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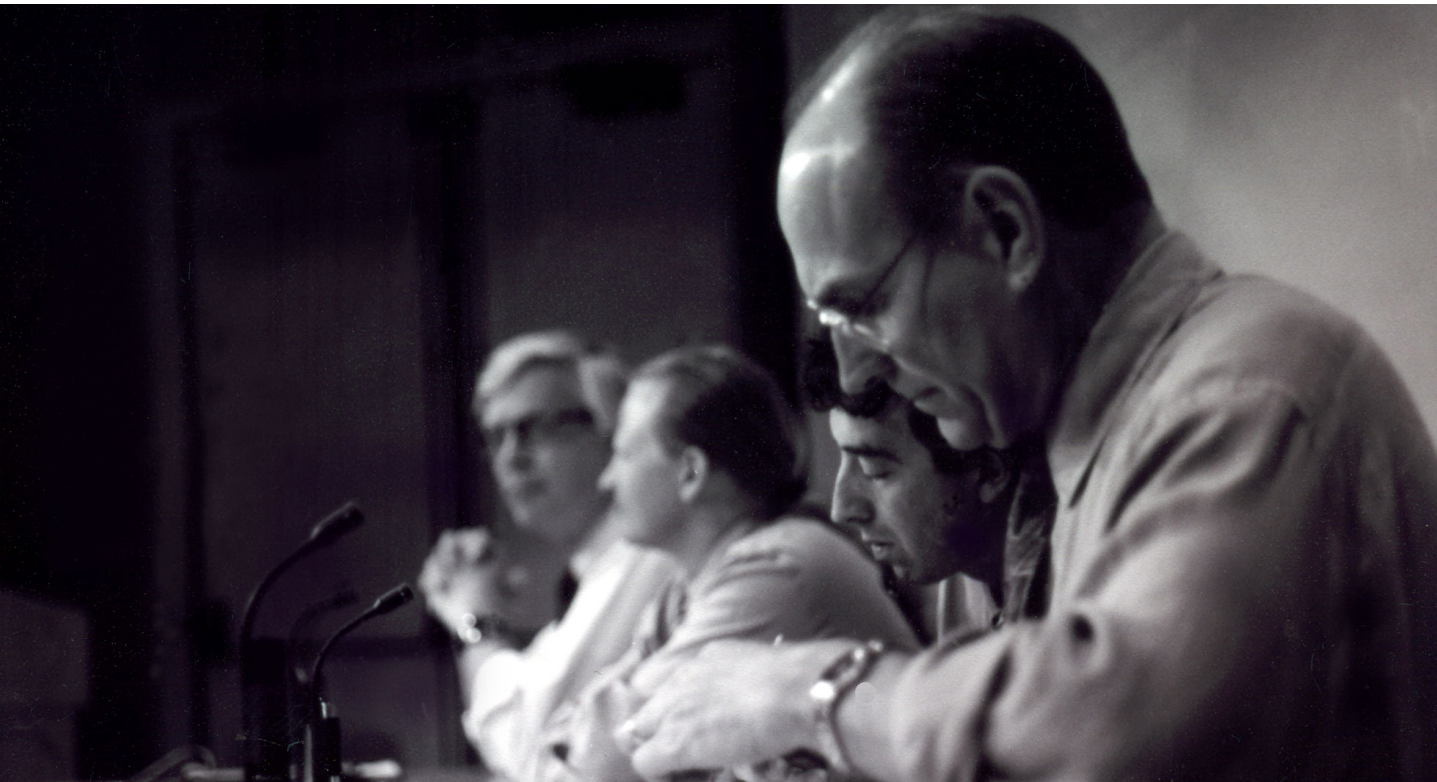
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EDITORIAL COMMENT

The scientific methodology adopted in academic research and writing in the social sciences, including in management and leadership studies, is based on the notion that if we understand the lived experiences of real people in the context of where and how they live, work and play, we are better placed to take informed action to create progressive change. It is thus an ideal model for empirical engagement.

Such empirical investigations, taking place in the context of relatedness and situatedness, may help to uncover underlying structures, facilitate the fusion of theory and practice, and make the normative prescriptive; thus demonstrating that knowledge is indeed power. Such investigations must necessarily adopt a holistic approach, to situate the study in concrete historical contexts, i.e. in a specified period to time, and at a definite locale. They will take into consideration the totality of the system influenced by, as well as producing, the data and the interpretations.

However, the outcome of any such an empirical process must still be reductionist, likely to lead to over-determination, given the vast complexity of all the factors and determinations going into real-world issues. Readers of articles in this issue will typically recognise this in the justificatory sections of the research report, including the rationale for the literature review, the interpretive section and the concluding remarks on the limitations of the research.

In the light of these considerations, the articles in this issue should be read reflectively: Khan's proposed model for studying the effect of customer mood on trust in service failures, Bakshi's investigation of the nexus among service quality perception, customer satisfaction and destination loyalty in the hospitality and tourism sector, Improving Brand Recognition by Cecilia and William Lee and Chaudhuri's examination of the Organisation Development dimensions of organisational augmentation. Readers wishing to engage them can find their email addresses in the authors' biodata section at the end of the publication.

TABLE OF CONTENTS

Topic	Page
Editorial Board	III
Editorial Comment	IV
Assessing the Moderating Impact of Customer-Relationship Dimensions On Service Quality Perception-Tourist Satisfaction- Destination Loyalty Link	7
Improving Brand Recognition of Australian Undergraduate Medical Schools: The Case for University of Tasmania	45
Organisational Development for Organisational Augmentation: Comprehending Regime, Relevance and Recognition	71
The Effect of Customer Mood on Trust in Service Failures: A Conceptual Model and Research Propositions	85
About the Authors	96
Guide for Authors Submitting Articles to Singapore Management Journal	98

“The goal as a company is to have customer service that is not just the best but legendary.”

– Sam Walton

Assessing the Moderating Impact of Customer-Relationship Dimensions On Service Quality Perception-Tourist Satisfaction-Destination Loyalty Link

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Abstract

Customer Relationship Management (CRM), as a business process, has been relatively understudied in the perspective of the hospitality and tourism industry. The conventional dimensions of CRM were found to be instrumental towards augmentation of perceived service quality and vis-à-vis positive behavioural intent of customers. This study was an attempt to empirically identify the probable moderating effects of the dimensions of CRM on service quality perception-tourist satisfaction-destination loyalty link. The study was carried out in Santiniketan in West Bengal which has evolved into a major tourist destination over the years with plenty of scenic, ethnic and cultural flair. The study revealed that perceived tourist service quality, tourist satisfaction and destination loyalty can be correlated under the mediating effects of CRM. The default model also holds good to lend support to the theoretical findings.

Keywords: Customer-relationship-management, Tourist, Satisfaction, Destination, Loyalty, Service, Quality.

1. Introduction

Tourism is fast becoming a major contributing source to the enhancement of a nation's GDP, prompting interest among academic researchers to get involved in identifying its nature, dynamics, dimensions and effects. Tourism has been observed as the aggregate of interactions and relationships among tourists, business houses, host governments and administration and host communities (McIntosh and Goeldner, 1984). The intensive dyadic encounter between a host of tourist-service-providers and the tourists, often does not allow the services to be homogenized. These rather heterogeneous services create ambiguity in the perception of service quality received from specific tourist-service-providers. Being able to identify the perceived tourist service quality becomes important, in so far as it is seen as antecedent to tourist satisfaction (short-term effects) and destination loyalty (long-term effects).

The hospitality and tourism sector started using the philosophy of customer relationship management (CRM) in the late 1990s as a proactive business process to understand the needs of tourists as customers, to segment them on the basis of their psychographic determinants and to design integrated communication with them in a relationship between perceived service quality-tourist satisfaction and destination loyalty. CRM, as conventionally practiced, has not, however, been seen as successful in facilitating this relationship.

Inbound tourism in India registered 6.31 million (5.78 million in 2010) tourists visiting with an annual growth rate of 9.2% (India Tourism Statistics, 2011, Ministry of Tourism, Govt. of India). This huge influx of tourists boosted the foreign exchange earnings to 77591 crores (in INR terms) with an annual growth rate of 19.6% (India Tourism Statistics, 2011, Ministry of Tourism, Govt. of India). India's share in international tourist arrivals is 0.64%, ranking it at 38 in world tourist arrivals. (India Tourism Statistics, 2011, Ministry of Tourism, Govt. of India). The reason for this boom can be attributed to a number of factors, including a burgeoning Indian middle class, the growth of high-spending foreign tourists, augmentation in communication systems-both physical and virtual, infrastructure & super structure. It has also been helped by the initiatives taken up by the state governments to showcase their individual states as tourist destinations, thereby building up the brands (Gujarat, Odissa, Kerala, Madhya Pradesh etc. are some of the major branded

tourism destinations). A study conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI) in the area of development perspective of eco and rural tourism indicated that it registered highest employment and investment ratio. Another study, conducted by McKinsey, also revealed that medical tourism has the potentiality to generate as much as 100 billion in INR by the end of 2012. India's cultural and natural heritage also has touristic potential. The brand title 'Incredible India' not only projects India as a tourist destination but also promotes the nation as a potential export and investment hub.

'Yatra Visawam Bhavati Ekanidam' means 'where the whole world meets in one nest'. Rabindranath Tagore, India's first Nobel laureate, wanted Santiniketan to be that spot, where the whole world would settle, forgetting illusory geographical boundaries. India's nodal authority, Archaeological Survey of India (ASI), has submitted Santiniketan as its official entry this year for Unesco's list on World Heritage Sites. Meantime, Santiniketan has emerged as a tourist destination with updated facilities and amenities, befitting the hospitality industry and allied services. The cultural events like Pous Mela, Basantotsav, Magh Mela draw huge influx of domestic as well as international tourists. With the changing dynamics of quality perception of services related to tourism, the expectation and zone of tolerance have also been modified.

The objectives of this study were: (a) to identify the dimensions of CRM in the context of tourism industry, (b) to assess the mutual and exclusive/inclusive relationship between perceived tourist service quality, tourist satisfaction and destination loyalty, (c) to examine the possible impact of CRM dimensions on the link between tourist service quality, tourist satisfaction and destination loyalty and (d) to test the robustness of the proposed research model.

2. Research of Literature

Customer relationship management (CRM) takes into consideration the changing notions of customer attitudes, perceptions and behavioural manifestations in the context of their apprehension and expectations. (Peppers and Rogers, 2004). Conceptually, CRM evolved from three basic foundations of marketing management: (a) customer

orientation, (b) relationship marketing and (c) database marketing (Yim et al, 2004). The adoption and implementation of CRM practices have gained momentum among academicians and corporate houses (Gruen et al, 2000; Rigby and Ledingham, 2004; Srivastava et al, 1999; Thomas et al, 2004). CRM has been widely used by sales personnel in augmenting their relationship with customers (Widmier et al, 2002) to improve sales forecasting, lead management and customization (Rigby and Ledingham, 2004). In spite of its wide application, CRM, lacked a cohesive definition and identification of its dimensions. Yim (2002) provided some conceptual clarity of CRM by synthesizing the literatures (Crosby and Johnson, 2001; Fox and Stead, 2001; Ryals and Knox, 2001) pertaining to marketing, technology and management and came out with four key focal areas: (a) strategy, (b) people, (c) processes and (d) technology. Day (2003) confirmed that the key focal factors identified by Yim (2002) can create a synergistic relationship value when they work in unison (rather than in isolation). A study of existing literature on the subject revealed that implementation of CRM necessarily involved four specific activities:

(a) Focusing on key customers, as in studies carried out by Schmid and Weber, 1998; Srivastava et al, 1999; Sheth et al, 2000; Ryals and Knox, 2001; Armstrong and Kotler, 2003; Vandermerwe, 2004; Srinivasan et al, 2002, Jain and Singh, 2002. These encompassed the view of a customer-centric organisational structure with dyadic interactive points targeted towards identification of key or valued customers through lifetime value computations,

(b) Focusing on organizing aspects of CRM. Thus Brown, 2000; Homburg et al, 2000; Ahmed and Rafique, 2003 emphasized on customer-centric organisational functions which helped to ensure value propositions to customers,

(c) Managing knowledge, in which studies by Peppard, 2000; , Freeland, 2003; Stefanou et al, 2003; Stringfellow et al, 2004, Yim et al, 2004; Plessis and Boon, 2004; Brohman et al, 2003, examined how customer information is effectively transformed into customer knowledge and disseminated across the organisational hierarchy, thereby equipping salespeople with better understanding of customers' requirements and

(d) Adopting CRM-based technology. Butler, 2000; Peppard, 2000; Vrechopoulos, 2004; Widmier et al, 2002 examined how service providers optimized communication with customers for accurate service delivery with back-up and supportive information,

managing customer-knowledge by data warehousing and data mining and providing customized services.

However, there has been little research in identifying these CRM dimensions in the context of the tourism industry. Jain and Jain (2006) delved into CRM practices of hotels in central India to measure their effectiveness against factors like: value proposition, recognition, customer orientation, reliability, relationship orientation, credibility, customization, personalization and gestures. They argued that the tourism sector service providers can adopt a CRM philosophy to create a more proactive way of predicting the changing line of customer demands so they can customize their service offerings with adequate differentiation. CRM can prove to be an effective contributor to enhance perception of service quality.

