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The Effects of Culture on Retail Customer Service Expectations: A Case Study of H&M in the US and Sweden

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Abstract

- Title:** The Effects of Culture on Retail Customer Service Expectations: A Case Study of H&M in the US and Sweden
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- Keywords:** Hofstede, SERVQUAL, customer service, expectations, retail internationalization
- Thesis purpose:** This thesis attempts to clarify the impact of cultural differences on customer expectations of service level. Furthermore, we want to determine whether or not expectations of service differ enough to be quantifiable between two countries, Sweden and the US, mostly regarded as similar in business practices.
- Methodology:** To fulfill this purpose, we used a quantitative measure of customer service expectations in the US and Sweden based on the SERVQUAL customer satisfaction instrument.
- Theoretical perspective:** To analyze the data we gathered, we used Hofstede's cultural dimensions. Other theoretical perspectives were gathered from the areas of retail internationalization, image transfer, customer expectations and customer satisfaction.
- Empirical data:** Our study is based on a SERVQUAL-based questionnaire designed to measure customer expectations that was distributed to students in the US and Sweden.
- Conclusion:** Higher ratings on four of Hofstede's five cultural indexes were associated with higher customer service expectations overall, and in all four SERVQUAL dimensions. This research contributes to retail internationalization and customer expectations theory. It also provides practical recommendations for retail companies expanding internationally.

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1. Introduction

Despite fast fashion retail clothing company H&M's global success, they still experienced many problems when they launched their line of stores in the US market. In order to conduct a study designed to understand these problems and help other companies to prevent them, we must first explain them within the context of the broad field of retail internationalization. In this chapter, we also present our purpose and specific research questions, as well as an outline of the thesis to help guide the reader through our research.

1.1 Retail Internationalization: An Overview of European Fashion Brands' Expansion

As retail companies seek out new markets for their products and services, they expand into new countries and unfamiliar cultures. This globalization process has had a huge impact on retail business practices. In order to be successful in new global markets, retailers must understand cultural differences so they know to what extent they need to customize both products and services to the needs of the new host countries (Raven et al., 2004).

Most research about globalization strategies has come from a North American perspective, simply because the US was the first country to export retail operations on a mass level. However, other Western countries have also gained importance in retail business on an international scale. Some European retailers' international success with brands such as Zara and H&M has underscored the success of European international retail strategies.

For example, Spanish clothing retail chain Zara has been successful on an international scale, including in the North American market. From 2000 to 2004, the company more than doubled its number of stores to 2,240 (Business: The Future of Fast Fashion; Inditex, 2005). The company has 23 stores in the US, and is still expanding (Zara corporate website). Many parallels have been drawn between Zara and the Swedish retailer, H&M (Hennes and Mauritz), one of Zara's main competitors in both the US and Europe. Both concepts offer high (although different) fashion at a relatively low price. Overall, the US consumer may see both concepts as offering a bit of European fashion flair, something which has rarely been affordable for the average consumer in the past. However, in the average year, Zara launches over 11,000 new items, while H&M averages 2-4,000 (Business: The Future of Fast Fashion; Inditex, 2005). However, H&M has recently rapidly expanded into their new US market, while Zara has taken a more cautious approach.

H&M is a Swedish company that has recently entered the US market. While H&M's rapid expansion has been profitable lately, they did experience some problems in their first several years of US operations because of retail format problems. Because the US and Sweden are both highly industrialized Western countries, it would be easy to assume that expectations of customer service would be similar in both countries. However, it is important to consider the

more subtle differences in culture, their affect on customer expectations and how those differing expectations lead to customer satisfaction and retail success.

1.1.1 Internationalization of H&M: A Success Story

H&M began its foray into the US retail business rather recently, opening its first store in the US in Manhattan in March, 2000 (McKinley, 2003). As of 8 April 2008, H&M operates 147 stores in the US (H&M corporate website). According to their website, H&M has locations in 28 countries and employs 68,000 people, "...all working to the same philosophy: to bring you fashion and quality at the best price" (H&M corporate website).

However, despite the company's success in Europe, they hit a few bumps in the road while expanding in the US. In 2000, H&M predicted they would break even in their US stores in 2002. In 2002, that prediction was pushed back to 2003. In 2003, it was pushed back again to 2004 (Rozhon, 2004). Rolf Eriksen, CEO of H&M, explained several reasons why H&M was not as successful as they initially predicted in their US market entry. First, Eriksen said H&M made the mistake of opening too many large stores after the success of their largest flagship store in Manhattan. The company assumed they could open larger stores in the US than in Europe, and soon discovered that was not the case. They then had to remodel and rearrange stores, at great cost. These changes also helped resolve issues with store layout, as Eriksen pointed out that the original setup of H&M stores was confusing to US consumers. Cultural differences meant strategies that always worked in Europe were not working as well in the US. For example, Eriksen pointed out that in the US, sales associates prefer to specialize in one area of the store rather than be moved around to different sections, whereas in Europe, associates frequently switch between different store areas (Hjelt and Eriksen, 2004). One of the biggest problems about expansion into the US market that Eriksen mentioned was the speed at which H&M opened new stores. Because of this rapid expansion, the company did not have time to properly train all its employees and had to retrain many of the managers, despite having previously trained new US managers by both sending them to European stores and by bringing European managers to the US to help with training (Rozhon, 2004, H&M Annual Report, 2000).

Despite these initial problems, in 2004, the company's U.S. operations reported break-even before depreciation for the first time, and Eriksen anticipated the same levels of profitability as in Europe (Osborn, 2007). In 2006, sales in the US jumped 43 percent to 1.1 billion dollars, which accounted for 6 % of the company's revenues (Earnings: H&M, 2006). From 2001 to 2008, the US market moved from the twelfth largest market for H&M to the fourth largest market for H&M after Germany, Britain and Sweden, with the company planning further expansion by opening more H&M stores, and introducing their new chain of stores, Collections of Styles (COS), into the US (Mattias, 2007). H&M is now widely regarded in business publications as an international retail success story in US internationalization.

After reviewing the problems H&M had initially during their US expansion, we wondered if some of them might be further explained by differing cultural expectations of service quality in this type of retail format.

1.2 Internationalization of the Retail Industry

The retail industry sector is one of the largest in the world; as a result, it exerts great economic power. In the European Union, over 14 million people are employed in retailing, whereas in the US, over 20 million people make up this industry (McGoldrick, 2001). Increasingly, European retailers are experiencing growing competition at home. As a result, they have opted to increase their presence both in other EU countries and in other parts of the world, such as the US. A maturing home market has prompted retailers to improve services and convenience in order to pursue both a larger home market share and to improve their chances of success internationally (Raven et al, 2004). The retail industry is unique compared to other business sectors because it offers a mix of product and service through staff interaction. Manufacturing simply offers product to the end consumer, while many businesses in the traditional service industry offer only services, or a product that doesn't exist outside the service experience. In retail, the company offers both a service and a product. In addition, retail shopping experiences are individually lived. As a result, retailers must worry about both the product quality and service consistency (Burt, 2002).

Most service quality and service satisfaction research has focused on pure service industries such as banking, insurance and airlines, rather than on the retail sector. This poses a problem; if researchers are ignoring the importance of customer service in the retail industry, it is possible that retailers are not seeing its value, either. It may be possible that international retailers are focusing on product more than service, and this lack of focus is causing the lack of research in this area. When considering culture and different interaction styles, retailers must keep customer service in mind, as this study intends to prove.

As with other industry sectors, the retailing industry has increasingly looked beyond its home country borders for new opportunities. Recently, the largest proportion of international sales in the retail sector has belonged to clothing retailers (McGoldrick, 2001). In addition, increasing competition, internet shopping and rapid deregulation have forced both service and retail businesses to seek new ways of differentiating themselves in the market (Parasuraman et al., 1988).

Retail internationalization is a risky strategic venture. It brings companies in contact with a number of unfamiliar consumers, competitors and sometimes suppliers. Often, it is difficult for managers of retail operations to understand cultural differences. Understanding key consumer structures and behaviors is central to success (McGoldrick, 2001). In addition to these challenges, retail organizations are faced with the issue of the internationalization of the retail format. The retail format is the combination of various environmental and product related factors in association with the service presented to consumers by the retailer (Helfferrich, et al. 1997). The ability to enter a new environment, while maintaining the same level of quality in the retail format, is a challenge to any multinational organization.

1.2.1 International Retail Image

Store image is the consumers' perception of an array of tangible and intangible factors that encompass both physical and psychological dimensions of a shopping experience (Burt et al., 2006). Researchers do not always agree on what actually makes up the store image. Some believe that store image encompasses four core attributes. These attributes are *layout and*

architecture, symbols and color, advertising and sales personnel (Burt et al., 2000). The last attribute plays an important role in our study because sales staff members are the main players in the delivery of customer service.

As competition increases, few concepts are truly original. Retailers have now turned to branding in an attempt to imprint themselves in the business community and in customers' minds, as well as to create a distinctive retail offer. A key element to developing the retail brand identity is the perception of that brand by the consumer, or the brand image. This process is difficult for the home market, and further complicates as retailers internationalize (Burt et al., 2006).

The roles of international brand image and positioning in foreign markets are relatively un-researched when compared with domestic image and positioning (Burt, 2002). However, brand image is linked to customer patronage and store loyalty (Burt, et al., 2006). In order for a positive retail image to succeed in the foreign market, it has to transcend culture successfully (McGoldrick, 2001). Although the brand would be "typified," special adaptations would have to be made in terms of product range, communications, service provisions and shop design specifications (Burt, 2002). However, academics have tried to research the feasibility of using a standardized approach to retailing (Burt et al., 2006). The understanding of cultural differences, foreign competitive factors and local legalities as well as customer perceptions in a host market is a major success factor in any international venture. These factors act as impediments for retailers with strong domestic appeal to replicate their offerings abroad (Burt et al., 2006). Retail image has to transfer a coherent message to people of different cultural backgrounds, especially if that image represents a source of competitive advantage for the corporation. However, several barriers, such as economies of scale, distinctiveness of the retail offer, geographical proximity between home and host country and risk reduction, affect the choice of image transference strategy. Although standardizing the brand positioning and image will provide the corporation with competitive strengths, retailers have been reluctant to consider pure standardization because of the changeability of the retail environment (Burt et al., 2006).

Another way of looking at the internationalization of the retail image is by utilizing what researchers refer to as transference. According to McGoldrick (2001), transference of retail services can come in the following forms: the transfer of the retail concept, the transfer of management functions and the transfer of consumer spending. Each of these classifications represents a different sector within the retail industry which is transferred from the home to the host operation (McGoldrick, 2001). Organizations put forth a number of resources in order to build their images in their home countries. This is done as a source of competitive advantage. Retailers need to fully establish marketing issues such as the role of the product, the image, and the market niche in the home market before going abroad. As the retailer expands the business abroad, transferability becomes crucial to the success of the retailer, especially if the retailer hopes to standardize or replicate the marketing efforts outside of the home country. These issues relate specifically to the internationalization of the brand in the retail apparel industry because the ability to offer the host market a source of differentiation, and the delivery of added-value, such as service, are important to compete in the new market. (Burt et al., 2000).

However, perception of quality of customer service is based partly on expectations of customer service (Oliver, 1980). Therefore, it is important for international retailers to

understand the cultural differences between countries that may contribute to different expectations and lead to different interpretations or perceptions of similar experiences. While many studies have attempted to examine whether customer service perception is the same across cultures, there is a gap in knowledge about cross-cultural differences in expectations, the basis for customer service perception.

1.3 Research Questions

After carefully reviewing the literature on how cultural influences on customer service expectations and perceptions, we formulated the following three research questions for examination with primary research:

- Does culture affect customers' expectations of service quality in a retail setting?
- What aspects of customer service are most and least important to customers of different cultures in the low-priced, fashionable apparel retail industry?
- Can retail industry customer service be standardized across different cultures effectively, or does it have to be modified?

1.4 Purpose

This thesis attempts to clarify the impact of cultural differences on customer expectations of service level. Furthermore, we want to determine whether or not expectations of service differ enough to be quantifiable between two countries, Sweden and the US, mostly regarded as similar in business practices.

1.5 Outline of the Thesis

The first chapter broadly discusses the research problem, and provides insight into the purpose of this thesis. Chapter two outlines the theoretical framework to be used in the study analysis, including definitions of major terms and explanations of how expectations contribute to service quality perceptions and how Hofstede's cultural dimensions are relevant to our field of study. Chapter three provides explanations of methodological choices, and chapter four presents the quantitative data obtained from the study and discusses the data in the context of the framework provided. Chapter five provides theoretical conclusions and recommendations for managers in the international retail industry, limitations of our study and suggestions for further research.

2. Theoretical Framework

In order to examine how customer expectations differ between cultures in international retail formats and how those expectations affect perceptions of service quality, previous research on retail internationalization, customer expectations and culture must be reviewed.

2.1 Retail Internationalization

As discussed in the introduction, the internationalization of the retail industry is having a profound effect on the retail industry in general. In order to understand how retail internationalization affects customer expectations, we must first examine the retail industry and the process of retail internationalization.

2.1.1 Definitions of Retailing and Retail Internationalization

Retailing has been described in different ways, and researchers often don't agree on the best way to define it. For example, Peterson and Balasubramanian (2002) list 16 different definitions, from both dictionaries and textbooks, of the term 'retailing.' Their review of definitions of retailing revealed that many researchers either take the definition of retailing for granted because, "... everybody knows what retailing is," define the term so broadly that it is rendered meaningless or assume the definition to be based on a store-location selling to the end consumer. For the purpose of this thesis, we will use the most comprehensive definition of retailing mentioned, the explanation of the "retail trade" as defined by the US Department of Commerce:

Retail trade, as defined by Sectors 44 and 45 of the 1997 North American Industry Classification System manual includes establishments engaged in selling merchandise in small quantities to the general public, without transformation, and rendering services incidental to the sale of merchandise. The sector includes both store and non-store retailers. Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. They have extensive displays of merchandise, use mass-media advertising to attract customers and typically sell merchandise to the general public for personal or household use. Some store retailers also provide after sales services, such as repair and installation: for example, new automobile dealers. Non-store retailers also serve the general public, but their retailing methods differ. Such methods include "infomercials," paper and electronic catalogs, door-to-door solicitation, in home demonstration, selling from portable stalls or through vending machines (US Department of Commerce, cited in Peterson and Balasubramanian, 2002).

Because the service strategies and execution methods differ so much between these different types of retailers, this thesis will only take into account expectations and perceptions of

customer service in relation to brick-and-mortar retail stores, and not other retail methods as defined above, including infomercials, vending machines or e-tailing (internet retailing).

Retailing operations can also be classified in a number of ways. Alexander distinguishes between food and non-food retailers, which include goods such as clothing, footwear, jewelry, and electrical appliances. These categories are not static; they constantly shift due to the array of new merchandise and new business concepts coming into the market (Alexander, 2000). Historically, non-food retailers have gained a more prestigious international presence than food retailers. This is because they only operate a limited number of stores; on the other hand, food retailers have to have a considerable presence in any market in order to compete effectively because of distribution necessities with perishable items (Alexander, 2000).

Retail internationalization is the process by which retail management technology, or an international trading relationship, is transferred from one country to another. It establishes retailers within an international environment so they can transcend regulatory, economic, social, cultural and retail structural boundaries (Doherty, 1999). According to Wigley and Moore (2006), Hollander defines retail internationalization as a firm affiliated with, and responding to, the demands of headquarters located outside the country in which the retail sales are made. In the past two decades, fashion companies have developed to be the most prolific and successful in the international retail category. International companies often report the majority of their sales outside of the country of origin (Wigley et al., 2006).

Given the different obstacles encountered by organizations when entering a new market, it is important to define the internationalization of the retailer in terms of these confinements. Nicolas Alexander (2000) differentiated between retail internationalization and international retailing. Although he says both terms are related, he defined international retailing as "...the management of retail operations in markets which are different from each other in their regulation, economic development, social conditions, cultural environment, and the retail structure" (Alexander, 2000).

The internationalization process is a cautious one, where retailers tend to search for markets that are close in proximity, either geographical or psychological, to their home markets (Ghauri and Cateora, 2006). This proximity is a product of similar economies, social and cultural norms and values, and similar retail structures. Even though US retailers pioneered external expansion, the post-war period afforded European retailers both opportunities and means to respond to them. European retailers soon learned from their US predecessors and followed suit. The North American market represents a huge range of opportunities to European retailers in terms of both its large territory and its economic power (Alexander, 2000).

