THE POTENTIAL IMPLICATIONS OF INDULGENCE AND RESTRAINT ON SERVICE ENCOUNTERS IN TOURISM AND HOSPITALITY

Erdogan KOC
Bandirma Onyedi Eylul University, Turkey
ekoc@bandirma.edu.tr
Aybeniz Akdeniz AR
Bandirma Onyedi Eylul University, Turkey
aar@bandirma.edu.tr
Gülşin AYDIN
Bandirma Onyedi Eylul University, Turkey
gaydin@bandirma.edu.tr

Abstract
This conceptual paper aims to explain and discuss the role and the potential of a relatively recently coined cultural dimension of indulgence vs. restraint on service encounters in tourism and hospitality. Although the indulgence and restraint dimension may be significantly relevant for the tourism and hospitality sector, an investigation of tourism and hospitality journals shows that there is a clear lack of research on the topic. The study puts forward that indulgence-restraint dimension has important supply and demand side implications both from the point of customers and service staff.

Key words: Hofstede’s cultural dimensions; indulgence-restraint; service encounter; tourism; hospitality

JEL Classification: M30, L80, D11

I. INTRODUCTION

As the consumption and production of services may often be inseparable and take place simultaneously, service encounters could be classified as social exchanges or interactions between the customer and service personnel (Patterson et al., 2006; Scott et al., 2008; Gruber et al., 2009). Due to high levels of social contact, interaction and exchange, the tourism and hospitality industry is usually described as a people business. Almost all hospitality jobs require constant and high levels of contact with customers (Koc, 2003; Kim et al., 2007; Dolnicar et al., 2011; Gisolf, 2014). Due to the increased nature of contact with customers, the quality of hospitality services are usually evaluated by customers based on the service interactions alone (Koc, 2006; Rauch et al., 2015; Koc, 2016). Based on the social interaction experience the customer may or may not wish to continue her/his relationship with the same service business. This is probably why a significant proportion of service quality elements (e.g. reliability, empathy, responsiveness) in service quality models (as in SERVQUAL) (Parasuraman et al., 1988) are to do with service encounters and interaction between the customer and the service personnel. A significant proportion of dissatisfaction arising from service failures and service recovery attempts depend on the attitude and behaviour of service personnel.

II. LITERATURE REVIEW

Culture
Culture is one of the most influential factors that needs be taken into account when managing a service business and its employees (Thomas and Peterson, 2014; Moran et al., 2014). Culture is manifested as the predominant ways of doing things and engaging in social and business interactions (Zhao and Lin, 2014; Budhwar et al., 2016). As culture shapes people’s values, preferences, attitudes and behaviours, the social interaction between service personnel and the customer, and the quality of service encounters, i.e. the interaction between service provides and customers (Zeithaml et al., 2013), may be significantly influenced by the culture of the customer and the service personnel (Worchel 2005; Koc, 2010; Berzaouia, and Joanta, 2016). Service interactions in the hospitality sector may often have an intercultural nature as tourism and hospitality activities are often highly international in nature. The increasing internationalisation and globalisations of markets, as in the case of tourism and hospitality, and the ease with which services can now cross beyond national boundaries provides a compelling reason for understanding the international cultural context of consumer perceptions and
behaviour (Maheswaran and Shavitt, 2000). An extensive review of intercultural studies on service encounters and service quality shows the significance of culture in service encounter and service quality perceptions of customers (Tse and Ho, 2009).

Cross-cultural studies in tourism and hospitality so far have concentrated on Hofstede’s (1984) cultural dimensions of power distance, individualism-collectivism, risk aversion, femininity-masculinity and long-term orientation and explored how cultural characteristics, norms and values may influence customers’ service quality expectations (Li et al., 2011; Pookulangara and Koessler, 2011), service encounter evaluations (Sizoo et al., 2005; Sharma et al., 2009, Park et al., 2014), the nature of service interactions (Koc, 2010; Lin and Liang, 2010; Montoya and Briggs, 2013), the nature and strength of customer relationships (Gopalan and Narayan, 2010; Kokkranikal et al., 2011) and the referral behaviour of customers based on their evaluations of service encounters (Patterson et al., 2006; Luoh and Tsaur, 2007).

As the above examples suggest there has been an abundance of research and discussion on Hofstede’s (1984) traditional cultural dimensions in terms of the various aspects of tourism and hospitality. However, as will be explained below, although Hofstede et al.’s (2010) latest added cultural dimension of indulgence-restraint may be extremely relevant for service encounters in tourism and hospitality, this dimension has been largely overlooked. An investigation of tourism and hospitality journals shows that there is a clear lack of research on the lately added cultural dimension of indulgence-restraint. Based on the above this paper discusses the role and potential of indulgence-restraint dimension in tourism and hospitality, particularly from the perspective of service encounters.

