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Managing the face in service failure: the moderation effect of social presence

Abstract

Purpose – This study aims to investigate the moderating effect of in-group social presence on the relationship between face concern and hotel customers' behavioral responses to service failures.

Design/methodology/approach – Participants were randomly assigned to two conditions: in-group presence vs control group. They read a scenario describing a hotel check-in service failure and answered questions regarding their behavioral intention after the failure and level of face concern.

Findings – The results indicate that face concern is positively associated with the intention to voice a complaint, to spread negative word-of-mouth and to post negative online reviews. While the impact of face concern on complaint intention became insignificant in the presence of an in-group, its effect on posting negative online reviews was enhanced when surrounded by an in-group.

Research limitations/implications – It addresses the long-lasting debate about the association between face concern and various types of behavioral responses to service failure. Practically, extra attention should be paid to the process quality when serving face concerned customers, particularly when they are accompanied by important others.

Originality/value – This study enriches the literature on cultural effects by identifying the situational effect of face concern on customers' service failure responses. A model that describes the situational effect of face concern on different types of behavioral intention has been built.

Keywords: Service failure, Social presence, Face concern, Situational effect

Introduction

The influence of face on consumer behavior is well documented in a number of marketing studies (Bao et al., 2003; Li and Su, 2007; Chan et al., 2009), including the service failure literature (Chan and Wan, 2008; Chiu et al., 1988). However, to the best of our knowledge, an integrated model linking the notion of face to various behavioral responses is lacking.

Moreover, there is scant research on the situational effects of face concern (Fan et al., 2015). This is surprising, as previous research shows that the impact of face varies across social contexts (Li et al., 2016). The current study bridges these gaps by investigating the interactive effect of face concern and social presence of others on post-failure behavioral responses such as complaint intention, negative word-of-mouth (WOM), switching and negative online reviews.

While cultural values are an important predictor of customer responses to service failures (Chan et al., 2007; Liu and McClure, 2001), the majority of empirical studies in the hospitality literature are limited to Western customers (Lee et al., 2013). However, the rapid growth of the hospitality industry outside the West calls for more academic research in other cultural contexts. A deeper understanding of Chinese customers' reactions to service failure is critical, given that China has risen to be the largest tourism source market in the world with more than 100 million outbound tourists each year (China Tourism Academy, 2016), as well as the vast influence of Chinese culture on other Asian countries. The value of face has been regarded as a prominent and underlying concept in understanding Chinese hospitality customers (Fan et al., 2015) and other Asian countries that share the cultural characteristics (Ho, 1976).

Face is defined as a claimed sense of favorable social image that individuals want other people to have of them in a network context (Goffman, 1955). Therefore, the face concern is the motivation to deliver a positive social image about one self (self-face concern) or to recognize others as having a favorable image (other-face concern) in social interactions (Goffman, 1955; Ting-Toomey and Kurogi, 1998). Face is a socially constructed concept (Goffman, 1955), and its influence is moderated by situational factors such as personal relations (Hwang, 1987) and the presence of a social audience (Lee et al., 2013). The presence of other customers is prevalent in hospitality service encounters. The interaction between hotel staff and customers is often observed by other customers at the lobby. Moreover, customers are often accompanied by their family members and friends during their travels (Fan et al., 2015). Consequently, face concerns often surface when failures occur and its influence on customer dissatisfaction is more salient in public (vs private) settings (Chan et al., 2009).

Social presence refers to the presence of others during consumption (Dahl et al., 2001). The moderating effect of social presence on face has been documented in the area of customer satisfaction (Chan et al., 2009; Lee et al., 2013) and complaint intention (Fan et al., 2015). Extending previous research, this study aims to achieve the following research objectives. First, the authors investigate the influence of face concern on post-failure behavioral responses based on Hwang's (1987) face exchange principles. Second, the authors examine the moderating role of social presence on dissatisfaction responses such as complaint intention, switching, bad-mouthing the company and posting negative online reviews. More specifically, the authors investigate whether the presence of an in-group member mitigates or magnifies the impact of Chinese customers' face concern on their behavioral responses to hotel service failures.

Literature review

Hospitality service failures

From a resource-based perspective, Smith et al. (1999) classified service failures into outcome failure which causes the loss of economic resources (i.e. time, money), and process failure which causes the loss of social resources (i.e. esteem, image). In the hospitality context, examples of outcome failures include an unclean hotel room or an unavailable seat, while process failures may occur when the frontline staff is impolite or inattentive (Yang and Mattila, 2012). Examining the consequences of service failures in various situations and designing effective service recovery strategies is popular in hospitality studies. Major recovery methods examined include monetary compensation (i.e. using tangible benefits to address economic losses), apology (i.e. psychological compensation to address loss of social resources such as self-esteem and face), management intervention and explanation (Kim et al., 2010; Gelbrich and Roschk, 2011). Response to the situation of no recovery effort is also widely studied in observing the initial responses as affected by cultural values (Bitner et al., 1990; Chan and Wan, 2008). Therefore, the current study will first consider the situation of no recovery.

