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**INTERCULTURAL ACCOMMODATION OF ETHNIC MINORITY
CONSUMERS:
AN EMPIRICAL EXAMINATION OF THE MODERATING EFFECTS IN
SERVICE ENCOUNTERS**

by

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
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ABSTRACT

The current study proposed a model of intercultural accommodation and nine emergent hypotheses grounded in three theories: Accommodation Theory, Distinctiveness Theory and the Elaboration Likelihood Model. The study expected that the offering of a service in the minority consumer's language and by an ethnically-similar service provider will lead to favorable service quality perceptions, in the absence of any intervening variables. Ethnic minority consumers were also expected to differ in their perceptions of service quality when intercultural accommodation efforts were or were not offered given a number of intervening variables. The proposed model and the nine hypotheses were assessed via a two (intercultural accommodation vs. no intercultural accommodation) by two (high service involvement vs. low service involvement) experimental design among a sample of 377 Hispanic consumers surveyed nationwide.

The research process was structured into three phases. The first phase employed the qualitative technique of focus group interviewing (Pilot study 1). Results from this phase guided the development of experimental stimuli for the second and third phases. The results also shed light on Hispanic consumers' experiences in service encounters, and their perceptions of services directed towards Hispanic consumers. The second phase of the research process, consisting of two online experiments (Pretest 1 and Pretest2), was conducted with the main purpose of testing and refining the effectiveness of experimental manipulations. The third phase consisted of the main study online experiment where respondents were assigned to one of four treatment groups and each group reviewed a scenario depicting either a Spanish-speaking Hispanic bank representative or English-speaking Caucasian bank representative (intercultural accommodation treatment) during

either a mortgage application encounter or depositing a check encounter (service involvement treatment). The scenarios were followed by questions capturing the respondents' service quality perceptions as well as the measured moderating variables and demographics.

The key propositions of this study were supported in minority consumers' overall service quality perceptions (and purchase intent) toward intercultural accommodation efforts. Additionally, two moderators were significant in the relationship: service involvement and perceived discrimination, while one moderator was marginally significant, namely: consumer acculturation.

Specifically, in line with the predictions, this study found that during low involvement service encounters minority consumers who were offered intercultural accommodations had favorable service quality perceptions compared to situations when high involvement services were encountered. Moreover, when intercultural accommodations were offered, minority consumers who were highly acculturated regarded the service encounter less favorably than low acculturated minority consumers, and this was manifested in lower service quality evaluations. As hypothesized, perceived discrimination was found to have a significant impact on service quality perceptions among minority consumers when intercultural accommodation efforts were made. When perceptions of past discrimination were evident, minority consumers were also found to have less favorable evaluations of the service quality than when such perceptions were nonexistent. Also, all hypotheses related to minority consumers' reactions toward service providers in the absence of any accommodation efforts for the same moderators were

supported. Additionally, findings support the notion that high service quality perceptions will have positive behavioral intention outcomes (in the form of purchase intent).

Contrary to expectations, strength of ethnic identification, perceived cultural sensitivity, and perceived self-efficacy were three moderators that were not found to be significant in the intercultural accommodation model among minority consumers.

Finally, numerous theoretical, methodological and practical implications are discussed based on the findings of this study.

The thesis is dedicated to my Father, Mother, Husband, and Daughter.

Because of you all, I am who I am.

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TABLE OF CONTENTS

	PAGE
ABSTRACT	ii
ACKNOWLEDGMENTS	vii
LIST OF TABLES	xii
LIST OF FIGURES	xiii
CHAPTER	
I. INTRODUCTION.....	1
STATEMENT OF THE PROBLEM.....	8
SIGNIFICANCE OF THE PROBLEM	12
PURPOSE OF THIS RESEARCH	16
ORGANIZATION OF THE DISSERTATION	19
II. LITERATURE REVIEW.....	21
THEORETICAL FOUNDATIONS OF MARKETING	
ACCOMMODATION EFFORTS.....	21
Accommodation Theory	21
Distinctiveness Theory	24
MODERATORS OF THE INTERCULTURAL	
ACCOMMODATION – SERVICE QUALITY PERCEPTIONS	
RELATIONSHIP	27
The Effect of Service Involvement	29
The Effect of Consumer Acculturation.....	31
The Effect of Perceived Cultural Sensitivity	36
The Effect of Strength of Ethnic Identification.....	38
The Effect of Self-Efficacy Perceptions	42
The Effect of Perceived Discrimination.....	44
BEHAVIORAL OUTCOMES OF SERVICE QUALITY.....	45
INTERACTION EFFECTS.....	47

CHAPTER	PAGE
III. RESEARCH DESIGN AND METHODOLOGY	49
QUALITATIVE RESEARCH	50
EXPERIMENTAL PROCEDURES	60
MEASUREMENT OF VARIABLES	68
METHOD	75
Manipulations	75
Procedure	77
TESTING THE BASELINE SCENARIO	78
PROPOSED DATA ANALYSIS.....	79
IV. RESULTS OF THE STUDY	80
MANIPULATION CHECK RESULTS.....	80
PREPARATION OF THE DATA	82
Sample Characteristics.....	82
Creation of Composite Variables.....	84
Scale Refinement and Validation.....	84
Testing for Gender-based Differences.....	91
TESTS OF HYPOTHESES AND RESEARCH FINDINGS.....	92
V. DISCUSSION AND RECOMMENDATIONS	110
MANAGERIAL IMPLICATIONS.....	118
RESEARCH LIMITATIONS	123
RECOMMENDATIONS FOR FUTURE RESEARCH	125

	PAGE
REFERENCES	128
APPENDICES	142
Appendix 1: Focus Group Questionnaire	142
Appendix 2: Intercultural Accommodation Treatment (Ethnic Similarity)..	146
(a) Similar Ethnicity Treatment	146
(b) Different Ethnicity Treatment	147
PRETEST 1 TREATMENTS	148
Appendix 3: Intercultural Accommodation x High Involvement.....	148
Appendix 4: Intercultural Accommodation x Low Involvement	156
Appendix 5: No Intercultural Accommodation x High Involvement	164
Appendix 6: No Intercultural Accommodation x Low Involvement.....	172
PRETEST 2 and MAIN STUDY TREATMENTS.....	180
Appendix 7: Intercultural Accommodation x High Involvement.....	180
Appendix 8: Intercultural Accommodation x Low Involvement	188
Appendix 9: No Intercultural Accommodation x High Involvement	196
Appendix 10: No Intercultural Accommodation x Low Involvement.....	204
VITA	212

LIST OF TABLES

TABLE	PAGE
1. Literature Examining the Use of Accommodative Marketing Efforts.....	25
2. Demographic Profiles of Focus Group Participants	53
3. Results of Manipulation Check of Intercultural Accommodation.....	81
4. Sample Characteristics for Main Study Respondents	83
5. Reliability Analysis for Independent Variables	85
6. Fit Statistics for Confirmatory Factor Analysis Model	90
7. Reliability of SERVQUAL Scale Dimension	91
8. Means of Intercultural Accommodation Variable and ANOVA with Service Quality as the Dependent Variable	94
9. ANCOVA of Service Quality for Intercultural Accommodation and Service Involvement.....	95
10. ANCOVA of Service Quality for Intercultural Accommodation and Perceived Discrimination	104
11. Hypotheses Testing Results.....	108

LIST OF FIGURES

FIGURE	PAGE
1. Moderators of the Intercultural Accommodation – Service Quality Relationship and Sources of Theoretical Support.....	11
2. Moderators of the Intercultural Accommodation – Service Quality Relationship and Interaction Effects	29
3. Hypothesized Interaction: Intercultural Accommodation x Consumer Acculturation x Perceived Cultural Sensitivity	48
4. Flow Chart of Procedures Involved in Preparation for Pilot Study 1.....	54
5. Interaction Effect of Intercultural Accommodation and Service Involvement on Service Quality.....	96
6. Interaction Effect of Intercultural Accommodation and Perceived Discrimination on Service Quality.....	105

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CHAPTER I

INTRODUCTION

The need to address cultural diversity through minority targeting and other accommodating marketing efforts has received increased attention in the last two decades (Ogden, Ogden and Schau, 2004; Forehand and Deshpande, 2001; Cui, 2001; Xu et al., 2004). This is mostly attributed to the continued growth in a variety of ethnic group populations seeking opportunities for economic, social, and political prosperity (Wilson, 2007). Minority consumers, including African Americans, Asian Americans, and Hispanics, comprise 25 percent of the U.S. population and are expected to approach 50 percent around 2050 (Cui, 2001). In fact, the most recent U.S. census data shows that the overall population is becoming much less White and Anglo-Saxon (Podoshen, 2006). The African-American population is expected to grow from the current 11% to 15% of the population by the year 2050, representing a \$750 billion target market. Asian-Americans are expected to increase from 5% of the population in 2005 to 10% by the year 2050, representing a \$290 billion market (Associated Press, 2005). But perhaps the most significant to marketers is the growth of the Hispanic-American market (Perry, 2008; Callow and McDonald, 2005; Ogden, Ogden, and Schau, 2004). In 1990 the Hispanic population represented 9% of the population with a purchasing power of \$134 billion. Between 2000 and 2010 the Hispanic population increased by 15.2 million and accounted for more than half of the total U.S. population increase of 27.3 million. Between 2000

and 2010, the Hispanic population grew by 43 percent, or four times the nation's 9.7 percent growth rate. The Census Bureau estimates that this group will grow to represent 30% of the population by the year 2050, with a purchasing power increasing commensurately to \$890 billion (U.S. Census Bureau, 2010).

Clearly, as the U.S. becomes a more multicultural market, marketers are realizing that such demographic shifts as well as cultural and ethnic factors create significant challenges and opportunities (Kara and Kara, 1996; Holland and Gentry, 1999). Such changes necessitate examining a variety of ethnic groups to observe and to serve their unique differences in culture that may drive consumption patterns. Ethnic consumers (in terms of race, nationality, language, and religion) have been examined in a macrocultural environment to address how these ethnic characteristics affect consumption behavior and interact with marketing functions (e.g., Deshpande and Stayman, 1994; Deshpande, Hoyer, and Donthu, 1986; Faber, O'Guinn, and Meyer, 1987; Hirschman, 1981; Podeshen, 2006; Peñaloza, 1994). Specifically, most research has been directed at investigating the effects of measures such as using minority language or ethnically similar models on advertisement responses and, in turn, on consumer behavior (e.g., Whittler, 1991; Deshpande and Stayman, 1994; Koslow, Shamdasani, and Touchstone, 1994; Karande 2005). However, the assumption of general homogeneity within subcultures, which incorrectly assumes that consumers within a particular subculture exhibit similar choice behaviors and preferences for different products (Pires and Stanton, 2000; Deshpande, Hoyer, and Donthy, 1986), poses questions about the mixed findings pertaining to minority consumers' responses to such directed marketing efforts and their impact on consumption patterns (Cui and Chudhury, 2002). For example, while Koslow,

Shamdasani, and Touchstone (1994) found that the use of Spanish language in advertising led to positive affects toward the advertisement, Faber and O'Guinn (1991), in a study examining subcultural group membership and the importance of product attributes, found that exposure to English or Spanish language versions of an advertisement had no direct impact either on attitude toward the advertisement or the brand. Past research has argued that advertisers should acknowledge the unique cultural values of a particular minority group and develop advertisements emphasizing their values (Valencia, 1989). Recently, however, more segmentation approaches are being developed with recognition that the "Hispanic market," for example, is not a homogenous entity, but rather a good starting point for categorization that demands further analysis (Holland and Gentry, 1999).

Additionally, limited research has been directed towards investigating intervening factors that potentially impact consumer responses. For example, acculturation is a term that refers to the process of learning a culture that is different from the one in which a person was raised (Valencia, 1989). Even though it has been argued that acculturation can be an important segmentation variable even within subcultures (Dubish, 2001), there is insufficient literature investigating the differences between high- and low-acculturated subgroup members in terms of their consumption patterns (Kara and Kara, 1996; Ueltschy and Krampf, 1997). There are also conflicting results regarding the role of ethnic identification in regard to response to advertisements and brands (Karande, 2005; Deshpande and Stayman, 1994; Whittler, 1991). In other words, most research examines ethnic segments from a single or limited perspective (Green, 1999).

Cross cultural studies in marketing have illustrated that the importance of culture in terms of consumers' attitudes, values, and preferences should be observed for services that require some degree of customer contact with service personnel (Patterson and Mattila, 2008; Mattila, 1999). Service encounter evaluations have been shown to be impacted by cultural norms, orientations and values (Patterson, Cowley, and Prasongsukarn, 2006; Furrer, Shaw-Ching Liu, and Sudharshan, 2000; Liu, Furrer, and Sudharshan, 2001), service quality expectations (Donthu and Yoo, 1998), and the strength of customer relationships (Patterson and Smith, 2003). Given the tremendous diversity that often exists within each ethnic group, several additional variables such as perceptions of marketer's cultural sensitivity, minority consumer's self-efficacy and perceptions of discrimination, among others, remain overlooked in research investigating the relationship between marketing accommodative efforts and consumer assessments of such efforts. This dissertation's main contribution is addressing these moderating effects.

Moreover, the inconclusive results of studies investigating accommodation efforts have spurred researchers only recently to begin to consider other aspects of accommodation, besides language choice, that might better explain the discrepancies in research findings. For example, previous research has shown that targeting minority consumer groups using ethnically similar spokespersons leads to favorability towards the advertisement and the brand (e.g., Whittler, 1991; Wooten, 1995; Appiah, 2001). Recently, Karande (2005) investigated the effect of using ethnically similar models in advertisements directed at Asian-Americans. While the study represented the first empirical application of the accommodation theory to the use of minority models in advertisements, the use of other accommodation efforts, such as cultural symbols,

language, music and art, national flags, or hiring of ethnic salespeople remain uninvestigated opportunities for marketers seeking ethnic minority markets. Thus, examining only a limited subset of the intercultural accommodation efforts, or only considering one variable at-a-time, may confound our understanding of consumers' decision-making. This, in turn, can lead to strategies that either overemphasize or underappreciate the importance of one or more of these variables.

Moreover, much of the research existing on minority ethnic consumption behavior has been limited to physical products and responses to advertisements. For example, Ogden (2002) studied how the physical possessions in a person's life factor into that person's cultural identity. Relatively low involvement products such as convenience food items have also been examined in relation to culture and ethnicity (Laroche, Kim, and Tomiuk 1998). Notwithstanding this growth in minority ethnic consumption behavior research, our knowledge of the unique problems that service providers face when accommodating ethnic consumers remains limited (Pires and Stanton, 2000). Service industries are increasingly playing an important role in the global economy. In fact, services are dominating the world's most advanced economies with services accounting for more than 70% of the gross domestic product for many (Ostrom et al., 2010). An illustration of this point can be witnessed within the U.S. economy, with a balance of trade surplus of services over manufacturing goods reaching \$81 billion (Zeithaml and Bitner, 2003).

When tailoring marketing efforts towards ethnic minorities, marketers are aware that services pose many evaluation difficulties, especially when personal processing and credence qualities are involved (Pires and Stanton, 2000). Service encounters are social

exchanges, and the interaction between service provider and customer is a crucial component of satisfaction formation and provides a motive to continue buyer-seller relationships (Patterson, Cowley and Prasongsukarn, 2006). Services pose unique challenges for customers in terms of understanding what is being offered, identifying potential suppliers, and evaluating alternatives (Pires and Stanton, 2000). In fact, the characteristics that distinguish services from goods mandate different consumer evaluation processes and, hence, require unique marketing techniques (Zeithaml, 1985). There are four main characteristics that separate services from tangible goods: intangibility, heterogeneity, perishability, and inseparability of production and consumption (Zeithaml, 1985). Intangibility refers to the fact that services cannot be seen, felt, tasted, or touched in the same manner in which goods can be sensed (Bateson 1979; Berry 1980; Lovelock 1981). Heterogeneity concerns the potential for high variability in the performance of services, such as a medical examination, car rental, or restaurant meal (Zeithaml, 1985). Perishability means that services cannot be saved posing a problem in synchronizing supply and demand (Bateson, 1979).

The fourth and most troubling is the characteristic of inseparability and represents the greatest challenges for service providers when accommodating ethnic minority consumers. Inseparability means that the producer and the seller are the same entity, making only direct distribution possible in most cases and causing marketing and production to be highly interactive (Gronroos, 1983). Because the consumer becomes an integral part of the production process, it is the responsibility of the marketer to select and train contact personnel so that they can successfully manage the customer relationship (Lovelock, 1981). Thus, the adoption of the service provider of a target minority group's

language, cultural symbols such as national flag and spokesperson, for example, can be argued to play a crucial role in shaping service assessments and overall satisfaction with the encounter, ultimately driving purchase intentions. While limited research has emphasized the use of concrete cues for service quality in communication strategies to persuade consumers (Snow, Bartel and Cullen, 1996), it is necessary to further investigate marketing accommodation efforts towards minority consumers. Burton (2000) argues that hardly any research has been undertaken regarding ethnic minorities on the relationship management dimension of service quality “and the welfare of consumers as it is perceived from the consumer perspective” (p. 869). Therefore, service marketers would find it beneficial to understand how implementing minority-targeted marketing programs can effectively impact culturally distinct customer needs, thereby improving service quality and purchase intentions (Torres and Briggs, 2005).

Managers in the service sector are under increasing pressure to demonstrate that their services are customer-focused and that continuous performance improvement is being delivered (Snow, Bartel and Cullen, 1996). Service quality, as a critical input to consumer satisfaction, plays an important role in attracting and retaining consumers (Ueltschey et al., 2009). It results from a comparison of what consumers feel service firms should offer and their perceptions of the firm’s performance in providing the service and is a function of five determinants, namely, tangibles, reliability, responsiveness, assurance and empathy (Parasuraman, Zeithaml, and Berry, 1988). Therefore, it is crucial that customer expectations are properly understood and measured and that, from the customers’ perspective, any gaps in service quality are identified and corrected. Given that the US is becoming a multicultural market, major service

corporations have certainly taken notice of the growth of certain minority groups. Ethnic marketing, defined as deliberate effort by marketers to reach a group of consumers presumably due to their unique ethnic characteristics (Cui, 2000), have been spurred with caution in hopes of avoiding alienating these audiences. Successful companies such as Allstate, Western Union, and Sprint, have each instituted a special division within their marketing departments to develop tailored strategies for communicating to and understanding ethnic groups through traditional advertising media as well as through diverse channels such as ethnic event sponsorship (Torres and Briggs, 2005; Prabhakaran and Satya, 2003).

STATEMENT OF THE PROBLEM

Accommodation theory recommends that communicators make themselves similar to the target audience to increase the likelihood of reaching communication objectives (Giles, Taylor, and Bourhis, 1973). While this theory is often discussed in extant literature, evidence for the impact of diverse marketing intercultural accommodative efforts on consumer behavior, particularly in the context of service encounters, is sparse and mixed (Holland & Gentry, 1999; Donthu and Yoo, 1998). This is where the problem, and consequently, the research opportunities lie.

While a number of studies (e.g., Koslow, Shamdasani and Touchstone, 1994; Holland and Gentry, 1999; Karande, 2005; Whittler, 1991; Whittler and DiMeo, 1991; Torres and Briggs, 2005; Roslow and Nicholls, 1996) have provided evidence that some form of accommodation will lead to positive evaluations of advertisements, brands, and favorable purchase intentions, several studies have failed to find such conclusions. For

example, Newton (1986) found no differences between Spanish and English language advertisements in terms of consumer evaluations of advertisements. Additionally, limited research has been dedicated to investigating different intercultural accommodation methods simultaneously. In a historical survey of the research on ethnic minority consumers and related marketing issues, Cui (2001) argues that “further research needs to examine multiple factors, including ethnicity, income, education, and product type, and to clarify the interactions among them and the unique contribution of each factor” (p. 23).

Figure 1 depicts a model of the influence of intercultural accommodation on service quality perceptions with a series of potential moderators along with their theoretical foundations. This dissertation differs from past empirical research in the area of intercultural accommodation with regard to its comprehensive approach to the study of these moderators. The main contribution to the Marketing Discipline lies in examining six moderators of the complex relationships that exist in accommodating efforts to minority consumers in service settings. This is beneficial to researchers and practitioners because: (1) there is inconclusiveness in terms of the findings in the literature and (2) the existing models that attempt to approach this topic are incomplete and limited to product offerings, neglecting the burgeoning worldwide fast growing service industry. Past studies addressing intercultural accommodation have been limited to a single approach at a time (e.g. ethnically similar models or use of minority language). Moreover, those studies that have addressed accommodation moderators have focused solely on a single variable per study. Examples of these would include strength of ethnic identification as one predicting factor (Holland and Gentry, 1999; Deshpande, Hoyer and Donthu, 1986), perceived cultural sensitivity (Karande, 2005; Koslow, Shamdasani and Touchstone,

1994) , and consumer acculturation (Kara and Kara, 1996). Therefore, this study will offer a more comprehensive approach which will incorporate these relevant moderators, while also examining three other key variables that are derived from social psychology (perceptions of self efficacy), ethnicity and acculturation literature (degree of consumer acculturation and perceived discrimination), and elaboration likelihood model (service involvement). Additionally, this dissertation extends the literature by empirically testing potential interaction effects between specific moderating factors. In conclusion, this study proposes and empirically tests a comprehensive model of what and how the intercultural accommodation efforts of service providers can lead to positive service quality perceptions for ethnic minority consumers.

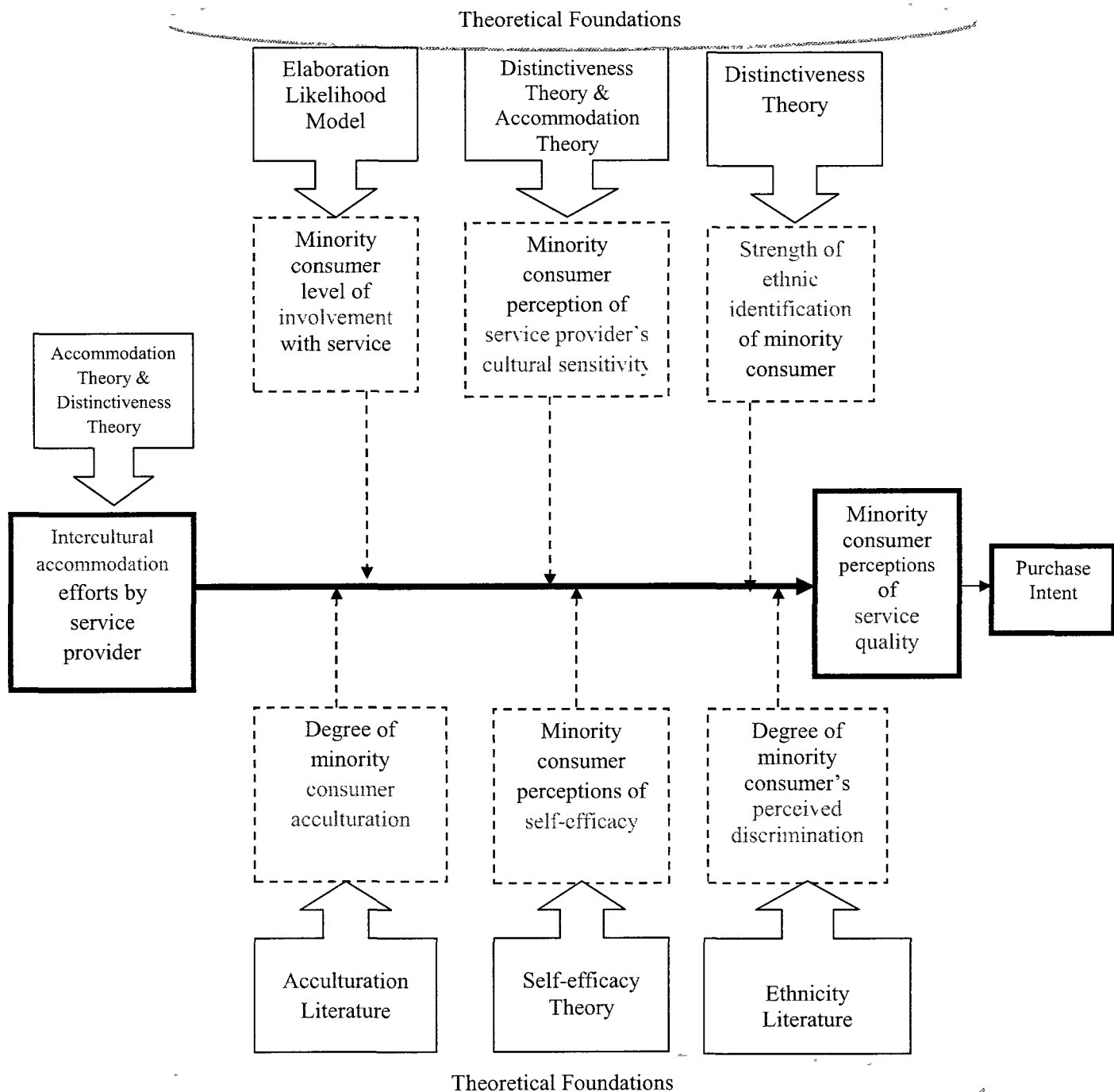


Figure 1: Moderators of the Intercultural Accommodation – Service Quality Relationship and Sources of Theoretical Support

SIGNIFICANCE OF THE PROBLEM

The current problem is significant for several reasons. First, articulating moderators that impact the relationship between service providers' intercultural accommodation efforts and perceptions of service quality are inherently concerned with creating higher customer satisfaction levels for minority consumers. This is essential for marketers because of the positive outcomes that result from increased customer satisfaction. Highly satisfied customers are often the marketer's strongest advocates and are characterized as the company's most loyal customers (Anderson and Sullivan, 1993; Bearden and Tell, 1983; Fornell, 1992; Oliver, 1980; Oliver and Sawn, 1989). Customers who feel satisfied with service providers can be expected to act as advocates for the service organization (Gremler and Gwinner, 2000; Price, Arnould, and Tierney, 1995). Increased loyalty, in turn, potentially has a variety of positive outcomes that marketers could also pay close attention to. For example, future revenues increase as a result of such loyal customers purchasing more often and increasing their purchase amounts per time (Fornell, 1992). In fact, a service firm can increase profits almost 100 percent by keeping customers loyal, and by increasing customer retention by 5 percent (Reichfield and Sasser, 1990). Also, loyal customers are more forgiving and, hence, less likely to terminate a relationship with the company when a service failure occurs (Karande, Maginini, and Tam, 2007). Additionally, loyal customers, as satisfied advocates of the company, become a key source of new customers through the spreading of positive word of mouth (Anderson, 1998; Fornell, 1992). Second, there has been a convergence of opinion that favorable service quality perceptions lead to improved satisfaction and value attributions and that, in turn, positive value directly influences behavioral intentions

(Bagozzi, 1992; Cronin, Brady, and Hult, 2000). In fact, Zeithaml, Berry, and Parasuraman (1996) suggest that favorable behavioral intentions are associated with a service provider's ability to get its customers to 1) say positive things about them, 2) recommend them to other consumers, 3) remain loyal to them (i.e., repurchase from them), 4) spend more with the company, and 5) pay price premiums (Cronin, Brady, and Hult, 2000). The focus of this study is on the minority consumer's repurchase intention. Thus, findings from the tested model can aid service managers to evaluate the effectiveness of firm strategies and to set employee goals directly related to a service firm's bottom line (Torres and Briggs, 2005)

Third, the articulating and examining of the intercultural accommodation moderators is significant for its many managerial implications. If managers can grasp the circumstances under which the directed ethnic marketing efforts towards minority consumers yield the greatest impact on service quality perceptions, they can allocate resources accordingly and gain the most effective use of the company. That is, they can better decide which, and to whom, to offer specific targeting efforts. Specifically, if the moderators illustrated in figure 1 are empirically supported, then specific guidelines can be useful to the marketing managers of service firms.

If service involvement is found to moderate the intercultural accommodation efforts, front line employees can be trained to take extra measures to create a positive impression by appearing both competent, likable, and trustworthy thus reducing anxieties that might occur when dealing with high-involvement services by focusing more on the content of the transaction, such as in the case of mortgage applications or setting up trust funds (Jones and Pittman, 1980; Grandey et al., 2005).

If consumer acculturation is found to be a moderator in the relationship between intercultural accommodation efforts and perceptions of service quality, then companies should be careful in deciding which accommodation efforts are directed to different subculture groups. In other words, companies might offer a service in the minority language only to those minority consumers considered to be low in consumer acculturation and not to all customers considered to be members of a minority culture. This also emphasizes the importance of hiring and training employees who enhance customer perceptions of the firm. Similarly, if strength of ethnic identification is evidenced to moderate the marketing efforts, this offers another demographic factor that might affect service expectations of some subculture members. Service firms that can identify expectations specifically important to certain ethnic groups can alter services to match those expectations (Snow, Bartel, and Cullen, 1996).

If perceived cultural sensitivity is found to be a moderator, then companies should invest in creating an image of being friendly and culturally sensitive, perhaps through using other languages, spokespeople and other symbols from the concerned subculture, in addition to the appropriate media selection. Previous literature has suggested that positive reactions are often elicited from minority consumers when companies are perceived to be breaking down cultural barriers (Deshpande and Stayman, 1994; Karande, 2005). More importantly, since employees are the primary contact between customers and the company, employees need to be carefully selected and trained to convey such sensitivity.

If perceptions of self-efficacy are discovered to be a significant moderator, which refers to customers' beliefs about their ability to participate in a service, then service managers should take measures to increase customer service self-efficacy, through such

avenues as offering training with feedback, verbal persuasion, and even creating low-stress environments for minority consumers (McKee, Simmers and Licata, 2006).

Finally, if discrimination is a moderator that is found to impact the relationship between intercultural accommodation efforts and perceptions of service quality, then measures should be taken to eradicate such feelings that might be perceived when minority consumers are, for example, addressed in their minority language, served by an ethnically similar service provider, or bombarded by cultural symbols that trigger negative assessments of the overall service experience. This can be achieved by training employees to be efficient, available, accurate, and knowledgeable about offerings (Parasuraman, Zeithaml and Berry, 1985; Zeithaml, Berry, and Parasuraman, 1996). In short, managers would be wise to carefully train employees to offer different choice of accommodation, depending on customer receptivity to the efforts.

As can be seen by the previous points, creating a comprehensive understanding of the moderators can result in refined training as well as better selection criteria of service personnel.

Finally, the problem at hand is significant for scholars. By creating and empirically testing a comprehensive model of intercultural accommodation, the study can lead researchers to a better approach to examine targeting minority consumers in service encounters. Current research remains inconclusive and fragmented; therefore, understanding conditions under which the directed efforts of service providers towards minority consumers are successful would benefit future research and can be applicable to marketing managers (Holland and Gentry, 1999).

PURPOSE OF THIS RESEARCH

The purpose of this dissertation is to apply accommodation theory, distinctiveness theory, acculturation literature, the elaboration likelihood model, and self-efficacy theory as the theoretical foundations to develop and empirically examine several hypotheses regarding factors which moderate the relationship between marketers' intercultural accommodation efforts directed towards ethnic minority consumers and the service quality perceptions of those consumers in response to such efforts. A moderating effect refers to a third independent variable that causes the relationship between another independent variable and the dependent variable to change, depending on the value of that third independent variable (Hair et al., 2006). The moderator function of a third variable "partitions a focal independent variable into subgroups that establish its domains of maximal effectiveness in regard to a given dependent variable" (Baron and Kenny, 1986, p.260). This study aims to address several moderators in hopes of better explaining the mixed and incomplete findings in previous studies and to provide improved exploratory power over existing studies. To do so, the dissertation tests six moderators separately, as well as theoretically driven interaction effects. The marketing literature does not contain such synthesis or empirical testing. Figure 2 introduces the hypothesized model in which intercultural accommodation is the independent variable, six variables are the moderators, and service quality is the dependent variable. The dissertation also offers a thorough discussion of the managerial and academic implications based on the findings.

