The Chinese way of response to hospitality service failure: The effects of face and *guanxi*

Abstract

In this study, a quasi-experiment was conducted to investigate the effects of two significant cultural values, face and guanxi, on Chinese customers' behavioral responses to hospitality service failures. Hotel check-in process failure was used as the service encounter scenario. Based on the results of a multi- group structural equation modeling analysis, the study identified that concern for face can increase the intention to spread negative word-of-mouth information about service process failure experiences. In contrast, the existence of guanxi between hotels and customers can reduce the intention to terminate transactions or post negative online reviews. In addition, guanxi can moderate the influence that concern for face has on direct complaint intention. When guanxi exists, concern for face motivates customers to complain directly. Theoretical and managerial implications are discussed based on the findings.

Keywords: Face, Guanxi, Hospitality service failure; Chinese consumer

Introduction

Hospitality service failure is inevitable and can be fatal to hospitality businesses if poorly managed (Zeithaml et al., 1990). Predicting and managing customer responses to service failure are critical for the sustainability and profitability of hospitality businesses. Against this backdrop, significant academic attention has been paid to customers' behavioral responses to hospitality service failures (Kim et al., 2010), with cultural values identified as important explanatory variables (e.g., Chan et al., 2007; Liu and McClure, 2001). However, most of the previous studies on hospitality ser- vice failures have only examined the cultural effects in the context of cross-national comparison, whereas research effort on the influence of the cultural values that underpin behavioral responses is limited, to the best knowledge of the authors. Thus, the current study addresses this gap by investigating the effects of cultural values on mainland Chinese consumers' behavioral responses in hospitality settings.

The concepts of face and guanxi ("personal relationship" in English) have been widely recognized in psychology, sociology and the business literature as two of the most significant cultural values dominating Chinese people's behavior (e.g., Chan, 2006; Chen, 1988; Hwang, 1987; Luo, 1997). Chinese people's strong concern for face and their emphasis on *guanxi* have received increasing attention from areas such as Chinese socio-psychology (e.g., Ho, 1976; Luo, 1997), international business (e.g., Barnes et al., 2011) and consumer behavior (e.g., Chan et al., 2009). However, these two cultural values have not been comprehensively discussed in the extant literature on hospitality marketing, and their effects on the behavior of Chinese hospitality consumers are not yet clear (Hoare and Butcher, 2008). Expanding the knowledge in this area is significant to inter- national hospitality practice and consumer complaining behavior literature since Mainland China has become the largest outbound tourist source (CNTA, 2014).

In addition, previous studies in marketing have mostly investigated these values independently, even though their interactive and interrelated nature has been highlighted in the socio-psychology literature (e.g., Chan, 2006; Hwang, 1987). Leung and Chan (2003) suggested that an integrative model of face and guanxi should be built to comprehensively interpret Chinese business behavior in international and domestic settings.

Concern for face refers to the desire to present a positive image of one's self or to confirm the other as competent and respectful in the context of social interaction (Goffman, 1967; Ting-Toomey, 1988). Its significance in Chinese consumer behavior has been empirically demonstrated in recent marketing studies (e.g. Li and Su, 2007; Chan et al., 2009). Some researchers have argued that Chinese consumers' strong concern for face affects their dissatisfaction with service failures (Chan et al., 2009; Hoare and Butcher, 2008), and the characteristics of Chinese consumers' behavioral responses to service failures have been partially attributed to concern for face (e.g., Chiu et al., 1988; Ngai, et al., 2007). However, empirical test for such relationship is still lacking in the extant literature.

Guanxi, which refers to drawing on connections to secure favors in personal relations (Luo, 1997), is another critical cultural element in doing business in China (Lee and Dawes, 2005). Chinese people attach extraordinary importance to using their personal networks to achieve competitive advantages or transaction conveniences when doing business. Hotel managers in China have long used guanxi and devote tremendous time to building and leveraging personal connections with important accounts (Geddie et al., 2002; Gilbert and Tsao, 2000). Traditional academic efforts have focused on the organizational level of guanxi, whereas individual customers have hardly been recognized (e.g., Gilbert and Tsao, 2000; Leung et al., 2005). With the increasing application of advanced communication technologies and the popularization of customer relationship management (CRM) programs in China's hospitality industry, academic

attention on individual customers are warranted, as more of them will be directly involved in guanxi. Furthermore, although studies on face and guanxi are not new, empirical studies that simultaneously investigate these two constructs have been scarce. Given that face and guanxi are closely interactive in virtually all of the social interaction contexts (Hwang, 1987), individually examining their functions or effects may generate biased findings. Thus, it is important to expand the amount of academic effort spent on the interactive effects of face and guanxi in the hospitality literature, where relevant studies are lacking.

To fill the research gaps identified above, this study systematically investigated the interactive effects of two interrelated Chinese values—face and guanxi—on customers' behavioral responses to hospitality service failures. The specific research objectives were to examine (1) the influence that concern for face has on customers' responses to service failures in hospitality settings, (2) the moderating effect that the existence of guanxi between customer and service provider has on the influence wielded by concern for face and (3) how the existence of guanxi affects customers' responses to service failures in hospitality settings.

Literature review and hypotheses

Hospitality service failures and consumers' behavioral responses

The assessment of service failure consequences in different situations and the formulation of corresponding precaution strategies has long been a popular topic in the hospitality literature (e.g., Kim et al., 2011; Mattila, 2004; Smith et al., 1999). From a resource- based perspective, service failures can be classified into two types: outcome failures, which lead to the loss of economic resources, and process failures, which lead to the loss of social resources (Smith et al., 1999). An outcome failure occurs when some aspects of the core service are not delivered, whereas a process failure occurs when the core service is delivered in a flawed or deficient manner. In hospitality service, consumers experience an outcome failure if the hotel room is unclean, or the desired menu is unavailable. However, they experience a process failure if the front-desk personnel is impolite or the waiters are inattentive.

When dissatisfied with a service failure, consumers respond in a variety of ways (Chan and Wan, 2008; Singh, 1988). According to Singh (1988) taxonomy, there are three categories of behavioral response: (1) voice responses (i.e., direct complaints to the provider), (2) third-party responses (i.e., seeking help from sanctioning bodies) and (3) private responses (i.e., sharing the experience with members of a social network or switching to another provider). Based on this taxonomy, Chan and Wan (2008) study divided private responses into negative word-of-mouth (WOM) and exit behavior, and investigated them independently.

Direct voice complaint refers to directly voicing the dissatisfying experience to the parties perceived as responsible. It is a direct and confrontational approach compared with other responses (Singh, 1988; Chan and Wan, 2008). By directly complaining about their discomfort to a manager/supervisor, consumers may vent their frustration and are likely to obtain compensation to redress dis- satisfaction (East, 2000). Consumers may also wish to share their unpleasant experiences with others, particularly those who share close relationships. In doing so, they might gain sympathy and protect others from suffering the same experience (Alicke et al., 1992). Online WOM is quite different from its traditional, vocal counterpart in that it spreads faster and broader to people without any relation, exposing the service provider to public opinion (Buhalis and Law, 2008). This difference implies that consumers' online WOM behavior may differ from their traditional WOM activities (Au et al., 2010). In the hospitality industry, posting service reviews on major hotel reviewing/booking websites such as

TripAdvisor and Expedia.com has become one of the most popular examples of online WOM (Sparks and Browning, 2011). Moreover, online WOM is more interactive in that service providers are able to monitor the messages and respond accordingly. Effectiveness of communication on the platform can influence the decisions of other audience (Phillips et al., 2015). The most popular Chinese online WOM plat- forms in hospitality industry include Dianping.com (an app similar to Yelp), Ctrip (the most popular Chinese Online Travel Agent) and TripAdvisor.