As previously mentioned, retailing differs from other industry sectors, such as the manufacturing industry, because it combines regular contact with customers with a particular product. The offer is more complex because it involves a mix of services, facilities and products, whereas one of the main challenges is to give the customer a unique experience (Elg, 2003). Given that the customer experience revolves around the retail brand, the brand has to be both externally and internally coherent, meaning that the brand has to translate its meaning to both internal and external stakeholders (Burt et al., 2002). Internationalization theory speculates that technology and knowledge are embedded in

physical goods, in blueprints and formulae or in people. In retailing, this information is specifically rooted in people, such as the management and sales staff, in addition to other aspects of the retail format (Doherty, 1999). The internationalization of services within the retail sector is, therefore, not unlikely, and will only be reinforced in the transfer of the retail format in a new culture.

2.1.2 Image Transfer in Retail Internationalization

The issue of standardization or adaptation of services cannot be mentioned without also discussing retail image. Many internationalization success stories result from the retailer seeking to develop a similar image in their foreign market as that of the home country (Burt et al., 2000). Fashion brands need a clearly defined identity in their home country and personality generated through the image (Moore et al., 2000), such as H&M has in Sweden. Blunch (1996) points out that it is possible for a retail company to have a different brand image overall than its individual local outlets. This can work for or against companies, depending on whether the image is either positive or negative; however, it must be taken into consideration when planning branding strategy (Blunch, 1996).

In the internationalization process, merchandise has to be altered according to local taste. Although the merchandise is sometimes protected to some extent through patents or exclusive contracts with suppliers, the retail format is not. Format is internationalized through the transfer of know-how; however, it can easily be copied by well-established competitors (Alexander, 2000). Innovative formats give a considerable advantage to any newcomer in the market. However, regulations and other government constraints may pose a challenge. As a result, retailers adopt more traditional formats when expanding abroad. The retailing formats become more standardized in their layouts, leaving new business concepts, innovative merchandise, or specialized services as means of distinguishing international retail companies from the competition (Alexander, 2000).

One study showed that service is third in importance to customers when making decisions about where they will shop, second only to location and price (Gagliano and Hathcote, 1994). With today's increasingly congested global retail marketplace focused on low-priced fashion, and with more stores moving to suburban shopping areas, customer service becomes an important added-value factor in deciding where to shop. Sometimes, good customer service is one of the major factors if more than one store of the same fashion type and price point is located in the same shopping center. It is especially significant if a customer has previously experienced good or bad customer service.

2.1.3 Retail Internationalization and Customer Service: Standardization vs. Adaptation

One of the major decisions faced by international organizations is whether to standardize or adapt their concepts. This includes the type of services and level of service offered to clients. Internationally, retailers have projected distinct images to customers who respond to that message as much as they would to manufacturer brands (Alexander, 2000). Some concepts are global, and no adaptation is needed (Morschett et al., 2007). However, customer service cannot be necessarily standardized from one country to the next because cultural differences

exist between employees and customers of diverse cultural backgrounds. When operating outside the home country, retailers often hire a local workforce. Employees bring their own cultural attitudes and values to the workplace, which is not always compatible with the home country's operating systems and management styles. As a result, both the national and company culture profoundly affect the operational procedures. A retailer who wishes to maintain its image abroad has to ensure that the image is correctly interpreted and propagated by its local employees, who will communicate it to the local population through customer service (Alexander, 2000). In addition, consumer perceptions of service quality differ between different countries. For instance, aspects of customer service that are considered standard in North America may hold little importance in Sweden.

Standardized transfer of image from the home to the host country is difficult. The less tangible and more experienced-focused dimensions of store image, such as customer service, can be the most complex to establish in a new market due to cultural differences. In addition to the issues evolving from a culturally different workforce, the meaning of the brand and the understanding of the image in the domestic market have been long established before a company decides to expand its market internationally. In a host market, exposure to the retail format and the shopping experience is new. Therefore, customers establish perceptions of functional components of the shopping experience, such as merchandise, before they establish perceptions of intangible components, such as service quality. The intangibles form a particular challenge as they are more difficult to translate and time consuming to establish in a new market. If a retailer's main source of competitive advantage in the domestic market is based upon intangible dimensions of image, there is always the danger of assuming that these have automatically transferred in the new market. As a result, the retailer may assume that customer values and perceptions are the same in the different cultures. This may lead to complacency and mistakes, as was the case for H&M. In terms of services in the retailing industry, this may cause the retailer to fail to standardize its image by customizing services to the different cultures (Burt et al., 2000).

A study by Menon and Dube (2000) found that sales person behaviors could be institutionalized by companies. For instance, in the fashion retail sector in North America, acknowledging the presence of a customer within five minutes of entering the store is common in almost all establishments. Customers expect personnel to counteract their emotions with ones that either enhance or mirror their own. According to Menon and Dube (2000), any organization could ensure maximum customer satisfaction if they could standardize personnel behaviors within each store through strong employee training. Although they did not discuss cross-cultural transference of management values to an international sales force, they felt that proper training could be standardized within one company, inferring that this could be possible on an international scale.

2.1.4 Retail Internationalization: Europe and North America

While American retail businesses began internationalizing in the 1950s and 1960s, European retail businesses began to look at internationalization as a viable business strategy in the 1960s and 1970s, after domestic markets began to become saturated (Muniz-Martinez, 1998). At that time, and to some extent, today, most leading European retailers originated in northern European countries. Therefore, their ties, both cultural and linguistic, lie heavily with North America, both with the English-speaking United States and Canada, and French-

speaking Quebec. These countries' populations were formed mostly by immigration from European countries (Muniz-Martinez, 1998). These ties are often much stronger than those that bind Northern European countries to other possible expansion locations, such as Latin and South America, the Middle East, the Far East, Australia and Africa. That meant that North America was a logical next-step for retail businesses that had already exhausted possibility of expansion in domestic markets and in international markets geographically closer to home.

Businesses trying to take full advantage of a new business idea may try to internationalize at a more rapid pace before the home market has become saturated in order to capitalize fully on the new idea before other retailers can imitate them. This can mean they are unsuccessful due to inability to adapt the concept to different markets, such as in the cases of Carrefour in the US and Wal-Mart in Germany. But other times, it can mean the company establishes a first-mover presence and eliminates competition before it begins, such as may be the case with Swedish retailers H&M and IKEA (Muniz and Martinez, 1998). However, this also signifies that sometimes European retailers compete with retail formats largely unfamiliar to them, such as suburban factory outlet stores and warehouse clubs, which have roots in the US and have only gained importance in Europe for the past ten years (Ferne and Ferne, 1997).

European retailers interested in expanding to North American markets frequently face questions of standardization versus adaptation, both in regards to services and products. There are many documented differences in retail service expectations in European and North American businesses. For example, in many European businesses, most noticeably grocery, cashiers are allowed to sit while performing their duties. However, in the US, this is only the case if an employee has a specific disability that does not allow them physically to stand for their work duties. In the US, when a woman concerned about the comfort of her local grocery store (Safeway) cashiers came to the store and provided them with stools as a Christmas gift in 2006, but the management of the store would not allow them to be used. A spokesperson for Safeway said that the ergonomic standards of Safeway's check-stands, designed for standing cashiers, could be compromised if stools were used. But then, he added, "Culturally, I don't know of any American supermarket where checkers sit down. That is prevalent in Europe, but in our culture, if people saw that, a lot of people would wonder, 'Are these people really working?'" This emphasizes a common difference in service expectations in the grocery store retail industry.

Other common differences in retail formats exist as well. Some studies have suggested that Europeans care more about country of origin of retail stores than North Americans. Some have also suggested that Europeans put less importance on price but more on service compared to their American counterparts. Europeans may be more likely to pay more for more personalized service, and they don't comparison shop as much as Americans (McRae, 1999).

2.2 Customer Expectations of Service Quality

Understanding the concept and methods of retail internationalization is an important step in the process of examining culture's influence on customer expectations. However, we must

also fully understand what customer expectations are and how we can measure them before we can understand their relationship to culture in an international retail company.

2.2.1 Definitions of Customer Service Terms

Customer service includes all activities that enhance or facilitate the sale and use of a product. Like products, customer service gives firms the opportunity to gain market share and establish dominance in their industry (Kyj et al., 1989). Services are unique, and unlike industrial and consumer goods, services are intangible, heterogeneous, and have a production inseparable from consumption (Parasuraman et al., 1988). Service value lies in the result of a process; the creation cannot be separated from the consumption. Furthermore, services are not mass but individually produced, thus existing within the exchange between customer and company (Ghauri and Cateora, 2006).

Because the experiences can be unique to each customer, standardizing services is a challenge for marketers. Menon and Dube (2000) argue that it is possible to engineer salesperson responses to customer emotions. Customers' perceptions of service quality are determinants of their feelings toward the establishment. As a result, the way salespeople approach a situation has a direct effect on customer satisfaction and buying behaviors (Menon and Dube, 2000). This poses an even bigger challenge for companies operating on an international level because not only are the experiences dependent on individual consumers' perceptions, those perceptions can be shaped by a culture outside the company employees' familiarity zone.

Most research on customer perception of quality in the service industry has proven that focusing on perceptions of quality, value and satisfaction in service encounters has positive results for retailers. The retail industry is unique because it combines a product with service elements into the shopping experience. Often, dissatisfaction with the retailer has to deal with product dissatisfaction rather than the manufacturer, resulting in more customer service mishaps with the end user (McGoldrick, 2001).

Parasuraman defines service quality as the "...perceptions resulting from a comparison of consumer expectations with actual service performance" (cited in Gagliano et al., 1994). In other words, service quality is a measure of the difference between expected service and perceived quality (Parasuraman et al., 1988, Tsoukatos and Rand, 2007). However, Oliver uses the term 'service quality' a little differently (cited in Liljander, 1995). He claims that many times, the terms 'service quality' and 'customer satisfaction' are used interchangeably in service research. However, he claims that they are two separate concepts. The biggest difference is that service quality can be based solely on expectations and preconceived notions, and it can be evaluated without experiencing the service. However, it is a determinant of customer satisfaction. Customer satisfaction cannot be evaluated without having experience with the service. Oliver's 1980 study confirmed the prior belief that customer satisfaction after service usage resulted from both expected and experienced service, indicating that expectations are important determinants for both service quality and customer satisfaction (Oliver, 1980).

Service quality became a focus of research in the 1980s after a more competitive international business environment led companies to examine possible differentiation

strategies. Since then, many retail companies with mainly product offerings that never before considered customer service a large part of their operations began implementing means of measuring service quality and examining its financial impact (Zeithaml et al., 1996).

According to Parasuraman, the most effective way of measuring service quality is to assess the customer's expectations of the service, and compare those with the customer's perceptions of the service quality. This is known as the gap model. Perceived quality is the "...consumer's judgment about an entity's overall excellence and superiority" (Parasuraman et al., 1988). Grönroos defines perceived quality as a combination of expected and experienced quality (cited in Liljander, 1995). Therefore, customer expectations directly contribute to the perceived quality of customer service in the retail setting.

In order to examine how customer expectations affect the perception of customer service quality, one must first understand the different ways customer expectations can be defined, and the varied effects these definitions can implicate.

There are three basic types of expectations customers can hold for a customer service exchange: predictive (also defined as "should expectations" by Coye), or what the customer believes will or should happen; adequate, or what the customer believes will be satisfactory in terms of that one particular exchange; and ideal, or what the customer wishes to happen (Zeithaml et al., 1993; Liljander, 1995; Coye, 2004). These expectations form a 'zone of tolerance' between adequate and ideal standards, or an acceptable range for the customer to receive service and not be driven to take actions based on poor service quality perception, such as switching service providers or discussing unsatisfactory experiences with others (Zeithaml et al., 1993; Liljander, 1995). Predictive expected service quality may fall anywhere on the scale, depending on factors such as previous experience, type of service being rendered, word of mouth and advertising.

For example, when purchasing a car, a customer might hold an ideal expectation that the car dealer will be helpful trying to pick out a car that suits the customer's needs instead of trying to sell him or her extra unnecessary features to make more money, and that the car dealer will give her the lowest possible price for the car. However, that same customer might hold a predictive expectation that the car dealer will probably try to up-sell the extra features on the car, and that the car dealer is more concerned about the business' bottom line than that particular customer's satisfaction with the transaction. However, in order to stay in the customer's 'zone of tolerance,' and ensure the customer will not take his or her business elsewhere, the customer may expect the dealer to offer extra services or amenities if the dealer won't lower the price of the car. In this example, the three different kinds of expectations are all very different. Which one is being measured can have a huge impact on the conclusions of a study if the researchers aren't aware of the different types and don't take them into account.

If researchers intend to measure perceived customer service quality by using the gap method designed by Parasuraman, Zeithaml and Berry (1988), they would have to be aware of which type of expectations they are measuring. The perceived level of customer service quality can sometimes be greatly reduced if a researcher uses ideal expectations as a baseline because customers may perceive a level of service quality well below those ideals as acceptable, and even good. However, simply meeting low normative expectations does not always guarantee that a customer will perceive the service quality as acceptable or good. Some researchers

claim that these differences in normative and ideal expectations render the gap model unusable, while others simply suggest that the researcher must use the model with care, and adjust conclusions to fit different expectations and situations. Parasuraman and his research team (1994) later adjusted their definition of expectations to include both expected and desired service.

Another difference in the definition of expectations arises when different aspects of a consumer/service provider relationship are considered. Expectations in literature are often defined as consumers' predictions and desires about occurrences during an individual transaction or exchange; however, these are linked to specific events and do not measure the general attitudes customers have towards an establishment (Parasuraman et al., 1988). According to Tsoukatos and Rand (2007), Boulding defined expectations in a much broader sense. He said expectations are highly dependent on what customers thought would or should happen in a given situation rather than what happens during a specific exchange. This is useful because some researchers have discovered that expectations of seldom-used services may be more based on individual episodes than expectations of often-used services, which are less susceptible to fluctuation based on individual episodes (Liljander, 1995).

2.2.2 Impact of Service Quality Expectations on Satisfaction and Behavioral Intentions

As previously discussed, the concepts of service quality and customer satisfaction are often unclearly defined in service literature (Tsoukatos and Rand, 2007). However, most of the service management literature agrees that customer satisfaction is the direct outcome of customer perception of the service quality received. Many researchers explain that the main determinant of customer satisfaction is perceived quality (Tsoukatos and Rand, 2007; Cronin, et al., 2000; Oliver, cited in Liljander, 1995). In general, good service quality perceptions lead to higher perceived value and, ultimately, to increased satisfaction (Cronin et al., 2000). Given that perceptions of service quality and value are interrelated and have a clear connection to purchase intentions, marketers should not downplay the importance of service quality expectations. Instead, customer service should be used as a competitive advantage tool (Cronin et al., 2001). Just as products gain a reputation, so can service or retail companies by offering exceptionally high levels of service quality.

Previous literature has linked service quality to satisfaction, loyalty and behavioral intentions. In turn, these drivers have increased the likelihood of repeat patronage and subsequently purchases. Some studies have even shown that the perception of good service quality can result in the willingness to pay more for a service (Shaw-Ching et al., 2001). Often, satisfaction from an effective service delivery system has been measured in terms of performance. Researchers have concentrated their attention on connecting satisfaction, loyalty and purchase intentions to sales numbers. However, perceived service quality and satisfaction are also connected, and are important indicators of performance (Sulek et al., 1995). In summary, expectations influence perception of service quality, which then influences satisfaction and behavior intentions. Therefore, uncovering the expectations of service quality is an important step for any organization that uses customer service as a tool in its marketing and customer relationship management arsenals.

2.2.3 Measuring Expectations and Service Quality

One of the most widely used methods of measuring both service expectations and perceptions is the SERVQUAL method developed by Parasuraman et al. (1988). It can and has been applied to a variety of different service sections, including international service corporations such as airlines, and various retail scenarios. The original SERVQUAL method measures customers' expectations and compares those expectations against their perceptions of their experiences in the following five different dimensions:

- Tangibles: Store environment, equipment and employee appearance
- Reliability: The ability of the store to deliver on its promises
- Responsiveness: How willing and able the store is to respond to the customer needs and wants
- Assurance: Employee knowledge and politeness and how able they are to garner trust from the customer
- Empathy: The personalized attention the company pays to customers

This model is practical to measure service quality expectations and perceptions because it can be adapted to different sectors of the service industry. Previous researchers using SERVQUAL in the retail industry encountered some difficulty with the original categorizations, and opted to slightly alter them to better fit the consumers' perception of service quality in the retail environment. Gagliano and Hathcote (1994) explained that, within a retail context, several of the original SERVQUAL values overlapped with each other and were hard to designate separately on surveys. After analyzing their data, they re-categorized the SERVQUAL method into four dimensions:

- Personal Attention: A combination of previous definition of assurance, empathy and responsiveness
- Tangibles: Store appearance, promotional materials and employee appearance
- Reliability: The ability of the store delivers on its promises
- Convenience: Opening hours and modern equipment such as scanners.