Service quality has been recognised as a critical prerequisite and determinant of competitiveness for establishing and sustaining long-term satisfying relationships with customers (Coyles and Gokey, 2002; Choi et al, 2004, Ojo, 2010). A number of studies revealed the global attributes of services that significantly contribute to quality assessments in conventional service environment (Gronroos, 1982, 1984; Parasuraman et al., 1985, 1988). Studies to investigate the enhancement of service quality include those by Yavas et.al., 1997, Rust and Zahorik, 1993; Cronin and Taylor, 1992, 1994; Buttle, 1996; Crosby and Stephens, 1987; Parasuraman et.al. 1988; Kearns and Nadler, 1992; Avkiran, 1994; Julian and Ramaseshan, 1994; Lewis, 1989; Llosa et.al., 1998. In particular, the study of service quality pioneered by Parasuraman, Zeithaml and Berry (PZB), 1985, developed the gaps framework followed by its related SERVQUAL instrument in 1988 (Parasuraman, Zeithaml and Berry [PZB] 1985, 1988, 1991). Other researchers have highlighted the independent effect of perceptions on service quality evaluations and have questioned the use of disconfirmation paradigm as the basis for the assessment of service quality (Carman, 1990; Bolton & Drew 1991a, Babakus & Boller, 1992; Cronin & Taylor, 1992. Baker and Crompton (2000) observed that the literature related to quality in the tourism and allied sectors dates back to the early 1960's. Over the years researchers have made various attempts to make sense of how tourists evaluate the quality of services they receive while touring to specific tourist destinations. (Atilgan, Akinci, & Aksoy, 2003; Baker & Crompton, 2000; Chadee & Mattsson, 1996; Frochot, 2004; Hudson, Hudson, & Miller, 2004; Vogt & Fesenmaier, 1995; Weirmair & Fuchs, 1999), tour operator and travel agency quality (Ryan & Cliff, 1997), hotel and its hospitality quality (Suh, Lee, Park, & Shin, 1997) etc. Frochot

(2004) pointed out that given the nature of service, the evaluation of its quality is quite complex. Vijayadurai (2008) identified service quality factors in the hospitality industry and assumed them to be critical in creating loyal visitors who will return to the destination and recommend it to others (Tian-Cole & Crompton, 2003). Pawitra and Tan (2003) used SERVQUAL in order to analyse the destination image of Singapore from the perspective of tourists from Indonesia and noted the need to modify the measuring instrument to ensure that the data reflect the unique attributes provided by the destination. Atilgan et al. (2003) suggest that cultural characteristics have an effect on perceptions of service quality in tourism and found that different cultural groups can have different levels of expectations and perceptions in terms of service-quality dimensions. Tourist satisfaction can be obtained by assessing the gap between predicted and perceived service. Service quality has been recognized as an antecedent to tourist satisfaction (Suki, 2013, Canny and Hidayat, 2012). Dmitrovic et al (2009), observed that tourist satisfaction is a result of sequential interrelated consequences starting with destination image through to perceived service quality and value. Oliver (1981) claimed that tourist satisfaction can be seen as tourists' post-purchase evaluation of the destination. In many studies, satisfaction was distinguished as an antecedent of loyalty (Kozak, 2001; Jang & Feng, 2006). Oppermann (2000) stated that studies on tourist satisfaction and destination loyalty have not been thoroughly investigated, Chi and Qu (2008, p. 624) claimed tourist satisfaction is critical to profitability. Although measuring tourist satisfaction is not simple, several studies have been conducted to examine the influence of customer satisfaction on loyalty (Gummesson, 1993; Anderson and Fornell, 1994; Um et al., 2006; Hui et al., 2007). Gotlieb et al. (1994) asserted that positive satisfaction had positive influence on tourists' repurchase intention. Similarly, Baker & Crompton (2000); Petrick et al. (2001), and Jang & Feng (2006) highlighted that satisfaction is the primary antecedent of revisit intention.

Importantly, there is an agreement among several scholars that satisfaction provided a ground for revisit and positive word of mouth recommendations which are the indicators of loyalty (e.g. Kozak & Rimmington, 2000; Yoon & Uysal 2005; Chi and Qu, 2008). Kozak (2001) pointed that the level of satisfaction is one of the most dominant variables in explaining revisit intention. Accordingly, in tourism destination's researches, it has been widely underlined that tourist satisfaction, loyalty and revisit intention are inter-related. (eg. Yoon & Uysal, 2005; Awadzi & Panda, 2007). However, a few studies discovered the lack of a positive relationship between tourist satisfaction and revisit intention (e.g. Um et al., 2006).

In tourist destination researches (e.g. Oliver, 1997; Yoon & Uysal 2005), tourist satisfaction has been measured by different items such as overall satisfaction, performance, expectation, and positive recommendation. Notably, Chi and Qu (2008) maintained loyalty to be a better predictor of actual behavior compared to satisfaction. In this respect, Chen and Tsai (2007) conclude that a key effect of tourist satisfaction that influences tourism intentions for revisit both in short and long term is loyalty to the destination.

Researchers have pointed out that the relationship between tourist satisfaction and destination loyalty (Chi and Qu, 2008; Yoon and Uysal, 2005) goes beyond revisit intention but also includes advocacy (Bigne et al, 2009; Murray and Howat, 2002; Yoon and Uysal, 2005). Destination loyalty has been highlighted as one of the most important subjects in tourism researches. In many studies, revisit intention and positive word of mouth recommendation are noted as indicators of loyalty (e.g. Yoon & Uysal 2005; Chi and Qu, 2008). Several studies have attempted to identify major antecedents of revisit intention including satisfaction (Petrick et al., 2001; Kozak 2001), novelty seeking (Jang & Feng, 2007), image (Chi & QU, 2008), motivation and satisfaction (Yoon & Usal, 2005), safety (Chen & Gursoy, 2001), overall satisfaction (Campo-Martinez et al. 2010), cultural difference (Chen & Gursoy, 2001), perceived value (Petrick et al., 2001), past vacation experience (Kozak, 2001), and the like. In this regard, notably, Jang and Feng (2007) asserted that even though the extent of research finding is well focused on determinants of repeat visit intention, it can be contested that understanding tourists' revisit intention and their behavior remains limited. Revisit intention has also been focused as an important issue from the economic perspective in tourism studies (e.g. Darnell & Johnson, 2001). Hsu et al. (2008) observed that preserving the loyalty of an established customer is a crucial contributor to the achievement and profitability of business. Accordingly, the main reason why researchers should consider revisit intention is the fact that "globalization of markets, competitive pressure, brand multiplication and, above all, the ever-changing lifestyles and consumer behavior have forced companies to develop strategies to keep their clients and create consumer loyalty programs" (Flambard-Ruaud, 2005), particularly in the tourism industry.

2.1 Research gap identified

The review of literature led to the assessment that there is a dearth of academic inputs emphasizing the moderating impact of CRM dimensions on perceived service quality-tourist satisfaction-destination loyalty relationship. Research has been also inconclusive on the dimensions of CRM relevant to the tourism industry

2.2. Formulation of hypotheses

Based on the review of literature this paper attempts empirically to explore possible linkages among the variables of perceived tourist service quality (PTSQ), tourist satisfaction (TS) and destination loyalty (DL) with the probable moderating impact of CRM dimensions (CRMD) on PTSQ, TS and DL link.

Accordingly it is hypothesized that,

H₁: Tourist satisfaction (TS) is dependent on perceived tourist service quality (PTSQ).

H₂: Destination loyalty (DL) is influenced by tourist satisfaction (TS).

H₃: Destination loyalty (DL) is dependent on combined impact of perceived tourist service quality (PTSQ) and tourist satisfaction (TS).

H₄: Better performance of CRM dimensions (CRMD) will have stronger impact of perceived tourist service quality (PTSQ) on tourist satisfaction (TS) and vice versa.

H₅: Better performance of CRM dimensions (CRMD) will have stronger tourist satisfaction (TS) on destination loyalty (DL) and vice versa.

H₆: Destination loyalty (DL) behaviour will be strengthened under the impact of CRM dimensions (CRMD), if perceived tourist service quality (PTSQ) and tourist satisfaction (TS) are high.

2.3 Proposed research model

Based on the literature reviewed and hypotheses formulated, the researchers would like to test the following research model (Figure 1) for robustness.

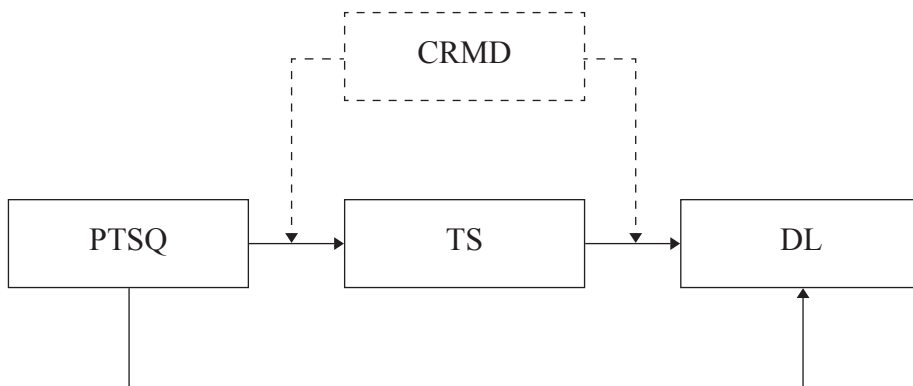


Figure 1: Research Model

(Legends description: PTSQ-Perceived tourist service quality, TS-Tourist satisfaction, DL-Destination loyalty, CRMD-CRM dimensions)

3. Methodology

The study was conducted in two phases. A structured questionnaire was developed to obtain the primary data. Phase-I involved a pilot study to refine the test instrument with rectification of question ambiguity, refinement of research protocol and confirmation of scale reliability. (Teijlingen and Hundley, 2001). 20 respondents representing tourists of assorted demography and academicians were included to conduct the pilot study through focus group interview technique. Cronbach's α coefficient (0.7) established scale reliability (Nunnally and Bernstein, 1994). The refined survey instrument had four sections. Section-I focused on tourists and it asked questions about tourists' expectation and perception of service quality offered by the service providers at Santiniketan. Section-II was designed to generate response from the tourists with regard to their level of satisfaction derived out of the services they were offered and allied elements. Section-III targeted tourist response in the context of destination loyalty. Section-IV was intended for the service providers whereby they were asked about the CRM practice they have deployed in integration with their service offerings

and Section-V attempted to collect the demographic profile of the tourists. A seven point Likert scale (Alkibisi and Lind, 2011) was used to capture response.

The second phase of the cross-sectional study was conducted by using a structured questionnaire which was distributed amongst 2000 tourists who visited Santiniketan on the eve of Pous Mela (December 23rd to 26th, 2012), Basantotsav (March, 8th to March 10th, 2012) and on other occasions in the year 2012. Systematic random sampling technique was administered, from the list of tourist-occupants in the hotels and resorts in Santiniketan, whereby every 5th tourist from the list was approached to complete the questionnaire. A total number of 1558 usable responses were generated out of 2000 questionnaires used for the tourists, giving a response rate of 78.00% (approximately). For the section-IV of the questionnaire, service employees of the rank of managers, relationship executives etc. were interviewed. As many as 179 personnel associated with assorted tourism services in Santiniketan were interviewed.

3.1 Factor constructs measurement

To develop a measure for perception of service quality the SERVQUAL scale developed by Zeithaml, Parasuraman and Malhotra (2005) was used with adequate modification to suit responses with regard to tourist services. Respondents' perception of satisfaction was measured using the items developed by Weiermair and Fuchs, 1999 and Fuchs and Weiermair, 2003. Revisit intention and tourist referrals (advocacy) made up the destination loyalty indices (Taylor, 1998; Oh and Parks, 1997; Oh, 2000). The CRM dimensions were scaled on 20 items developed by Yim et al (2004).

3.2 Reliability and validity

Exploratory factor analysis (EFA) was deployed using principal axis factoring procedure with orthogonal rotation through VARIMAX process with an objective to assess the internal reliability of all factor constructs and to understand the factor loadings/cross loadings across components. Cronbach's α was obtained to test the reliability of the data, Kaiser-Meyer-Olkin (KMO) was done for sample adequacy and Barlett's sphericity test was conducted. Cronbach's α coefficient (0.7) established scale reliability (Nunnally and Bernstein, 1994). The scales used in this study were adapted from established existing measures that have been applied and validated in numerous tourism studies. In addition, the validity of the measurement scales was also

assessed via the confirmatory factor analysis. The convergent validity of the scales were measured by tests of composite reliability (CR) and average variance extracted (AVE). Higher CR and AVE values indicate higher convergent reliability of the measurement. The Discriminant validity is established when the AVE values exceed the square of the correlations between each pair of latent constructs (Fornell and Larcker, 1981).

Finally, LISREL 8.80 programme was used to conduct the Structural Equation Modeling (SEM) and Maximum Likelihood Estimation (MLE) was applied to estimate the CFA models.

4. Data analysis and interpretation

The demographic data obtained were tabulated in Table-1:

Table-1: Demographic data of the respondents

Demographic Variables	Factors	Frequency	%
Gender	Male	934	59.95%
	Female	624	40.05%
Age	≤ 21 years	12	0.77%
	22-32 years	579	37.16%
	33-43 years	678	43.52%
	44-54 years	199	12.77%
	≥ 55 years	90	5.78%
Income	≤ Rs. 14999.00	21	1.35%
	Rs. 15000-Rs. 24999.00	641	41.14%
	Rs. 25000-Rs. 44999.00	567	36.39%
	≥ Rs. 45000.00	329	21.12%
Occupation	Service [govt./prv]	829	53.21%
	Self employed	429	27.54%
	Professionals	131	8.41%
	Student	44	2.82%
	Housewives	61	3.92%
	Others [retd., VRS etc]	64	4.11%
Educational qualification	High school	21	1.35%
	Graduate	939	60.27%
	Postgraduate	476	30.55%
	Doctorate & others (CA, fellow etc)	122	7.83%

Exploratory factor analysis (EFA) was applied to assess the reliability and validity of the constructs using principal axis factoring procedure with orthogonal rotation through VARIMAX process. The results of the EFA were displayed in Table-2. The Cronbach's Coefficient alpha was found significant enough, as it measured 0.7 (Nunnally and Bernstein, 1994) for all constructs and therefore it is reasonable to conclude that the internal consistency of the instruments used were adequate. Each accepted construct displayed acceptable construct reliability with estimates well over .6 (Hair, Anderson, Tatham and William, 1998). Further to this the average variance extracted (AVE) surpassed minimum requirement of 0.5 (Haier et al., 1998). The KMO measure of sample adequacy (0.917) indicated a high-shared variance and a relatively low uniqueness in variance (Kaiser and Cerny, 1979). Barlett's sphericity test (Chi-square=1043.098, p0.001) indicated that the distribution is ellipsoid and amenable to data reduction (Cooper and Schindler, 1998).

