CHAPTER 2

CULTURE AND SERVICE ENCOUNTER: A LITERATURE REVIEW

The concept of service encounter evokes wide interests among researchers and industry alike. The service encounter as well as its relationship with culture has been widely researched upon. As such this work calls for extensive literature review both on service encounter and its relationship with the cultural backgrounds of the parties involved. This chapter also deals with the rationale of the study in Assam, cultural diversity of the state and tries to establish the research gap. The statement of the problem is also explained towards the end of this chapter. These are presented in the following sections:

2.1 The Service Encounter

In service management literature, the term "service encounter" is widely established and indicates the interaction between customer and service provider. This service contact often is described by the metaphor "moment of truth", aiming to express that the adequacy of all customer-oriented management activities must be proven here (Normann, 1987; Albrecht, 1988; Carlzon, 1987). Service encounters are transactional interactions in which one person provides service or goods to another person. Interaction between customer and service provider lies at the heart of service delivery. The interaction may take different forms, from a brief encounter to a protracted encounter with a service employee. Surprenant & Solomon (1987) define service encounter as "the dyadic interaction between a customer and service provider". This use of term "service encounter" focuses on the interpersonal element of service firm's performance. Shostack (1985) defines service encounter more broadly as "a period of time during which a customer directly interacts with a service". This definition includes all components of the service firm with which the consumer may interact including its personnel, its physical facilities and other visible elements. Shostack's definition does not limit the encounter to the interpersonal interactions between the customer and the firm, but rather suggest that service encounters may occur with non-human elements (like interaction through a direction sign, or an automated voice). Service encounters are generally classified into three types: remote encounters, phone encounters and face to face encounters (Zeithaml & Bitner, 2006). The remote encounters do not involve any direct human contact and such an encounter takes place when a customer interacts directly with a bank through the ATM.

In a service encounter, Soloman et al. (1985) proposed that the dyadic interaction between a service provider and a customer is an important determinant that leads to customer's satisfaction with the service. They viewed service transaction from a role

theory perspective where both the customer and service provider play roles from a predefined script. They emphasized on joint behavior of both customer and service provider. Evans (1963) maintained that 'the sale is a social situation involving two persons. The interaction of two persons, in turns, depends upon the economic, social and personal characteristics of each of them. To understand the process, however, it is necessary to look at both the parts of the sale as a dyad, not individually'. Solomon et al. (1985) also expressed similar views and went on to derive a set of propositions which can be used to examine service encounter. Their findings gave emphasis on joint behaviors of both customer and service provider interactions. The organizational setting provides implicit and explicit cues to service employee that helps to determine the content of the employee role. This process in turn has an impact on and is affected by the customer role.

Bitner (1990) was of the opinion that for consumers, evaluation of a service firm often depends on evaluation of the 'service encounter' or the period of time when the customers interact directly with the firm. Therefore, knowledge of the factors that influence customer evaluations in service encounters is critical. The author presented a model for understanding the service evaluation that synthesizes consumer satisfaction, services marketing and attribution theory.

Chandon et al. (1997) agreed that service encounters between customers and employees are critical component of service quality. Gronroos (1988) have divided services into two elements, the functional aspect, and the way in which service is delivered. They emphasized on the definitions of Shostack (1985) and Bitner (1999) of service encounters as 'a period of time during which a customer interacts with a service' and narrowed down to consider face to face encounters. They then proceeded to study the dimensions of encounter quality. They created a scale for measuring six dimensions and sub dimensions of encounter quality. They used a dyadic approach for assessing the quality of service encounters. The results revealed that perceived competence, listening and dedications contribute to the evaluation of the encounter more than the effectiveness of the service.

Keng et al. (2007) explored the impacts of service encounters on customer experiential value and subsequently on customer behavioral intentions in a shopping mall context in Taiwan. The results revealed that personal interaction encounters positively influenced

perceptions of efficiency and excellence value; and physical environment encounters positively affected perceptions of playfulness and aesthetics. It was also further revealed that all the dimensions of customer experiential value positively affected customer behavioral intentions. The study conducted was in line with Bitner's (1990) suggestions where service encounter was divided into two dimensions namely personal interaction encounters and physical environment encounters. The study further revealed that customer experiential value mediated the relationship between the service encounters and consumer behavioral intentions.

Singh (2013) conducted a study among 230 customers after their service encounter with store employees in retail outlets with the purpose of building and testing a model of relationship between service quality, customer satisfaction and loyalty in a retail context. The results revealed that good service quality contribute to development of customer loyalty through customer satisfaction. The responsiveness and assurance provided by the retail employees are most important contributors of good service quality. It was further revealed that competence rather than appeal of the employees lead to a favorable perception of service quality. The result emphasized the need to understand a positive service encounter, which impacts the service quality. There was insight into understanding the importance of positive service encounter along with the implications of employee's behavior for customer loyalty in a service setting.

Michael Guiry (1992) conducted a study in restaurants and retail stores that highlighted the service encounters as dynamic process where interpersonal roles are at play which further influences consumer satisfaction. He arrived at the findings that consumption of services involves the personal interaction of consumers and service employees. He further defined role themes for customers and employee that shape the consumption experience eventually leading to consumer satisfaction in service encounters.

Czepiel et al. (1985) further observed that client and service provider's characteristics such as attitude, skills, and behaviors in service encounters are affected by cultural factors. He further remarked that in services marketing literature, the service encounter and their outcomes are influenced by the three factors namely, clients perception, providers characteristics and production realities. Among the factors, client perceptions represent the expectations that leave clients satisfied or dissatisfied with service encounters.

Butcher et al. (2001) synthesized four attitudinal components of customer loyalty from service literature and combined to produce a loyalty conceptualization. The proposed concept was modeled in two quantitative studies to determine the effects of potential predictors. Three evaluative judgments were compared against the effects of relational outcomes. The three evaluative judgment measures were service encounter satisfaction, perceived core service quality and value for money while relational measures comprised social comfort, social regard, and friendship. It was found that while personal friendship between customer and service employee was significantly associated with loyalty, service encounter satisfaction was the major predictor. The study excluded repurchases behavior but at the same time the results emphasized the importance of service encounters in customer loyalty.

Matilla (2000) carried out a study to investigate culture-based biases in the evaluation of service encounters for a hotel and restaurant setting. In this research, gender was hypothesized to moderate the impact of culture-based biases. The findings revealed that Asian travelers gave lower ratings to the service provider in both the study settings. It was also revealed that gender failed to have any impact on service encounter evaluations. Srinivasan (2014) gives an understanding of the difference between the concepts of products and services while highlighting in an Indian context. He is also of the opinion that services may be classified based on service operations, level of tangibility, customer employee presence and customization or empowerment. He further highlighted the importance of services marketing in the global as well as national economy while naming five sectors namely, tourism and travel, telecommunications, financial health services and information technology services that have shown employment growth in the national scenario. He is also hopeful that these sectors are likely to provide major employment opportunities in the coming years.