Due to inherent differences between the service industry in general and the retail industry, these dimensions were found to be clearer and easier to analyze within the context of the retail field.

2.3 Culture

The concept of culture is as interesting as it is broad. In order to draw correlations between culture and customer expectations, we must first define what aspects of culture we are examining, then analyze these definitions and find the best way to measure them.

2.3.1 Definitions of Culture

Culture has been defined as "...socially patterned human thoughts and behavior" (Tsoukatos and Rand, 2007). Cultural values are motivators in life, and they prescribe people's behavior.

In the business world, Hofstede studied culture and defined it as "...the "collective programming of the mind [that] distinguishes members of one group from another" (Hofstede, 1980). Since culture drives people's thoughts, wishes, perceptions and behaviors, it can be deduced that culture influences service quality perceptions (Tsoukatos and Rand, 2007).

2.3.2 Hofstede's Cultural Dimensions

One of the most widely-known research studies into cultural dimensions was conducted by Geert Hofstede. Hofstede distributed more than 116,000 questionnaires in more than 40 countries and developed dimensions in which different aspects of culture in different countries can be measured (Hofstede, 1980). Although his original study only examined employees of one company, IBM, his results have later been proven to be generalizable outside of that one company (Furrer et al., 2003). He identified culture with nations, and provided scores for four different dimensions for each country. The dimensions include *power distance*, *uncertainty avoidance*, *individualism* and *masculinity*. The dimension *long-term orientation* was subsequently added after more research.

Power distance (PD) is the extent to which people in a society accept the unequal distribution of power. *Uncertainty avoidance (UA)* is the extent to which people avoid or feel threatened by or uncomfortable with ambiguous situations or experiences. *Individualism (vs. collectivism) (IND)* is the extent to which a person's goals are self-oriented, instead of group-oriented, or the existence of a loose social framework where everyone takes care of him or herself and possibly immediate family versus a tight social framework where members of the society are all responsible for each other. *Masculinity (vs. femininity) (MA)* is the extent to which society values traditionally masculine traits, such as working for money or things, assertiveness and not caring for others (Hofstede, 1980). *Long-term orientation (vs. short-term orientation) (LTO)* is the extent to which a society is concerned with dynamic values associated with the future instead of relatively static values associated with the past (Hofstede, 1991). Hofstede notes that these dimensions are meant to describe a society as a whole, the average of its individual parts. They are never meant to compare individuals (Hofstede, 1980).

Because we were interested in examining two highly-developed markets in which many similar retail business structures have flourished, it was theoretically relevant, practical, interesting and feasible for the authors to study customer service in the markets of the United States and Sweden.

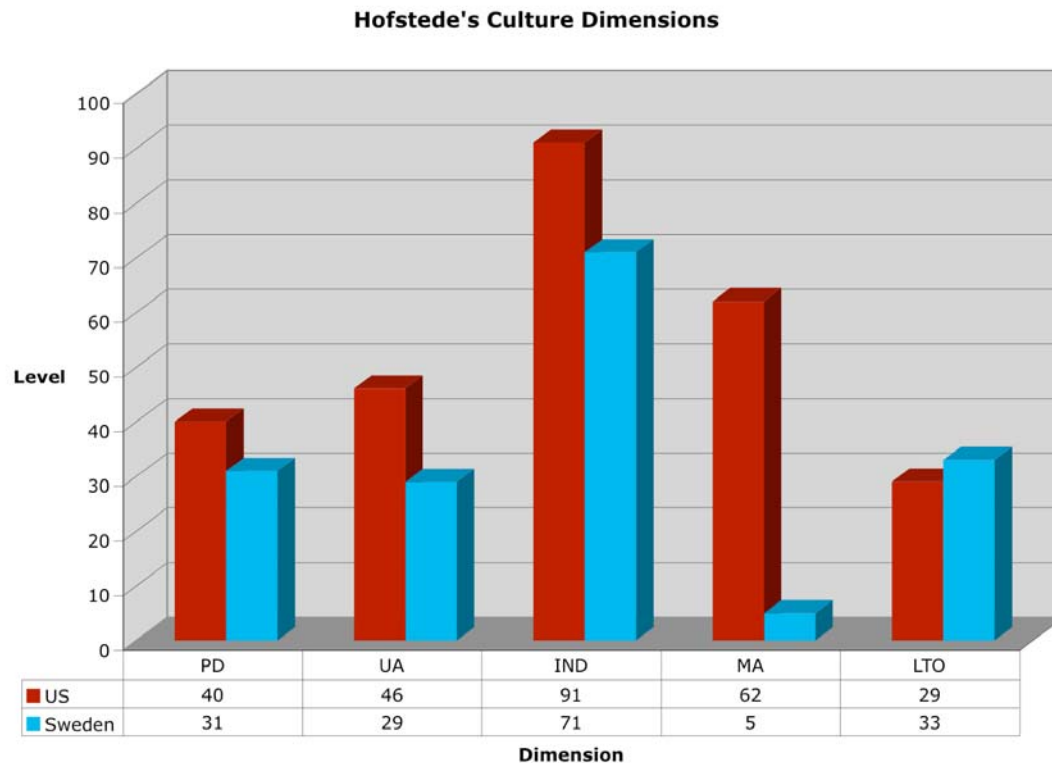


Figure 2.1

Differences between the US and Sweden are not as drastic as with many other countries. In fact, in many of the social culture maps drawn from the data by Hofstede, Sweden and the US are in neighboring groups (Hofstede, 1980). And as the data shows, there are some cultural differences between the two countries, namely on the masculinity scale. Plus, although other studies have shown culture's effect on customer service satisfaction in countries at opposite ends of most of Hofstede's indexes, we wanted to examine two countries closer in these indexes to see if statistically significant differences in expectations could be seen.

2.3.3 Cultural Impact on Customer Expectations of Service Quality

Because Hofstede's study was one of the largest of its kind on culture, and his dimensions have been reinforced with other research, many study authors and researchers have chosen to use his dimensions as a framework within their own studies.

In particular, some authors have looked into the correlation between Hofstede's cultural dimensions and the value dimensions of the SERVQUAL. The results of Furrer, Liu and Sudharshan's study (2000) relating customer satisfaction in the service industry, specifically banking, as measured by the SERVQUAL scale and Hofstede's cultural dimensions found the correlations on the next page.

Dimension	Positive Correlation	Negative Correlation
Power Distance	Tangibles, Assurance	Empathy, Responsiveness Reliability
Uncertainty Avoidance	Responsiveness, Assurance, Empathy, Reliability	Tangibles
Individualism	Tangibles, Responsiveness, Reliability	Assurance
Masculinity	Tangibles	Responsiveness

Figure 2.2

Several other studies have used Hofstede's model in conjunction with the SERVQUAL metric in order to compare service quality perceptions with cultural differences (Tsoukatos and Rand, 2007). One study in particular analyzed the relationship between culture, perception of service quality, as well as behavioral intention such as purchasing (Shaw-Ching et al., 2001). Another study by Olivier (2000) showed a strong correlation between Hofstede's cultural dimensions and consumer perceptions of customer service in the banking sector of the service industry as measured by the SERVQUAL method. He also found that consumers in countries with very different measurements on the Hofstede scale valued different categories in the SERVQUAL scale.

In an increasingly globalized business environment, cross-cultural consumer expectations and perceptions have gained importance. The more companies enter culturally different markets, the more companies have to contend with unfamiliar expectations and perceptions of the same events. If services can be standardized among different cultures and nations, companies can provide better training for employees, and they will have more service delivery control (Cunningham et al., 2006).

2.4 Theoretical Summary

The retail industry is different from any other industry because it combines product and service aspects. The opportunities offered in new markets mean that internationalization is an attractive option for many retailers when opportunities for expansion in home markets become limited.

When retail companies expand internationally, they often choose countries close either in physical or psychological distance. This helps them transfer the same brand image from their home to their new country. Also, because retail companies must adopt standardized store formats when expanding internationally to minimize risk, they must differentiate themselves based on products, store concept, or customer service. Researchers have not yet extensively studied the relationship between culture and customer service. Retailers must decide to what extent these factors can be standardized or have to be adapted to each specific market. While merchandise can be standardized somewhat easily, customer service is more difficult because it involves employees of the host country.

Even companies expanding to countries close on Hofstede's cultural indexes (*power distance, individualism/collectivism, uncertainty avoidance, masculinity/ femininity and long-term orientation*) are faced with these same decision of standardization or adaptation.

For example, Swedish clothing retailer H&M had problems making a profit in the US for the first four years after entering the market, despite previously successfully entering markets much more different from Sweden on Hofstede's cultural indexes.

Because of the tendency of companies to first enter into new markets psychologically similar to their home market, this can mean that some companies choose to expand first to countries that are rated similarly on Hofstede's cultural indexes, due to a closer psychic distance. And because a company's success or failure in its first international market can have a significant impact on its overall international success or failure, it is important to examine impacts of culture on retailing in countries similar in Hofstede's cultural dimensions. The two markets in this study, Sweden and the US, were chosen based on observed differences in customer service expectations and levels despite being somewhat similar in four of Hofstede's indexes, all except *masculinity/femininity*.

To examine how Hofstede's indexes affect a company's performance, customer satisfaction must be taken into account. Even though customer satisfaction is defined as a combination of expectations and experience, many studies have only focused on overall satisfaction instead of measuring individual expectations. If a company understands how to meet customer expectations, overall satisfaction level will rise.

The SERVQUAL analysis instrument, designed to measure customer satisfaction by measuring the difference between expected and perceived service, can also be used to focus solely on expectations and how these might be influenced by culture.

The majority of the research using the SERVQUAL method has concentrated on the international service industry, in service sectors such as airlines and banking. However, it also has been used in a US domestic retail environment many times. This study uses the SERVQUAL instrument in the international retail field to examine expectations.

After all of our theoretical research, we found a specific gap in the knowledge of customer service expectations and their relationship with culture. No researcher has before studied how culture affects service expectations in a successful case such as H&M. Even though H&M experienced initial problems with service quality expectations when the company first entered the US market, they were able to adjust their strategy to become immensely successful. The study of a case like H&M is very important to point out how a retail company might bypass the problems H&M had and more quickly begin to make a profit after market entry.

3. Methodology

As explained in the theoretical framework section, many researchers suggest that culture plays a large role in customers' expectations of services, and therefore, their perceptions of those services. But current research lacks understanding of these differences in expectations of customer service on an international scale within the apparel retail field.

Austin (1992) proved that consumers' satisfaction with customer service is directly proportionate to how their expectations match their experiences. This study aims to examine expectations of customer service in the retail apparel store environment in two separate markets, the United States and Sweden, and analyze differences in expectations using Hofstede's cultural indexes. In this chapter, we present our reasoning for, and support of, our methodological strategies.

3.1 Research Strategy

After living in a combined total of five different countries, the two authors of this study noticed a marked difference in the level of customer service received in different countries. After discussing our observation with different classmates and acquaintances, we also noticed differences in the expected levels of customer service in different countries. We wondered whether our expectations of service in foreign countries were different than the expectations of natives of those countries. As a result of these observations, we considered how the different areas of studies during our year at Lund University could explain those conclusions. We looked at specific research areas, including retail internationalization and brand image, aspects of relationship marketing that affect customer service expectations and satisfaction, methods of comparing culture and finally, the impact those methods have on customer service strategy. Then, we decided to subject our observations to theoretical and statistical scrutiny by designing a deductive study based on the comparison of two well-tested theories.

The aim of our thesis was to clarify the impact of cultural differences on customer expectations of service level. We also wanted to determine whether or not expectations of service differ enough to be quantifiable between two cultures, Sweden and the US, mostly regarded as similar in business practices. We chose a deductive research strategy to fulfill this aim because we believed that our empirical knowledge gap discussed previously could be filled by collecting data based on two well-established theoretical frameworks: the SERVQUAL customer satisfaction instrument and Hofstede's cultural dimensions. Because these theories have been tested and validated by many other researchers, and they already were designed to measure exactly what we wanted to compare, we felt that using a deductive

strategy based on these theories would lend credibility to our study, strengthening both our theoretical and practical conclusions. We felt that by testing the relationship between these two existing theories, we could add to the literature about the use of those two theories to analyze a successful case, such as H&M. If we had chosen purely conceptual frameworks to construct our analysis, the study may not have had the same implications for application to this successful real-world case, which we were interested in explaining. We also chose these two strategies for the basis of our research because they have been thoroughly tested in similar areas of research.

A deductive strategy was also appropriate for this study because it was the best method to investigate if relationships between culture and expectations could be quantified. Culture has also been described as difficult to quantify, although Hofstede's indexes have repeatedly been proven valid across many populations. Because of this difficulty with quantifying culture, to use an inductive strategy to gather data and develop a new theory from that data relating culture and expectations would need to be tested against a much larger cross-cultural population (such as Hofstede used) to be considered valid. Such a theory would also be subject to more criticism based on the difficulty quantifying culture. Therefore, deductive strategy was the best method to fulfill our purpose.

By using a quantitative method associated with the deductive strategy, we also attempted to minimize the influence of our own cultural backgrounds on the data results (Bryman and Bell, 2007).

3.2 Research Methods

Bryman and Bell (2007) describe research method as a technique for collecting data. In general, when using deductive methods, when theory is tested or problems are formulated, a quantitative research method is used. However, it is becoming more common for researchers to blur the lines of the required method of data collection and use both quantitative and qualitative research methods for specific projects (Bryman and Bell, 2007).

The qualitative and quantitative research methods are the two main data gathering methods. The main distinction between these methods is that quantitative research makes use of measurements and statistics. The aim of the quantitative research is to establish relationships between variables. Qualitative research methods are less structured than quantitative methods, and are more focused on verbal data (Bryman and Bell, 2007).

Understanding the full potential of these different methods as a study is being designed is important. They each have distinct benefits and constraints. One method is not superior to another; the method used is dependent on the area of study, as well as the project's limitations. Qualitative data affords researchers the opportunity to generate new data, as well as look deeply into specific problems. However, qualitative research is often criticized as subjective, thus shedding questions into the reliability and generalizability of the study. Quantitative methods, because of their more rigid structures, offer a more objective measurement of social phenomenon and human behaviors. However, whether human behaviors are measurable by numbers is still a subject of debate (Bryman and Bell, 2007).

A predominantly quantitative method was used for this project. The study conducted was a descriptive study meant to establish associations between variables, in this case, Hofstede's cultural indexes and the SERVQUAL dimensions. In addition, given that the purpose of the thesis was in part a cultural analysis, a more objective method was preferable as to avoid any generalizations of cultural differences. For this reason, we based our analysis on Hofstede's cultural dimensions, which have been well researched and tested for validity throughout many different cultures (Fukuyama). Qualitative tools, two open-ended questions, were also added to the survey. This afforded respondents the opportunity to contribute to the survey by sharing their own experiences, and offered us as researchers the opportunity to gain some insight into possible reasoning behind the quantitative responses. A common picture of quantitative research is that it is solely used to test pre-formulated theories. However, new theoretical contributions are made from quantitative studies as a degree of creativity goes into the analysis of data, and the interpretation of the findings (Bryman and Bell, 2007).

Other factors like time constraints and the inability to be in both the US and Sweden also played a part in the design of the study. To do a qualitative study to fulfill our study purpose successfully would have required several trips to the US, which represented more time and resources than we could dedicate to this project.

3.3 Research Design

In search of a well-rounded literature review, thorough study and valid theoretical and practical conclusions, we employed different techniques appropriate for collecting both secondary and primary data.