Dissatisfied customers respond to service failures in a number of ways. Singh (1988) categorized behavioral responses into direct voice complaint, third-party responses and private responses. Private responses were later divided by Chan and Wan (2008) into exit behavior and negative WOM. Direct voice complaint refers to complaining behavior directed to the parties that are regarded as responsible for the frustrating experience. Customers may vent frustration and receive compensation by directly voicing dissatisfaction to the managers (East, 2000). It is perceived as a confrontational response (Chan and Wan, 2008).

WOM refers to the sharing of the unpleasant experience with others, particularly with those in a close network. By doing so, customers may gain sympathy from others and protect themselves from a similar bad experience (Alicke et al., 1992) and seek approval (Chan and Wan, 2008). Severe negative WOM is akin to revenge, particularly when the recovery is disappointing. With the advancement of information technology, online media have become a new platform for unsatisfied customers to spread their negative comments.

Unlike traditional WOM, opinions that are spread online reach a broader audience faster and may have no acquaintanceship. Online WOM subjects service providers to constant public evaluation (Buhalis and Law, 2008), implying that the decision to involve in online WOM may be different from that of a traditional WOM (Au et al., 2010). Online WOM is also more visible to the service providers, and they can, thus, respond instantly. In the lodging industry, for instance, two of the most popular online WOM platforms are TripAdvisor and Expedia (Sparks and Browning, 2011). Effective communication via these platforms is critical to the behavioral decisions of consumers who are exposed to online reviews (Phillips et al., 2015).

Exit behavior refers to the termination of a transaction relationship (Singh, 1988), and it can occur when customers entirely lose confidence or trust in the service provider. Customers who prefer to avoid confrontation or are less motivated to argue for compensation usually just switch the service provider (Chan and Wan, 2008). Lastly, customers can voice their dissatisfaction to a third party that may have the power of sanction (Singh, 1988). The third party usually consists of media and legal agencies. Third- party responses require significant time and effort, and thus customers may use this tool in circumstances in which the service provider has failed to satisfactorily address the problem (Bearden and Etzel, 1982). As hospitality customers rarely seek the assistance of a third party (Yang and Mattila, 2012), this study only focuses on the first four types of response.

Face concern and service process failures

In Chinese culture, face is an important social resource that even influences a person's economic benefits (Hwang, 1987). A person who has more face resources has greater leverage in building beneficial social networks and obtaining assistance from others. Face can be gained or lost in social interactions (Chen, 1988). Therefore, Chinese people desire to obtain this resource in a variety of social interactions using the process of face exchange (Hwang, 1987).

According to Hwang's (1987) face exchange principle, when a person shows respect to another person's face, he/she often expect an equal or more return of face. If such a return is satisfactory,

a long-term reciprocal relationship of face exchange can be built. But if the feedback threats the person's face (e.g. by deriding, laughing at, or ignoring him/her or rejecting a request for assistance), the person will adopt face-protecting behaviors such as ending the face exchange, directly asking for the other's respect or fighting back. While face- protecting behaviors may be aimed at saving or maintaining one's own face, such behaviors may also damage the other person's face (Hwang, 1987).

In a hospitality service setting, customers face may be threatened if their feelings or request are ignored, disapproved or challenged. This may result in negative emotions and face-protecting behaviors. Previous research suggests that the fear of losing face may be a reason that Chinese customers are more reluctant to complain and more inclined to adopt responses such as WOM, online reviews and transaction termination (Au et al., 2010; Ngai et al., 2007). Therefore, there should be a negative influence of face concern on the intention of direct voice complaint. However, the face exchange principle suggests that customers who have a higher face concern will be more inclined to directly ask for immediate correction or compensation to maintain their esteem in public if the service failure threatens their face. These seemingly contradictory arguments warrant further investigation.

Recent research postulates that this contradiction might be reconciled by distinguishing between various failure contexts (Chan et al., 2009; Wan, 2013). An outcome failure normally involves loss of economic resources instead of social resources, so consumers tend to avoid public complaint to save face. On the other hand, a process failure causes the loss of social resources and evokes face concern which can aggravate the level of service dissatisfaction (Chan et al., 2007; Chan et al., 2009). Increased dissatisfaction leads to a higher intention to give a negative behavioral response to protect social resources, or face in particular. Wan (2013) showed that Chinese customers are less inclined to complain in face of a non- embarrassing (vs embarrassing) failure. Therefore, the authors posit that in the context of process failures, a greater concern for face increases the likelihood of directly voicing the problem to the manager.

H1. Face concern is positively correlated with the intention of direct voice complaint following a process failure.

