	30	9%	30
Delivery accuracy	9	5%	9	6	5%	6	15	5%	15
Delivery time	40	20%	40	17	13%	17	57	18%	57
Quality of goods	13	7%	13	16	13%	16	29	9%	29
Price	14	7%	14	8	6%	9	22	7%	23
Inflexible	—	—	—	8	6%	8	8	2%	8
3. Assistance	6	3%	6	3	2%	3	9	3%	9
Return goods	6	3%	6	3	2%	3	9	3%	9
4. IT	67	34%	68	31	25%	32	98	31%	100
Convenience	48	24%	48	—	—	—	48	15%	48
System design	19	10%	20	6	5%	6	25	8%	26
Access	—	—	—	25	20%	26	25	8%	26
	197			128			325		