Table-2: Measurement of reliability and validity of the variables

Items	FL	t	α	AVE
Perceived Tourist Service Quality (PTSQ)				
Physical infrastructures of tourism service providers at Santiniketan are updated. (PTSQ1)	0.741	26.919	.919	0.887
Physical facilities of tourism service providers at Santiniketan are visually appealing. (PTSQ2)	0.730	25.098	.919	0.887
The service employees representing the tourism service providers are smart in their appearance. (PTSQ3)	0.709	20.221	.919	0.887
The tourism service providers at Santiniketan operate at convenient hours. (PTSQ4)	0.722	24.883	.919	0.887
The tourism service providers at Santiniketan are easy to access. (PTSQ5)	0.699	18.006	.919	0.887
The service employees representing the tourism service providers pay individual attention to tourists. (PTSQ6)	0.709	20.221	.919	0.887
Services are provided to the tourists when committed by the tourism service providers. (PTSQ7)	0.678	16.882	.919	0.887
The tourism service providers at Santiniketan are conveniently located. (PTSQ8)	0.691	19.672	.919	0.887

Physical ambience of the premise of the tourism service providers touches the heart. (PTSQ9)	0.683	17.265	.919	0.887
Value proposition of the services are adequate to justify the benefit versus the sacrifices made. (PTSQ10)	0.702	18.487	.919	0.887
The tourism service providers at Santiniketan are providing the first time service right. (PTSQ11)	0.719	23.921	.919	0.887
The ambience of the tourist venues is rich in aesthetics, culture and ethnicity. (PTSQ12)	0.688	17.731	.919	0.887
The tourist spots are rich in greenery and have minimum level of pollution. (PTSQ13)	0.727	26.001	.919	0.887
A number of well distinguished tourist spots are identifiable and accessible (PTSQ14)	0.719	24.911	.919	0.887
The cultural and ethnic events provide opportunity to absorb the warmth of destination. (PTSQ15)	0.691	19.672	.919	0.887
Santiniketan, as a tourist destination, is free from undesirable disturbances. (PTSQ16)	0.682	17.264	.919	0.887
Local administration of Santiniketan takes well care of problems if reported. (PTSQ17)	0.725	25.812	.919	0.887
Local people of Santiniketan are quite amicable and are ready to help if required. (PTSQ18)	0.713	23.091	.919	0.887
Tourist satisfaction (TS)				
I am satisfied with the lodging facilities provided by my service provider at Santiniketan. (TS1).	0.761	25.501	.904	0.879
I am satisfied with the dining facilities, covering variety of cuisine, quality, price, cleanliness, presentation, taste and convenience. (TS2).	0.742	26.113	.904	0.879
I am satisfied with the shopping opportunity of the tourist destinations in Santiniketan. (TS3)	0.789	27.815	.904	0.879
I am satisfied with the destination attractions namely cultural, ethnic, scenic, and historical attractions. (TS4)	0.817	32.298	.904	0.879
I am satisfied with the activities and events of Santiniketan namely <i>Pous Mela</i> , <i>Basantotsav</i> , <i>Baitalik</i> , and local cultural programmes. (TS5)	0.802	29.656	.904	0.879

I am satisfied with the general environment of Santiniketan pertaining to safety & security, cleanliness, peaceful atmosphere etc. (TS6)	0.799	29.003	.904	0.879
I am satisfied with the accessibility of services at my tourist destination in terms of transportation, hospitality, logistics, parking, banking etc. (TS7)	0.771	26.382	.904	0.879
Destination loyalty (DL)				
I shall definitely revisit Santiniketan. (DL1).	0.718	26.442	.922	0.893
I shall promote Santiniketan as an excellent tourist destination amongst my friends, colleagues, relatives and other associates (DL2)	0.701	24.052	.922	0.893
Customer Relationship Management dimensions (CRMD)				
Our organisation establishes and monitors customer-centric performance standards at all customer touch points (CRMD1)	0.699	22.981	.918	0.851
Our organisation has established clear business goals related to customer acquisition, development, retention and reactivation. (CRMD2)	0.687	21.087	.918	0.851
Our organisation has the sales and marketing expertise and resources to succeed in CRM (CRMD3)	0.671	19.001	.918	0.851
Our employee training programme has been designed to develop the skills required for acquiring and deepening customer relationships. (CRMD4)	0.718	25.671	.918	0.874
Employee performance is measured and rewarded based on meeting customer needs and on successfully serving the customer. (CRMD5)	0.679	18.762	.918	0.874
Our organisational structure has been designed to foster customer centricity. (CRMD6)	0.681	19.002	.918	0.874
Our organisation commits time and resources to manage customer relationships. (CRMD7)	0.669	17.401	.918	0.874
Our organisation has apt softwares to serve our customers. (CRMD8)	0.652	15.204	.918	0.874

Our organisation has required hardwares to serve our customers. (CRMD9)	0.672	18.110	.918	0.874
Our organisation has the proper technical personnel to provide technical support to our CRM executives. (CRMD10)	0.691	20.028	.918	0.874
Our organisation maintains a comprehensive database of our customers. (CRMD11)	0.701	22.918	.918	0.874
Individual customer information is available at every point of contact (CRMD12)	0.684	19.278	.918	0.874
Our organisation provides customized services to our key customers. (CRMD13)	0.714	23.34	.918	
Our organisation communicates with key customers to customize our offerings on demand. (CRMD14)	0.698	19.79	.918	
Our organisation makes an effort to find out what the key customer requirements are (CRMD15)	0.683	18.26	.918	
Our employees make coordinated efforts to deliver customize service once a customer places a demand for such service (CRMD16)	0.701	20.89	.918	
Each and every employee of our organisation treats customers with great care. (CRMD17)	0.699	20.01	.918	
Our organisation provides channels to enable ongoing two-way communication between our key customers and us. (CRMD18)	0.724	24.01	.918	
Our customers can expect exactly when services will be performed (CRMD19)	0.691	20.19	.918	
Our organisation fully understands the requirements of our key customers and us. (CRMD20)	0.682	18.29	.918	
KMO	0.917			
Chi-square (χ^2)	1043.098			

** FL: factor loadings, t: t-value, α : Cronbach's α , AVE: average variance extracted

The dimensions of perceived tourist service quality (PTSQ) and CRM have been nomenclatured as per the componentwise factor loadings in Table-3.

Table-3: Dimensions of PTSQ and CRM

Sl. No.	Variable	Items as per factor loadings post EFA	Dimension name
1	Perceived Tourist Service Quality (PTSQ)	PTSQ1, PTSQ2, PTSQ3, PTSQ9	Servicescape
2		PTSQ4, PTSQ5, PTSQ8	Accessibility
3		PTSQ6, PTSQ7, PTSQ10, PTSQ11	Reliability
4		PTSQ12, PTSQ13, PTSQ14, PTSQ15	Ethnicity
5		PTSQ16, PTSQ17, PTSQ18	Hospitality
6	Customer Relationship Management	CRMD1 – CRMD7	Organizing around CRM
7		CRMD8 – CRMD12	Integrating CRM technology
8		CRMD13 – CRMD17	Key customer focus
9		CRMD18 – CRMD20	Managing knowledge

To test correlationship between perceived tourist service quality (PTSQ), tourist satisfaction (TS) and destination loyalty, bivariate correlation was deployed. The mean response score was obtained for each of the variable across the items loaded in EFA for each individual tourist and later on summated and averaged to obtain the composite mean score for each variable. The results of the bivariate correlation analysis were displayed in Table-4. The results displayed a strong and positive correlation between PTSQ and TS ($r=.701^{**}$, $p.001$), between TS and DL ($r=.642^{**}$, $p.001$) and between PTSQ and DL ($r=.630^{**}$, $p.001$).

Table-4: Bivariate correlation between perceived tourist service quality (PTSQ), tourist satisfaction (TS) and destination loyalty (DL)

		PTSQ	TS	DL
PTSQ	Pearson Correlation	1	.701**	.630**
	Sig. (2-tailed)		.000	.000
	Sum of Squares and Cross-products	57.662	48.634	43.817
	Covariance	.824	.695	.626
	N	71	71	71
TS	Pearson Correlation	.701**	1	.642**
	Sig. (2-tailed)	.000		.000
	Sum of Squares and Cross-products	48.634	83.437	53.718
	Covariance	.695	1.192	.767
	N	71	71	71
DL	Pearson Correlation	.630**	.642**	1
	Sig. (2-tailed)	.000	.000	
	Sum of Squares and Cross-products	43.817	53.718	83.859
	Covariance	.626	.767	1.198
	N	71	71	71

** Correlation significant at 0.01 level (2-tailed)

To assess the strength of association between PTSQ and TS and to understand the predictive capability PTSQ to predict TS, regression analysis was used. The results of the regression analysis were presented in Table-5a, 5b and 5c. The model summary revealed that the R^2 and adjusted R^2 values are .492 and .484 respectively which indicate that PTSQ measures 49.20% of the variation in TS, which is considered to be significant enough for predictability of the model (Draper and Smith, 1998). The results of ANOVA established that the variation showed by PTSQ was significant at 1% level ($f=66.725$, $p=.001$). The standardised regression coefficient results confirmed that the predictive capacity of PTSQ to predict the degree of TS has statistical significance ($\beta=.701$, $t=8.169$, $p=.001$). The results of regression analysis lend support to H_{1i} .

Table-5a: Model summary (Regression between PTSQ and TS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.701 ^a	.492	.484	.65180	.492	66.725	1	69	.000	1.773

Predictors: (Constant) PTSQ

Dependent variable: TS

Table-5b: ANOVA (Regression between PTSQ and TS)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.348	1	28.348	66.725	.000 ^b
	Residual	29.314	69	.425		
	Total	57.662	70			

Dependent variable: TS

Predictors: (Constant) PTSQ

Table-5c: Regression coefficients (Regression between PTSQ and TS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.517	.147		3.526	.001		
	TS	.583	.071	.701	8.169	.000	1.000	1.000

Dependent variable: TS

The second regression was applied to test H_2 . The results displayed in Table-6a, 6b and 6c assured that TS measures 41.20% ($R^2=.412$) of the variation in DL, which is considered to be significant enough for predictability of the model (Draper and Smith, 1998) which was confirmed by the results of ANOVA at 1% level ($f=48.430$, $p.001$). The standardised regression coefficient results confirmed that TS to be a significant predictor of DL ($\beta=.642$, $t=6.959$, $p.001$). The results of regression analysis lend support to H_2 .

Table-6a: Model summary (Regression between TS and DL)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.642 ^a	.412	.404	.84506	.412	48.430	1	69	.000	1.511

Predictors: (Constant) TS

Dependent variable: DL

Table-6b: ANOVA (Regression between TS and DL)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.585	1	34.585	48.430	.000 ^b
	Residual	49.274	69	.714		
	Total	83.859	70			

Dependent variable: DL

Predictors: (Constant) TS

Table-6c: Regression coefficients (Regression between TS and DL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.749	.190		3.938	.000		
	TS	.644	.093	.642	6.959	.000	1.000	1.000

Dependent variable: DL

To examine the combined impact of PTSQ and TS (H_3) on DL, multiple regression analysis was applied, the results of which were displayed in Table-7a, 7b and 7c. The results confirmed that the combined impact of PTSQ and TS measures 47.6% of variation in DL, considered to be adequate (Draper and Smith, 1998) and the results of ANOVA at 1% level ($f=30.890$, $p=.001$) reinforces the same. The standardised regression coefficient results confirmed that PTSQ and TS to be a significant combined-predictor of DL ($\beta=.354$, $t=2.873$, $p\leq.005$, $\beta=.394$, $t=3.202$, $p=.005$). The results of regression analysis lend support to H_3 .

Table-7a: Model summary (Regression between PTSQ+TS and DL)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.690 ^a	.476	.461	.80384	.476	30.890	2	68	.000	1.652

Predictors: (Constant) PTSQ, TS

Dependent variable: DL

Table-7b: ANOVA (Regression between PTSQ+TS and DL)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39.920	2	19.960	30.890	.000 ^b
	Residual	43.939	68	.646		
	Total	83.859	70			

Dependent variable: DL

Predictors: (Constant) PTSQ, TS

Table-7c: Regression coefficients (Regression between PTSQ+TS and DL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.528	.197		2.688	.009		
	PTSQ	.427	.148	.354	2.873	.005	.508	1.967
	TS	.395	.123	.394	3.202	.002	.508	1.967

Dependent variable: DL

Hierarchical regression analysis was deployed by considering the average (mean) values of the variables (across the items) to understand the direct and the mediating effects of CRMD on PTSQ-TS link and TS-DL link. For providing empirical evidence to our hypotheses, we proposed an ordinary least square (OLS) regression for our dependent variables TS and DL. The following models were constructed:

- (i) $TS = \beta_0 + \beta_1 * PTSQ + \beta_2 * CRMD + \beta_3 * PTSQ * CRMD + \varepsilon_i$
- (ii) $DL = \beta_0 + \beta_1 * TS + \beta_2 * CRMD + \beta_3 * TS * CRMD + \varepsilon_i$
- (iii) $DL = \beta_0 + \beta_1 * TS + \beta_2 * PTSQ + \beta_3 * CRMD + \beta_4 * TS * PTSQ + \beta_5 * PTSQ * CRMD + \beta_6 * TS * CRMD + \beta_7 * PTSQ * TS * CRMD + \varepsilon_i$

The regression models were displayed in Table-8. Three models were generated. Model 1 depicted the direct effects, model 2 represented the binary interaction and model 3 portrayed the ternary interaction between variables. Standardization was applied to avoid interference with regression coefficients arising out of multicollinearity between interaction variables (Irwin and McClellan, 2001; Aiken and West, 1991). The VIF (variance inflation factor) corresponding to each independent variable is less than 5, indicating that VIF is well within acceptable limit of 10 (Ranaweera and Neely, 2003). Results of Model-1 revealed that PTSQ is significantly predictive for TS ($\beta = .701$, $t=8.169$, $p<0.01$) while the direct effect of CRMD on TS was also found to be significant ($\beta = .547$, $t=5.434$, $p<0.01$). Model-1 further revealed that TS can significantly be associated with DL and that TS has the predicting capacity to predict DL ($\beta = .642$, $t=6.959$, $p<0.01$). CRMD was also found to be predictive of DL ($\beta = .547$, $t=5.434$, $p<0.01$) and so was PTSQ ($\beta = .354$, $t=2.873$, $p<0.05$). Results of Model-1 reinforced support to H_1 , H_2 , and H_3 . The binary interaction between CRMD and PTSQ (Model-2) indicated that with the increase in CRMD performance the impact of PTSQ on TS increases significantly ($\beta = .284$, $t=3.107$, $p<0.05$) while the binary interaction between CRMD and TS assured that better performance of CRMDs will augment the impact of TS on DL ($\beta = .553$, $t=6.252$, $p<0.01$). Model-2 also revealed that an increased PTSQ will register a profound effect of TS on DL ($\beta = .312$, $t=3.981$, $p<0.01$). Results of Model-2 supported to H_4 and H_5 . Model 3 revealed the ternary interaction whereby it was established that DL behaviour will be strengthened under moderating effects of CRMD if PTSQ and TS are perceived to be high ($\beta = .491$, $t=4.871$, $p<0.01$). Model-4 reassured H_4 and H_5 and supported H_6 .