The face exchange principle posits that hotel customers who have a high face concern expect others to respect their face; otherwise, they may conduct face-protecting behaviors (Hwang, 1987). Nevertheless, concerning about losing face in public conflict they might choose private approaches (e.g. spreading negative words, stop visiting the hotel) to vent their frustration. Furthermore, WOM that warns others the face-threatening hotel stay experience is an effective

tool to protect other's face. This behavior also satisfies people's motivation for self-enhancement (Angelis et al., 2012) and social recognition (Dichter, 1966). Perceived face loss in service failure has been identified as highly correlated to the intention of WOM (Lee et al., 2013).

H2. Face concern is positively correlated with the intention of negative WOM following a process failure.

The internet and social media extends the scope of consumers' WOM from their focal network to the unrelated public (Buhalis and Law, 2008). Receiving appraisal from the public is a glory in Chinese culture which will benefit the individual's face resources in the focal networks (Hu, 1944). Therefore, dissatisfied customers who conduct online WOM to warn other people perceive that they are gaining public appraisal (Sundaram et al., 1998).

They may believe they can gain face if this public beneficial behavior is known to the focal networks. Therefore, sharing the dissatisfying hotel experiences online to reach the unrelated public might be motivated by the face concern. Hence:

H3. Face concern is positively correlated with the intention of posting negative online reviews following a process failure.

Perceiving a service failure as face threatening, customers with high face concern are likely to stop visiting the hotel to avoid similar experiences. In addition, as implied in the face exchange principle, face concerned customers will value a reciprocal relationship. Failing to receive face from the service provider can, thus, generate face-protecting behavior, such as terminating a long-term relationship. Therefore, we propose that face concern fosters exit behavior.

H4. Face concern is positively correlated with the intention of exit behavior following a process failure.

Social presence

Social influence has long been recognized as an important element in consumer behavior (Argo et al., 2005; Moschis, 1976). According to the social impact theory (Latane, 1981), people are influenced by the real, implied or imagined presence of others, or by the action of a social presence (i.e. another person or group of people). Past research suggests that customers tend to restrain from activities that are perceived to project a negative image (Argo et al., 2005; Herman et al., 2003).

Social presence in a service setting typically involves in-group customers (i.e. friends and family) or out-group customers (i.e. strangers) (He et al., 2012). Definitions of the two categories vary with culture. In a collectivist culture like Chinese society, the notion of an in-

group member is defined as family and friends and other people concerned with my welfare (Triandis, 1972). The consumption of hospitality services, such as hotel check-in or dining in a restaurant, typically takes place in a public setting. Thus, presence of other customers is usually expected by customers, while private setting is rare, except in special circumstances such as in-room services. Consequently, current study will focus on the presence of in-group members during hospitality service.

A recent study on hotel service failures by Du et al. (2014) demonstrated that a customer's anger is higher in a group service failure situation than in an individual service failure one. Moreover, the effect of group emotional contagion was moderated by the familiarity of the group members. The study provided empirical evidence to support the application of the social impact theory in hospitality research.

Previous research on social presence has suggested that face concern and social presence are interrelated and interactive. According to Latane's (1981) social impact theory, the effect of social presence on an individual is the result of social forces, including the strength (i.e. importance), number (i.e. how many persons) and immediacy (i.e. proximity) of the social source. “Strength” in this theory refers to the source's status and past relationship, or future power. Therefore, in-group social presence may interact with face, as Chinese people manage face issues according to the importance, relationships and power associated with other parties (Hwang, 1987). In addition, many studies have shown that embarrassment and pride (two key elements of the face concept) may become more acute in the presence of a social audience (Costa et al., 2001; Dahl et al., 2001; Webster et al., 2003).

Customers who have higher levels of face concern will be more dissatisfied with a service failure, particularly when other people are present (Lee et al., 2013), leading to higher intention of negative behavioral response (Singh, 1988). However, expressing anger or using aggressive behaviors in public are considered as detrimental to one's face resources in traditional Chinese culture (Ngai et al., 2007). Wan's (2013) study indicated that in-group social presence makes customers more likely to feel embarrassed by service failure. A study of Fan et al. (2015) found that Chinese customers' high face concern suppressed complaint intention in front of in-group members. But the complaint intention is similar in front of strangers, regardless of the degree of face concern. Therefore, under the observation of in- group others, customers are more likely to restrain from complaining and turn to more private response methods, such as WOM, online reviews and exit behavior, to maintain a positive image (Chan and Wan, 2008). As a result, following hypotheses predictions are proposed:

H5a. The impact of face concern on direct complaint is mitigated by in-group social presence.

H5b. The impact of face concern on WOM is intensified by in-group social presence.

H5c. The impact of face concern on online review is intensified by in-group social presence.

H5d. The impact of face concern on exit behavior is intensified by in-group social presence.