3.3.1 Secondary Data Collection

For secondary data, multiple research methods and strategies were used. We used keyword searches in electronic databases (such as Elin@Lund University, ProQuest, Google Scholar and Emerald) to find articles, journals, books and other reference materials providing insights on the research problem. We then used the reference lists of these articles to further investigate. We also used course literature from our master's studies at Lund University and literature suggested by our thesis advisers, again making use of reference lists and citations within text to seek out the source articles and studies of all cited material. These multiple research strategies allowed us to gain a deeper understanding of many different aspects of service quality expectations, and the many ways researchers have investigated and measured this in the past, both directly and indirectly, before we designed our survey. Critically analyzing and reviewing findings presented by other researchers allowed us to utilize ideas and theories set forth by other researchers while, at the same time, remaining aware that those findings are shaped by the researchers' own perceptions and attitudes, and can also be interpreted differently by different readers. Because H&M was chosen as a sample business for this study, we also used H&M corporate communications, the H&M website and periodical articles written by third parties unaffiliated with the H&M company to gain a better understanding of the company's policies, positioning and perspective.

3.3.2 The Case Study Design: Perception of H&M Customer Service in Sweden and the US

The research can be categorized as descriptive because it answers the questions how and why. It deals with frequencies and incidences (Yin, 1994). The study was used to describe a structure in the market by showing relationships between two demographic groups, Sweden and the US. The two markets were chosen both for practical reasons concerning the proper access to the population to conduct a study, and for theoretical reasons based on the differences of the two nations. While both nations are highly developed Western countries, some cultural differences do exist, namely in Hofstede's cultural dimensions, as discussed in the theoretical framework section (Ghauri and Cateora, 2006).

A case study examines one or a few organizations, and is more concerned with using the particulars of that specific case to generate theory than to make broad generalizations across the category being studied (Easterby-Smith et al., 2002). Yin (1994) states that case studies are most useful when a researcher is trying to answer "how," "what" and "why" questions, when the researcher does not have the means to influence events and when the research problem can be examined during events or situations that commonly exist today. Because the purpose of this paper is to investigate consumers' expectations of customer service and how culture might influence those expectations, this study examines the "what" and "how" questions, while the later analysis of the data according to Hofstede's indexes examines the "why." The resources available to master's students completing a thesis are relatively limited compared to those available to full-time, paid researchers employed by companies, making influence of events difficult or impossible. These factors show that the case study the optimal choice for this type and topic of research.

In order to ensure that a common type of retail environment is examined, this study focuses around H&M, a Swedish retailer existing in both the US and Sweden. Product, price point and positioning are the same in both markets, and the company's strategy has been defined as 'replication,' "...the creation and operation of a large number of similar outlets that deliver a product or perform a service" (Winter and Szulanski, 2001). This selection of one case-study store ensures as much as possible that expectations are purely the result of different cultural perceptions of the same type of store. This ensures that they do not differ due to store type, price point, positioning, or assumptions about store types between different cultures.

After choosing to study H&M as described in the introduction and theoretical review section, a conversation with Jonas Olsson, Chief Financial Officer and Representative Director of H&M Japan, confirmed that H&M pursues their goal of internationalization by using the same, or a very similar strategy in all of its markets. While he did say customer service strategy can vary slightly in the Asian market due to vast cultural differences, he confirmed that H&M's strategy on both the American and Swedish markets is to try to present the company in the same way, every time, across both markets, including within the various aspects of customer service. After this short discussion, we confirmed H&M as an ideal environment in which to measure cross-cultural expectations of customer service.

After this short discussion with an H&M representative and an extensive literature review, we began the process of determining the most relevant primary data collection methods for their particular research problem and questions. Case studies are often concerned with the

issues of validity. To increase validity, we wanted to conduct a study with as large a number of respondents as possible. To do this effectively in both the United States and Sweden in the allotted time, we chose to formulate a quantitative questionnaire distributed via the web.

3.3.3 Survey Design

As previously mentioned, the survey was designed according to the SERVQUAL dimensions. The majority of the research using this method has concentrated on the international service industry, in service sectors such as airlines and banking. One study by Cunningham, Young, Lee and Ulaga (2004) pin-pointed perceptions for thirteen service based organizations in the US, Korea and France. Another study by Prayag (2007) analyzed perceptions of service quality among tourists for Air Mauritius. The SERVQUAL also has been used in a US domestic retail environment. After reviewing these studies, we decided to apply the modified SERVQUAL in this study focused on the international retail field.

In our usage of the SERVQUAL instrument, we narrowed down the intended measurement from service quality perceptions to service quality expectations. We were particularly interested in studying customer service quality expectations because of the impact they could have on retailers' customer service strategies before entering international markets. Customer expectations can be measured before a company enters a new market, while customer satisfaction cannot. If a company can adjust their strategy based on differing market expectations before market entry instead of waiting to measure customer satisfaction after market entry, they may be able to foresee and correct possible problems due to differing cultural influences on expectations before those problems affect operations in the new market.

The Modified SERVQUAL Method

The SERVQUAL measurement system (Parasuraman et. al, 1988) was chosen as a basis for the research questionnaires after we determined that this method could easily be applied within the context of measuring expectations of international retail service. The SERVQUAL method is based on previous studies and theory of customer service, service quality and customer satisfaction. It was developed in 1988 in order to measure customer service satisfaction, which Parasuraman, Zeithalm and Berry (1988) define as the ratio between customer expectations and experiences in both retail and service market environments. The original SERVQUAL method is based on five dimensions, tangibles, reliability, responsiveness, assurance and empathy, as previously mentioned in chapter two.

Because other authors have encountered difficulty with the original SERVQUAL dimensions when applying them to the retail field, we decided to use Gagliano and Hathcote's revised dimensions with a slight adjustment; because Gagliano and Hathcote's study was conducted 14 years ago, the "modern equipment" aspect of convenience is no longer relevant, as it is assumed that all retail outlets today in these two markets have modern equipment. Therefore, we redefined the 'convenience' category to include opening hours and modern communication methods, including ability to contact the store and receive information via email, and, in the case of H&M, the alternative to shop and place orders online. The questionnaire, which can be found in the appendix, was constructed with the intent to

measure expectations of customer service quality as defined by these modified SERVQUAL categorizations:

Personal Attention

This dimension focuses on the helpfulness, attitude and availability of the staff. Examples of types of customer service in this dimension include employee greeting and helpfulness as customers search for and try on merchandise.

Tangibles

As its name implies, tangibles are those aspects of service quality that customers can see or touch in the retail store. Included in this dimension are issues concerning the store's appearance such as its cleanliness, ease of navigation through the space, organization of merchandise, and appearance of the sales staff.

Reliability

In the retail context, this dimension refers to issues that can arise from administrative policies. These concerns can affect customers' perception of service quality and include promises made by the store, such as prices being marked correctly, having a fair return policy, and short checkout lines. Another issue directly concerning this dimension in the information age is the protection of both personal and payment data.

Convenience

This dimension focuses on shopping convenience. Aspects in this dimension include the ease and accessibility of store and inventory information, alternative technology options to access merchandise information (phone or internet), consistent opening and closing hours, and the presence of a manager to resolve customer issues quickly and effectively.

The original SERVQUAL method measured customer satisfaction as a product of the gap between customer expectations and perceptions. Because this study concentrates on only the expectations, and not the perceptions or the gap between the two, we are not using the SERVQUAL in the intended method to measure customer satisfaction; we simply used the original SERVQUAL method as an organizational tool to categorize the expectations. Given that both the authors lived and worked in the retail industry in the United States and were able to observe service differences in Sweden, the different dimensions were also adjusted to measure differences with which the authors had real life experiences.

We did not use Hofstede's cultural indexes as a framework for building the survey. We felt that we could obtain the most valid association between Hofstede's indexes and the SERVQUAL dimensions if we used only the SERVQUAL as a framework for the survey design, and used Hofstede's dimensions as an analytical tool with which to analyze our quantitative findings. This ensured that the questions in the SERVQUAL survey weren't unnaturally predisposed to correlate with Hofstede's dimensions.

Each individual dimension had six aspects from which respondents, using the Likert scale, could strongly disagree (1) to strongly agree (5) to each statement. This scale was intended to measure only differences in expectation, and not judge those differences as better or worse. In terms of this study, we discuss higher and lower service expectations. However, this is only in reference to our expectations scale and not in reference to satisfaction with the level of service. For example, while a lot of personal attention could be considered "good" quality

service in one country, it is just as possible that very little personal attention could signal “good” quality in another country. We only use the terms “higher” and “lower” in relation to our scale as a tool to measure differences, and we make no claims to be able to make any conclusions about satisfaction with the differing levels simply by using the SERVQUAL questions. We included a benchmark question asking respondents about their satisfaction (Question nine) in order to relate satisfaction to the SERVQUAL questions.

Other Survey Measurements

The remainder of the survey was designed to gather additional information from respondents that could explain the expectations described above. The first set of questions revolved around demographic information. Respondents were asked their age and their gender in the attempt to match age or gender specific expectations per country. Although nationality was left out, we used two different survey web links to separate responses from Sweden and the US. An experienced Swedish researcher informed us that asking nationality on our survey might alienate Swedish students, reducing the response rate. Because of the respondent selection methods (sending directly to student email addresses), the chance of having a large number of people from other countries fill out the survey and shift results was very low.

A Likert scale battery comprised the third question. This set of questions was meant to assess factors other than culture that might impact differences in the results. These included questions about price sensitivity and fashion forwardness. Although it can be argued that price sensitivity and fashion consciousness may be products of culture, and therefore not a good way to justify differences between cultures, they can be good measures of differences within each culture, especially given that a specific store was used as a case study. Other questions determined purchasing behaviors in terms of frequency of visits in order to link patronage to fashion forwardness, price-sensitivity as well as the questions of satisfaction, and experiences addressed later in the survey.

Since H&M is not as widespread in the US as in Sweden, filter question were added to the survey in order to eliminate individuals not unfamiliar with H&M, and to see if the differences between countries could be explained by differing frequencies of visit to H&M stores.

The qualitative portion of the survey, questions seven and eight, measured experiences. They asked for specific examples of good and bad customer service at H&M. They focused on direct customer experiences which could affect future expectations. Furthermore, this would allow us to gain access to issues not addressed in the survey.

The survey was designed as a measuring tool for predictive perceptions of customer service quality levels, while H&M was used as a means of shaping these expectations given their international image as a low priced fashion retailer. Since actual experiences and previous satisfaction are part of “should expectations” as discussed in the theoretical review section, they were not ignored in the survey. Question nine asked respondents about customer satisfaction, to see if satisfaction had a large impact on expectations.

Question ten was intended as a litmus test to see if overall expectations were predictive of higher expectations within the four SERVQUAL dimensions.

Survey Distribution

The distribution method was chosen based on practical reasons. Because our relatively limited budgets and location in Sweden did not allow a trip to the US to distribute surveys in person, we wanted to minimize answer differences that may arise due to survey format and answer method. Therefore, a web survey was designed. The online questionnaire was designed using a survey design website (www.surveymonkey.com), where two links were set up. One was forwarded to Swedish respondents and the other to respondents living in the US. One limitation of this survey was that we could not specifically target Americans or Swedes. Although, as we stated earlier, our distribution methods negated this limitation as much as possible, we can never be sure that the survey was not forwarded to other recipients not from the original markets being studied. However, we felt that if they lived in the country they would be familiar with customer service in that country. We also felt that the number of non-permanent residents would be insignificant given that the surveys were sent directly to American and Swedish universities. Respondents were contacted via e-mail as a means of being directed to the online survey. As an added incentive for those contacted to fill out the survey, two \$50, or 350 SEK, cash prizes were offered.

The survey was kept open to responses for seven days. We felt this would allow ample time for those who wish to take part in the study. During this week, respondents were emailed three times, reminding them of the study.

Respondent Selection

As previously mentioned, a list of respondents was chosen according to both age group and country of residence, given that the purpose of the study was to compare customer service expectations in the USA and Sweden. The population was chosen to fulfill both the practical necessity of being able to obtain enough respondents and our desire to examine customer service perception of H&M within its main target market of young, fashionable, price-conscious consumers age 18-24 (Karimi, 2006), although H&M advertises its wide-spread, family appeal to everyone on its website (H&M corporate website).

The Swedish population surveyed was randomly selected from two schools: Malmö University and Lund University. Samples included both males and females from all different education levels. The majority of respondents were Lund University students, supplemented with a few students from Malmö University to broaden the sample and increase respondent numbers. In total, about 790 surveys were sent to Swedish Students. Swedish students from the authors' own class were also asked to complete the survey because their personal involvement with the authors and school projects led to a higher response rate.

The US population was selected from several locations. First, we contacted administrators at the University of Wisconsin-Madison, who then agreed to forward our survey to about 400 randomly selected students across all different age levels and disciplines. Second, we sent messages to members of different US university Facebook groups asking for participants. And third, we contacted a researcher at New York University who agreed to forward our survey to a randomly selected list of 250 individuals. Overall, we contacted approximately 900 US students.

3.4 Evaluation of Method

In order to evaluate the chosen research method and design, we examined its strengths and weaknesses from both a practical and theoretical viewpoint.

3.4.1 Advantages and Disadvantages of Method

Several issues arise with the online survey method that would not with mail or personal questionnaires. The internet-users are a biased sample population because that they tend to be often better educated, wealthier, and younger (Bryman, and Bell, 2007). However, in this case, the respondents who are part of H&M's target market are often young students familiar with web technology. It is also possible that populations might be misrepresented as individuals fill out the survey more than once (Bryman and Bell, 2007).

One of the main issues encountered during the data collection was the issue of non-response. There is growing evidence that online surveys generate lower response rates than postal ones (Bryman and Bell, 2007).

Despite these limitations, online surveys do have some benefits. They are cost effective, and offer a more attractive format. In addition, they have a faster response rate, whereas the number of respondents can be updated automatically. Furthermore, fewer questions are left unanswered resulting in more complete data, especially if there is a qualitative section (Bryman and Bell, 2007). Most importantly, the web survey allowed us to randomize the items relating to the SERVQUAL question to allow each individual aspect to receive the same amount of attention. Often, respondents tend to pay less attention to the questions toward the end of the survey. By randomizing the questions, the same set of questions did not always appear at the end, and therefore minimized the risks of being ignored.

4. Data Analysis

After we distributed the survey to both US and Swedish students, we analyzed the data using a variety of methods designed to uncover any patterns in expectation levels in the two countries. We then analyzed the conclusions according to previously developed explanations of Hofstede's cultural indexes, drawing correlations between cultural traits and customer expectations.

4.1 Sample Characteristics

Out of the surveys sent to US students, we received 114 responses. Of those who responded, twelve had never heard of H&M and were thus eliminated, and one survey was incomplete, leaving us with 101 usable responses. The US respondents were predominantly female (68.1%), and slightly older than the Swedish respondents, with a mean age in the range of twenty-four to twenty-nine. They were price sensitive and considered fashion important, without necessarily following or being the first to try all the trends. US respondents were more likely to have no opinion in terms of their satisfaction or dissatisfaction with H&M's customer service, and they were also less likely to visit H&M very often, with almost 50% of the sample visiting H&M less than once every three months.

Out of the surveys sent out to Swedish students, we received 101 responses. All respondents had heard of H&M, and all surveys were complete, leaving us with a total of 101 usable responses. The Swedish respondents were also mostly female (52.5%), although a greater percentage of Swedish males answered the survey than did their US counterparts. The mean ages of the Swedish respondents fell between 18-23. Although they proved to be price sensitive just like the respondents in the US, they showed fewer tendencies to follow fashion trends than did the US respondents. Unlike their US counterparts who most often had no opinion in terms of satisfaction or dissatisfaction with H&M's customer service, Swedish respondents were more likely to be satisfied. They also were much more likely to visit H&M often, with almost 50% of the sample visiting H&M two to three times per month or more.

4.2 Analysis of Sample Description Questions

In order to analyze the differences between the two sample groups and decrease the possibility that our statistical differences in the populations are caused more by demographic differences, we analyzed these demographic and frequency questions and used Pearson's Correlation and the T-tests to determine whether differences in the population samples could account for the different results.

4.2.1 Methods of Analysis

The Pearson Correlation

The Pearson correlation is a measure of correlation ranging from -1 to 1 used to determine whether a simple linear correlation exists, regardless of measurement units between the two variables (Basic Statistics, 2008). The closer the correlation number is to either -1 or 1, the stronger the correlation between the two variables. The closer the correlation number is to 0, the weaker the correlation (if one exists at all) between the two variables. A sample scale of correlation significance is listed below:

- -1.0 to -0.7 is a strong negative association
- -0.7 to -0.3 is a weak negative association
- -0.3 to +0.3 is little or no association
- +0.3 to +0.7 is a weak positive association
- +0.7 to +1.0 is a strong positive association

This scale changes, based on the size of the respondent sample (Basic Statistics, 2008). Because our survey contained 215 respondents, we will be able to see correlations at a smaller level than this scale assumes, taking into account the significance values of those correlations, which must be less than or equal to .05 to be significant (significance on the 95% level). Because we are also using relative terms (weaker than or stronger than) instead of absolute (weak or strong), we will be able to discuss smaller correlation levels.

