

JOURNAL OF INTERNATIONAL BUSINESS AND ENTREPRENEURSHIP

Special Issue on

*“Contemporary Issues in International
Business and Entrepreneurship”*

Published by

MEDEC, UiTM

(Malaysian Entrepreneurship Development Centre, Universiti Teknologi MARA)

Sponsors

Universiti Teknologi Mara, Malaysia

Texas A & M University - Commerce, U.S.A.

Guest Editor

Dr. George O. Tasie

Head

Department of Management Studies

University of Brunei Darussalam

Brunei

JOURNAL OF INTERNATIONAL BUSINESS AND ENTREPRENEURSHIP

SPONSORED BY:

**UNIVERSITI TEKNOLOGI MARA
SHAH ALAM, SELANGOR
MALAYSIA**

AND

**TEXAS A & M UNIVERSITY - COMMERCE
TEXAS, U.S.A.**

EDITORIAL BOARD

Editor-in-Chief:

Prof. Dr. Zafar U. Ahmed

Professor of Marketing and International Business
Department of Marketing and Management
College of Business and Technology
Texas A&M University at Commerce
Commerce, Texas 75429-3011, USA
Tel: [1-903]-886-5695
Fax: [1-903]-886-5702
Email: Zafar_Ahmed@tamu-commerce.edu

Managing Editor:

Assoc. Prof. Dr. Ismail Ab. Wahab

Malaysian Entrepreneurship Development Centre [MEDEC]
Universiti Teknologi MARA
Block 13, Intekma Resort and Convention Centre
40000 Shah Alam
Selangor, Malaysia
Tel: [603]-55225470
Fax: [603]-55225467
Email: iwahab@tm.net.my

Guest Editor:

Dr. George O. Tasié

Head
Department of Management Studies
University of Brunei Darussalam
Tungku Link Road, Gadong, BE1410,
Negara Brunei Darussalam, Brunei
Tel: [673]-2-249001, Ext. 132 & 113
Fax: [673]-2-249003 & 249517
Email: otasi@fbeps.ubd.edu.bn

Associate Editor:

Dr. Wolfgang Hinck

Department of Marketing
College of Business
University of Texas at Pan American
Edinburg, Texas, USA

Patron and Founder:

Prof. Dato Dr. Adnan Alias

Professor of Entrepreneurship
Faculty of Business Management
Universiti Teknologi MARA
Selangor, Malaysia
Tel: [603]-55444692
Email: Prof_Dr_Adnan_Alias@salam.uitm.edu.my

Editorial Advisory Board

- Prof. Dr. Subash Jain, University of Connecticut, Connecticut
Prof. Dr. Benoit Boyer, Sacred Heart University, Fairfield, Connecticut
Prof. Dr. Abdul Farooq Khan, College of Sharjah, UAE
Prof. Dr. Robert Terpstra, University of Macau, PRC
Prof. Dr. Daing Nasir Ibrahim, University of Science, Penang, Malaysia
Prof. Dr. Earl Honeycutt, Old Dominion University, Virginia
Prof. Dr. Joel Saegert, University of Texas at San Antonio, Texas
Prof. Dr. Frank Krohn, State University of New York College at Fredonia
Prof. Dr. Donald W. Hendon, Utah Valley State College, Utah
Prof. Dr. Syed Abdul Hamid Aljunid, Universiti Tun Abdul Razak, Malaysia
Prof. Dr. Martani Hueini, University of Indonesia, Jakarta, Indonesia
Prof. Dr. Azhar Kasim, University of Indonesia, Jakarta, Indonesia
Dr. Ahmad Zohdi Abd. Hamid, Universiti Tun Abdul Razak, Malaysia
Dr. Madan Annavarjula, Northern Illinois University, Illinois
Dr. James Ondracek, Minot State University, North Dakota
Dr. James P. Johnson, Old Dominion University, Virginia
Dr. Xia Yang, Nanyang Technological University, Singapore
Dr. Peter Robinson, University of Calgary, Canada
Dr. George O. Tasie, University of Brunei, Brunei
Dr. Anusuya Yogarajah, Nanyang Technological University, Singapore
Dr. Dosse Toulaboe, Fort Hays State University, Hays, Kansas
Dr. Matthew H. Roy, University of Massachusetts- Dartmouth, Massachusetts
Dr. Mohammad Arif Khan, University of Swaziland, Swaziland, Africa
Dr. Barbara D Bart, Savannah State University, Savannah, Georgia
Dr. Valentin H. Pashtenko, Fayetteville State University, North Carolina
Dr. Morry Ghjngold, Bloomsburg University of Pennsylvania, Pennsylvania
Dr. Abdul Jumaat Bin Mahajar, Universiti Utara Malaysia
Dr. Anthony Rodriguez, Texas A&M International University, Laredo, Texas
Dr. Hormoz Mavassaghi, Ithaca College, Ithaca, New York
Dr. Busaya Buranasin, Vongchavalitkul University, Nakhon-Ratchasima, Thailand
Dr. Syeda-Masooda Mukhtar, PricewaterhouseCoopers, London, UK
Dr. Matt Ngui, University of Wollongong, Australia
Dr. Ajay K. Singh, University of Delhi, India
Dr. Syed Aziz Anwar, University of Sharjah, UAE
Dr. Osman Mohamad University of Science, Penang, Malaysia
Dr. George K. Najjar, American University of Beirut, Lebanon