Moreover, consumers can turn to a third-party with sanctioning power, such as the media, consumer advocacy groups and legal agencies to obtain remedies for their problems (Singh, 1988). Consumers often try to obtain specific remedies for their dissatisfying service experience by spending significant time and effort on third-party responses (Bearden and Teel, 1983). Exit behavior refers to purchase termination or a permanent brand switch. Purchase termination is a severe response when consumers lose all confidence in the service provider (Singh, 1988). Exit behavior is a non-confrontational response preferred by people who tend to avoid conflict or who lose motivation to seek compensation (Chan and Wan, 2008).

Chinese face and Guanxi

The concept of face underlies the human need for social acceptance (Brown and Levinson, 1987). The classical socio- psychological research of Goffman (1967) defined face as a claimed sense of favorable social self-worth that a person wants others to have of her/him in a relational and network context. Face can- not be claimed unilaterally but can be gained, maintained or lost during social interaction. The degree of face is measurable on a continuous scale (Chen, 1988). Hu (1944) anthropological study also proposed that face is a universal concept with different interpretations, significance and influence in different cultures. However, influenced by traditional Confucian education and a collectivistic cultural environment, Chinese people's need for face is far more significant (Chan et al., 2009; Ho, 1976; Hu, 1944).

Concern for face refers to the extent to which an individual shows regard for and interest in the protection and enhancement of face (Chan et al., 2009). Chinese people's concern for face significantly influences their distinctive consuming behavior. Previous studies have indicated that Chinese consumers are strongly motivated to enhance or protect face by showing off luxury possessions, telling prestigious stories and hiding their misconduct (e.g., Hsu and Lam, 2003; Li and Su, 2007; Ma, 2009; Hwang et al., 2003; Zhou and Belk, 2004). However, the value of face differs across individuals in China (Bao et al., 2003; White et al., 2004) so the influence of face concern on individual behavior differs within Chinese culture.

In the academic area of service failure response, many scholars have mentioned concern for face as a feasible explanation for the difference between individualists and collectivists (e.g., Au et al., 2010; Chan et al., 2009; Chiu et al., 1988; Lee and Sparks, 2007). Hofstede (1980) classified Chinese society as highly collectivistic, and this argument has been supported by various empirical evidence (e.g., Li and Su, 2007; Oetzel et al., 2001; Wan, 2013; Wang and Walker, 2011). Recent studies demonstrated that face value plays a significant role in Chinese customers' satisfaction toward hospitality service (Hoare et al., 2011; Lee et al., 2013). Lee et al. (2013) study pointed out that perceived loss of face is directly associated with interpersonal treatment style and outcome fairness in dining service. Thus, it is reasonable to posit that Chinese concern for face can affect hospitality customers' behavioral responses to service failures.

The Chinese word guanxi refers to the "concept of drawing on connections to secure favors in personal relations" (Luo, 1997 p. 44). In English, 'interpersonal relationships' or 'connections' may be suitable terms to represent this concept (Chan, 2006). However, unlike the Western concept of networking/business relationships, which is typically impersonal and basically at the organizational level, guanxi is personal (Chan, 2006)—initially built by and consistently based on personal relationships (Luo, 1997).

In conceptualizing guanxi, Yen et al. (2011) proposed a guanxi model comprising three dimensions: ganqing, renqing and xinren. Ganqing is affection, sentiment and emotion in English. In Yen et al.'s (2011) conceptual model, it reflects the tenor of a social relationship between two people or two organizations, and the emotional attachment that exists among the parties of a network. Renqing is similar to the owing of a "favor" in the English context. It often involves humanized obligations such as gifts or favors and reflects the reciprocity emphasized in Confucian philosophy. Xin- ren is related to trust. In a guanxi network of businesses, xinren is gradually developed among parties of the network via the repeated practice of favor exchange (Yen et al., 2011).

Because the two dominant social resources for Chinese people, face and guanxi, are closely related and interactively influence behavior (Hwang, 1987), someone with more face resources has an easier time building guanxi with new parties and is more attractive to other parties seeking guanxi with him/her (Punnett and Yu, 1991). However, guanxi also plays a key role in face work, as Chinese people often relate themselves to someone wealthy or prestigious to enhance their own face in social interactions (Hwang, 1987). Moreover, once guanxi has been built among different parties, there is an implied obligatory commitment among these parties to respect and protect each other's face and give face to each other when necessary (Punnett and Yu, 1991). This is the foundation for maintaining their guanxi and mutual trust in long-term reciprocity.

Face, guanxi and response to service failure

The literature on Chinese face exchange behavior has provided sound explanations for how concern for face affects behavioral responses to service failures that threaten customers' face resources. According to the resource theory developed by Foa et al. (1993), social and economic resources are exchangeable. Nevertheless, the relative values of different categories of resources are treated differently across cultures. For Chinese people, face is a powerful social resource that affects not only the social aspects of daily lives, but also the economic benefits (Chen, 1988; Hwang, 1987). Thus, Chinese people might usually pursue this resource during social interactions and face exchange is a common way to achieve face enhancement (Hwang, 1987).

According to Hwang (1987) interpretation of the face exchange process, people give face to others expecting the return of equal or more face from the other party. In this situation, face is provided as a favor. If the feedback is positive, a long-term reciprocal exchange relationship between two parties can be established to benefit each other's face resources. However, if a person's face is threatened (e.g., he/she is despised, laughed at, the subject of inattention or a rejected request for assistance), then he/she adopts face protecting behavior such as stopping the exchange relationship, fighting back or directly claiming others' respect (Hwang, 1987).

The face exchange process is applicable to the interaction between Chinese hospitality customers and service providers. In the hospitality context, a customer's face is threatened when her/his feelings or wants are ignored, disapproved or challenged (Brown and Levinson, 1987), resulting in negative emotion such as "annoyance, anger, and outright hostility" (White et al., 2004 p. 103) and corresponding face protecting behavior. For example, face threatening can happen to a restaurant customer when servers do not believe he has made reservation and do not want to help him get a seat (Lee et al., 2013).

As the studies of Chan et al. (2007, 2009) showed, consumers who have a high concern for face are sensitive to their social resources during service processes. Thus, service process failures, which prompt the loss of social resources, can evoke customers' concern for face, which aggravates their dissatisfaction and generates a protective behavioral response. In their cross-cultural studies, this phenomenon is common for Chinese consumers. As an interrelated concept of face, guanxi also addresses peoples' social resources (Hwang, 1987), which are associated with service process quality. Hence, this study focuses on process failures in exploring the effects of face and guanxi.