The objective of this dissertation is sought through a thorough search of the existing literature related to ethnic minority marketing. Specifically, the researcher synthesizes existing literature to offer a solid theoretical foundation for intercultural

accommodation. As previously mentioned, the following theories are discussed at length: accommodation theory, distinctiveness theory, acculturation literature, elaboration likelihood model, and self-efficacy theory. Accommodation theory is a framework often used to explain how recipients of communication attempts interpret efforts made by persons different from themselves (Green, 1999). It suggests that as A becomes more similar to B, the likelihood that B will favorably evaluate A is increased (Giles, Taylor, and Bourhis, 1973). Hence, the efforts to appear as similar promote relationship building between the communicator and the recipient (Koslow, Shamdasani, and Touchstone, 1994). Next, distinctiveness theory argues that an individual's distinctive traits in comparison to other people in the environment will be more salient to the individual than will more common traits (McGuire, 1984). This implies that when one feels as though he or she is a minority, ethnic-based identification is more likely to be evoked (Deshpande and Stayman, 1984). In general, acculturation literature investigates “what happens when peoples socialized in one (minority) culture migrate and so come into continuous first-hand contact with a new (dominant) culture” (Üstüner and Holt, 2007, p.47). A subset of acculturation, consumer acculturation, refers to the rather complex process by which minority cultures acquire knowledge and skills to engage in consumer behavior within the new (dominant) culture (Peñaloza, 1994). Furthermore, in the Elaboration Likelihood Model, or ELM, (Petty and Cacioppo, 1986), cognitive processing is the central route and affective/emotion processing is often associated with the peripheral route. The central route pertains to an elaborate cognitive processing of information while the peripheral route relies on cues or feelings. Thus, the ELM can be extended to explain how intercultural accommodation efforts are perceived as peripheral cues for ethnic minority

consumers. Finally, self-efficacy theory refers to one's self-perceived ability in performing certain tasks. The theory also argues that people who believe that they possess the necessary skills to perform certain tasks will, in fact, have higher motivation to achieve positive outcomes (McKee, Simmers and Licata, 2006).

Following the relevant literature search and synthesis, an initial phase of qualitative research in the form of a focus group was conducted with nine participants. The focus group would serve two purposes: (1) to investigate whether the identified factors from the literature would indeed be a potential consideration during a service encounter and (2) to elicit potential factors that are unidentified from the existing literature. The focus group discussion followed a semi-structured format in which the majority of the discussion entailed open-ended questions and answers while also administering a short questionnaire to capture some responses of the participants. This exploratory stage allowed the researcher to grasp the underlying beliefs and attitudes involved in directed marketing efforts towards ethnic minority consumers.

With a better understanding of the potential moderators elicited during the qualitative research stage, the variables that would be manipulated in the main study were subjected to thorough manipulation checks. Specifically, intercultural accommodation and level of involvement were both tested for level of appropriateness in the first pretest (Pretest 1), administered to 45 participants. Next, the moderators and hypothesized interactions were empirically tested through the development of different role-playing experiments (scenarios). The major benefit of this approach is the relatively easy operationalization of the manipulations while controlling for potential confounding factors. Also, this method is superior to a method in which the respondent is asked to

recall a certain situation because retrospection is often biased by memory lapse, reinterpretation and reiteration (Johnston 1995; Smith, Bolton, and Wagner 1999). Once again, the subjective variables (intercultural accommodation and level of involvement) were subjected to manipulation checks in Pretest 2 which was administered to 29 participants. For the pretests as well as the main study, a nationwide sample of Hispanic respondents was utilized in order to achieve internal and external validity. The main study was conducted among 377 Hispanic participants.

ORGANIZATION OF THE DISSERTATION

Starting the following chapter, this dissertation is organized into four major sections. First, the literature review is presented to serve as the theoretical background for the empirical study. The first part of the literature review outlines two theoretical foundations for intercultural accommodation: (1) accommodation theory, and (2) distinctiveness theory. Afterwards, a table is offered illustrating the use of accommodative marketing efforts in previous research along with a brief description of each article's primary contribution, thereby justifying the existing gaps and need for further investigation of the intercultural accommodation variable within the service domain.

Based on these main theoretical foundations, the first hypothesis is presented which predicts the positive impact of intercultural accommodation efforts on service quality perceptions in the absence of moderating variables. Next, the literature review draws upon theories from various streams of research to develop and theoretically justify six moderators of the intercultural accommodation-service quality relationship. It is

argued in the literature review that conflicting results in regard to the impact of accommodating marketing efforts in the previous research can largely be explained by these moderators. Finally, the literature review presents a theoretically supported interaction effect which is also hypothesized to moderate the relationship.

Following the literature review, Chapter 3 offers the methodology used in order to test the hypotheses introduced in Chapter 2. In this section, specific data and sampling requirements are outlined. Also in this section, a focus group discussion and two pretests are explained. The focus group attempts to elicit all existing and potential factors impacting perceptions of service quality when accommodation efforts are offered. Pretest 1 involves manipulation checks on "intercultural accommodation" and "level of involvement" to determine strong, yet realistic, scenarios. Pretest 2 validates that the necessary changes to experimental manipulation of the construct "level of involvement" (resulting from the findings of Pretest 1) performs as intended. Chapter 3 also defines all of the constructs and measurements of the hypothesized model while explaining how analysis of covariance (ANCOVA) will be used to test the hypotheses.

Next, Chapter 4 contains a discussion and interpretation of the results of the research. Chapter 5 then includes a discussion of the conclusions, limitations, managerial implications, and research implications. The final chapter also offers future research avenues. Lastly, a list of references and Appendices are provided.

CHAPTER II

LITERATURE REVIEW

This chapter describes relevant literature and theoretical frameworks that guided the development of the proposed conceptual model and hypotheses tested in this dissertation. The chapter is organized into two parts. The first part contains an overview of the background literature related to the study and reviews key constructs from two theoretical frameworks that are relevant to the proposed study: accommodation theory (Giles, Taylor, and Bourhis, 1973), and distinctiveness theory (McGuire, 1984; McGuire, McGuire, Child, and Fujioka, 1978).

The second part of the chapter proposes an intercultural accommodation model and the moderators that impact ethnic minority service quality perceptions, the theories driving the proposed relationships, and nine hypotheses derived from this model.

THEORETICAL FOUNDATIONS OF MARKETING ACCOMMODATION EFFORTS

Accommodation Theory

Accommodation theory has its roots in the socio-psychological theories which focus on similarity and its effects on attraction (Byrne, 1971). At its simplest, the theory argues that an individual is more receptive to someone who he/she perceives as similar because similarity breeds attraction (Callow and McDonald, 2005). An important subset of accommodation theory, speech accommodation theory (Giles, Taylor, and Bourhis, 1973), was one of the earliest streams of research to focus on language choice in speech

interactions between speakers and listeners of different ethnic backgrounds (Koslow, Shamdasani, and Touchstone, 1994; Karande, 2005). This socio-linguistic perspective recommends that communicators make themselves similar to a target audience to improve communication effectiveness (Torres and Briggs, 2005; Holland and Gentry, 1999). The justification is that if communicators are perceived to put a great deal of effort into a message, this will yield more favorable perceptions by the listeners from another ethnic group and this, in turn, would result in reciprocal accommodating behaviors (Thakerar, Giles, and Cheshire, 1982). For example, socio-linguistic research focusing on language-related variables such as speech rate, dialect, and accent have found that as speech patterns of person A become more similar to those of person B from a different ethnic group, the likelihood that B will like A increases (Giles, Taylor, and Bourhis, 1973; Koslow, Shamdasani, and Touchstone, 1994; Karande, 2005).

Only recently has the field of marketing delved into this traditional accommodation domain to seek opportunities to better reach its communication objectives. Most noticeably, the accommodation theory has been used in the advertising context in an attempt to explain why one ethnic minority group (in terms of race, nationality, language, and religion) reacts more favorably to advertisements with cultural cues (Green, 1999; Koslow, Shamdasani, and Touchstone, 1994).

The term “intercultural accommodation” was first proposed by Holland and Gentry (1999). It involves “communicators of one group borrowing cultural symbols from another group to appear more similar, enhance communication, and gain approval” (Holland and Gentry, p.68). The use of the term “intercultural” is suggested to convey the idea that communication occurs across at least two cultures. For example, marketers in

the U.S. may target one or more ethnic cultures and subcultures such as African-Americans, Hispanic-Americans, or Asian-Americans, etc. (Holland and Gentry, 1999; Green, 1999). Ethnic marketing refers to the deliberate effort by marketers to reach a group of consumers presumably due to their unique ethnic characteristics (Cui, 2001). Thus, targeted marketing efforts are designed to effectively persuade ethnic minority consumers in the hope of increasing positive reactions. For example, past research has suggested that the use of ethnic cues (such as an ethnically similar spokesperson) can result in increased attitude towards the advertisement and the brand (Whittler, 1991; Wooten, 1995; Appiah, 2001, Karande, 2005).

However, as marketers are constantly seeking opportunities to communicate effectively with their minority target audiences, the basic principles of speech accommodation can and should be extended beyond language styles or spokesperson's ethnicity alone (Koslow, Shamdasani, and Touchstone, 1994). Marketing communications can apply intercultural accommodation through the hiring of ethnic salespersons (particularly in service settings), the using of national flags, the sponsoring of ethnic events, the using of other cultural symbols such as music, art, or attire, or the use of a combination of such efforts, all in an effort to gain approval from their target audience (Torres and Briggs, 2005; Koslow, Shamdasani, and Touchstone, 1994; Green, 1999, Holland and Gentry, 1999; Karande, 2005). To date, no study has addressed the effects of multiple accommodative efforts such as the use of ethnically similar models together with minority language (Karande, 2005). The ultimate goal of intercultural accommodation is to evoke a positive effect in terms of reciprocal accommodative efforts

such as intention to buy the brand, continue to deal with the company, and to pass on positive information about the company and its products (Holland and Gentry, 1999).

Distinctiveness Theory

Another stream of research that provides some theoretical guidance for the use of accommodative efforts towards minority consumers is distinctiveness theory. Derived from social psychology literature, this theory supports the idea that a person's distinctive traits in relation to other people in the environment will be more salient to the individual than more common traits (McGuire, 1984; McGuire, McGuire, Child, and Fujioka, 1978). For example, "a person's ethnicity is more likely to be spontaneously evoked in social contexts in which others of the same ethnic group are few" (Torres and Briggs, 2005, p. 151). In the context of consumer behavior, ethnicity and race of a model in the advertisement (e.g. Whittler, 1991; Deshpande and Stayman, 1994; Karande, 2005) have been used as significant cues of similarity between the viewer and the character in the advertisement and this, in turn, will lead to more effective outcomes the more one's ethnic group is in a minority (Deshpande and Stayman, 1994). In other words, consumer distinctiveness results in a heightened sensitivity to targeted efforts and increased favorability toward the advertisement (Grier and Deshpande, 2001; Wooten, 1995; Forehand and Deshpande 2001). For example, one study found that minority targeting can result in greater identification with and trust for the source seen as similar to the buyer, leading to increased favorability toward the advertisement and brand involved (Aaker, 1999).

Table 1 provides a list of the articles which discuss the use of accommodative marketing efforts along with a brief description of the article's primary contribution.

Authors	Empirical or Conceptual	Article's Contribution
Holland and Gentry, 1999	Conceptual	Develops a theory of intercultural accommodation to fill the gap on how accommodation efforts are lacking insofar as eliciting consumer's evaluation, comprehension, and behavioral intentions
Koslow, Shamdasani and Touchstone, 1994	Empirical	Applies sociolinguistic theories of accommodation to examine how consumers in a minority subculture respond to the use of their ethnic language in advertising, given perceptions of sensitivity to culture
Karande, 2005	Empirical	Investigates the effects of using ethnically-similar models on a minority consumer's response to advertisements using a sample of Asian-Americans
Whittler, 1991	Empirical	Examines the effects of the actor's race in commercial advertising from a viewers' psychological process perspective thoughts, source, and message evaluation
Whittler and DiMeo, 1991	Empirical	Investigates viewers' processing of racial cues in advertising stimuli and suggest that perceived similarity between advertisers and audience has a great impact on the effectiveness of advertising and recommend the use of ethnic models in advertising
Green, 1999	Empirical	Introduces two new variables to the relationship between the ethnic background of models featured in ads and the target audience's evaluation of those ads strength of ethnic identification and media placement
Torres and Briggs, 2005	Empirical	Investigates the relative effectiveness of ethnic-targeting in services advertising by examining whether low- or high-involvement service brands would benefit from ethnic-targeting
Roslow and Nicholls, 1996	Empirical	Undertakes an experiment to ascertain persuasion based on Hispanics viewing television commercials broadcast in Spanish or in English Brand preference is found to be higher for Spanish advertisements
Newton, 1986	Empirical	No differences were found between Spanish versus English language advertisements in terms of attitude to the ad when radio is the media utilized
Deshpande, Hoyer and Donthu, 1986	Empirical	Uses developments in sociology and anthropology to show that most work on the ethnic minority targeting has overlooked certain ethnic identification differences between groups of subculture consumers
Deshpande and Stayman, 1994	Empirical	Examines ethnicity of an advertisement spokesperson in relation to distinctiveness theory, minority group consumers are more likely to evoke their ethnic identities when in a numerical minority rather than in their cities
Dubish, 2001	Empirical	Examines language choice in advertising when communication is targeted at members of other ethnic groups besides Hispanic Americans, specifically, Korean-Americans

Table 1 Literature Examining the Use of Accommodative Marketing Efforts

Challenges to Service Managers

The unique characteristics that distinguish services from products, namely: intangibility, inseparability, heterogeneity, and perishability (Zeithaml, 1985), make it challenging for inexperienced communication-challenged ethnic consumers to properly evaluate service encounters and marketers' directed efforts (Pires and Stanton, 2000). For example, heterogeneity refers to the fact that human involvement in the delivery of services limits the ability to perfectly reproduce the service in every encounter. Therefore, in contrast to product offerings, services make it difficult for almost all consumers to evaluate the quality of an encounter (Lovelock, 1996). However, coupled with this characteristic is the complication that service providers must face when accommodating ethnic minority consumers. Language communication problems might lead to further performance ambiguity (Bendapudi and Berry, 1997). Additionally, meaning and context are equally important in articulating how services personnel and customers address each other (Pires and Stanton, 2000). For example, is physical touch allowed or desired in certain encounters? How do customers with different racial backgrounds behave towards others (e.g. stereotyping and discrimination)? How effective is tailoring a service offering to a heterogeneous group of minority consumers? In other words, "how culturally aware and sensitive are the parties to the service delivery" (Pires and Stanton, 2000, p.610).

These unique characteristics pose challenges as well as opportunities for service providers when targeting minority ethnic consumers (Torres and Briggs, 2005). The current study seeks to aid marketing managers in identifying the most effective methods by which accommodation attempts can yield satisfied customers in a service encounter.

MODERATORS OF THE INTERCULTURAL ACCOMMODATION – SERVICE QUALITY PERCEPTIONS RELATIONSHIP

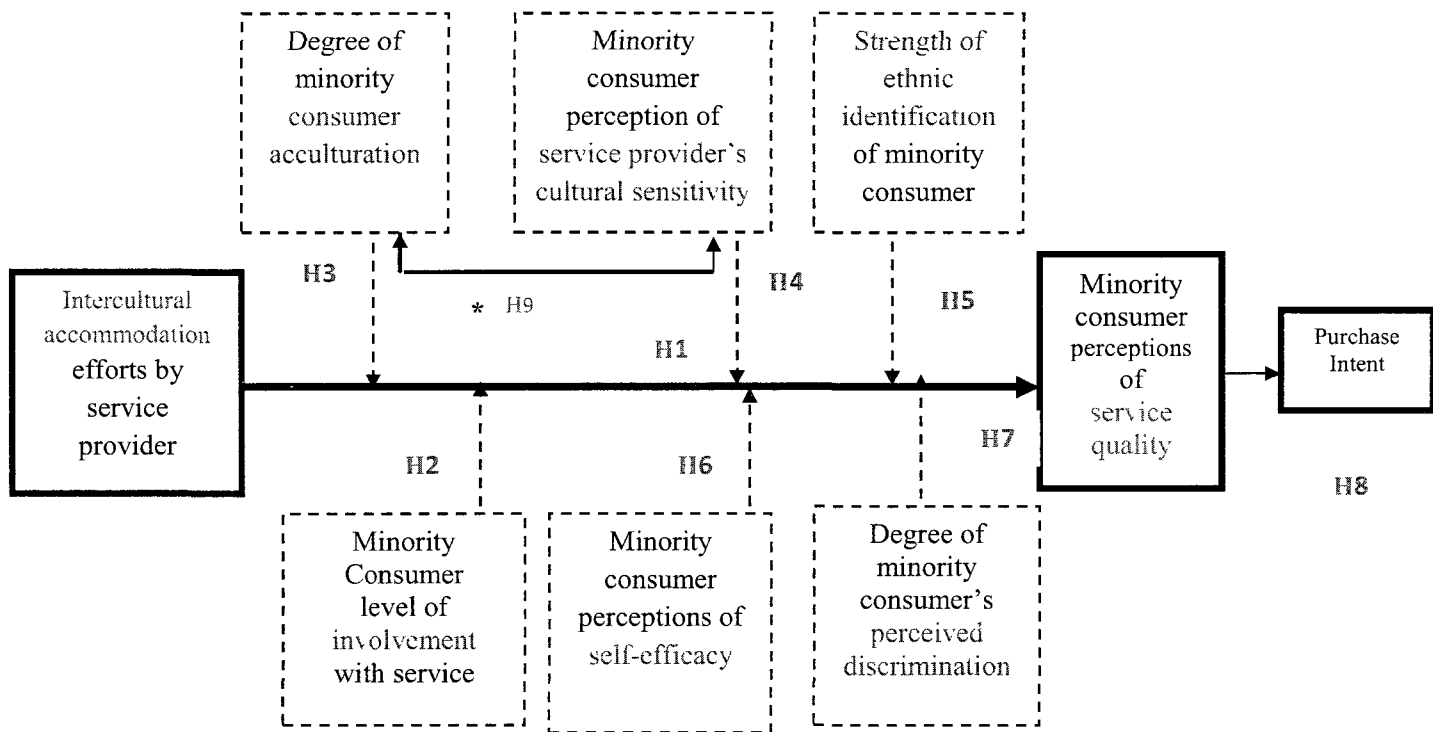
Building on the previous literature review, it can be argued that interactions with others who have similar attitudes, values, and activities and experiences would be easier and less challenging for individuals (Berry, 1980). The challenge that marketers have long addressed is how to create effective communications with their target audiences. Poorly targeted efforts directed towards ethnic minority consumers may create negative assessments of the service quality and service providers (Pires and Stanton, 2000). For example, while advertisements that contain similar cultural cues are likely to heighten appreciation for the advertisement (Appiah, 2001), the use of national flag colors to appeal to one minority group may be elusive to another (Holland and Gentry, 1999). Previous research has suggested that targeting minority consumer groups using ethnic cues, such as ethnically similar models, can result in increased favorability towards the advertisement and the brand (Whittler, 1991; Wooten, 1995; Appiah, 2001, Karande 2005). Similarly, with regard to the use of minority language in delivering messages, research has shown support for such efforts in terms of the resultant attitudes towards advertisements, companies, and brands (Peñaloza, 1994; Roslow and Nicholls, 1996; Dolinsky and Feinberg, 1986; Koslow, Shamdasani, and Touchstone, 1994). In general, the use of cultural symbols to reach ethnic consumers has been well received by ethnic consumers (Holland and Gentry, 1999).

Building on these findings, it is argued that marketers' attempts to accommodate the service offering to its ethnic minority consumer will be met by favorable assessments of service quality. Such accommodation efforts are broad and may involve borrowing

cultural symbols (e.g. service provider of similar background, use of ethnic language, sponsoring ethnic events, use of national flag etc.) from the ethnic minority group in order to appear more similar, improve communication, and gain approval. Specifically, the current study aims to contribute to the existing body of research by considering the outcomes of two accommodative efforts: the use of ethnically similar service providers and the offering of a service in the minority language. While previous research has addressed one or another, it is the combined impact of both on consumer assessments of service quality that the proposed study seeks to unveil. Accordingly, the main hypothesis for this study is postulated as follows:

H1: Minority customers will evaluate a service encounter more favorably when the service is delivered via accommodation efforts than when no accommodation efforts were offered in the service delivery.

Despite strong roots in accommodation and distinctiveness theory, evidence for the effectiveness of intercultural accommodation is mixed (Holland and Gentry, 1999). Perhaps an explanation for the conflicting results is that certain factors can moderate the impact these directed efforts might have on service quality perceptions. In other words, several other intervening variables may intensify or weaken the causal relationship between accommodation attempts directed towards minority consumers and their perceptions of service quality. While Figure 1 (p.11) introduced the model constructs and theoretical foundations, the following figure (Figure 2) illustrates the specific hypotheses involving the moderators of the intercultural accommodation model. Following Figure 2 is a literature review to present a framework of the variables that are proposed to moderate the relationship.



**Proposed Interaction*

Figure 2: Moderators of the Intercultural Accommodation – Service Quality Relationship and Interaction Effects

The Effect of Service Involvement

Involvement refers to a motivational variable reflecting the extent of personal relevance of a decision to the person in terms basic goals, values, and self-concept (Gabbot and Hogg 1999; Zaichovsky 1985) The level of consumer involvement in services has been shown to impact both overall evaluation of the service and the final purchase decision (Aldlaigan and Buttle, 2001).

The elaboration likelihood model (ELM) of persuasion (Petty and Cacioppo, 1986) is a model of how attitudes are formed and changed. Central to this model is the

"elaboration continuum", which ranges from low elaboration (low thought) to high elaboration (high thought). The ELM distinguishes between two routes to persuasion: the central route and the peripheral route. Central route processes are those that require a great deal of thought, and therefore are likely to prevail under conditions that promote high elaboration. Central route processes involve careful scrutiny of a persuasive communication (e.g., a speech, an advertisement, etc.) to determine the merits of the arguments. Peripheral route processes, on the other hand, do not involve elaboration of the message through extensive cognitive processing of the merits of the actual argument presented. These processes often rely on environmental characteristics of the message, like the perceived credibility of the source, quality of the way in which it is presented, the attractiveness of the source, or the catchy slogan that contains the message (Petty & Cacioppo, 1986).

Accordingly, in the context of service encounters, it can be argued that intercultural accommodation (e.g., service provider's ethnicity or language spoken) serves as a peripheral cue. Hence, consumers in a high-involvement situation tend to process more attributes such as service cost, duration, tangibles etc. Whereas the consumer pays more attention to peripheral cues in a low involvement situation in which case they does not engage in intensive decision making and consider few attributes (Torres and Briggs, 2005).

Building on the ELM, the argument posited is that the relationship between accommodation efforts and service quality perceptions should be stronger for low involvement services, where by definition, the consumer does not engage in intensive decision making and considers a limited amount of attributes. In this case, the minority

consumer will consider the service provider's ethnicity and language, and these in turn, will influence service quality perceptions. On the other hand, for high involvement services, the consumer considers more attributes and therefore, accommodation efforts should play a weaker role compared to a low involvement service encounter. However, in the absence of accommodation efforts altogether, consumers involved in a high involvement service will assess the service quality more favorably compared to the low involvement service due to the extensive cognitive processing required in high involvement encounters. Since the consumer is considering more attributes in this case, ethnicity of service provider, for example, does not play such a major role as in a low-involvement service (Torres and Briggs, 2005). Therefore:

H2: Among minority consumers, service involvement will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers will evaluate a service encounter delivered via accommodation efforts more favorably for low-involvement services than for high-involvement services. On the other hand, minority evaluations of a service encounter delivered with no accommodation efforts will be more favorable for high-involvement services than for low-involvement services.

The Effect of Consumer Acculturation

The challenge to marketers is to portray cultural values, norms and characteristics in such a manner that minority customers can find similarity between themselves and the offering. However, diversity within subculture values and norms affects how different minority consumers will perceive and accept marketing efforts. Recent research in consumer behavior attempts to address the process by which individuals adapt to cultures that are different from their own (Hmida, Ozcaglar-Toulouse, and Fosse-Gomez, 2009). The concept of acculturation is central to such studies of subcultures and their interactions with host societies (O'Guinn, Lee, and Faber, 1986). In its broadest sense,

acculturation is a series of cultural exchange and is defined as the process of learning a culture that is distinctively different from the one in which the person has been raised (Valencia, 1985). In other words, it refers to the adoption of the host or mainstream attitudes, values, and behaviors (Laroche, Kim, & Tomiuk, 1998). Consumer acculturation is a subset of the acculturation process comprised of those attitudes, values, and behaviors which collectively comprise buyer behavior (O'Guinn, Lee, and Faber, 1985). Researchers have studied the extent to which acculturation is influential in consumer behavior (e.g. Deshpande, Hoyer, and Donthu, 1986; Hirschman, 1981; O'Guinn and Meyer, 1983, etc.)

The traditional and extreme perspective of acculturation is one of assimilation, where it is predicted that individuals swap between culture of origin and the host culture, only to adopt norms and values of a host culture (Hmida, Ozcaglar-Toulouse, and Fosse-Gomez, 2009). That is, acculturation is considered as a uni-directional process and individuals are thought to acquire the customs of a new culture at the expense of their own culture of origin (e.g., Kim and Kang, 2001; Padilla, 1980; Mendoza, 1989). This perspective is built on the semantical work by Berry (1980) which presents four modes based on the extent to which individuals associate themselves with their culture of origin and their host culture: (1) assimilation, which occurs when an individual wishes to abandon what he/she has been (e.g., in terms of identity, language, and way of life) and seeks daily interaction with the new culture; (2) separation, which occurs when an individual values holding his/her original culture and at the same time does not seek to establish relations with the dominant culture; (3) integration, which occurs when there is interest both in maintaining one's original culture and in daily interaction with new

culture, therefore, the individual retains his/her identity and certain other of their own cultural characteristics (e.g., languages, dietary customs, and religious festivals) and (4) marginalization, which occurs when immigrants lose their identity and there is little possibility or interest in cultural maintenance as well as little interest in the new culture.

Such models of acculturation are useful because they provide researchers with a framework within which ethnicity, identity and consumption can be assessed (Burton, 2000). However, some recent studies have raised serious doubts about these traditional assumptions (Jun, Ball, and Gentry, 1993; Stayman and Deshpande, 1989; Wallendorf and Reily, 1983). Specifically, research has shown that different individuals adapt to cultures differently while borrowing elements from their own culture as well as their host culture (Chen, Aung, Zhou, and Kanetar, 2005; Penaloza, 1994; Wallendorf and Reily, 1983). For example, in a recent study investigating the mediating effect of acculturation dimensions on the relationship between Chinese identification and conspicuous consumption of ethnic Chinese consumers in Canada, Chen et al. (2005) conclude that immigrants can acquire traits of the host culture while maintaining traits from their original culture, thereby supporting a bidimensional model of acculturation (Laroche, Kim, and Tomuik, 1998). This bidimensional model measures acculturation with respect to the two cultures (mainstream or host and ethnic or culture of origin) separately (Cuellar, Arnold, and Moldonado, 1995; Marin and Gamba, 1996). The current research focuses specifically on the maintenance of the culture of origin. While adaptation to the mainstream culture is also important, the current study focus is the effectiveness of using the original culture's accommodation efforts, which is more closely related to the preservation of the original cultural heritage among ethnic minority consumers. For ease

of discussion, when “highly acculturated consumers” is used, it will refer to those who have low attachment to the original culture.

A limited number of studies have identified significant differences in media preference and advertising effectiveness between low-acculturated minority consumers and those highly acculturated. Whether print advertisements (Adelson, 1989), store signs (Hayes-Bautista, Schinck, and Chapa 1984), radio and television (Valenzuela, 1973), or in general (Deshpande, Hoyer, and Donthu, 1986), uncertainty about the actual effectiveness of targeting particular ethnic groups remains high (Holland and Gentry, 1999). For example, Kara and Kara (1996) investigated the differences in choice behavior of high- and low-acculturated Hispanics and Anglos in terms of product attributes. They find that Hispanics with a high level of acculturation were similar to Anglos but different from Hispanics with low-level of acculturation. Their study did not investigate the impact of such differences in consumer choice on overall satisfaction. In another study, Ueltschy and Kramp (1997) investigated the relationship between the level of acculturation of Hispanics and their preferences for languages and models in print advertisements. They conclude that the degree of acculturation is an important segmentation variable and that marketers should advertise in English to the highly acculturated minority consumers as well as use Hispanic or Anglo models.

In the case of services, ethnic minority consumers may lack the time, money, and knowledge of the marketplace to evaluate information about the service provider. For example, an ethnic consumer might have problems explaining his/her needs and responding appropriately during a service encounter such as applying for a bank loan (Pires and Stanton, 2000). Therefore, one key characteristic that distinguishes

consumption of services from consumption of products is the “inseparability” (Kotler, 1991). That is, the actual degree of interaction needed between the provider and the consumer. Inseparability is selected from the unique characteristics of services because this factor is most likely affected by the degree of consumer acculturation (Donthu and Cherian, 1994). Hence, it can be argued that the effect of an encounter in which a service company accommodates a minority consumer by speaking their language and hiring ethnically similar service providers will differ in its impact on service quality perceptions depending on the degree to which the consumer has adopted the host culture.

Specifically, when consumers relate more to their original culture and recognize accommodative efforts, they have higher perceptions of service quality measures such as empathy and responsiveness of the service provider. On the other hand, in the absence of accommodation efforts, minority consumers who relate more to the host culture will have higher perceptions of service quality compared to their counterparts who remain attached to their original culture. This is primarily attributed to the fact that without any specific marketing efforts targeted towards the minority group, a highly acculturated member of that group will appreciate the affiliation with the mainstream culture. Hence, the following hypothesis is postulated:

H3: Among minority consumers, consumer acculturation will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that, low-acculturated minority consumers will evaluate a service encounter offered via accommodation efforts more favorably than highly acculturated minority consumers. Moreover, for service encounters offered without accommodation efforts, high-acculturated minority consumers will evaluate service quality higher than their low-acculturated minority consumer counterparts.

However, what remains unclear from such studies is whether the use of a single measure, such as the acculturation variable just identified, is creating the findings.

Acculturation alone may not result in significant differences in choice behaviors unless it is coupled with other factors (e.g. strength of ethnicity or perceptions of sensitivity) (Kara and Kara 1996; Karande 2005). Therefore, this paper studies the possibility of acculturation as a moderating factor as well as additional variables to better explain the disparity in findings.

The Effect of Perceived Cultural Sensitivity

Consumer researchers have only recently begun to examine the role of minority consumers' perceptions regarding the motives of marketers (Koslow, Shamdasani and Touchstone, 1994). According to accommodation theory, the evoked emotions resulting from the efforts of attempting to become similar to others from a different ethnic group depends on the causal attributions of the motives of the communicator. Accordingly, it is argued that if speech accommodation is attributed to a desire to break down cultural barriers between the speaker and listener, convergence is received favorably by the listener, resulting in positive feelings and attraction (Giles, Taylor, and Bourhis 1973). Individual exchanges of services are not assessed in isolation but as a continuation of past exchanges likely to continue in the future (Pires and Stanton, 2000). Therefore, consumers who recognize the use of their cultural symbols in marketing communications may seek "an explanation of the motives of the marketer or the source of the message" (Holland and Gentry, 1999, p. 69). For example, Koslow, Shamdasani, and Touchstone (1994) found that among Hispanic consumers, greater use of the Spanish language was

associated negatively with response to the advertisement when increased usage of the language was not attributed to the perceived cultural sensitivity of the advertiser. Also, among Asian-Americans, it has been found that responses towards the advertisement were favorable when ethnically similar models were depicted in the ads, but this was stronger for consumers who perceived the accommodation to be offered by caring and empathetic marketers (Karande 2005). Holland and Gentry (1999) propose that if an “Anglo” source borrows a minority consumer’s cultural symbols (e.g. Spanish language) in an effort to communicate with those consumers, they would likely react negatively in terms of the advertiser motives (“they don’t care about my culture really”), unless the communicator is perceived to be culturally sensitive. Marketing strategies directed to the ethnic group at large (such as sponsorship of important community events, together with endorsement of ethnic group attitudes and concerns) may shape a firm's profile to a status of credible perceived similar-other (Bendapudi and Berry, 1997).

Therefore, it is argued that if the use of the minority language as well as ethnically-similar service providers is attributed to the service provider’s cultural sensitivity, the targeted minority consumer’s response will be positively influenced and result in higher perceptions of service quality, compared to lower perceptions of service provider’s cultural sensitivity. On the other hand, in the case where the service is delivered without any accommodation efforts, although minority consumers who have low perceptions of cultural sensitivity may evaluate the service quality similarly or even favorably compared with situations in which accommodation efforts are offered, these evaluations will not be as high as the situation in which cultural sensitivity were regarded as high. Thus, hypothesis 4 is postulated as follows:

H4: Among minority consumers, perceived cultural sensitivity will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers who have high perceptions of service providers' cultural sensitivity will have more favorable service quality perceptions of the accommodation attempts than their counterparts who have low perceptions of service providers' cultural sensitivity.