Pereira (2015) is of the opinion that economic changes have brought forward liberalization politics that have been accompanied by transformation in India. He states that by the country's census of 2011, more than 500,000 million people of India total population is under the age of 25 and another 65% is under the age of 35 yrs of age. This would mean that by 2020, the average Indian will be only 29 yrs of age and India will boast of a workforce of 854 million.

However it is seen that this young cohort, living in highly globalised cities may be responsible in a new youth culture in India. Sinha (1994) have described them as

'Zippies' who is a young city or suburban resident, between 15 and 25yrs of age, belongs to generation Z, male or female, cool, confident, ozzes attitude, ambition, succeeds generation X and Y but carries the social, political, cultural or ideological baggage of none. Pereira (2015) is of the opinion that due globalization and arrival of the 'Zippies', there could be a shift in the values of collectivism in a county that was steeped in ancient tradition.

Thus the relevant literature emphasizes the importance of service encounter in the process of service delivery. The process of service encounter is a dyad with two prominent parties involved. The encounter is even more important for those services where a high degree of person to person interaction is required in the absence of tangible products. The three sectors in consideration for the study also require a high service interaction thus highlighting the importance of the above section. Most organizations realize the importance of service encounter however situations may arise when the employees and the customers may differ upon the cause of the problem and solutions. Thus it is important to study the perspective of encounter from both the customers and service providers.

2.2 Culture and Service Encounter

The concept of culture is learned, shared and transmitted from one generation to the next, and is multidimensional. Geert Hofstede (1991) has summed culture as "Everybody looks at the world from behind the window of a cultural home, and everybody prefers to act as if people from other countries have something special about them (a national character) but home is normal." He stated further that "unfortunately, there is no normal position in cultural matters". Different definitions of culture reflect its complexity. Krober and Kluckhoin (1952) in their classic review of culture listed over 160 definitions of culture and were not satisfied with any of them. They added one more definition to the list to make it to 161definition. Of all the definitions, Taylor's (1881) definition is the most widely accepted which states culture as 'that complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society'. This definition was later synthesized by Herskovits (1955) as the 'manmade' part of the environment i.e what distinguishes humans from other species. McCracken (1986) promotes an all encompassing view of culture defining it as the 'lens through which the individual views phenomena'. This view determines how individuals perceive and interpret phenomena, provides the "blueprint" of human

activity, determines the co-ordinates of social action and productive activity at the same time specifying the behaviors and objects that issue from both. Mooij (2005) opined that there are different meanings of culture are found in the anthropological literature. According to Albaum et al (2002) culture is human made, so it is learned and is communicated from one generation to another. Keegan (2002) stated that cultures are ways of living built up by groups of human beings, which are transmitted from one generation to another. Hofstede (2001) defined culture as 'the collective programming of the mind that distinguishes the members of one group or category of people from another'. Zhao (2011) stated that a national culture is a set of collective beliefs and values that distinguish people of one nation from those of another. Another view of culture was discussed by Leung et al. (2005) that viewed culture as a multi-layered construct existing at different levels, global, national, organizational and group cultures, which encompass the individual.

2.2.1 Influence of Culture on Service Encounter- a Review

In the present era, organizations are always searching for competitive advantage and with open markets, rise in discretionary income and modern tools for accessing global markets; marketing opportunities are opening in such global markets. Cavusgil and Cavusgil (2011) observed that factors like managing multiple markets, coordinating marketing strategy, managing geographic, cultural, political barriers hinders the companies' success in the global markets. The process of globalization has increased people's need to be involved in international activities and consequently people of different cultures are becoming more and more interdependent on one another emphasizing more intercultural communication. Boroditsky (2010) observed that regarding the increase in the importance of intercultural communication, many scholars and researchers have produced many works on various topics related to intercultural communication. Samovar et al. (2007) defined, "intercultural communication involves interaction between people whose cultural perceptions and symbol systems are distinct enough to alter the communication event". Peltokorpi (2010) summarized intercultural communication encounters between people or groups with different backgrounds. 'Intercultural' means the comparison of cultures in contact, which in the context of business, refer to 'intercultural business communication'. Ablonczy-Mihalyka (2009) suggested that globalization has also produced a workforce with diverse cultural backgrounds at the same workplace whose business encounters are at an international

level. Moreover cultural differences between employee's and between businesses provide the premises for misunderstanding and disagreement. Thus Malhotra et al. (1994) rightly observed that with globalization of markets, marketing research has assumed an international character and the trend is likely to continue.

Sojka and Tansuhaj (1995) grouped research in marketing on culture into three major streams namely abstract or intangibles elements of culture such as values and belief system, material aspects of culture including artifacts, symbols, rites and the communication links which bind and perpetuate a cultural system. The concept of cultural diversity or gathering and interaction of several cultures within a national boundary in developed economies like USA, Australia, UK due to post war migrations is widely acknowledged (Solomon, 1996; Leibold and Hugo-Borrows, 1997; Roberts and Hart, 1997). O'Guinn et al. (1987) observed that minority ethnic groups co-exist with mainstream population, the majority leading to forecasts that the use of ethnicity as a criterion for segmenting markets would increase in importance. Many scholars have stressed the significance of understanding the ethnic minority subcultures and the associated cultural dimensions to marketing (Bouchet, 1995; Burton, 2000; Costa and Bamossy, 1995; Penaloza and Gilly, 1999). Cui (1997) and Penaloza & Gilly (1999) were of the opinion that the ethnic minority subcultures are growing in size and have increased purchasing power that is accompanied with political and cultural awareness and ethnic pride. This cultural diversity of the marketplace dictates that most of the individual market transactions take place between marketers and consumers who come from different ethnic backgrounds. Jamal (1996) stated that in a multicultural marketplace, marketing enterprises are owned and operated by people of different ethnic backgrounds that co-exist with the ambition of identifying and serving the needs of consumers of different ethnic backgrounds. Consumers of different ethnic backgrounds have the opportunity to interact with one another and to shop around and make their consumption choices as per their interactions and experiences with marketers of different ethnic backgrounds (Barber, 1996; Penaloza and Gilly, 1999).

Iyengar (2010) conducted a study to examine how people from different cultural backgrounds perceived their work environment and this in turn is related to performance and satisfaction with their jobs. The findings revealed that the ethnicity of the employees that is considered closely linked to their cultural background, significantly affected the degree of choice that was available. She emphasized that effects of culture go beyond individual's own perception of choice and their desire to choose.

A study in Singapore by Jung and Kau (2004) tried to investigate the effects of culture on various aspects of consumer behavior in an integrative framework among three ethnic groups namely the Chinese, Malay and Indians. The three ethnic groups live separately from each other and have been encouraged to maintain their own unique culture and customs, religious values and ways of life. The results seemed to have suggested that culture may be one of the major factors that influence consumption behavior. This study however questions the relevance of using Hofstede's framework and its use in consumer behavior related studies. Hofstede (1980) while comparing identified four dimensions which explained country to country differences. The dimensions considered were power distance, uncertainty avoidance, individualism and collectivism, masculinity versus feminity and long term versus short term orientation.