Face, guanxi and direct complaint

Previous studies (e.g., Chan and Wan, 2008; Chiu et al., 1988) have implied that in general situations (no guanxi involvement), concern for face can mitigate the intention to directly complain to hotel managers. A direct voice complaint to a service provider is considered a confrontational response, and Chinese consumers are reluctant to engage in such actions, especially in public eyes. This characteristic is assumed to be influenced by the concern for losing self-face or for threatening others' face (e.g., Au et al., 2010; Chan and Wan, 2008; Chiu et al., 1988; Lee and Sparks, 2007; Ngai et al., 2007). In the hospitality industry, a direct voice complaint is often received in the public eye, which embarrasses the service provider (Yang and Mattila, 2012). Impression management theory argued that individuals are motivated to present themselves according to the audience's expectation and preference (Puntoni and Tavassoli, 2007), which vary with cultures. In traditional Chinese culture, expressions of anger or use of an aggressive voice in public are considered impolite, childish in behavior that may dam- ages the public self-image, so direct complaints can put customers' face at risk (Chiu et al., 1988; Ngai et al., 2007). Moreover, customers are not sure whether their complaint will fix the problem or make it worse if they do not trust the hotel. Thus, it is proposed that with- out guanxi, Chinese customers' concern for face may reduce their intention to complain directly. Hence:

H1: Concern for face has a negative influence on direct voice complaint intention toward service process failures when there is no guanxi.

The involvement of guanxi might moderate the effect of concern for face on direct complaint. In the Chinese business world, one's trust in an organization is often based on one's guanxi with certain members (Lee and Dawes, 2005). In hospitality context, the hotel, its employees and its customers are the three independent parties connected by the guanxi network, with the

employees acting as the bridge. The customers may be more confident that the hotel will take care of their needs and solve problems effectively. This trust comes from their commitment to the guanxi network and its ability to protect everyone's interests, including face (Luo, 1997). Thus, in the condition of a guanxi existence, the customers who have concerns for face perceive that they can use guanxi to correct the hotel's mistakes and retain their face when encountering service process failures. Moreover, face concerned consumers who are reluctant to complain in public eyes might be more likely to voice the problem in private to save the face of both parties. Having guanxi can make consumers feel more comfortable to seek to the private complaining channel. This also leaves them more motivated to directly voice their dissatisfaction to hotel managers. Hence:

H2: Concern for face has a positive influence on direct voice complaint intention toward service process failures when there is guanxi.

Face, guanxi and word-Of-Mouth (WOM)

According to the face exchange principle, people with high concern for face expect their face to be respected, otherwise face protecting behavior might be aroused (Hwang, 1987). However, rather than directly voicing their discontent to hotel managers, guests who are concerned for face might resort to more private methods (e.g., talk to friends, terminate purchase directly) to express their frustration in an effort to avoid ruining their public image. Moreover, spreading negative WOM can protect the face of others by warning them about the hotel's face-threatening ser- vice. Warning other consumers can satisfy the motivation for social recognition (Dichter, 1966) and self-enhancement (Angelis et al., 2012). Helping others avoid losing face has this social function as well. A recent study of Lee et al. (2013) identified a strong relation between negative word-of-mouth and face loss results from service failure in public situation. Online WOM extends the scope from consumers' focal social circle to the unrelated public (Buhalis and Law, 2008), which may enlarge the sense of self-enhancement or face gaining. Achieving appraisal from the public is regarded in Chinese culture as glory and will help individuals gain face in focal social networks (Hu, 1944). Since the negative WOM functions as a warning for other consumers (Dichter, 1966), consumers who spread the messages online perceive they are helping other people (Sundaram et al., 1998) and gaining public appraisal at the same time (Angelis et al., 2012; Dichter, 1966). Therefore, spreading WOM online to a broader audience can be motivated by concern for face. In addition, exposing the dissatisfying service to large audience may be out of the vengeance motive of negative WOM (Sundaram et al., 1998) which can be aroused when the customer loses important face resource. Hence:

H3: Concern for face has a positive influence on negative WOM regarding service process failures.

H4: Concern for face has a positive influence on negative online WOM regarding service process failures.

Building guanxi with Chinese consumers can encourage their loyalty to service providers, mitigating negative responses to ser- vice failures (Butcher et al., 2001). In addition to the enhanced loyalty, the renqing dimension of guanxi requires customers to commit to protecting other parties' interests. Luo (1997) claimed that people who share a guanxi network are committed to each other by an unwritten code of reciprocity and equity. Given the commitment required by the guanxi network, customers avoid taking actions that jeopardize the hotel employees' interest in guanxi. Therefore, guanxi plays a role in WOM decision which may severely affect the hotel's interest.

Posting unpleasant experiences online has a massive negative influence on a hotel's service image. Previous studies have con- firmed that online reviews, particularly negative ones, significantly influence customers' perceptions of tourism products (e.g., Sparks and Browning, 2011; Vermeulen and Seegers, 2009), in turn discouraging potential customers. Aware of online reviews' effects, customers who have guanxi with a hotel might consider the interests of the person in guanxi before sharing the negative words online. Hence, the existence of guanxi between hotel staff members and customers might reduce the intention to post negative online reviews on service failures.

Nevertheless, the influence of guanxi on traditional WOM may not be significant as it is less severe than its electronic counterpart. Consumers also realize that telling the unpleasant stories with a couple of close friends might prevent them from staying at the hotel, but this influence is much weaker than informing the cyber public. Hence, the impact of having a guanxi on traditional WOM is weaker than on online WOM.

H5: Customers have less intention of posting online reviews of service failures when there is guanxi than when there is no guanxi.

H6: The influence of Guanxi on traditional WOM intention toward service failures is weaker than on online WOM.

Face, guanxi and third party response

When experiencing the severe economic loss caused by problematic products or services, consumers may turn to a third party with sanctioning power to redress the economic loss (Singh, 1988). However, the intervention of an authority cannot force service providers to compensate for lost social resources, which are intangible and immeasurable. Moreover, resorting to third party often cost excessive time and effort (Chan and Wan, 2008). Thus, it might not be perceived by Chinese customer as an effective way to regain face. Hence:

H7: Concern for face has no influence on third-party responses toward service process failures.

Face, guanxi and exit behavior

When a hotel's service is perceived as face-threatening, to avoid experiencing a similar situation in the future, customers with high concern for face may quickly resort to exit behavior and stop visiting the hotel. Such customers also emphasize the reciprocal relationship implied by the face exchange principle, and failing to receive face from hotel staff may lead to the termination of long- term relationship building. Chan and Wan's (2008) study showed that collectivists are more likely to "quit" than individualists after process failure. Consequently, this study proposes that concern for face can foster exit behavior toward hospitality service providers. Hence:

H8: Concern for face has a positive influence on exit behavior toward service process failures.