**Indulgence and Restraint Dimension**

In addition to the original five cultural dimensions of Geert Hofstede indulgence versus restraint dimension was added in 2010. According to Minkov and Hofstede (2010) restraint is a conviction that basic and natural desires and enjoyment in life needs to be curbed and regulated by strict social norms, while indulgence reflects a tendency to allow the gratification of basic and natural desires and enjoyment in life. The indulgence versus restraint dimensions was inspired from Inglehart’s (2003) dimension of well-being versus survival (Minkov, 2007). Hofstede et al. (2010:286) argue that indulgence-restraint explains the paradox why the poor people in Philippines are happier than rich people of Hong Kong. According to Hofstede et al. (2010) people may live in a poor country and have more positive attitudes, or be generally happier in life, compared to those living in a richer country. According to Hofstede et al. (2010) the main implications of indulgence and restraint are as follows:

High levels of restraint cause people to be moderate in their decision making and have (or let themselves to have) limited wants and desires. People with high level of restraint tend to define a discipline for each behaviour and try to keep themselves generally disinterested in the opposite (Bathaee, 2011). Moreover, higher levels of restraint are significantly correlated with a feeling of pessimism and negativity as restraint and limitations tend to foster negative feelings and a lack of trust (Hofstede et al., 2010). This in turn may prevent or delay a customer’s attention to new and alternative options and cause the customer lower her/his evaluations of a product and eventually decrease her/his level of satisfaction. While in indulgence oriented cultures people are more likely to remember positive emotions, people in restraint oriented cultures are more likely to remember negative emotions and tend to be more cynical. While the optimism in indulgence oriented cultures usually cause a perception of more personal life control, the pessimism in restraint cultures cause a perception of helplessness.

Additionally, as a cultural characteristic restraint is also thought to be associated with lower spending tendency, thrift and lower engagement and involvement in leisure, fun and pleasure related activities (Bathaee, 2011; Hofstede et al., 2010). In other words, while people in indulgence-oriented cultures are generally characterized as fun-oriented, people in restraint-oriented cultures are less interested in leisure, fun and entertainment in any form of it (Minkov, 2007; Hofstede et al. 2010). This means that in restraint oriented cultures people may attach less importance to leisure and pleasure resulting in limited hedonic behaviours in these cultures.

**III. DISCUSSION: THEORETICAL AND PRACTICAL IMPLICATIONS OF INDULGENCE AND RESTRAINT ON SERVICE ENCOUNTERS**

As explained above people in restraint oriented cultures (See Table 1) tend to place less value on fun, leisure and any other hedonic activities. As leisure tourism and hospitality are primarily hedonic experiences, the dimension of indulgence and restraint may have significant influences on tourism and hospitality activities, both from the perspectives of demand, i.e. from the viewpoint of the customer, and supply, i.e. the service
providers, e.g. service personnel.

Table 1. Indulgence and Restraint Values in Selected Countries

<table>
<thead>
<tr>
<th>Rank</th>
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From the customer's purchasing point of view a touristic activity may be basically divided into three phases to include pre-purchase and purchase phase, consumption phase and post-consumption phase. In the pre-purchase and purchase stage as customers from indulgence oriented cultures attach more importance to their holiday activities as they would be more involved in the hedonic leisure activity. Hence, tourists from countries with high indulgence scores (See Table 1) such as the Netherlands (68), the USA (68) the UK (69), Australia (71) and New Zealand (75) may tend to engage in more extensive information collection than tourists from countries with relatively lower indulgence scores such as the Russian Federation (20), Italy (30), Japan (42) and Turkey (49). This means that tourism and hospitality establishments attracting tourists from indulgence-oriented cultures may need to provide more and higher quality information in their marketing communication messages (Yilmaz, 2017) communicated through commercials, advertisements, brochures and web sites.

As explained above, while people in restraint cultures tend to be more moderate in their decision making and have (or let themselves to have) limited wants and desires, people in indulgence cultures do not tend to limit their wants and desires. This may mean that tourists from indulgence cultures may engage in more extensive information collection, analysis, be more astute in holiday and leisure related decision-making and have more expectations from the service business. This in turn may require a more intricate and careful design of tourism products and destinations targeting customers from cultures with high indulgence scores. Tourists from an indulgence-oriented culture e.g. Netherlands the USA the UK, Australia and New Zealand may require a more sophisticated touristic product/service and a better designed destination. Moreover, as tourists from an indulgence oriented-culture collect and analyse more information regarding their holidays they would be basically more interested in authenticity and the relevancy of the features of the touristic product or destination. In other words, for instance, as they would be more involved in and knowledgeable about their holiday experience, for instance, tourists from an indulgence oriented culture may know that a cultural visit to Mesopotamia would entail fewer luxuries. Based on this understanding tourists from an indulgence oriented culture may develop their expectations accordingly. According to Koc (2015), tourists from Turkey (a relatively low indulgence country with a figure of 49) staying in the same hotel in Turkey tend to be less satisfied with...
their holidays than visitors from the Netherlands, the UK and Denmark (countries with relatively higher indulgence figures of respectively, 68, 69 and 70).