The Effect of Strength of Ethnic Identification

Although it can be argued that many minority consumers identify with certain aspects of their ethnic culture, it should not be expected that all members will do so to the same degree (Green, 1999; Deshpande and Stayman, 1994). Ethnic identity refers to a sense of “common ancestry based on shared individual characteristics and/or shared sociocultural experiences” (Dreidger, 1978, p. 15). The most widely accepted dimensions of ethnic identity include: language, friendship, religion, food preference, and traditional celebrations (Driedger, 1975; Phinney, 1990; Rosenthal and Feldman, 1992; Laroche, Tim, Tamiuk, 1998). Therefore, while ethnic identity is a culturally constituted term referring to how members of an ethnic group relate to the group “as a subset of the larger society” (Berry, 1980, p. 58), the term “strength of ethnic identification” describes how strongly these members affiliate with their group (Deshpande and Stayman, 1994). The strength of identification with a home culture has been studied thoroughly in the marketing literature (e.g. Hirschman, 1981; Donthu and Cherian, 1994). The term has been measured based on self-reports (e.g. Deshpande, Hoyer, and Donthu, 1986; Hirschman, 1981), or determined from the language preferred (e.g. Spanish-only, Spanish and English, English-only) (Webster, 1991).

More importantly, the strength of ethnic identification has been shown to positively impact ethnic product consumption (Chung and Fisher, 1999; Deshpande,

Hoyer, and Donthu, 1986) as well as racial classifications (Whittler, 1989). For example, Deshpande, Hoyer, and Donthu (1986) found that the strength of ethnic identification influences Hispanic consumers within the Hispanic community (i.e. strong Hispanic identifiers were found to be more brand loyal than weak Hispanic identifiers). Donthu and Cherian (1994) examined the impact of the strength of ethnic identification on coupon usage among Hispanic consumers and found that those who identified strongly with their Hispanic culture were less responsive to in-store marketing attempts (Green, 1999). A recent study by Appiah (2001) examined whether the strength of ethnic identification influenced Black and White consumers' reaction to advertisements and concluded that viewers with strong ethnic identifiers responded more favorably towards advertisements with models matching their own ethnicity (Torres and Briggs, 2005).

Building on Distinctiveness Theory, research has shown that individuals who are more likely to identify with and perceive themselves to be similar to media characters (Huesman et al., 1983; Brock, 1965; Burnstein, Stotland, and Zander, 1961) are more likely to be influenced by media content portraying these characters (Appiah, 2001). Studies have shown that high levels of similarity between the viewer of an advertisement and the actors featured in the ad will increase the viewer's believability of the message in the advertisement, which ultimately will lead to more positive attitudes about the advertisement and the product being evaluated (Aaker, Brumbaugh, and Grier, 1996). However, the majority of studies investigating the strength of ethnic identification have been limited solely to evaluations of advertisements, such as examining the effect of actor's race or model similarity (Whittler 1991; Karande, 2005) or other marketing

efforts that are not targeted specifically towards the minority group, for example: coupon usage among Hispanic consumers (Donthu and Cherian, 1992).

Research directed towards the association of the concept of ethnic identity to that of acculturation has resulted in differing perspectives (Laroche, Kim, Tomiuk, 1998). For instance, in most studies the strength of ethnic identification has often been used as a measure of acculturation (e.g. Deshpande, Hoyer, and Donthu, 1986; McCracken, 1986; Chung and Fisher, 1999; Karande, 2005). In these cases, an ethnic minority consumer's adaptation to the host culture is perceived along a one-dimensional continuum, varying from strong ethnic ties at one extreme to strong mainstream ties at the other (Dubish, 2001). However, other perspectives argue that ethnic identity is a subdimension of acculturation level (Green, 1999), that acculturation dimensions are a mediator in the relationship between ethnic identification and consumer behavior (Chen et al., 2005), and that even though acculturation and ethnic identity are positively correlated, they remain distinct and the relationship between these them is nonlinear (Laroche, Kim, Hui, and Tomiuk, 1998). For example, Jun, Ball, and Gentry (1993) argue that one's level of acculturation reflects behavioral changes and is related to "how do I behave in a situation", while ethnic identity is a subjective attitude towards self-identity with the new cultural environment related to "who am I?" (p. 77). The current study is based on the argument that changes occur in ethnic values over time (Chen et al., 2005), and therefore addresses both dimensions underlying the process of ethnic change: acculturation and the strength of ethnic identification. Previous research on ethnic advertising has often identified only one of these two dimensions of ethnic change as relevant. For example, Koslow, Shamdasani, and Touchstone (1994) measured linguistic acculturation while

Deshpande and Stayman (1994) measured ethnic identification. In the present study both aspects are incorporated to obtain better insights into minority consumers' strength of ethnic identification and their consequent response to accommodation efforts in service encounters. It is important to note that ethnicity alone may not result in significant differences in choice behavior unless it is considered with other variables such as acculturation (Kara and Kara, 1996).

Distinctiveness theory suggests that ethnicity is extremely salient in the situation of numeric minority (Torres and Briggs, 2005). Moreover, previous research shows that, those minority consumers with strong ethnic identification – because of their greater connection to their ethnicity and expression of traditional values – may appreciate and feel more targeted by advertisements that represent them than those with weaker ethnic identities (Deshpande, Hoyer, and Donthu, 1986). Ethnic groups or individual members who identify strongly with their heritage are likely to have a stronger response to the use of cultural symbols in marketing communications than their weakly identified counterparts (Zmud and Arce, 1992). Likewise, in a service setting, the effectiveness of the service provider's efforts to speak the minority language and to appear similar in appearance should impact respondents' service quality perceptions, depending on their strength of ethnic identification. Hence, the following hypothesis is presented:

H5: Among minority consumers, the strength of ethnic identification will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers with stronger ethnic identification will evaluate a service encounter delivered via accommodation efforts more favorably than those with weaker ethnic identification. Moreover, for service encounters offered without accommodation efforts, there will be no significant differences between strong- and weak- minority identifiers in terms of service quality perceptions.

The Effect of Self-Efficacy Perceptions

As has been argued earlier, the fact that a service is an act of social performance that is intangible, variable, and inseparable (Lovelock and Wright, 1999) generates problems in service marketing and management (McKee, Simmers, and Licata, 2006). As a service “coproducer” (Vargo and Lusch, 2004), the customer’s role is significant in the delivery and consumption of several types of services. For example, banking firms expect customers to reconcile their statements (McKee, Simmers, and Licata, 2006). Airline check-in is another illustration of how self-service is increasing customer involvement. Building on role theory and self-efficacy theory, a recent study by McKee, Simmers and Licata (2006) concluded that belief in one’s ability to perform a task (self-efficacy) is a powerful predictor of behavior and his or her response to that service.

Role theory argues that service encounters may be seen by deliverers and recipients as a set of interactions that must be carried out by each party in order to achieve a successful service encounter (Biddle, 1979). Self-efficacy theory suggests that a customer’s beliefs about their ability (self-efficacy) to participate in these roles will ultimately impact their response to the service (Gist, 1987). Moreover, self-efficacy beliefs tend to reduce stress, increase motivation, and make the taking of certain actions more comfortable (Wood and Bandura, 1989). Therefore, the theory has been used to explain attitudes and behaviors in management research such as goal setting and training (Appelbaum, 1996; Saks, 1995), and the response to fear in appeals in advertisements (Snipes, LaTour, and Bliss, 1999). Self-efficacy is also argued to be an important construct in service organizations because of customer involvement in the service exchange. Specifically, “more effective consumer participation in services results in a

superior outcome. Contra wise, if the consumer is unable to perform his or her role, the service suffers” (McKee, Simmers, and Licata, 2006, p. 211).

Minority ethnic consumers are likely to experience significantly greater difficulties than mainstream consumers in communicating with service providers because of their reduced ability to receive and convey information (Pires and Stanton, 2000). This, in turn, should result in a less-than-satisfactory service experience. That is, confusion or lack of self-perceived ability to participate in the service will limit the breadth and depth of the service value and quality (McKee, Simmers, and Licata, 2006). Similarly, it is argued that customers who are self-efficacious in identifying and performing their role in a service encounter should perceive marketer’s efforts more positively and, in turn, have a higher service perception than their counterparts who feel they are not efficacious (Webb, 2000). Therefore, it is proposed that a minority consumer with high self-efficacy will have higher abilities to participate in and respond positively to ethnically similar service providers offering the service in the minority language. However, in the absence of accommodative efforts, ethnic minority consumers would assess the service quality no differently whether they were low- or high- efficacious individuals since. That is:

H6: Among minority consumers, self-efficacy will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers with high self-efficacy will evaluate a service encounter delivered via accommodation efforts more favorably than those with weaker self-efficacy. Moreover, for service encounters offered without accommodation efforts, there will be no significant differences between low- and high-efficacy perceptions of minority consumers in terms of service quality assessments.

The Effect of Perceived Discrimination

Acculturation is an often-used construct in marketing and consumer behavior studies (e.g., Hirschman, 1981; Podoshen 2006; Ogden, Ogden and Shau, 2004) and is a multifaceted construct incorporating cultural identity, religion, language usage, and cultural values (Hui et al., 1992; Jun Ball, and Gentry, 1993; Xu et al., 2004). Yet for all the research that has focused on acculturation and advertising effectiveness, most research has ignored the related dimension of perceived discrimination (Wilson, 2007). One of the facts associated with international migration is that for many minorities there are significant levels of hostility and discrimination (Wilson, 2007). The term “perceived discrimination” refers to the professed or actual discrimination one believes that emanates from the hosting culture resulting from religion, skin color, or accented language (Padilla, 1980).

One of the assumptions of accommodation theory is that reaching minority consumers through the borrowing of cultural symbols such as language or ethnically similar models will illicit positive feelings about their culture (Giles, Taylor, and Bourhis, 1973). However, positive feelings are not always the result. For example, Haarmann (1986) discusses the situation in France in which patois-speakers have a language-related inferiority complex because the local language is sometimes considered by the speakers themselves to be an obstacle to social advancement. Similarly, Platt and Weber (1984) discovered that a speaker's use of an ethnic language does not always lead to positive feelings on the ethnic consumer's part. In fact, Singaporeans were annoyed when communication was in the recipients' own ethnic language rather than in English. Platt and Weber (1984) attribute this finding to a type of linguistic insecurity on the part of

Singaporeans about the level of prestige of their language variety. However, Wilson (2007) found that the use of Spanish language in advertisements will have a positive impact on purchase intention when Hispanic consumers possess high levels of perceived discrimination. Therefore, even though the accommodation efforts of minority language usage and ethnically similar service providers offering the service to the minority consumers may have a positive effect on perceptions of service quality, they may also have a moderating negative effect on perceived reactions toward the service provider due to such inferiority complexes and perceptions of discrimination. On the other hand, if no accommodation efforts are directed towards an ethnic minority consumer who has past perceptions of discrimination, he or she will feel more belongingness to the mainstream group and, in turn, have higher service quality perceptions than their counterparts who have hardly any perceptions of discrimination (Koslow, Shamdasani and Touchstone, 1994). Accordingly, the following hypothesis is offered:

H7: Among minority consumers, perceived discrimination will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers who have past perceptions of discrimination will evaluate a service encounter delivered via accommodation efforts less favorably than minority consumers who do not have past perceptions of discrimination. Moreover, for service encounters offered without accommodation efforts, minority consumers who have past perceptions of discrimination will have higher service quality perceptions than those who do not have past perceptions of discrimination.

BEHAVIORAL OUTCOMES OF SERVICE QUALITY

Service quality refers to the overall assessment of the standard of service received (Brady and Cronin, 2001; Parasuraman, Zeithaml, and Berry, 1988). As previously indicated, delivering service of high quality to consumers is considered an essential

strategy for success and survival in today's competitive environment (Ostrom et al., 2010; Parasuraman, Zeithaml, and Berry, 1985; Reichheld and Sasser, 1990; Zeithaml, Parasuraman, and Berry, 1990). As marketers become increasingly aware that ethnic minority consumers represent a growing and lucrative market (Cui, 2001), the pressure to deliver high quality to those groups continues to grow. In fact, at least half of the *Fortune* 1000 companies have established some sort of ethnic marketing program (Brill, 1994) with the intention of forging bonds between the consumers and the company. However, it is the positive outcomes of service quality that managers seek. When customers say positive things about the company, express preference for the company over others, agreeably recommend the company, or show a propensity to pay more “they are indicating behaviorally that they are bonding with the company” (Zeithaml, Berry, and Parasuraman, 1996, p. 34). Recent research supports that customer service quality perceptions positively affect intentions to behave in these ways (e.g. Cronin and Taylor, 1992; Anderson and Sullivan, 1993; Bitner, 2003). Specifically, service quality is expected to affect future consumer intentions (Cronin, Brady, and Hult, 2000). In fact, research investigating the relationship among service quality, satisfaction, and behavioral intentions shows that service quality has a direct effect on purchase intentions (Carrillat, Prakash and Mulki, 2009). Therefore, the purchase intent construct is incorporated in the current study model as a measure of service quality behavioral outcome. The following secondary outcome hypothesis is postulated:

H8: There is a significant positive relationship between service quality perceptions of ethnic minority consumers and purchase intentions.

INTERACTION EFFECTS

According to Hair et al. (2006), an interaction effect “means that the difference between groups on one treatment variable varies depending on the level of the second treatment variable” (p. 386). In the hypothesized model under investigation, an interaction effect exists when the effect accommodation attempts on service quality caused by one factor is contingent upon the level of another factor. Figure 2 illustrates the predicted interaction effects between perceived cultural sensitivity and other factors. Following is the justification and prediction of such relationships.

Three-Way Interaction between Intercultural Accommodation, Consumer Acculturation and Perceived Cultural Sensitivity

Since the motives of service providers in accommodating ethnic minority consumers depend on customer perceptions (Holland and Gentry, 1999; Koslow, Shamdasani, and Touchstone, 1994), the degree of consumer acculturation may impact the extent to which a service provider is perceived to be culturally sensitive. In other words, if a minority consumer is more adaptive to his or her culture of origin’s consumer values (i.e., low in acculturation), he or she may interpret the accommodative efforts of the service provider as more culturally sensitive than if he or she were more adaptive towards the mainstream culture (i.e., high in acculturation), who might actually be indifferent in their assessment of accommodation efforts. Therefore, there may exist an interaction effect between the two variables: consumer acculturation and perceived cultural sensitivity. The following hypothesis is therefore postulated:

H9: The effect of accommodation efforts on perceptions of service quality is moderated by the interaction of consumer acculturation and perceived cultural sensitivity. In particular, it is expected that:

H9a: Low-acculturated minority consumers will evaluate a service encounter delivered via accommodation efforts more favorably when high cultural sensitivity is perceived than high-acculturated minority consumers when high cultural sensitivity is perceived.

H9b: There will be no significant difference between low- and high-acculturated minority consumers when evaluating a service encounter delivered via no accommodation efforts when high cultural sensitivity is perceived.

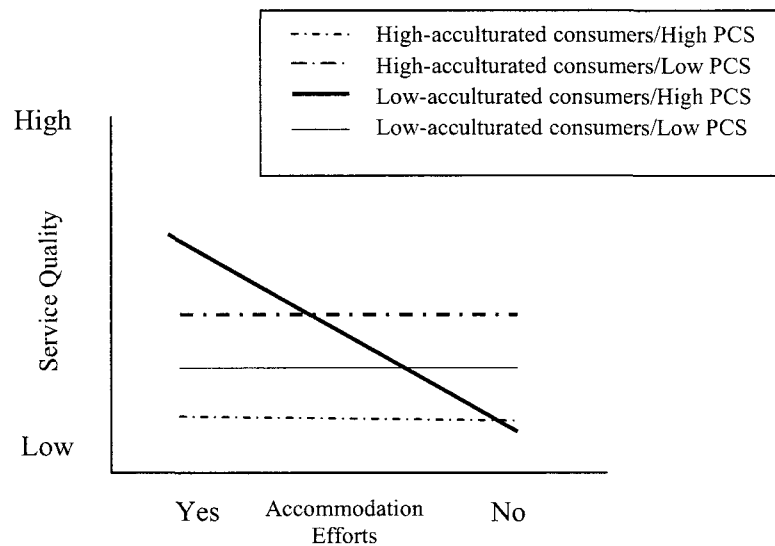


Figure 3: Hypothesized Interaction: Intercultural Accommodation x Consumer Acculturation x Perceived Cultural Sensitivity

CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

Experimental design is the chosen research strategy to test the hypotheses proposed in this study. The population of interest involved Hispanics. The term “Hispanics” or “Latinos” is a broad categorization including Mexicans, Puerto Ricans, Cubans, Dominicans, Nicaraguans, Panamanians, Salvadorans, Argentines, Venezuelans, Hondurans, Peruvians, and Colombians (Chattaraman, Rudd, and Lennon, 2010). Hispanic consumers were chosen for this study for several reasons. First, the Hispanic population is currently the largest minority group in the U.S. and is projected to constitute almost 30% of the U.S. population by the year 2050 (U.S. Census Bureau, 2010) with a buying power increasing at a rate of 118 percent a year (Valdes, 2002). Thus, these consumers constitute a significant growing segment in the U.S. market. Moreover, services involve unique characteristics that necessitate different consumer evaluation processes from those used when assessing products and, therefore, require unique marketing techniques (Zeithaml and Bitner, 2003). Therefore, Hispanic consumers’ service quality perceptions warrant further investigation. Secondly, numerous service companies such as State Farm and Verizon are increasingly spending their advertisement budgets on Hispanic-targeted ads (Wentz, 2007; Holland & Gentry, 1999). These insights can create a better understanding of how Hispanic consumers in the United States construct, maintain, and negotiate relationships with service providers in the domain of consumption.

The purpose of the experimental study was to examine the main effects of hiring Hispanic service providers and offering the service in Spanish (i.e., intercultural accommodation efforts) on the service quality perceptions of Hispanic consumers as well as the moderating effects of six factors that are hypothesized to impact this relationship. This chapter describes the research study and methodology employed in the study.

QUALITATIVE RESEARCH

Pilot Study 1: Focus Group Interviewing

The first phase employed the qualitative technique of focus group interviewing (Pilot Study 1) and was conducted among a convenient sample of Hispanic consumers (discussed subsequently). The overall purpose of this qualitative first phase was to gain insights on key factors that impact service quality perceptions of Hispanic consumers in the presence and absence of accommodation efforts. The interviews sought answers to key questions that would guide the development of experimental stimuli for the intercultural accommodation manipulation and service involvement manipulation used in the main experimental study. Specifically, the first purpose of Pilot Study 1 was to investigate whether efforts to hire service providers who were perceived to be Hispanic and whether use of Spanish language would be identified as intercultural accommodation. The answer to this question could guide the development of the intercultural accommodation manipulation. The second purpose of Pilot Study 1 was to provide new insights about the moderator of the intercultural accommodation-service quality perceptions relationship that would to be manipulated in the main study, namely: the level of service involvement. Thirdly, the interviews provide an additional attempt to

solicit potential moderators that are not derived from the existing literature. Interviews used an open-ended informal discussion format in conjunction with a structured self-administered questionnaire respondents were asked to complete before the focus group meeting (see Appendix 1). Respondents were often asked to refer to the questionnaires they had answered during the discussion. The key to the success of focus groups lies in members expressing their honest opinions rather than providing information that conforms to societal expectations. Wooten and Reid (2000) argue that self-presentational concerns lead participants to provide socially desirable responses that may bias the information gained from the interview. Therefore, using a structured questionnaire in addition to the open-ended questions ensured that participants could provide their true perceptions uninfluenced by self-presentational concerns that arise in group interviews.

Context

To investigate the hypotheses in this study, a bank visit in which the subject seeks the assistance of a bank employee is incorporated in the scenarios. A bank encounter serves as the context for several reasons. First, as ethnic banking is on a rise within the US, banks are attempting to capitalize on this potential by introducing newer product lines and services to meet the different demands of Hispanics (Shanmuganathan, Stone, and Foss, 2004). Many banks have invested in personalized services with the purpose of building banking relationships (Stone et al., 2003). Thus, findings from this study are managerially relevant as they will suggest which areas banks need to focus on in order to improve their management of Hispanic consumers. Secondly, a recent study by Mintel, a market-research firm, found that only half of U.S. Hispanics are bank customers, compared with 80 percent of the population as a whole. Only 27 percent of Hispanics

have a mortgage, and fewer than 50 percent have some type of loan. More importantly, researchers cite several reasons for the high percentage of Hispanics without bank connections: language barriers, the wrong marketing tools and programs, immigration from countries where checking accounts were reserved for the well-to-do or where financial institutions were mistrusted, and a lack of awareness of what banks can offer (Boraks and Mandaro, 2003). Thirdly, the variety of services performed within a bank setting differs in complexity and in both provider and customer involvement (Supernant and Soloman, 1987). Finally, as sixty percent of Hispanics prefer to speak in Spanish and only 21 percent prefer English, banks are investing resources into trying to overcome these barriers. For example, Bank of America has moved towards recruiting Spanish-speaking employees (Shanmuganathan, Stone, and Foss, 2004). Accordingly, the variables under investigation could be readily manipulated in a banking setting: intercultural accommodation efforts, ethnic situation, and service involvement.

Participants

Recruiting emails with information about the focus group interviews were sent to a sample of a Hispanic panel utilized by an online marketing research firm. Students were not used as the population of interest for several reasons. First, students may differ from non-students in their cultural and ethnic identification levels (Chattaraman, Lennon and Rudd, 2010). Additionally, since the scenarios depicted in the main study would investigate the moderators of acculturation and service involvement, a study sample was avoided to reduce skewness of results. In other words, students tend to be more acculturated than the average population and they are less likely to have been exposed to a service encounter involving a mortgage application.

The researcher served as the moderator for the focus group interview. Nine participants provided their insights. All responding participants were self-identified as Hispanic and were at least at the fluent level of conversing and reading Spanish. The participants represent diverse groups within the Hispanic culture (e.g., Mexicans, Puerto Ricans, Cubans, Dominicans, Argentineans). Participants who did not wish to specify their ethnic background were allowed to identify themselves as “Latino” or “Hispanic”. Additionally, the respondents answered in the screener guide that they had come in contact with a bank service in the last twelve months. The focus group was comprised of four female and five male participants. The interview was audio recorded and subsequently transcribed verbatim. Each participant received a payment of \$100 at the end of the focus group interview. Table 2 contains a summary of the demographic information of those who participated in the focus group interview.

- | |
|--|
| <ul style="list-style-type: none"> • Member #1: Female, 56 years old, Puerto Rican • Member #2: Female, 24 years old, Cuban • Member #3: Male, 30 years old, Dominican • Member #4: Male, 25 years old, Mexican • Member #5: Male, 44 years old, Latino • Member #6: Female, 28 years old, Argentinean • Member #7: Male, 52 years old, Puerto Rican • Member #8: Female, 42 years old, Puerto Rican • Member #9: Male, 64 years old, Cuban |
|--|

Table 2: Demographic Profiles of Focus Group Participants (Pilot Study 1)

Procedure

The broad procedures undertaken in preparation for the focus group interviews are outlined in the following figure (Figure 4):

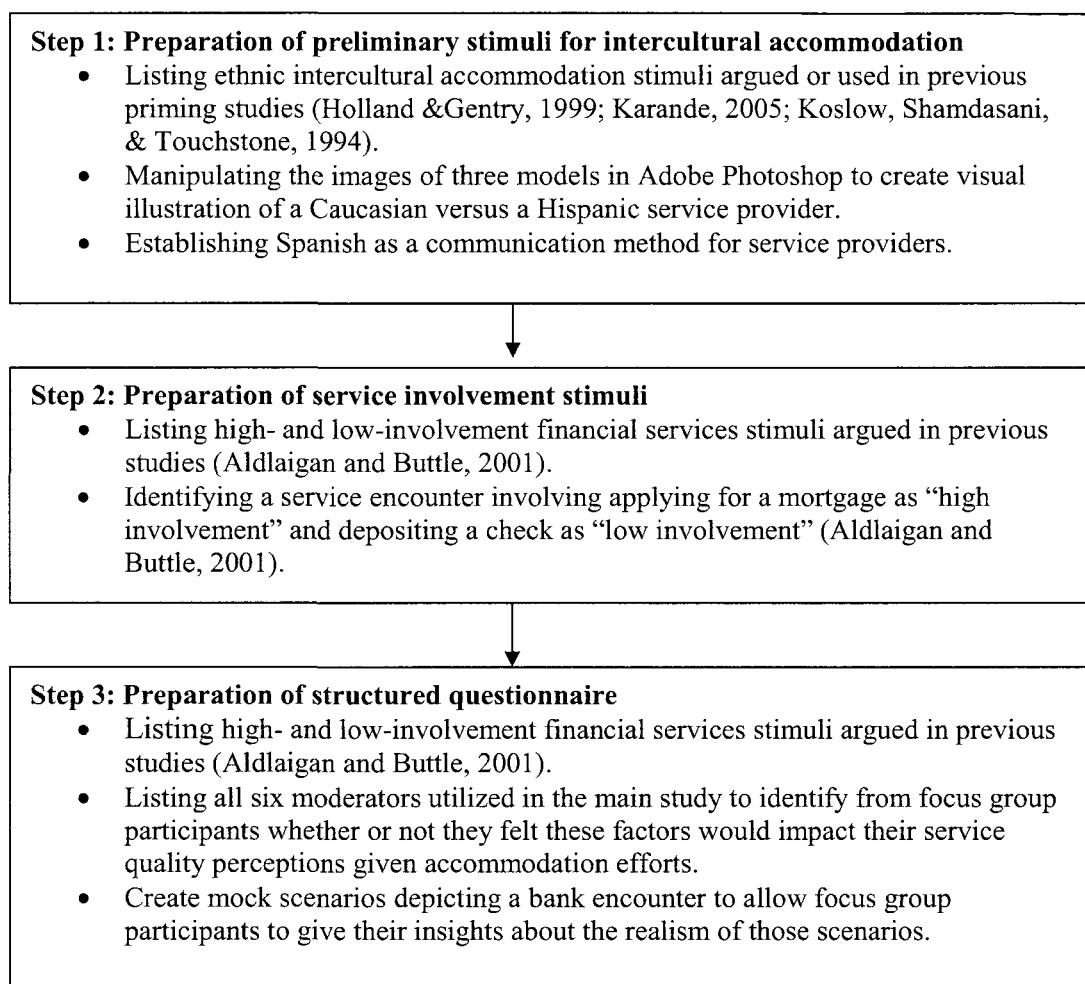


Figure 4 Flow Chart of Procedures Involved in Preparation for Pilot Study 1

Structured Questionnaire

Data for the focus group interviews were collected in a semi-structured format through open ended discussion and questions interspersed with structured items that necessitated the periodic reference to a self-administered questionnaire (see Appendix 1). The respondents were asked to complete the questionnaire upon their arrival to the focus group facility. The researcher wanted to see whether certain questions would be interpreted as intended without further explanation.

The first part of the structured questionnaire asked respondents to indicate which of the listed six banking activities represented a low involvement service and which represented a high involvement one. The banking activities listed were: (1) refinancing a current home loan, (2) depositing a check, (3) withdrawing cash, (4) conducting an account transfer, (5) applying for a mortgage loan, and (6) opening a checking account. During the discussion, respondents were also given the option of labeling any of the services as a medium level involvement activity. These were drawn from a list of financial services examined in a study by Aldlaigan and Buttle (2001) to explore their potential as objects for involvement measurement.

In the next section, the respondents were asked to identify whether the six moderators in the main study could affect their overall evaluation of the service. The factors were not labeled as they were in the literature but rather explained in simple terms for the respondents. For example, rather than use the phrase “consumer acculturation”, the following statement was used: “Extent to which someone from an ethnic background gets used to the American culture. For example, whether someone speaks more English than Spanish at home”. The respondents indicated their answer with a “yes” or “no” answer. As with the previous section, respondents could change their answers during the discussion if they felt a better understanding of the meaning of the factor was introduced.

In the following section, respondents were shown two images of females seated behind what seemed to be a service desk and asked to indicate the extent to which they perceived the bank teller to be Hispanic/Latino and Mainstream Caucasian, respectively. Participants recorded their responses on a 5-point Likert scale anchored by 1= “Strongly Disagree” and 5 = “Strongly Agree”.

The final section of the questionnaire showed the respondents a scenario depicting an encounter with a bank in which the bank teller welcomes and communicates with the client in Spanish. The respondent is asked to imagine this encounter has just happened to them and then asked to indicate whether or not the scenario is realistic. Respondents are also given space to write a more realistic scenario if they indicated the encounter was not realistic.

The focus group discussion lasted for approximately two hours, covering all the topics in the questionnaire as well as open discussion about the participants' attitudes and beliefs regarding targeted marketing efforts, particularly in the banking industry.

Pilot Study 1 – Data Analyses and Results

The focus group interview yielded both qualitative and quantitative data predominantly pertaining to the stimulus instruments to be used in the main experimental study, as well as information about the participants' perceptions of directed marketing efforts towards the Hispanic population. The audio-recorded qualitative data were analyzed for emergent themes. The quantitative data from the structured items were first entered into a statistical software program (Statistical Package for Social Science, Version 16.0), and subsequently analyzed through descriptive statistics that provided frequencies, percentages and means for the items. The focus group was comprised of 55.6% males and 44.4% females. The average age of the participants was 40.5 with the age ranging from 24 to 64 years old. 77.7% of the participants had either graduated or at least some college education. Finally, 77.8% were employed full time.

One of the purposes of the pilot study was to gain insight into Hispanic consumer's experiences in banks where services were offered in Spanish. Two interview questions "Have you ever recognized any marketing efforts by a bank directed to serve the Hispanic/Latino population better?" and "Would you appreciate if a bank representative greets you and speaks to you in Spanish or has the same ethnicity as you?" addressed this objective. Participants provided mostly open-ended responses to these questions.

In analyzing these reflections, emergent themes were first noted in the margins of the discussion. A list of each informant's themes was compiled and subsequently these were arranged in rank order (descending) based on the number of informants who voiced a specific theme. The ranked themes that emerged are summarized below:

- All nine informants identified certain bank encounters as "low involvement", namely: depositing a check and withdrawing cash from a bank teller. They also all agreed that refinancing a current home loan or applying for a mortgage loan constitute "high involvement" services. Services such as opening a bank account or making a transfer through a bank teller were labeled as "moderate involvement" by three respondents, while two participants labeled them "high involvement" and four considered those services "low involvement".
- All nine informants referred to their duration in the U.S. as an indicator as to how they would perceive accommodation efforts of the service providers. For example, one respondent provided the following statement: *"I'm so comfortable in my own skin, I'm fine being addressed in either*

language”. While another participant offered that he wasn’t comfortable being addressed in Spanish because “*..even though I’ve been in the U.S. for over 20 years, I still have an accent*”. Hence, the variables of strength of ethnic identification (as a measurement of the recurring phrase “comfortable” or “proud”) seemed to be unanimous in terms of its impact on the intercultural accommodation- service quality relationship.

- Six of the informants offered their opinions that accommodation efforts such as offering the service in Spanish would be invaluable for Hispanics who have just recently arrived in the U.S. and who are more attuned to their Spanish customs, leading the researcher to address the acculturation construct. One participant said “*It’s definitely a plus if they have someone speaking Spanish if someone walks in who looks lost or out of place*”.
- When asked to refer to the scenario depicting a service encounter at a bank conducted in Spanish, seven of the participants said that it was unrealistic and awkward. Further probing elicited attitudes and discussion about potential profiling or discrimination if the bank teller initiates the conversation in Spanish without any reason. This discussion highlighted again the topic of “comfort” with one’s ethnicity. Still, four participants said they would not be offended by such an encounter. However, the majority agreed at the end that an encounter where the client actually initiates the conversation would dispel any potential for profiling. One female participant explained it as follows: “*If I start the conversation in Spanish, because I see the teller has a Hispanic name tag for instance,*

and she talks back to me in Spanish, then that's fine.. actually I would like that, and probably even enjoy the experience more." One participant offered that it wouldn't make a difference to him who started the conversation in Spanish. Another said that she would feel unique and "special" if she were addressed in Spanish, since it implied she was being catered to in a special manner.