According to traditional theory on brand loyalty, it is basically built on customers' brand trust (xinren) and expectation of long-term reciprocity or benefit exchange (renqing). A recent study conducted by La and Choi (2012) on the influence of brand trust on post-failure behavior supported this assumption to some extent. This research demonstrated that customer trust was more influential in loyalty intention during the time before a service failure. In the hospitality industry, as ganqing and xinren have been formed in guanxi, customers become more tolerant of the hotel's misconduct and are less likely to terminate the renqing (favor) exchange relationship. Hence:

H9: Customers have lower exit behavior intention toward ser- vice failures when there is guanxi than when there is no guanxi. The conceptual model is shown in Fig. 1 below.

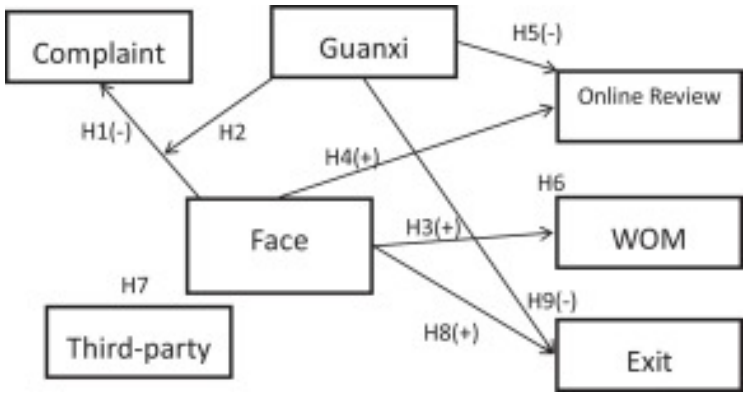

Fig. 1. Conceptual Model (Insignificant relationships in the hypothesis are demonstrated with no connected lines between variables).

Methodology

Study design and subjects

A quasi-experiment dividing the subjects into two groups (having or not having guanxi with the hospitality service provider) was applied to achieve the research objectives. In addition to guanxi, the subjects' concern for face was measured as an independent variable in the experiment. The scenario method was used to avoid response bias due to memory lapses and rationalization tendencies related to retrospective self-reports (Mattila, 2004). The subject pool consisted of 156 business travelers identified via the researchers' personal connections. A snowball method was used to expand the sample size. Respondents are all mainland Chinese consumers currently living at urban area. Over 95% of the participants (149 out of 156) worked in the hospitality industry so that the homogeneity of the subject pool effectively reduced random effect and increasing the experiment's internal validity (Chan et al., 2007).

In studies that try to establish causal relationships between variables, internal validity should be in priority. The external validity (i.e., generalizability) of the model can be tested by applying it to more representative samples. A position in a hospitality firm also guarantees broad personal relations in the hospitality industry, meeting the precondition for manipulation of guanxi. Moreover, as typical cultural values have compelling influence on every member, the sampling method should have little effect on the representativeness of the study results.

Procedures and stimuli development

Scenarios and questionnaires with specific instructions were placed on a widely used Chinese online survey website sojump.com in March 2014 and the participants were invited to fill out the questionnaires on the website. It is a reliable tool for conducting scenario experiment because the questions are displayed stage by stage and the questionnaires can be designed in a user-friendly way. Upon accomplishment of each stage, the respondents will be able to read the questions and instructions of the next stage.

The experimenter firstly recruited part-time students in the same class of a hospitality management program and divided the participants into two groups by randomly assigning a group number to each student on the class name list (the computer system can generate a random number for each participant). Participants in each group received the links to relevant online questionnaires at sojump.com and then were asked to give the same link to their

colleagues. Finally, 77 participants were recruited as the "guanxi group" and the 79 participants were in "non-guanxi" group.

At the beginning of the experiment, the participants were asked to name a real hotel or hotel brand that they visit most frequently. In manipulating the existence of guanxi, the participants in the "guanxi group" were asked to select a hotel whose employees had a history of private contact, so that their visits could be largely attributed to their personal relationships with these employees. In contrast, the participants in the "non-*guanxi"* group were asked to select a hotel without such personal relationships. Both conditions (familiarity, *guanxi*) had to be met in choosing the hotel. The manipulation of *guanxi* in this study is consistent with the conceptualization of Luo (1997) and the operationalization of Gilbert and Tsao (2000) in hospitality marketing. To encourage high involvement, the participants in the current study were required to write down the hotel name and a brief description of their last stay. All of the subjects clearly recorded the hotel name and their last stay, indicating that the hotel selection criteria were realistic.

After choosing the hotel, the participants were exposed to a hospitality service process failure scenario adapted from that used in Chan et al. (2007) and Smith et al. (1999). The scenario is shown in Appendix A. Then, the participants finished a set of questions on their behavioral responses to the scenario. Questions about their perceptions of the service process failure and scenario reality were asked, and the degree of their dissatisfaction was also determined in this section to check the manipulation. Next, the participants responded to the scale measuring their concern for face. The last section gathered demographical information.

Measurements

The scales measuring concern for face were adapted from Chan et al. (2009) and have been used to test the relationship between concern for face and dissatisfaction with service failure in different industries (Chan et al., 2007, 2009). The participants answered using a 7-point Likert scale indicating their agreement with eight statements regarding concern for face (1 = strongly dis- agree; 7 = strongly agree).

The four aspects of behavioral response were measured using the customer response scale developed by Singh (1988) with the addition of online review intention, as posting service provider reviews on social media is increasingly regarded as a typical electronic WOM behavior (e.g., Kim et al., 2011). The participants were asked to indicate their response intentions (direct complaint, WOM, online review, third-party behavior and exit behavior) on 7-point semantic differential scales anchored at "very unlikely/very likely", "definitely will not/definitely will" and "inclined not to/inclined to." The overall content validity was examined with expert consultation. Appendix B shows the measurements for each construct.

The questions for the manipulation check of the service process failure scenario were adapted from Chan et al. (2007), including the process/outcome failure measure, dissatisfaction rating and reality check. The scale of guanxi quality developed by Yen et al. (2011) was applied to the "guanxi group" to check the manipulation of guanxi. The measurement model developed by Yen et al. (2011), comprising ganqing, renqing and xinren dimensions, has been extensively discussed in the socio-psychological literature (Hwang, 1987; Jacobs, 1979; Wang, 2007) and it reflects the quality of guanxi (Kipnis, 1997). The manipulation check results, shown in Appendix C, were all measured with a 7-point Likert scale (1 = strongly disagree; 7 = strongly agree). All of the scales were developed in English and translated into Chinese using the modified direct translation method. The translations' content validity was checked by China tourism research experts proficient in both Chinese and English. Three experts were involved

in the translation and there were several turns of correction before consensus was achieved among experts.

Analysis

A descriptive analysis was conducted first to form a picture of demographic distribution. The validity and reliability of the measurements were assessed with multi-group confirmatory factor analysis (CFA) before testing the hypotheses. Structural equation modeling (SEM) and independent sample T-tests were conducted to test the hypotheses on the effects of concern for face and guanxi on behavioral responses.

Major findings

Profile of participants

156 valid responses were collected. Outliers and missing cases were removed from the sample. Of the participants, 55.1% were male and 44.9% were female. Nearly half of the participants were 26–35 years old (51.9%) with 1/3 aged between 36 and 45. The majority of the participants held a bachelor degree or above (71.6%) and had a monthly income of less than RMB15,000 (USD2,413). The percentage of participants who managed companies was 55.1% while 27.6% claimed they worked in service or sales. Table 1 shows the participants' demographic information.