REVIEWERS FOR THE SPECIAL ISSUE

Dr. Prem N. Asthana, Minot State University, North Dakota
Dr. Arif Hassan, International Islamic University, Malaysia
Dr. Lynn Muller, University of South Dakota, Vermillion, South Dakota
Dr. James Ondracek, Minot State University, North Dakota
Dr. James P. Johnson, Old Dominion University, Virginia
Dr. Peter Robinson, University of Calgary, Canada
Dr. Anusuya Yogarajah, Nanyang Technological University, Singapore
Dr. Naresh Khatri, University of Missouri at St. Louis, Missouri
Dr. Tan Teng Kee, Nanyang Technological University, Singapore
Dr. Cao Yong, Nanyang Technological University, Singapore
Mr. Gerald Huang, Nanyang Technological University, Singapore
Dr. Peter Maresco, Sacred Heart University, Fairfield, Connecticut
Dr. James Santomier, Sacred Heart University, Fairfield, Connecticut
Dr. Mary Trefry, Sacred Heart University, Fairfield, Connecticut
Dr. Vic Heller, University of Texas at San Antonio, Texas
Dr. Bharath Josiam, University of North Texas, Denton, Texas
Dr. Sadiq Sohail, Monash University, Malaysia

<i>CONTENTS</i>		<i>Page</i>
George O. Tasié	Preface	i
Dosse Toulaboe	Currency Devaluation and International Competitiveness: The Case of the CFA Zone of West and Central Africa	1 - 18
Mohd Khairuddin Hashim Syed Azizi Wafa Osman Mohamad Mohamad Sulaiman	The Moderating Effect of Distinctive Capabilities on the Competitive Strategy and Performance Relationship in Malaysian SMEs	19 - 36
Mohd. Yusoff Ibrahim Daing Nasir Ibrahim Subramaniam Pillay	Competition, New Management Practices and the Emphasis Given to Non-Financial Indicators in Manufacturing Organizations	37 - 56
Jamil Bojei Mohd. Shahwahid Othman Yeap Teik Bu	Global Marketing Strategies: An Examination of the Malaysian Wooden Furniture Industry	57 - 84
Desalegn Abraha Syeda-Masooda Mukhtar	The Process of Firm Establishment in Less Developed and Loosely Structured Markets: A Case of Two Swedish Firms in Kenya	85 - 108
George O. Tasié	Customer Perception About Quality of Service: The Case of Vietnamese and Australian Managers	109 - 126
James Santomier, Jr.	Sport Mega-Brands: Case Studies in International Marketing	127 - 151
Sanjiv S. Dugal Matthew H. Roy	Creating Value Through Relationship Building in a Globalized Marketplace	153 - 170
Sanjiv S. Dugal Matthew H. Roy Matthew Eriksen	(Re)viewing Organizational Reputation in a Global Context	171 - 181
Sandra McKay Uday Tate Mary Blalock	A Profile of U.S. Home Internet Users and Online Shoppers: Implications for Retailers and E-Tailers	183 - 202

The Editorial Board, Publisher, and the Sponsors accept no responsibility for the views expressed by the authors of the articles published in this Journal.

PREFACE

Dr. George O. Tasié
Guest Editor

*Special Issue on "Contemporary Issues in International Business
and Entrepreneurship"*

Previously technology, globalisation, and trade liberalisation did not play a dominant role in business environments, but today the approach is totally different. The millennium is characterised by globalised trading system and the predominance of the revolutionary information technologies. This scenario is where the real challenge is for the entrepreneuristic persons and organisations, raising the issue of how entrepreneurs and business organisations respond to the demands of the globalised markets and the fierce competition of business organisation in the so-called "borderless world".

The papers in this special volume of Journal of Business and Entrepreneurship (JIBE) explain some of these challenges by providing in-depth and analytical information on various topics of international business interests. For instance, the article on service quality demonstrates the extent in which customer satisfaction and expectations have become a popular area of academic attention and economic development of society. Other articles also draw on the importance of internationalisation of businesses, such as global marketing, organisational reputation, Swedish entrepreneurship, the impact of currency in business and scores of other thought-provoking research papers.

The articles chosen for this special issue represent and reflect the crucial challenges facing international business and management during the past and present economic crises. Although the current worldwide economic crisis has eased and most of the countries affected are on the way to recovery, we have to recognise the factors contributing to the crisis.

It is hoped that this volume will contribute towards creating an awareness of the need for better business practices and excellent management ideas across the world. I am optimistic that wider readers will benefit largely through reading this particular issue.

Above all, I must record my thanks and profound appreciation to the contributors of articles to this issue, and especially Professor Zafar U. Ahmed for affording me an opportunity to guest edit this special issue. Finally, I wish to thank the JIBE's Editorial Board and the reviewers for the job well done. Without their invaluable contribution, the publication of this special issue would not have been possible.