Figure 1 summarizes the hypotheses of this study.

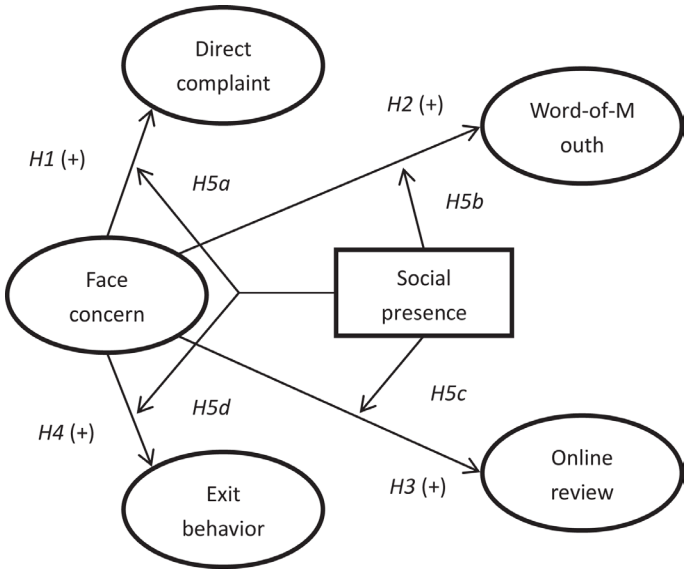

Figure 1. Hypothetical model of face concern and social presence effect

Methodology

Sample and data collection procedures

The authors conducted a scenario-based experiment that divided participants into two groups (in-group social presence vs control group) to test our predictions. The scenario method has been adopted in studies on service failure and face concern (Chan et al., 2007; Fan et al., 2015). Eligible participants had to have stayed in a four- to five-star hotel in the previous six months (the hotel rating is based on the star-rating system in China). Because of the high standard of personal service in upper-class hotels, customers usually have a higher expectation of an enjoyable interaction with service staff than those who stay at budget hotels. Moreover, using this sample makes the study particularly helpful for four- to five- star hotels, which often emphasize the quality of customer-employee interaction.

The data were collected in July of 2014 with the assistance of Sojump, which is one of the most widely used professional online survey companies in China. The authors signed a contract with the company to authorize it to collect the data. The company identified and solicited potential

participants from its online panel, and the participants were invited by email with a screening question on their previous hotel stay. Participants were invited to randomly choose one of the two sets of questionnaires on the webpage (in-group social presence vs control group), without knowing their difference. This method of random assignment is the same as tossing the coin to decide the group membership because participants only see "Set A" and "Set B" on the webpage and do not know what is behind each set. The survey company was responsible for managing the data collection process, and the authors requested the survey company to provide only valid responses from eligible participants. The experiment was completed by 309 eligible participants, with 153 in the social presence group.

Experimental design

At the beginning, the experimenter asked the participants to recall a four- to five-star hotel where they had stayed most recently. To induce a high level of involvement, the experimenter asked the participants to briefly describe their last stay. After the recall task, participants read a scenario describing a service process failure during hotel check-in (Appendix 1). Participants in the in-group presence condition were told that they visited the hotel with friends and their friends are watching the hotel check-in process, whereas the control group participants were told that they were traveling alone. The failure scenario was adapted from Chan et al. (2007) and Smith et al. (1999).

Participants were then asked to indicate their behavioral responses to the failure. The next section includes measurements for attention checks, including questions regarding service process failure perception, social presence perception, scenario reality perception and dissatisfaction degree. The next parts are measurement of participant's level of face concern and demographic information.

Measurement

The measurement scale for face concern was adapted from Chan et al. (2009). Participants responded to eight statements based on a seven-point Likert scale (1 = strongly disagree; 7 = strongly agree). Behavioral responses were measured by Singh's (1988) scale. Online review intention was added to the behavioral response scale as a measure of online WOM (Kim et al., 2011). Participants indicated their intentions on direct voice complaint, negative WOM, positing online review and exit behavior on a seven-point semantic differential scale (e.g. 1 = very unlikely, 7 = very likely). The content validity was checked by other researchers with

expertise in Chinese culture and consumer behavior. Appendix 2 displays the measurements of face concern and behavioral responses.

Two questions were asked to check participants' attention to social presence manipulation: "there are many customers watching while I am checking-in" (assumption that the service occur in the public) and "my friends are watching while I am checking-in" (attention to the manipulation of in-group presence). Questions for attention check were developed using a seven-point Likert scales (1 = strongly disagree; 7 = strongly agree). All the questions in the instrument were developed in English and translated into Chinese using a combination of parallel blind translation and modified direct translation to ensure the validity of content (Guthery and Lowe, 1992).

The measurements were directly applied to formal study after translation and confirmation of content validity. Multi-group confirmatory factor analysis (CFA) was used to evaluate the reliability and validity of the measurements to identify the need for modification before hypothesis testing. A multi-group structural equation model (SEM) was applied to test the hypotheses.