Table 1 Participants' Demographic Information (N = 156).

Demographic variables	Percentage (%)
Gender	
Male	55.1
Female	44.9
Monthly income (RMB)	
<4000	12.3
4000–6999	20.6
7000–9999	16.8
10000–14999	17.4
15000–19999	7.7
20000–24999	11.0
25000–29999	2.6
>30000	11.6
Age	
18–25	12.8
26–30	23.1
31–35	28.8
36–40	19.2
41–45	14.1
>46	1.9
Education	
Secondary school	7.1
Some college	21.3
Bachelor's	36.8
Master's or above	34.8

Manipulation checks

The paired sample T-tests showed that the participant pool scored higher on the process failure measure than on the out- come failure measure ($M_{process}$ = 4.68 vs. $M_{outcome}$ = 4.46; t = 3.95; p < 0.001). Hence, the scenario was perceived by the participants as a process failure. A one-sample T-test was conducted for guanxi quality (n = 77) and dissatisfaction rating (n = 156). The results are shown in Table 2. All of the mean scores of these measures were significantly higher than the neutral level of 4.0 (p < 0.001), indicating successful manipulation of guanxi and service failure. Moreover, the reality check had a mean score of 5.53, suggesting that the participants generally perceived the scenario as realistic. Cronbach Alpha value of these construct are all above 0.7, showing satisfactory reliability.

Table 2 Manipulation Checks of *Guanxi* and Service Failure.

	Guanxi	Ganqing	Renqing	Xinren	Dissatisfaction
Mean	5.15	5.01	5.03	5.46	5.42
Cronbach α					
t-value	10.56***	8.86***	7.88***	13.08***	13.54***

*** p < 0.001.

Multi-group confirmatory factor analysis

The assumption for CFA and SEM was tested and the result showed that Skewness of all endogenous variables in SEM ranges from 1.006 to 0.870. Kurtosis ranges from 1.148 to 0.435. Missing cases and unengaged responses were deleted and no outliers were found from the data. Therefore, the assumption is met.

Because the participant pool consisted of two groups that may respond differently to service failure according to the theoretical deduction, a multi-group confirmatory factor analysis (CFA) was conducted to check the validity and reliability of the measurement and theoretical model. When a study compares two groups in a sample, the between-group equivalence or invariance issues must be addressed. Hair et al. (2006) suggested that a multi-group CFA should be used in this situation. A two-step CFA was conducted, as suggested by Anderson and Gerbing (1988), to first evaluate individual constructs and then to test the overall measurement model. In the original model, the researchers included all of the concern for face scale items in the CFA. All of the factor loadings for concern for face were above 0.6 (p < 0.001) and the Cronbach's ex was 0.90, suggesting a good internal reliability. The critical ratio method was applied to test the factor loading equivalence between the guanxi and non-guanxi groups (Table 3). The results showed that two items ("I will be very angry if others are impolite to me" and "I will be very happy if I am treated with respect") had significant z- scores (p < 0.01). As Hair et al. (2006) noted, z-scores with p values less than 0.01 indicate the existence of variance between groups and the corresponding items should be deleted to improve factor equivalence. After deleting the two items, the CFA was conducted again for the adjusted model with the rest of the items. The comparison of the CFA results between the original and the adjusted model are shown in Table 4. The adjusted model demonstrated a better model fit and measurement validity. The model fit index of concern for face improved significantly with chi- square = 24.31 (p > 0.1), GFI = 0.975, CFI = 0.994 and RMSEA = 0.034.

The average variance extracted (AVE) of concern for face was 0.554 and the construct reliability (CR) was 0.881. Both values were above 0.5, suggesting good measurement convergent validity and composite reliability (Hair et al., 2006). The model fit of the overall

measurement model also improved considerably with a chi- square = 86.66 (p > 0.1), GFI = 0.949, CFI = 0.992 and RMSEA = 0.019. Thus, the adjusted model was accepted for path analysis later.

After deciding the model for analysis, the discriminant validity of the new model was observed by comparing the square root of AVE of the concern for face construct with the absolute value of the standardized correlation between it and any other construct in the analysis, as suggested by Fornell and Larcker (1981). Because the square root of AVE of the concern for face was larger than its correlations with all other constructs, discriminant validity was achieved. The correlation matrix is shown in Table 5. In addition, all the behavioral responses constructs have satisfactory reliability and validity as shown in Table 6.

Table 3 Factor Loading Invariance Test Using Critical Ratio Method.

Concern for face¡¡	Std. coeff.	guanxi (n = 77)		non-guanxi (n = 79)		z-score
		Estimate	P	Estimate	P	
I care about praise and criticism from others.	0.725					
I care about others' attitudes toward me.	0.750	1.008	0.000	1.165	0.000	0.761
I hate being taken lightly.	0.850	0.993	0.000	1.563	0.000	2.188
I will be very angry if others are impolite to me.	0.651	0.637	0.000	1.397	0.000	2.978***
I will be very happy if I am treated with respect.	0.610	0.439	0.000	1.005	0.000	2.867***
I will be very upset if I am criticized in public.	0.733	0.798	0.000	1.383	0.000	2.325
I am concerned with my self-image.	0.716	0.901	0.000	0.841	0.000	-0.274
I am concerned with my social status.	0.724	0.881	0.000	1.067	0.000	0.747

Notes: Item "I care about praise and criticism from others" was constrained as equal to 1.
*** *p*-value < 0.01.

Table 4 Model Fit Indices for Two Measurement Models.

Construct	2	*P*	CFI	GFI	RMSEA	AVE	CR
Original model							
Concern for face	143.33	0.000	0.931	0.897	0.077	0.523	0.892
Overall	251.63	0.000	0.958	0.909	0.039		
Adjusted model							
Concern for face	24.31	0.145	0.975	0.994	0.034	0.554	0.881
Overall	86.66	0.235	0.949	0.992	0.019		

RMSEA = root mean square error of approximation; CFI = comparative fit index. GFI = goodness-of-fit index.

Table 5 Correlation Matrix for the Measurement Model.

Construct	Complaint	WOM	Online	Third party	Exit	AVE square root
Concern for face	0.190	0.296	0.152	0.052	0.056	0.723

Table 6 Behavioral Responses Constructs Reliability and Validity.

Constructs	Factor Loadings	Cronbach's α	AVE	CR
Direct Complaint		0.953	0.871	0.953
Likely/Unlikely	0.941			
Definitely will/not	0.939			
Inclined to/not to	0.920			
Word-of-Mouth		0.946	0.859	0.948
Likely/Unlikely	0.886			
Definitely will/not	0.977			
Inclined to/not to	0.915			
Online WOM		0.962	0.894	0.962
Likely/Unlikely	0.957			
Definitely will/not	0.933			
Inclined to/not to	0.946			
Third Party		0.948	0.865	0.951
Likely/Unlikely	0.977			
Definitely will/not	0.928			
Inclined to/not to	0.883			
Exit Behavior		0.948	0.886	0.951
Likely/Unlikely	0.969			
Definitely will/not	0.970			
Inclined to/not to	0.847			

Table 7 Ranking of Behavioral Responses (N = 156).