Mattila (1999) conducted a study on the role of culture and purchase motivation in influencing consumer's evaluation of services. The study was conducted among the Asian and Western travelers in a hotel context. The results showed that the encounter level evaluations are culture dependent and the magnitude of impact of culture may be mediated or moderated by individual consumer's purchase motivation.

Bradley (1995) stated that the international management of services enjoys a unique status that offers rich potential for creating new approaches. For high contact services the interactions that take place within the customer-employee dyad is the key to successful relationship building (Chase and Tansik, 1983). Tansik and Chase (1988) were of the opinion that the culture plays an important role in determining how customers expect services to be delivered.

Patterson & Smith (2003) conducted a cross cultural study of switching barriers and propensity to stay with the service providers. The findings of the study brought to light few significant relationships between switching barriers and customer's retention. As regards the cross cultural influence, in their own words, 'the findings of cross cultural nature are clear, but not entirely supportive of the literature that divides the world into halves made of happy communal natives of the East and achieving individual Caucasians of the West'.

Samuel Craig and Susan Douglas (2006) undertook a study to develop a more thorough understanding of culture in a rapidly changing global environment. They arrived at the conclusion that culture is becoming more deterritorialized and penetrated by elements

from other cultures resulting in cultural contamination, cultural pluralism and hybridization. They were of the view that though culture is becoming more diffused; it is becoming even more important to study because of its pervasive influence on consumer behavior.

Malhotra et al. (1996) accepted the importance of cross cultural marketing research to both academic and business worlds. They attempted to sensitize cross cultural marketing researchers to various methodological issues. They developed a six step framework describing the marketing research process. They strongly opined that since culture can be conceived as the context in which the social aspects of living occur for humans, better understanding of the dimensions of culture and their influences on consumer behavior must be gained to formulate useful theories of cross cultural marketing.

Stauss and Mang (1999) were of the view that service customers perceive quality in the moment of interaction with the service provider. They emphasized that service companies need to explore if the perceived service encounter quality differs among customers from different cultures. The concept of 'culture shocks' called for attention as it is likely to occur in service encounters due to culture bound expectations and perception. They advised the firms providing services internationally to provide cultural training to staff, use of local employee and where needed, changes to the service offering itself. In a service setting, the service customer and the service provider come from different countries and their inter cultural behavior takes place in a power triangle involving the cultural differences of the countries, the individual differences due to personality features and life history, and inter-cultural knowledge and experiences.

Pires and Stanton (2000) were of the view that identification of ethnic groups within a culturally diverse nation is important because ethnicity helps to explain both buyer-seller and consumer behavior. Identification of similarities and differences between groups is important in making a segmentation decision. They conducted a study in a culturally diverse nation of Australia. They followed the views of Bond (1988) that identifying segmentable ethnic markets in a culturally diverse country like Australia produces a conceptual challenge because of the need to establish a basis for identifying and comparing ethnic groups. They proposed a framework of three interrelated concepts of ethnic origin, ethnic identity and ethnic intensity with the purpose of providing an understanding of how these dimensions develop when the process of acculturation takes

place. The framework can be used to aggregate or delineate ethnic groups in taking segmentation decision.

Snow et al. (1996) attempted to explore whether ethnicity influenced service expectations in Canada. They divided the respondents into three groups namely, Canadian, Oriental and small numbers from many other ethnic backgrounds that were considered as one group. The responses showed that the ethnic groups rated the service quality dimensions differently. Further analysis revealed that differences in service expectations do exist between various ethnic backgrounds for some aspects of service offering. Pires and Stanton (1998) considered ethnicity conditions consumer behavior and 'needs to be considered before demographic criteria, such as age, or income because it helps to establish whether marketers can use such demographics across ethnic boundaries'. In the same line, Snow et al. (1996) suggested that ethnic background is just one of the demographic factors that might affect the service expectations and other demographic characteristics may also provide useful information for service firms. These firms can properly identify the parts of the service where differences occur and thus design service offerings to capitalize on these differences. In doing so, there is enhanced competitive advantage while reducing service delivery cost and increasing customer satisfaction.

Pires et al. (2003) highlighted the problems of identifying and reaching a single relatively small ethnic group. They accepted the fact that ethnicity can be used as a segmenting variable. Barth (1969) gave the notion that in seeking to identify and target a particular minority ethnic group, definition of the population by parameters such as language and birthplace can provide an approximate starting point. Using this notion the study was conducted among the Portuguese community residing in Sydney. The finding of the study was used to develop a framework for ethnic marketing research (discussed in Methodology). Such research must acknowledge the impact and challenge of acculturation on the relationships among ethnic identity, intensity and strength of such ethnic groups.

In another study by Jamal (2003), an ethnographic study of ethnic minority and mainstream consumers in UK was done. The study rationalizes that in a multicultural market place, marketers and consumers of different ethnic background co-exist, interact and adapt to each other. As most literature related to ethnic minority is consumers from

North American context, this study presented evidence and findings from the European context. Ethnicity in the context of marketing is best understood by exploring the ways in which consumers interact with one another and with the marketer. Penaloza and Gilly (1999) reported that consumers of one culture do interact and adapt to the marketing practices of marketers from other cultures. This intercultural contact and adaptation was a defining feature of the contemporary marketplace. This view was again reiterated by Jamal (2003) in his study. He further reported that mainstream as well as ethnic minority consumers do interact and adapt to each other while both are informed by dual sets of agents who are aligned with mainstream as well as minority ethnic consumer cultures. A similar line of thought was also expressed by Mayadas and Elliot (1992); and Sayegh and Lasry (1993) that called for considering the interaction between both the mainstream as well as the ethnic minority consumers.

Keiller et al. (2007) collected data from respondents located over eight countries namely Australia, China, Germany, India, Morocco, Netherlands, Sweden and USA with the purpose of studying service encounter in a multinational context. The findings highlighted the need to consider the nature of differences from one country or/and culture, to another when attempting to develop a service based strategy as well as manage service encounters across multi nation/multi culture markets. Certain aspects of service encounters may be significant influencers of behavioural intentions while others may have less influence. A mix of these elements and their impact on behavioural intentions may vary from country to country, and culture to culture. However the study suffered from some limitations.

They may be summed up as follows. The limitations of the study as cited by the authors were issues related to data collection, construct development and generalizability. Further the use of intercept interviews seemed to have limited the total number of data points to be analyzed while introducing potential sampling bias. The authors were of the opinion that while developing the construct of the study, mostly the construct were taken from studies on the US market applied across cultures but applied mostly on a dual country comparision. The findings of the study also highlight that certain aspects associated with service encounters may be significant influencers of behavioural intentions, others may have much less influence, while the mix of these elements and their impact on behavioural intentions may vary from culture to culture and country to country.