- When asked to refer to the images of the Hispanic versus the Caucasian bank teller, eight out of the nine identified each correctly. Six participants also offered that a name tag with the name "Perez" versus "Smith", for example, would solidify the notion of the different respective cultural backgrounds of each person in the photograph.
- Finally, when probed whether or not being accompanied by a parent or a work associate (who doesn't speak Spanish) during the bank would impact their assessment of the bank teller communicating in Spanish or not, there were several different opinions and conflicting explanations as to why it would (or would not) impact their overall assessment. Similarly, there was much disagreement about the potential of gender being a variable in the assessment of accommodation efforts. They do not foresee a difference in the study's findings with regard to gender nor social surrounding.
- When asked if they could think of any moderators of the recovery paradox that are not included in the model, three of the participants stated that location could be a variable. They argued that it would be "ok" if the bank

teller would initiate the conversation in Spanish if the bank itself was located in a densely Hispanic neighborhood.

- As a final discussion point, when asked whether they believed the research was relevant, several respondents argued that the managerial implications would be extremely useful since they felt that the Hispanic population remained underserved in low density population areas. Others offered that banks and other service providers should continue to hire ethnically similar employees not only at the front-line level but at all levels of the bank.

EXPERIMENTAL PROCEDURES

This study explored the impact of the use of an ethnically-similar service provider as well as the efforts to accommodate language on service quality perceptions in a banking setting. The researcher used information gathered during Pilot Study 1 to construct and alter the stimuli material used in the main study where an experiment was conducted online using a nationwide sample of 377 Hispanics. The questionnaire is developed in English and translated into Spanish then back-translated into English, and is offered in either language to respondents depending on their language preference. Offering the questionnaire only in English would create skewed results as this would be forcing the respondents into a highly acculturated group.

Participants were randomly assigned to one treatment condition in each of four treatment groups in a between-subjects experimental design. One condition from each treatment group is sufficient per respondent because this limits the likelihood of the

experiment's validity being hindered by history or maturation (Churchill and Iacobucci, 2001). The first variable, intercultural accommodation, investigated offering the service via a Hispanic service provider as well as delivering the service in Spanish (i.e., "yes" versus "no"). The second variable, service involvement, reflected a service of high involvement versus a service of low involvement (i.e., "mortgage application" versus "depositing a cheque"). The remaining independent variables were measured: consumer acculturation, service provider's cultural sensitivity, strength of ethnic identification, perceptions of self-efficacy, and perceived discrimination. Purchase intent was also measured as a secondary dependent variable. .

The research hypotheses are tested through the use of role-playing experiments (scenarios), wherein participants read scenarios and respond accordingly. The instructions on the online questionnaires asked respondents to carefully read the scenario and assume that the situation had just happened to them and they are asked to project how they would react (i.e., in terms of service quality perceptions and purchase intent). This method allows the researcher to control unmanageable factors while eliminating response bias that might occur from asking subjects to recall actual service encounters with banks (Johnson, 1995; Smith and Bolton, 2002).

Pretest 1: Manipulation Checks

After conducting the focus group in Pilot Study 1, the researcher used the data collected from the respondents to further develop and finalize the experimental design of the main study. However, before distributing the final version of the survey online, this study required a pretest in order to conduct the manipulation checks on the subjective

variables, namely: intercultural accommodation and service involvement. The term subjective variable refers to a latent construct that is unobservable and may differ according to the respondent's perceptions. Hence, manipulation checks are necessary to assess whether these latent variables are correctly manipulated through alterations of the hypothetical scenarios. The manipulation check vignettes are contained in Appendix 2 and were administered among a sample of 45 Hispanic participants in the form of a pretest (Pretest 1). This is an effective technique when the procedures, instruments, and subjects are similar to those utilized in the main study (Perdue and Summers, 1986). Additionally, manipulation checks during the pretest phase are helpful because uncovering poorly designed manipulations can be further amended for the main study (Aronson and Carlsmith, 1968; Wetzel, 1977; Summers, 2001). The researcher decided to run the entire post-test (main study) as the pretest. This assists in giving the most accurate assessment of how the post-test main study will perform.

Therefore, Pretest 1 sought to establish: (1) that the manipulations provide the intended variance in the experimental variables (intercultural accommodation and service involvement), (2) that the manipulations were realistic, and (3) scale reliabilities and survey duration for main study.

For the "intercultural accommodation" manipulation, the respondents assigned to one of the four treatments were shown either of the following scenarios; a version with the Spanish communication delivered by a Hispanic-looking bank employee (see image in Appendix 2(a)), or another with the English communication and a Caucasian-looking bank employee (Appendix 2(b)), and in each case the respondents were asked the following question: "What language is the bank and its employee communicating with you in?" The responses available for the respondents were "Spanish" (coded 1),

“English” (coded 2) or “Other”, with an option to illustrate which language they thought was being used (coded 3).

Moreover, in order to investigate the similarity of the service provider manipulation the manipulation check was measured by asking respondents the extent of agreement with the statement: “The ethnic background of the service provider is similar to mine.” Subjects are asked to rate the extent to which they agree or disagree with these statements on a 5-point Likert scale, anchored by strongly disagree and strongly agree. A lower score was expected to be associated with the Caucasian service provider scenario compared to the Hispanic service provider scenario.

For the “service involvement” construct, and depending on the treatment they were assigned to, the respondents were provided two scenarios based on the input from the focus group discussion (Pilot Study 1): one involving depositing a check at the bank and one applying for a mortgage loan. They were then asked to rate both in terms of their involvement: “Low level of involvement” (coded 1); “Moderate level of involvement” (coded 2); and “High level of involvement” (coded 3). The low involvement vignette was expected to receive a low involvement rating in the pretest compared to the high level involvement.

As previously mentioned, the pretest also assisted in determining the realism of the vignettes. Scenario realism is measured via a 5-point Likert-type scale (very unrealistic (1) - very realistic (5)) for respondents to answer the following questions (1) “How realistic was the situation that was described to you in the scenario?” and (2) “How likely will this situation happen to you?” Assessing the realism of the scenarios reduces

confusion that may be caused by the respondents' inability to relate to the hypothetical scenarios (Summers, 2001).

The pretest was administered to 45 participants from the same population as the sample for the main experimental study. A marketing research firm utilized a panel of participants of Hispanic background to randomly assign the participants to the four treatments to conduct the questionnaire online (see Appendices 3, 4, 5, and 6).

The data from Pretest 1 were entered into a statistical software program (Statistical Package for Social Science, Version 16.0) and analyzed in two broad stages. The first stage or preliminary data analysis involved organizing the data, computing frequencies and descriptive statistics, and checking reliability of the various scales. The second stage of data analysis involved testing the effectiveness of the two experimental manipulations, intercultural accommodation manipulation and level of involvement manipulation.

Of the 45 respondents, 62.2% were female and 37.8% were male. The age ranged from 24 to 84 years of age, with an average of 34.8 years. The majority of respondents were employed full time ($N = 57.8\%$). Additionally, 88.9% of the participants were born in the U.S. with an average of 31 years lived in the U.S among all respondents.

To test the effectiveness of the level of the intercultural accommodation manipulation in each of the treatments, the first t -test was administered. In order for this manipulation to serve its purpose correctly, the means of the Spanish and English responses to the question "What language is the bank and its employees are communicating with you in?" should be significantly different. The t -test revealed significant differences in the intercultural accommodation of language in each condition.

Specifically, the intercultural communication was correctly received as Spanish communication ($M = 1.27$, $SD = .46$); whereas, the lack of intercultural communication was perceived to be English ($M = 1.96$, $SD = .21$) and this difference was significant [$t = 6.52$, $df = 43$, $p = .000$, $\alpha = .05$]. Additionally, the t -test revealed marginal significant differences in the intercultural accommodation of ethnicity of bank employee depicted in the respective treatments. In the case where an image of a Hispanic bank employee named “Perez” was shown, respondents perceived similarity in terms of ethnic background ($M = 5.00$, $SD = 1.63$), in contrast to the responses when a Caucasian bank employee was depicted with a name tag labeled “Smith” ($M = 3.82$, $SD = 2.26$). This difference is marginally significant [$t = 1.77$, $df = 43$, $p = .081$, $\alpha = .10$].

Next, to test the effectiveness of the level of involvement manipulation in each of the treatments, one item in each treatment asked the participant: “What level of involvement does this bank encounter represent to you?” Additionally, a sub-question was added to further elaborate on the intended meaning of the involvement phrase by clarifying: “In other words, how much involvement is needed when applying for a home mortgage loan?” for the high involvement treatment, versus: “In other words, how much involvement is needed when depositing a small check amount?” for the low involvement treatment. As previously discussed, the responses were captured by participants’ rating 1 = low involvement, 2 = medium involvement, and 3 = high involvement. For this manipulation to be successful, the means of involvement constituting the low and high condition should be significantly different from each other on the involvement rating discussed above.

A t -test failed to reveal a statistically reliable difference between the mean value of depositing the check scenario ($M=2.48$, $SD=.680$) and the mortgage application scenario ($M=2.46$, $SD=.779$), $t(43) = 0.081$, $p = .46$, $\alpha = .05$.

Given that the low involvement scenario did not receive a low involvement rating, the researcher speculated that the question was not perceived as intended. Since the focus group participants had unanimously identified each of the involvement scenarios as intended, the question was altered in an attempt to clarify the intent of the phrase “involvement.” Subsequently, the new question would be formulated as follows: “What level of mental complexity does this transaction represent to you? (In other words, how much participation is needed when you apply for a home mortgage loan?)” for the high involvement condition. Similarly, the low involvement condition inquires about the participation needed when the participant deposits a small check amount. They are then asked to rate both in terms of their participation: “Low level of participation (coded 1); “Moderate level of participation” (coded 2); and “High level of participation” (coded 3).

Additionally, since the response to the question regarding similarity to service provider yielded only marginal significance, the researcher decided to rephrase the question from “The *ethnic* background of the bank employee seen in the photo is similar to mine” to “The *cultural* background of the bank employee seen in the photo is similar to mine” (Whittler, 1991)

Amending the manipulation in this manner is consistent with the views of Aronson and Carlsmith (1968), Wetzel (1977), and Summers (2001) who argue that manipulation checks are most useful during the pretest phases of an experiment because poorly designed manipulations can still be amended and the main experiment saved.

This initial pretest also served the purpose of determining the realism of the scenarios. The 45 pretest respondents were asked to indicate their judgment of the realism of the scenarios. Unrealistic manipulations can create confusion in the main study and can also result in findings that are not pragmatically applicable. Insufficient realism also hinders respondents' ability to relate to the hypothetical vignettes (Summers, 2001). Following the scenarios, participants were asked to rate realism on a 5-point Likert-type scale (1 = "not at all realistic," 5 = "extremely realistic"). Participants perceived the vignettes as being realistic ($M=4.04$, $SD=.928$).

Respondents were finally asked to guess the purpose of the study at the end of the pretest. Responses to the question suggested that no participants were aware of any of the experimental hypotheses, and none suspected that the study had anything to do with intercultural accommodation efforts.

Pretest 2: Validating Scenario Alterations

Before conducting the main study, a second, and final, pretest was performed (Pretest 2). The purpose of this pretest was to examine the alterations to the scenarios suggested after Pretest 1. The retesting of these scenarios was necessary because it must be verified that the manipulations were perceived as intended before the main study could be carried out successfully (Perdue and Summers, 1986).

Pretest 2 was administered to 29 participants from the same marketing research firm utilizing a panel of participants of Hispanic background. Of the 29 respondents, 62.1% were female and 37.9% were male. The average participant was 37.5 years old.

34.5 % of respondents were employed full time. Comparable to Pretest 1, 86.2% of the participants were born in the U.S. with an average of 32 years living in the U.S.

The alterations to the low involvement and high involvement scenarios did cause the scenarios to perform their intended manipulations. The *t*-test revealed significant differences in the involvement variable in each condition. Specifically, the scenario depicting an encounter in which the participant is depositing a small check amount was rated low in terms of involvement ($M = 1.47, SD = .52,$); whereas, the mortgage application scenario was rated high in terms of involvement ($M = 2.64, SD = .42$) and this difference was significant [$t = 6.24, df = 27, p = .000, \alpha = .05$]. Additionally, the vignettes maintained high levels of realism, which rated on a 5-point scale [$M = 4.01, SD = .96$]. Also, the *t*-test revealed significant differences in the intercultural accommodation of ethnicity of bank employee depicted in the respective treatments. In the intercultural accommodation treatment with a Hispanic bank employee named “Perez,” respondents perceived similarity in terms of ethnic background ($M = 5.02, SD = .93$) compared to the responses when a Caucasian bank employee was depicted with a named “Smith” ($M = 3.67, SD = 1.01$). This difference was significant [$t = 2.41, df = 27, p = .021, \alpha = .05$].

MEASUREMENT OF VARIABLES

Measurement of the Independent Variable

Intercultural Accommodation:

The current study seeks to examine the influence of two accommodation efforts directed towards minority consumers: language accommodation and hiring ethnically

similar service providers. While each method has been investigated separately (e.g., Koslow, Shamdasani, and Touchstone, 1994; Karande, 2005), there have been calls to investigate the combination of such accommodation methods (Karande, 2005; Holland and Gentry, 1999).

Appropriate manipulations for the experimental factors were identified through extensive pretesting (Pretests 1 and 2). First, in light of the premise that higher service quality perceptions among Hispanic consumer is more likely to occur in the presence of intercultural accommodation, the researcher sought to identify images of potential bank representatives that show distinctive features (i.e., Hispanic versus Caucasian cultural background), and in each respective scenario, a language variable (i.e., Spanish versus English).

Measurement of the Moderating Variables

Service Involvement:

Following the findings from Pretest 2, the bank vignette administered in the main study differed along two scenarios: depositing a cheque for the low involvement service and applying for a home mortgage loan as the high involvement service scenario (See Appendices 7 and 9). Care was taken not to make the high involvement scenario overly complicated because the dependent variable the study seeks to measure is service quality, and an overly complicated encounter could lead to low levels of service quality regardless of the intercultural accommodation efforts. Following the respective vignettes, the respondents were asked: “What level of mental complexity does this transaction represent to you? (In other words, how much participation is needed when you apply for

a home mortgage loan?)” for the high involvement condition. Similarly, the low involvement condition inquires about the participation needed when participant deposits a small check amount. As with Pretest 2, the following were the ratings participants could select: “Low level of participation (1); “Moderate level of participation” (2); and “High level of participation” (3).

Consumer Acculturation:

There are many concepts included in the concept of acculturation such as language, citizenship status, and entry into the U.S., identity, culture, religion, age, education, and income (Marin et al., 1987; Kara and Kara 1996). However, language based acculturation scales are the most widely used scales to measure acculturation. It is argued that the level of acculturation is strongly predicted by language usage and ethnic loyalty (Lerman, Madonado, and Luna, 2009). For this study, consumer acculturation is operationalized through the use of a revised acculturation scale (Marin et al., 1987). The original scale had 10-items and the alpha was .92. The research included half of the questions on the original scale. Questions were asked including what language they speak, language they read, language spoken at home, and language most frequently used to consume media. Response options included Spanish Only, Spanish more than English, English and Spanish equally, English more than Spanish, and English only. The reliability of the acculturation measure was assessed in both pretests [Cronbach alpha = .95 and .94, respectively].

Perceived Cultural Sensitivity of the Service Provider:

Following the method by Koslow, Shamdasani, and Touchstone (1994), the subject's perception of the service provider's sensitivity to Hispanic culture was measured with two items, the subject's perception of the service provider's awareness of Hispanic needs (e.g. "The bank and its employees seems to understand the needs of the Hispanic culture") and the service provider's respect for Hispanic consumers (e.g. "The bank and its employees seems sensitive to Hispanic culture"). Subjects were asked to rate the extent to which they agree or disagree with these statements on a 7-point Likert scale, anchored by strongly disagree and strongly agree. Composite scores were calculated from both questions. The higher the score, the more the respondent perceived the service provider as sensitive to the Hispanic culture. The bivariate correlation showed a strong, positive relationship between the two items in both pretests ($r(43)=.81, p<.01$ and $r(27)=.83, p<.01$, respectively).

Strength of Ethnic Identification:

In order to measure the strength of ethnic identification, the Multigroup Measure of Ethnic Identification (MEIM) Scale (Phinney, 1992) was used. The measure has been tested in several studies reporting strong reliabilities (Xu et al., 2004). Eight statements assessing ethnic attachment, feelings about ethnic background, happiness with ethnicity, ethnic pride, and sense of ethnic belonging were used to measure overall strength of ethnic identification. Each item was measured using a 7-point scale (1= strongly disagree, 7= strongly agree). An ethnic identification scale is created by averaging the mean scores from each of the ten items, which yielded a coefficient alpha of .73 and .74 in both

pretests, respectively. For the main study analysis, strong and weak Hispanic identifiers would score either above or below the median.

Perceived Self-Efficacy:

Because the customer plays a role in the bank encounter, his or her self-perceived efficacy with respect to that service will affect interpretation of the intercultural accommodation efforts. Hence, respondents were asked to respond to a series of statements assessing their knowledge and comfort level in using services of the bank drawn from McKee, Simmers and Licata (2006). Responses were captured along a 7-point Likert scale (1=strongly disagree, 7= strongly agree). Example of items include: “I am good at evaluating the performance of a bank mortgage associate.” “I am comfortable dealing with issues pertaining to mortgages.” Internal consistency of this scale was assessed in both pretest 1 (Cronbach alpha=.89) and pretest 2 (Cronbach alpha=.92).

Perceived Discrimination:

Following the method used by Wilson (2007), the discrimination variable is measured using a binary measure. Respondents are asked: “Have you ever felt discriminated against because of your race or ethnic background?” (0 – no and 1 – yes). Subjects are allowed to add any details in an open-ended manner if they answer yes.

Control Variables

As suggested in the literature review, the control variables were the amount of time spent in the U.S., age, gender, income, working status, education, and Hispanic origin. The amount of time spent in the U.S. and age were measured using a continuous variable. Income was measured using a five item scale for total household income (1-less than \$30,000; 2-\$30,000-\$49,999; 3-\$50,000-\$74,999; 4- \$75,000-\$99,999; and 5-\$100,000 and above). Gender was operationalized simply by asking all respondents to indicate their sex. Education was measured using a five item scale (1-did not graduate high school; 2-graduated high school; 3-some college or tech school; 4-graduated college; and 5-post-graduate work or degree). To control for Hispanic neighborhood density, zip code of respondent was captured to ensure that the sample was truly nationwide.

Measurement of the Dependent Variables

Service Quality:

The SERVQUAL measurement instrument by Parasuraman, Zeithaml, and Berry 1988 was used to capture the five dimensions of service quality: tangibles, reliability, responsiveness, assurance and empathy (Zeithaml 1985). The instrument is based on the gap model where the central idea is that service quality is a function of the difference scores or gaps between expectations and perceptions. The set of 22 items within SERVQUAL are operationalized using a 7-point Likert scale anchored by Strongly Agree (7) and Strongly Disagree (1) with approximately half the questions worded positively and half worded negatively (Bearden et al., 1998). Originally, the portion of negatively

worded statements was used to reduce response bias attributable to respondent boredom or carelessness (Parasuraman et al., 1988). By changing from positive to negative questions the scale prevents respondents from becoming too familiar with a question theme and rating all encounters in the same manner, or overlooking a statement (Carman, 1990). Reversing the statement is thought to maximize accuracy by forcing respondents to concentrate, and moreover, put more thought into responses (Lowndes, 2000). Additionally, the 22 items are separated by dimension with questions varying from four per dimension to five per dimension. An important advantage of this instrument is that it has been proven valid and reliable across a large range of service contexts (). [Cronbach alpha was found to be = .84 in pretest 1 and .89 in pretest 2] (Nunnally & Bernstein, 1994).

Purchase Intent:

Respondents were given an additional 7-point Likert-type scale anchored by “1= extremely unlikely” and “7= extremely likely” and were asked to indicate levels of another variable, purchase intention. The questions were formulated as follows: “Please indicate your likelihood of wanting to use the bank again in the future” and “Please indicate your likelihood of spreading positive word of mouth about this bank.” As with the previous scales, composite scores were calculated. In other words, the item scores for each of the above variables were averaged for each respondent, and Cronbach’s alpha coefficient for inter-item (internal) consistency was conducted. Pretests 1 and 2 indicated a positive relationship between the two items. The bivariate correlation were as follows: $r(43)=.81, p<.01$ and $r(27)=.82, p<.01$, respectively.

Interaction Effects:

Interaction effects between consumer acculturation and perceived cultural sensitivity as well as between strength of ethnic identification were hypothesized to exist in the model (hypothesis 9). While there are no explicit hypotheses concerning three-way interactions, the experimental design used in this research allows for their testing.

METHOD

The study investigating the perceptions of service quality in response to intercultural accommodation was tested in a 2×2 between-subjects experimental design. 377 participants from an online marketing research panel were randomly assigned to one of the four different conditions resulting from the combination of the two between-subject factors: the existence or absence of an accommodation effort (yes vs. no intercultural accommodation) and the level of involvement with the service (high vs. low).

Similar to the methods adapted in Pretest 1 and Pretest 2, participants were presented with a written vignette and asked to assume that the scenario had just occurred and then they were asked to rate their attitudes following the service encounter.

Manipulations

As can be seen in Appendices 3, 4, 7, and 8, the language accommodation treatment was operationalized by inserting the following statement into the bank vignettes:

As you pull into the parking lot of the bank, a sign catches your attention that says ‘Siga, estamos para servirlo!’. You park and walk in. You are greeted at the front desk and quickly directed towards the next available lending officer (seen in the photo).

As you approach the lending officer, you say “Buenos dias”. The lending officer responds: “Buenos dias, como podemos ayudarlos?”. You explain the purpose of your visit. She says: “No problema..” and proceeds to converse with you in Spanish.

The vignette continues to explain the encounter while emphasizing that the dialogue is in Spanish.

Additionally, in order to investigate the effect of the ethnicity of the service provider on service quality perceptions, the respondents were shown this bank vignette accompanied by an image of a Hispanic model that represented an ethnically-similar service provider. The image of this Hispanic service provider was drawn from the focus group in Pilot Study 1 and tested in Pretests 1 and 2.

The corresponding statement for the condition without language accommodation, that is, the service in English (Appendices 5, 6, 9, 10), is as follows:

As you pull into the parking lot of the bank, a sign catches your attention that says “Come inside, we are here to serve you!”. You park and walk in.

You are greeted at the front desk and quickly directed towards the next available bank associate (seen in the photo below).

When it is your turn you approach the bank associate. The bank associate says: “Good morning, how can I help you?”. You explain the purpose of your visit. She says: “No problem..” and proceeds to converse with you in English.

As with the previous treatment, this vignette continues to explain the encounter, only this time emphasizing that the dialogue is in English.

Additionally, this scenario was delivered with an image of a Caucasian model that represented a bank employee that is not ethnically-similar (also developed from Pilot Study 1, and validated in Pretest 1 and Pretest 2) (Appendix 2).

Procedure

As previously explained, data were collected using an online consumer panel for a large marketing research company. A total of 10,700 panelists were e-mailed an invitation to participate in the study. Those responding to the invitation were randomly assigned to one of the four treatment conditions. Data was collected within a 4-day period. The survey was translated from English to Spanish by a bilingual professional translator and then back translated into English by a different translator. After the back-translation, the original and back-translated surveys were compared by a third bilingual translator and points of divergence were modified. After being screened for ethnicity (only respondents who self-identified themselves as Hispanic or Latino were allowed to complete the survey), participants were asked which language they would like to complete the survey in. The version (Spanish or English) of the questionnaire the respondent chose was coded and treated as an additional language preference item in the acculturation measure. The number of responses was 353 (93.6%) in English and 24 (6.4%) in Spanish.

Next, participants were asked to read a short written scenario describing the encounter with a bank representative. Immediately after their reading of the above scenario, participants were asked to indicate on a 7-point scale their evaluations of the service encounter (utilizing the SERVQUAL scale). Following the service quality

measure, participants were also asked to indicate on a 7-point scale their future purchase intention, captured through two questions and later combined to create composite scales for each respondent. Manipulation checks questions used in pretests 1 and 2 were also included in this main study.

Respondents were then asked to complete a series of questions pertaining to their assessment of the involvement level needed in their respective scenario, level of acculturation, ethnic identification, self-efficacy, and discrimination. The final section of the questionnaire included the demographic variables discussed in chapter 3, which had also been captured in the two previous pretests. A total of 377 surveys were collected.

TESTING THE BASELINE SCENARIO

Figure 2 illustrates that the main hypothesis of the intercultural accommodation model postulates that directing intercultural efforts towards minority ethnic consumers will directly impact service quality perceptions (hypothesis 1) even without considering the moderator variables. Therefore, a baseline scenario is created to test hypothesis 1. In the vignette, the Hispanic-looking bank employee communicates with the respondent in Spanish or a Caucasian-looking bank employee communicates with the respondent in English. In this baseline scenario the subject is requested to indicate their service quality perceptions as well as the likelihood of repurchase without considering any of the other moderating variables (such as acculturation or ethnic situation).

DATA ANALYSIS

As indicated in the previous section, Pretest 1 and 2 data collected were analyzed via *t*-tests. For the main study, the research hypotheses were tested for statistical significance using analysis of covariance (ANCOVA) where service quality is the dependent variable and the experimentally manipulated and measured variables in Figure 2 serve as the independent variables.

CHAPTER IV

RESULTS OF THE STUDY

The data from the main study experiment were entered into a statistical software program (Statistical Package for Social Science, Version 16.0) and analyzed in three stages. The first stage involved presenting the results of the manipulation checks. The second stage of preliminary data analysis involved: cleaning the data, computing frequencies and descriptive statistics, preparing composites for independent and dependent variables, checking reliability and validity of the dependent variable measure (SERVQUAL) as well as the reliability of the independent variable measures, checking for differences between male and female respondents on the variables of interest, as well as testing the effectiveness of the experimental manipulations. Finally, the third stage of the data analysis involved the testing of hypotheses proposed in Chapter 2.

MANIPULATION CHECK RESULTS

Independent sample *t*-tests were administered to test the effectiveness of the manipulations. For the level of the intercultural accommodation manipulation to serve its purpose correctly, the means of the Spanish and English responses to the question “What language is the bank and its employees communicating with you in?” should be significantly different. The *t*-test revealed significant differences in the intercultural accommodation of language in each condition. That is, the scenario depicting a Spanish dialogue was correctly received as intercultural communication ($M=1.13$, $SD=.38$); whereas, the English version was perceived differently ($M=1.98$, $SD=.13$) and this

difference was significant [$t = 29.45$, $df = 375$, $p = .000$, $\alpha = .05$]. Additionally, the t -test revealed significant differences in the intercultural accommodation of the cultural background of the bank employee depicted in the treatments. In the case where an image of a Hispanic bank employee named “Perez” was shown, respondents perceived similarity in terms of ethnic background ($M=4.94$, $SD=1.75$). Whereas, the Caucasian bank employee with a name tag labeled “Smith” was perceived differently among respondents ($M=3.94$, $SD=1.75$). This difference is also significant [$t = 5.28$, $df = 375$, $p = .000$, $\alpha = .05$]. Table 7 illustrates the manipulation check results.

Question	IA (Yes)	IA (No)	$t(375)$	p -value
What language is the bank and its employees communicating with you in? (Spanish 1, English 2)	1.13	1.98	29.45	.000*
The cultural background of the service provider is similar to mine (Likert 7- point scale, 1-strongly disagree, 7-strongly agree)	3.94	4.94	5.28	.000*

* Significant at .01 level

Table 3 Manipulation Check: Intercultural Accommodation (IA)

Using the method adapted in Pretest 2, the effectiveness of the level of involvement manipulation was measured by asking the participant: “What level of mental complexity does this bank encounter represent to you?” For this manipulation to be successful, the means of involvement constituting the low and high conditions should be significantly different from each other on the involvement rating discussed above. Confirming the effectiveness of this manipulation, participants rated the high involvement encounter higher ($M=2.56$, $SD=.56$) than the low involvement encounter ($M=1.63$, $SD=.74$) [$t(375) = 13.59$, $p = .000$, $\alpha = .05$].

Responses to the question related to the perceived purpose of the study suggested that no participants were aware of any of the experimental hypotheses, and none suspected that the study had anything to do with service quality evaluations of intercultural accommodation.

PREPARATION OF THE DATA

Sample Characteristics

A total of 377 surveys were collected by a marketing research firm from a Hispanic consumer panel. Once the data were collected, the researcher checked for participants who did not self-identify themselves as Hispanic/Latino on two types of measures: Ethnic background, and Hispanic origin. Each of the 377 completed surveys indicated Hispanic ethnicity and without missing responses, therefore, none were excluded from the study at this stage.

The demographic characteristics of the sample (see Table 3) were analyzed using descriptive statistics, specifically frequencies in SPSS. The sample consisted of 276 female (73.2%) and 101 male (26.8%) respondents. Participants' ages ranged from 18 to 78 years with a mean age of 39 years and a standard deviation of 14.7. In terms of Hispanic origin, 46.7% of the participants were Mexican/Mexican American/Chicano, 18.0% Puerto Rican, 6.6% Cuban, and 25.7% constituted other Spanish/Hispanic/Latino groups including: Colombia, El Salvador, Panama, and Venezuela. With regard to formal education, 43.2% of the participants had completed some college or tech school, 21.2% had graduated college, 21.2% had graduated high school, 9.5% had completed some post-graduate study, and 4.2 % had not graduate high school. The mean number of years

respondents had lived in the U.S was 34.2 years with a standard deviation of 16.9. A summary of the demographics follows:

Demographic	n	%
Gender (N=377)		
o Female	276	73.2
o Male	101	26.8
Hispanic Origin (N=377)		
o Mexican/Mexican American/Chicano	176	46.4
o Puerto Rican	68	21.0
o Cuban	25	6.6
o Other Spanish/Hispanic/Latino	97	25.7
Educational Level (N=377)		
o Did not graduate high school	16	4.2
o Graduated high school	80	21.2
o Some college or tech school	163	43.5
o Graduated college	80	21.2
o Post-graduate study of degree	36	9.5
Country of Birth (N=377)		
o U.S.	301	79.8
o Outside U.S.	76	20.2
Annual Household Income (N=377)		
o Less than \$30,000	122	32.4
o \$30,000-\$49,999	111	35.0
o \$50,000-\$74,999	67	17.8
o \$75,000-\$99,999	30	8.0
o \$100,000 and above	26	6.9
Working Status (N=377)		
o Working full-time	134	35.5
o Working part-time	61	16.2
o Homemaker	68	18.0
o Retired/Semi-retired	37	9.8
o Unemployed but looking for work	77	20.4

Table 4 Sample Characteristics for Main Study Respondents

Creation of Composite Variables

In the next step of the data analysis, composite scores were calculated for the dependent variable subscales (SERVQUAL) as well as the measured independent variable subscales: Acculturation Scale, Self-Efficacy Scale and Strength of Ethnic Identification Scale. This was done by averaging the item scores from each of the above variables for each respondent. Prior to creating composites and items with a negative valence were reverse coded, particularly in the SERVQUAL scale. For the purchase intent and perceived cultural sensitivity variables, composite scores were created by averaging the mean scores for each of the respective sub-items.

Scale Refinement and Validation

A crucial aspect in the evolution of a fundamental theory is the development of good measures with the purpose of attaining valid and reliable estimates of the constructs under examination. Failure to establish such reliability and validity measures lead to difficulties in standardizing the measurement scales, which in turn hinder the researcher's ability to identify whether the scales are truly measuring what they intend to measure (Sureschchandar, Rajendran, and Anantharman, 2002). Since reliability is a pre-condition to scale validity (Lam and Woo, 1997), it was assessed first.

Reliability

Since the development of SERVQUAL in 1988, all replication studies have used internal consistency as a measure of the reliability of SERVQUAL (Lam and Woo, 1997). Reliability analysis was subsequently performed for the items in each composite variable. Reliability refers to the consistency and stability in scores originating from the

repeated administration of a scale (Cronbach, 1970; Toulaitos and Compton, 1988). The reliability of an instrument can be estimated by the internal consistency technique (test of inter-item consistency). A Cronbach's alpha value of .70 or higher is considered to indicate adequate reliability (Nunnally and Bernstein, 1994). Based on this criterion, measures for the following independent variables were found to have adequate reliability: Acculturation, Strength of Ethnic Identification and Self-Efficacy (Table 4). The two items comprising the Perceived Cultural Sensitivity construct showed a significant, positive relationship using the bivariate correlation statistic: $r(375)=.84, p<.01$.