PROFILE OF GUEST EDITOR

Dr. George O. Tasie

George O. Tasie, Ph.D (Manchester), M.Sc (Leicester), M.P.A; B.Sc (Hon) (Liverpool), M.M.S (London), is Head, Department of Management Studies at the University of Brunei Darassulam [UBD], Brunei. His teaching interests are in general management, human resource management, human resource development, organisational behaviour, and international management. His professional work and experience in academia has taken him to the U.S.A, the United Kingdom, Malaysia, Australia, Singapore, the Philippines, Indonesia, Brunei, Vietnam and Nigeria. The publication of one of his books on "Public Sector Administration and Management" was sponsored by the University of Malaysia Sarawak, where he was an associate professor before joining UBD. He has contributed articles to other internationally accredited journals. Dr. Tasie has also written and published books on rural financial planning and management. He has been involved in short courses and consultancy works for a variety of organisations in the U.S.A, U.K, Singapore, Nigeria, Malaysia, Brunei and JASPOC (Joint ASEAN Senior Officers' Course). His current research interests center on business-government relations, training and development and stress management in Southeast Asia.

CUSTOMER PERCEPTION ABOUT QUALITY OF SERVICE: THE CASE OF VIETNAMESE AND AUSTRALIAN MANAGERS

George O. Tasié

Abstract

Satisfied customers are of paramount importance to creating and maintaining a sustainable advantage in the highly contemporary competitive business environment. Other forms of competitive advantage are easily lost, or copied by competitors. Consequently, customer satisfaction and service quality have been of considerable interest to both researchers and practitioners over the last two decades, and a substantial body of formal academic work has emerged to address these issues. However, comparatively little work has been carried out to date in studying what managers of business actually do in practice to measure, and consequently, manage their customer satisfaction and service quality, and less work has also been done internationally to ascertain differences in perception. This research paper reports the results of a comparative study of manager's perceptions of their customers' opinions of service quality in Australia (as an example of a developed country) and Vietnam (as an example of a developing country in transition to a free market economy).

George O. Tasié is Head, Department of Management Studies at University of Brunei Darussalam, Brunei.

INTRODUCTION

Defining service quality is difficult and complex task, even in developing economies. In economies that are in transition from central control to market-oriented emphasis, the task has barely been attempted. The importance of defining service quality is important in providing research results of use to professional practitioners. The definition of quality as a standard, of conformance to requirements, which works well in engineering environments is less useful in the intangible world of services. Marketers tend towards the definition of quality as fitness for use, and therefore specifically characterized by the customer in the customer's terms. Garvin (1987) pointed out that historically "quality" had been used as a defensive measure to preempt failure or to eliminate defects. As analysed by Bradmore (1996), he urged managers to adopt a more aggressive strategy, one that used quality in a positive manner and as an instrument for pleasing customers, not just protecting them from annoyances. Thus a concept of customer-perceived quality can be derived, where quality can be defined only by customers and occurs where an organization supplies goods or services to a specification that satisfies customer needs (NcColl, Callaghan and Palmer, 1998).

CUSTOMER SATISFACTION

Customer satisfaction makes intuitive good sense. If customers' expectations are met or exceeded and this affects the likelihood of repurchase by those customers, or the possibility of positive word-of-mouth promotion resulting in other customers purchasing the organisation's offering, the long term financial viability of the organization is strengthened or enhanced. This is one of the cardinals of good marketing in the current competitive business aura, and "customer satisfaction" is thus something all good companies should be striving for (Iacobucci, Grayson and Ostrom, 1994). References to this are becoming increasingly common in the mainstream academic literature. For example, Paterson, Johnson and Spreng (1997, P. 4), write, "Recent interest in customer satisfaction or dissatisfaction among both academics and practitioners is due, in part, to the fact that a satisfied customer is viewed as an indispensable means of creating a sustainable advantage in the competitive environment of the 1990s."

The relationships between customer satisfaction, dissatisfaction, the determinants of satisfaction and the association between these elements and perceived service quality are problematic and ambiguous. There is little dispute, though, that customer satisfaction is a perception held by buyers (see for example, Band, 1989), and that customer satisfaction and dissatisfaction have become an important issue for marketing practitioners (Oliva, Oliver and Macmillan, 1992). Bleuel (1990) showed that there was not a one-to-one correspondence between satisfaction and dissatisfaction and that the elements of dissatisfaction are not the same as the elements of satisfaction. What were regarded as important factors within a service encounter by satisfied customers differed from the elements most important to dissatisfied customers. Beuel (1990), on the other hand, concluded that satisfaction and dissatisfaction lay at either end of a continuum, with a “zone of uncertainty” in between. This zone of uncertainty is influenced by a number of factors, including those outside the control of a supplier, such as the mood of the customer.

Within the zone of uncertainty, Oliva, Oliver and Macmillan (1992) found that the satisfaction and dissatisfaction thresholds might not occur at the same point. The research reported here is one response to this finding; that different elements might well have different effects on different customers, and weightings might usefully be applied to criteria such as those that are brought together in the SERVQUAL construct.