Pires and Stanton (2000) were of the view that literature related to services is ample while literature related with marketing to ethnic consumers is comparatively sparse. The analysis focused on the identification of regularities that may apply to ethnic groups at large. At the same time they cautioned the underestimation of the environmental constraints like political, economic or different behavior across ethnic groups. They were of the opinion that reaching ethnic consumers is not always easy given the language barriers and the marketer's difficulty in understanding different cultures. Services are more difficult to evaluate than goods and the inexperienced ethnic consumers of services are more likely to rely on information provided by others about the quality of the service provider. In their own words, 'Customization, responsiveness and personalization are general marketing tools that may be particularly effective in reaching ethnic consumers.'

Kong and Jogaratnam (2007) conducted a study to explore and compare customer perceptions of service encounter behavior in the USA and the Republic of Korea. The purpose was to identify the relationship of the underlying behavioral dimensions to customer satisfaction. The results revealed that there were differences between the responses of the two countries as to their perception of wait staff behavior and its impact on performance. Personalization was a significant factor in US sample while concern was a significant factor for the Koreans. Courtesy and civility were important to both the samples. Thus service providers need to recognize and understand the differences that potentially exist based on nationality and culture.

Zhang et al. (2005) reported that inorder to advance the understanding of service related consumer behavior in the global context; the methodological and conceptual issues associated with cross cultural services need to be addressed. They developed a theoretical framework of the role of culture in Consumer's Service Experience that includes the dimensions of service expectations, evaluation of services and reactions to service. They cautioned that while conducting any cross cultural research, both emic and etic approaches could be used after identifying the critical issue of relevance to problem studied. They expressed similar thoughts as Berry (1989) that inorder to provide a basis for integrated approach to study cultural differences, the five stage process (suggested by Berry) may be used as a framework. It involves (1) start with initial research on a question in one's own culture (*emic A*), (2) next attempt to use the same concept or instrument to study a behavior in another culture (*imposed etic*), (3) then move to a discovery strategy in another culture (*emic B*), (4) then compare emic A and emic B, and

(5) when there is no communality, then comparison is not possible, but with some communality (*derived etic*) comparison is possible.

Winsted (2000) conducted a study among Japanese and American students to understand the behaviours that they use to evaluate medical encounters. They carried out cross-cultural analysis, comparing and contrasting consumer evaluation of medical services in the two countries to see if there are services management concepts that transcend the cultural divide. A list of behaviors relevant to patient evaluation of a medical encounter was developed. Performance of these behaviors in specific medical transactions was then examined. The relationship between performance of each behavior and encounter satisfaction was analyzed. Behaviors were grouped using factor analysis from consumer surveys, into four dimensions in the USA (concern, civility, congeniality and attention) and five dimensions in Japan (concern, civility, congeniality, communication, and courtesy). The findings reported that despite many differences in the culture of the two countries, many similarities were found in how consumers evaluate medical services in the two countries. It was reported that patients in both countries want doctors to demonstrate concern and competence, be congenial, communicate with them, be courteous, and be civil. Some differences were also identified in the findings. In examining correlations of individual behaviors with satisfaction, the most notable differences were that the Japanese seem more concerned about speed of service, while the Americans were more concerned that the doctor spent enough time with them. Also, the Japanese respondents were more concerned with proper greeting, posture, and language, while the Americans seemed concerned with responsiveness, respect, and eye contact.

Thus it may be concluded that the existence of several cultures within a national boundary is widely accepted and acknowledged. Many researchers have explored and identified the fact that the needs and wants of such diverse cultural groups may be different from the mainstream populations. Though several studies have been conducted in the American and Australian context, no such studies have been found in the Indian context. India with its diverse cultural backdrop provide a fertile ground for such cross cultural studies more particularly the North Eastern region which is the home of majority of the Tribal population of India.

2.3 Language as a Cue to Culture

The concept of culture as content, focuses on interpreting the role of artifacts and the meanings consumers ascribe to them. Another aspect of culture focuses on the meaning and implications of language as an interpretation of culture. Communication as a key element of culture provides mechanism for transmitting and interpreting messages relating to the world around an individual. Schmitt et al. (1994) observed that communication studies examine use of objects and language as conveyors of culture as in case of ideographic writing systems in brand recall. Hall (1973) remarked that communication takes place in a physical and social context such as location, time and the social relationship of the participants as well as in relation to other competing messages. Modes of communication include both verbal and non-verbal are an integral part of culture (Hall, 1973, 1976; Samovar and Porter, 1994; Whorf, 1956) and provide links within and across cultural units. The process of communication arises from the need to connect and interact with others and unites otherwise isolated individuals involving messages that are encoded and transmitted to others who decode them and respond accordingly. Craig & Douglas (2006) observed that language is a key component of communication since it involves a mechanism for encoding and decoding messages. A shared language is thus a key factor unifying members of a common culture. Language has many facets that relate to the meaning of consumer products. Linguistic structure plays an important role in the formation of cognitive processes such as perception and hence judgment and choice (Schmitt and Zang, 1998), in brand recall and recognition (Schmitt et al., 1994) and in the encoding and recall of information (Tavassoli, 1999). Sherry and Camargo (1987) observed that foreign language and loanwords (english words) can help in establishing the identity of a local (indigenous) product. Koslow et al. (1994) also identified that use of a minority subculture's language in advertising is found to generate customer response. Thus language is shown to be an important thread of culture not only in communication within a culture, but also in categorizing cultural content and in retaining information relating to that culture. Gudykunst (2003) remarked that intercultural communication, or face-to-face communication between people of different national cultures, gives rise to numerous issues of which differences in language constitute but one important barrier. The view of Abrams et al. (2003) suggesting that even within cultures, different groups and communities may have their

own particular modes of communication binding them together while excluding others at the same time draw insights into the complex nature of culture.

Various authors have written about the elements of culture and have tried to explain its influence of the national culture and the value and norm systems of a society. Elements of culture like education, religion and language influence the values and norms of a society (Cateora and Graham, 2007; Samovar et al., 2007; Hill, 2011). Lillis and Tian (2010) stated that 'Each of these ingredients plays an equally important role in determining the nature and values of a particular culture'. One of the elements of culture is education which plays a major role in a society. At school, individuals learn the substantial skills which are needed in a modern society. Hill (2011) observed that cultural norms like respect for others, obedience to authority, honesty, neatness and being on time are taught at school.

Another cultural factor of importance is religion. Cateora and Graham (2007) stated that the importance of religion on the value systems of a society and the effect of value systems on marketing must not be underestimated.