Findings

Attention checks

Cases in the treatment group were deleted if they fail to perceive that their friends are watching the check-in process and cases in the control group were deleted if they report that their friends are watching. Deleting these cases is important for the accurate analysis because they did not read the scenario seriously. In total, 66 observations were deleted from the 309 due to failure of satisfying the attention checks, resulting in 243 valid observations for analysis and 127 of which were in the social presence group. This sample size is acceptable in scenario-based quasi-experiment, as evident in the literature of hospitality, consumer behavior and psychology (Chan et al., 2007, He et al., 2012). A comparison between the analysis results using original sample and cleaned sample showed that inclusion of the 66 invalid observations significantly compromised the validity of the statistical model, supporting our decision of deletion. In the cleaned sample, both groups have similar perception on the public service setting ($M_{control}$ = 3.61, SD = 1.723 vs $M_{presence}$ = 3.70, SD =1.752; t = 0.397, p > 0.1), while the in-group social presence group scored significantly higher than the control group in the statement of in-group

social presence ($M_{control}$ = 3.64, SD = 1.254 vs $M_{presence}$ = 5.40, SD = 1.129; t = -11.539, p < 0.001).

Demographics of subjects

The majority of the participants had a bachelor's degree or above. Nearly 70 per cent of the subjects were 21-30 years old. The age structure may reflect the demographic feature of the sampling frame used by the data collection company. Although this may not be totally representative of mainstream four- to five-star hotel guests, which most people associate with middle-aged business people, it interestingly reflects a trend in China that well- educated young people have become a significant market for the upper-scale hotel segment. Although 59.9 per cent of the participants had a monthly income of less than 7,000 RMB (US $1,143), they could still afford to stay at four- to five-star hotels. This may partly be due to companies sponsoring business travel, as 49 per cent of the subjects reported that their last hotel stay was business related. Table I summarizes the demographics of the participants. The average travel frequency within the past 12 months was 3.75 times, while the most frequent traveler reported traveling 15 times.

Table 1. Demographics of participants

Demographic Variables	Percentage (%)
Gender	
Male	58.4
Female	41.6
Age	
18-20	2.9
21-25	34.6
26-30	16.6
31-35	16.9
36-40	6.2
41-45	1.2
>46	1.6
Education	
Secondary school	4.5
Some college	26.2

Bachelor	53.3
Master or above	16.0
Monthly income	
<4,000	32.9
4,000-6,999	27.2
7,000-9,999	23.6
10,000-14,999	8.2
15,000-19,999	4.9
20,000-24,999	0.4
25,000-29,999	1.2
>30,000	1.6
Occupation	
Manager of business	31.7
Professional	10.7
Government	8.8
Sales/ Trading	16.0
Freelancer	14.0
Students	12.8
Others	6.0

Notes: US$ 1 = 6.1230 RMB; n = 243

Reliability and validity of measurements

As the subject pool consists of two groups that may have different responses to the same service failure, a multi-group CFA was applied to evaluate the reliability and validity of the measurements. A two-step CFA was conducted to first validate the individual constructs, and then, the overall model as suggested by Anderson and Gerbing (1988). First, measurement invariance across groups must be achieved before conducting a multi-group SEM for a moderating test. As suggested by Hair et al. (2006), to test for measurement invariance across groups, the chi-square from a model with all parameters allowed to be unconstrained across groups was compared to the chi-square from a model with only the loadings constrained to be equal across groups. No means or intercepts were estimated in these models. The measurement invariance test for face concern indicated that the measurement of this variable

was invariant between the two groups (Δx^2=16.9, p =0.262). Therefore, the measurement of face concern was suitable for a multi-group analysis of moderation test.

CFA showed that all the items of the face concern and behavioral responses have significant factor loadings ($p < 0.001$), with standardized coefficients greater than 0.6 for both groups, indicating good internal reliability. Cronbach's a was also above 0.9. The average variance extracted (AVE) and construct reliability (CR) values for all constructs in the two groups were above 0.5, except for the AVE of face concern in the social presence group, suggesting good convergent validity of the measurement. As suggested by Fornell and Larcker (1981), discriminant validity was assessed by comparing the AVE of the construct with the squared standardized correlations between this construct and any other construct in the analysis. Because the AVE of each construct was larger than the squared correlations, discriminant validity was achieved. Tables II and III show the factor loadings of all of the constructs and the correlation matrix, respectively.

Additionally, the construct of face concern had a good model fit with $x^2_{df=38}$=49.5(p=0.101), CFI = 0.987, GFI = 0.953 and RMSEA = 0.035. The overall model that contained the construct of face concern and behavioral responses also had acceptable goodness-of-fit (GFI) indices with $x^2_{df=48}$= 665.5 ($p < 0.01$), GFI = 0.823, CFI = 0.943 and RMSEA = 0.048, except that GFI was lower than the 0.9 cutoff rule.