The T-Test

The T-test is the second type of statistical method we used to evaluate our data. It is the most commonly used statistical method to evaluate the differences in mean between two variables. Since it compares the values of the means from two samples, it is also used to test whether the likelihood that these samples are from populations having different mean values. In order for the findings to be significant, the significance, or "...the probability of an observed result happening by chance under the null hypothesis," has to fall between the zero and .05 (University of West of England website, 2006).

4.2.2 Descriptive Questions Data

Pearson Correlation: Age Range and SERVQUAL Dimensions

	Personal Attention	Reliability	Tangibles	Convenience
Age Range US Correlation	-.22*	.01	.19	.03
Age Range Sweden Correlation	-.11	-.06	-.16	-.14
Age Range Total Correlation	.09	.15*	.15*	.10

Table 4.1 (*significant on the 95% level, **significant on the 99% level)

Table 4.1 shows the correlation of age range to the four SERVQUAL dimensions analyzed. In the total sample, age range had a significant correlation to two of the SERVQUAL dimensions, reliability and tangibles. For those two dimensions, the correlation factors were both .15, or rather low on the positive correlation scale, lower than we would like to see to make conclusions about the nature of the correlation. Because this correlation is lower than

others we compare later in this section, it could not explain the differences in the two sample's respondents' answers to the SERVQUAL questions.

For the US population, age was correlated to *tangibles*. An even stronger correlation was found between age and *personal attention*. However, in the Swedish population, there were no statistically significant correlations.

T-Test: Gender and SERVQUAL Dimensions

SERVQUAL Dimensions	Country of Origin	Gender	Number of Respondents	Mean	Standard Deviation	Mean Difference	T-value
Personal Attention	USA	M	31	3.97	.59	.05	.45
		F	69	3.92	.59		
	Sweden	M	47	3.31	.72	.04	.34
		F	52	3.27	.60		
	All	M	78	3.57	.74	.07	-.62
		F	121	3.64	.67		
Reliability	USA	M	31	4.26	.40	.03	-.36
		F	69	4.29	.41		
	Sweden	M	47	3.95	.48	.03	-.38
		F	52	3.98	.37		
	All	M	78	4.07	.47	.09	-1.31
		F	121	4.16	.42		
Tangibles	USA	M	31	4.21	.43	.24	-2.5**
		F	69	4.45	.45		
	Sweden	M	47	4.18	.51	.13	.07
		F	52	4.10	.38		
	All	M	78	4.19	.48	.14	-2.13*
		F	121	4.33	.44		
Convenience	USA	M	31	3.99	.46	.01	.06
		F	69	3.98	.49		
	Sweden	M	47	3.72	.52	.06	.64
		F	52	3.66	.46		
	All	M	78	3.83	.51	.01	-.21
		F	121	3.84	.50		

Table 4.2 (*significant on the 95% level, **significant on the 99% level)

Table 4.2 shows the difference in means between Swedish and US respondents divided by gender. We wanted to examine gender because the gender differences in the two samples were quite large, so we needed to make sure responses by gender weren't affecting the final data. The only significant differences between male and female responses were in the *tangibles* dimension, in the US and the entire population, but not in Sweden. Because, as will be explained later, the *tangibles* dimension was actually the most even between Sweden and the US. Therefore, we are not concerned with this correlation affecting the results of the survey.

Pearson Correlation: Price Sensitivity and SERVQUAL Dimensions

	Personal Attention	Reliability	Tangibles	Convenience
Price Sensitivity US Total Correlation	-.04	.04	.09	.08
Price Sensitivity Sweden Total Correlation	-.16	.16	.00	-.04
Price Sensitivity Total Total Correlation	.06	.20**	.11	.11

Table 4.3 (*significant on the 95% level, **significant on the 99% level)

Table 4.3 shows the correlation between price sensitivity and the SERVQUAL dimensions. For the totals, most of the correlations for price sensitivity and the SERVQUAL dimensions are not significant, except *reliability*. It seems that for the whole sample, *reliability* is correlated with price sensitivity, with a correlation value of .20 and a significance value of .00. However, in the individual samples of Sweden and the US, no significant correlations arose.

Pearson Correlation: Fashion Forwardness and SERVQUAL Dimensions

	Personal Attention	Reliability	Tangibles	Convenience
Fashion Forwardness US Total Correlation	.24*	.31**	.17	.24*
Fashion Forwardness Sweden Total Correlation	.27**	-.08	.23*	.26**
Fashion Forwardness Total Correlation	.24**	.11	.21**	.25**

Table 4.4 (*significant on the 95% level, **significant on the 99% level)

Table 4.4 shows the correlation between fashion forwardness and the SERVQUAL dimensions. In the entire sample, more correlations can be seen here, with stronger correlations between fashion forwardness and *personal attention*, *tangibles* and *convenience* than any other factor so far. Three correlations also arose within each of the populations. For US respondents, fashion forwardness was correlated with *personal attention*, *reliability* and *convenience*. For Swedish respondents, fashion forwardness was correlated with *personal attention*, *reliability* and *convenience*.

Pearson Correlation: Frequency of Visit and SERVQUAL Dimensions

	Personal Attention	Reliability	Tangibles	Convenience
Frequency of Visit US Total Correlation	-0.19	-0.14	0.05	-0.09
Frequency of Visit Sweden Total Correlation	-0.08	0.06	-0.17	0.02
Frequency of Visit Total Correlation	.16*	.17*	0.07	0.14

Table 4.5 (*significant on the 95% level, **significant on the 99% level)

Table 4.5 shows the correlation between frequency of visit and the SERVQUAL dimensions. Because this is an important varying point between the two populations (frequency of visit for Swedish students was much higher than for US students), it was important to consider any correlations between this variable and the SERVQUAL dimensions that might appear as differences between the populations and lead to wrong conclusions about the role culture plays in these differences. In the total population, because only two of the correlations are significant, and even then are not as high as previous factors, we can conclude that frequency of visit was not a strong factor in the different rankings of the SERVQUAL dimensions by the two populations and cannot explain the differences on its own. Even if frequency of visit did slightly affect the responses, the positive correlation would have meant that the Swedish respondents' answers would be skewed higher than the US respondents', meaning the differences we will point out in the next section would actually have been greater had frequency had no effect. No differences arose within each sample population.

Pearson Correlation: Customer Service Expectations, Customer Service Satisfaction and the SERVQUAL Dimensions

	Personal Attention	Reliability	Tangibles	Convenience
Customer Service Expectations US Total Correlation	-0.15	-0.05	-0.01	-0.04
Customer Service Expectations Sweden Total Correlation	.14	-0.01	0.01	0.05
Customer Service Expectations Total Correlation	-0.01	-0.02	0.00	0.00
Customer Service Satisfaction US Total Correlation	-.19*	-0.01	0.00	-0.05
Customer Service Satisfaction Sweden Total Correlation	-0.02	-0.05	0.05	0.03
Customer Service Satisfaction Total Correlation	-0.10	-0.03	0.02	-0.016

Table 4.6 (*significant on the 95% level, **significant on the 99% level)

Table 4.6 shows the correlations between how well H&M has met customer service expectations, overall service satisfaction and the four SERVQUAL dimensions. Once again, in the general population, no correlations are much weaker than previously seen variables. In the US population, a negative correlation is apparent between customer service satisfaction and *personal attention*, meaning that the lower a respondent indicated their satisfaction rating was, the higher their expectations for *personal attention* service aspects were. We can conclude that SERVQUAL response differences between the two groups are not due in any large part to differences on these two variables. We can also conclude that these two variables, designed to measure experience as compared to expectations, have no bearing in the general population about the specific expectations outlined in the SERVQUAL dimensions.

Pearson Correlation: Customer Service Expectations and Customer Service Satisfaction

	Customer Service Satisfaction
Customer Service Expectations US Correlation	.81**
Customer Service Expectations Sweden Correlation	.65**
Customer Service Expectations Total Correlation	.76**

Table 4.7 (*significant on the 95% level, **significant on the 99% level)

Table 4.7 outlines the correlation between how well H&M met customer service expectations and customer service satisfaction. This was first correlation we found in both individual population samples and the general population that was significantly stronger than all the rest, which was expected. The first variable measures performance compared to experience, while the second directly measures satisfaction. These two questions were important to ask because they directly link expectations and customer satisfaction within the context of this study. A stronger positive correlation between the two in the general population was expected to back up conclusions by other researchers, and was found, with a correlation of .76 and a significance of .00.

Pearson Correlation: Expected Level of Service and the SERVQUAL Dimensions

	Personal Attention	Reliability	Tangibles	Convenience
Expectation of Service Quality Level US Correlation	.15	.14	.24*	.21*
Expectation of Service Quality Level Sweden Correlation	.36**	.26**	.23*	.29**
Expectation of Service Quality Level Total Correlation	.33**	.27**	.27**	.30**

Table 4.8 (*significant on the 95% level, **significant on the 99% level)

Table 4.8 examines the correlations between expectation of service quality level and the four SERVQUAL dimensions. In the general population, a correlation exists for all dimensions, all being larger than any other correlation of any of the base questions to the SERVQUAL questions. This correlation could be inferred because as the level of service quality expectations increases, one could assume that the level of expectations about individual service quality dimensions also increase. For the individual populations, correlations with two SERVQUAL dimensions (*tangibles* and *convenience*) were found in the US, while correlations with all four dimensions were found in Sweden.

4.3 Analysis of Quantitative SERVQUAL Questions

4.3.1 The Personal Attention Dimension

T-Test: The Personal Attention Dimension by Country

Dimensions of Personal Attention	Country of Origin	Number of Respondents	Mean	Standard Deviation	Mean Difference	T-value
Employee Greetings	USA	101	3.30	1.06	.70	4.64**
	Sweden	101	2.60	1.06		
Assistance Without Asking	USA	101	3.46	1.06	.89	5.82**
	Sweden	101	2.57	1.09		
Knowledgeable Employees	USA	101	4.26	.68	.12	1.19
	Sweden	99	4.15	.71		
Employees Help If Needed	USA	101	4.37	.69	.44	3.96**
	Sweden	101	3.93	.86		
Fitting Room Exchange	USA	101	3.93	.95	.99	6.86**
	Sweden	101	2.94	1.09		
Employees Take Unwanted Fitting Room Merchandise	USA	101	4.28	.71	.76	6.07**
	Sweden	101	3.52	1.04		
Personal Attention Total	USA	101	3.93	.58	.65	7.50**
	Sweden	101	3.28	.65		

Table 4.9 (*significant on the 95% level, **significant on the 99% level)

The difference means between the US and Sweden for the *personal attention* dimension were the largest of any of the SERVQUAL dimensions dimension. Five of the individual factors had statistically significant differences. The USA mean equaled 3.93 whereas Sweden's was 3.28, a difference of 0.65. This difference had a significance of .00, making it statistically significant.

Table 4.9 lists the different means for each individual *personal attention* aspect measured by questions on the survey. The differences between some of the individual aspects of this dimension are larger more significant than others. The US and Swedish response means were only very similar on one question: "knowledgeable store personnel." The significance of .28 of this factor proved the difference in means of .12 not to be statistically significant in

our sample. The other means showed that both sets of respondents felt differently about all the other aspects of personal assistance, including “employee greeting,” “assistance without asking,” “fitting room exchange” and “fitting room unwanted merchandise,” with all having statistically significant (significance of all was .00) differences.

4.3.2 The Reliability Dimension

Dimensions for Reliability	Country of Origin	Number of Respondents	Mean	Standard Deviation	Mean Difference	T-value
No Check-out Lines	USA	101	3.31	1.01	.42	3.00**
	Sweden	101	2.89	.96		
Safety of Payment Information	USA	101	4.84	.42	.20	2.40*
	Sweden	101	4.64	.72		
Contact Information Privacy	USA	101	4.73	.63	.49	4.23**
	Sweden	101	4.23	.99		
Charged Market Prices	USA	101	4.07	.78	.24	2.11*
	Sweden	101	3.83	.83		
Merchandise Return	USA	101	4.57	.63	.12	1.26
	Sweden	101	4.46	.70		
Consistent Sizing	USA	101	4.17	.80	.43	3.91**
	Sweden	101	3.74	.74		
Reliability Total	USA	101	4.28	.40	.31	7.50**
	Sweden	101	3.97	.42		

Table 4.10 (*significant on the 95% level, **significant on the 99% level)

When the two means for the *reliability* dimension were calculated, the USA equaled 4.28 whereas Sweden totaled 3.96, a difference of 0.32. Five of the individual questions had differences that were significant.

Each component was then analyzed separately, showing a few small differences in the responses for both countries. Both Swedish and US respondents valued their privacy of information with means of 4.64 and 4.84 respectively for the “safety of payment information” question, and with means of 4.23 and 4.73 respectively for the “confidentiality of contact information” question. Both the US and Swedish respondents also felt that returning merchandise should not prove to be a challenge with means of 4.57 and 4.46 respectively.

A marked difference existed in the “no checkout line” question with means of 3.31 for the USA and 2.89 for Sweden, a mean difference of .42 and a significance of .00. Another larger difference between response groups existed in the “consistent sizing” question. The means equaled 4.17 and 3.74 for the USA and Sweden respectively, a difference of .43, with a significance of .00. But the largest difference in this SERVQUAL dimension existed in the “contact information privacy” question, with scores of 4.73 for the US and 4.23 for Sweden, and a significance of .00.

4.3.3 The Tangibles Dimensions

Dimensions for Tangibles	Country of Origin	Number of Respondents	Mean	Standard Deviation	Mean Difference	T-value
Clean Store	USA	100	4.60	.53	.14	1.70
	Sweden	98	4.46	.62		
Easy navigation	USA	101	4.38	.58	.21	2.37*
	Sweden	100	4.17	.65		
Well Organized Merchandise	USA	101	4.37	.58	.20	2.40*
	Sweden	100	4.17	.59		
Neatly Dressed Employees	USA	101	4.15	.70	.51	4.75**
	Sweden	101	3.64	.81		
Identifiable Employees	USA	101	4.28	.65	.14	1.53
	Sweden	99	4.14	.61		
Accurate Prices and Sizes	USA	101	4.51	.54	.05	.69
	Sweden	100	4.60	.59		
Tangibility Total	USA	101	4.38	.47	.21	3.30**
	Sweden	101	4.17	.48		

Table 4.11 (*significant on the 95% level, **significant on the 99% level)

The *tangibles* dimension also proved to have a small numerical difference between the means of both countries, although these differences were smaller than those of previous dimensions. The mean for the USA equaled 4.37 while that of Sweden totaled 4.17. In this dimension, the mean differences of individual questions were smaller, with only three being significant. The only factor that seemed much less important to the Swedish population than to the American one was that of the “neatly dressed employees” question. Most Swedes felt either neutral or agreed with the statement, whereas respondents in the USA either agreed or strongly agreed with the statement. The other two questions where statistically relevant, albeit smaller, differences existed were the “easy navigation” question, with a difference of .21, and the “well-organized merchandise” question, with a difference of .20.

4.3.4 The Convenience Dimension

Dimensions for Convenience	Country of Origin	Number of Respondents	Mean	Standard Deviation	Mean Difference	T-value
Stock Info Via Phone	USA	101	3.56	1.01	.18	- 1.28
	Sweden	100	3.74	.93		-
No Deviation from Posted Hours	USA	100	4.28	.82	.28	2.32*
	Sweden	100	4.00	.89		
Manager Available In-Store	USA	101	4.34	.67	.19	7.19**
	Sweden	101	3.53	.90		
Store Open Until Last Customer has Left	USA	100	3.50	1.13	.94	5.80**
	Sweden	101	2.56	1.15		
Ease to Contact Store	USA	101	3.96	.85	.32	-2.95**
	Sweden	101	4.28	.67		
Online Purchasing and Information	USA	101	4.26	.74	.26	2.02*
	Sweden	101	4.04	.78		
Convenience Total	USA	101	3.98	.47	.29	4.32**
	Sweden	101	3.69	.48		

Table 4.12 (*significant on the 95% level, **significant on the 99% level)

The *convenience* dimension's means were slightly more different, with a mean of 3.98 for the USA and 3.69 for Sweden, and a difference of .29. Although most of the individual question differences were somewhat small (.3 or less), five of them did contain statistically relevant differences. The largest difference between the US and Swedish respondents occurred in the "store open until last customer leaves" dimension. US respondents had a mean of 3.5, while Swedish respondents had a mean of 2.56, a difference of .95, with a significance of .00. This difference is especially relevant because not only is it large, the US population leaned toward the positive end of the scale (>.3), while the Swedish population leaned toward the negative. It's also the largest difference in any individual question in the questionnaire.