Table-8: Hierarchical regression results

Independent Variables	Dependent variable-TS, Independent variable-PTSQ, Moderating variable-CRMD			
	Model-1 β / t /Sig.	Model-2 β /t/Sig.	Model-3 β /t/Sig.	VIF
PTSQ	.701/8.169/.000			1.463
CRMD	.547/5.434/.000			1.341
Binary interaction effects				
PTSQ*CRMD		.284/3.107/.003		1.671
R ²	.492	.555		
Adjusted R ²	.484	.542		
F-value	66.725	42.374		
Sig.	.000	.000		
Dependent variable-DL, Independent variable: TS, Moderating variable-CRMD				
TS	.642/6.959/.000			1.225
CRMD	.739/9.115/.000			1.398
Binary interaction effects				
TS*CRMD		.553/6.252/.000		1.879
R ²	.412	.627		
Adjusted R ²	.404	.616		
F-value	48.430	57.121		
Sig.	.000	.000		
Dependent variable-DL, Independent variable: PTSQ & TS, Moderating variable-CRMD				
PTSQ	.354/2.873/.005			1.401
TS	.642/6.959/.000			1.225
CRMD	.739/9.115/.000			1.398
Binary interaction effects				
PTSQ*TS		.312/3.981/.001		1.562
PTSQ*CRMD		.284/3.107/.003		1.671
TS*CRMD		.553/6.252/.000		1.879
Ternary interaction effects				
PTSQ*TS*CRMD			.491/4.871/.001	1.273
R ²	.412	.476	.664	
Adjusted R ²	.404	.461	.649	
F-value	48.430	30.890	44.121	
Sig.	.000	.000	.000	

a. Dependent variable: TS, DL

b. Independent variable: PTSQ, TS

c. Moderating variable: CRMD

Confirmatory factor analysis (CFA) was applied to assess the convergence, discriminant validity and dimensionality for each construct to determine whether all the 47 items (Table-2) measure the construct adequately as they had been assigned for. LISREL 9.90 programme was used to conduct the Structural Equation Modeling (SEM) and Maximum Likelihood Estimation (MLE) was applied to estimate the CFA models. A number of fit-statistics were obtained (Table-9) for the default (proposed) model. The comparative fit indices namely CFI (0.981), NFI (0.991) and TLI (0.973) were found significant enough to accept the fitness of the default (proposed) model (Schreiber et al, 2006). The Parsimonious fit indices (PNFI=0.697, PCFI=0.781, PGFI=0.713) also confirmed robustness of the model and indicated an absolute fit (Schreiber et al, 2006). The GFI (0.979) and AGFI (0.974) scores for all the constructs were found to be consistently .900 indicating that a significant proportion of the variance in the sample variance-covariance matrix is accounted for by the model and a good fit has been achieved (Hair et al, 1998; Baumgartner and Homburg, 1996; Hulland et. al, 1996; Kline, 1998; Holmes-Smith, 2002, Byrne, 2001). The CFI value (0.981) for all the constructs were obtained as .900 which indicated an acceptable fit to the data (Bentler, 1992). The expected cross-validation index was found to be small enough (ECVI=0.0026) to confirm the superiority of the default model to the saturated and independence model. The RMSEA value obtained (0.049) is 0.08 for an adequate model fit (Hu and Bentler, 1999). The RMR value (0.003) is small enough (close to 0.00) to assure a robust-fit of the model. The SRMR value was also indicative of good fit (0.0302 which is $\leq .08$) (Schreiber et al, 2006, Anglim, 2007). The probability value of Chi-square ($\chi^2=176.16$, $df=89$, $p=0.000$) is more than the conventional 0.05 level ($P=0.02$) indicating an absolute fit of the model to the data and the χ^2/df value is ≤ 2 (1.97) suggesting its usefulness to justify the default model as the nested model.

Table-9: Fit indices for the default model

Absolute predictive fit				Comparative fit			Parsimonious fit			Others				
χ^2	Df	P	ECVI	NFI	TLI	CFI	PNFI	PCFI	PGFI	GFI	AGFI	RMR	SRMR	RMSEA
176.16	89	0.02	0.0026	0.991	0.973	0.981	0.697	0.781	0.713	0.979	0.974	0.003	0.0302	0.049

To construct the nomological network structural equation modeling (SEM) was used to test the nomological validity of the proposed research model. Composite PTSQ, TS, DL and CRMD scores across individual items were obtained by summing

the ratings on the scale provided in the survey instrument items which were used as indicators of their latent version.

Structural Equation Modeling (SEM) was used to test the relationship among the constructs. All the 17 paths (including direct and indirect effects) and 3 paths (depicting moderating effects) drawn were found to be significant at both p0.01 and p0.05 levels. The research model holds well (Fig.2) as the fit-indices supported adequately the model fit to the data. The double-curved arrows indicated correlation between the exogenous and endogenous observed variables which was found significant. The residual variables (error variances) are indicated by $\epsilon_1, \epsilon_2, \epsilon_3$, etc. The regression weights are represented by λ . The relationship between the exogenous variables was represented by β . One of the factor loading was fixed to '1' to provide the latent factors an interpretable scale (Hox & Bechger). The direct and indirect effects of the constructs were calculated and tabulated in Table-10. Since there was an absence of indirect non-causal effect, model respecification was not required (Hair et al, 2010)

Table-10: Direct, indirect and total effects of independent variables on dependent variables

Relationship	Effects			
	Direct (causal)	Indirect (causal)	Indirect (non-causal)	Total
PTSQ \longrightarrow TS	0.95			0.95
TS \longrightarrow DL	0.93			0.93
PTSQ \longrightarrow DL	0.89			0.89
PTSQ \longrightarrow TS \longrightarrow DL		0.88 (0.95*0.93)		0.88

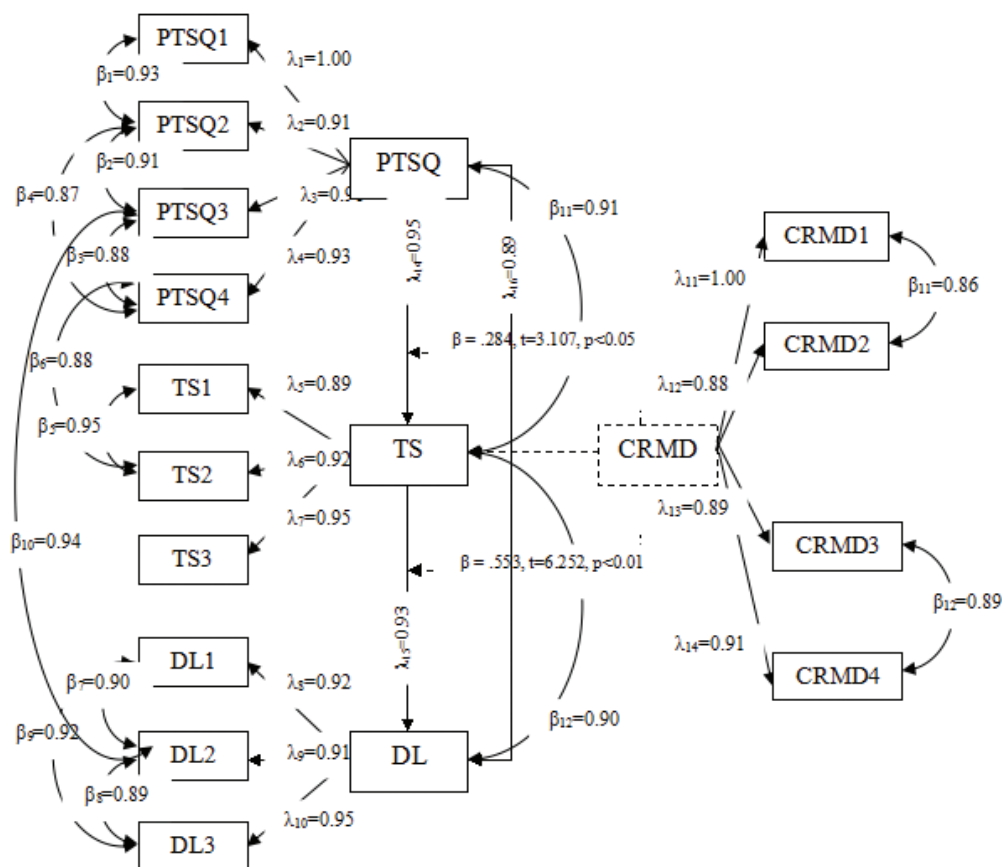


Figure 2: Structural model showing the path analysis

\rightarrow : indicates moderating effects

5. Implications for theories and practice

The study will expand the research domain and shall contribute to the extant literature by providing the intervening effects of CRM while linking perceived tourist service quality, tourist satisfaction and destination loyalty. Further to this, the study reinforces the applicability and integration of CRM dimensions (Yim et al, 2004) with the functional and behavioural modalities of tourism industry. The moderating effects of CRM on PTSQ and TS, TS and DL and on the link PTSQ-TS-DL opens up new research frontiers whereby additional exploration to the dimensional impact of CRM on sectoral tourist behaviours can be analysed. Existing literature emphasized the role of tourist service quality towards influencing tourist satisfaction by using the

conventional dimensions of SERVQUAL. The service quality dimensions identified in this study may be tested for its robustness, but it definitely provides researchers with scope to identify ethnicity, hospitality and servicescape as significant and critical quality dimensions for indigenous and aborigin tourism.

The tourism phenomenon in Santiniketan is not new, but it has changed its dynamics with the rapid change in demographic, psychographic, cultural and ethnic factors. With the communication system to the destination improving by leaps and bounds the influx of tourist has also increased. The increased flow of both domestic and foreign tourists forced a complete metamorphosis of the hospitality and tourism map of Santiniketan. The hotels, restaurants, tour-arrangers and other down-the-line service providers underwent a serious make-over as they updated themselves to meet the specific demand and quality perception of both domestic and foreign tourists. Technology has played a pivotal role towards allowing the tourists to avail access and assess services on virtual platform. The results ensured that the tourism services provided by the hoteliers, restaurateurs, logistic-service providers, tour-arrangers etc. at Santiniketan were up to tourist expectations. Perceived tourist service quality was seen as instrumental in assuring tourist satisfaction which in turn was found to have a positive effect on destination loyalty. Generally, tourists visiting Santiniketan on the occasion of cultural and ethnic events like Pous Mela, Basantotsav etc. found their experience satisfactory, in terms of service quality and they have expressed their intention of revisiting the destination and promoting the destination to other tourists. The Customer Relationship Management (CRM) practices initiated by the hoteliers, restaurateurs, logistic service providers and tour arrangers were found to be proactive. Tourists experienced what may be the outcome of a proper integration of strategy, people, process and technology such that personalised services were perceived to have been delivered with a human touch. The proposed research model also holds good as the model constructs fit the data thereby establishing a cause and effect relationship between the variables.

The results of the study have managerial implications. The tourism industry has brought about a changing rural demography of Santiniketan which may pose problems to the preservation of the cultural and ethnic heritage. The service-providers must take the opportunity to reassess the measures carried out to safeguard Santiniketan's rich heritage and at the same time offer updated technology based hassle-free service to the tourist. The study results can help to identify relevant CRM dimensions to provide the

service providers with adequate clues regarding their current status of service delivery and tourist interaction mechanism. Specifically these findings can be used as a scale to improve the status of the tourism industry.

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**“The customer’s perception
is your reality.”**

– Kate Zabriskie

Improving Brand Recognition of Australian Undergraduate Medical Schools: The Case for University of Tasmania

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Abstract

Budget cuts and increase in competition amongst Australian universities have changed the market environment for higher education. Australian medical schools have become more profit-driven to attract bright international students who are willing to pay a premium to gain a place in medical school. The University of Tasmania (UTAS), being geographically disadvantaged and less-known, faced high rates of rejection from their initial offers as brighter students tend to choose higher ranking medical schools on mainland Australia. As a result, despite being internationally recognized as a well-established medical school, UTAS is still faced with the problem of low numbers of high quality applicants and acceptances for its 5-year MBBS degree. This paper discusses the use of top down interpretive and bottom up inductive approaches to develop a qualitative causal model for a comparative analysis of the external and internal factors influencing preferred attributes and promotional strategies. The results can be used to derive practical recommendations for improving the brand recognition of UTAS.