Rank	Behavioral response	Mean	S.D.
1	Exit behavior	5.76	1.38
2	Word-of-mouth	5.51	1.63
3	Direct voice complaint	5.20	1.73
4	Online review	4.56	2.03
5	Third-party response	2.86	1.80

Hypotheses testing

The participants were asked to rate their intention to directly voice their dissatisfaction to hotel managers, spread negative words (WOM), post online reviews (eWOM), seek help from outside third parties and stop visiting the hotel (exit behavior). The mean score for exit behavior was the highest (5.76), followed by WOM intention (5.51) and direct voice complaint (5.20). These results are consistent with Chan and Wan (2008), who found that Chinese consumers prefer more private methods of responding to service failures. Third-party response ranked the least, as expected, and is consistent with Chan and Wan (2008). Table 7 shows the mean score of each behavioral response method.

A multi-group SEM (guanxi vs. non-guanxi) was applied to test the hypotheses. The results and overall model fit are displayed in Table 8. In examining the interactive effect between concern for face and guanxi on direct complaint intention, the model's multi- group moderation effect was tested using the chi-square change in SEM, as suggested by Hair et al. (2006). The moderation effect was observed by constraining the paths of two groups as the same in the SEM. Hair et al. (2006) pointed out that a significant increase in the model's chi-square value after constraining the paths indicates the existence of a moderation effect. The test usually begins with all of the paths constrained and continues with a path-by- path analysis if a moderation effect is found for the overall model. As the researchers in this study was interested in the influence on direct complaint rather than the whole model, only one of the model's paths—between concern for face and direct complaint intention—was constrained. The chi-square of the model increased from 219.58 (df = 96) to 241.54 (df = 99) with a chi-square change of 21.96 (df = 3), which was significant at the 0.001 level. Thus, a moderation effect of guanxi on the effect of concern for face over direct complaint was found.

Table 8 Results of SEM Analysis Concern for face → Direct Complaint (non-*guanxi*) H1: rejected Concern for face → Direct Complaint (*guanxi*)H2: supported Concern for face→ WOM H3: supported Concern for face→ Online Review (non-*guanxi*)H4: supported Concern for face→ Online Review (*guanxi*)Concern for face→ Third-party Response0.0590.681H7: supported Concern for face→ Exit Behavior0.0510.594H8: rejectedChi-squareCFI0.921GFI0.894RMSEA0.053.

Paths	Std. coesff.	t-values	Hypotheses
Concern for face → Direct Complaint (non-guanxi)	0.139	1.145	H1: rejected
Concern for face → Direct Complaint (guanxi)	0.2	1.662*	H2: supported
Concern for face→ WOM	0.54	3.285*	H3: supported
Concern for face→ Online review (non-guanxi)	0.292	2.381*	H4: supported
Concern for face→ Online review (guanxi)	-0.023	-0.193	
Concern for face→ Third-party Response	0.059	0.681	H7: supported
Concern for face→ Exit Behavior	0.051	0.594	H8: rejected
Chi-square	214.42**		
CFI	0.921		

RMSEA = root mean square error of approximation; CFI = comparative fit index; GFI = Goodness-of-fit index.* $p < 0.1$.
** $p < 0.05$.

To further illustrate the interactive effects, the directions and significance of the path coefficients in the two groups were observed following this step. The multi-group SEM results showed that the path coefficient in the non-guanxi group was not significant in the positive direction. Thus, the negative influence that concern for face has on complaint intention was not found in the non-guanxi condition, and H1 (concern for face has a negative influence on direct voice complaint intention toward service process failures when there is no guanxi) was rejected. This result also implied that concern for face might not affect customers' complaint intention in general situations (no moderator involved). Meanwhile, in the guanxi group, concern for face was positively related to direct complaint intention ($p < 0.1$), supporting H2 (concern for face has a positive influence on direct complaint when there is guanxi). An independent sample T-test was also conducted to observe the main effect of guanxi on direct complaint and the between-group difference was not significant ($M_{guanxi} = 5.21$ vs. $M_{noguanxi} = 5.19$, $t = 0.065$, $p = 0.948$), providing more evidence that face and guanxi must work together to influence complaint intention.

Although not included in hypotheses due to insufficient literature support, the authors still decided to test the interaction effects between guanxi and face concern in other types of response for two reasons. Theoretically, the identified moderation effect of guanxi in direct voice complaint implied that this moderation effect may exist in other types of responses. Statistically, because existence of interaction effect can seriously influence the accuracy of hypothesis test results, it must be identified and taken into account in making valid conclusion. For example, the correlation between two variables can be significant in one group but insignificant in another group if moderation effect exists (Hair et al., 2006).

As the path analysis results indicate, a significant positive effect ($p < 0.01$) of concern for face on traditional WOM intention was identified in the model. Thus, H3 supported. And the coefficient of traditional WOM is not significantly different between guanxi and non-guanxi group. However, the relationship between face concern and online WOM differs between guanxi group and non-guanxi group, indicating a moderation effect of guanxi. Face concern positively influences online review intention in non-guanxi group. But this influence is mitigated by existence of guanxi as the standard coefficient of the path between face and online review is close to zero in guanxi group (Table 8). Moderation test following the procedure applied to complaint intention also support the argument (�c2 = 24, df=3, $p < 0.001$).

In addition, the standardized coefficient of the path between concern for face and third-party response was insignificant and very close to zero. Hence, H7 (concern for face does not affect third- party response) was also supported. However, H8 (concern for face has a positive influence on exit behavior toward service process failures) was rejected because the effect of concern for face on exit behavior was not significant in this model. Moreover, no difference was found between guanxi and non-guanxi group in the area of third-party response and exit behavior. Although the index of fit of this model is a little under the acceptance criteria due to the insignificant paths that exist in the model, this is acceptable with a good fitness index in CFA (Hair et al., 2006).

The independent sample T-test was conducted to test the influence of guanxi on behavioral responses. The results of the T-test are shown in Table 9. Levene's test for equality of variances showed that the F values of all of the dependent variables were insignificant, so the assumption of variance equality was not violated. The results showed that H6 was supported because the

study identified significant mean difference on online review intention between the guanxi and non-guanxi groups (M_{guanxi} = 4.24 vs. $M_{non\text{-}guanxi}$ = 4.87, t = 1.949, p < 0.1). Hence, empirical evidence seems to suggest that customers who have guanxi with the hotel are less motivated to post negative online reviews when encountering service process failures. Moreover, as indicated in the research findings, the mean difference in WOM intention between the guanxi and non-guanxi groups was minor, with a p value above 0.7. Thus, H4 (guanxi has no influence on negative WOM intention) was con- firmed. Additionally, the mitigating effect of guanxi on exit behavior was confirmed by the findings. The mean value of switching intention was significantly lower for the guanxi group than for the non-guanxi group (M_{guanxi} = 5.55 vs. $M_{non\text{-}guanxi}$ = 5.96, t = 1.889, p < 0.1). Fig. 2 displays the modified model based on the research findings.