Table II. Multi-group CFA

	Control group			Social presence		
Construct	Std. Coeff.	AVE	CR	Std. Coeff.	AVE	CR
Face concern		0.501	0.889		0.485	0.882
I care about praise and criticism from others	0.629			0.710		
I care about other's attitudes toward me	0.730			0.761		
I hate being taken lightly	0.804			0.703		
I will be very angry if others are impolite to me	0.692			0.714		
I will be very happy if I am treated with respect	0.658			0.653		
I will be very upset if I am criticized in public	0.706			0.638		
I am concerned with my self-image	0.761			0.678		
I am concerned with my social status	0.665			0.705		
Complaint		0.691	0.869		0.735	0.893
Very unlikely/ very likely	0.766			0.835		
Definitely will not/ definitely will	0.964			0.919		

Inclined not to/ inclined to	0.747			0.815		
WOM		0.787	0.917		0.831	0.936
Very unlikely/ very likely	0.862			0.886		
Definitely will not/ definitely will	0.911			0.960		
Inclined not to/ inclined to	0.887			0.886		
Online service		0.822	0.933		0.852	0.945
Very unlikely/ very likely	0.860			0.908		
Definitely will not/ definitely will	0.951			0.010		
Inclined not to/ inclined to	0.907			0.951		
Exit behavior		0.788	0.918		0.809	0.927
Very unlikely/ very likely	0.937			0.927		
Definitely will not/ definitely will	0.876			0.968		
Inclined not to/ inclined to	0.848			0.794		

Table III. Correlation matrix for the measurement model in two groups

	Complaint	WOM	Online review	Exit behavior	AVE square root
Face concern	0.164(0.031)	0.265(0.229)	0.187(0.285)	0.066(0.062)	0.707(0.696)
Complaint		0.355(0.267)	0.384(0.291)	0.064(0.281)	0.831(0.858)
WOM			0.506(0.174)	0.239(0.246)	0.888(0.911)
Online review				-0.048(0.091)	0.907(0.923)
Exit behavior					0.888(0.899)

Note: Values in the brackets are from the social presence group

Hypothesis testing

In testing the hypotheses, the authors first conducted a multi-group SEM with all of the variables in the model and observed the paths. The result showed that the coefficients between face concern and exit behavior were insignificant in both groups ($p > 0.1$), indicating that H4 and H5d were not supported. To build a more precise SEM model, this variable was eliminated for subsequent analysis. The adjusted model showed an increased model fit, with the chi-square decreasing considerably from 553.3 to 396.6. The SEM was conducted again with the rest of the variables. The results for the second multi-group SEM model are shown in Table IV.

The moderating effects of social presence were tested with the method of chi-square change in multi-group SEM. First, all of the paths in the model were constrained, and then, a path-by-path analysis was conducted upon identification of the moderating effect for the overall model. A moderating effect is identified if the chi-square significantly increases after the paths are constrained (Hair et al., 2006). Table V summarizes the results of the moderating test for the overall model and each path. As indicated in Table V, the chi-square change of the overall model is significant ($p < 0.001$), showing the possible moderating effect between face concern and social presence. Path-by-path analysis was conducted following the overall test. Significant chi-square changes were identified for all three paths, demonstrating that the multi-group moderating effect existed in these paths of the model.

Table IV. Path analysis result

Paths	Control group		In-group presence		Hypotheses
	Std. coesff.	t-values	Std. coesff.	t-values	
Face concern→ Direct Complaint	0.185	1.767*	0.054	0.537	H1: supported
Face concern→ WOM	0.282	2.659***	0.233	2.367**	H2: supported
Face concern→ Online review	0.212	2.052**	0.290	2.948***	H3: supported
Chi-square	396.6***				
CFI	0.938				
GFT	0.847				
RMSEA	0.055				

Notes: RMSEA = root mean square error of approximation; CFI = comparative fit index, GFI = goodness- of-fit index: *p < 0.1, **p < 0.05, ***p < 0.01

Table V. Result of moderation test

Paths	Unconstrained	Constrained	Δ x 2 (df)	p-value	Hypotheses
	x 2 (df)	x 2 (df)			
Overall model	396.6 (230)	435.8 (236)	39.2 (6)	0.000	
Face concern→ Direct Complaint	396.6 (230)	431.4 (232)	34.8 (2)	0.000	H5a: supported
Face concern→ WOM	396.6 (230)	408.9 (232)	12.3 (2)	0.002	H5b: supported
Face concern→ Online review	396.6 (230)	404.8 (232)	8.2 (2)	0.017	H5c: supported

Therefore, H5a, H5b and H5c that the impact of face concern on direct complaint, WOM and online review behavior, respectively, can be moderated by social presence, were all supported. The standardized coefficients of the path analysis indicate how social presence moderates the influence of face concern on different behavioral responses. The effects can be observed via the comparison of coefficients and corresponding p-values between the groups. While there was a positive relationship between face concern and direct complaint intention without social presence, this relationship became insignificant under social presence. However, social presence slightly weakened the effect of face on WOM, although this relationship was still significant. This result is opposite to the prediction that social presence should intensify the influence of face concern on WOM. Moreover, the influence of face on online review was enhanced by social presence, as the coefficient increased and the p-value became more significant. Figure 2 illustrates the adjusted model of the interaction effect between face concern and social presence.