Keywords: Marketing, Brand Recognition, Consumer Behaviour, Higher Education, Australian Medical Schools, Comparative Analysis

1. Introduction

International medical students usually make up approximately 20% of the total cohort in Australian medical schools, with the majority from Asia, notably Singapore and Malaysia. Medical schools are typically oversubscribed due to their prestige and the assured quality of their medical programmes that are accredited by the Australian Medical Council (Australian Medical Council 2014). Despite the high cost of study, medical schools do not face any shortage of applicants for their places. However, as more universities offer medical degrees, the challenge for non-top medical schools is to attract the brighter students as the latter are spoilt for choice (McManus 2002). International medical students pay a premium to study abroad and hence they tend to decide on the basis of value creation rather than based on needs (Pearman 2013). The University of Tasmania's School of Medicine (UTAS) faces high decline rates from their first round offers as brighter applicants tend to choose other medical schools over UTAS. In the face of stiff competition, branding is paramount.

2. Objectives of the study

The main objective of this study is to explore the influences of external environment and secular trends on enrollment into Australian medical schools, including the impact of consumer behavior on international students studying in Australian medical schools. Using comparative analyses, preferred attributes and promotional strategies can be determined to provide a basis for recommending the steps which UTAS can take to improve its brand recognition. Specifically this research seeks to achieve the following:

1. To understand the influence of external environment on attributes and promotional strategies of Australian medical schools.
2. To understand the influence of secular trends in medical education on attributes and promotional strategies of Australian medical schools.
3. To determine the impact of consumer behaviour on attributes and promotional strategies preferred by international students in UTAS and other undergraduate medical schools.

4. To compare the attributes and promotional strategies preferred by international students studying in UTAS and other Australian undergraduate medical schools.
5. To suggest a promotional mix strategy for UTAS to improve its brand recognition.

3. Research perspectives

This section provides a review of existing literature on the variables relevant to this research undertaking.

3.1 PEST analysis of Australian medical schools

Political

The current Abbott government recently sought to introduce policies to deregulate school fees across all Australian universities which would result in a 20% increase in tuition fees across all the university programmes (Knott 2014). Although the crux of this policy affects domestic students primarily, the move to cut funding to universities and deregulation of school fees will affect international students as well. International students pay approximately five times the tuition fees charged to local commonwealth supported students and 20% more than full fee domestic students (University of New South Wales 2014b), (University of Western Sydney 2014), (University of Tasmania 2014).

Since international students who study in Australia may want to return to their home countries to practice, international recognition of the medical degree is crucial. For example in Singapore, the medical degrees of only five out of eight undergraduate Australian universities (University of New South Wales, University of Newcastle, University of Adelaide, University of Monash and University of Tasmania) are recognised (MOH Holdings 2009).

Economic

The Australian dollar in recent years has strengthened considerably against the Singapore dollar – hitting as high as \$1.30 to \$1 Australian dollar in 2011 and 2012

(Lee, 2014). Table 1 shows the consumer price indices in major cities of Australia (NUMBEO 2014). Clearly the more expensive cities are Perth, Sydney and Melbourne. Comparatively, Hobart (where UTAS medical school is situated) is significantly more affordable in housing (rent index). For most students, rent accounts form a large part of their living expenses.

Table 1: Consumer price indices in major cities of Australia, 2014

City	Consumer price index	Rent index	Consumer price index plus rent index	Groceries index	Restaurant price index	Local purchasing power index
Darwin	122.6	65.26	94.64	123.98	120.38	87.46
Perth	111.89	59.09	86.14	102.16	111.43	107.95
Sydney	105.03	72	88.92	98.34	89	106.63
Melbourne	101.65	50.4	76.66	96.72	89.47	118.16
Adelaide	101.42	40.07	71.79	94.57	88.61	98.39
Canberra	100.97	56.82	79.44	95.41	89.58	135.29
Brisbane	100.73	49.88	75.94	96.84	93.53	97.64
Hobart	98.31	38.92	69.35	89.82	98.16	94.38
Wollongong	98.24	42.55	71.08	95.43	79.87	99.16
Gold Coast	96.39	41.7	69.72	90.04	91.32	121.1
Cairns	96.3	32.44	65.16	96.19	98.19	84.64

(Source: Numbeo, accessed on 2 December 2014)

Medical practitioners fall in the skilled occupation list, making doctors eligible for permanent immigration to Australia (Department of Immigration and Border Protection 2014). However, many graduating international medical students who wished to remain in Australia faced a variety of obstacles such as securing an internship (Australian Medical Students' Association 2014). As the number of internship places is lower than the number of graduating medical students, the State and Territory Governments introduced priority lists to allocate internships to some groups before others. In most States and Territories, international students were allocated positions after Australian citizens and permanent residents (Duckett & Ginnivan 2014). Those unable to secure positions would be forced offshore or return to their home countries to access prevocational training.

Social

Safety is of major concern for most parents when they send their children to study abroad. Compared to USA, Australia is perceived as a safe place for international students to stay and to study due to the lower crime and armed violence rates. (IDP Education 2014). Most major cities such as Adelaide, Sydney and Melbourne have sizeable Asian populations and large Chinatowns catering to both tourists and locals (ABS 2014a). Furthermore the larger Asian population facilitates the acceptance of international students who, at the same time, create more vibrancy in their culture and school life. Racism is becoming less prevalent and detrimental (Szoke 2012). Compared to the larger cities, Hobart in Tasmania has a significantly smaller Asian population. Hence Australian universities located in the bigger cities are more attractive to international students, with their more conducive socio-cultural environments, making it easier for them to assimilate to a more familiar environment.

Technology

83% of the Australia population use internet (ABS 2014b). Virtual classrooms and online portals are just some examples of how medical schools are using information and communications technology (ICT) as a way to enhance traditional classroom teaching. New technology provides additional platforms for promotional strategies such as through mobile applications on smart phones, social networks and YouTube channels amongst others. The use of technological devices is not only important in the classroom but also provides convenient forms of communication for international students to keep in contact with their families back in their countries of origin.

3.2 Secular trends in medical education

Medical education worldwide has seen a shift in emphasis from undergraduate medicine to graduate medicine (Roberts-Thomson, Kirchner & Wong 2010). As a result, more schools are offering Doctor of Medicine (MD) programmes.

Ranking

Reputable university rankings schemes, such as Times Higher Education World University Rankings and QS World University Rankings, are putting more emphasis on teaching, research and citations (Times Higher Education 2014). Asian students tend to be brand conscious and pay particular attention to a university's ranking

when making their study choices. (Chan 2012). Among Australian universities, the University of New South Wales (UNSW) has the highest ranking at 29th position, followed by Monash University (MU) at 33rd place (QS Top Universities 2014). These two schools are invariably more popular amongst international medical students, and usually receive more applications from the brighter students (with better grades).

Branding

Branding comprises a range of activities across the whole marketing mix, leading to a brand image that delivers a whole set of messages to the consumers about quality, price, expected performance and status (Blythe, Jim 2014). For example, the brand name of Harvard business school conveys an image of education and research excellence, good career prospects for graduates and networking opportunities among the elites of the business world. In most purchasing decisions, consumers make decisions based on brands already registered in their memory (Franzen & Bouwman 2001). Studies have found that in the competitive higher education market, creating an identity through branding is crucial (Bunzel 2007; Joseph, Mullen & Spake 2012).

MBBS to MD

In commonwealth countries, including Australia, Singapore and Malaysia, MD and MBBS are equally regarded (Singapore Medical Council 2013). The Australian Qualifications Framework (AQF) Council considers a duration of five to six years to complete a bachelor degree and a Master degree as a typical requirement of other university courses, comparable to the undergraduate entry medical course in Australia (Roberts-Thomson, Kirchner & Wong 2010). More universities now, including the University of Sydney and University of Melbourne, offer postgraduate MD programmes,. In 2013, UNSW became the first Australian university to provide an undergraduate entry level MD programme (University of New South Wales 2014a). It offers a competitive undergraduate-entry medical education programme over six years, the minimum period of study to qualify for an integrated Bachelor/MD qualification. Students who complete a Bachelor degree before enrolling in a graduate-entry medical school offering a MD qualification thus complete seven years of study to graduate with a medical qualification.

The introduction of integrated Bachelor/MD programmes threatens to create confusion, ultimately running the risk of creating a two-tiered system, and a divided profession (Roberts-Thomson, Kirchner & Wong 2010).

3.3 Consumer behavior

The study of consumer behavior examines the products and services consumers buy and use and how these purchases influence their daily lives (Noel 2009). Credibility and accreditation remain as priorities for international students (Ramirez 2014).

Consumer segmentation is important in understanding the consumer behavior of these students (Bock, Poole & Joseph 2014). Students make multiple applications, ranking their personal medical school preferences and accepting place offers accordingly. UTAS typically faced high rejection rates from first round offers made to students with outstanding results as many would choose to accept offers by other “higher ranked” universities’ (Cooling 2014).

Consumer behavior theory suggests that consumers will only be willing to pay a price for a product that is perceived to have a value equal to or more than the price (Blythe 2013). Affordability, social status, self-image and motivation highly point towards the cognitive and emotional value dimensions in consumer behaviour (Wiedmann, Hennigs & Siebels 2007).

3.4 Attributes of medical school

As there are no published, accessible prior studies investigating attributes of medical schools preferred by international students in Australia, this review refers to literature on international and private university students. Several studies found that these students preferred attributes such as reputation, quality education, programme, selectivity, personal interaction, technology, facilities, location and low cost (Joseph, Mullen & Spake 2012; Bock, Poole & Joseph 2014). However the homogeneity of Australian medical programmes poses a challenge for an established medical school such as UTAS to position itself through a unique selling proposition (USP) so that it can successfully compete against other medical schools.

Price

Joseph et al (2012). suggested that the cost of education is a significant selection criterion. Table 2 lists the tuition fees and duration for undergraduate medical degree programmes starting in 2015 in Australia.

Table 2: Indicative tuition fees of Australian undergraduate medical schools, 2015

University	Indicative annual tuition fees in 2015	Duration of course	Degree conferred
Monash University	\$65,400	5	MBBS
University of Adelaide	\$63,000	6	MBBS
University of New South Wales	\$59,520	6	MD
University of Western Sydney	\$53,520	5	MBBS
University of Tasmania	\$53,304	5	MBBS
Bond University	\$47,340	5	MBBS
University of Newcastle	\$47,160	5	BMed
James Cook University	\$39,000	5	MBBS

Product

Desired attributes of programmes and services include small class sizes, quality education, good student services and the use of the latest educational technology (Joseph et al, 2012). In addition to the four qualities above, is the issue of recognition. The Singapore Medical Council (Singapore Medical Council 2013) does not recognise medical degrees awarded by Bond University, University of Western Sydney and James Cook University. While the majority of the universities confer the MBBS degree, UNSW and University of Newcastle confer MD and BMed degrees respectively. Notably UNSW also offers medical students an intercalated year of medical research where fourth year medical students will take a year off to conduct clinical research and publish research papers (University of New South Wales 2014a). Research has received increased attention as medical students apply for highly competitive residency positions (IMG Residency Tips 2012). Although some other schools such as MU and UTAS also offer an additional elective year of biomedical research for their students, the uptake rate amongst international students is not high. Reasons cited include cost, eagerness to graduate and a general lack of research interest (Cooling 2014).

Place

Location, attractiveness of campus, friendly environment and housing are important factors for International students to consider (Joseph et al, 2012). Transport

and accessibility of campus are inarguably critical for international students. Students may prefer to stay near campus and training hospitals, especially if the long hours they spend on their studies meant having to stay up late.

People

Faculty staff and students play an extremely important role in strengthening the university brand (Baty 2013). Reputation is clearly a subjective indicator, but it is critical to attract top students and staff to engage in best collaborations and partnerships (World 100 Reputation Network 2013). Top academics are attracted to top ranking universities to leverage their personal profiles by attracting top research funds and prestigious partners (Baty 2013). After all, students seek for institutions that provide quality education and research findings from these academics. As part of their internationalisation efforts, MU partnered with academic establishments in India and China, giving them access to people and material resources that would not be possible in Australia alone (Baty 2013). In addition, the deep strategic alliances with local and multinational partners are turning the Group of Eight Universities in Australia into global universities (Group of Eight 2014).

Promotional strategies of medical schools

With the dramatic decrease in the federal budget to finance higher education, Australian universities will have to turn to revenue-generating activities to generate income to support their research and growth goals. Co-branding efforts between institutions have become an attractive option in higher education to attract students (Dalman 2013). A successful example is the International Medical University in Malaysia which partners international universities to offer twinning medical programmes (International Medical University Malaysia 2014). Local agents such as IDP education can also help to advertise partner institutions through higher education fairs and facilitate application and enrolment processes (IDP Education 2013).

The change in market strategy also saw some higher education institutions practise direct marketing in their recruiting practices and admission processes. Universities such as MU established Monash College in Malaysia to recruit students in Malaysia. It offers pre-university programmes as well as medical degrees which allow graduates to

study and work in Australia (Monash College 2014). Such practices have been criticized on the grounds that by operating like corporations instead of social institutions, these universities run the risk of diluting their brand image (Ramirez 2014). Universities therefore have to be creative in ensuring that they integrate marketing into every facet of an institution in such a way that they can create a stronger institution identity (Baty 2013).

With the increased influence of social media, universities are also advertising through Facebook and Twitter. There is an increasing trend of using staff and student to do personal selling for the universities. Word-of-mouth through friends and relatives are usually very influential (Brown 2007). Direct contact with university staff during selection interviews and open house visits also provide an opportunity for prospective students to concretise their impression of the school (Brown 2007).