Measure	Cronbach's Alpha	Number of Items (n)	N
Acculturation	.938	10	377
Strength of Ethnic Identification	.787	8	377
Self-Efficacy	.938	5	377

Table 5 Reliability Analysis for Independent Variables

Similarly, there was a significant positive relationship between the two items comprising the Purchase Intention scale: $r(375)=.82, p<.01$.

However, initial reliability analysis for the dependent variable scale measuring the perceptions of service quality (SERVQUAL) showed inadequate internal consistency (Cronbach's alpha =.665) when the 22 items were assessed simultaneously. Because of the multidimensionality of the service quality construct, coefficient alpha is computed separately for the five dimensions to determine the extent to which items making up each dimension measured real variance (Parasuraman, Zeithaml, and Berry, 1988). Thus, Cronbach alpha values were computed on all service quality items of Responsiveness,

Empathy, Assurance, Reliability, and Tangibles, showing internal reliability values of .969, .866, .774, .878, and .562, respectively.

Previous studies have suggested that the Reliability, Responsiveness, and Empathy of service providers are the three important dimensions to the provision of superior service quality (e.g., Parasuraman, Zeithaml, and Berry, 1985, 1988; Brady and Cronin, 2001). While Tangibles have been identified as a proxy for evaluating service outcomes (Booms and Bitner, 1981; McDougall and Levesque, 1994), in a number of studies respondents were only able to rate this dimension when the tangible items were explicitly evident during the encounter (Brady and Cronin, 2001).

Subsequently, a more thorough analysis of the five dimensions was warranted. The Cronbach's alpha value for the Tangibles dimension was noticeably low (.562) compared to the other four dimensions. A close inspection of the items of the scale showed that the question: "The appearance of the physical facilities of the bank is in keeping with the type of services provided" is hardly relatable to the scenario depicting the bank encounter. Moreover, this item has a correlation with the total scores equal to .289, which was lower than the .35 cut-off value suggested by Saxe and Weitz (1982). By dropping this item, Cronbach's alpha for the Tangibles dimension yielded a significant .821 score. None of the remaining item-to-total correlations for the SERVQUAL dimensions were less than the .35 cut-off value. Item-to-total correlations ranged from .358 to .852.

Unidimensionality analysis

Next, to test the study's construct validity each of the five dimensions of service quality were factor analyzed. Construct validity is concerned with the extent to which a particular measure relates to other measures consistent with theoretically derived hypotheses concerning the concepts (or constructs) that are being measured (Carmines and Zeller, 1979). The usefulness of items within a measure depends on the extent to which they share a common core (Nunnally, 1988).

A highly mandatory condition for construct validity and reliability checking is the unidimensionality of the measure (Acito, Anderson, and Engledow, 1980). It refers to the existence of a single construct underlying a set of measures. More importantly, the usefulness of items within a measure depends on the extent to which they share a common core (Nunnally, 1988).

Traditionally, exploratory factor analysis has been used to investigate observed and latent factors when the relationship is unknown or uncertain (Sureschchandar, Rajendran, and Anantharman, 2002). The purpose is to reveal the underlying factors that will explain the relationship among the observed variables, using the least number of factors. However, the main limitation of this approach is that it assumes the correlations between the variables are due to a number of underlying hidden factors that are statistically driven and not theoretically justified (Byrne, 1994). Additionally, items are assigned to those factors on which they load to a significant extent, leading to potential cross-loadings and reduced distinctiveness of the factors.

On the other hand, confirmatory factor analysis (CFA) addresses the specific situation in which the researcher specifies the model a priori, and investigates the extent to which the relationship between the observed and latent variables does soundly exist. CFA is based on the matrix of variances and covariances (or the correlation matrix when the data are standardized) of the observed variables (Finn and Lamb, 1991). The fit of this actual data to the theoretical model is computed by composing a covariance matrix that should occur if the model is correct, followed by a comparison of the observed covariance matrix to that theoretically-driven matrix. CFA is often justified when the researcher has a reasonably sound knowledge of the number of factors that are required to describe the intercorrelations among the measured variables. Therefore, since SERVQUAL has a wide acceptance in terms of its observed variables and indicators, CFA is more appropriate than EFA. Moreover, in order to check for unidimensionality, CFA is run for all the constructs of the specified measurement model.

The confirmatory factor analysis was therefore conducted next. Parasuraman, Zeithaml, and Berry (1988) have argued that the SERVQUAL construct can be measured using its five dimensions as indicators. This framework suggests a single-factor measurement model with five observable variables. Each observable variable is a composite score obtained from the subscales. Consequently, a correlation matrix was created on the basis of composite indicators. Consequently, Bagozzi's (1981) rules for convergence and discrimination in measurement were found to be satisfactory. That is, correlations for items representing the same construct (e.g., Empathy indicators) were consistently high, compared to correlations between items representing different constructs (i.e., crosscorrelations).

The correlation matrix was used as input to confirmatory factor analysis using the AMOS (Version 16.0) program. If the data fit the model, CFA can supply estimates of the correlations among the factors, as well as the variances. The program can also supply various indicators of how well the observed data fit the hypothesized model in addition to modification indices and diagnostic tools for enhancing the model fit.

One of the diagnostic tools available in AMOS is a table of modification indices which aids in identifying problems with the model. By examining the estimates derived from the initial model, an analysis of the output suggested that certain items needed to be removed to improve model fit. Specifically, one Tangible indicator: “The appearance of the physical facilities of the bank is in keeping with the type of services provided”, one Assurance indicator: “Employees of the bank are polite”, and one Reliability indicator: “When you have problems, the bank is sympathetic and reassuring” were all dropped because of multiple cross loadings. Additionally, one Empathy items: “The bank does not have operating hours convenient to all their customers” and a second Reliability indicator: “The bank keeps its records accurately” were removed because of their small squared multiple correlations estimates (0.004 and 0.193, respectively). Thus, the SERVQUAL measure of Reliability was reduced from a five item scale to a three item scale. The Assurance and Tangibles dimensions were each reduced to three items as well, and the Empathy dimension was reduced from a five item scale to a four item scale. The SERVQUAL scale was therefore reduced to 17-item scale.

Following these modifications, the alternative model was assessed. Table 5 contains the fit of the data to the model statistics.

Chi Squared =	241.925
<i>p</i> -value =	.000
CFI =	.979
GFI =	.931
AGFI =	.903
RMR =	.095
RMSEA =	.057

Table 6 Fit Statistics for Confirmatory Factor Analysis Model

One measure of fit is the Chi-Square goodness-of-fit statistic. This statistic is computed under the null hypothesis that the observed covariances among the answers came from a population that fits the model. A statistically significant value in the goodness-of-fit test would suggest that the data do not fit the proposed model. Strictly speaking, it is rare to have empirical data that meet all the assumptions required to use the Chi-square test (Joreskog and Sorbom, 1986). In addition, the overall fit measures, the goodness-of-fit statistic (GFI), adjusted goodness-of-fit statistic (AGFI), root mean squared residual (RMR), and the Root Mean Square Error of Approximation (RMSEA) (Bentler and Bonett 1980), are all useful measures in assessing the quality of the hypothesized measurement model.

By reviewing Table 5, the large Chi-Square value of 241.925 ($df = 109, p < .001$) implies that it is extremely unlikely that the data represent random variation from the model. Thus, attention is drawn to other indicators. All the other indicators of fit demonstrate an overall satisfactory fit. The results were as follows: GFI = .931, AGFI = .903, CFI = .979, RMR = .095 and RMSEA = .057. Given the illustrated statistics, it was deduced that there was a substantially good fit of the model.

However, since unidimensionality alone is not sufficient to establish the usefulness of the scale, statistical reliability needed to be established again. Only with acceptable high reliability scores for the present study can conclusions be drawn about the empirical relationship between the service quality constructs. All the reliabilities did indeed exceed the .70 criterion and were considered highly reliable. Thus, the conclusion of this analysis is that the scales are reliable, with high internal consistency, and valid in terms of scale unidimensionality and overall construct validity.

The following table (Table 6) summarizes the reliabilities of the SERVQUAL scale as well as five dimensions of SERVQUAL internal consistency analysis after the five items were dropped.

Measure	Cronbach's Alpha	Number of Items	N
Responsiveness	.969	4	377
Empathy	.930	4	377
Reliability	.917	3	377
Tangibles	.892	3	377
Assurance	.875	3	377
SERVQUAL	.832	17	377

Table 7 Reliability of SERVQUAL Scale Dimensions

Test for Gender-Based Differences

Since the majority of respondents were females (73.2%) an ANOVA was performed to test for a significant effect of gender on the variables of interest. As predicted from previous research and the focus group discussion (Pilot Study1), the

ANOVA with gender as the fixed factor and service quality as the dependent variable revealed no significant effect of gender ($F(1,375) = .100, p = .752$). Similar ANOVAs were run for all the independent variables and no significant effects of gender were found. Namely: service involvement ($F(1,375) = 2.58, p = .108$), consumer acculturation ($F(1,375) = .938, p = .333$), strength of ethnic identification ($F(1,375) = .137, p = .711$), perceived cultural sensitivity ($F(1,375) = 2.58, p = .108$), perceived self-efficacy ($F(1,375) = 2.47, p = .117$), and perceived discrimination ($F(1,375) = .845, p = .261$).

TESTS OF HYPOTHESES AND RESEARCH FINDINGS

In this section, the data analysis and results pertaining to the testing of the nine hypotheses proposed in Chapter 2 are reported. The first hypothesis represents the baseline scenario and predicts differences among Hispanic consumers' service quality perceptions given the presence or lack of accommodation efforts in the absence of any moderating variables. The next seven hypotheses predict the impact of accommodation efforts (or lack thereof) on service quality perceptions given moderating factors as well as hypothesized interaction relationships. An additional hypothesis examines the relationship between service quality perceptions and purchase intentions of Hispanic consumers.

Hypothesis 1: Hypothesis 1 proposed that Hispanic consumers would have higher perceptions of service quality when the service was delivered in Spanish and by an ethnically - similar Hispanic bank representative (intercultural accommodation) compared to a service delivered in English by a Caucasian bank representative (no

intercultural accommodation). In order to test this baseline scenario, an analysis of covariance (ANCOVA) was conducted with the composite scores of the 17 items measuring SERVQUAL as the dependent variable and intercultural accommodation treatment as the fixed factor. Several of the control variables previously identified served as the covariates. Those included: age, gender, household income, country of birth, and number of years residing in the U.S. To provide further understanding of which specific service quality dimensions would be impacted the most, separate ANCOVA's with the composite scores of the items for the five dimensions of SERVQUAL were run as the dependent variables.

Results from the above ANCOVA affirmed the hypothesized significance [$F(1,375) = 401.88, p = 0.00, \eta_p^2 = .52$] indicating that service quality perceptions were higher when intercultural accommodation efforts were offered ($M = 5.08, SD = .70$) than when no intercultural accommodations were offered ($M = 3.74, SD = .59$). None of the covariates were significant [$F_s(1,375) < .47, ps > .49$]. Table 8 presents the mean scores for service quality. Similar results were drawn for all four dimensions of the SERVQUAL scale; Responsiveness, Empathy, Reliability, and Tangibles. **Therefore, H1 was supported.**

Dimension	Treatment	Mean	<i>F</i> (1,375)
SERVQUAL	Intercultural Accommodation (188)	5.08	401.88*
	No Intercultural Accommodation (189)	3.74	
Responsiveness	Intercultural Accommodation (188)	5.53	702.22*
	No Intercultural Accommodation (189)	2.26	
Empathy	Intercultural Accommodation (188)	4.94	734.70*
	No Intercultural Accommodation (189)	2.16	
Reliability	Intercultural Accommodation (188)	5.37	43.89*
	No Intercultural Accommodation (189)	4.35	
Assurance	Intercultural Accommodation (188)	5.44	519.85*
	No Intercultural Accommodation (189)	2.77	
Tangibles	Intercultural Accommodation (188)	5.69	1.60**
	No Intercultural Accommodation (189)	5.49	

* $p < .05$, ** $p < .10$ Note: Number in parentheses represent cell sizes

Table 8 Means of intercultural accommodation variable and ANOVA with service quality as the dependent variable

Hypothesis 2: Hypothesis 2 introduces the first proposed moderator in the intercultural accommodation – service quality relationship. Specifically, it argues that minority consumers will evaluate a service encounter delivered via accommodation efforts more favorably for low-involvement services than for high-involvement services. In contrast, minority evaluations of a service encounter delivered with no accommodation efforts will be more favorable for high-involvement services than for low-involvement services.

This two-part hypothesis was tested in the context of a full model analysis of covariance (ANCOVA) based on the 2 (intercultural accommodation: yes vs. no) \times 2

(involvement with service: high vs. low) between-subjects experimental design, with the control variables used as covariates, and service quality as the dependent variable. The covariates included: age, gender, income, country of birth, and number of years lived in the US.

The main effect of intercultural accommodation on service quality was significant [$F(1, 375) = 404.30, p = .000, \eta_p^2 = .52$], thereby providing further evidence to support Hypothesis 1. Additionally, and as expected, the ANCOVA yielded a significant two-way interaction effect for the two experimental factors [$F(1, 375) = 5.26, p < .05, \eta_p^2 = .01$]. In the presence of a significant interaction, the main effects of each independent factor become less interpretable. Thus, more importantly from these findings, intercultural accommodation interacted significantly with level of service involvement to affect Hispanic consumers' service quality perceptions. None of the other effects from the overall ANCOVA attained significance [$F_s(1, 375) < .36, p_s > .55$].

Table 9 shows the results from the 2x2 ANCOVA. The marginal means for each of the main effects is reported, the corresponding F -statistic, and significance value, indicating the significant the two-way interaction.

Factor	Condition (N)	Mean	F	p -value
Intercultural accommodation	Yes (188)	3.74	404.30	.000*
	No(189)	5.08		
Involvement	Low (187)	4.41	.021	.884
	High (190)	4.42		
Interaction	Intercultural accommodation*Involvement		5.26	.022*

* Significant at .05 level

Table 9 ANCOVA of Service Quality for Intercultural Accommodation and Service Involvement

In an effort to further establish the relationships postulated in Hypothesis 2, a simple effects approach was followed to further elucidate the meaning of the significant interaction. Simple effects tests revealed that the effect of intercultural accommodation on service quality was higher for low involvement services, $F(1, 375) = 245.70, p < .001$, than for high involvement services, $F(1, 375) = 150.31, p < .001$). Figure 5 shows that means for low involvement services were 3.80 with accommodation efforts and 5.00 without accommodation, and for high involvement services were 3.66 with accommodation efforts and 5.16 without accommodation. **Therefore, H2 was supported.**

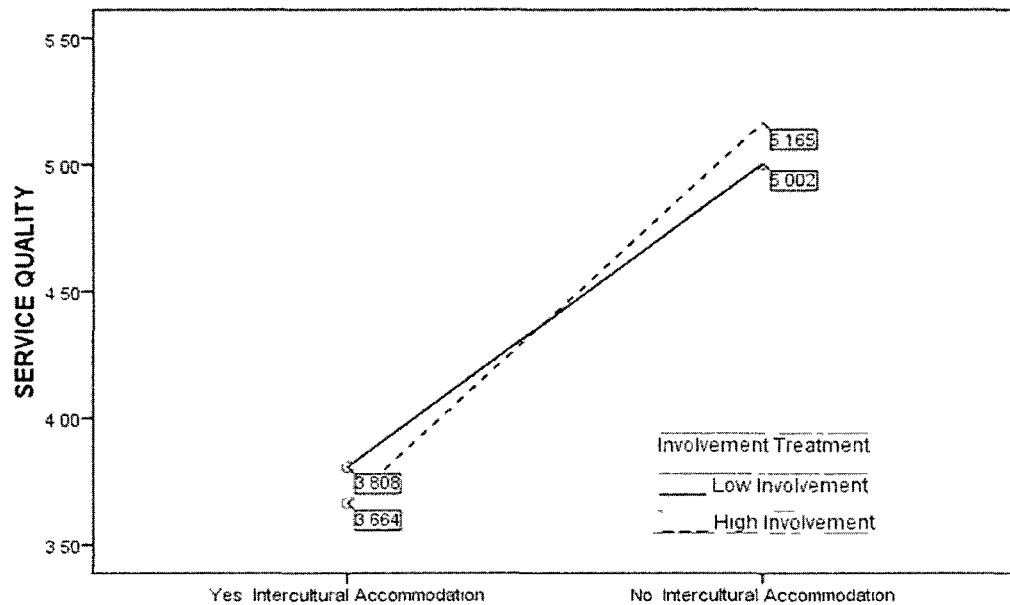


Figure 5 The Interaction Effect of Intercultural Accommodation and Service Involvement on Service Quality

Although not hypothesized, a closer look at the five dimensions of service quality revealed that Empathy, Reliability, and Responsiveness were the only significant dimensions that support Hypothesis 2 [$F(1,375) = 3.08, p < .05$, $F(1,375) = 3.36, p < .05$, and $F(1, 375) = 2.18, p < .10$, respectively]. That is, among Hispanic consumers, low-involvement services were assessed higher in terms of Empathy, Reliability and Responsiveness when services were delivered in Spanish by Hispanic service providers compared to high involvement services. Similarly, the Empathy, Reliability and Responsiveness scores were higher for high involvement services among Hispanic consumers compared to low involvement services when the service was delivered by a Caucasian service representative in English. While this specific relationship was not hypothesized, the implications could be invaluable to service marketers as this emphasizes the urgency of dedicating efforts towards training and hiring empathic, reliable, and responsive front-line employees.

Hypothesis 3: Hypothesis 3 postulated that low-acculturated minority consumers will evaluate a service encounter delivered via accommodation efforts more favorably than highly-acculturated minority consumers. On the other hand, in the absence of accommodation efforts, evaluations of a service encounter will be more favorable for highly acculturated minority consumers compared to low-acculturated minority consumers.

To test the proposed hypothesis, another analysis of covariance (ANCOVA) was estimated with a 2 (intercultural accommodation: yes vs. no) \times 2 (acculturation: high vs. low) model with service quality as the dependent variable. The control variables (age,

gender, income, education, country of birth, and number of years lived in the US) served as the covariates. As previously explained during the internal consistency phase of the data preparation, composite scores were created by averaging the mean scores for each of the ten sub-items. Afterwards, acculturation was used in the analysis as centered continuous variables to avoid potential loss of power associated with dichotomizing continuous variables (Fitzsimons, 2008).

The main effect of intercultural accommodation on service quality perceptions was significant [$F(1,375) = 404.80, p = .000, \eta_p^2 = .524$]. The cell means were 3.74 for minority consumers offered intercultural accommodation treatments compared to 5.09 for those not offered an intercultural accommodation effort. The main effect of consumer acculturation was also significant [$F(1,375) = 4.11, p < .05, \eta_p^2 = .011$]. More importantly, the ANCOVA model showed a marginally significant interaction effect for the two hypothesized factors, [$F(1, 375) = 2.87, p < .10, \eta_p^2 = .008$]. Using Cohen's (1988) rule of thumb, intercultural accommodation and the two-way interaction with acculturation showed medium effect sizes, lending initial support to Hypothesis 2. Once again, none of the other covariates from the overall ANCOVA attained significance [$F(1,375) < .55, ps > .46$].

Since interaction effects between intercultural accommodation and consumer acculturation on service quality approached significance, the effect of acculturation on service quality perception was decomposed using a simple-effect test. This simple-effect test revealed that the means for low acculturation Hispanic consumers were 2.09 with accommodation efforts and 4.47 without accommodation [$F(1, 377) = 55.49, p < .001$]. However, high acculturation consumers means were 1.94 with accommodation efforts

and 5.16 without accommodation [$F(1, 375) = 2.84, p = .08$]. **Therefore, H3 was marginally supported.**

Further probing into the dimensions of service quality unraveled that only Responsiveness was the service quality dimension supporting the argument that acculturation moderates the intercultural accommodation – service quality relationship [$F(1, 375) = 7.31, p < .01$]. This insight also provides managerial implications that emphasize the importance of responsive employees in the event of accommodating less acculturated minority consumers.

Hypothesis 4: Hypothesis 4 of this study predicted that perceived cultural sensitivity of the service provider would moderate the relationship between intercultural accommodation efforts and Hispanic consumers' perceptions of service quality. Specifically, the argument was postulated that when a service is offered in Spanish and by a Hispanic service provider, consumers who perceive that service provider to be culturally sensitive will have more favorable service quality perceptions of the accommodation attempts than their counterparts who perceive the service provider to be less-culturally sensitive. However, in the absence of any accommodation efforts, it was argued that quality perceptions for minority consumers who have low perceptions of cultural sensitivity will not be as high as those who have low perceptions of the cultural motivations of the service provider.

Perceived cultural sensitivity composite scores were also investigated as continuous variables so as to avoid the drawbacks of dichotomizing variables that were initially in continuous form (Fitzsimon, 2008).

To test the proposed hypothesis, the same procedures used to test H2 and H3 were used. A 2 (intercultural accommodation: yes vs. no) \times 2 (perceived cultural accommodation: high vs. low) analysis of covariance (ANCOVA) was estimated with service quality as the dependent variable. The standard control variables served as the covariates. The main effect of intercultural accommodation on service quality perceptions was significant [$F(1,375) = 416.88, p=.000, \eta_p^2=.53$]. The means for Hispanic consumers offered accommodation efforts were 3.83 compared to 5.23 without accommodation. However, perceived cultural sensitivity yielded no significant main effect on the dependent variable $F(1,375) = .19, p=.664$. The ANCOVA also failed to show any significant interaction effect for the two hypothesized factors. As with the previous two hypotheses, none of the covariate effects showed significance [$F_s(1,375) < .37, p_s > .54$]. **Therefore, Hypothesis 4 was not supported.**

Similar to the analysis conducted in the previous three hypotheses, further investigation was conducted to uncover whether among the five dimensions of service quality any significant interactions would support Hypothesis 4. The Responsiveness dimension approached significance [$F(1,375) = 3.09, p = .08$], Thus, it possible to argue that Hispanic consumers with high perceptions of cultural sensitivity assessed services higher in terms of Empathy and Reliability when services were delivered in Spanish by Hispanic service providers compared to their counterparts who had lower perceptions of

cultural sensitivity. However, none of the remaining four dimensions yielded any significant findings.

Hypothesis 5: Hypothesis 5 argued that the strength of ethnic identification would moderate the relationship between intercultural accommodation and service quality. Specifically, it was argued that in the case of accommodation efforts and when minority consumers identified strongly with their ethnicity, their perceptions of service quality would be more favorable than their counterparts who weakly identified with their ethnic background. On the other hand, it was also argued that in the absence of any accommodating efforts, there would be no significant differences between strong and weak identifiers in terms of their service quality perceptions.

The strength of ethnic identification eight-item (all 7-point) scale had a Cronbach alpha of 0.79 indicating that it was a reliable measure. As indicated in the data preparation phase, composite scores were calculated by averaging the responses for each participant on all eight items. The same control variables used in the analysis of Hypotheses 2, 3, and 4 were used as covariates, namely: age, gender, income, education, birth location, and number of years living in the U.S. The main effect of intercultural accommodation on service quality perceptions was significant [$F(1,375) = 417.37$, $p = .000$, $\eta_p^2 = .53$]. The mean cells for Hispanic consumers offered accommodation efforts were 3.73 compared to 5.08 without accommodation. Moreover, strength of ethnic identification yielded a significant main effect on the service quality dependent variable [$F(1,375) = 4.85$, $p = .000$, $\eta_p^2 = .01$]. In other words, intercultural accommodation has a direct effect on service quality when strength of ethnic identification is disregarded (Hair

et al., 2006). Similarly, strength of ethnic identification has an individual effect on service quality in the absence of the intercultural accommodation factor. As with the previous two hypotheses, none of the covariate effects showed significance [$F_s < .35$, $p_s > .18$]. However, the ANCOVA analysis did not show any significant interaction effect for the two hypothesized factors [$F(1, 365) = .95$, $p = .332$, $\eta_p^2 = .00$]. Furthermore, when the five dimensions of service quality were run as dependent variables in separate ANOVAs, none showed any significant interaction effect between intercultural accommodation and strength of ethnic identification. None of the five dimensions (Responsiveness, Empathy, Reliability, Assurance, and Tangibles) revealed any different results in terms of significant two-way interaction. Therefore, **Hypothesis 5 was not supported.**

Hypothesis 6: Hypothesis 6 argued that minority consumers with high self-efficacy will evaluate a service encounter delivered via accommodation efforts more favorably than those with weaker self-efficacy. Moreover, for service encounters offered without accommodation efforts, there will be no significant differences between low- and high-efficacy perceptions of minority consumers in terms of service quality assessments.

Analysis of covariance (ANCOVA) on the dependent variable “service quality” was performed using intercultural accommodation (yes vs. no) and self-efficacy (centered to retain continuousness) as the independent variables. The same control variables used in the analysis of the previous hypotheses were used as covariates, and none were significant [$F_s < .43$, $p_s > .41$].

The main effect of intercultural accommodation on service quality perceptions was the only significant result $F(1,375) = 178.20, p = .000, \eta_p^2 = .326$. Comparable to the previous hypotheses, the means for accommodation efforts treatment yielded a value of 3.73 compared to 5.08 in the absence of the accommodation treatment. However, no significant interaction effect for the two hypothesized factors was found, $F(1, 375) = .034, p = .854, \eta_p^2 = .001$. Additionally, none of the five dimensions (Responsiveness, Empathy, Reliability, Assurance, and Tangibles) revealed any different results in terms of significant two-way interactions. As predicted, the covariates were also all insignificant. Therefore, **Hypothesis 6 was also not supported.**

Hypothesis 7: Hypothesis 7 predicts that discrimination will moderate the effects of accommodation efforts on service quality perceptions. Specifically, it was argued that minority consumers who have encountered discrimination incidents would evaluate a service delivered via accommodation efforts less favorably than minority consumers who have not encountered discrimination incidents. In contrast, in the absence of accommodation efforts, minority consumers who have encountered discrimination will have higher service quality perceptions than those who have not encountered such incidents.

Using the procedures followed in testing the previous hypotheses, this two-part hypothesis was tested as an analysis of covariance (ANCOVA) with the dependent variable “service quality” using intercultural accommodation (yes vs. no) and perceived discrimination (yes vs. no) as the independent variables. 200 respondents had answered that they had felt discriminated against in the past, while 175 felt that they had not. The

covariates included in the analysis were: age, gender, income, location of birth, and number of years lived in the US and none were significant [$F_s(1,375) < .49, p_s > .48$].

As expected, the ANCOVA yielded a significant two-way interaction effect for the two experimental factors [$F(1, 375) = 3.48, p < .05, \eta_p^2 = .012$]. Thus, intercultural accommodation interacted significantly with perceived discrimination to affect Hispanic consumers' service quality perceptions. While, the main effect of intercultural accommodation on service quality was significant [$F(1, 375) = 322.22, p = .000, \eta_p^2 = .468$], the main effect of discrimination on service quality was insignificant [$F(1, 375) = .81, p = .371, \eta_p^2 = .002$]. Additionally, none of the other control variables from the overall ANCOVA attained significance and were not reported in Table 14.

Factor	Condition (N)	Mean	<i>F</i>	<i>p</i> -value
Intercultural accommodation	Yes (188)	3.79	322.22	.000*
	No(189)	5.09		
Perceived Discrimination	Yes (175)	4.47	.805	.371
	No (200)	4.41		
Interaction	Intercultural accommodation*Perceived Discrimination		3.48	.045*

* Significant at .05 level

Table 10: ANCOVA of Service Quality for Intercultural Accommodation and Perceived Discrimination

As shown in Figure 6, simple-effect tests revealed that the effect of intercultural accommodation on service quality was lower when discrimination perceptions existed (yes), $F(1, 375) = 199.48, p = .000$, than when discrimination perceptions did not exist (no), $F(1, 375) = 110.10, p = .000$. Additionally, means for those who perceived discrimination were 3.61 with accommodation efforts and 5.18 without accommodation,

and for those with no past perceptions of discrimination means were 3.79 with accommodation efforts and 5.03 without accommodation. **Therefore, Hypothesis 7 was supported.**

Running separate ANCOVAs with each of the five dimensions of Service Quality as the dependent variable showed evidence that Empathy, Responsiveness, and Assurance [$F(1,375) = 5.41, p < .01$, $F(1,375) = 3.84, p < .05$, $F(1,375) = 2.89, p < .10$], respectively] were the dimensions significantly impacted by the discrimination intervening variable.

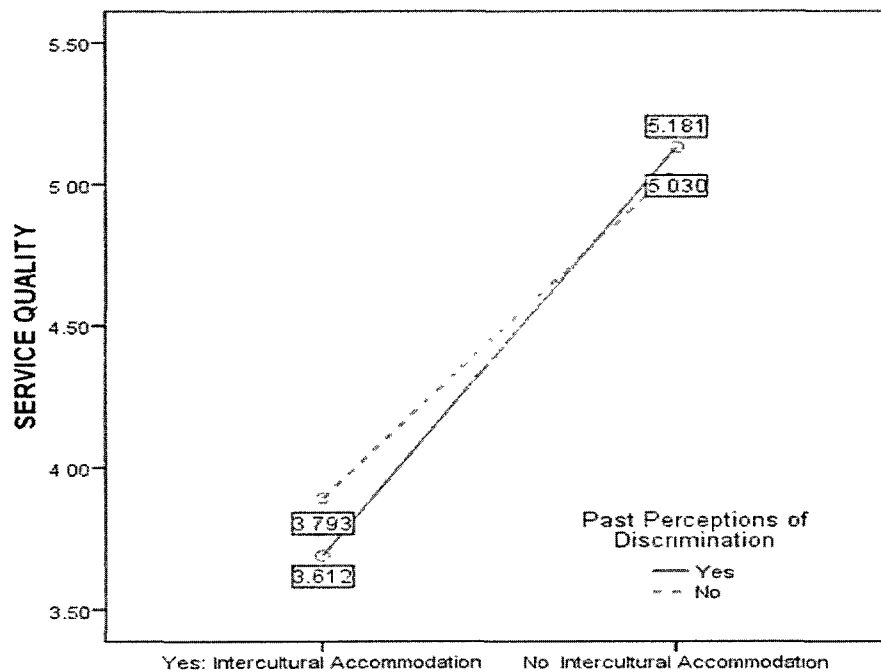


Figure 6 The Interaction Effect of Intercultural Accommodation and Discrimination on Service Quality

Hypothesis 8: Hypothesis 8 offers the final link between service quality and the behavioral outcome previously hypothesized in the literature. It argues that there will be a

significant positive relationship between service quality perceptions of ethnic minority consumers and purchase intentions. To test this hypothesis a simple regression was run where service quality served as the independent variable and the composite score for the purchase intention questions was the dependent variable. The same set of control variables were used as covariates, namely: age, gender, household income, country of birth, and number of years lived in the U.S. Regression analysis indicated that service quality significantly predicted purchase intention scores, $B = .38$, $S.E. = .06$, $R^2 = .13$, $p = .000$. As a result, **Hypothesis 8 was supported.**

Hypothesis 9: The final hypothesis, Hypothesis 9, predicted a three-way interaction between intercultural accommodation, consumer acculturation, and perceived cultural sensitivity. Specifically, it was postulated that in the event that a minority consumer is more adaptive to his or her culture of origin (i.e., low in acculturation), he or she may interpret the accommodative efforts of the service provider as more culturally sensitive than if he or she were more adaptive towards the mainstream culture (i.e., high in acculturation), who might actually be indifferent in their assessment of accommodation efforts. Hence, the hypothesis was divided into two parts. H9a predicted that low-acculturated minority consumers will evaluate a service encounter delivered via accommodation efforts more favorably when high cultural sensitivity is perceived than high-acculturated minority consumers when high cultural sensitivity is perceived. Also, H9b predicted that there would be no significant difference between low- and high-acculturated minority consumers when evaluating a service encounter delivered in the absence of accommodation efforts when high cultural sensitivity is perceived.