MEASURES OF CUSTOMER SATISFACTION AND SERVICE QUALITY

There are a number of generally accepted ways of measuring customer satisfaction (Kotler, 1997). These include complaint and suggestion systems, customer satisfaction surveys, ghost shopping and lost customer analysis. There are numerous dangers with these relatively blunt instruments; customers of course vary, and it is easy for survey results to be accidentally or deliberately distorted as a result of the unscientific nature of many of these surveys, the effects of non-response bias, (Soderlund, 1998) and other effects.

One key variable to success identified by Davidow and Uttal (1989), building on the gaps model of service quality developed by Parasuraman, Zeithaml and Berry (1985), is to fill the gap between what customers see as good service and what competitors

think it is. In this way one firm can differentiate itself and its product from another. Chakrapani (1992) quotes Deming as referring to customers as “the most important part of the production line”. By expanding on its interaction with clients, an organization can rely upon them to shape the business and define the products and services on offer (Kanter, 1991). The influential clients should, of course, be those who are most valuable to the business; investment in service may be wasted if it is focused on customers as the business should lose (Reicheld, 1993).

Once perceived quality service became accepted as an important part of the marketing mix, several efforts were made to define and measure this variable based on the research studies of notably Gronroos (1984); Parasuraman, Zeithaml and Berry (1988, 1991, 1994); Parasuraman, Berry and Zeithaml (1990).

In what is arguably the most significant single contribution to the discipline to date, Parasuraman, Zeithaml and Berry (1985) built on the previous work of researchers such as Lovelock and Gronroos and suggested ten dimensions of service quality, based on qualitative research rather than relying on previous constructs of good quality, bearing in mind the demonstrated dissimilarities between service and product quality. Inasmuch as it attempted to define and measure the specific dimensions of service quality, this pioneering work has helped to define much of the work in this discipline over the past decade and a half.

Early writings on service quality like Sasser, Olson and Wyckoff, 1978; and Gronroos, 1982 suggested that perception of service quality result from a comparison of what the customers feel a service provider should offer with the provider’s actual performance; that is to say, a comparison of expectations with performance. Parasuraman, Zeithaml and Berry (1985) performed twelve customer focus group interviews, three each in the service sectors of retail banking, credit card, stockbrokerage and appliance repair and maintenance, to test the idea that customer perception of service quality is a function of the expectation-performance gap. This study confirmed the hypothesis, and the author proposed a formal definition of customer perception of service quality as “the degree of direction of discrepancy between customers’ service perceptions and expectations (Parasuraman, Berry and Zeithaml, 1985, p. 48).

Parasuraman, Zeithaml and Berry (1985) synthesised earlier research and conducted extensive focus group work, which confirmed that both outcome and process dimensions influence customers' evaluation of service quality, and revealed ten key evaluative variables that customers might use, regardless of the type of service. This research served as the foundation for the SERVQUAL instrument and subsequent development and refinement of this model resulted in the reduction of some of the overlaps in these initial findings. Later empirical verification (Parasuraman, Berry and Zeithaml, 1988; Zeithaml, Parasuraman and Berry, 1990) reduced the ten dimensions to the five key divisions of SERVQUAL – tangibles, reliability, responsiveness, assurance, and empathy. For the purposes of this study, “the original ten dimensions were considered more appropriate than the final five dimensions. From my analyses, the original definitions are more detailed and specific and as such may be easier ... to articulate to the survey respondents”.

Considerable debate has been generated about this instrument, but the most frequent and popular method of operationalising service quality still remains the assessing of expectations and performance on a variety of items believed to represent five key dimensions on service quality (Babakus and Boller, 1992; Cronin and Taylor, 1992; Parasuraman et al., 1988, 1991; Zeithaml, Parasuraman and Berry, 1990). The approach taken in the development of SERVQUAL contains the propositions that customers entertain certain expectations of performance on each of the service dimensions, observe the performance, and subsequently form perceptions of performance by comparing actual performance with expectations. It is essentially the gaps between these two key concepts that are measured by the SERVQUAL instrument. A shortfall between customer expectation and perception of service received will result in a judgment by the customer that quality is poor (Brown and Swartz, 1989; Bolton and Drew, 1991). Not surprisingly, this results in a likelihood of customer dissatisfaction (Oliver, 1980; Oliver and DeSarbo, 1988). There has been considerable discussion and disagreement over the SERVQUAL instrument, notably use of both the performance and expectations measures, including questions raised when performance exceeds expectation, and the dimensionality of the instrument over different industry settings, as well as the validity of consumer interpretation of different scores (Smith, 1995), and that the instrument does not draw from the established literature in economics and psychology, and undue focus on process rather than outcomes (Buttle, 1996). There is nevertheless, at least, a general agreement that the twenty-two items are good predictors of overall service

quality, although for instance, one Australian study comparing service provider training programmes with customer requirements in five –star hotels found it necessary to modify SERVQUAL by deleting the tangible item, with the exception of the statement dealing with the personal appearance of employees (McColl-Kennedy and White, 1997). An application of SERVQUAL to measure patients' opinions of service quality in hospitals in Hong Kong (Lam, 1997) found SERVQUAL to be consistent and reliable scale but did not, however, confirm the proposed five dimensions of the instrument.