The other significant differences occurred in the "no deviation from posted hours" question, with a mean difference of .28 and a significance of .02, the "manager available in-store question", with a mean difference of .19 and a significance of .00, the "ease to contact store question", with a mean difference of .32 and a significance of .00, and the "online purchasing and information" question, with a mean difference of .26 and a significance of .04. It should be noted that the "ease to contact store" question was the only in the whole questionnaire to produce a mean response by the Swedish population that was higher than the mean response of the US population.

4.4 Analysis of Open-Ended SERVQUAL Questions

The qualitative questions were a measure of satisfaction based on actual experience. Given that satisfaction is related to a specific transaction, it can affect future expectations of service quality (Cronin et al., 2000). Respondents were asked to describe situations that either failed to meet or exceeded expectations. These questions provided specific service examples that could determine future expectations. Furthermore, they provided insight into the different SERVQUAL dimensions that were most important in the two cultures.

We received a total of 44 valid responses to the open-ended questions out of the 215 respondents. Swedish respondents provided 7 negative and 8 positive experiences. The US respondents gave 23 comments relating to negative experiences and 6 for positive experiences.

SERVQUAL dimensions are generic measures of service quality that are often customized to individual industries (Ladhari, 2008). According to our definitions of the SERVQUAL dimensions, the staff unavailability and unhelpfulness reflect factors in the *personal attention* dimension. Comments relating to merchandise and store appearance fall within the range of the *tangibles* dimension.

The individual answers were associated with the SERVQUAL dimensions. In general, the Swedish respondents concentrated their negative comments on staff unhelpfulness, negative attitudes and on the long queues. This theme was repeated by the US respondents who also commented on the lack of available employees as well as long queues in both the checkout lines and the fitting rooms. Given that these issues are present in both Sweden and the US, this leads us to believe that they could be attributed to the standardization of the services at H&M.

Another negative according to the US respondents involved the *tangibles* dimension of the SERVQUAL, whereas the stores are not stocked properly and the merchandise is often unorganized. Although inventory cannot be directly related to customer service without internal documents and may show a weakness in H&M distribution channels, the messiness of the store, and lack of organization coupled with insufficient staffing shows that the managerial decisions do affect perception of service quality and ultimately the store image (Burt, et al., 2006).

For the positive comments, Swedish respondents concentrated their observations within the *reliability* and *convenience* dimensions of the SERVQUAL. A recurring theme revolved around the return policy, which Swedish respondents felt was comprehensive and fair. One respondent also commented on being able to check for inventory via the telephone. On the US side, the responses revolved around the *personal attention* dimension and, more specifically, the helpfulness of the staff. US respondents recounted specific incidents during which the staff was accommodating. The mixed reviews on *personal attention* aspects for the US responses worked to emphasize the personal nature of service encounters (Elg, 2003). However, it should be noted that more negative examples than positive ones were reported. This may be due to the fact that consumers felt more compelled to relate negative shopping experiences (Gummesson, 2002). However, looking at the Swedish responses, Swedish respondents were actually more likely to give positive feedback than negative. This could be due to differences in expectations, or due to cultural differences in response tendencies.

4.5 Discussion

Our study revealed associations between lower rankings on four of Hofstede's five cultural dimensions (*power distance, uncertainty avoidance, individualism, and masculinity*) and lower service expectations overall, and between all four SERVQUAL dimensions (*personal attention, tangibles, reliability, convenience*). Hofstede's fifth cultural dimension, *long-term orientation*, was not linked to higher or lower expectations, but this could be partly due to the fact that Sweden and the US are very similar in this dimension, both rather low on the scale with only a difference of five points.

4.5.1 Overall Expectations

Overall, US respondents had a higher expectation level about a store like H&M providing a high level of service than Swedish respondents, with means of 3.72 and 3.29 respectively. Munoz et al.'s study (1996) showed that shoppers' expectations are in part based on previous experience. If customer expectations are based on information, norms and experience, the previous experience with salespeople could influence customer expectations for future visits. Since most of our survey respondents had been to an H&M store at least once, we can conclude that their overall expectations are partly formed from their experiences with the store and its employees. Therefore, there are some aspects of Hofstede's cultural dimensions that could explain this overall difference in service quality expectations, keeping in mind possible experiences.

Overall, a correlation was also observed between fashion forwardness and higher expectations on three of the four SERVQUAL dimensions: *personal attention, tangibles* and *convenience*. Since H&M has described itself as a fast-moving fashion retailer, it is important to determine that the SERVQUAL dimensions relate to the kind of image that H&M tries to project to the customers both at home and internationally.

Power Distance

As explained in the literature review section, *power distance* is the extent to which a society accepts that power is distributed unequally (Hofstede, 1980). Cultures with a large power distance are distinguished by marked differences between "powerful" and "less powerful" people. These differences are reinforced by social classes, educational levels, and occupation (Furrer et al., 2000). In addition, different industries offer different levels of power to service providers. Powerful service providers, such as in the insurance, banking, or consulting industry, offer expertise, professional knowledge and skills to consumers. On the other hand, service activities in the restaurant or retail industries offer very little power and status to service employees. As a result, cultures with a large power distance within the retail industry expect the providers to be weaker than them (Furrer, et al, 2000). Within the context of the SERVQUAL dimensions proposed in this thesis, the higher the power distance index, the higher the expectation levels for *personal attention*.

Although Sweden and the US are both relatively low on the *power distance* scale with scores of 31 and 40 respectively, a difference of 9 points, some conclusions about customer service expectations can be made based on that difference. Most of the differing customer expectations based on this dimension are tied to interactions between sales associates and customers, expectations which fall under the *personal attention* SERVQUAL dimension.

Uncertainty Avoidance

A culture lower on the *uncertainty avoidance* scale will have fewer rules, and will be more tolerant to different outcomes and results instead of being more strict about how things should “turn out.” They will also be more comfortable when put in situations that have unclear structure and rules. The stronger a country’s uncertainty avoidance, the more that country needs rules (Stohl, 2006). A culture low on the *uncertainty avoidance* scale will also have a greater level of acceptance and tolerance for beliefs and ideas unfamiliar to them and dissimilar to their own. They will be hard-working only when needed, rather than hardworking for the sake of working hard and being proud of that accomplishment even when the end results aren’t apparent to others. They will also be more focused on the decision-making process rather than the decision content, and value time as flexible rather than as a commodity (Hofstede, 1980).

Much research has focused on Hofstede’s *uncertainty avoidance* dimension. Helmreich and Merritt’s 1998 study found it difficult to separately analyze *uncertainty avoidance* indexes in airline employees because the *uncertainty avoidance* index was always related to *power distance* (cited in Merkin, 2006). While this could be the case with our research, there are some alternative explanations to consider.

The lower uncertainty avoidance in Sweden could explain why Swedish survey respondents rated their overall expectation of customer service as lower. They may be more tolerant to changes in service level, and therefore, more expecting of those changes, whereas US customers may be more intolerant of deviations from their original expectation level, and therefore, expect a higher service level.

The *uncertainty avoidance* index may also mean that the US customers are more averse to any change in what they see as the norm. US respondents indicated that retail store like H&M should provide good service. Furthermore, they would dislike variations from this high level of service more than Swedish consumers, who are more tolerant of variations in the service level.

Individualism

Individualism is the degree to which individuals are integrated into groups. Individualistic societies are marked by loose ties between individuals, meaning people are expected to look after themselves and their families. On the other hand, collective societies integrate their members into a cohesive group and care for them as such. According to Hofstede’s index, both the US and Sweden are individualistic, with scores of 91, and 71 respectively. The 20 point difference only highlights that Sweden is individualistic but to a lesser degree than the US (Hofstede, 1980).

In Sweden, Jante’s law permeates the collective thought process. Jante’s law contains eleven commandments, of which the basic goal is to live one’s life and not stick out, to not be or believe to be better than the next person. Extreme shows of emotion are also highly unusual in Sweden. Raising the tone of voice in anger or joy is seen as uncommon and rude (Bengts et al., 2002). This is reflective of the less individualistic culture in Sweden than in the US, and could be associated with several of the SERVQUAL dimensions. For example, members

of a culture that are more individualistic are going to make more demands as customers in the retail industry; therefore, because their experienced level of service is higher, their overall expectations will be higher.

Masculinity/Femininity

Sweden is the most feminine country on the Hofstede scale of masculinity/femininity, with a rating of five. The US has a rating of 62, making this index largest difference between the two countries of any of Hofstede's indexes. The world average is 50, meaning that Sweden is further away from average than the US (Ghauri and Cateora, 2006). Sweden is also the country with the lowest *masculinity* index out of all the countries Hofstede studied. In 1968, Sweden became the first country in the world to implement a government policy to equalize the roles of men and women (Wiles et. al, 1995). In masculine countries, the following are valued: assertiveness, competitiveness, ambition, accumulation of wealth and material possessions, a job with a high opportunity for earning, getting recognition for a job well done, opportunity for advancement in a job and having challenging work for a sense of accomplishment.

The differences in customer service expectation levels between the US and Sweden could very much be correlated to Hofstede's *masculinity* dimension. For example, the much higher masculinity in the US could mean that customers are more assertive in their shopping needs, leading to a higher tendency to complain about service, which then could lead to higher service being provided to prevent complaints.

Long-Term Orientation

Hofstede developed the *long-term orientation* scale after the first four cultural dimensions. It was written by Chinese scholars based on the Confucian dynamism as a way to further separate Eastern and Western values. Because the US and Sweden are both well-developed Western countries, the cultural difference on this dimension between the two countries would be expected to be low. That is exactly what Hofstede found, giving the US a rating of 29 and Sweden a rating of 33, a difference of only five points. A world average of 45 on this scale means that Sweden and the US are both low in long-term orientation, with Sweden leaning ever so slightly more towards the more moderate average worldwide caused by the polarity of the Eastern and Western countries on this dimension (Hofstede, 1991).

Because of the relatively small difference on this scale, and its association with differences in Western and Eastern values, our research does not reveal a correlation in this value between customer service expectations in Sweden and the US. This is logical because, as this scale was added to measure an important determinant in Eastern culture (but not so much in Western), the difference between Sweden and the US would not be large enough to reveal a difference in this scale. Also, because the values of customer expectations and satisfaction have been found to be drastically different and based on different measures of good customer service altogether in Eastern than in Western countries (Winsted, 1997), it makes sense that differences on this scale would not be associated with differences between two Western countries so similar on the scale. Therefore, possible differences due to small differences on this scale will not be discussed in the following sections.

4.5.2 Expectations in the Personal Attention Dimension

The *personal attention* dimension of the SERVQUAL focuses on the attention sales associates give to customers. In our study, this was measured through questions about six different aspects of personal attention: "employee greetings," "assistance without asking," "knowledgeable employees," "employees help if needed," "fitting room exchange," and "employees take unwanted fitting room merchandise."

Overall, there was a statistically significant mean difference of .65 in this dimension, with the expectations of US consumers being higher than those of Swedish consumers. This was the largest difference of any SERVQUAL dimension. Five of the six individual aspects (all except "knowledgeable employees") showed statistically significant higher expectations in the US than in Sweden. This difference could be explained by examining this SERVQUAL dimension in terms of Hofstede's cultural dimensions.

Power Distance

In the US, the greater power distance means a larger gap between people of different positions of importance. This difference could be said to translate to the retail environment as the difference between customer and staff. In the US, the customer has the upper hand in importance when it comes to dealing with salespeople. The lower status of the retail employee requires them to offer customers a higher level of service (Mattila, 1999). A foundation of Swedish society is that all its members are equal regardless of gender, age, skin color or social standing. Swedes often use the term human value, whereas all humans have the same value; only the value to society at large matters (Bengts et al. 2002). The lower power distance in Sweden brings greater equality to the positions of customer and staff, bringing around a climate where the customer is not always right, making the service provider more powerful in the service encounters than in countries with a higher power distance. Inequalities are minimized, and all customers attach a similar pattern of importance to the different service quality dimensions (Hofstede 1991). This lower power distance may create (or be indicative of) more equal footing between the customer and the sales associate, where the associate is there to serve the customer, however, the customer is there to provide a job and an income for the associate. Some of the findings from the survey indicate this type of behavior.

The power distance difference of these two countries and its effect on customer service expectations could also be examined from the perspective of the retail employee. If the employee perceives the power distance between himself or herself and the customer to be larger, with the customer in the position of power (as in the US), he or she is more likely to do everything he can to succeed at serving that customer. If the employee perceives the power distance between himself or herself and the customer to be smaller (as in Sweden), he or she may not feel the need to or be expected to go out of his or her way to meet that customer's expectations. These experiences could be shaping expectations.

Uncertainty Avoidance

The levels of uncertainty avoidance in both the US and Sweden are again somewhat similar, both low on the international averages scale (the world average is 64) with the US rating 46 and Sweden ranking 29, a difference of 17 points (Hofstede, 1994).

The *personal attention* dimension is focused on interactions between customers and staff. Therefore, interaction styles in different countries could impact scores in this dimension. In the US, for example, friendliness is an expected factor in US service encounters (Winsted, 1997). This “friendliness” expectation may not exist to the same extent in Sweden, or the Swedish cultural perception of friendliness may just be very different from that of the US. In *The Swedish Code*, Marie Bengts (2002) collected personal experiences both from Swedish people and Swedish immigrants to try to explain to immigrants and people interested in Swedish culture the practical differences between Swedish and many other cultures. She describes the levels of friendliness in Sweden and in the US as being quite different. For example, she explains how in some other cultures (like the US), it's quite commonplace to talk to people on public transport, to smile at them and make conversation about the weather or the news or some such common event. However, in Sweden this is not common at all. Strangers on public transport would rather remain in solitude, enjoying their “alone time” as a chance to regroup and recharge rather than making unimportant conversation with someone they will probably never see again. According to Uli Bruno, another author of the Swedish Code, interfering without asking, even if just to be helpful, is not well received in Swedish Society (Bengts et. al, 2002).

These cultural occurrences could transfer to the retail world as well. If people don't want strangers “bothering” them on the subway, then they certainly wouldn't want the salespeople “bothering” them in the store. This was true in the interaction questions of the *personal attention* SERVQUAL dimension in our survey, with Swedes systematically scoring lower in the interaction questions than did Americans. Swedes tended to either disagree or strongly disagree when asked interaction questions where salespeople initiated contact instead of customers. For example, in our study, Swedish respondents overall did not expect to be greeted when entering the store, to be asked by an employee if they need assistance, to have an employee offer to exchange merchandise for them in the fitting room, or to have the employee take unwanted merchandise in the fitting room. All these aspects had mean differences between the US and Sweden of equal to or greater than .70, the largest differences in our study.

In terms of sales associate behavior, the higher uncertainty avoidance in the US may also mean that more rules exist for the type of service associates provide than in Sweden. For example, due to a longstanding tradition, US salespeople are expected to be cheerful, make small talk with all his customers and always be energetic and ready to engage in lively, animated conversation (Linard, 2004). These qualities help the customer perceive the salesperson as friendly. This aspect alone could explain the higher expectations of US survey respondents in the salesperson interaction questions of the *personal attention* SERVQUAL dimension.

A stronger uncertainty avoidance level can also be associated with greater use of ritualistic behaviors (Merkin, 2006). This salesperson act of displayed friendliness in the US could be categorized as a sort of ritualistic behavior. Because uncertainty avoidance is higher in the US, customers may be less tolerant of this ritualistic behavior not happening. Therefore, the customer expectations would be higher on the *personal attention* SERVQUAL dimension, which our study found, especially in instances where salesperson friendliness comes into play. This was substantiated in two of the questions quite strongly: “employee greetings” (US: 3.30, Sweden: 2.60), “assistance without asking” (US: 3.46, Sweden: 2.57) and “fitting room exchange” (US: 3.93, Sweden: 2.94). These aspects were the largest differences in the

personal attention dimension, and were particularly significant because the US means were positive (above three, meaning they, on average, expected these things), and the Swedish means were negative (below three, meaning they, on average, did not expect these things). Because rituals like this are less important in Sweden, this could explain the differences between the two.