Language is also another cultural element of key interest. Language as a part of culture plays a very important role in it. Jiang (2000) stated that without language culture would not be possible, because the former reflects culture and is simultaneously influenced and shaped by it. Facts, ideas and events that are communicable to each other refer to the shared knowledge between people as well as beliefs and attitudes which are shared with others. According to Chaney and Martin (2010), there is a need for understanding a common language to communicate successively with people from other cultures. As a result several studies have examined the relationship between language and culture. Boroditsky (2010) observed that as people from different cultures become interdependent on each other, intercultural communication has becoming inevitable. He further attempted to summarize different studies that measured how people talk and think and identified people's understanding of space, time and causality could be constructed by language. She also remarked that several studies have shown causality between the language being spoken and the way people think observing that by learning a new language, people also learn a new world view. The linkages between language and culture are also evident in non verbal and verbal communication. Gabbot and Hogg (2000) observed that people who are culturally, linguistically and racially similar may be able to read the non verbal behavior of each other more accurately.

The importance of language in communication was considered to have many facets. According to Thitthongkam et al. (2011), language encompasses what people create to express values, attitudes and norms. A study conducted by Schnalke and Mason (2014) showed that it is a mark of respect if business people can communicate with their business partners in their mother tongue, and business relationships can be improved if individuals can speak their partners mother tongue. This finding reflect the statement made by Chaney and Martin (2010) who stated that there is a need for understanding of a common language to communicate successfully with people from people from other cultures thus reemphasizing the importance of language as a component of culture.

International marketing research has focused more heavily on the topic of cross-cultural consumer behavior. And many researches have observed important cross-cultural differences in the processing, evaluation, and judgment of brand and product information. This research, with roots in cognitive psychology and marketing alike, submits that a given culture's language can play a vital role in determining consumer perceptions, evaluations and decisions (e.g. Hunt and Agnoli 1991; Luna and Peracchio 2001; Schmitt, Pan and Tavassoli 1994; Schmitt and Zhang 1998; Tavassoli 1999, 2001; Tavassoli and Han 2001; Zhang and Schmitt 1998).

Following the Sojka and Tansuhaj (1995) group research in marketing on culture, three major streams have been identified. The first group consists of abstract element of culture such as value systems that can be examined at the level of the society, specific groups or organizations within the society, as well as the individual level or personal values. There has been attention given on cultural intangibles at the societal level and their impact on individual behavior. There are number of other intangibles that impact individual consumption patterns and ways of behaving. These include ideals and aspirations, role norms and gender ideology, cultural myths, metaphors and signs. Though it is very difficult to compare across cultures due to their subjective and existential nature, these are very important elements of culture that determine the patterning of daily life and behavior of consumers. The second group defined is material culture that incorporated the rituals, artifacts, institutions and symbols of a society that bind it together and establish rules and norms for behaving towards others within society in general or specific occasions. The meaning and symbolism attached to individual possessions and goods owned by individuals, families or social groups and the significance attached to gifts and gift-giving rituals are also important elements of

material culture. Holt (1998) was of the opinion that consumption patterns also demarcate life-styles and social class. The third group is language. Communication is a key element of culture as it provides a mechanism for transmitting and interpreting messages relating to the world around an individual. Members of a culture share a common key for interpreting their social surroundings, which establishes rules for governing the interaction. Members of different cultures may not know how to interpret these signs, resulting in miscommunication. Communication involves messages that are encoded and transmitted to others who decode them and respond accordingly. Whorf (1956) revealed that language plays an important role in the formation of thought patterns and behavioral response as well as in the transmission of cultural norms and behavior patterns from one generation to another.

Naroll (1970), a cultural anthropologist proposed the "culti-unit" which is particularly useful in identifying analytically pure units to study. A culti-unit consists of "people who are domestic speakers of a common distinct language and belong to the same state or contact group." The two key criteria defining the unit are language, which may be a dialect or main language, and the degree of social interaction and communication. Douglas and Craig (1997) were of the opinion that this definition is well suited for examining consumer behavior, where language and communication or interactions are often important boundary lines staking differences and similarities in consumption and purchase behavior. Smith (1990) observed that the use of the culti-unit is also consistent with the view that transmission of collective identity requires a sense of continuity, shared memories, and a sense of common destiny in order to endure. An enduring cultural identity is most forcibly provided at the level of the contact group with its ethnic core of shared myths, memories, values and symbols. Rosa et al. (2014) conducted a research to give empirical evidence of the influence of local language in affecting consumers' preferences and possibly to be used in marketing communication strategies. The results show some evaluations about the reaction of the bilingual consumer to the marketing communication strategies in local language. The first and most important is the local language can in some specific market contest to change the order of the consumer's preferences. The second is that the language of communication that generate the maximum preference for a product depends not only on the consumers' profile (recipients) but also from the communication ambience (empathy) and communication-mix strategies adopted (sender).

Webster (1994) suggested that ethnicity implies many dimensions including 'a sense of common customs, language, religion, values, morality, and etiquette'. In simple terms, ethnicity can be viewed as a characteristic of racial group membership on the basis of some commonly shared features. Ethnicity can also be described in terms of biological makeup of individuals and the extent to which genetic factors play their role in conveying aspects of ethnicity, including consumption behavior. Aaker (1999) suggests that personalities shaped by the roles played by genes are thought to be relatively stable and enduring over time.

Laroche et al. (1997) agreed that ethnicity as a powerful predictor of various consumer attitudes and behaviours. They further proposed that ethnicity involve ethnic identity, complemented by socioeconomic status (including educational level and occupational status) and cultural awareness (encompassing language proficiency, preference and use, traditions, customs and cultural identification). Several researchers have viewed that ethnic identity may not be affected by acculturation and is used to refer to a person's natural identification with an ethnic group (Schaninger et al., 1985; Kil et al., 1990; Lim et al., 1997). Laroche et al. (1997) further observed that ethnic identity remains largely unchanged even after extended contacts with the majority group over a long period of time. Hui et al. (1992) remarked that this is consistent with its treatment as an existing 'de facto' characteristic and is reflective of the extent of an individual's ethnic origin, such as language and country of birth. Pires & Stanton (2010) proposed a three dimensional construct of ethnicity and is grounded in the argument that all societies exhibit culture based on their language, customs, traditions and institutions. Thus the behavioral pattern of an ethnic group expresses the shared values and beliefs within that group. Wallendorf & Reilly (1983) remarked that different cultures will display different patterns of behavior.

Language as an important aspect of culture can therefore, be safely arrived at from the above literature review. Language not only helps in communication between members of one community, it serves as a key to identify one community from another. It would be safe to say that mother tongue of an individual serving as the means of social interaction and communication signifies his allegiance to a particular community, at the same time also differentiating him from others. Along with the language, the concept of ethnicity or aboriginal also serves as starting point of any culture based research. Thus it can be summed up by saying that language and ethnographic differentiating of consumers can be safely used in cultural studies in the absence of any other robust methodology.