It is therefore considered that the SERVQUAL instrument, while the subject of considerable controversy and modification for specific markets, is nevertheless a well-understood standard that can be used as a basis for comparison and discussion.

THE BUSINESS ENVIRONMENT IN VIETNAM

One of the most dramatic developments in Asia today is the reemergence of Vietnam, not as the belligerent champion of a militant ideology, but in the guise of a pragmatic, open, friendly country seeking a respected place in the world community. Its location on the southern border of China and alongside the sealanes that link East and West gives it a unique strategic leverage (Sage, 1999). It is now fifteen years since the Vietnamese Communist party first initiated a number of reforms intended to renovate economic and social conditions in Vietnam; the "doi moi", or open door policy, which was introduced as a result of the Party Congress in 1986. These reforms were confirmed and strengthened by subsequent Party congresses in 1991 and 1996. In practice, the reforms have been embraced with enthusiasm, and Ho Chi Minh City is rapidly becoming a major regional trading city, as it was in previous times under the name of Saigon. The capital, Hanoi, is also making considerable advances, as are the regional and rural centers.

Although considerable progress has been made, Vietnam does not offer the same levels of business infrastructure as developed economies such as Australia in areas such as telecommunications, transport, banking, finance and insurance, a free press and media network, sophisticated business law and accounting systems, and support services for marketers such as government data collection agencies, market research specialists, advertising agencies, and graphic design and printing suppliers (Jevons, Di

Virgilio and Pidgeon, 1996). Rapid progress continues to be made; the recent general downturn in South-East Asian economies, while slowing down GDP growth in Vietnam, has not resulted in a negative growth situation as applies to its nearby neighbours. The Asian Development Bank forecast that Vietnam will post the fastest growth in Asia in 1999, with a forecast growth rate of 6.5%, compared with India, 5.2%, zero growth for South Korea, and declines in Hong Kong of 5% and Indonesia of 16% (Export Today, 1999). To some extent this is because the economy is growing from a very small base, and there is little downside from a withdrawal of foreign capital in the first place (Kokko, 1998). There has been no stock market collapse because there is no stock market in Vietnam at the time.

Vietnam is East Asia's fourth largest country in terms of population, behind China, Indonesia and Japan, but larger than Korea, with a population of 77 million (US Bureau of the Census, 199). Approximately 80 per cent of Vietnam's population lives in the rural areas. However, by the year 2030, when the population is expected to reach some 108 million people, the urban component of the population will increase to an expected 39 per cent. The population is also characterized by a large proportion of persons under the age of 15 years. In 1998 the estimate was 34 per cent. The projected increase in per capita GDP coupled with these underlying demographic processes partly explain the strong demands for consumer goods (Jevons, Di Virgilio and Pidgeon, 1999). The author's practical experience of the business environment in Vietnam, obtained through numerous visits to Vietnam, in comparison with observations in Papua New Guinea and through teaching students from mainland China, India, Thailand, Malaysia, Indonesia, Laos, Brunei, Cambodia, Myanmar who traveled to Australia, is that of strongly supply-driven orientation. It is presumed that this is a legacy of command-style economics, where the buyer waits to see what the wholesaler has in stock before purchasing. The emphasis on supply problems in marketing channels is also presumably responsible for the general paucity of high profile consumer promotion with which those in fully market-oriented economies are familiar. This paucity is still, although decreasingly, evident. My own observation is that there is a great increase in consumer advertising, most importantly outdoor and television, particularly since the lifting of the US embargo. It is not known whether the use of brand awareness and demand stimulation techniques such as these are having immediate effect on sales of the products promoted; for them to be successful the basic infrastructure problems of distribution must first be addressed and solved. There are two types of trading companies

permitted to distribute products in Vietnam: Government Trading Companies and Foreign Trading Companies. The latter, unencumbered by ministerial affiliations, are leading the development of the distribution system, and have a stronger sales orientation. A generalized distribution channel is for the state to attend to administrative and legal requirements and then pass the product on to the private sector. From this point, the product is very difficult to follow on its path to the final consumer, with great variations in numbers of intermediaries and gross margins. Dealers in sellers' markets are highly dependent on manufacturers and have low status in both industry and society, hence they have fewer equity concerns and higher tolerance than dealers in other channel contexts (Frazier, Gill and Kale. 1989).

However, the general slowing down in the rate of economic growth resulting from the general economic problems of South-east Asia, together with a concentration of wealth in the hands of a relatively few successful entrepreneurs, has resulted in an increase in buyer choice across industry sectors in Vietnam. The market is becoming less of a seller's market. With the collapse of the Indonesian *rupiah* many exports, such as footwear, can no longer compete purely on the basis of price; a Vietnamese export contract denominated in US dollars has become relatively many more times expensive than an Indonesian *rupiah* contract. (The Vietnamese *dong* depreciated by only 20% against the US dollar during 1997 and 1998). Business practices, both industrial and consumer, are becoming more influenced by foreign (American, Japanese) attitudes as Vietnamese executives gain more international experience, both by traveling overseas and in dealing with expatriate managers in Vietnam. Tourism and telecommunications are major export earners for Vietnam and this is reflected in the type of businesses in Vietnam that send their staff to business school programmes of various universities in the country. There is strong demand for the customer service quality components of the programmes and it is probable that this is a response to an emerging need across Vietnamese business for understanding this issue.