3.5 Brand recognition for UTAS

Brand is a manifestation of the institution's features that distinguishes itself from others (Bennett and Ali-Choudhury, 2009). Firstly, material dimensions of the brand need to be established (Oswald 2012). University branding efforts are observable in the form of vision statements, visual designs, core values which seek to define the essence of the institution (Wæraas & Solbakk 2009). Identifying the target market is necessary to realise consumers' objectives by focusing on consumer's needs thereby strengthening a brand's effectiveness (Bock, Poole & Joseph 2014). Amongst international students, conveying status has its contextual significance and hence a good reputation is paramount (Ramirez 2014). A good brand delivers the value proposition clearly and is an instrument for improving competitiveness and reputation (Tybout & Carpenter 2010). Universities need to develop a competitive advantage based on a set of unique characteristics in an effective and consistent way to all its relevant stakeholders (Melawar & Akel 2006). Shahaida, Rajashekar and Nargundkar (2009) further added brand position and brand equity building by using a full repertoire of resources.

Brand recognition is also about building presence (Sorel 2014). Increasing visibility increases chances of recall. This would require communication with high

brand saliency content and strengthening of only some core association that can be joined with the primary choice cues (Franzen & Bouwman 2001). This is especially important for schools which are not as reputable or top ranking.

3.6 Research model of study

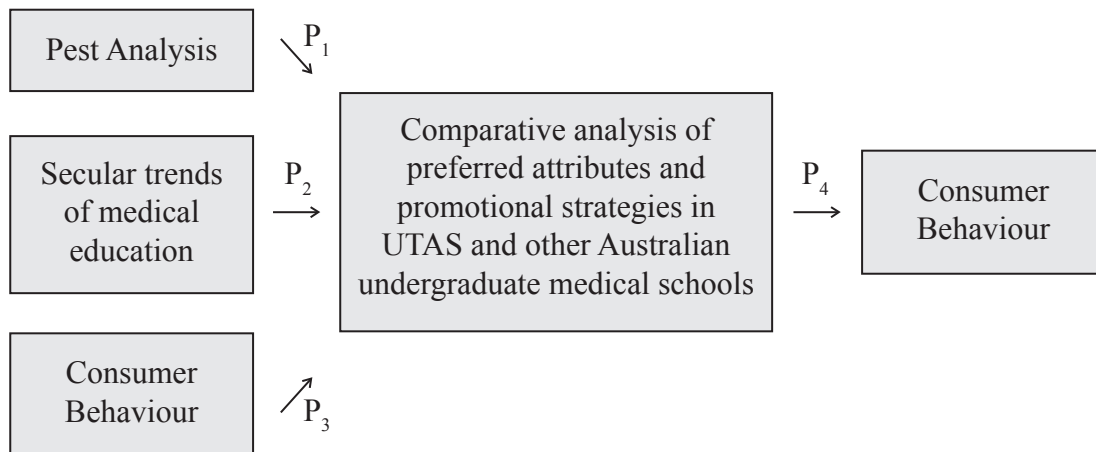


Figure 1: Research model of study

The research model (figure 1) illustrates the relationship of the six variables; external environment (PEST analysis), secular trends of medical education, consumer behavior, preferred attributes, promotional strategies and brand recognition. In place of a hypothesis, propositions are used to emphasize the lack of insight in branding of Australian medical schools. Propositions are derived from literature, experience, theories and generalisations based on empirical data (Baxter & Jack 2008).

4. Research Methodology

This study adopted an interpretive top-down and inductive bottom-up research approach. This facilitates a constructive knowledge approach to a causal explanation of its cause and effects through an examination of multiple subjective perspectives of reality and the study of social action. Four propositions were suggested based on the research model.

P1: PEST analysis influences UTAS and other undergraduate medical schools

P2: Secular trends influence UTAS and other undergraduate medical schools

P3: Consumer behaviour impacts UTAS and other undergraduate medical schools

P4: Comparative analysis of preferred attributes and promotional strategies in UTAS and other undergraduate medical schools help to improve brand recognition for UTAS

Borrowing from Brown's (2007) qualitative study on medical students, a structured depth interview was adopted to identify the attributes of medical schools through an examination of "processual" issues such as decision making (Bryman 2002). Data collected from interviews were also used to develop answers to creative development problems such as how to improve brand recognition for UTAS by tapping on respondents' inputs.

5. Findings and discussion

Data collected from the interviews were aggregated and analysed according to interview questions in each thematic category.

5.1 Demographic analysis

Figure 2 illustrated the demographic breakdown of the 6 respondents who participated in the depth interviews. A variety of respondents allowed a wider capture of varied perspectives from different age groups and backgrounds contributing to a fuller set of data from which to develop a robust interpretation.

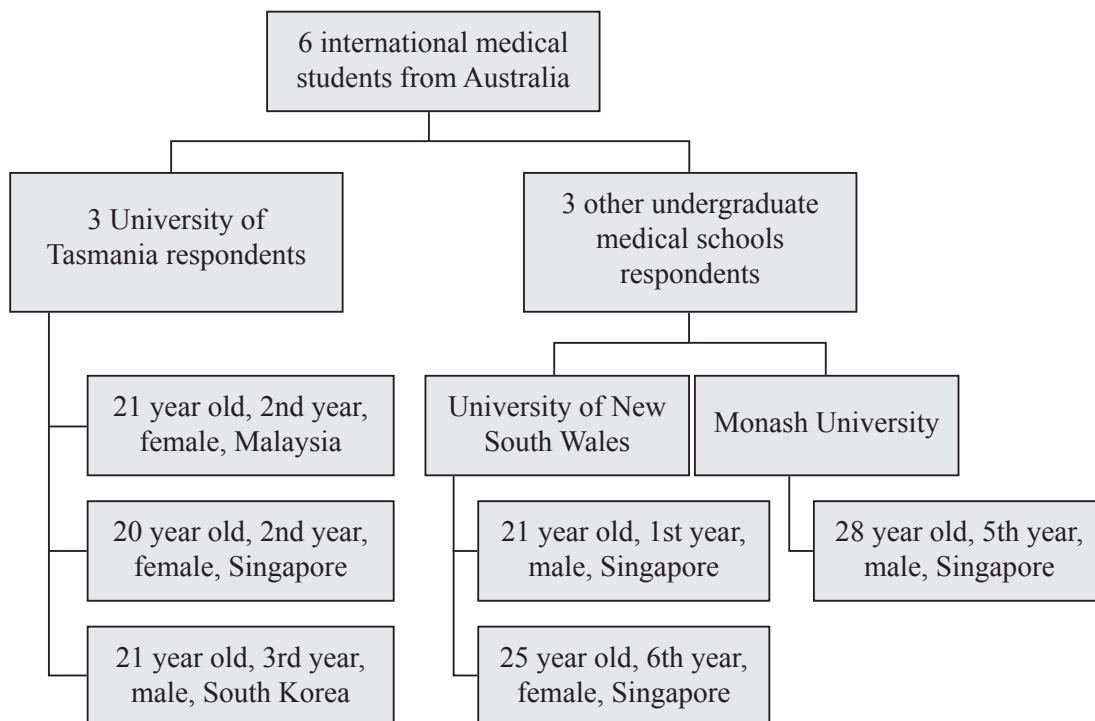


Figure 2: Demographic breakdown of respondents

5.2 P1: PEST analysis influences UTAS and other undergraduate medical schools

International medical students valued recognition of the degree by the country's medical council where they intend to practice. Australian medical schools therefore need to ensure that their qualifications are recognized by many countries as students place a significant value on recognized degrees. Cost was a major influence on medical school choice for most respondents. However respondents varied in their price sensitivity towards tuition depending on their own varied financial backgrounds. Social factors were mostly related to the presence of family in state, prevalence of Asian culture and racism. Most students were also ambivalent about technology, and others would prefer it to have less.

5.3 P2: Secular trends influence UTAS and other undergraduate medical schools

Most respondents find ranking important when choosing a medical school, especially when they received multiple offers. However, the baseline for decision still lies in the recognition of the degree, “If the school (UTAS) wasn’t ranked highly but is still accredited I would still go there but if I received an offer from another medical school with higher rank I would go to the other school”.

The responses towards branding were very different between the two groups of respondents. Generally, the non-UTAS medical students found branding at least somewhat important whereas the UTAS students did not seem to allow branding to affect their choice of medical school. This could be attributed to the lack of appreciation of the importance of university branding. The consensus was that though research does not have as much influence on personal preference, research presence in the university has a great influence on the school ranking and hence affected their choice (Times Higher Education 2014).

The replacement of traditional teaching with online teaching was not well received. Most find that some topics such as anatomy are best taught through tactile experience as it requires three-dimensional visualisation learning.

While all respondents found no difference between an MBBS and MD degree in practice, the non-UTAS students had mixed response. One respondent preferred the MD title as it is perceived to open more doors for training in future, while another respondent expressed concern that the increase in undergraduate schools offering MD degrees would dilute the prestige of the MD degree. UTAS students, on the contrary, were resistant to the idea of extending their medical course duration as this switch from MBBS to MD program would increase the cost of their education. Thus MBBS schools can remain attractive for high school leavers because of its shorter period of study. This is particularly important for international students faced with financial constraints.

5.4 P3: Consumer behaviour impacts UTAS and other undergraduate medical schools

Most respondents chose UNSW and MU as their most preferred medical schools. All indicated that university requirements are highly influential in their choice of medical school. Only one UTAS respondent had placed UTAS as her first choice because of cost. Most respondents agreed that affordability of study was influential in their choices, yet UTAS was still less preferred as compared to MU and UNSW. To the respondent, affordability is of lesser influence compared to other factors. This may be due to the perception that the lack of desired attributes or price differences was not significant enough to justify UTAS over UNSW and MU.

5.5 P4: Comparative analysis of preferred attributes and promotional strategies in UTAS and other undergraduate medical schools helped to improve brand recognition for UTAS

Preferred attributes

Table 3 presents the frequency of the top three desired attributes of medical schools preferred by all the respondents. Results indicated ranking/reputation and recognition as the single most important attribute, followed by teaching and price. Notably respondents from non-UTAS medical schools had preferred “ranking” and “reputation” instead of “recognition” (Table 4). Recognition and ranking are more acceptable, being linked to recognition by medical boards of many countries and ranking on international university ranking charts such as Times Higher Education and QS World University Ranking. Reputation is however seen as more subjective and is therefore hard to quantify.

Table 3: Top 3 respondents’ preferred attributes of medical school

Categories of all respondents’ top 3 most preferred attributes						
Ranking	Teaching	Price	Location	Environment	Class size	Duration
Reputation	Teaching	Fees	Location	Facilities	Class size	
Recognition	Teaching	Affordable				
Recognition						
Recognition						

Table 4: Comparative analysis of preferred attributes by UTAS respondents and non-UTAS respondents

UTAS respondents	Non-UTAS respondents
Recognition	Ranking
Price	Price
Teaching	Environment
Facilities	Reputation
Teaching	Teaching
Recognition	Smaller class size
Duration	Location
Location	Recognition
Price	Class size

Most respondents preferred more clinically-oriented teaching which occurs when they meet the schools' graduates or students in hospitals and clinics. Although most students agreed that price is a major factor to consider, the tuition fees they are willing to pay range from AUD 50,000 to no upper limit. Cost (including tuition fees and living expenses) was a bigger concern for UTAS respondents. Most respondents were satisfied with the location of their medical schools as long as it is accessible. Location also refers to the state and city the school is located, with the further implications on other influences such as costs of living, social and cultural factors.

Analysis of the responses related to the comment on preferred staff of the medical school revealed that students preferred committed academics, and helpful administrative staff. This finding confirms the importance of good impressions created by administrative and academic staff, highlighted by Brown (2007). Respondents also agreed that a university's representative can help to increase awareness and interest in the course.

Preferred promotional strategies

Most of the respondents received information on medical schools through higher educational fairs and word of mouth. There were several effective promotional strategies suggested by the respondents that universities can use to target applicants, summarized in Table 5.

Table 5: Summary of preferred promotional strategies by UTAS and non-UTAS respondents

UTAS Respondents	Non-UTAS respondents
Educational fairs	Forums with university staff
Current students to advertise	Education quality
Word of mouth	Research
Advertisement	News
Ranking	Alumni to advertise
	Guaranteed internship places
	Subsidies for transport and accommodation

Brand recognition

Most respondents agreed that brand recognition is important for a medical school. Suggested factors contributing to brand image and recognition include research, quality of education, entry requirements, ranking and news appearances of the university. Amongst the secular trends (research, online teaching and MD programme), all respondents agreed that a medical school's research output is key to improve ranking and thus brand recognition of the medical school. Results from these interviews were consistent with previous studies on higher education that found reputation affects the branding of universities (Idris & Whitfield 2014, Wæraas & Solbakk 2009 & Temple 2011).

Recommendations

For UTAS to effectively create strong brand recognition, a strategic marketing plan consisting of solid and preferable promotional strategies needs to be adopted. Table 6 summarised the respondents' recommendations categorized into short-term, mid-term and long-term strategies.

Table 6: Summary of respondents' recommended promotional strategies for UTAS

Short term	Mid term	Long term
Participate in all university fairs and have at least a UTAS medical school representative at the events	Review tuition fees and entry requirement	Improve ranking
Use social media for question and answer contacts with enquirers	More distinctive medical programme to differentiate from others	Switch from MBBS to MD program
Hold Forums with university representative	Attract top researchers	Twinning programmes targeting international students at home country
Employ alumni and students in promotional activities		
Promote anatomy dissection teaching classes		

An adaptive rather than prescriptive approach is a more effective response to changing market needs and expectations (Armstrong et al. 2012). Among the recommended strategies is student recruitment, which institutions may find costly; however it is essential. Likewise, a distinctive and well-articulated vision and identity that is professionally designed and delivered, helps the school stand out in a crowded marketplace (Anctil 2008). Institutions may also find it beneficial to use a marketing mix to improve and promote UTAS identity to key stakeholders, including prospective students, current students, and the community. These strategies suggested by respondents have been practised with success by other universities. The respondents were generally agreed that UTAS lacks visibility perhaps due to its smaller size, unfavourable geographical location and mere lack of marketing efforts. In order to improve brand recognition, a mix of short-term, mid-term and long-term strategies can be adopted.