2.4 Rational of the Study

2.4.1 An overview of the state of Assam

The state of Assam is located in the north east border of India and is surrounded by hill states on all the sides. The recorded history tells that since the days of Hieu-en Tsang, the great Chinese traveller, who came to Assam during the reign of Kumar Bhaskar Burman (594-650 AD), Assam has been fascinating millions of people by its aura of myths, mystery, music, mountains and all the gifts of nature. Its enchanting hills, dancing rivers, roaring waterfalls, thick and dark forests, heavy rains during monsoon, innumerable varieties of flora and fauna, countless species of wild animals and plants, mysterious clouds, melodious folk music, thrilling dances and festivals, variety of many delicious dishes, handlooms and handicrafts, and above all its green landscape used to attract people from different parts of the world since time immemorial. Geographically Assam is like a deep pocket formed by the surrounding mountain ranges and into which flows the Great Indian Riverine Plain sweeping across Northern India and of which the Assam Valley forms the Eastern most part. The river Brahmaputra flows from the north east to the south west of the state. The state of Assam and the north eastern states both geographically and racially, are situated between the two great traditions of the Indic Asia and the Mongoloid Asia. However, it was only since the British period that the entire region came to be associated with India politically. Various population groups of different ethnic affiliations used this route at different intervals of time since time immemorial laying the racial and cultural foundation of the people of the region.

Figure: 2.1 Map of Assam

Source: www.mapsofindia.com

2.4.2 Cultural Diversity of Assam

The people of Assam can be divided into different categories on the basis of different criteria like race, language, religion. All the tribes of Assam are of Mongoloid origin. In addition to the tribes, some other Mongoloid populations are met within this region, which are not recognized as tribes. The other non tribal section of Assam is affiliated to the Caucasoid race. The language of the Assamese people, known as Assamese, belongs to the Indo-Aryan linguistic family (Danish Jain, George Cardona 2007). The mongoloid population can be divided into certain groups on the basis of languages spoken by them or were spoken by their ancestors when they migrated to Assam, but in due course of time abandoned their language in favour of the Assamese language. These linguistic groups are Tibeto-Burman, Tai and Austoasiatic. Jnapith Award winning Assamese writer, Birendrakumar Bhattacharyya (1980), observed "The Assamese nationality is a heterogeneous community which includes tribal groups like the ravas[1], the bodos, the tiwas, the mishings, the karbis and the dimasas." What gradually emerged in the process was certainly not a cross-breed of social systems, but a harmonious cultural entity, a colourful mosaic of diverse tradition and cultural traits, which was enriched further by fresh contribution in subsequent ages". Durgeswar Doley (1980), a leading intellectual of the Mishing community refers to the inherent 'liberalism' of the Assamese people who have never indulged in any 'fanatical activities'. According to Doley, the "Assamese society is, and has always been active and has embraced every ethic, linguistic, cultural, or religious group". This observation by a leading intellectual reiterates the fact that the state of Assam is indeed a cultural cauldron of different tribes, traditions and culture.

Bhattacharjya (2001) classified indigenous people of NE into four ethno linguistic groups

1. Austroasiatic group- Monkhmer speaking Khasis and Jaintias of Meghalaya and Mundari speaking Munda Santal, Ho, Savara, Oraon etc
2. Tibetoburma linguistic group- Meitei, Barman, BaroKachari, Deori, Hajai, Kachari, Tiwa, Mech, Mishing, Rabha of plains, Dimasas, Karbi, Chakma, Garo, Hajong, Kubis, Hmar, Lakhar, Mizo, Rengma, AngamiSima, Zemi, Tangkul, Konyak, Zou, Tangsa, Linghpu, Miju, Mishmi, Padam, Gallong, Tegin etc.

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[1] Rava and Rabha signifies the same tribal community

3. Siamese Chinese linguistic group-tribes like Aitom, Doania, Khamti, Khamyang, Phaki,

4. Indo Aryan groups- speaking Assamese, Bengali, Nepali and Hindustani.

According to Prof Hem Barua (1980), "races and people from different corners and regions across its border meet and lived and in the process of time evolved a consolidated pattern with common traditions and aspirations." The evolution of Assamese society has been a thrilling and lively story of people of different races passing through the processes of conflicts, conciliations and convergence into a plural society. The composite culture was slowly taking place with strains of divergent culture of the Aryans and Dravidians, of Austrics and the Tibeto-Burmans. Saikia (1980) divided the present population of Assam can be classified into three broad categories viz the tribals, the non-tribal caste Hindus and the Scheduled castes. Noted anthropologist BM Das (2010) divided the people of Assam into two broad categories namely Tribals and Non Tribal.

In the essay, 'Assam and the Assamese Mind' by Nagen Saikia (1980), he has mentioned that tribals consist of different ethno cultural communities such as Miris (currently famous as Mishings), the Kacharis (including the Bodos), the Deoris, the Rabhas etc., the non tribal group consists of the Ahoms, the Brahmins, the Kayasthas, the Kalitas, the Koches, the Morans, the Muttaks, the Chutias etc. and the Basfors, the Boniyas, the Dhobis, the Dholis, the Hinas, the Kaibartas and the Namasudras etc. are included in the scheduled castes. The immigration during the British days was mostly thrown up by Bengal, Bihar, UP, Rajasthan and other parts of India. One of the major groups is that of the tea garden workers collectively known as 'Baganias' (or tea garden workers) who were brought from then Bihar, Bengal, Madhya Pradesh & Orissa. The 'Baganias' who now form an integral part of the Assamese society, belong to the different communities such as Bhumij, Karmakar, Orang, Tanti etc.

Another intellectual from Assam, Mohammad Taher (1980), writes about the contribution of Karbis, Mishings, Lalungs, Dimasas, Bodos and Kacharis towards building the foundations of Assamese culture "on which was superimposed the Aryan culture brought by the Hindu migrants in the past without giving rise to social imbroglio. About three quarters of the region is covered by hilly terrain and one quarter is made up of the four plain areas of Assam's Brahmaputra and Barak valleys, the Tripura plains, and the Manipur plateau. Those in the thinly-populated hill areas are the people we now

call "tribals," and in the fertile plains and plateau are mainly the "non-tribal" people. Previously, they were termed as aboriginals, adivasis, forest tribes, hill tribes and primitive tribes. The term 'scheduled tribe' was of recent origin and came into existence along with the Constitution of India on January 26, 1950.

As early as 1971 census, Assam's population has been classified into speakers of 76 languages and dialects and a residual category consisting of 48 other languages and dialects. The census figures reflect a group's subjective ethnic identification, which is changeable over time. The category Assamese speaker is not unambiguous. The total number of Assamese speakers in the census is likely to include substantial numbers of immigrants who may or may not actually speak Assamese. Large numbers of East Bengali Muslim peasant immigrants into the state identify themselves as Assamese-speaking, a major factor that resulted in a rise of Assamese speakers in the area that constitutes Assam from 36% in 1931 to 62% in 1951 to 61% in 1971.