For the above four reasons – the economic slowdown resulting in the market being less dominated by sellers, the relative increase in cost of doing business in and exporting from Vietnam, the increasing foreign influence on Vietnamese business practices, and the increased attention being paid to service quality issues by Vietnamese business, it is timely to report on the perceptions of managers in Vietnam of the relative importance of service quality dimensions to their customers, and to compare them with those of

managers in a developed market. For the sake of convenience, the market used for comparison in this case is Australia.

RESEARCH METHODOLOGY

The Australian survey: A sample population of professionals, holding membership in the Australian Consumer Service Association (ACSA), was chosen. Individual members pay \$120 per annum in exchange for regular newsletters, meetings and events, and an annual awards for excellence in competition. Corporate members pay \$750 and can nominate up to ten staff to receive individual membership benefits. The decision was taken to survey only those members in good standing with the organization. Following the editing of the list to eliminate multiple copies of the questionnaire going to the same organization, eventually 503 questionnaires were mailed in the first wave. In the case of corporate memberships, the nominated key contract person was the only one to receive a questionnaire. Where a number of individual members worked at the same organization, the person with the more senior title was chosen. In the case of only one organization, individual members of the Association were not able to be ranked within their employing organization, but fortunately, one of the two persons involved was selected as depth interviewees. In this case the depth interviewee did not receive a questionnaire for completion by agreement. After two waves of follow-ups, 318 useable responses were received.

The subject population is a self-selecting sample of the Australian business population by virtue of the substantial financial commitment required to maintain membership of the Association, leads to the conclusion that this research cannot be easily extrapolated to the whole Australian business population. The subject population is a group of those particularly interested in customer service, and while it can be argued that a proportion of these individuals are opinion leaders there is no guarantee that this is so, or that the proportion of opinion leaders is a significant part of the population that was surveyed.

The Vietnamese survey: Careful attempts were made to select a target population with approximately similar psycho-demographic characteristics to the Australian. There is no Vietnamese customer service association, and in addition there is no tradition in Vietnam of completing mail questionnaires. Consequently the obvious match was not possible. The population chosen for surveying was a group of professionals who had

demonstrated their commitment, and/or that of their employers to upgrading customer service and marketing practice generally by enrolling in one of the University graduate business programmes in Vietnam. The cost of a one-week programme is approximately three times the average annual per capita GDP in Vietnam, so the economic commitment is relatively much greater than for the Australian population. The language of instruction was English, but to maximize comprehension the questionnaire was translated into Vietnamese (and back-translated into English by a different translator as a check of accuracy) and provided to the respondents in both languages. Informal feedback was that the Vietnamese language version was a useful backup, although most respondents actually completed the English-language version. The questionnaires were personally distributed by the researcher for completion by the respondents in private and returned to the researcher the next day. Forty-nine useable responses were received out of 56 questionnaires distributed.

Results and Discussion

In order to compare the responses from Australian and Vietnamese business managers to the SERVQUAL survey instrument, two types of analyses were undertaken. The first focused on comparing the distribution of the responses to each of the SERVQUAL dimensions. Respondent had been requested to indicate their belief on what they thought their customers regarded as important 'customer expectations'. Respondents were presented with a five point Likert scale for each of the dimensions (from most important to least important).

The index of dissimilarity provides a useful measure to compare the percentage distribution of responses from each country for each of the SERVQUAL dimensions. The resulting indexes are given in Table 1. The index can be interpreted as follows. For the dimension of 'tangibles' the index of dissimilarity is 13.76. This implies that for the distribution of responses for both Australian and Vietnamese to be identical, 13.76 per cent of the respondents would need to change their score on the Likert scale. For

the dimension of 'access' over 40 per cent of the respondents would need to change their score in order for the two countries to have an identical distribution of responses.

**Table 1. Index of Dissimilarity by SERVQUAL Dimensions:
Australia-Vietnam Comparison**

Servqual Dimensions	Index of Dissimilarity (%)
Tangibles	13.76
Reliability	9.49
Responsiveness	24.40
Competence	12.93
Courtesy	25.62
Credibility	15.74
Security	17.39
Access	40.68
Communications	30.79
Understanding the customer	26.17

Three distinct patterns emerged from the data in Table 1. Firstly, the SERVQUAL dimensions of tangibles, reliability, competence, credibility, and security have minor variations in the distribution of responses (Cluster 1). The dimensions of responsiveness, courtesy and communication are somewhat more variable (Cluster 2) and the dimension of access varies considerably between the two countries (Cluster 3).

The dimension of access is defined as approachability and ease of contact. It could be speculated that the lower perceived importance of this to Vietnamese is possibly carried forward from the days of traditional Communist control. The author of this paper have observed on numerous occasions and in many different encounters the acceptance of long delays for service access among the Vietnamese consumers. However, it must be considered that the application of the survey instrument is flawed. For the sake of consistency and to avoid distortion, the explanatory examples used by the authors of SERVQUAL were used; in the case of the 'access' dimension this reads: "How easy is it for me to get through to my broker over the telephone? Does the credit card

company have a 24 hour toll-free telephone number?”. The fact that there are no stockbrokers in Vietnam was not considered a serious difficulty in this instance since the respondents were well aware of the nature of the service provided, and were able to equate it with other financial services. The technology is available for toll-free telephone access, and although it is as yet little used, it has been publicized widely to the business community by the telecommunication providers in the country. Again, credit cards are not yet widely used by the Vietnamese population, but are available through both foreign and Vietnamese banks and are of course used extensively by foreign visitors.