6. Implications of the study, limitations and suggestions

This study explored the challenges faced by UTAS medical school and how an effective way of higher education marketing can be developed through identifying creative solutions based on direct feedback from its target segment – international students studying in Australia medical schools. Users of this research model can easily understand the influences of a variety of factors on consumer preferences on two target segments to achieve desired outcomes such as increased brand recognition. Results from this study can help marketers for higher education use marketing efforts to better align organisational goals, understand the external influences on target segment's preferences and thus improving its brand recognition.

The findings of this study suggested that, despite the lower overall cost of study, UTAS is unable to attract price-sensitive international students, mainly because of poor brand recognition. A conjoint analysis may be suitable to derive utility values of respondents' attribute preferences to measure brand and price trade-off. Further study on the effectiveness of promotional strategies can help UTAS determine the most cost-effective approach to improve brand recognition. Future research could be carried out to include other stakeholders such as parents of prospective students.

UTAS can tap on its competitive advantage as a 5 year undergraduate medical course to differentiate itself from the other longer 6-7 years MD programmes, since there is little difference in the MBBS and the MD in practice. More active promotional strategies are imperative for UTAS to improve its position in the minds of international students. Actively involving a university representative, faculty staff and current student in educational fairs overseas will create more favorable impressions among prospective students, especially through their professionalism and the deeper interactions that follow (Brown 2007). UTAS can also position itself as an anatomy-focused medical school with greater emphasis on dissection classes as a practical demonstration of what it takes to provide a good foundation for the training of aspiring surgeons. To increase overseas presence, UTAS can engage in twinning programmes or co-brand with an overseas college to recruit high school students. Additional strategies include investing in corporate visual identity and reputation building to improve brand recognition (Idris & Whitfield 2014).

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**“People don’t resist change.
They resist being changed.”**

– Peter Senge

Organisational Development for Organisational Augmentation: Comprehending Regime, Relevance and Recognition

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Abstract

The purpose of this paper is to investigate the relevance and significance of organisational development in organisational enhancement, change management, crises handling and growth.

The paper is structured in terms of understanding the domain of organisational change and development (OD) that rests on organisational performance integrating multidisciplinary parameters. Organisational improvements in this paper, has been closely linked to qualitative governance. The paper uses secondary research data and analysis, culled from pertinent literature on OD, change management, crises management, and good governance. It also includes literature on the practical details and implications of the theory of organisational development. The objective is to reach understanding of certain identifiable areas within the field of OD viz.: ethics, motivation, culture, relationships, crises, and innovation. These issues are relevant for competitive survival in the current turbulent business environment. This is particularly so for managers and management scientists seeking to draw out the relevant OD concepts on the one hand, and elements of change, crisis, motivation, culture etc. on the other. The discussions and the analyses drawn in the paper are however limited to the literature reviewed as part of this study.

Keywords: Change, Crisis, Culture, Development, Innovation, Governance, Organisation

1. Introduction

As we enter the new millennium, organisational survival and endurance ties knot with challenges- competitions-changes. The pursuit of organisational development along the path of progress and advancement links knowledge, skill and effectiveness. Organisational stability and sustenance must ride on the backs of, and be made congruent with values, assumptions and beliefs (Weick & Quinn, 1999). The justification for revolutionising organisational change (Armstrong, 1988) is optimized organisational outcomes. Thus conceived, organisational development can be visualised as the wholesome process of enriching human performance with the accomplishment of organisational goals. Organisational development can be termed as “*A systematic application of the behavioral science knowledge to the planned development and reinforcement of organisational strategies, structures and processes for improving organisation’s effectiveness*”. Organisational development is an ongoing advancement process of human values with a focus on productivity, designed with promises and programmed for performances.

This paper highlights certain critical areas of organisational development and augmentation in practice and during crises viz.: the assumptions and traditions of organisational makeover, organisational excellence and governance, horizons of intercultural escalation and the roadway to organisational reforms.

2. Organisational Makeover: Assumptions & Traditions

Business process enhancement occurs globally, as an integral component of organisational change and development. Systems and complexity theories are used to guide the process of transformation and advancement, based on an analysis of organisational implications and applicability amidst increasing environmental uncertainties (Noe, Hollenbeck, Gerhat & Wright, 2003). The blending of the facts of biology, economics and engineering create an inter-related and interdependent network where the behavioral attribute of each element influences and affect the behavior of the entire body, leading to equilibrium (Alas, 2007). The proponents of the systems theory

classify systems into nine levels where each new level brings in a diverse relation, as illustrated in Figure 1.

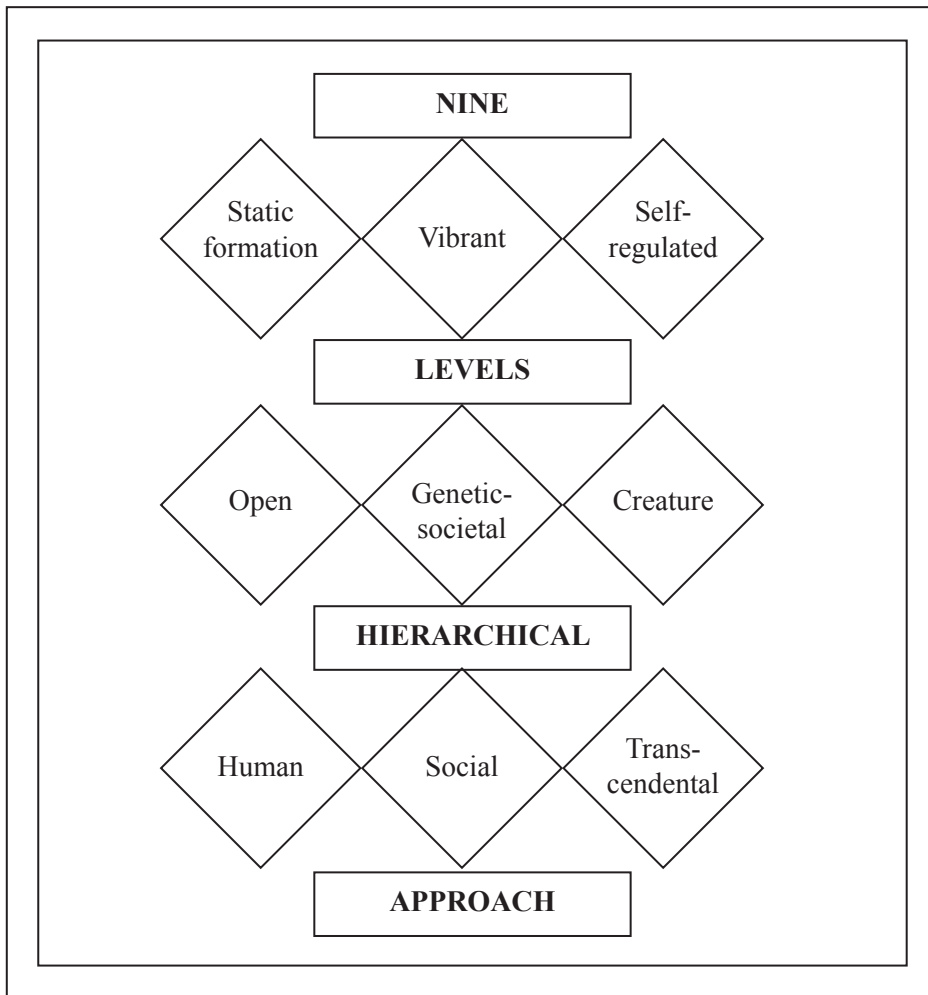


Figure 1: Nine Levels of Hierarchical Approach

The theory of complexity combines the attributes of diversity encircled by the varied environmental factors which range from customers to technology. The impact of micro-level factors influences the behavioral pattern and the organisational results at the macro-level arena. Complexity theory features the phases of uncertainty and complexities which ultimately end in establishing relationships within the changing environment (Melcher, 1975). The core of complexity theory is the concept of complex adaptive systems (CAS) in which the dynamics of learning and innovative responses

amidst living systems define the nonlinear elements determining the behavioral components. The nucleus of a complexity system is illustrated in Figure 2, in terms of the traits and the transitions of the system.

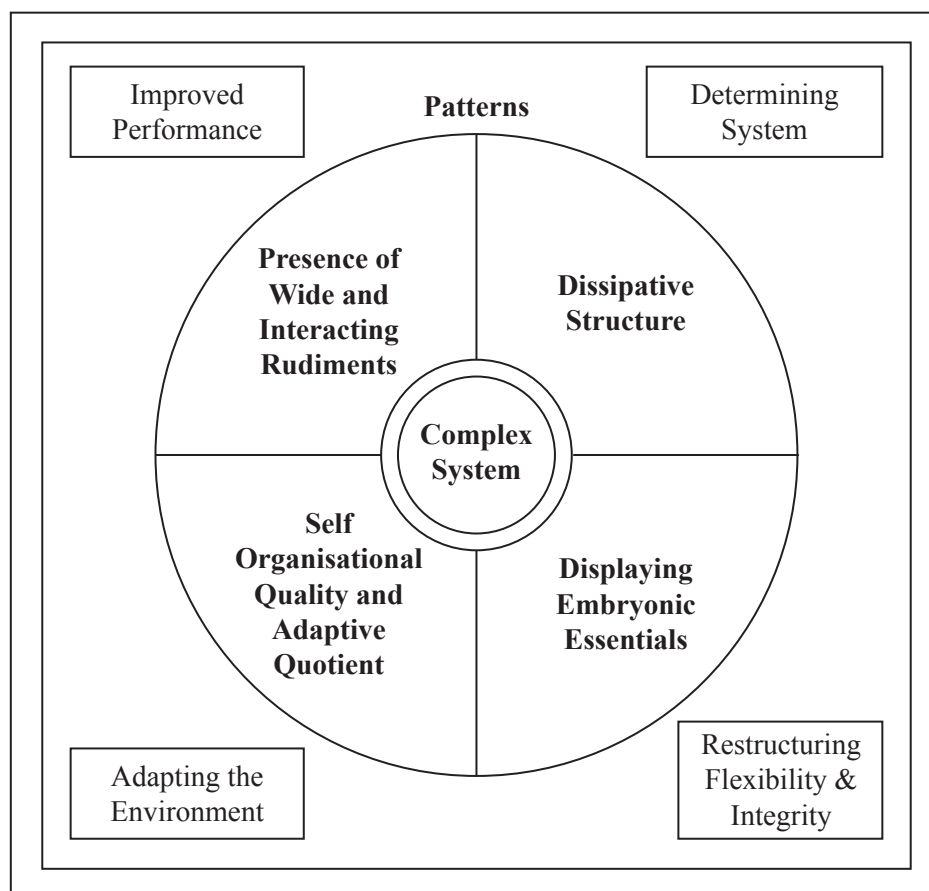


Figure 2: Complex System Matrix

The multi-faceted waves of institutional changes are designed to achieve the ideal state of optimum performance. Technological and life-cycle theories view change as a continuous goal setting endeavor within an organisation entity that undergoes the stages of birth-growth-maturation-declination. This is consistent with a dialectical theory which views organisations as conglomeration of multicultural societies embracing divergent values (Beeson & Davis, 2000). The end point of organisational amendment can be visualised from the goals of organisational transformation as outlined in Figure 3.

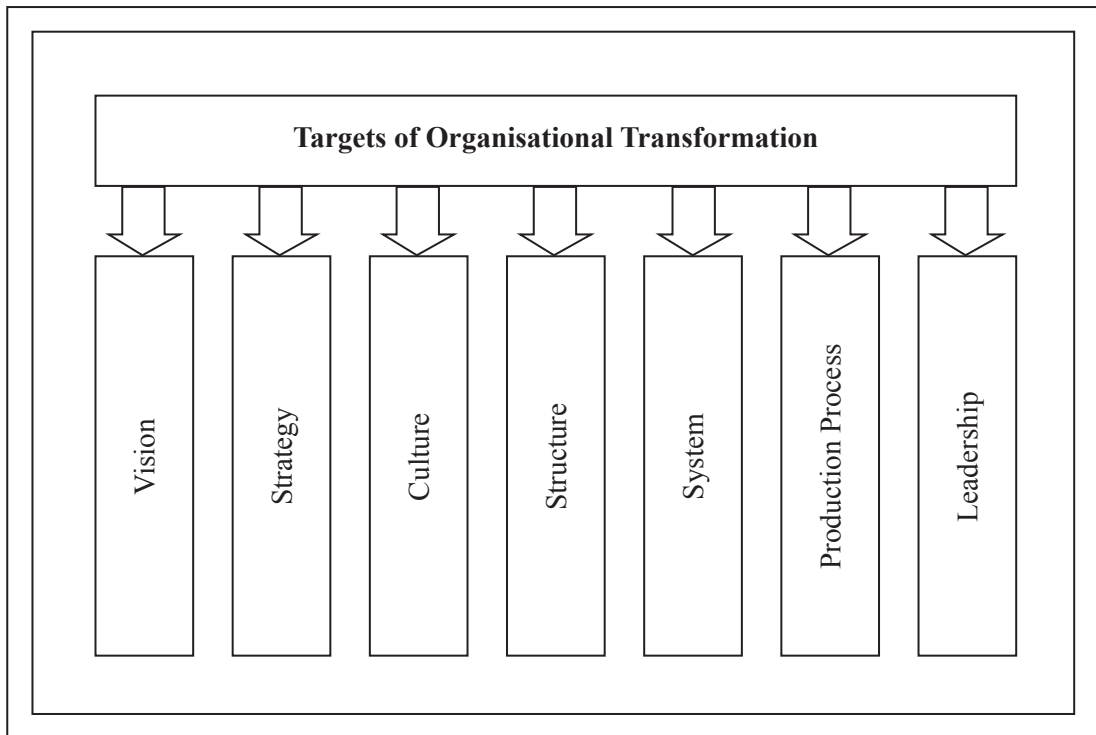


Figure 3: Aims of Organisational Transformation

These alterations and deviations reflected a continuous attempt in adapting and adjusting to the changes in organisational environment (Potrowski & Armstrong, 2005). The roadway to organisational changes is routed through evolution in the progression and dynamics of revolution, represented as branches of organisational change tree in Figure 4.