The higher uncertainty avoidance of the US in this factor could also explain why, even with these cultural factors considered, the differences between the two countries were not more drastic. Because of the higher uncertainty avoidance in the US, perhaps US respondents had less tolerance for differences in these afore-mentioned norms than Swedish respondents, leading US respondents to indicate "Agree" or "Strongly Agree" with survey statements, while many more Swedish respondents indicated "Neutral." This could simply be an indication that the Swedish expectations are more flexible than the American, due to the lower level of uncertainty avoidance in Sweden.

Individualism

The statistically significant higher expectations in the US in five of the six aspects of personal attention could be linked back to the previously mentioned point that individualistic cultures are more likely to complain about service level. Therefore, in personal interactions, wanting to avoid confrontation, service providers may be more likely to provide a higher level of service, catering to each individual customer.

On the other hand, on the organizational point of view, employees from a country with lower individualism are going to be less likely to cater to individual customers, thinking that their job is to help all the customers as a group (more likely achieved through stocking, keeping neat store appearance, etc.) than helping individual customers requesting different sizes in the fitting room, or shoppers not quite done when it's time to close. This is reflected in some of our survey questions quite strongly; Swedish respondents did not expect as much service as US respondents in the *personal attention* SERVQUAL dimension, indicative of a less individualistic and more collective attitude towards customer service in general.

Masculinity

The notion of gender equality permeates every aspect of society in Sweden. Furthermore, a deep dislike of emotional outbursts prevents customers in retail settings from showing anger, or frustration (Bengts et al, 2002). This cultural unacceptability of showing negative emotion in public in Sweden is the opposite of more masculine countries, like the US, where assertiveness is valued. In our survey, only 7% of Swedish respondents who had ever been to H&M expressed a negative experience with H&M's customer service in our open-ended question, although almost 24% of US respondents who had ever been to H&M expressed a negative experience with H&M's customer service. This could be due to the fact that more than three times as many people have experienced what they consider poor customer service at H&M in the US than in Sweden, especially given the higher expectation levels in the US. However, because expectations are partly based on previous experiences, this would be an unlikely complete explanation. This also could be partly explained by the masculine trait to assert oneself, to make grievances known so they can be righted.

The much higher masculinity in the US could also be affecting motivation on the employee side. If employees are more motivated to work hard for a job well done and the sense of accomplishment, customers may experience better customer service, which could lead to higher expectations.

4.5.3 Expectations in the Reliability Dimension

The *reliability* dimension of the SERVQUAL focuses on the store keeping promises made to customers. In our study, this was measured through questions about six different aspects of *reliability*: “no checkout lines,” “safety of payment information,” “contact information privacy,” “being charged marked prices,” “ease of merchandise return” and “consistent sizing.”

Overall, there was a statistically significant mean difference of .31 in this dimension, with the expectations of US consumers being higher than those of Swedish consumers. Like the difference in the *personal attention* dimension, this difference could also be linked to Hofstede’s cultural dimensions.

Power Distance

Just as Furrer et al. (2000) found in their study mentioned in the *personal attention* dimension section, we found a difference in the *reliability* sector between the two countries of differing power distances. The lower power distance in Sweden could lead to lower overall expectations about *reliability* because the customers don’t expect the employees to be there specifically to “serve them.”

Uncertainty Avoidance

The *uncertainty avoidance* index difference of 17 points between the two countries could also have impact on our survey results. The stronger a country’s uncertainty avoidance, the more that country needs rules (Stohl, 2006). This could explain some of the differences in the specific question answers. For example, consistent sizing was one of the factors considered more important by US respondents than by Swedish respondents. This could be due to the higher uncertainty avoidance in the US and the greater need for consistency.

Individualism

According to Hofstede’s index, both the US and Sweden are individualistic, with scores of 91, and 71 respectively (Ghauri and Cateora, 2006). However, this difference can still be linked to differences in the *reliability* SERVQUAL dimension. In the retail context, individualism translates into more independent and self-centered customers. Highly individual customers are not afraid to demand efficiency and prompt service. They are also more likely to complain if they don’t get that service, leading to a greater importance of stores fulfilling promises, or the *reliability* SERVQUAL dimension.

The largest differences between Sweden and the US on individual aspects of this dimension occurred in the “contact information privacy,” “consistent sizing” and the “no checkout line” category. As mentioned, the overall means between the US and Sweden differed by .31 and

equaled 4.28 and 3.97 respectively. Faced with the statement: "Personal data should be for company use only, and should not be sold to other firms for the purpose of direct mail advertisement," the mean of the US responses equaled 4.73, while Sweden's was 4.23, a difference of .49 and the largest difference in this category. This discrepancy is mainly explained by the fact that in Sweden, personal or contact information is public information. Therefore, companies can access this information regardless of desire by the consumer to make the information public or to be contacted. This reflects the less individualistic nature of the Swedish consumer, as contact information is something everyone should have rather than something to be guarded and kept secret.

The "no checkout lines" category also had a significant mean difference between the two countries. The mean of the US responses equaled 3.31 while Sweden's was 2.89, a difference of .42. Given that individualistic countries are highly self-centered and independent, this discrepancy can be explained. Winsted (1997) found that in the US, customer service is oriented towards serving individual needs. This focus on each individual customer instead of customers as a whole group could mean that while in Sweden, it is acceptable to have long lines because the group of customers is being helped, in the US, it may be less acceptable because each individual customer has to wait longer.

Masculinity/Femininity

The large difference between Sweden and the US in the *masculinity/femininity* index (a difference of 58 points, the largest difference between the two countries on any dimension) could also help explain the importance of *reliability*. Sweden is the most feminine country in the world, according to Hofstede's scale. And in more feminine countries, workers are less likely to be motivated to serve customers for the sense of accomplishment a job well done provides. This lack of internal motivation compared to employees in the US could lead to a drop in reliability by the company in Sweden, leading to lower expectations of Swedish customers than of US customers.

4.5.4 Expectations in the Tangibles Dimension

The *tangibles* SERVQUAL dimension focuses on expectations about aspects of the retail experience the consumer can actually touch in the stores that could have an impact on overall expectations. For this dimension, we measured six individual aspects: "clean store," "easy navigation," "well-organized merchandise," "neatly dressed employees," "identifiable employees" and "accurate prices and sizes."

The *tangibles* dimension actually yielded the smallest difference between Sweden and the US, although, at a mean difference of .21, it was still statistically significant. However, only three of the individual aspects were significant: "easy navigation," "well-organized merchandise," and "neatly dressed employees." The differences on the other aspects were statistically insignificant. Although the differences were smaller than the other variables, this too could be explained partly by Hofstede's cultural dimensions.

Power Distance

Because *power distance* as a dimension is mostly concerned with interpersonal interactions, it is more likely that this dimension would be better able to explain differences in the other SERVQUAL dimensions dealing with customer/associate interaction, like *personal attention* and *reliability*. However, it could still have an impact on the *tangibles* dimension. There is the possibility that the higher power distance in the US that causes feelings of superiority by the customer and subservience by the retail employees could also be affecting tangible affects. The largest difference in the *tangibles* dimension was on the “neatly dressed employees” aspect, with a difference of .51. Perhaps the higher power distance in the US means that employees are more expected to be dressed in a way that signifies them as there to serve the customer, whereas in Sweden, customers might feel that the employee is not just there to serve them, and therefore place less importance on their style of dress.

Uncertainty Avoidance

The differences between the US and Sweden on the aspects of “well organized merchandise” and “easy navigation” could also be due to the differing uncertainty avoidance levels in the US and Sweden. The differences between the US and Sweden in the “well organized merchandise” and “easy navigation” aspects could be explained by the higher uncertainty avoidance levels in the US and lower in Sweden, because the uncertainty avoidance levels signify that Swedish shoppers would be more comfortable with unclear structures and rules. If the merchandise is not well organized, and the store overall is a bit disorganized, Swedish customers might be more comfortable in this environment than US customers, leading to less importance placed by the Swedish customers on these aspects, and therefore, lower expectations.

Individualism

The differing individualism levels in the two countries, although wider than some other dimensions with a difference of 20 points on Hofstede’s index, could be associated with differing expectations in the *tangibles* SERVQUAL dimension. For example, Furrer et al. (2000) concluded that tangibles are a way to “reduce the closeness of interactions,” and that customers in higher individuality cultures prefer to keep a larger difference between themselves and a service provider in terms of relying on them for help, leading to a higher importance placed on tangibles. For example, if the store is neatly organized, customers would not have to interact with associates as much to ask for help, which cultures with a higher individualism index (such as the US) prefer. This could help explain both the overall higher *tangibles* expectations given by the US than Sweden, especially in the “easy navigation” and “well organized merchandise” aspects.

Masculinity/Femininity

The masculinity/femininity index might be the most expected to be associated with the *tangibles* SERVQUAL dimension because of the importance put on wealth and “things” in a more masculine society instead of happiness and “feelings” in a more feminine society. This means that, as our study confirmed, tangibles would be more important in a more masculine country (Furrer et al., 2000). Our study revealed response means of 4.38 for the US, and 4.17 on the tangibility dimension for Sweden. Within the *tangibles* dimension, the biggest

difference between Swedish and US respondents occurred on the “neatly dressed employees question,” with US respondents being more likely to expect employees to be neatly dressed (means of 4.15 for the US and 3.64 for Sweden). This could easily be linked to the higher importance of tangibles in a more masculine society.

One thing to keep in mind is that Hofstede concluded that differences between women’s attitudes on different ends of the scale don’t vary as much as men’s attitudes (Hofstede, 1980), although this was not substantiated by our study; women in the US actually had a statistically significant higher expectation level on the tangibles dimension than US men, meaning the women’s US expectations were further away from Swedish expectations. Some researchers have concluded that of all of Hofstede’s cultural indexes, this is the most likely to change over time, because women’s rights in many countries are in the process of changing and have changed much since the 1960s and 70s, when Hofstede’s data was collected (Stedham and Yamamura, 2004).

4.5.5 Expectations in the Convenience Dimension

Convenience refers to the store’s opening hours, and those aspects relating to technology. The six aspects analyzed pertaining to this SERVQUAL dimension were that “merchandise information should be available via telephone,” “there were no deviations from posted hours of operation,” “a manager should be available during store hours,” “the store should remain open until the last customer has left,” and that “online purchasing, and general store information should be easy to access.” Only the “merchandise information availability” aspect was found to have no significance.

Overall, the *convenience* dimension showed very little difference between Sweden and the US. With means of 3.69, and 3.98 respectively, a difference of only .29 existed between the two countries. This difference, too, can be discussed in relation to Hofstede’s cultural dimensions.

Power Distance

According to our SERVQUAL dimensions, only one aspect relates to human relationships. The respondents were asked to agree or disagree with a statement relating to the availability of a manager to deal with customer service issues when needed. The mean difference between the US and Sweden was only .19, whereas the individual country means equaled 4.34 and 3.53 respectively.

As previously mentioned in the *personal attention* dimension, Sweden did appreciate personal help if it was specifically requested. As a result, it is not surprising that when needed, the help of a manager would be requested and wanted. Given that the US puts great importance on customer service in general it is not surprising that US respondents felt that this dimension was important, with the majority of respondents either agreeing or strongly agreeing (52.5% and 41.6% respectively) with the statement.

Given the Swedish propensity for equality (Bengts, et al., 2002), a larger difference existed in the “store remaining open” aspect. When asked if “the store should remain open until the last customer has left the store,” the majority of the Swedish respondents disagreed with the

statement. The mean difference for that particular category equaled .94, with individual mean differences of 3.50 for the US and 2.56 for Sweden. It is therefore not unexpected that Swedish respondents did not agree that a manager should always be present in the store, thus carrying additional responsibilities that could be handled by other staff members, because the power distance is smaller between employees and managers in Sweden.

Uncertainty Avoidance

As in the other SERVQUAL dimensions, the differing uncertainty avoidance in Sweden and the US could be linked to the differing expectation levels in the *convenience* dimension. Once again, the higher uncertainty avoidance in the US could mean that US customers are more reluctant to accept any type of service outside their accepted high norm. For example, in the "ease to contact store" question, the US respondents had a mean that was .32 points higher than Swedish respondents. This possibly could be due to the different uncertainty avoidance levels; the US respondents may feel it is important to easily contact the store, and will not accept measures outside that accepted norm, whereas Swedish respondents may be more likely to try different methods to contact the store instead of relying on one typical method.

Individualism

As previously mentioned, Swedish respondents were much more likely than Americans to disagree with keeping a store open until the last customer is done shopping (a common practice in US clothing retail businesses). This category relates to both the *power distance* and *individualism* indexes of Hofstede. It could be deduced that Swedes tended to disagree with the statement because as the majority of customers have left the store before closing time, it is not necessary to keep the store open past the opening hours, or to keep the staff working. Therefore, reminding customers of closing hours is not unusual or as abrasive as it would be seen in the US.

Individualistic societies are marked by independent society members. As a result, those categories where information could be catered by the customers seemed important to both the US and Sweden. When asked if it was important to be able to get "that the store should not deviate from posted hours," that "the store should be easy to contact," and that "online information and purchases should be easily available," both countries either agreed or strongly agreed. The mean differences equaled .28, .32, and .26 respectively. This reflects the fact that customers in both countries treasure want to be able to do things with minimal assistance.

Masculinity

Masculine cultures are marked by assertiveness and a propensity to get results quickly. That could explain why having a manager with authority present in the store is more important to US respondents. While Swedish respondents might be willing to accept the time necessary to use a cooperative approach to solving a problem, because of the higher masculinity level in the US, US respondents may expect a quick result, only possible by having a manager present in the store with the authority to solve any problems immediately.

5. Conclusions

The discussion of the results of our study leads to many conclusions, both theoretical and practical in nature, which can help guide both future research and retail internationalization strategy.

5.1 Theoretical Implications

The purpose of this study was to shed light on the impact of cultural differences on customer expectations. Furthermore, we wanted to test if expectations were quantifiably different in the two Western cultures of Sweden and the US. Our study makes several important theoretical conclusions in the areas of retail internationalization, SERVQUAL research and culture.

As Winsted's (1997) study found, our study also found that differences in customer service expectations can be attributed to different cultural factors. Previous researchers such as Donthu and Yoo (1998) made similar conclusions in their analysis of service quality expectations in Canada, India, Great Britain and the US. The general attitudes or cultural differences in terms of interaction between individuals played a larger part in determining the degree of power distance between the customer and supplier of the service. By pointing out these differences, our study adds to the belief that cultural differences, no matter how small according to Hofstede's index, can have a great impact on expectations.

Whereas researchers have extensively used the SERVQUAL to measure customer satisfaction as it was originally intended (Parasuraman et al., 1988), our study shows that the SERVQUAL can be used as a quantifiable tool of expectations as well. In addition, the SERVQUAL can be modified to be industry and time specific, and even company specific for case study research purposes. Gagliano, and Hathcoth's (1994) SERVQUAL dimensions on a US retail apparel store was modified to be current in terms of technology, as well as to include country specific shopping habits in the US and Sweden. This is confirmation that the SERVQUAL can be successfully modified, as previously shown by Furrer's (2004) and Choudhury's (2007) modifications of the SERVQUAL for the banking industry, and Priyag's study on the airline industry in Mauritius.

Our study fills a gap in current research because small differences in Hofstede's indexes are often taken for granted by organizations. Our study proves that it is possible to use all of Hofstede's original four indexes to analyze and compare customer service expectations in two different Western countries, instead of one Western and one Eastern country, as much previous research has done. Given that small differences in expectations for two Western countries are often taken for granted by organizations, they are relevant in the retail internationalization process, and can be a key determinant for success.

5.2 Managerial Implications

The managerial implications in our study revolve around recommendations for retail companies in terms of customer service and its role in the internationalization process.

As an organization expands internationally, one recommendation we would give would be to analyze cultural differences in SERVQUAL dimensions that are not only industry specific, but company specific, as well. For example, our study customized the SERVQUAL instrument for the retail industry. Any retail store could further customize the SERVQUAL to measure cultural differences in expectations about company-specific policies. As a result, our study confirmed that the SERVQUAL instrument can be customized to measure customer expectations of service quality in the retail industry. We recommend that other industries use this instrument to measure customer expectations, but that they customize it to fit their specific industry or company.