The areas of responsiveness, courtesy and communication may have historical and cultural reasons for the significant differences shown. The researcher himself has observed that there are differences in the way in which clerks and officials treat foreigners (with an assumption of respect for their importance and/or wealth) and local Vietnamese. Locals are treated with noticeably less professionalism in these regards. The perception by managers that their customers find these aspects relatively unimportant, by comparison with their Australian counterparts, is an interesting finding. This area has been identified by the author for further research.

Table 2: Differences Between Australian and Vietnamese Managers' Perceptions of the Importance of the SERVQUAL Dimensions to Their Customers

Servqual Dimensions	Significan Level
Tangibles	.815
Reliability	.407
Responsiveness	.004
Competence	.008
Courtesy	.016
Credibility	.035
Security	.000
Access	.000
Communications	.000
Understanding the customer	.003

The second level of analysis compares the mean scores on each SERVQUAL dimension for the respondents as a whole from each country. The analysis was carried out using the conventional independent t-test. The results of this analysis are given in Table 2, and show that there are significant differences between each of the countries on all SERVQUAL dimensions with the exception of tangibles, reliability and competence. This analysis is at least consistent with the results in Table 1 but extend further the possibility of real differences between the two countries.

CONCLUSIONS AND INTERNATIONAL MARKETING IMPLICATIONS

Australia and Vietnam are countries that are very different in many ways. The SERVQUAL construct, developed in the USA for American conditions has been successfully used in other environments such as Hong Kong (Lam, 1997). With the rapid globalisation of business, there is a strong need for understanding of customers' needs in a variety of environments.

The research methodologies, although different for the two countries are considered to be the most appropriate in view of the different conditions applying in the two countries.

The results of the index of dissimilarity test provide interesting conclusions. Cluster 1, with small variations in the distribution of responses indicates that attitudes to the SERVQUAL dimensions of tangibles, reliability, competence, creditability and security are of similar importance to managers in the two countries. To some extent, this validates the underlying assumption that it is valid to apply a concept from the developed world to a developing country. Cluster 2, showing variation in attitudes towards the dimensions of responsiveness, courtesy and communication, has intuitive appeal to anyone from a market-driven economy who has had dealings with from a centrally controlled regime. These dimensions are those in which service quality gaps can occur in highly regulated bureaucracies. Cluster 3, the dimension of access has the largest variation between the two populations. The magnitude of this variation is due in part to methodological issues, but the major problems with infrastructure described in this paper may well have led to a lowering of expectations in this regard.

RECOMMENDATIONS FOR FUTURE RESEARCH

A longitudinal study to measure whether cluster 2 approaches cluster 1 over time would be an interesting way to establish signs of continued globalisation of attitudes of Vietnamese managers.

A comparison of attitudes to those dimensions that fell into cluster 2 for Vietnamese managers with managers in large bureaucratic organizations in developed economies would also provide interesting insights into whether the dissimilarities are based on some form of national characteristic or a form of business culture.

A test of the dimension of access using different examples and descriptions would remove the possibility of methodological problems and provide more confidence to the conclusion reached above.

The next stage of research for the author of this paper is to attempt correlation of these findings with various documented characteristics of national business culture.

REFERENCES

- Babakus, E and Boller, G (1992). "An Empirical Assessment of the SERVQUAL Scale", *Journal of Business Research*, Vol. 24, May, pp. 253-268
- Band, W (1989). "How to Measure Customer Satisfaction", *Sales and Marketing Management in Canada*, Vol. 30, No. 1.
- Bleuel, B (1990). "Customer Dissatisfaction and the Zone of Uncertainty", *Journal of Services Marketing*, Vol. 4, No. 1.
- Bolton, R.N., and Drew, J.H. (1991). "A Longitudinal Analysis of the Impact of service Changes on Customer Attitudes", *Journal of Marketing*, Vol. 55, pp. 1-9.
- Bradmore, D.J (1996). *Competitive Advantage, Concepts and Cases*, Sydney: Prentice Hall.
- Brown, S.W., and Swartz, T.A (1989). "A Gap Analysis of Professional Service Quality", *Journal of Marketing*, Vol. 53, pp. 92-98.
- Buttle, F (1996). "SERVQUAL: review, critique, research agenda", *European Journal of Marketing*, Vol. 30, No. 1, pp. 8-32.
- Cronin, J.J. Jr., and Taylor, S.A. (1992). "Measuring Service Quality: A Reexamination and Extension", *Journal of Marketing*, Vol. 56, July, pp. 55-68
- Davidow, W and Uttal, B (1989). "Service Companies: Focus or Falter", *Harvard Business Review*, July-August.
- Export Today*, January 1999, Vol. 15, No. 1, p. 10, Trade Communications, Inc., 1999
- Frazier, G.L., Gill, J.D., and Kale, S.H (1989). "Dealer Dependence Levels and reciprocal Actions in a Channel of Distribution in a Developing Country", *Journal of Marketing*, Vol. 53, pp. 50-69. January.