With this three-way postulated interaction, Hypothesis 9 would not only support the notion that the three factors interact in their influence on service quality perceptions of minority consumers, but may also lend support to other established relationships from previous hypotheses testing. An analysis of covariance (ANCOVA) was tested with service quality as the dependent variable, and the three fixed factors: intercultural accommodation, perceived cultural sensitivity, and consumer acculturation. The covariates included the control variables: age, gender, income, education, number of years spent in the U.S., and country of birth.

Contrary to the expectations, the omnibus ANCOVA of the three-way interaction failed to reach a statistical level of significance [$F(1,375) = .392, p = .531, \eta_p^2 = .001$]. With this, attention was directed towards the one-way and two-way marginal means.

Intercultural accommodation was found to have significant main effects on service quality [$F(1,365) = 391.94, p = .000, \eta_p^2 = .521$] and the main effect of consumer acculturation was approaching significance [$F(1,365) = 14.77, p = .000, \eta_p^2 = .039$, respectively]. However, examining the significant two-way interaction of intercultural accommodation and perceived cultural sensitivity provides yielded insignificant results. **Hence, it is concluded that H9 is not supported.**

A summary of all the hypotheses and testing results are summarized in the following table (Table 11):

	Hypothesis	Support
H1	Minority customers will evaluate a service encounter more favorable when the service is delivered via accommodation efforts than when no accommodation efforts were offered in the service delivery.	Supported
H2	Among minority consumers, service involvement will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers will evaluate a service encounter delivered via accommodation efforts more favorably for low-involvement services than for high-involvement services. On the other hand, minority evaluations of a service encounter delivered with no accommodation efforts will be more favorable for high-involvement services than for low-involvement services.	Supported
H3	Among minority consumers, consumer acculturation will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that low-acculturated minority consumers will evaluate a service encounter offered via accommodation efforts more favorably than highly acculturated minority consumers. Moreover, for service encounters offered without accommodation	Marginally Supported
H4	Among minority consumers, perceived cultural sensitivity will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers who have high perceptions of service providers' cultural sensitivity will have more favorable service quality perceptions of the accommodation attempts than their counterparts who have low perceptions of service providers' cultural sensitivity.	Not Supported
H5	Among minority consumers, the strength of ethnic identification will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers with stronger ethnic identification will evaluate a service encounter delivered via accommodation efforts more favorably than those with weaker ethnic identification. Moreover, for service encounters offered without accommodation efforts, there will be no significant differences between strong- and weak- minority identifiers in terms of service quality perceptions.	Not supported
H6	Among minority consumers, self-efficacy will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers with high self-efficacy will evaluate a service encounter delivered via accommodation efforts more favorably than those with weaker self-efficacy. Moreover, for service encounters offered without accommodation efforts, there will be no significant differences between low- and high-efficacy perceptions of minority consumers in terms of service quality assessments.	Not Supported

H7	Among minority consumers, perceived discrimination will moderate the effects of accommodation efforts on service quality perceptions. In particular, it is expected that minority consumers who have past perceptions of discrimination will evaluate a service encounter delivered via accommodation efforts less favorably than minority consumers who do not have past perceptions of discrimination. Moreover, for service encounters offered without accommodation efforts, minority consumers have past perceptions of discrimination will have higher service quality perceptions than those do not have past perceptions of discrimination.	Supported
H8	There is a significant positive relationship between service quality perceptions of ethnic minority consumers and purchase intentions.	Supported
H9	<p>The effect of accommodation efforts on perceptions of service quality is moderated by the interaction of consumer acculturation and perceived cultural sensitivity. In particular, it is expected that:</p> <p>H9a: Low-acculturated minority consumers will evaluate a service encounter delivered via accommodation efforts more favorably when high cultural sensitivity is perceived than high-acculturated minority consumers when high cultural sensitivity is perceived.</p> <p>H9b: There will be no significant difference between low- and high-acculturated minority consumers when evaluating a service encounter delivered via no accommodation efforts when high cultural sensitivity is perceived.</p>	Not supported

Table 11 Hypotheses Testing Results

CHAPTER V

DISCUSSION AND RECOMMENDATIONS

The research described in the preceding chapters offers valuable insights for understanding ethnic consumer behavior and the response to intercultural accommodation, particularly with respect to Hispanic consumers in service settings. The findings from this study offer important academic and managerial implications that are discussed in subsequent sections.

This study examined the effects of intercultural accommodation on service quality perceptions for ethnic minority consumers using a scenario-based design to analyze moderating factors that potentially intervene in this relationship. While researchers have identified a significant relationship between accommodation efforts towards ethnic minority consumers in product settings (e.g., the ethnic background of models featured in ads and the target audience's evaluation of those ads), this study contributes to these past findings by introducing several new variables to this relationship in the context of services.

The findings of the study indicate that offering intercultural accommodation results in higher perceived service quality, which in turn results in higher purchase intention. The study provides more interesting findings through the consideration of several intervening variables in the intercultural accommodation-service quality relationship. To the knowledge of the researcher, intercultural accommodation and these moderating influences have not been investigated in such a comprehensive attempt in the service literature.

Moreover, the overall conclusion that can be drawn from this study is that, under the correct circumstances, intercultural accommodation efforts can be positively-received, leading to high perceptions of service quality. That is, Accommodation Theory is indeed a valid theory, however; the service quality perceptions of minority consumers are well- or ill-received depending on a number of contextual factors. Accordingly, researchers should take a more comprehensive approach to the study of intercultural accommodation towards ethnic minority consumers. Instead of arguing for the merits or drawbacks of intercultural accommodation, researchers would be well served to approach the subject by analyzing the intervening factors (and interactions between those intervening factors) which could enhance or hinder the evaluation of the service encounter.

Service quality perceptions were found to be largely influenced by the minority consumer's level of involvement with the service. Specifically, the findings of this investigation indicate that when a low involvement service is being experienced, Hispanic consumers are more likely to be appreciative of accommodation efforts such as the service provider having a Hispanic background than when a high involvement service is encountered. This is likely because a low involvement encounter does not require much information processing when product choice is unimportant or the purchase situation is uninvolved (Aldlaigan and Buttle, 2001). Additionally, the findings of this study also support the notion that high involvement service encounters would yield higher service quality perceptions among Hispanic consumers compared to low involvement service encounters in the absence of the accommodation efforts. These findings are consistent with the Elaboration Likelihood Model (ELM) which argues that the central route

processes are those that prevail under conditions that promote high elaboration (high involvement service encounters) while peripheral route processes rely on environmental characteristics of the message like the attractiveness of the source (low involvement service encounters) (Petty & Cacioppo, 1986).

The result of the current research also adds support to a study conducted by Torres and Briggs (2005) that revealed that appealing to some Hispanic consumer may be highly desirable in terms of creating favorable attitudes toward service brands when advertising low involvement services, where the consumer does not engage in intensive decision making and considers few attributes.

Another contextual variable that was found to partially moderate the relationship between intercultural accommodation efforts and service quality perceptions is consumer acculturation. The findings of this investigation indicate that low-acculturated consumers will have higher service quality perceptions than their high-acculturated counterparts when services are offered via accommodation efforts. In other words, Hispanic consumers who are strongly attached to their Hispanic origin and heritage are more likely to be receptive of accommodation efforts than Hispanic consumers who are more adaptive to the mainstream (American) culture. This is likely because minority consumers who retain their culture of origin are impressed and appreciative of efforts that are directed to serve them. On the other hand, the research argues that in the case of no accommodation efforts, high-acculturated consumers might have higher perceptions of the service quality than their low-acculturated counterparts. In this latter case, Hispanic consumers who “dissolve” gradually into the American culture would appreciate the affiliation with the mainstream culture, leading to higher perceptions of service quality

compared to Hispanic consumers who have strong ties to their Hispanic culture. Further investigation is warranted to support this latter argument since the results were only partially supported. However, the initial results from this hypothesis support findings of previous research by Ueltschy and Kramp (1997), which investigated the relationship between the level of acculturation of Hispanics and preferences for languages and models in print advertisements, concluding that marketers should advertise in English to the highly acculturated minority consumers

The current study results failed to support that service quality perceptions are more favorable when ethnic minority consumers have high perceptions of the service provider sensitivity compared to when perceptions are low only in the event that accommodation efforts are made. That is, it was inconclusive that in the event that Hispanic consumers attribute the efforts to target them to sincere motivations, the perceptions of the overall service would be more favorable compared to those consumers who might regard such efforts as merely a marketing gimmick. These findings are inconsistent with Accommodation Theory which argues that if speech accommodation is attributed to a desire to break down cultural barriers between the speaker and listener, convergence is received favorably by the listener, resulting in positive feelings and attraction (Giles, Taylor, and Bourhis 1973). The discrepancy can be attributed to the fact that the overall assessment of such directed efforts depends on the motives of the communicator. That is, it can be argued that perhaps motivations play a role of mediation in the link between intercultural accommodation and service quality perceptions among minority consumers. Future research should investigate whether this

mediation can lead to higher perceptions of trust and, hence, in turn different perceptions of service quality.

Perceived discrimination also intervenes to affect the intercultural accommodation-service quality perception relationship. That is, consistent with previous research (Wilson, 2007), minority consumers who have perceived discrimination in the past will have lower service quality perceptions when the service provider offers the service in a directed manner as compared to those minority consumers who have not perceived discrimination in the past. In other words, service quality perceptions are more favorable for Hispanic consumers who have not felt discriminated against in the past (due to their race, accent, skin color, religion etc.) as compared to Hispanic consumers who have affirmed that they were conscious of previous encounters where they felt discrimination. This is only in the situation where acculturation efforts are offered. In the case where the service is delivered in English and by a Caucasian service provider, those Hispanic consumers who have experienced discrimination in the past have more favorable assessments of the service encounter than those Hispanic consumers who have no perceptions of discrimination from past experiences. This is understandable because in the event that the minority consumer feels he or she has been discriminated against in the past, they are more likely to be annoyed when communication is in their own ethnic language (Spanish) rather than in English. This finding lends support to previous research such as that by Haarmann (1986) and Platt and Weber (1984) which found that language-related inferiority complex may result in local language sometimes being considered by the speakers themselves to be an obstacle to social advancement.

Further, the absence of a significant main effect for a number of these variables on Hispanic consumer's service quality perceptions suggests that the impact of intercultural accommodation on service quality perceptions is explained by the interaction of the two factors and not by any one factor alone.

With respect to the moderating effect of the strength of ethnic identification, it is not significant in the intercultural accommodation – service quality perception relationship. It had been expected that the strength of ethnic identification would make a difference on the basis of similar results found in previous consumer behavior literature which argue that minority consumers with strong ethnic identification, because of their greater connection to their ethnicity and expression of traditional values, may appreciate and feel more targeted by advertisements that represent them than those with weaker ethnic identities (Deshpande, Hoyer, and Donthu, 1986; Zmud and Arce, 1992; Donthu and Cherian, 1994, Green, 1999; Appiah, 2001; Torres and Briggs, 2005). This result could be explained for a variety of reasons (in the form of other tested moderators) or not explained here. Perhaps other experiences with past accommodation efforts or attitude toward the mainstream (American) culture could also explain the lack of significance. Although further investigation is warranted, this finding supports the research finding of Karande (2005) who argued that consumer's strength of ethnic identification had no impact on their response towards advertisements among Asian-American samples.

Also, while the moderating effect is not found to be significant, the strength of ethnic identification shows a main effect that is significant on service quality perceptions. That is to say, the strength of ethnic identification has an individual effect on service quality in the absence of the intercultural accommodation factor lending support to

previous studies that found such individual effect. For example, the strength of ethnic identification has been shown to positively impact ethnic product consumption (Chung and Fisher, 1999; Deshpande, Hoyer, and Donthu, 1986). Therefore, although the postulated hypothesis was not supported, the direct effect of strength of ethnic identification on consumer behavior is consistent with Distinctiveness Theory (McGuire, 1984; McGuire, McGuire, Child, and Fujioka, 1978).

Contrary to expectations, there was no significant difference found between minority consumers who had high or low perceived self-efficacy in terms of their assessments of the service quality when the service was delivered via accommodation efforts. That is, whether a Hispanic consumer believed themselves to have a strong (or weak) ability to participate well did not impact their evaluations of the service when the encounter was offered by a Spanish-speaking Hispanic service representative. There was also no main effect found for this variable on service quality perceptions among minority consumers. This finding appears to contradict Self-Efficacy theory which suggests that a customer's beliefs about their ability to participate will ultimately impact their response to the service (Gist, 1987). It would seem that minority customers who are self-efficacious in identifying and performing their role in a service encounter would perceive such marketer's efforts more positively and, hence, have a higher service perception than their counterparts who feel they are not as efficacious. One possible explanation for this finding is that services such as banking services differ in their search, experience, and credence attributes among Hispanic consumers, leading to different perceptions of risk (Mitra, Reiss and Capella, 1999). The lack of significance in this study suggests that self-efficacy, while certainly an important factor, appears to be not as salient to affect service

quality perceptions is bank encounters. Consequently, intercultural accommodation efforts should be considered regardless of the ability of minority consumers' to participate in the service.

Furthermore, the interaction between intercultural accommodation, consumer acculturation, and perceived cultural sensitivity also did not appear to impact service quality perceptions. The argument proposed was that in the case where the minority consumer is more adaptive to their culture of origin (i.e., low in acculturation), they are more likely to interpret the accommodative efforts of the service provider as more culturally sensitive than if they were more adaptive to the mainstream culture (i.e., high in acculturation), who might actually be indifferent in their assessment of accommodation efforts. This finding can be attributed to the fact that only marginal support was found so the interaction effect of consumer acculturation and none was found for the moderating role of perceived cultural sensitivity. However, as consumer acculturation serves a crucial intervening role in service quality evaluations, researchers would find the results from this study helpful in further establishment of this construct's importance.

From an academic perspective, a major contribution of this research is that it provides a valuable theoretical framework from its integration of the theories of Accommodation, Distinctiveness, and the Elaboration Likelihood Model and their impact on consumer behavior. Support of this theoretical framework through empirical evidence lends relevance to the theory-based rationales underpinning the model proposed in Chapter 2.

MANAGERIAL IMPLICATIONS

As the multicultural marketplace continues to constitute challenging dynamics for marketers, this study has important implications for practitioners. This research enhances the understanding of intercultural accommodation and service quality among minority consumers by providing a comprehensive view of several intervening variables that allow marketers to step away from the traditional market segmentation techniques. That is, while there is convenience in assuming that ethnic groups constitute homogenous market segments, ethnic consumer research has repeatedly found that considerable heterogeneity exists within each ethnic micro-market and conformity to a particular cultural category hardly ever exists (Ogden, Ogden, & Schau, 2004). The current study identifies practitioners specific variables that can aid in better minority consumer categorization, thereby enhancing customer receptivity to their targeted ethnic marketing efforts.

First, these results tell managers that because intercultural accommodation offers a unique opportunity to positively influence service quality perceptions for ethnic minority consumers, the hiring and training of employees that cater to the specific needs of the targeted group should be important. Further examination of the particular service quality elements most impacted by the intercultural accommodation efforts revealed that the Empathy and Responsiveness dimensions were the most significant. Hence, when catering to certain minority consumers, hiring service providers who give individual and personal attention and who are willing to help is more important than emphasizing tangible aspects of the encounter, such as visually appealing equipment. Moreover, while this study examined the dual effects of language and the ethnicity of the service provider, other marketing strategies should be considered, such as: the sponsorship of important

community events, the use of national flags and symbols, and the endorsement of ethnic group attitudes and concerns. Marketing managers who correctly coordinate efforts to reach their minority target audience can expect high customer satisfaction and increased levels of purchase intention. For example, rather than simply hanging banners welcoming customers in Spanish but still hiring English-speaking representatives or not offering assistance in Spanish altogether, a truly well-managed and integrated effort would provide competitive advantages. Perhaps holding an informative symposium on banking services twice a year for the company's Hispanic consumers would be well appreciated and worth the effort.

Also from a managerial standpoint, because involvement was discovered to moderate the relationship between intercultural accommodation and service quality perceptions, services which are considered to be low involvement initiative should be separated from high involvement services and manuals could be developed to aid employees on how to deal with a minority consumer given a certain type of encounter. Results of the study indicated that low involvement encounters allow Hispanic consumers to rely on their peripheral cues for processing, thereby leading to favorable service quality perceptions during intercultural accommodation encounters as compared to high involvement situations. Therefore, employees can be trained to "shore up" their targeting efforts towards minority consumers when encounters are brief and quick. For example, friendly conversation in Spanish is favorable during such encounters. However, in the case of a high involvement encounter, the employee needs to be trained to deliver more on the core of the transaction since the emphasis of the minority consumer shift towards the central cues.

Further, because consumer acculturation is also found to be a moderating factor, there is enough evidence to conclude that the degree of acculturation is a critically important segmentation variable for accommodation efforts. Consequently, employees have to be trained to offer a service in the minority language only to those minority consumers low in consumer acculturation and not to all customers considered to be members of a minority culture. Certain ethnic minority consumers may lack the time, money, and knowledge of the marketplace to evaluate information about the service provider. Thus, if an ethnic consumer has certain problems explaining his/her needs and responding appropriately during a service encounter such as applying for a bank loan, accommodation efforts will be greatly appreciated compared to a situation where the customer illustrates no communication problems.

Moreover, since saliency of cultural heritage and cultural pride were not found to be significant, the relevance of the strength of ethnic identification variable should be readdressed in the context of directed marketing efforts. The current study suggests that gratuitous appeals to individual's "Hispanicness" may not be necessary when offering a service via accommodation efforts during a bank encounter.

However, although the perception of cultural sensitivity is found not to significantly moderate the intercultural accommodation – service quality perception relationship, but still the main effect was significant, it would still pay for a company to be perceived as culturally sensitive and friendly, which can be achieved using languages, spokespeople and other symbols from the concerned subculture, as well as appropriate media selection and more mainstream roles for minority models (Karande, 2005). A test of mediation could illustrate that if a company borrows a minority consumer's cultural

symbols (e.g. Spanish language) in an effort to communicate with those consumers, they would likely react negatively in terms of the advertiser motives (“they don’t care about my culture really”), unless the communicator is truly perceived to be culturally sensitive. Therefore, employees need to be trained to be authentic and sincere during their encounters with minority consumers. In any event, given the impact of the main effect, it is crucial to educate employees about the cultural sensitive issues that pertain to the target audience and how to deal with such delicate matters.

Related to the previous recommendation, managers should also be cautioned to deal with issues of discrimination. Discrimination was found to have a significant intervening effect in the relationship between intercultural accommodation and perceptions of service quality. Specifically, those who had experienced previous discrimination situations had lower perceptions of service quality in response to accommodation efforts compared to those who revealed they hadn’t encountered discrimination in the past. The opposite was also true for the scenario in which no accommodation efforts were offered. What this means for managers is that although they cannot change past perceptions of discriminations, managers can seek opportunities to lessen such cultural tension perceived by minority consumers. For instance, event sponsoring is an ideal method to reach this group (Wilson, 2007). Peñaloza (1994) argued that using Spanish in advertisements also serves to legitimize the Hispanic culture in the U.S and may help lessen the sting of discrimination. Thus, employees need to be trained not to allow self-reference criterion or ethnocentrism to hinder the transaction with minority consumers.

Service marketers, therefore, must understand the relationships between intercultural accommodation and possible moderators and be very strategic in communicating with their diverse ethnic minority audience. As illustrated from the supported hypotheses, focusing on intercultural accommodation alone, as in much of the previous research, is no longer sufficient in targeting the diverse and heterogeneous ethnic subcultures that are becoming increasingly fragmented. The reality is that members of a particular ethnic group do not all think or behave in the same way and the approaches taken by many managers must be reevaluated.

Results from the study also support previous studies that have suggested that the Reliability, Responsiveness, and Empathy of service providers are the important dimensions to the provision of superior service quality (e.g., Parasuraman, Zeithaml, and Berry, 1985, 1988; Brady and Cronin, 2001). Thus, marketing managers are encouraged to investigate these dimensions thoroughly in light of their respective service offering.

Apart from marketers, this study offers important implications for professionals and educators in services marketing. Educators could employ teaching strategies that help students in identifying cultural aspects in communication. Both verbal and non-verbal communication styles vary among cultures. For example, when interacting with Mexican consumers, it is important to understand that the Mexican culture entails much more elaborate and exhaustive conversation than is customary in the U.S (Gannon and Rajnandini, 2010). The introduction of such attributes, which are deeply embedded in the Hispanic cultural aesthetic, may elicit more favorable responses from Hispanic consumers as compared to the use of stereotypical symbols of the culture. Therefore, to improve marketing to ethnic consumers and avoid marketing blunders, topics such as

language, culture, and ethnicity must be studied and incorporated into marketing and international business courses.

RESEARCH LIMITATIONS

Due to the nature of this study, limitations presented themselves along the research path. Previous research has often limited the sample of Hispanic consumers to those living in a highly densely populated Hispanic area such as Texas or South Florida, dominated by Hispanics of Cuban or Mexican background (e.g. Kara and Kara, 1996; Koslow, Shamdasani, Touchstone, 1994). The generalizability of such studies to the entire Hispanic ethnic group have been limited. While surveying a nationwide Hispanic sample may be noted as a strength of the current study, caution should be taken when drawing general conclusions about all minority consumers in the U.S. The Hispanic culture poses some unique characteristics which set it apart from other ethnic minority groups such as Asian-Americans, African-Americans, American-Indians etc. Despite other sub-culture differences, Hispanics also share a surprising degree of commonalty in religion, art and music and a love of the closeness and warmth of family and friends (Donthu and Cherian 1992). Caution should be taken when inferences are drawn from the current research findings to all minority groups.

Since the experiment involved asking participants to respond to online scenarios, feelings and emotions surrounding actual encounters with the service provider were not fully experienced or investigated. As with any such research, there is always a chance that what individuals report they would do differs from how they would actually respond. Thus, while our scenario-based findings are logically sensible, replicating them in future

research (ideally without dependence on hypothetical situations) would fortify our initial insights. In spite of this limitation, which undoubtedly poses questions pertaining to the findings' external validity, the use of a scenario-based experimental approach provides some control over the nuances of the intercultural accommodation scenario.

Also, it is important to highlight that the conclusions of this study are based upon findings from a bank-setting and caution must be exercised in generalizing the results to other service industries. Discretion is advised in globally applying the conclusions of this study to all service settings because of the broad array of potential settings.

Furthermore, it is worth noting that the respondents were exposed to one treatment rather than a portfolio of treatments. That is, respondents that were assigned to the intercultural accommodation vignette were shown an image of a Hispanic bank representative with a Hispanic name tag and the dialogue was conducted in Spanish. On the other hand, those assigned to a vignette with no intercultural accommodation were exposed to an image of a Caucasian bank representative and the communication was carried out in English. Due to limitations of sample size, combinations of images and languages were not devised, and hence were not tested. In the future, combination of accommodation methods (e.g., ethnically similar model with language) should be investigated.

RECOMMENDATIONS FOR FUTURE RESEARCH

Despite these caveats, the results of this study appear to be particularly significant in terms of future research directions with regard to ethnicity research. There are several issues to which researchers need to direct their attention.

First, it would be informative to test the hypothesized model derived from this study among other ethnic minority groups as well as in other service settings. Each of the moderating variables could likely be created in settings such as hotel, auto repair, dry cleaners, airlines, and restaurants. Future testing in various service sectors could potentially enhance the external validity of the model.

Secondly, although the use of scenarios in this study has warranted significant results, future research can be methodologically enhanced by using videos to experimentally manipulate the accommodation efforts. By showing the respondents staged service encounters between Hispanic or Caucasian service providers and customers, the respondents would be able to project their reactions from a third-person perspective, which could lead to interesting, and perhaps different findings. For instance, would the current results still hold if the respondent was offered the intercultural accommodation effort in Spanish but by a Caucasian service provider? What about if the service is in English but the bank representative is perceived to be of Hispanic background?

A third issue for future consideration pertains to the concept of multiple identities and the use of *Spanglish* to test the hypothesized relationships. Many Hispanics see themselves as both Hispanic and American and desire that others recognize such complex

identities. To offer services in only Spanish or English perhaps contributes to the misperception of a singular Hispanic or American identity and ignores the importance of multiple identities associated with language usage. For instance, it has been common practice for advertisers to use some mixture of Spanish and English (Donthu and Cherian, 1994). Thus, extending the current research by creating *Spanglish* treatments and considering code-switching could be an avenue for future research.

Fourth, while this study did not reveal that neither the strength of ethnic identification nor perceived cultural sensitivity led to significant differences in service quality perceptions, research is warranted that explores the situational factors in which these might differ. Past research has provided evidence to show that consumption patterns differ among ethnic minority consumers based on the person accompanying the consumer at the time of consumption (Stayman and Deshpande, 1989), and based on their identification with their original culture (Zmud and Arce, 1992). Thus, future studies should examine intercultural accommodation efforts given the interaction effects of strength of ethnic identification as well as perceived cultural sensitivity and social surrounding in a service setting. Perhaps when a minority consumer is accompanied by a parent, or any companion who speaks Spanish, he or she will evaluate a service encounter delivered in Spanish by a Hispanic service representative, providing further support to Distinctiveness Theory.

Also, the fact that self-efficacy was not shown to have a significant moderating influence presents a research opportunity in the study of within-respondent differences. Perhaps it is not one's self-efficacy or ability to perform the service that intervenes in the intercultural accommodation-service quality relationship. It could be the result of

different personality characteristics. Potentially, researchers could subject minority consumer respondents to similar scenarios involving intercultural accommodation, but also ask them to complete a personality questionnaire. Similarly, while gender was not found to be an impacting variable in this particular model, perhaps when coupled with different personality traits, it could impact service quality perceptions.

Lastly, although beyond the scope of the current study, future research should develop the acculturation scale beyond the existing linguistic acculturation scope. That is, although the importance of consumer acculturation of ethnic minority consumers is discussed thoroughly in the consumer behavior literature, the focus remains on the degree to which target consumers are fluent in the dominant language as opposed to the dominant language of their country or culture. This is odd given that the definition of consumer acculturation is a subset of the acculturation process comprising of attitudes, values, and behaviors which collectively comprise buyer behavior (O'Guinn, Lee, and Faber, 1985). Yet, to the researcher's knowledge, there is no scale to measure consumer acculturation to date. This represents a potential venue for future contribution.

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APPENDICES

Appendix 1: Focus Group Questionnaire

Question 1: When interacting with a bank representative, which of the following transactions require high involvement from you, and which require low involvement?

Depositing a check

☐ Low involvement

☐ High involvement

Conducting a money transfer

☐ Low involvement

☐ High involvement

Applying for a mortgage loan

☐ Low involvement

☐ High involvement

Refinancing a current home loan

☐ Low involvement

☐ High involvement

Opening a checking account

☐ Low involvement

☐ High involvement

Withdrawing cash

☐ Low involvement

☐ High involvement

Member number: _____

Question 2: A local bank tries to offer better service by offering assistance, if needed, in Spanish.

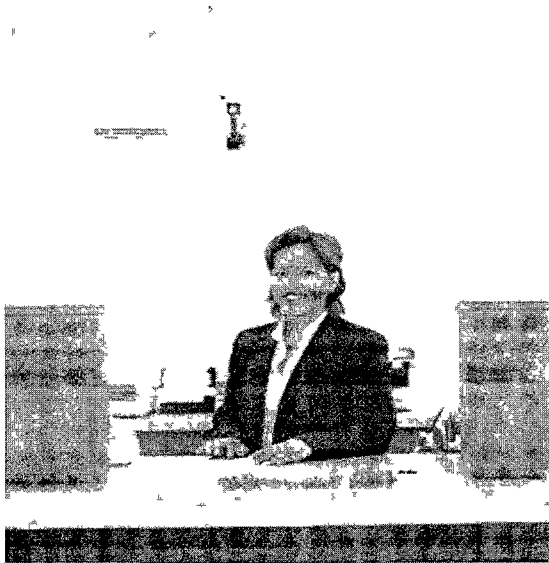
Please indicate whether or not you think the following factors could affect the overall evaluation of the service

Factor	YES	NO
Level of complication of the service <ul style="list-style-type: none"> <i>For example: how involved a client needs to be with the service</i> 		
How strongly someone from an ethnic background identifies with their own ethnic group <ul style="list-style-type: none"> <i>For example: whether someone has a strong sense of belonging to his or her Hispanic culture</i> 		
Extent to which bank efforts are perceived to be truthful and trustworthy <ul style="list-style-type: none"> <i>For example: whether someone believes the motives of the bank are truly to better serve them or simply to make more profit</i> 		
Someone's ability to perform well in a task during the service encounter <ul style="list-style-type: none"> <i>For example: whether someone feels comfortable dealing with banking issues</i> 		
Presence of certain people during the service encounter <ul style="list-style-type: none"> <i>For example: whether someone is accompanied by his or her parents or by coworkers</i> 		
Feelings of discrimination <ul style="list-style-type: none"> <i>For example: whether someone feels they are treated differently because of skin color, religion, or accented language</i> 		
Extent to which someone from an ethnic background gets used to the American culture <ul style="list-style-type: none"> <i>For example: whether someone speaks more English than Spanish at home</i> 		

Member number: _____

Question 3: If you walk into a bank, consider the following images

Rate the extent to which you perceive the following bank teller to be **Hispanic/Latina**



Check the appropriate box:

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
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Now, rate the extent to which you perceive the following bank teller to be **Mainstream American**



Check the appropriate box:

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
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Member number: _____

Question 4: If you are at a bank, would the following scenario be realistic?

You are visiting a local bank to inquire about opening a checking account. As you pull into the parking lot of the bank, a sign catches your attention that says “Siga estamos, para servirlo!”. You park and walk in. You are greeted at the front desk by a warm “Buenos dias, como podemos ayudarlos?” You proceed to explain the purpose of your visit. You are quickly ushered towards the bank associate who proceeds to converse with you in Spanish. The associate explains your options clearly and offers you an interest rate with account fees that you believe is suitable. The next step is to complete the application and run a credit score check.

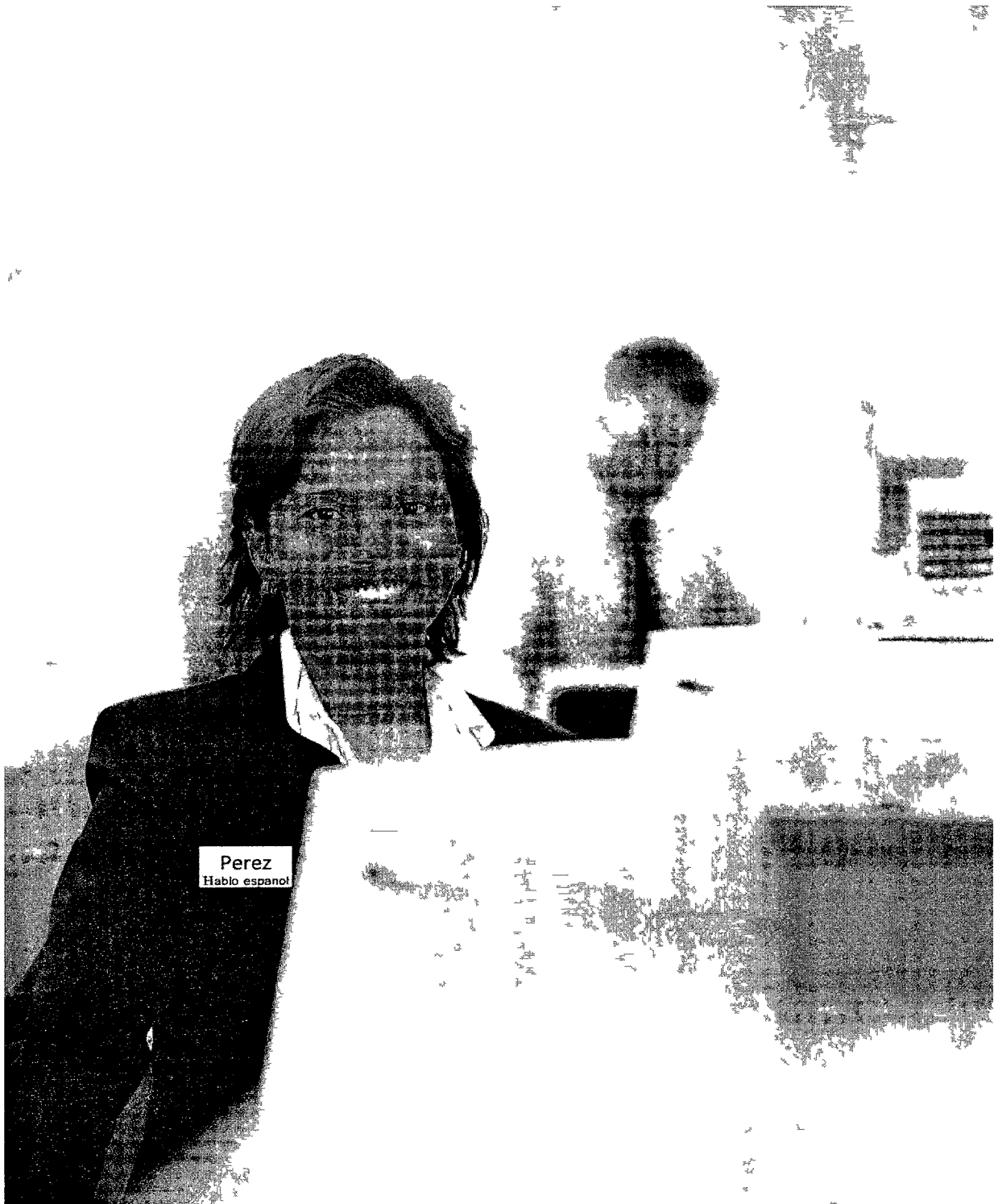
- ☐ Yes, realistic
☐ No, not realistic at all

If no, what is a more realistic scenario? (You may change the Spanish greeting if wording is awkward!)