Managers often use satisfaction as a measurement of customer service success. However, satisfaction cannot be measured prior to market entry. Before internationalization begins, we recommend examining differences in expectations as a tool to increase initial satisfaction and prevent initial mishaps. Rectifications and adjustments are always necessary; however, their extent can be limited through an analysis of differing cultural expectations.

As an organization prepares to take their operations abroad and wishes to standardize their expertise, they must ensure that their image is relevant and sustainable in a new culture. As H&M entered the US market and were met with initial success, they quickly expanded, to their detriment. Not understanding specific cultural differences in expectations in the US led to years of losses. Although the transfer of management expertise is useful for any company, our H&M specific study proves that staffing the organization with local managers who are familiar with subtle cultural differences is key. H&M should take this into consideration for future endeavors in other countries. Hiring higher-level company managers instead of just store managers and associates from the host country to help customize policies would increase the chances of a smooth image transfer, and greater understanding of customization needs. Local managers with retail experience will be aware of the retail format aspects that will not be accepted in the new culture.

Countries with similar cultures according to the Hofstede scale, such as the US and Sweden, can have drastic differences in terms of service expectations. As our survey findings show, the definition of good customer service depends on the culture. Therefore, as any company expands its operations abroad, the service aspect should be dissected in order to ensure a competitive advantage. One aspect of H&M's failure was that the initial retail formats, for instance the size of the stores, were not accepted by customers. In terms of the SERVQUAL, the *tangibles* dimension fell below customer expectations. Levels of quality in some SERVQUAL dimensions may be acceptable in some cultures but not others, such as we found for Sweden and the US. A general decision any manufacturing company has to make is whether to customize or standardize the actual product. Retail companies should consciously consider the same decision in terms of customer service. In short, if a company wishes to standardize an existing retail image while transferring it to keep costs down, we recommend that they be flexible enough to customize aspects that do not work well in the new cultures, no matter how alike those cultures seem.

This leads to our biggest overall recommendation from this study: International retailers must not take small differences in culture for granted. Those small differences can affect customer expectations which means they can also affect customer satisfaction, brand image and, ultimately, profits.

5.3 Limitations

While considering our research findings, readers need to keep in mind several of the study limitations that may have had an impact on our research and our results. While every possible precaution was taken during the research process to ensure our results would be as valid as possible, some inherent limitations of this particular survey exist.

First, the survey was written by two people who have previously lived in the US for extended time periods, longer than they have lived in Sweden. Therefore, the expectations outlined in the survey could have been skewed towards a US perspective of expectations. Although the survey was reviewed by several Swedish people to ensure the meaning would translate to that culture as well, in order to get a more complete perspective of issues concerning expectations in both countries, a survey such as this would be stronger if researchers from both cultures participated in the survey construction.

Next, the survey was based on the SERVQUAL measurement instrument, which has been criticized in the past for several shortcomings. First, the SERVQUAL has been criticized because some researchers say the gap method of measuring customer expectations is not valid (Buttle, 1996). Because our survey measured solely expectations and not the gap between expectations and experiences, we were not concerned with this critique. However, the SERVQUAL has also been criticized for lacking attitudinal measures, as well as not taking into account psychology of perception. While these may be valid criticisms of the model which could impact our results, this model was still the most widely used and tested in our area of research. While we felt, in this case, the benefits outweighed possible drawbacks, those limitations of the SERVQUAL method must still be kept in mind when considering our conclusions.

The survey was also written without consideration of documentation of H&M's actual standardization of services. Although we consulted a representative of H&M to confirm that H&M's global strategy for customer service is standardization, we were denied access to documents from both countries, such as training manuals or salesperson behavioral guidelines which could have helped us determine if some differences in customer expectations were due to differing experiences or expectations of service personnel behavior.

The surveys were distributed in both countries in English, due to the very limited Swedish language capabilities of the authors. Given that the Swedish respondents' primary language is not English, some miscommunications due to language differences and interpretations of survey questions may have occurred.

The survey was distributed to respondents in a relatively limited geographic area, making it difficult to generalize individual question responses to the entire population. Because this is a case study of perceptions about one particular retailer with limited populations, exact results of the survey cannot be expected to be reliable across multiple retailers. However, the

associations generated between Hofstede's dimensions and the survey results in terms of importance of different customer service factors should be able to be reliable among the same geographic samples.

The survey was also distributed electronically. This could affect some of the survey question responses because this method of data collection is more biased towards those students with a stronger familiarity with computers, which could reflect other differences, like income and economic social class, which could affect results. The electronic distribution also limited our ability to finalize a distribution number. Respondents could have forwarded the survey to others, making our response rate skewed.

Also, we only used students as subjects for this study, who were mostly in the target market of H&M. If we had taken samples from the larger population, it is possible expectations might have changed or that they might have varied between those inside and outside of H&M's target market age.

As for the survey's aims in relation to the study's overall goal, the survey only allowed for a predetermined set of expectations, and only measured one type of expectation (as discussed in the methodology section), It is possible that a qualitative method, such as interviews or focus groups, might have provided more insight into the reasoning why the expectation levels were different in the two countries.

Although the theories used to analyze our research, Hofstede's cultural dimensions and the SERVQUAL dimensions, have been substantiated by many researchers, they have not been proven valid before in our specific context of fashion retail marketing. It could be possible that this retail area could have attributes we didn't recognize which make it difficult to analyze using these theoretical methods, or that there may be better theoretical methods to use with which we are unfamiliar.

While designing the study, we also remained conscious of external validity in the context of our case study, H&M. To ensure that the data would be generalizable outside the specific context of H&M stores, we very specifically asked respondents to state their expectations of customer service "in a low-price fashion store like H&M." While the results of this survey would be generalizable to other stores within the same low-price fashion category, they would not be generalizable to other store format types because of differing customer expectations with price level and product.

Perhaps one of the largest limitations of our study is that we chose to compare only two cultures, making the specific results of the survey not generalizable to other countries, or externally valid (Bryman and Bell, 2003). Also, because the differences in most of the Hofstede cultural dimensions (other than *masculinity*) are relatively small compared to other country pairs researched in similar studies, we can't be sure that the outcome of our study is directly related to the cultural differences. It could be that these differences may exist between different countries with even more similar Hofstede dimension scale ratings, or that they are due to different factors altogether.

5.4 Suggestions for Future Research

Our research further clarifies the research area of cultural impact on customer expectations of service quality in the retail industry. From the results of our study, there are several suggestions that we could make for ideas for future research which could further contribute to the same field, or use our study as a template for continuing this research in different fields, including service formats other than fashion retailing, examining customer satisfaction instead of expectations or using culture to analyze links between satisfaction and expectations.

Our study took a first step towards showing how international image transfer between cultures can be difficult because of differing customer expectations of service quality, an aspect that can be very important in retail image. The first additional research study we would suggest would be to conduct a study like ours, but to make use of the documents and strategies of the organization studied to better judge customer experiences. Of course, this would be more practical as a study conducted by the company in question instead of external researchers due to confidentiality concerns, but it would allow researchers to pinpoint which aspects of the customer service or corporate culture are transferred, and determine whether it would be more advantageous for the organization to customize their services or standardize them to a greater extent according to country preferences.

Another future study that could be conducted based on our findings is a full SERVQUAL study, measuring customer satisfaction in the same countries to see if differences in customer expectations really do equate to differences in satisfaction levels. It is possible that some cultures alter purchase behavior with higher or lower levels of satisfaction than other cultures. A study of this type would be a great contribution to customer expectation and satisfaction research and further contribute to the SERVQUAL method.

Previous studies that have used Hofstede's culture dimensions index have focused on countries whose cultural differences were wide enough that the differences in their numbers are significant according to Hofstede's scale. The differences between a western and eastern country are empirically obvious, as well as statistically significant on the Hofstede scale. However, more subtle differences exist between many western countries. Using our research as a stepping stone to analyze countries that are closer on many of Hofstede's cultural dimensions would allow companies to be more secure in the first steps of their internationalization process, since countries tend to choose culturally similar countries to their home country when they first expand.

It would also be interesting to see the results of our study on expectations conducted on a larger scale, between many cultures with more varying levels of Hofstede's dimensions to see if the correlations hold, and which individual elements become stronger and weaker as the Hofstede dimensions change. This would also give the theoretical conclusions drawn in this paper stronger external validity if similar correlations are proven to exist between other countries, as well. It could also be relevant to conduct this type of study in different store types, to see if the expectation difference holds true in higher service and higher price fashion stores, and in other retail store formats (supermarkets, car dealerships, bookstores, etc.)

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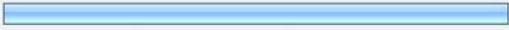

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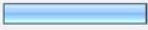
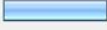

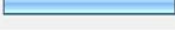

Appendix I: Survey Response Summary



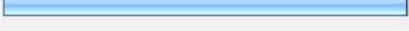



1. What is your age range?				
			Response Percent	Response Count
Under 18		0.9%	2	
18-23		43.3%	93	
24-29		36.3%	78	
30-39		17.7%	38	
40+		1.9%	4	
<i>answered question</i>			215	
<i>skipped question</i>			0	

2. Are you male or female?				
			Response Percent	Response Count
Male		39.2%	83	
Female		60.8%	129	
<i>answered question</i>			212	
<i>skipped question</i>			3	

3. Using the scale provided, please indicate whether you agree or disagree with the following statements about your fashion attitudes and habits.						
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Response Count
I usually buy clothes when they are on sale.	3.7% (8)	22.0% (47)	28.5% (61)	32.2% (69)	13.6% (29)	214
Given two similar pieces of clothing, I always chose the lower-priced option.	4.7% (10)	18.1% (39)	27.9% (60)	32.6% (70)	16.7% (36)	215
I am price sensitive when shopping for clothes.	2.8% (6)	9.9% (21)	22.5% (48)	47.4% (101)	17.4% (37)	213
I often try new fashion styles.	3.3% (7)	23.8% (51)	33.2% (71)	36.0% (77)	3.7% (8)	214
It is important that I follow the latest clothing trends.	10.7% (23)	31.6% (68)	36.7% (79)	17.2% (37)	3.7% (8)	215
I am among the first to try new fashions.	6.1% (13)	44.4% (95)	31.3% (67)	15.9% (34)	2.3% (5)	214
<i>answered question</i>						215
<i>skipped question</i>						0

4. Have you ever heard of the clothing store H&M (Hennes & Mauritz)? (If no, please skip the rest of the survey and press the "Done" button at the bottom of this page. Thank you!)			
		Response Percent	Response Count
Yes		94.4%	203
No		5.6%	12
<i>answered question</i>			215
<i>skipped question</i>			0

5. How often do you visit H&M?			
		Response Percent	Response Count
2-3 times per month or more		26.5%	54
Once per month		19.1%	39
Once every three months		17.2%	35
Less than once every three months		31.9%	65
I've never been to H&M		5.4%	11
<i>answered question</i>			204
<i>skipped question</i>			11

6. In my experience, H&M's customer service has ____ my expectations.			
		Response Percent	Response Count
been much worse than		1.0%	2
been worse than		7.4%	15
neither been better nor worse than		75.4%	153
been better than		9.9%	20
been much better than		1.5%	3
I've never been to H&M		4.9%	10
<i>answered question</i>			203
<i>skipped question</i>			12

7. Have you ever experienced a particular incident in which H&M's customer service has failed to meet your expectations? If so, please describe it below.		
		Response Count
		58
	<i>answered question</i>	58
	<i>skipped question</i>	157

8. Have you ever experienced a particular incident in which H&M's customer service has exceeded your expectations? If so, please describe it below.		
		Response Count
		43
	<i>answered question</i>	43
	<i>skipped question</i>	172

9. How satisfied are you with H&M's customer service?			
		Response Percent	Response Count
Very dissatisfied		0.5%	1
Dissatisfied		8.9%	18
No Opinion		42.4%	86
Satisfied		37.4%	76
Very satisfied		5.9%	12
I've never been to H&M		4.9%	10
	<i>answered question</i>		203
	<i>skipped question</i>		12

10. Using the scale provided, please indicate whether you agree or disagree with the following statement.						
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Response Count
A company like H&M should offer a high level of service quality.	1.5% (3)	15.1% (30)	27.1% (54)	43.7% (87)	12.6% (25)	199
	<i>answered question</i>					199
	<i>skipped question</i>					16

11. Using the scale provided, please indicate whether you agree or disagree with the following statements about what you expect should happen when shopping at a low-price fashion apparel store like H&M.						
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Response Count
An employee should greet me when I enter the store.	8.9% (18)	28.2% (57)	31.2% (63)	22.3% (45)	9.4% (19)	202
Employees should offer me assistance with finding merchandise without me asking.	8.9% (18)	27.7% (56)	28.2% (57)	23.3% (47)	11.9% (24)	202
Employees should be knowledgeable about the inventory available in the store.	0.0% (0)	2.5% (5)	8.0% (16)	55.5% (111)	34.0% (68)	200
If I can't find what I'm looking for, an employee should be readily available to help me.	0.0% (0)	3.5% (7)	15.8% (32)	43.1% (87)	37.6% (76)	202
When I visit the fitting room, an employee should offer to exchange sizes or styles for me.	2.5% (5)	21.8% (44)	28.2% (57)	24.8% (50)	22.8% (46)	202
When leaving the fitting room, an employee should take any unwanted merchandise.	0.5% (1)	8.9% (18)	22.8% (46)	36.1% (73)	31.7% (64)	202
I should not have to wait in any lines at the checkout counter.	4.0% (8)	25.2% (51)	36.6% (74)	25.2% (51)	8.9% (18)	202
Payment information, such as credit card and ID numbers, should be kept safe.	0.5% (1)	0.5% (1)	3.5% (7)	15.3% (31)	80.2% (162)	202
Contact information should be for company use only, and should not be sold to other firms for the purpose of direct mail advertisement.	0.0% (0)	4.5% (9)	11.4% (23)	15.3% (31)	68.8% (139)	202
I should be charged the marked price for merchandise.	0.0% (0)	4.5% (9)	21.9% (44)	47.8% (96)	25.9% (52)	201
I should be able to return damaged or defective merchandise within a specified time period for a full refund.	0.0% (0)	1.0% (2)	6.9% (14)	31.7% (64)	60.4% (122)	202
All merchandise sizing in the store should be consistent.	0.0% (0)	4.5% (9)	20.9% (42)	49.3% (99)	25.4% (51)	201
The store should be clean.	0.0% (0)	0.5% (1)	3.0% (6)	39.4% (78)	57.1% (113)	198

Navigating through the store should be easy.	0.0% (0)	1.0% (2)	6.5% (13)	56.7% (114)	35.8% (72)	201
The merchandise should be well organized.	0.0% (0)	0.0% (0)	7.5% (15)	58.2% (117)	34.3% (69)	201
Employees should be dressed neatly.	0.5% (1)	3.0% (6)	25.2% (51)	49.0% (99)	22.3% (45)	202
Employees should be easily identifiable.	0.0% (0)	0.5% (1)	10.0% (20)	57.5% (115)	32.0% (64)	200
Prices and sizes should be clearly and accurately marked.	0.0% (0)	0.0% (0)	3.5% (7)	44.3% (89)	52.2% (105)	201
I expect to be able to call the store and ask if they have items in stock before I arrive.	1.0% (2)	12.9% (26)	25.9% (52)	40.3% (81)	19.9% (40)	201
The store should not deviate from its posted opening hours.	1.5% (3)	2.0% (4)	16.0% (32)	42.0% (84)	38.5% (77)	200
A manager should be available in the store to deal with customer service problems.	0.5% (1)	5.9% (12)	21.8% (44)	43.1% (87)	28.7% (58)	202
The store should stay open until the last customer has left instead of asking customers to leave at the posted closing time.	8.5% (17)	32.3% (65)	23.4% (47)	19.4% (39)	16.4% (33)	201
I expect to be able to contact the store via telephone, email or through their web site.	0.5% (1)	3.0% (6)	12.9% (26)	51.5% (104)	32.2% (65)	202
The store should have an online site where I can purchase merchandise and find locations and other relevant information.	0.0% (0)	0.5% (1)	21.8% (44)	40.1% (81)	37.6% (76)	202
				<i>answered question</i>		202
				<i>skipped question</i>		13

12. If you would like to be entered in the drawing to win one of two \$50 (350 SEK) cash prizes, please enter your email address below. Winners will be contacted by May 30.		
		Response Count
		160
	<i>answered question</i>	160
	<i>skipped question</i>	55