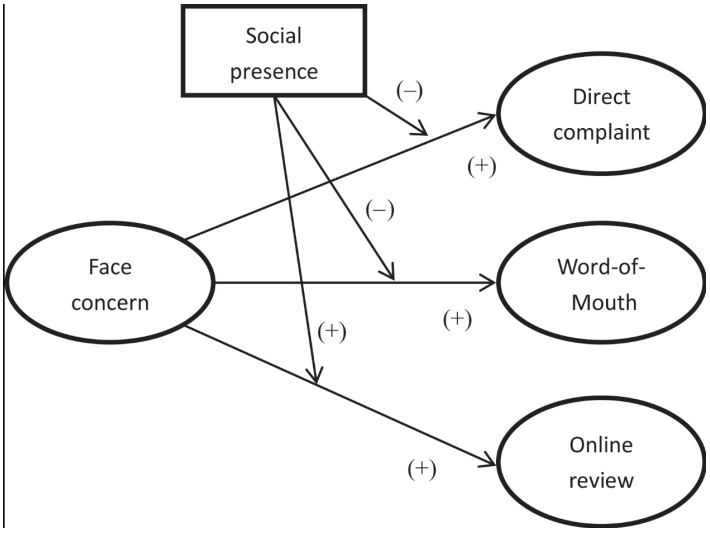

Figure 2. Service failure response model: Interaction between face and social

Discussion and conclusion

Conclusions

This study applied a multi-group SEM to examine the impact of face concern on customers' intention to voice a complaint, engage in negative WOM, post online reviews and switch when encountering a process failure during a hotel stay. The moderating effect of social presence on the influence of face concern was also examined. Concern for face was positively linked to directly complaining to the manager, engaging in the face-to-face sharing of unpleasant

experience and sharing their experience on the internet. The significance of these relationships was moderated by in-group social presence.

These findings extend literature on the relationship between face concern and complaining behavior. Customers who have a high level of face concern are motivated to directly complain to protect their face. There is a debate about the relationship between face concern and complaint intention, and the recent empirical studies tend to support the argument that Chinese customer's direct complaint intention can be triggered by concern for face, particularly in the situation of social resource loss (Wan, 2013). Although earlier studies tended to believe that Chinese customers' reluctance to complain should be attributed to face concern (Au et al., 2010; Chiu et al., 1988), more recent studies pointed out that voicing dissatisfaction might have been perceived as a legitimate behavior in China and is not face losing. For example, Jahandideh et al. (2014) found that, in Iranian hotels, Chinese guests actively expressed their dissatisfaction to hotel staff with more power to seek correction. They claimed that because of the mastery-based culture, Chinese people feel success through seeking corrective actions, which may even help them to gain face. In addition, the current study focuses on process failure, while many early studies made the arguments based on the findings in outcome failure. It indicates that the relationship between face concern and different types of behavioral responses is moderated by situational factors.

However, the significant moderating effect of social presence indicates that the relationship between face concern and direct complaint is situational. Presence of a companion may discourage customers to complain even in face threatening situation. Complaining in public may be considered as inappropriate if in-group customers are present, whereas customers tend to complain to protect their face if the “relational context” does not exist. This is supported by Hwang's (1987) claim that the involvement of face and related face work depends on the relationships and significance of others in the social interaction.

As expected, a stronger face concern led to a higher inclination to spread negative WOM, both online and in-person. A service failure results in a loss of face and leads to higher dissatisfaction for those who are more face-sensitive, resulting in higher intention of negative responses. Face-concerned customers also value other people's face, and will thus share their experiences to protect the other people from suffering the face-threatening service.

Nevertheless, the effect of face concern on WOM also depends on the social presence situation, particularly for online review behavior. In the presence of relational companions, dissatisfied customers may choose to restrain their intention to complain to maintain their grace in front of

others who are perceived as important. Alternatively, they may turn to online WOM to vent their frustration. Consequently, the intention to write an online review was higher than when the participants experienced service failure alone. In this case, given that online WOM is a more effective response method, the intention to engage in traditional WOM became less strong. Figure 2 presents a model that summarizes the effect of face concern and in-group social presence on behavioral responses to hospitality service failure.