The people of Assam can also be further divided into two broad categories: Tribal and Non Tribal. As per the Scheduled castes & Scheduled Tribes Orders(Amendment) Act 1976 (No 108 of 1976, dated the 18th Sept 1976): Census of India 1981, the list of Assam tribes in the autonomous district includes Chakma, Dimasa, Kachari, Garo, Hajong, Hmar, Khasi, Jaintia, Synteng, Pnar, War, Bhoi, Lyngngam, any Kuki tribes, Lakher, Man, any Mizo (Lushai) tribes, Mikir, any Naga tribes, Pwai.(The terms Jaintia, Synteng and Pnar denote the same population).

The non Tribal category includes three major groups, namely, the 'Caste Hindu' or General Caste, the Schedule Castes and Other Backward Classes (OBC). The government of India has identified the following the following population as the Scheduled Castes. They are the Bansphor, Mali, Brittial Bania, Bania; Dhupi, Dhobi, Dugla, Dholi, Hira, Jalkeot, Jhalo, Malo, Jhalo-Malo; Kaibartta, Jaliya; Lalbegi, Mahara, Mehtar, Bangi; Muchi, Rishi; Namasudra, Patni, Sutradhar.

The list of the other Backward Classes include the following communities namely Ahom, Baria, Barjubi, Baroi, Barui, Choudang, Chutia, Chutiya; Ganak in districts of Cachar, Karimganj and Hailakandi; Ghosh, Gop, Gowala, Gawala, Goal, Goala, Kumar, Rudra Paul of district Cachar, Karimganj and Hailakandi; KupadharKushiari, Parh; Mahisya Das, Mahisya, Maimal, Manipuri including Manipuri Brahmin & Manipuri Muslim; Maria, Moran, Mathak, Mukhi, Napit, Nepali, Rajbonshi Koch, Sudra Das,

Dey, Saloi, Sut, Soot; scheduled caste persons converted to Christianity; Tantripal, Tanti, Tantri, Tea Garden Labourers, Teli, Yogi, Jogi, Jugi, Nath.

It is very obvious that there is cultural plurality of the North East and the sharp difference between the people assimilated into Indic Culture and the unassimilated 'tribal' people in participation. Out of constant interactions, culture influenced each other developed commonalities.

Although most of the tribal communities have been classified under one category as scheduled tribes, each tribal groups possesses a unique cultural identity. Article 366(25) of the Constitution of India refers to Scheduled Tribes as those communities who are scheduled in accordance with Article 242 of the Constitution. The Article says that only those communities who have been declared as such as by the President through an initial notification or through a subsequent amending Act of parliament will be considered to be Scheduled Tribes. In abidance to such provisions, the list of Scheduled Tribes were notified for each State or Union Territory. In other words, a community declared as Scheduled Tribe in a State need not be so in another State and the inclusion of a community as a Scheduled Tribe is an ongoing process. The Lokur Committee laid down essential characteristics for a community to be identified as Scheduled Tribe. They are
a) indications of primitive traits;
b) distinctive culture;
c) shyness of contact with the community at large;
d) geographical isolation; and
e) backwardness.

The North East India consisting of seven states has the distinction of having more than one hundred tribal communities which form a substantial part of the population. In the state of Assam, the indigenous population is extremely diverse in cultural, linguistic and religious terms. In Assam the move from identity politics to culture has already been established by successive incidents and divisions of the greater state of Assam. In this regards, Assam provides both the context and text for the politics of difference. According to the 2001 census, the state of Assam had a total population of 26,655,528. Out of the total population, 3,308,570 persons belong to the Scheduled tribes (ST), constituting 12.4 per cent of the total population. There are total twenty three (23) notified STs in the state. According to the 2011 census, the total population of Assam is

31,205,576 with about 12 per cent of the total population belonging to Scheduled tribes. Out of the 27 districts, the Dima Hasao has the highest tribal population of 71 per cent followed by Karbi Anglong (56%) and Demaji (47%). The lowest and negligible ST population resides in the districts of Karimganj, Hailakandi and Dhubri.

2.5 Research Gap

The concept of culture recognizes that individuals from different backgrounds are exposed to different traditions, heritage, rituals, customs and religions. All of these factors establish and provide human beings with various learning environments and history, which in turn cause significant variations in moral standards, beliefs, and behavior across cultures. (Rushton & Chrisjohn, 1981). Dong & Lui (2010) remarked that companies have found cross cultural teamwork both rewarding and challenging. The workforce has been accepting and willing to explore and adapt to the individual differences lately. The addition of culture to this list of differences is further complicating yet necessary. A customer's overall quality evaluation is the accumulation of evaluations of multiple service experiences. Researches in the context of the restaurant, hotel, and airline industries identified categories of events and behaviours from customer's point of view (Bitner, Booms, & Tetreault 1990). Schneider (1980) argues that people who choose to work in service occupations generally have a strong desire to give good service. Researchers have theorized and found some evidence that open communication between frontline managers and customers is important for achieving desired service quality. In pure service situations, where there no tangible object is exchanged, and service quality itself is difficult to measure (eg. financial planning, health care), customer satisfaction and repeat patronage may be determined solely by the quality of service encounter.

Further, researchers have found the human interaction component to be of importance in evaluating professional services (Day & Bodur, 1978; Quelch & Ash 1981), medical services (Brown & Swartz, 1989) and retail outlets (Westbrook 1981). The importance of the study of concept of service encounter in the sectors of health, retail and insurance is elaborated in section 3.4.1. Similarly, experimental studies of service satisfaction have also uncovered the importance of particular contact employee behaviors (Bitner, 1990; Surprenant & Solomon, 1987). By demonstrating the importance of the human interaction component of the service encounter to service quality and satisfaction, these empirical studies provided a valuable basis for further research in this area. Because

"service encounters are first and foremost social encounters", rules and expectations related to service encounters should vary considerably across culture (McCallum and Harrison, 1985).

In relation to the study of cultural diversity, the gathering and interaction of several cultures within a national boundary, or cultural diversity, is widely acknowledged (Solomon, 1996; Leibold and Hugo-Borrows, 1997; Roberts and Hart, 1997). Minority ethnic groups co-exist with a mainstream population, the majority, leading to forecasts that the use of ethnicity as a criterion for segmenting markets would increase in importance (O'Guinn et al., 1987). The possibility that such ethnic groups may have needs and wants different from those of the mainstream and of other such groups has prompted occasional attempts to devise ethnic marketing programs seeking to attend to those needs (e.g. Chan 1995; Sills and Desai, 1996). The study of literature related to the study area of Assam has revealed that there is a high presence of culturally different tribes and ethnic groups that have coexisted with the mainstream population. This has been discussed in section 2.4.2. Thus it is evident that the service customers may belong to different cultural groups and tribes. In such a scenario, a better understanding of the service encounter in such a diverse cultural setting may hold great importance.