Member number: _____

Appendix 2: Intercultural Accommodation Treatment (Ethnic Similarity)

(a) Ethnically Similar Treatment: Hispanic bank teller/lending officer



(b) Different Ethnicity: Caucasian bank teller/lending officer



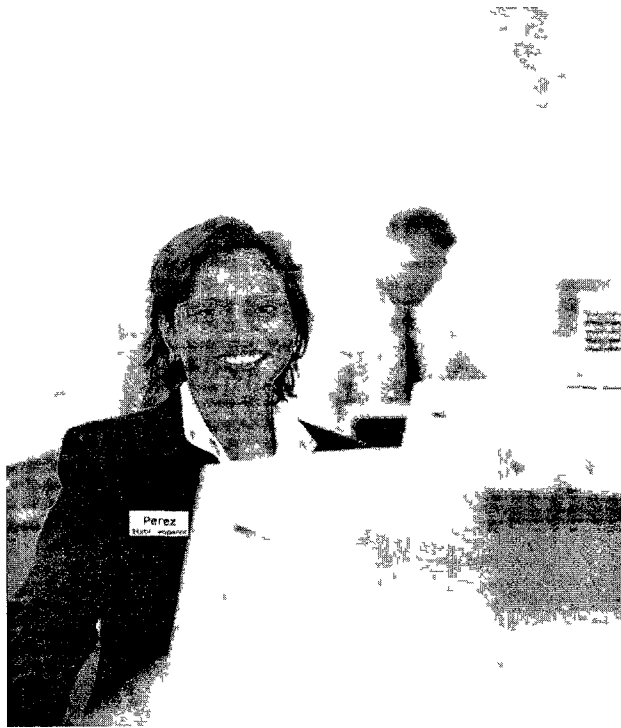
PRETEST 1 TREATMENTS

Appendix 3 Intercultural accommodation x High involvement

Instructions: Please read the following scenario carefully and assume that this scenario has just happened to you:

You are visiting a local bank to apply for a home mortgage loan. As you pull into the parking lot of the bank, a sign catches your attention that says “Siga, estamos para servirlo!”. You park and walk in.

You are greeted at the front desk and quickly directed towards the next available lending officer (seen in the photo).



As you approach the lending officer, you say “Buenos dias”. The lending officer responds: “Buenos dias, como podemos ayudarlos?”. You explain the purpose of your visit. She says: “No problema..” and proceeds to converse with you in Spanish.

The lending officer reviews all the documents you have with you, including your credit score report and earnings statement. Next, she explains the process and answers your questions clearly. At the end, you are offered an APR rate that you believe is suitable. You decide to complete the mortgage application and await the loan approval.

The lending officer shakes your hand and says: “Tener un gran dia”. You leave the bank.

SECTION 1: Based on the scenario you just read, please answer the following questions:

1. What language is the bank and its employee communicating with you in?

Spanish _____
 English _____
 Other _____ Please specify _____

2. Please rate how strongly you agree or disagree with the following statements:

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. The ethnic background of the bank employee seen in the photo is similar to mine	1	2	3	4	5	6	7
B. The bank seems to understand the needs of the Hispanic culture	1	2	3	4	5	6	7
C. The bank seems sensitive to Hispanic culture	1	2	3	4	5	6	7

3. What level of involvement does this bank encounter represent to you? (In other words, how much involvement is needed when applying for a home mortgage loan?) Please check one.

A. Low level of involvement _____
 B. Moderate level of involvement _____
 C. High level of involvement _____

4. Please indicate below how realistic the scenario is.

	Not at all realistic	Unrealistic	Undecided	Realistic	Extremely realistic
A. Scenario Realism	1	2	3	4	5
B. Likelihood this situation will happen to you	1	2	3	4	5

5 How do you rate the bank's customer service?

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A When you have problems, the bank is sympathetic and reassuring	1	2	3	4	5	6	7
B Employees of the bank are polite	1	2	3	4	5	6	7
C You do not receive prompt service from the bank's employees	1	2	3	4	5	6	7
D Employees of the bank are too busy to respond to customer requests promptly	1	2	3	4	5	6	7
E Employees of the bank are not always willing to help customers	1	2	3	4	5	6	7
F The bank does not tell customers exactly when services will be performed	1	2	3	4	5	6	7
G The bank does not give you individual attention	1	2	3	4	5	6	7
H Employees of the bank do not give you personal attention	1	2	3	4	5	6	7
I Employees of the bank do not know what your needs are	1	2	3	4	5	6	7
J You feel safe in your transactions with the bank's employees	1	2	3	4	5	6	7
K You can trust employees of the bank	1	2	3	4	5	6	7
L The bank does not have your best interests at heart	1	2	3	4	5	6	7
M When the bank promises to do something by a certain time, it does so	1	2	3	4	5	6	7
N The bank is dependable	1	2	3	4	5	6	7
O The bank provides its services at the time it promises to do so	1	2	3	4	5	6	7

P	The bank keeps its records accurately	1	2	3	4	5	6	7
Q	Employees get adequate support from the bank to do their jobs well	1	2	3	4	5	6	7
R	The bank has up-to-date equipment	1	2	3	4	5	6	7
S	The bank's physical facilities are visually appealing	1	2	3	4	5	6	7
T	The bank's employees are well dressed and appear neat	1	2	3	4	5	6	7
U	The appearance of the physical facilities of the bank is in keeping with the type of services provided	1	2	3	4	5	6	7
V	The bank does not have operating hours convenient to all their customers	1	2	3	4	5	6	7

6 Please indicate your likelihood of the following

		Extremely unlikely	Most Unlikely	Unlikely	Undecided	Likely	Most likely	Extremely likely
A	Spreading positive word-of mouth about this bank	1	2	3	4	5	6	7
B	Wanting to use this bank again if you ever have the need to conduct any banking services in the future	1	2	3	4	5	6	7

SECTION 2: Please answer the following questions:

7. How old are you?

8. What is your gender?

Male _____

Female _____

9. How many years have you lived in the U.S.?

10. What is the last level of formal education you have completed? Please check one

Did not graduate high school _____

Graduated high school _____

Some college or Tech school _____

Graduated college _____

Post-graduate study or degree _____

11. What is your approximate annual household income? Please check one

Less than \$30,000 _____

\$30,000-\$49,999 _____

\$50,000-\$74,999 _____

\$75,000-\$99,999 _____

\$100,000 and above _____

12. Please tell me your current working status. Please check one

Working full-time _____

Working part-time _____

Homemaker _____

Retired/semi-retired _____

Unemployed but looking for work _____

13. Which of the following best describes you? Please check one

Mexican, Mexican-American, Chicano _____

Puerto Rican _____

Cuban _____

Other Spanish/Hispanic/Latino _____

If other, please specify _____

14. Where were you born?

U.S. _____ Outside of U.S. _____, specify _____

15. What is your current or most recent home address zip code?

16. (a) Please indicate the language you are most comfortable in the following situations:

	Spanish only	Mostly in Spanish	English and Spanish Equally	Mostly in English	English only
A. Language spoken with your siblings	1	2	3	4	5
B. Language spoken with your friends	1	2	3	4	5
C. Language of radio stations you listen to	1	2	3	4	5
D. Language of television programs you watch	1	2	3	4	5
E. Language of newspapers and magazines you read	1	2	3	4	5
F. Language you use in prayer	1	2	3	4	5
G. Language of jokes you are familiar with	1	2	3	4	5

16. (b) Please indicate the following:

	Hispanic only	Hispanic more than American	Hispanic and American Equally	American more than Hispanic	American only
A. Ethnicity of your friendship ties	1	2	3	4	5
B. Ethnicity of people with whom you attend social functions	1	2	3	4	5
C. Ethnic holidays you observe	1	2	3	4	5

17. Please indicate how strongly you agree or disagree with each of the following statements:

		Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A	I am good at evaluating the performance of a bank	1	2	3	4	5	6	7
B	I feel comfortable dealing with banking issues	1	2	3	4	5	6	7
C	I know how to deal with the employees at a bank	1	2	3	4	5	6	7
D	I know how to use the services of a bank	1	2	3	4	5	6	7
E	I feel like I fit in with the other customers of the bank	1	2	3	4	5	6	7

18. Please indicate how strongly you agree or disagree with each of the following statements:

		Strongly Disagree	Disagree	Somewhat disagree	Undecided	Somewhat agree	Agree	Strongly Agree
A	I spend time trying to find out more about my own ethnic group, such as its culture and history.	1	2	3	4	5	6	7
B	I have a clear sense of my ethnic background and what it means for me	1	2	3	4	5	6	7
C	I am happy that I am a member of the ethnic group I belong to	1	2	3	4	5	6	7
D	I am not very clear about the role of my ethnicity in my life	1	2	3	4	5	6	7
E	I really have not spent much time trying to learn more about the culture and history of my ethnic group	1	2	3	4	5	6	7

F. I have a strong sense of belonging to my own ethnic group.	1	2	3	4	5	6	7
G. I have a lot of pride in my ethnic group and its accomplishments.	1	2	3	4	5	6	7
H. I feel good about my cultural or ethnic background.	1	2	3	4	5	6	7

19. Have you ever felt discriminated against because of your race or ethnic background?

No _____ Yes _____

If yes, please explain in what way?

20. Can you guess the purpose of this study?

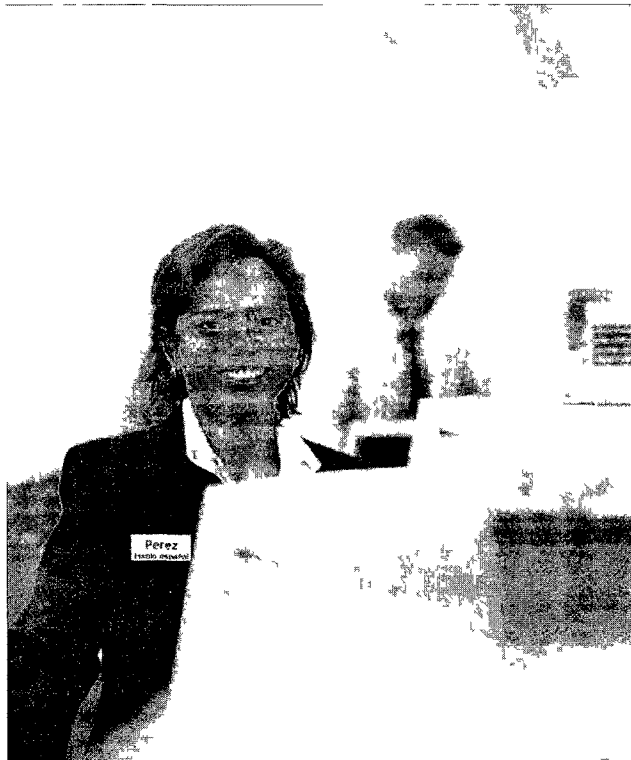
Appendix 4

Intercultural accommodation x Low involvement

Instructions: Please read the following scenario carefully and assume that this scenario has just happened to you:

You are visiting a local bank to deposit a small check amount. As you pull into the parking lot of the bank, a sign catches your attention that says "Siga, estamos para servirlo!". You park and walk in.

You are greeted at the front desk and quickly directed towards the next available bank associate (seen in the photo).



As you approach the bank associate, you say "Buenos dias". The bank associate responds: "Buenos dias, como podemos ayudarlos?". You explain the purpose of your visit. She says: "No problema.." and proceeds to converse with you in Spanish. The associate deposits your check promptly. When she is done, she says: "Tenur un gran dia". You leave the bank.

Section 1: Based on the scenario you just read, please answer the following questions:

1. What language is the bank and its employee communicating with you in?

Spanish _____
 English _____
 Other _____ Please specify _____

2. Please rate how strongly you agree or disagree with the following statements:

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. The ethnic background of the bank employee seen in the photo is similar to mine	1	2	3	4	5	6	7
B. The bank seems to understand the needs of the Hispanic culture	1	2	3	4	5	6	7
C. The bank seems sensitive to Hispanic culture	1	2	3	4	5	6	7

3. What level of involvement does this bank encounter represent to you? (In other words, how much involvement is needed depositing a check?) Please check one.

A. Low level of involvement _____
 B. Moderate level of involvement _____
 C. High level of involvement _____

4. Please indicate below how realistic the scenario is.

	Not at all realistic	Unrealistic	Undecided	Realistic	Extremely realistic
A. Scenario Realism	1	2	3	4	5
B. Likelihood this situation will happen to you	1	2	3	4	5

5. How do you rate the bank's customer service?

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. When you have problems, the bank is sympathetic and reassuring.	1	2	3	4	5	6	7
B. Employees of the bank are polite.	1	2	3	4	5	6	7
C. You do not receive prompt service from the bank's employees.	1	2	3	4	5	6	7
D. Employees of the bank are too busy to respond to customer requests promptly	1	2	3	4	5	6	7
E. Employees of the bank are not always willing to help customers.	1	2	3	4	5	6	7
F. The bank does not tell customers exactly when services will be performed.	1	2	3	4	5	6	7
G. The bank does not give you individual attention.	1	2	3	4	5	6	7
H. Employees of the bank do not give you personal attention.	1	2	3	4	5	6	7
I. Employees of the bank do not know what your needs are.	1	2	3	4	5	6	7
J. You feel safe in your transactions with the bank's employees.	1	2	3	4	5	6	7
K. You can trust employees of the bank.	1	2	3	4	5	6	7
L. The bank does not have your best interests at heart.	1	2	3	4	5	6	7
M. When the bank promises to do something by a certain time, it does so.	1	2	3	4	5	6	7
N. The bank is dependable.	1	2	3	4	5	6	7

O	The bank provides its services at the time it promises to do so	1	2	3	4	5	6	7
P	The bank keeps its records accurately	1	2	3	4	5	6	7
Q	Employees get adequate support from the bank to do their jobs well	1	2	3	4	5	6	7
R	The bank has up-to-date equipment	1	2	3	4	5	6	7
S	The bank's physical facilities are visually appealing	1	2	3	4	5	6	7
T	The bank's employees are well dressed and appear neat	1	2	3	4	5	6	7
U	The appearance of the physical facilities of the bank is in keeping with the type of services provided	1	2	3	4	5	6	7
V	The bank does not have operating hours convenient to all their customers	1	2	3	4	5	6	7

6 Please indicate your likelihood of the following

		Extremely unlikely	Most Unlikely	Unlikely	Undecided	Likely	Most likely	Extremely likely
A	Spreading positive word- of mouth about this bank	1	2	3	4	5	6	7
B	Wanting to use this bank again if you ever have the need to conduct any banking services in the future	1	2	3	4	5	6	7

SECTION 2: Please answer the following questions:

7. How old are you?

8. What is your gender?

Male _____ Female _____

9. How many years have you lived in the U.S.?

10. What is the last level of formal education you have completed? Please check one

Did not graduate high school _____
 Graduated high school _____
 Some college or Tech school _____
 Graduated college _____
 Post-graduate study or degree _____

11. What is your approximate annual household income? Please check one

Less than \$30,000 _____
 \$30,000-\$49,999 _____
 \$50,000-\$74,999 _____
 \$75,000-\$99,999 _____
 \$100,000 and above _____

12. Please tell me your current working status. Please check one

Working full-time _____
 Working part-time _____
 Homemaker _____
 Retired/semi-retired _____
 Unemployed but looking for work _____

13. Which of the following best describes you? Please check one

Mexican, Mexican-American, Chicano _____
 Puerto Rican _____
 Cuban _____
 Other Spanish/Hispanic/Latino _____
 If other, please specify _____

14. Where were you born?

U.S. _____ Outside of U.S. _____, specify _____

15. What is your current or most recent home address zip code?

16. (a) Please indicate the language you are most comfortable in the following situations:

	Spanish only	Mostly in Spanish	English and Spanish Equally	Mostly in English	English only
A. Language spoken with your siblings	1	2	3	4	5
B. Language spoken with your friends	1	2	3	4	5
C. Language of radio stations you listen to	1	2	3	4	5
D. Language of television programs you watch	1	2	3	4	5
E. Language of newspapers and magazines you read	1	2	3	4	5
F. Language you use in prayer	1	2	3	4	5
G. Language of jokes you are familiar with	1	2	3	4	5

16.(b) Please indicate the following:

	Hispanic only	Hispanic more than American	Hispanic and American Equally	American more than Hispanic	American only
A. Ethnicity of your friendship ties	1	2	3	4	5
B. Ethnicity of people with whom you attend social functions	1	2	3	4	5
C. Ethnic holidays you observe	1	2	3	4	5

17 Please indicate how strongly you agree or disagree with each of the following statements

		Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A	I am good at evaluating the performance of a bank	1	2	3	4	5	6	7
B	I feel comfortable dealing with banking issues	1	2	3	4	5	6	7
C	I know how to deal with the employees at a bank	1	2	3	4	5	6	7
D	I know how to use the services of a bank	1	2	3	4	5	6	7
E	I feel like I fit in with the other customers of the bank	1	2	3	4	5	6	7

18 Please indicate how strongly you agree or disagree with each of the following statements

		Strongly Disagree	Disagree	Somewhat disagree	Undecided	Somewhat agree	Agree	Strongly Agree
A	I spend time trying to find out more about my own ethnic group, such as its culture and history	1	2	3	4	5	6	7
B	I have a clear sense of my ethnic background and what it means for me	1	2	3	4	5	6	7
C	I am happy that I am a member of the ethnic group I belong to	1	2	3	4	5	6	7
D	I am not very clear about the role of my ethnicity in my life	1	2	3	4	5	6	7
E	I really have not spent much time trying to learn more about the culture and history of my ethnic group	1	2	3	4	5	6	7

F	I have a strong sense of belonging to my own ethnic group	1	2	3	4	5	6	7
G	I have a lot of pride in my ethnic group and its accomplishments	1	2	3	4	5	6	7
H	I feel good about my cultural or ethnic background	1	2	3	4	5	6	7

19 Have you ever felt discriminated against because of your race or ethnic background?

No _____ Yes _____

If yes, please explain in what way?

20 Can you guess the purpose of this study?

Appendix 5

No Intercultural accommodation, High involvement

Instructions: Please read the following scenario carefully and assume that this scenario has just happened to you:

You are visiting a local bank to apply for a home mortgage loan. As you pull into the parking lot of the bank, a sign catches your attention that says "Come inside, we are here to serve you!". You park and walk in.

You are greeted at the front desk and quickly directed towards the next available bank associate (seen in the photo below).



As you approach the lending officer, she says, "Good morning, how can I help you?". You explain the purpose of your visit. She says: "No problem.." and proceeds to converse with you in English.

The lending officer reviews all the documents you have with you, including your credit score report and earnings statement. Next, she explains the process and answers your questions clearly. At the end, you are offered an APR rate that you believe is suitable. You decide to complete the mortgage application and await the loan approval.

The lending officer shakes your hand and says: "Have a great day". You leave the bank.

Section 1: Based on the scenario you just read, please answer the following questions:

1. What language is the bank and its employee communicating with you in?

Spanish _____
 English _____
 Other _____ Please specify _____

2. Please rate how strongly you agree or disagree with the following statements:

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. The ethnic background of the bank employee seen in the photo is similar to mine	1	2	3	4	5	6	7
B. The bank seems to understand the needs of the Hispanic culture	1	2	3	4	5	6	7
C. The bank seems sensitive to Hispanic culture	1	2	3	4	5	6	7

3. What level of involvement does this bank encounter represent to you? (In other words, how much involvement is needed when applying for a home mortgage loan?) Please check one.

- a. Low level of involvement _____
 b. Moderate level of involvement _____
 c. High level of involvement _____

4. Please indicate below how realistic the scenario is.

	Not at all realistic	Unrealistic	Undecided	Realistic	Extremely realistic
A. Scenario Realism	1	2	3	4	5
B. Likelihood this situation will happen to you	1	2	3	4	5

5. How do you rate the bank's customer service?

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. When you have problems, the bank is sympathetic and reassuring.	1	2	3	4	5	6	7
B. Employees of the bank are polite.	1	2	3	4	5	6	7
C. You do not receive prompt service from the bank's employees.	1	2	3	4	5	6	7
D. Employees of the bank are too busy to respond to customer requests promptly	1	2	3	4	5	6	7
E. Employees of the bank are not always willing to help customers.	1	2	3	4	5	6	7
F. The bank does not tell customers exactly when services will be performed.	1	2	3	4	5	6	7
G. The bank does not give you individual attention.	1	2	3	4	5	6	7
H. Employees of the bank do not give you personal attention.	1	2	3	4	5	6	7
I. Employees of the bank do not know what your needs are.	1	2	3	4	5	6	7
J. You feel safe in your transactions with the bank's employees.	1	2	3	4	5	6	7
K. You can trust employees of the bank.	1	2	3	4	5	6	7
L. The bank does not have your best interests at heart.	1	2	3	4	5	6	7
M. When the bank promises to do something by a certain time, it does so.	1	2	3	4	5	6	7
N. The bank is dependable.	1	2	3	4	5	6	7
O. The bank provides its services at the time it promises to do so.	1	2	3	4	5	6	7

P. The bank keeps its records accurately.	1	2	3	4	5	6	7
Q. Employees get adequate support from the bank to do their jobs well.	1	2	3	4	5	6	7
R. The bank has up-to-date equipment.	1	2	3	4	5	6	7
S. The bank's physical facilities are visually appealing.	1	2	3	4	5	6	7
T. The bank's employees are well dressed and appear neat.	1	2	3	4	5	6	7
U. The appearance of the physical facilities of the bank is in keeping with the type of services provided.	1	2	3	4	5	6	7
V. The bank does not have operating hours convenient to all their customers.	1	2	3	4	5	6	7

6. Please indicate your likelihood of the following:

	Extremely unlikely	Most Unlikely	Unlikely	Undecided	Likely	Most likely	Extremely likely
A. Spreading positive word-of mouth about this bank	1	2	3	4	5	6	7
B. Wanting to use this bank again if you ever have the need to conduct any banking services in the future	1	2	3	4	5	6	7

SECTION 2: Please answer the following questions:

7. How old are you?

8. What is your gender?

Male _____

Female _____

9. How many years have you lived in the U.S.?

10. What is the last level of formal education you have completed? Please check one

Did not graduate high school _____

Graduated high school _____

Some college or Tech school _____

Graduated college _____

Post-graduate study or degree _____

11. What is your approximate annual household income? Please check one

Less than \$30,000 _____

\$30,000-\$49,999 _____

\$50,000-\$74,999 _____

\$75,000-\$99,999 _____

\$100,000 and above _____

12. Please tell me your current working status. Please check one

Working full-time _____

Working part-time _____

Homemaker _____

Retired/semi-retired _____

Unemployed but looking for work _____

13. Which of the following best describes you? Please check one

Mexican, Mexican-American, Chicano _____

Puerto Rican _____

Cuban _____

Other Spanish/Hispanic/Latino _____

If other, please specify _____

14. Where were you born?

U.S. _____ Outside of U.S. _____, specify _____

15. What is your current or most recent home address zip code?

15. (a) Please indicate the language you are most comfortable in the following situations:

	Spanish only	Mostly in Spanish	English and Spanish Equally	Mostly in English	English only
A. Language spoken with your siblings	1	2	3	4	5
B. Language spoken with your friends	1	2	3	4	5
C. Language of radio stations you listen to	1	2	3	4	5
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E. Language of newspapers and magazines you read	1	2	3	4	5
F. Language you use in prayer	1	2	3	4	5
G. Language of jokes you are familiar with	1	2	3	4	5

16.(b) Please indicate the following:

	Hispanic only	Hispanic more than American	Hispanic and American Equally	American more than Hispanic	American only
A. Ethnicity of your friendship ties	1	2	3	4	5
B. Ethnicity of people with whom you attend social functions	1	2	3	4	5
C. Ethnic holidays you observe	1	2	3	4	5

17 Please indicate how strongly you agree or disagree with each of the following statements

		Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A	I am good at evaluating the performance of a bank	1	2	3	4	5	6	7
B	I feel comfortable dealing with banking issues	1	2	3	4	5	6	7
C	I know how to deal with the employees at a bank	1	2	3	4	5	6	7
D	I know how to use the services of a bank	1	2	3	4	5	6	7
E	I feel like I fit in with the other customers of the bank	1	2	3	4	5	6	7

18 Please indicate how strongly you agree or disagree with each of the following statements

		Strongly Disagree	Disagree	Somewhat disagree	Undecided	Somewhat agree	Agree	Strongly Agree
A	I spend time trying to find out more about my own ethnic group, such as its culture and history	1	2	3	4	5	6	7
B	I have a clear sense of my ethnic background and what it means for me	1	2	3	4	5	6	7
C	I am happy that I am a member of the ethnic group I belong to	1	2	3	4	5	6	7
D	I am not very clear about the role of my ethnicity in my life	1	2	3	4	5	6	7
E	I really have not spent much time trying to							

	learn more about the culture and history of my ethnic group	1	2	3	4	5	6	7
F	I have a strong sense of belonging to my own ethnic group	1	2	3	4	5	6	7
G	I have a lot of pride in my ethnic group and its accomplishments	1	2	3	4	5	6	7
H	I feel good about my cultural or ethnic background	1	2	3	4	5	6	7

19 Have you ever felt discriminated against because of your race or ethnic background?

No _____ Yes _____

If yes, please explain in what way?

20 Can you guess the purpose of this study?

Appendix 6

No Intercultural accommodation, Low involvement

Instructions: Please read the following scenario carefully and assume that this scenario has just happened to you:

You are visiting a local bank to deposit a small check amount. As you pull into the parking lot of the bank, a sign catches your attention that says “Come inside, we are here to serve you!”. You park and walk in.

You are greeted at the front desk and quickly directed towards the next available bank associate (seen in the photo below).



When it is your turn you approach the bank associate. The bank associate says: “Good morning, how can I help you?”. You explain the purpose of your visit. She says: “No problem..” and proceeds to converse with you in English. The associate deposits your check promptly. When she is done, she says: “Have a great day”. You leave the bank.

Section 1: Based On the scenario you just read, please answer the following questions:

1. What language is the bank and its employee communicating with you in?

Spanish _____
 English _____
 Other _____ Please specify _____

2. Please rate how strongly you agree or disagree with the following statements:

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. The ethnic background of the bank employee seen in the photo is similar to mine	1	2	3	4	5	6	7
B. The bank seems to understand the needs of the Hispanic culture	1	2	3	4	5	6	7
C. The bank seems sensitive to Hispanic culture	1	2	3	4	5	6	7

3. What level of involvement does this bank encounter represent to you? (In other words, how much involvement is needed when depositing a check?) Please check one.

- a. Low level of involvement _____
 b. Moderate level of involvement _____
 c. High level of involvement _____

4. Please indicate below how realistic the scenario is.

	Not at all realistic	Unrealistic	Undecided	Realistic	Extremely realistic
A. Scenario Realism	1	2	3	4	5
B. Likelihood this situation will happen to you	1	2	3	4	5

5. How do you rate the bank's customer service?

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. When you have problems, the bank is sympathetic and reassuring.	1	2	3	4	5	6	7
B. Employees of the bank are polite.	1	2	3	4	5	6	7
C. You do not receive prompt service from the bank's employees.	1	2	3	4	5	6	7
D. Employees of the bank are too busy to respond to customer requests promptly	1	2	3	4	5	6	7
E. Employees of the bank are not always willing to help customers.	1	2	3	4	5	6	7
F. The bank does not tell customers exactly when services will be performed.	1	2	3	4	5	6	7
G. The bank does not give you individual attention.	1	2	3	4	5	6	7
H. Employees of the bank do not give you personal attention.	1	2	3	4	5	6	7
I. Employees of the bank do not know what your needs are.	1	2	3	4	5	6	7
J. You feel safe in your transactions with the bank's employees.	1	2	3	4	5	6	7
K. You can trust employees of the bank.	1	2	3	4	5	6	7
L. The bank does not have your best interests at heart.	1	2	3	4	5	6	7
M. When the bank promises to do something by a certain time, it does so.	1	2	3	4	5	6	7
N. The bank is dependable.	1	2	3	4	5	6	7
O. The bank provides its services at the time it promises to do so.	1	2	3	4	5	6	7

P	The bank keeps its records accurately	1	2	3	4	5	6	7
Q	Employees get adequate support from the bank to do their jobs well	1	2	3	4	5	6	7
R	The bank has up-to-date equipment	1	2	3	4	5	6	7
S	The bank's physical facilities are visually appealing	1	2	3	4	5	6	7
T	The bank's employees are well dressed and appear neat	1	2	3	4	5	6	7
U	The appearance of the physical facilities of the bank is in keeping with the type of services provided	1	2	3	4	5	6	7
V	The bank does not have operating hours convenient to all their customers	1	2	3	4	5	6	7

6 Please indicate your likelihood of the following:

	Extremely unlikely	Most Unlikely	Unlikely	Undecided	Likely	Most likely	Extremely likely
A							
B							

SECTION 2: Please answer the following questions:

7. How old are you?

8. What is your gender?

Male _____

Female _____

9. How many years have you lived in the U.S.?

10. What is the last level of formal education you have completed? Please check one

Did not graduate high school _____

Graduated high school _____

Some college or Tech school _____

Graduated college _____

Post-graduate study or degree _____

11. What is your approximate annual household income? Please check one

Less than \$30,000 _____

\$30,000-\$49,999 _____

\$50,000-\$74,999 _____

\$75,000-\$99,999 _____

\$100,000 and above _____

12. Please tell me your current working status. Please check one

Working full-time _____

Working part-time _____

Homemaker _____

Retired/semi-retired _____

Unemployed but looking for work _____

13. Which of the following best describes you? Please check one

Mexican, Mexican-American, Chicano _____

Puerto Rican _____

Cuban _____

Other Spanish/Hispanic/Latino _____

If other, please specify _____

14. Where were you born?

U.S. _____ Outside of U.S. _____, specify _____

15. What is your current or most recent home address zip code?

16. (a) Please indicate the language you are most comfortable in the following situations:

	Spanish only	Mostly in Spanish	English and Spanish Equally	Mostly in English	English only
A. Language spoken with your siblings	1	2	3	4	5
B. Language spoken with your friends	1	2	3	4	5
C. Language of radio stations you listen to	1	2	3	4	5
D. Language of television programs you watch	1	2	3	4	5
E. Language of newspapers and magazines you read	1	2	3	4	5
F. Language you use in prayer	1	2	3	4	5
G. Language of jokes you are familiar with	1	2	3	4	5

16.(b) Please indicate the following:

	Hispanic only	Hispanic more than American	Hispanic and American Equally	American more than Hispanic	American only
A. Ethnicity of your friendship ties	1	2	3	4	5
B. Ethnicity of people with whom you attend social functions	1	2	3	4	5
C. Ethnic holidays you observe	1	2	3	4	5

17 Please indicate how strongly you agree or disagree with each of the following statements

		Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A	I am good at evaluating the performance of a bank	1	2	3	4	5	6	7
B	I feel comfortable dealing with banking issues	1	2	3	4	5	6	7
C	I know how to deal with the employees at a bank	1	2	3	4	5	6	7
D	I know how to use the services of a bank	1	2	3	4	5	6	7
E	I feel like I fit in with the other customers of the bank	1	2	3	4	5	6	7

18 Please indicate how strongly you agree or disagree with each of the following statements

		Strongly Disagree	Disagree	Somewhat disagree	Undecided	Somewhat agree	Agree	Strongly Agree
A	I spend time trying to find out more about my own ethnic group, such as its culture and history	1	2	3	4	5	6	7
B	I have a clear sense of my ethnic background and what it means for me	1	2	3	4	5	6	7
C	I am happy that I am a member of the ethnic group I belong to	1	2	3	4	5	6	7
D	I am not very clear about the role of my ethnicity in my life	1	2	3	4	5	6	7
E	I really have not spent much time trying to learn more about the culture and history of	1	2	3	4	5	6	7

	my ethnic group.							
F.	I have a strong sense of belonging to my own ethnic group.	1	2	3	4	5	6	7
G.	I have a lot of pride in my ethnic group and its accomplishments.	1	2	3	4	5	6	7
H.	I feel good about my cultural or ethnic background.	1	2	3	4	5	6	7

19. Have you ever felt discriminated against because of your race or ethnic background?

No _____ Yes _____

If yes, please explain in what way?