It is worth noting the insignificant correlation between face concern and exit behavior, given that the intention to engage in this response ranked second. This result suggests that the actual reasons behind exit behavior are far more complicated than the concern for face resource. For instance, because this study used actual four- to five-star hotels in the service failure scenario, the participants held relatively high expectations of the service standard. The failure described in the scenario may have been perceived as being far below the hotel's standards, which is unacceptable. In addition, many business travelers are obliged to patron a hotel at will of their employers, regardless of the service quality they receive. As real travelers were used as subjects in the study, these situational factors were too complex to fully control in the experiment.

Theoretical implications

Building upon the concept of face exchange and face-protecting behavior in the Chinese social psychology literature, this study provides empirical evidence addressing the long- lasting debate about the association between face concern and various types of behavioral responses to service failure, particularly the complaining intention. Conventionally, researchers believed that Asian customers' reluctance to complain is attributed to their concern for face (Au et al., 2010).

However, recent empirical studies, including the current one, pointed out that face and complaint intention are not always significantly correlated, whereas in certain situations, face concern may even raise the tendency to complain (Wan, 2013; Fan et al., 2015). Moreover, our findings indicate that situational factors such as a face- threatening service failure induce direct complaining. The moderating effect of social presence suggests that the relationship between face concern and Chinese consumers' responses to service failures is situational.

Practical implications

A deeper knowledge of face value can help international hotel chains design better service procedures and service skill training programs for the rapid-growing Asian markets. The study

suggests that the service procedure should satisfy the need for face and avoid face-threatening situations, particularly in front of travel companions. Hospitality service failure can threaten customers' face and increase the intention to engage in negative responses to protect face. Moreover, in front of acquainted persons, direct complaining intention was weakened for customers with a high face concern, while the motivation to spread the negative words became stronger. This phenomenon is particularly serious for hotel management because the hotel may lose an opportunity to make service recovery and allow the hotel image to be damaged without being aware of. Therefore, extra attention should be paid to hotel service process quality when serving the face concerned customers who travel in groups.

Limitations and future research

Although real travelers were invited as subjects, the sampling pool used by the online survey company may have limited the generalizability of the results, as suggested by the demographic analysis. For example, most of the participants are below 40 years old. The social norm in the younger generation regarding face and complaining may be different from the older generation. In addition, this study selected participants with high-end hotel experiences and used the scenario of high-end hotel service. Our sample characteristics might explain why our results are not comparable to those involving the general population. If this is the case, it is valuable for future studies to examine the changing social norms in Chinese market and the moderation effect of generations. Moreover, conducting a scenario-based experiment on the Internet may not be as valid as conducting the experiment in a lab; a lab environment may make the participants more involved and thus they would read and answer the questionnaires more carefully. However, using the service of an online survey company was a more convenient way to reach the target sample, as real travelers with particular hotel experiences are difficult to identify and invite to a lab.

The results indicate that the influence of face is dependent on social factors such as in- group social presence. Future studies are encouraged to explore the moderating effects of other social factors to enrich research on face concern in the hospitality arena. Some cultural concepts that are related to face, such as guanxi (personal relation), renqing (favor) and hierarchy, would be interesting to investigate in the future. Furthermore, the current study did not examine other factors that might influence consumer responses to service failure such as recovery effort, perceived justice and severity of the failure. Future studies should examine on the effect of service recovery on face protection.

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Appendix 1. Scenario of hotel service failure

One day while traveling, you and your friends/One day while traveling alone, you decide to stay at the hotel you just selected. You arrive at the hotel at 7 p.m. and go to the front desk to check in. There are many people in the lobby, and you wait in the queue for 15 minutes. When you get to the desk, the front-office clerk answers a telephone call while you are trying to check in. You wait for 3 minutes until the call finishes. The front office clerk neither gives you any explanation nor apologizes to you. She barely smiles at you. You request a particular room type, but the front-office clerk ignores you until you repeat your request again and again. Your friends are watching the whole check-in process/ You notice that there are other customers around while you are checking in.

Note: words in italic are used for the scenario of social presence.

Appendix 2. Measurements of face concern and behavioral response

Face concern

I care about praise and criticism from others. I care about others' attitudes toward me.

I hate being taken lightly. I will be very angry if others are impolite to me. I will be very happy if I am treated with respect. I will be very upset if I am criticized in public. I am concerned with my self-image.

I am concerned with my social status.

Direct complaint

You will complain to hotel manager about this incident in front of the front-desk clerk.

Negative WOM

You will tell about this incident to your relatives or friends.

Online WOM

You will write an online review about this incident on travel websites such as TripAdvisor, Agoda, etc.

Third-party behavior

You will take action via third parties such as the press or a consumer agency.

Exit behavior

You will stay in the hotel again next time when you travel to this location (reverse coded).