The above viewpoint has been arrived at after a considerable amount of literature review in the 2nd chapter. The Section 2.2.1 highlights the importance of culture upon service interaction. The literature review done in chapter 2 emphasizes the significance of culture in the service encounter researched by different researchers in different countries. From the mentioned studies, it was identified that the cultural studies were conducted not only across countries but also within a country having diverse population of different cultural and ethnic background. This research is inspired by the rationale that cultural research may also be conducted within a country with diverse ethnic and cultural population. The literature review also justifies the fact that the study area of Assam is a fertile land of cultural diversity. Moreover the strategic location of the state with its nearness to the South Asian Countries and growth of the service sector becomes an unexplored potential study area. Thus it was stated in the research gap that in the study area, cultural settings holds great importance as the service provider and the service customer may be from two different cultural background or groups with different set of expectations in the service encounter.

As it is evident from the literature review, studies relating to culture and service encounter have been conducted in different parts of the world and have resulted in interesting results. Regarding such cross cultural studies in the state of Assam, it is still in the nascent phase. This research therefore, shows great scope as the findings may highlight differences that will be entirely new in the study area. Such differences in consumer behavior may provide inputs that may guide the service providers to customize their services as per the requirements of theses cultural groups.

2.6 Statement of Problem

The premise of service encounters involves the dyadic involvement of two parties in service interaction. The fact that the cultural background of both the parties play significant role has been already established. In pure services with very less tangible things to use, the importance of the interaction or 'moment of truth' results in satisfaction or dissatisfaction of the service encounter. The international marketing of services has been one of the growing sectors of the world economy and is proving very vital to both developed and developing nations (Javalgi and White, 2002). The growth of the service sector is clearly becoming evident in all developed and developing countries (Clark and Rajaratnam, 1999; Javalgi and White, 2002; Riddle, 1996; Wirtz, 2000). Maheshwaran and Shavitt (2000) expressed that there is growing interest in the study of differences in consumer behaviour. Malhotra et al. (2005) opined that services beyond their own dynamism also have a wider impact on economic growth providing support to other countries.

Zhang et al. (2005) observed that as the economic significance of the service sector grows, the study of the service industry also becomes more important, and the importance is demonstrated by the increasing body of services marketing literature. Today's world is facing an ever increasing global expansion of business. Therefore, an increasing number of service providers are crossing over national boundaries. Braga (1995) was of the opinion that advances in information technology have vastly expanded the range of services that can be traded internationally. Lovelock & Yip (1996) estimated that more than half of the world's multinational corporations would engage in service provision.

India's service sector contributed about 61% to India's Gross Domestic Product growing strongly at approximately 10 % per annum in 2015-2016. This was stated in a report by

Confederation of Indian Industries and KPMG. The report further stated that India is currently the second fastest growing services economy in the world. It was also stated that India's share in global services exports was 3.2 per cent in 2014-15, which is double of its merchandise exports. This sector is also the largest private employer in India, employing more than 3.7 million people. It added that the industry is projected to grow at 8.5 per cent in FY 2016 from $132 billion in FY 2015 to $143 billion while excluding e-commerce. The report also pointed to the large growth in the tourism sector, whose contribution to GDP was $125.2 billion in 2014, and expected to reach $ 259 billion in 2025 (accounting for 7.6 per cent of India's GDP). Other sectors like healthcare and logistics have also shown great potential, the report showed. The Economic survey, 2015-16 has also stated in similar lines that slowly India is moving ahead towards dominance from the service sector.

The research proceeds with three such pure services for the study namely retail, insurance and health. Several researchers (Chesanow, 1997; John, 1991; Murray et al., 1996; O'Connor et al., 1994) have pointed out that the encounter between a doctor and a patient requires intensive levels of interaction where the encounter has been shown to have a significant impact on patient satisfaction. In reference to the retail sector, the service encounter process has been defined as the means through which consumers evaluate the level of service provided by the organizations, service personnel, and even the interaction with other consumers during a certain period (Bitner et al., 1997). A study of relationship marketing in life insurance industry found clients satisfaction with their contact person (or agent) to be significant predictor of overall satisfaction with the service (Crosby & Stephens, 1987).

Retailing is one of the major sources of employment in India as it has a presence of more than 14 million retail stores, mostly owned by individual families making India the country with the highest density of retail outlets (Sinha & Uniyal, 2007). The real reason for the growth of the service sector can be attributed to the increase in urbanization, privatization and more demand for intermediate and final consumer services. In addition, organized retail sector has also grabbed the attention of foreign companies, showing their interest to enter India (Dalwadi 2010). The Boston Consulting Group and Retailers Association of India published a report titled, 'Retail 2020: Retrospect, Reinvent, Rewrite' (2015), highlighting that India's retail market is expected to nearly double to

US$ 1 trillion by 2020 from US$ 600 billion in 2015, driven by income growth, urbanization and attitudinal shifts.

Kaur (2015) stated that India's insurable population is expected to grow to 750 million and life expectancy to 74 years by 2020. Kumar (2005) highlighted that private insurance players introduced a wider range of insurance products while setting up brand promotion as part of their new strategy. Kulshrestha and Kulshrestha (2006) also highlighted that demand for life insurance in rural India was expanding at the annual rate of 18 per cent as compared to 3.9 per cent in urban areas which provided good opportunity for life insurers to perform. Life insurance penetration, measured as the percentage of insurance premiums to gross domestic product (GDP), is expected to grow to 5.0 per cent by 2020 from 4.0 per cent in 2013. Investments are necessary for the economic development of a country, and are made from savings. Life insurance is a major instrument for the mobilization of savings of the middle and lower income groups.

The importance of service encounter and the role of personal interaction are evident in the three sectors of health, insurance and retail. The fact that cultural background of the service personnel and the customer exerts an influence in the service encounter is a stated fact. Moreover the presence of different cultural groups in the study area of Assam provides a fertile land for cross cultural research. Following Malhotra et al. (1996) suggestion of using qualitative tools for exploring cross cultural differences in a new study area, the research uses the tool of Critical Incident Technique. The study is also carried under the premises that the presence of different cultural groups in the study area would yield interesting results. Therefore, the research is carried out to explore the importance of culture in the service encounter among three cultural groups across different service sectors of Assam which is a cultural cauldron of different races and tribes.

Chapter summary

Literature survey highlighted the importance of service encounter in the delivery of the service. The importance of service personnel in the successful delivery of the service is also identified. The service is found to be dyadic in nature and involves the customer and the service provider. Thus the cultural background of both the parties namely the service provider and the customer play a role in the service encounter. The rationale of the study

tries to justify the study in context of state of Assam. The statement of problem identified through literature review help justify the attempt to explore the relationship of culture and service encounter in the present context. In the next chapter we will discuss on the objective, scope and limitations adopted by the researcher to conduct the study.

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