Table 9 Results of Independent Sample T-Tests.

	Mean		t-value	p-value	Levene's Test (F-value)	Hypotheses
	guanxi (n = 77)	non-guanxi (n = 79)				
Complaint	5.21	5.19	0.065	0.948	0.784	N/A
Online review	4.24	4.87	−1.949*	0.053	2.129	H5: supported
WOM	5.45	5.55	−0.359	0.720	0.322	H6: supported
Exit	5.55	5.96	−1.889*	0.061	0.259	H9: supported

* p < 0.1.

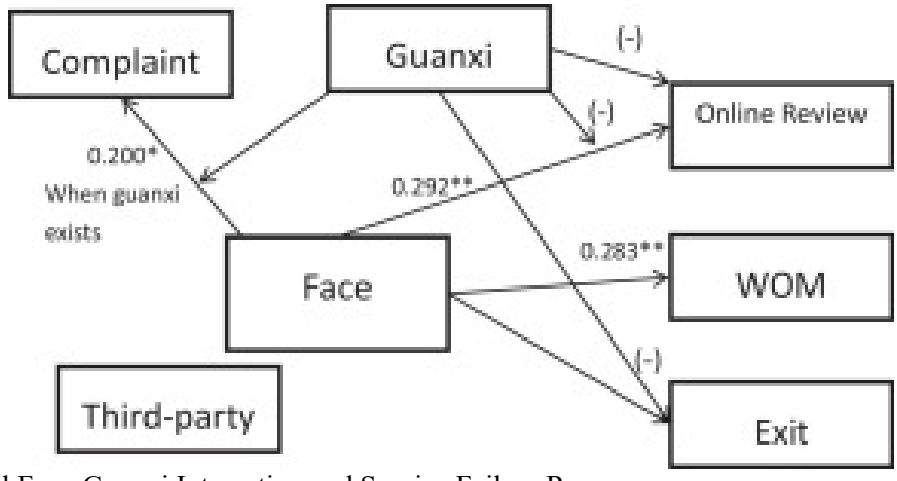

Fig. 2. Model Face-Guanxi Interaction and Service Failure Response.

Discussion

This study identified a significant positive relationship between Chinese customers' concern for face and their WOM intention on service process failures in hospitality settings. This empirical finding appears to support the assumption built on the face exchange principle literature (e.g., Chen, 1988). It also provided evidence for Chan and Wan (2008) argument that concern for face is an important factor that leads to collectivists' preference for private response methods. When Chinese customers perceive that their face is threatened by a service provider's

misconduct, their concern for face could trigger protective behavior that motivates them to warn others about the face-threatening service failure. By doing so, they can help others avoid losing face in the future. Conducting WOM is also an effective way to vent the frustration produced by a dissatisfying experience (Alicke et al., 1992). WOM here plays the role of a weapon to fight back against unjustified treatment. Customers with a high concern for face feel that by sharing the unpleasant experience, they can eliminate the unhappiness caused by face loss.

Based on the literature on Chinese face and consumer behavior, we assumed that concern for face motivates Chinese consumers to exit the transaction relation after service process failure to save their face in the future. However, the study findings showed that the influence of concern for face appears not as strong as expected, although exit behavior ranked first among all of the responses. It is interesting that Chinese customers' hotel switches are not mainly due to the face issue. Possible explanation is that process failures threaten multiple aspects of customers' social resources and they quit for more comprehensive reasons, such as avoiding the loss of entire personal social resources rather than just face. Lee and Sparks (2007) supported this explanation by pointing out five cultural values that can be threatened by hospitality service failure: face, equity, value, harmony and junzi (aspiration). All of these values are paramount social resources in Chinese society, according to the authors.

No significant relationship was found between concern for face and the intention to resort to an outside party. This is consistent with our reasoning. An outside sanctioning organization or the press can provide limited assistance in terms of restoring face resources. The association between face loss and the function of third parties is weak. Furthermore, because the service failure may not be serious enough, while tremendous effort is needed to obtain the help of outside parities, the intention to pursue a third-party response is generally low.

The literature on Chinese socio-psychology has claimed that face and guanxi are two interrelated cultural values that work interactively within Chinese people's behavior. Their influence on Chinese consumers' behavior has been well established, so it is viable to posit that they can work interactively on consumers' behavior. The empirical results of this study support this assumption. When a customer had guanxi with a hotel's staff, his/her concern for face motivated the intention to complain directly to managers when encountering service process failures. If Chinese customers realize that there is someone to count on in the hotel, they feel safe in expressing their frustration to save face, and the stronger their concern for face, the more motivated they are to seek compensation. They believe that their guanxi can help correct the misconduct and restore their esteem. However, the individual effects of concern for face and guanxi on direct complaint were insignificant in this study, demonstrating that they are more effective when applied together. Although the interactive influence of guanxi and concern for face was found, the result did not support the hypothesis that Chinese consumers' concern for face mitigates their complaint intention in general. Interestingly, this is inconsistent with many previous studies (e.g., Auet al., 2010; Chan and Wan, 2008; Chiu et al., 1988; Lee and Sparks, 2007; Ngai et al., 2007), which have argued that concern for face might explain why collectivistic consumers express lower complaint intention for service failure than their individualistic counterparts. However, according to the empirical finding of this study, there might be other cultural values or situational fac- tors that contribute to this phenomenon. For example, Chan et al. (2009) suggested that the influence of face concern on customer dissatisfaction is more severe in process failure than in outcome failure. Since higher dissatisfaction may lead to higher complaining intention (Richins,1983), the authors reason that

in this study service process failure may have reduced the mitigating effect of concern for face on direct complaint intention to an insignificant level.

All the hypotheses about guanxi's effect on behavioral responses were supported by the empirical finding. As expected, the effect of guanxi on traditional WOM was not as strong as on online review behavior. Spreading negative messages among friends and relatives is perceived as less serious than online reviews by the service provider. Thus, building guanxi with customers did not effectively reduce the negative WOM about a hotel's service failure, but the existence of guanxi also did not foster the intention to spread negative WOM, which was different from the effect of customers' concern for face.

Notwithstanding, establishing guanxi in the Chinese market has some merit in managing WOM, particularly in the virtual community, which has powerful influence on hotel customers' perceptions and decision making (Sparks and Browning, 2011; Vermeulen and Seegers, 2009). The participants in the guanxi group expressed lower intention to post negative online reviews than those in the non-guanxi group. Because negative online messages are detrimental to hotel business and employees' benefits, Chinese customers who had guanxi with a hotel constrained this action to protect their friends. This behavior was consistent with the reciprocal commitment in a guanxi network. To protect their own benefits, dissatisfied customers may complain to the hotel managers to seek service recovery and solve the problem immediately, but they will be more prudent when their actions can affect the interests of persons in guanxi.

The influence of guanxi on online review behavior is so strong that the positive relation between face and online review intention becomes vague in guanxi group. Current study showed that although customers have higher intention to spread negative messages on the Internet if they are more sensitive to face loss, this motivation is suppressed when the customers realize the impact on the person in guanxi. They are more likely to voice the problem to the hotel for solution and protect the interest of their friends (hotel employees connected with guanxi) who work in this hotel.