20. Can you guess the purpose of this study?

PRETEST 2 and MAIN STUDY TREATMENTS

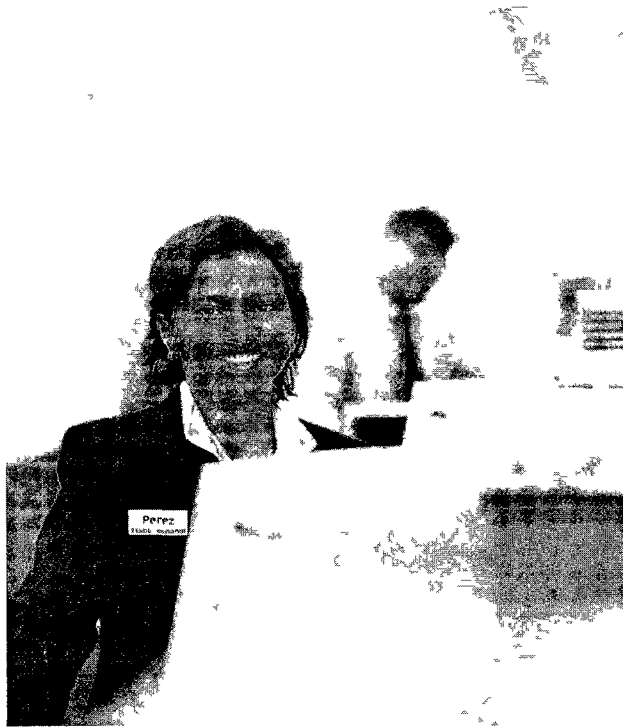
Appendix 7

Intercultural accommodation x High involvement

Instructions: Please read the following scenario carefully and assume that this scenario has just happened to you:

You are visiting a local bank to apply for a home mortgage loan. As you pull into the parking lot of the bank, a sign catches your attention that says “Siga, estamos para servirlo!”. You park and walk in.

You are greeted at the front desk and quickly directed towards the next available lending officer (seen in the photo).



As you approach the lending officer, you say “Buenos dias”. The lending officer responds: “Buenos dias, como podemos ayudarlos?”. You explain the purpose of your visit. She says: “No problema..” and proceeds to converse with you in Spanish.

The lending officer reviews all the documents you have with you, including your credit score report and earnings statement. Next, she explains the process and answers your questions clearly. At the end, you are offered an APR rate that you believe is suitable. You decide to complete the mortgage application and await the loan approval.

The lending officer shakes your hand and says: “Tener un gran dia”. You leave the bank.

SECTION 1: Based on the scenario you just read, please answer the following questions:

1. What language is the bank and its employee communicating with you in?

Spanish _____
 English _____
 Other _____ Please specify _____

2. Please rate how strongly you agree or disagree with the following statements:

		Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A	The cultural background of the bank employee seen in the photo is similar to mine	1	2	3	4	5	6	7
B	The bank seems to understand the needs of the Hispanic culture	1	2	3	4	5	6	7
C	The bank seems sensitive to Hispanic culture	1	2	3	4	5	6	7

3. Remember, in this transaction you are applying for a home mortgage loan.

What level of mental complexity does this transaction represent to you? (In other words, how much participation is needed when you apply for a home mortgage loan?)

Please check one.

- A. Low level of participation _____
 B. Moderate level of participation _____
 C. High level of participation _____

4 How do you rate the bank's customer service?

		Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A	When you have problems, the bank is sympathetic and reassuring	1	2	3	4	5	6	7
B	Employees of the bank are polite	1	2	3	4	5	6	7
C	You do not receive prompt service from the bank's employees	1	2	3	4	5	6	7
D	Employees of the bank are too busy to respond to customer requests promptly	1	2	3	4	5	6	7
E	Employees of the bank are not always willing to help customers	1	2	3	4	5	6	7
F	The bank does not tell customers exactly when services will be performed	1	2	3	4	5	6	7
G	The bank does not give you individual attention	1	2	3	4	5	6	7
H	Employees of the bank do not give you personal attention	1	2	3	4	5	6	7
I	Employees of the bank do not know what your needs are	1	2	3	4	5	6	7
J	You feel safe in your transactions with the bank's employees	1	2	3	4	5	6	7
K	You can trust employees of the bank	1	2	3	4	5	6	7
L	The bank does not have your best interests at heart	1	2	3	4	5	6	7
M	When the bank promises to do something by a certain time, it does so	1	2	3	4	5	6	7

N	The bank is dependable	1	2	3	4	5	6	7
O	The bank provides its services at the time it promises to do so	1	2	3	4	5	6	7
P	The bank keeps its records accurately	1	2	3	4	5	6	7
Q	Employees get adequate support from the bank to do their jobs well	1	2	3	4	5	6	7
R	The bank has up-to-date equipment	1	2	3	4	5	6	7
S	The bank's physical facilities are visually appealing	1	2	3	4	5	6	7
T	The bank's employees are well dressed and appear neat	1	2	3	4	5	6	7
U	The appearance of the physical facilities of the bank is in keeping with the type of services provided	1	2	3	4	5	6	7
V	The bank does not have operating hours convenient to all their customers	1	2	3	4	5	6	7

5 Please indicate your likelihood of the following

		Extremely unlikely	Most Unlikely	Unlikely	Undecided	Likely	Most likely	Extremely likely
A	Spreading positive word-of mouth about this bank	1	2	3	4	5	6	7
B	Wanting to use this bank again if you ever have the need to conduct any banking services in the future	1	2	3	4	5	6	7

SECTION 2: Please answer the following questions:

6. How old are you?

7. What is your gender?

Male _____ Female _____

8. How many years have you lived in the U.S.?

9. What is the last level of formal education you have completed? Please check one

Did not graduate high school _____
 Graduated high school _____
 Some college or Tech school _____
 Graduated college _____
 Post-graduate study or degree _____

10. What is your approximate annual household income? Please check one

Less than \$30,000 _____
 \$30,000-\$49,999 _____
 \$50,000-\$74,999 _____
 \$75,000-\$99,999 _____
 \$100,000 and above _____

11. Please tell me your current working status. Please check one

Working full-time _____
 Working part-time _____
 Homemaker _____
 Retired/semi-retired _____
 Unemployed but looking for work _____

12. Which of the following best describes you? Please check one

Mexican, Mexican-American, Chicano _____
 Puerto Rican _____
 Cuban _____
 Other Spanish/Hispanic/Latino _____
 If other, please specify _____

13. Where were you born?

U.S. _____ Outside of U.S. _____, specify _____

14. What is your current or most recent home address zip code?

15. (a) Please indicate the language you are most comfortable in the following situations:

	Spanish only	Mostly in Spanish	English and Spanish Equally	Mostly in English	English only
A. Language spoken with your siblings	1	2	3	4	5
B. Language spoken with your friends	1	2	3	4	5
C. Language of radio stations you listen to	1	2	3	4	5
D. Language of television programs you watch	1	2	3	4	5
E. Language of newspapers and magazines you read	1	2	3	4	5
F. Language you use in prayer	1	2	3	4	5
G. Language of jokes you are familiar with	1	2	3	4	5

15(b) Please indicate the following:

	Hispanic only	Hispanic more than American	Hispanic and American Equally	American more than Hispanic	American only
A. Ethnicity of your friendship ties	1	2	3	4	5
B. Ethnicity of people with whom you attend social functions	1	2	3	4	5
C. Ethnic holidays you observe	1	2	3	4	5

16 Please indicate how strongly you agree or disagree with each of the following statements

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A I am good at evaluating the performance of a bank	1	2	3	4	5	6	7
B I feel comfortable dealing with banking issues	1	2	3	4	5	6	7
C I know how to deal with the employees at a bank	1	2	3	4	5	6	7
D I know how to use the services of a bank	1	2	3	4	5	6	7
E I feel like I fit in with the other customers of the bank	1	2	3	4	5	6	7

17 Please indicate how strongly you agree or disagree with each of the following statements

	Strongly Disagree	Disagree	Somewhat disagree	Undecided	Somewhat agree	Agree	Strongly Agree
A. I spend time trying to find out more about my own ethnic group, such as its culture and history	1	2	3	4	5	6	7
B I have a clear sense of my ethnic background and what it means for me	1	2	3	4	5	6	7
C I am happy that I am a member of the ethnic group I belong to	1	2	3	4	5	6	7
D I am not very clear about the role of my ethnicity in my life	1	2	3	4	5	6	7
E I really have not spent much time trying to learn more about the culture and history of my ethnic group	1	2	3	4	5	6	7
F I have a strong sense of belonging to my own ethnic group	1	2	3	4	5	6	7

G.	I have a lot of pride in my ethnic group and its accomplishments.	1	2	3	4	5	6	7
H	I feel good about my cultural or ethnic background	1	2	3	4	5	6	7

18. Have you ever felt discriminated against because of your race or ethnic background?

No _____ Yes _____

If yes, please explain in what way?

19. Can you guess the purpose of this study?

Appendix 8

Intercultural accommodation x Low involvement

Instructions: Please read the following scenario carefully and assume that this scenario has just happened to you:

You are visiting a local bank to deposit a small check amount. As you pull into the parking lot of the bank, a sign catches your attention that says "Siga, estamos para servirlo!". You park and walk in.

You are greeted at the front desk and quickly directed towards the next available bank associate (seen in the photo).



As you approach the bank associate, you say "Buenos dias". The bank associate responds: "Buenos dias, como podemos ayudarlos?". You explain the purpose of your visit. She says: "No problema.." and proceeds to converse with you in Spanish. The associate deposits your check promptly. When she is done, she says: "Tenur un gran dia". You leave the bank.

Section 1: Based on the scenario you just read, please answer the following questions:

1. What language is the bank and its employee communicating with you in?

Spanish _____
 English _____
 Other _____ Please specify _____

2. Please rate how strongly you agree or disagree with the following statements:

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. The cultural background of the bank employee seen in the photo is similar to mine	1	2	3	4	5	6	7
B. The bank seems to understand the needs of the Hispanic culture	1	2	3	4	5	6	7
C. The bank seems sensitive to Hispanic culture	1	2	3	4	5	6	7

3. Remember, in this transaction you just made a small deposit.

What level of mental complexity does this transaction represent to you? (In other words, how much participation is needed when depositing a small check amount?) Please check one

- A. Low level of participation _____
 B. Moderate level of participation _____
 C. High level of participation _____

4. How do you rate the bank's customer service?

		Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A	When you have problems, the bank is sympathetic and reassuring	1	2	3	4	5	6	7
B	Employees of the bank are polite	1	2	3	4	5	6	7
C	You do not receive prompt service from the bank's employees	1	2	3	4	5	6	7
D	Employees of the bank are too busy to respond to customer requests promptly	1	2	3	4	5	6	7
E	Employees of the bank are not always willing to help customers.	1	2	3	4	5	6	7
F	The bank does not tell customers exactly when services will be performed	1	2	3	4	5	6	7
G	The bank does not give you individual attention	1	2	3	4	5	6	7
H	Employees of the bank do not give you personal attention	1	2	3	4	5	6	7
I	Employees of the bank do not know what your needs are	1	2	3	4	5	6	7
J	You feel safe in your transactions with the bank's employees	1	2	3	4	5	6	7
K	You can trust employees of the bank	1	2	3	4	5	6	7
L	The bank does not have your best interests at heart	1	2	3	4	5	6	7
M	When the bank promises to do something by a certain time, it does so	1	2	3	4	5	6	7
N	The bank is dependable	1	2	3	4	5	6	7
O	The bank provides its services at the time it promises to do so	1	2	3	4	5	6	7

P.	The bank keeps its records accurately.	1	2	3	4	5	6	7
Q.	Employees get adequate support from the bank to do their jobs well.	1	2	3	4	5	6	7
R.	The bank has up-to-date equipment.	1	2	3	4	5	6	7
S.	The bank's physical facilities are visually appealing.	1	2	3	4	5	6	7
T.	The bank's employees are well dressed and appear neat.	1	2	3	4	5	6	7
U.	The appearance of the physical facilities of the bank is in keeping with the type of services provided.	1	2	3	4	5	6	7
V.	The bank does not have operating hours convenient to all their customers.	1	2	3	4	5	6	7

5. Please indicate your likelihood of the following:

	Extremely unlikely	Most Unlikely	Unlikely	Undecided	Likely	Most likely	Extremely likely
A.							
Spreading positive word-of mouth about this bank	1	2	3	4	5	6	7
B.							
Wanting to use this bank again if you ever have the need to conduct any banking services in the future	1	2	3	4	5	6	7

SECTION 2: Please answer the following questions:

6. How old are you?

7. What is your gender?

Male _____

Female _____

8. How many years have you lived in the U.S.?

9. What is the last level of formal education you have completed? Please check one

Did not graduate high school _____

Graduated high school _____

Some college or Tech school _____

Graduated college _____

Post-graduate study or degree _____

10. What is your approximate annual household income? Please check one

Less than \$30,000 _____

\$30,000-\$49,999 _____

\$50,000-\$74,999 _____

\$75,000-\$99,999 _____

\$100,000 and above _____

11. Please tell me your current working status. Please check one

Working full-time _____

Working part-time _____

Homemaker _____

Retired/semi-retired _____

Unemployed but looking for work _____

12. Which of the following best describes you? Please check one

Mexican, Mexican-American, Chicano _____

Puerto Rican _____

Cuban _____

Other Spanish/Hispanic/Latino _____

If other, please specify _____

13. Where were you born?

U.S. _____ Outside of U.S. _____, specify _____

14 What is your current or most recent home address zip code?

15. (a) Please indicate the language you are most comfortable in the following situations:

	Spanish only	Mostly in Spanish	English and Spanish Equally	Mostly in English	English only
A Language spoken with your siblings	1	2	3	4	5
B Language spoken with your friends	1	2	3	4	5
C Language of radio stations you listen to	1	2	3	4	5
D Language of television programs you watch	1	2	3	4	5
E Language of newspapers and magazines you read	1	2	3	4	5
F Language you use in prayer	1	2	3	4	5
G Language of jokes you are familiar with	1	2	3	4	5

15.(b) Please indicate the following:

	Hispanic only	Hispanic more than American	Hispanic and American Equally	American more than Hispanic	American only
A Ethnicity of your friendship ties	1	2	3	4	5
B Ethnicity of people with whom you attend social functions	1	2	3	4	5
C Ethnic holidays you observe	1	2	3	4	5

16. Please indicate how strongly you agree or disagree with each of the following statements:

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. I am good at evaluating the performance of a bank	1	2	3	4	5	6	7
B. I feel comfortable dealing with banking issues	1	2	3	4	5	6	7
C. I know how to deal with the employees at a bank	1	2	3	4	5	6	7
D. I know how to use the services of a bank	1	2	3	4	5	6	7
E. I feel like I fit in with the other customers of the bank	1	2	3	4	5	6	7

17. Please indicate how strongly you agree or disagree with each of the following statements:

	Strongly Disagree	Disagree	Somewhat disagree	Undecided	Somewhat agree	Agree	Strongly Agree
A. I spend time trying to find out more about my own ethnic group, such as its culture and history.	1	2	3	4	5	6	7
B. I have a clear sense of my ethnic background and what it means for me.	1	2	3	4	5	6	7
C. I am happy that I am a member of the ethnic group I belong to.	1	2	3	4	5	6	7
D. I am not very clear about the role of my ethnicity in my life.	1	2	3	4	5	6	7
E. I really have not spent much time trying to learn more about the culture and history of my ethnic group.	1	2	3	4	5	6	7

F	I have a strong sense of belonging to my own ethnic group	1	2	3	4	5	6	7
G	I have a lot of pride in my ethnic group and its accomplishments.	1	2	3	4	5	6	7
H	I feel good about my cultural or ethnic background	1	2	3	4	5	6	7

18. Have you ever felt discriminated against because of your race or ethnic background?

No _____ Yes _____

If yes, please explain in what way?

19. Can you guess the purpose of this study?

Appendix 9
No intercultural accommodation x High involvement

Instructions: Please read the following scenario carefully and assume that this scenario has just happened to you:

You are visiting a local bank to apply for a home mortgage loan. As you pull into the parking lot of the bank, a sign catches your attention that says "Come inside, we are here to serve you!". You park and walk in.

You are greeted at the front desk and quickly directed towards the next available bank associate (seen in the photo below).



As you approach the lending officer, she says, "Good morning, how can I help you?". You explain the purpose of your visit. She says: "No problem.." and proceeds to converse with you in English.

The lending officer reviews all the documents you have with you, including your credit score report and earnings statement. Next, she explains the process and answers your questions clearly. At the end, you are offered an APR rate that you believe is suitable. You decide to complete the mortgage application and await the loan approval

The lending officer shakes your hand and says: "Have a great day". You leave the bank.

Section 1: Based on the scenario you just read, please answer the following questions:

1. What language is the bank and its employee communicating with you in?

Spanish _____
 English _____
 Other _____ Please specify _____

2. Please rate how strongly you agree or disagree with the following statements:

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. The cultural background of the bank employee seen in the photo is similar to mine	1	2	3	4	5	6	7
B. The bank seems to understand the needs of the Hispanic culture	1	2	3	4	5	6	7
C. The bank seems sensitive to Hispanic culture	1	2	3	4	5	6	7

3. What level of involvement does this bank encounter represent to you? (In other words, how much involvement is needed when applying for a home mortgage loan?) Please check one.

- A. Low level of involvement _____
 B. Moderate level of involvement _____
 C. High level of involvement _____

4. How do you rate the bank's customer service?

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. When you have problems, the bank is sympathetic and reassuring.	1	2	3	4	5	6	7
B. Employees of the bank are polite.	1	2	3	4	5	6	7
C. You do not receive prompt service from the bank's employees.	1	2	3	4	5	6	7
D. Employees of the bank are too busy to respond to customer requests promptly	1	2	3	4	5	6	7
E. Employees of the bank are not always willing to help customers.	1	2	3	4	5	6	7
F. The bank does not tell customers exactly when services will be performed.	1	2	3	4	5	6	7
G. The bank does not give you individual attention.	1	2	3	4	5	6	7
H. Employees of the bank do not give you personal attention.	1	2	3	4	5	6	7
I. Employees of the bank do not know what your needs are.	1	2	3	4	5	6	7
J. You feel safe in your transactions with the bank's employees.	1	2	3	4	5	6	7
K. You can trust employees of the bank.	1	2	3	4	5	6	7
L. The bank does not have your best interests at heart.	1	2	3	4	5	6	7
M. When the bank promises to do something by a certain time, it does so.	1	2	3	4	5	6	7
N. The bank is dependable.	1	2	3	4	5	6	7

O. The bank provides its services at the time it promises to do so.	1	2	3	4	5	6	7
P. The bank keeps its records accurately.	1	2	3	4	5	6	7
Q. Employees get adequate support from the bank to do their jobs well.	1	2	3	4	5	6	7
R. The bank has up-to-date equipment.	1	2	3	4	5	6	7
S. The bank's physical facilities are visually appealing.	1	2	3	4	5	6	7
T. The bank's employees are well dressed and appear neat.	1	2	3	4	5	6	7
U. The appearance of the physical facilities of the bank is in keeping with the type of services provided.	1	2	3	4	5	6	7
V. The bank does not have operating hours convenient to all their customers.	1	2	3	4	5	6	7

5. Please indicate your likelihood of the following:

	Extremely unlikely	Most Unlikely	Unlikely	Undecided	Likely	Most likely	Extremely likely
A. Spreading positive word-of mouth about this bank	1	2	3	4	5	6	7
B. Wanting to use this bank again if you ever have the need to conduct any banking services in the future	1	2	3	4	5	6	7

SECTION 2: Please answer the following questions:

6. How old are you?

7. What is your gender?

Male _____

Female _____

8. How many years have you lived in the U.S.?

9. What is the last level of formal education you have completed? Please check one

Did not graduate high school _____

Graduated high school _____

Some college or Tech school _____

Graduated college _____

Post-graduate study or degree _____

10. What is your approximate annual household income? Please check one

Less than \$30,000 _____

\$30,000-\$49,999 _____

\$50,000-\$74,999 _____

\$75,000-\$99,999 _____

\$100,000 and above _____

11. Please tell me your current working status. Please check one

Working full-time _____

Working part-time _____

Homemaker _____

Retired/semi-retired _____

Unemployed but looking for work _____

12. Which of the following best describes you? Please check one

Mexican, Mexican-American, Chicano _____

Puerto Rican _____

Cuban _____

Other Spanish/Hispanic/Latino _____

If other, please specify _____

13 Where were you born?

U S ____ Outside of U S ____, specify _____

14 What is your current or most recent home address zip code?

15 (a) Please indicate the language you are most comfortable in the following situations

	Spanish only	Mostly in Spanish	English and Spanish Equally	Mostly in English	English only
A Language spoken with your siblings	1	2	3	4	5
B Language spoken with your friends	1	2	3	4	5
C Language of radio stations you listen to	1	2	3	4	5
D Language of television programs you watch	1	2	3	4	5
E Language of newspapers and magazines you read	1	2	3	4	5
F Language you use in prayer	1	2	3	4	5
G Language of jokes you are familiar with	1	2	3	4	5

15 (b) Please indicate the following

	Hispanic only	Hispanic more than American	Hispanic and American Equally	American more than Hispanic	American only
A Ethnicity of your friendship ties	1	2	3	4	5
B Ethnicity of people with whom you attend social functions	1	2	3	4	5
C Ethnic holidays you observe	1	2	3	4	5

16. Please indicate how strongly you agree or disagree with each of the following statements:

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. I am good at evaluating the performance of a bank	1	2	3	4	5	6	7
B. I feel comfortable dealing with banking issues	1	2	3	4	5	6	7
C. I know how to deal with the employees at a bank	1	2	3	4	5	6	7
D. I know how to use the services of a bank	1	2	3	4	5	6	7
E. I feel like I fit in with the other customers of the bank	1	2	3	4	5	6	7

17. Please indicate how strongly you agree or disagree with each of the following statements:

	Strongly Disagree	Disagree	Somewhat disagree	Undecided	Somewhat agree	Agree	Strongly Agree
A. I spend time trying to find out more about my own ethnic group, such as its culture and history.	1	2	3	4	5	6	7
B. I have a clear sense of my ethnic background and what it means for me.	1	2	3	4	5	6	7
C. I am happy that I am a member of the ethnic group I belong to.	1	2	3	4	5	6	7
D. I am not very clear about the role of my ethnicity in my life.	1	2	3	4	5	6	7
E. I really have not spent much time trying to							

	learn more about the culture and history of my ethnic group	1	2	3	4	5	6	7
F	I have a strong sense of belonging to my own ethnic group	1	2	3	4	5	6	7
G	I have a lot of pride in my ethnic group and its accomplishments	1	2	3	4	5	6	7
H	I feel good about my cultural or ethnic background	1	2	3	4	5	6	7

18 Have you ever felt discriminated against because of your race or ethnic background?

No _____ Yes _____

If yes, please explain in what way?

19 Can you guess the purpose of this study?

Appendix 10
No Intercultural accommodation x Low involvement

Instructions: Please read the following scenario carefully and assume that this scenario has just happened to you:

You are visiting a local bank to deposit a small check amount. As you pull into the parking lot of the bank, a sign catches your attention that says "Come inside, we are here to serve you!". You park and walk in.

You are greeted at the front desk and quickly directed towards the next available bank associate (seen in the photo below).



When it is your turn you approach the bank associate. The bank associate says: "Good morning, how can I help you?". You explain the purpose of your visit. She says "No problem.." and proceeds to converse with you in English.

The associate deposits your check promptly. When she is done, she says: "Have a great day". You leave the bank

Section 1: Based On the scenario you just read, please answer the following questions:

1. What language is the bank and its employee communicating with you in?

Spanish _____
 English _____
 Other _____ Please specify _____

2. Please rate how strongly you agree or disagree with the following statements:

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. The cultural background of the bank employee seen in the photo is similar to mine	1	2	3	4	5	6	7
B. The bank seems to understand the needs of the Hispanic culture	1	2	3	4	5	6	7
C. The bank seems sensitive to Hispanic culture	1	2	3	4	5	6	7

3. Remember, in this transaction you just applied for a home mortgage loan.

What level of mental complexity does this transaction represent to you? (In other words, how much participation is needed when applying for home mortgage loan?) Please check one

- A. Low level of participation _____
 B. Moderate level of participation _____
 C. High level of participation _____

4. How do you rate the bank's customer service?

	Strongly Disagree	Disagree	Somewhat Disagree	Undecided	Somewhat Agree	Agree	Strongly Agree
A. When you have problems, the bank is sympathetic and reassuring.	1	2	3	4	5	6	7
B. Employees of the bank are polite.	1	2	3	4	5	6	7
C. You do not receive prompt service from the bank's employees.	1	2	3	4	5	6	7
D. Employees of the bank are too busy to respond to customer requests promptly	1	2	3	4	5	6	7
E. Employees of the bank are not always willing to help customers.	1	2	3	4	5	6	7
F. The bank does not tell customers exactly when services will be performed.	1	2	3	4	5	6	7
G. The bank does not give you individual attention.	1	2	3	4	5	6	7
H. Employees of the bank do not give you personal attention.	1	2	3	4	5	6	7
I. Employees of the bank do not know what your needs are.	1	2	3	4	5	6	7
J. You feel safe in your transactions with the bank's employees.	1	2	3	4	5	6	7
K. You can trust employees of the bank.	1	2	3	4	5	6	7
L. The bank does not have your best interests at heart.	1	2	3	4	5	6	7
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SECTION 2: Please answer the following questions:

6. How old are you?

7. What is your gender?

Male _____

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8. How many years have you lived in the U.S.?

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Retired/semi-retired _____

Unemployed but looking for work _____

12. Which of the following best describes you? Please check one

Mexican, Mexican-American, Chicano _____

Puerto Rican _____

Cuban _____

Other Spanish/Hispanic/Latino _____

If other, please specify _____

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U S ____ Outside of U S ____, specify _____

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E Language of newspapers and magazines you read	1	2	3	4	5
F Language you use in prayer	1	2	3	4	5
G Language of jokes you are familiar with	1	2	3	4	5

15 (b) Please indicate the following

	Hispanic only	Hispanic more than American	Hispanic and American Equally	American more than Hispanic	American only
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C Ethnic holidays you observe	1	2	3	4	5

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C. I know how to deal with the employees at a bank	1	2	3	4	5	6	7
D. I know how to use the services of a bank	1	2	3	4	5	6	7
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B. I have a clear sense of my ethnic background and what it means for me.	1	2	3	4	5	6	7
C. I am happy that I am a member of the ethnic group I belong to.	1	2	3	4	5	6	7
D. I am not very clear about the role of my ethnicity in my life.	1	2	3	4	5	6	7
E. I really have not spent much time trying to learn more about the culture and history of	1	2	3	4	5	6	7

	my ethnic group							
F	I have a strong sense of belonging to my own ethnic group	1	2	3	4	5	6	7
G	I have a lot of pride in my ethnic group and its accomplishments	1	2	3	4	5	6	7
H	I feel good about my cultural or ethnic background	1	2	3	4	5	6	7

18 Have you ever felt discriminated against because of your race or ethnic background?

No _____ Yes _____

If yes, please explain in what way?

19 Can you guess the purpose of this study?

SARAH MADY

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EDUCATION

Doctor of Philosophy in International Business with a major in Marketing
Old Dominion University: August 2011 GPA = 3.98

Dissertation Title: "Intercultural Accommodation of Ethnic Minority Consumers: An Empirical Examination of the Moderating Effects in Service Encounters"

MBA, Old Dominion University, Norfolk, Virginia, 2003
Concentration: Marketing GPA = 3.98
Honors: Beta Gamma Sigma

BA, School of Business, Alexandria University, Alexandria, Egypt, 1999
Major: Business Administration GPA = 3.75

RESEARCH INTERESTS

Global Marketing, Service Marketing, Consumer Acculturation and Multiculturalism

TEACHING EXPERIENCE

2011 – present	Assistant Professor, American University, Washington D.C. <u>Currently teaching:</u> International Marketing Cultural Environment of International Business
2008 – 2010	Instructor, Old Dominion University <u>Courses taught:</u> <i>Multi-National Marketing</i> Teaching Rating: 4.8/5.0 <i>Ethics & Social Issues in Administration</i> Teaching Rating: 4.6/5.0
2003 – 2006	Instructor, Alexandria University, Egypt. <u>Courses taught:</u> <i>International Marketing, Marketing Research, and Principles of Marketing.</i>

PUBLICATIONS

Maher, Amro, and Sarah Mady (2010) "Animosity, Subjective Norms and Anticipated Emotions during an International Crisis". *International Marketing Review*, Volume 27, Issue 6.

Cherrier, Hélène, Tarek Mady, and Sarah Mady, "Global or *Glocalized* Consumers? An Analysis of Consumers Living the Globalizing City of Dubai". *Journal of Euro-Marketing* (forthcoming).

PAPERS CURRENTLY UNDER REVIEW

Mady, Tawfik, Tarek Mady, and Sarah Mady. "Procurement performance and Manufacturer-Supplier Relationships: A Multivariate Analysis in Kuwaiti Manufacturing Companies". Currently under review: *Industrial Marketing Management*.

CONFERENCE PAPERS, PROCEEDINGS, AND PRESENTATIONS

Mady, Sarah (2010) "Language Accommodation of Minority Consumers in Service Encounters: The Moderating Effect Of Acculturation" *Annual Mason Entrepreneurship Research Conference*, George Mason University, Fairfax, VA: March 26, 2010.

Mady, Sarah and Shawn Thelen (2009), "Are Sampling Frames Overlooked in International Marketing Research?" *The Academy of Marketing Science Annual Conference*, Baltimore, MD: May 23, 2009.

Mady, Sarah (2009), "Effects of Institutionalization of Ethics, Ownership Structure, and Government Regulations on Corporate Social Responsibility in China" *Academy of International Business Annual Conference – Northeast Chapter*, New York, NY: Oct 2, 2009.

Mady, Sarah and Mahesh Gopinath (2009), "Personal Ethical Values And Corporate Ethical Values In Marketing Of Services: Does Congruence Matter?", in *Asia-Pacific Advances in Consumer Research* Volume 8, eds. Sridhar Samu and Rajiv Vaidyanathan and Dipankar Chakravarti, Duluth, MN : Association for Consumer Research, Pages: 374-375.

Mady, Sarah (2008), "Organizational Cultural Ethics and Opportunism: the Role of MNE's 'Code of Ethics'" *Academy of International Business Annual Conference – Northeast Chapter*, Atlantic City, NJ: October 5, 2008.

WORKING PAPERS

Maher, Amro, and Sarah Mady, "Examining the longitudinal Effects of an International Crisis".

Arndt, Aaron, Leona Tam, and Sarah Mady, "An Exploratory Examination of Personal Selling Tactics for Addressing Customer Objections and Closing the Sale".

REVIEWING and PROFESSIONAL ASSOCIATION MEMBERSHIPS

Academy of Marketing Science Conference
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AWARDS and HONORS

2011	AMA-Sheth Doctoral Consortium Faculty Fellow, Oklahoma State University
2010	College of Business Outstanding Doctoral Marketing Student Award
2010	Nominee for University Outstanding Graduate Teaching Assistant Award
2009 – 2010	University Doctoral Dissertation Fellowship
2007 – 2008	Constant Business Dominion Scholarship

LANGUAGE ABILITY

Fluent in English and Arabic