Moreover, from a supply side perspective, as people in indulgence oriented cultures tend to be more involved in leisure and pleasure activities, service employees may be in a position to better internalise customers’ expectations and have a deeper understanding of their needs, wants and expectations. This in turn may result in a better design of touristic products/services and destinations in general and service encounters in particular. On the other hand, in restraint cultures as people do not tend to attach a high level of importance to leisure activities, service employees may have a difficulty in internalising the leisure or holiday activity and may be unable to develop better touristic products/services and destinations in general and unable to manage service encounters effectively, in particular. Koc’s (2013) study on service failures and recovery found that hospitality employees in the UK, a relatively high indulgence country with a score of 69, responded to the same service failures scenarios more quickly and directly than the hospitality employees in Turkey, in a country where the level of indulgence is relatively lower (49).

Thus, due this inability to understand and internalise hedonic leisure activities, it could be argued that service personnel in restraint cultures may tend to be less service oriented resulting in more frequent service failures and ineffective service recovery attempts. In order to make sure that its staff in 70 countries are able to internalise its “unique coffee experience” Starbucks puts a special emphasis on its training. Starbucks has developed a unique language with which to talk about the products and elaborate narratives about the unique coffee experience (Mathieu, 1999).

The fact that people in indulgence oriented cultures tend to remember positive emotions and experiences and people in restraint cultures tend to remember negative experiences have implications for post service evaluations of customers. Firstly, from the employees’ point of view, it should be remembered that there is a positive relationship between positive attitude/happiness and employee work performance (Wright and Cropanzano, 2000; Lyubomirsky et al., 2005; Isen, 2008; Fisher, 2010).

Secondly, from the viewpoint of customers, it should be kept in mind that tourists evaluate their holidays based on the positive and negative experiences they have had (Chan et al., 2015; Sue et al., 2016). Based on this premise it may be stated that consumers from restraint oriented cultures may tend to evaluate their holidays more negatively as they are more likely to remember negative emotions and experiences. As stated above tourists from Turkey (a relatively low indulgence country with a figure of 49) staying in the same hotel in Turkey tended to be less satisfied than visitors from the Netherlands, the UK and Denmark (countries with relatively higher indulgence figures of respectively, 68, 69 and 70) (Koc, 2015). Moreover, it should be kept in mind that negative experiences do not only disappoint the customer at the time of the service failure, but continue to do so over a period of time. According to Verduyn and Lavrijsen (2015) sadness and hatred are the two longest lasting emotions in human mind. In restraint cultures the period these negative feelings last may be expected to be relatively longer.

Additionally, people form a restraint culture may more often engage in negative word of mouth communication, be more cynical and may express more negative feelings on holiday blogs as they are more likely to remember the negative events they have had rather than the positive ones. Hence, concepts of service failure, recovery and service recovery paradox may have varying implications for customers from cultures in which indulgence is high or low.

Furthermore, it should be remembered that the likelihood of making a complaint is about twice higher among unsatisfied customers (Koc, 2013; Kotler et al., 2015). However, as people from restraint cultures are more likely to concentrate on the negative aspects and are more likely pay attention to negative cues. Hence, they may be more likely to notice or spot problems associated with various aspects of the service they received. It is known that a typical business hears only from 4% of its dissatisfied customers, the remaining 96% just go quietly away, of which 91% of them would not do business with the same service business again (TARP, 2007). In other words, many service businesses are usually unaware of their unhappy customers as a significant proportion of them do not make a complaint and they just walk away (Gursoy et al., 2003, 2007; Kim et al., 2010; Swanson and Hsu, 2009).

IV. DISCUSSION: CONCLUSION

As a variety of responses and behaviours of consumers are influenced by their culture, the indulgence-restraint dimension may have a important influence on consumer behaviour. Based on the explanations above it may be argued that the indulgence-restraint dimension may have significant theoretical and practical implications for tourism and hospitality. It is believed that discussion presented in this paper future research
may be carried out and the concept may be further explored from the perspective of service encounters in the tourism and hospitality sectors.

However, it needs to be remembered that a tourist product or destination’s success may not be be solely attributable to the service employees’ culture, i.e. whether they are from a restraint or indulgence culture. For instance, exceptional historical and natural beauties can make a destination popular by visitors without extensive destination development efforts, as in the case of Pyramids in Egypt, or the Mount Ararat in Turkey. Additionally, factors such as the level of empathy and intercultural sensitivity of service employees in a particular service organisation or in a particular culture may play a significant role on how service encounters are handled.

V. References

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