Building guanxi actually enhances the loyalty of customers, as indicated by the research finding. Chinese customers who had guanxi with hotel staff were more likely to tolerate the service failure and give the hotel another chance. They believed that their friends in that hotel could improve the situation, so they tended to place more trust in the hotel than those without guanxi. More- over, for Chinese people it is less risky to keep staying at a hotel with guanxi than to switch to other unfamiliar brands because they believe that they have someone to take care of the problems.

Conclusion and implication

This study investigated the effects of two dominant Chinese cultural values—face and guanxi—on hotel customers' behavioral responses to hospitality service failures. Applying a quasi- experiment with business travelers as participants, a significant relationship between Chinese customers' concern for face and their intention to conduct negative WOM following service process failure was identified. This result supports the argument made in previous studies that Chinese consumers prefer private responses (e.g., WOM) to address service failures. However, concern for face does not significantly influence their decision to switch hotel brands, although brand switching is the number one choice of dis- satisfied Chinese customers. The effect of concern for face can be moderated by guanxi between customers and hotel staff. Chinese customers who are sensitive to face resources are highly motivated to directly voice

the problem to hotel managers when they have guanxi at that hotel. However, without the involvement of guanxi, such an influence is not obvious.
Guanxi establishment has long been pursued by hoteliers in the Chinese market (Geddie et al., 2002; Gilbert and Tsao, 2000). This study provides empirical evidence to support the benefit of building guanxi in China. When a Chinese customer has guanxi with a hotel, he/she appears to be more tolerant in the face of service failure, and less motivated to post negative remarks in cyber space. The possibility of a repeat visit is higher among those with guanxi than among those without due to the higher trust and lower risk produced by the guanxi connection.

Theoretical implication

This study makes both theoretical and practical contributions to the hospitality service management field. Theoretically, it advances the knowledge of hospitality service management in the Chinese market by enriching the literature on Chinese consumer behavior from a cultural perspective. It is among the first attempts to investigate the effects of concern for face and guanxi in the hospitality service setting. Specifically, a behavioral response model in service failure has been established incorporating two dominant cultural values in China. The value of face has been demonstrated as an influential factor in Chinese hospitality customers' behavioral decision in the event of service failure. However, one should be cautious in attributing cross-cultural responding difference to face since it is not the determinant of all the actions.
The moderation effect of guanxi identified in current study indicated that future researches should attend to the interaction of different cultural values in investigating Chinese consumer behavior. Many hospitality studies cited in this study have identified the prominence of face value but failed to recognize the situational fac- tors that could modify the influence. As suggested by Chan (2006), Chinese people's business behavior is the result of interaction of several values dominant in this culture, including guanxi, mianzi (face), renqing (favor) and bao (reciprocity). Combining different values in empirical studies might be a more effective way to achieve comprehensive and objective understanding of Chinese hospitality consumer behavior.
This study also empirically tests the assumption proposed in the literature about cross-cultural complaint differences. The findings seemed to challenge the proposition of previous studies that concern for face leads to Chinese people's reluctance to complain and preference for WOM. Current study implied that the explanatory factors might be more complicated as long as the effect of face is situational and can be influenced by other cultural values. Future research is encouraged to explore other cultural values or situations that might contribute to Chinese people's complaint patterns.

Managerial implication

In practice, this study sheds some light on the effectiveness of applying the concept of guanxi to the hospitality business in China, and the result offers some insights. This study investigated direct guanxi between customers and hotel staff which could be widely achieved in the future with advancement of management technology. The authors believe that this study is visionary and its results provide evidence that may help hoteliers decide whether to add a new branch to their current guanxi building strategy by evaluating the effects of the existing guanxi network on their service management efficiency.

The result demonstrated that building guanxi can mitigate the negative influence on business sustainability to some extent. Customers with guanxi intend to complain to help hotels improve their service, and they give hotels more chances to change by postponing their decisions regarding online complaints and purchase termination. Therefore, hotel managers can design a system that facilitates guanxi building between hotel staff and potential customers. For example, personal service staff can utilize social media to keep in touch with customers they served and build a feeling of being connected by guanxi. Nevertheless, future studies can compare the effect of inter-organizational guanxi in the hospitality industry with that of interpersonal guanxi evaluated in current study.

Limitation and future studies

This study has a limitation in its representativeness. The sampling method might have induced some bias to the result because the hotel customers studied were also hotel service providers. Sub- jects from the same industry could limit the generalizability of the result. For example, in term of the moderation effect of guanxi on the relationship between face concern and direct voice complaint, our participants' profession might convince them that complaining about poor service is legitimate and they believe that their friends who work in hotel industry also hold this belief. Therefore, they complain to claim for service recovery without the pressure of concerning about face loss of the hotel employees who are in their guanxi network. But customers outside this profession may hold different perception.
In addition to occupational bias, the representativeness might be limited to certain demographic sector. Nearly all the participants are under 45 years old and 92.9% of them went to college. Future researches can include more diverse population to test the generalizability of this result. Moreover, the result might only be applicable to urban mainland Chinese consumers. Future studies are encouraged to verify the proposed model with samples from rural area and industries other than hospitality service. However, this method also reduces the difficulty of identifying qualified participants. Moreover, as hotel employees usually have broad guanxi networks within the hospitality industry in similar forms such as schoolmates, previous colleagues and friends, choosing hotel staff as subjects can increase the internal validity of the experiment.

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Appendix A. Hotel service process failure scenario

One day while traveling, you decide to stay at the hotel you just selected. You arrive at the hotel at 7 pm and go to front desk to check in. 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 2 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. When you enter your room, you realize that the room isn't ready. You call the front desk to request a room change and it quickly arrange you to another room which is satisfactory. But the representative neither gives you any explanation nor apologizes to you.

Appendix B. Measurement 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 Word-of-Mouth

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

Online Word-of-Mouth

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).

Appendix C. Manipulation check

Process failure measure

1. The front-desk representative's attitude was poor.
2. The front-desk representative's attitude was acceptable (reverse coded).
3. The front-desk representative's attitude was not professional.

Outcome failure measure

1. The room assignment outcome was not good enough.
2. The room assignment outcome was proper (reverse coded).
3. The room assignment outcome was not acceptable.

Dissatisfaction

1.As a whole, you are not satisfied with the hotel.
2.You are unhappy about your overall experience with the hotel.
3.You are satisfied with the overall quality of the hotel (reverse coded).

Guanxi quality

Ganqing:
He/she and I are able to talk openly as friends.
If I were to switch to another hotel, I would lose a good friend (reverse coded).
I would consider whether his/her feelings would be hurt before I made an important decision.
I have a brotherhood feeling towards hime/her.
Renqing:
I feel a sense of obligation to him/her for doing him/her a favor. The practice of "give and take" of favor is a key part of the relationship between he/she and me.
I am happy to do a favor when he/she requests one.
Xinren:
He/she is only concerned about himself/herself (reverse coded). He/she seems to be concerned with our needs.
He/she is not trustworthy (Reverse coded).

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