- Garvin, D (1987). "Competing on the Eight Dimensions of Quality", *Harvard Business Review*, Vol. 65, No. 6, November-December.
- Gronroos, C (1984). "A Service Quality Model and Marketing Implications", *European Journal of Marketing*, Vol. 18, No. 4, pp. 36-44.
- Iacobucci, D., Grayson, K., and Ostrom, A (1994). "Customer Satisfaction Fables", *Sloan Management Review*, Summer, pp. 93-96.
- Jevons, C.P., Di Virgilio, P., and Pidgeon, J.F (1996). "The rapidly changing business environment in Vietnam", in Lascu, D.N, Kaynak, E., and Ahmed, Zafar.U., (eds.). *Forging Alliances in Global Markets, Proceedings of the 1996 National Conference*, New Orleans: International Management Development Association.
- Jevons, C.P., Di Virgilio, P and Pidgeon, J.F (1999). "The changing business environment in Vietnam: Its effects on the content of marketing courses", in Frazier, M and Chatterjee, M (eds.). *Management Education in Countries in Transition*, London: Macmillan
- Kokko, A (1998). *Vietnam*, ASEAN Economic Bulletin, Vol. 15, No. 3, p. 319.
- Kotler, P (1997). *Marketing, Management, Analysis, planning and Implementation and control, ninth edition*, Englewood Cliffs: Prentice Hall.
- Lam, S.S.K (1997). "SERVQUAL: A Toll For Measuring Patients ' Opinions of Hospital services in Honk Kong", *Total quality Management*, Vol. 8, no. 4, pp. 145-153.
- McCull, R., Calaghan, W and Palmer, A (1998). *Services Marketing, a Managerial Perspective*, Sydney: McGraw-Hill
- McCull-Kennedy, J.R and white, T (1997). "Service provider training at odds with customer requirements in five-star hotels", *Journal of services Marketing*, Vol. 11, No. 4, pp. 249-264
- Oliva, T.A., Oliver, R.L and Macmillan, I.C (1992). "A Catastrophe Model for Developing Service satisfaction Strategies", *Journal of Marketing*, Vol. 56, pp. 83-95.

- Oliver, R.L (1980). "A Cognitive Model of the Antecedents and Consequences of satisfaction Decisions", *Journal of Marketing Research*, Vol. 17, pp. 460-469.
- Oliver, R.L and deSarbo, W.S (1988). "Response Determinants in Satisfaction Judgements", *Journal of Consumer Research*, Vol. 14, pp. 495-507.
- Parasuraman, A., Berry, L.L and Zeithaml, V.a (1990). *An Empirical Examination of relationships in an Extended Service Quality Model Report* number 90-122, Cambridge, Mass: Marketing Science Institute.
- Parasuraman, A., Zeithaml, V.a and Berry, L.L (1985). "A Conceptual Model of Service Quality and its Implications for Future Research", *Journal of Marketing*, Vol. 49, Fall, pp. 41-50.
- Parasuraman, A., Zeithaml, V.A and Berry, L.L (1988). "SERVQUAL: A Multiple-item Scale for Measuring Consumer Perceptions of Service quality", *Journal of Retailing*, Vol. 64, Spring, pp. 12 – 43.
- Parasuraman, A., Zeithaml, V. A and Berry, L. L (1991). "Refinement and Reassessment of the SERVQUAL Scale", *Journal of Retailing*, Vol. 67, pp. 420-450.
- Patterson, P.G., Johnson, L.W., and Spreng, R. A (1997). "Modeling the Determinants of Customer Satisfaction for Business-to-Business Professional Services", *Journal of the Academy of Marketing Science*, Vol. 25, no. 1, pp. 4-17.
- Sage Public Administration Abstracts, January 1999*, Sage Publications, Vol. 25 Issue 4, p. 537.
- Sasser, W.e. Jr., Olsen, P.R and Wyckoff, D.D (1978). *Management of Service Operations: Text and Cases*, Boston, Mass: Allyn and Bacon.
- Smith, A.M (1995). "Measuring Service Quality: Is SERVQUAL now Redundant?", *Journal of Marketing Management*, Vol. 11, nos. 1-3, Jan/Feb/Apr, p. 257.
- Soderlund, M (1998). *Nonresponse Bias in Satisfaction Surveys*, posting to elmar (email list), 28 February.

US Bureau of the Census, 1999, Vietnam Demographic Indicators, 1998 and 2010, <http://www.census.gov/cgi-bin/ipc/idbsum>

Zeithaml, V.A., Berry, L.L and Parasuraman, A (1993). "The Nature and Determinants of Customer Expectations of Service", *Journal of the Academy of Marketing Science*, Vol. 21 (Winter), pp. 1-12.

Zeithaml, V.A., Parasuraman, A and Berry, L.L (1990). *Delivering Quality Service*. New York: Free Press.