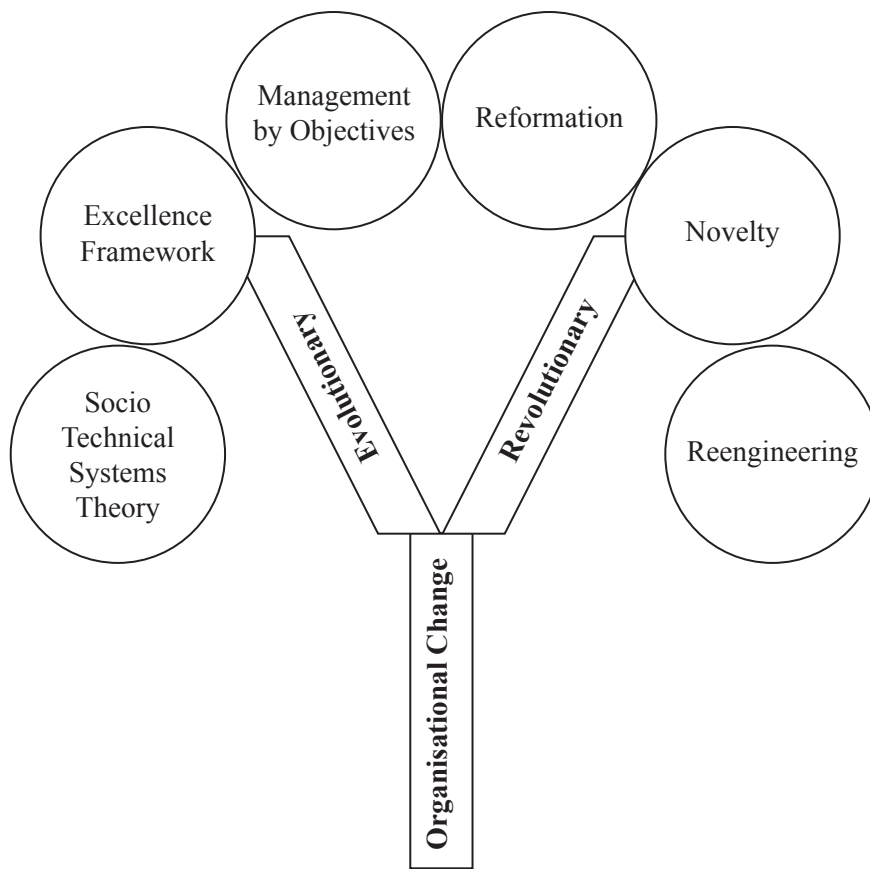


Figure 4: Organisational Change Tree

Whatever the conceptualisation of the organisational context of variations and change, organisational development in practice, is the working out of the balance between a conscious and structured change plan and organisational vision. Ultimately, the literature, theories, models, practices and ethics of organisational change and development across boundaries must emphasise the universal potential benefits for humankind.

3. Excelling Organisation & Governance

Organisational success benefits the workforce as well as creating a hub of potential resources to be utilised in the service of achieving the organisation's mission,

vision and progression (Vandenabeela, 2008). Harmonising institutional expansion and its structural entity results in a long-term sustainable product, one which is characterised by a rich culture, openness and trust. Effective organisational renovation enervates all layers of the social spheres, including the state and transcending into the society at large (Graham, Amos & Plumptre, 2003). The mechanism of mobilisation, utilisation and participation of all available resources towards the generation of constructive, purposeful and accountable workgroups is the core of good governance. The combination of power and authority disseminated within an organisation along the concrete lines of responsibility and authority promises the advent of good governance (Rhodes, 1996). Governance includes the collection of consequences and performance objectives defined by the interests of the stakeholders, members, clients, fund-providers, employees and the broader arena of the community, in the direction of leveraging opportunities and creating optimism for business development at large (McIntyre-Mills, 2007). The foundation of qualitative excellence upon which the practice of governance is carried out is built up by the trio pillars of Transparency-Participation-Responsiveness, as depicted in Figure 5.

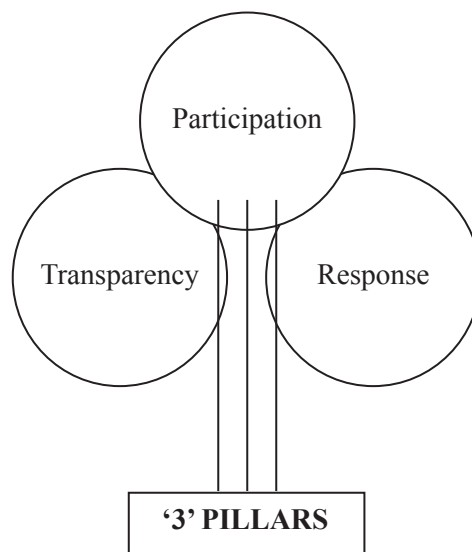


Figure 5: Pillars of Good Governance

The flow of actions and the levels of functional initiations are the stepping stones for any organisational system, guided by the principles and norms of workplace governance by way of appropriate association, laws, rules, procedures and statutes (Makstutis, 2006). The fundamental doctrines of organisation-wide good governance are shown in Table 1. They project the canons of virtuous governance in real terms.

Table 1: Doctrines of Good Governance

Dimension of Principles	Distinguishable Attributes
Elementary Rules	Basic principles of good governance to be adhered
Position	Role, responsibilities should be explicit with functionality
Relation	Existence of inter-alia and liaison between levels of authority
Reliability	Obligatory presence of Integrity
Assessment	Provision for re-evaluation & renewal should subsist

4. Horizons of Intercultural Escalation

Culture can be described as the set of values, attitudes, and beliefs shared by a group which sets the standards of behavior required for acceptance and participation in the group. The journey of the organisational development movement involves interventions, viz. power sharing, collaboration, teamwork, autonomy, which will build up the cultural values in which an organisation operates (Nixon, 2006). Not all multicultural endeavours are equally skilled at integrating across diverging cultures in practice. Bridging and balancing the organisational gap requires sensitivity to the multiple cultures painted by the flavors of creativity and adaptability (Jacob, 2005). The foremost stair in crafting a culturally sensitive change effort is to have a good understanding of how cultures vary. The successful blending among organisational culture, human resource management policies and cultural value conglomeration can create change which contributes to organisational effectiveness. Successful intercultural combinations can be achieved with the chain of harmonious actions as depicted in Figure 6.

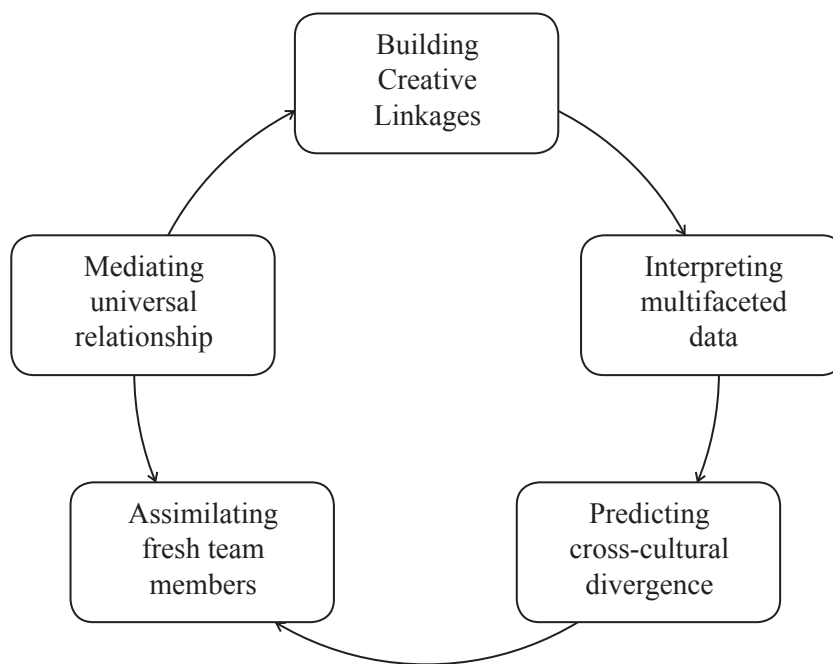


Figure 6: Intercultural Harmonious Chain

The elements of culture share the intricacies and complexities of knowledge across locations, magnitudes of creativity in the organisational front, and fountains of cultural harmony in the innovative and development progression of organisational cross roads (Scarborough, 2000). The identities of culture in the work environment can be visualised through culturally reflexive designs, consideration of the cultural factors, potentials of global approach, and culture governed recruitment provisions. The dimensions of culture can be projected in four spheres viz., power distance, uncertainty avoidance, masculinity/femininity, individualism/collectivism as shown in Figure 7.

In cross-cultural business settings, particularly in international commerce, cultural differences emerge from the various economic, political, physical, social, and religious forces shaping them, to define how corporate management can respond to these in the pursuit of mutually beneficial goals.

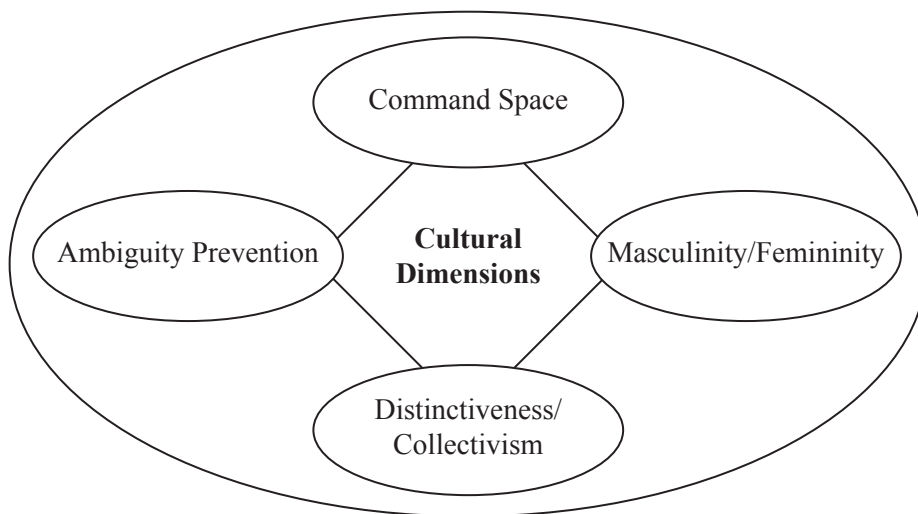


Figure 7: Four Spheres of Cultural Dimension

Three factors - Location, Language and Learning – in intercultural organisational development provide guidelines and focus in the breaking down of barriers of differences and facilitate the evolution of the values, policies, and beliefs shaping the essence of community and laying the foundations of a strong intercultural relationship. The eradication of age-old practices that stand in the way of a new value-orientation, is buttressed by beliefs in the universality of human nature and supported by structural activities that strengthen bonding among people. This vision of cultural integration in organisational life is a worthy goal in organisational progress in the new millennium.

5. Roadway to Organisational Reforms

The trend and the transition of organisational reconstruction have revolutionised the role and work of individuals at all organisational levels (Meyee & Stensakee, 2006). Work life and experience are now more likely to be characterised by the vision of innovation, creativity and sustainable growth, all leading to greater awareness, stronger work values and a renewed endeavour to meet the challenges of the real world for a better tomorrow (Hannon, 1998). New ways of viewing problems and challenges, the willingness to adopt and try new ideas and fresh methods, to strategise and to innovate – all these represent collective forces of changes, paving a novel direction towards

improvement for life both for oneself and the oneness of the organisation (Kotter & Schlesinger, 1979). One may well say that the waves of a positive organisational transformation can be viewed as an outcome of effective interaction, managing the pace of change, consulting and coaching for change, and learning and fostering a clarified purpose and cultural understanding as shown in Figure 8.

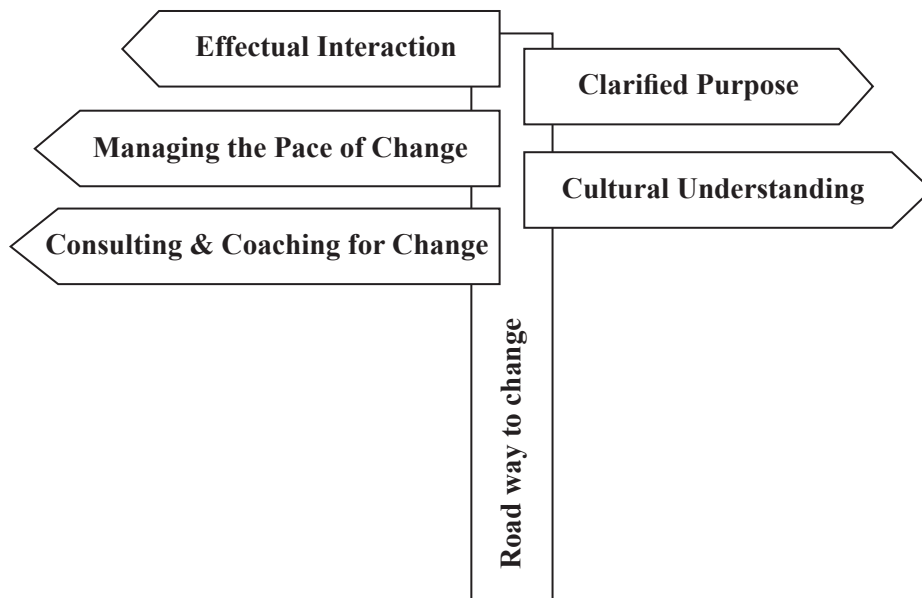


Figure 8: Waves of Organisational Transformation

6. Conclusion

The Darwinian concept of the “*Survival of the fittest*” appropriately expresses the ongoing change and dynamism unleashed in many organisational settings, wherein amongst the thousands, those who make incremental changes enhance their chances of survival in the change-ready world of competition and challenges. The inner instinct of the human factor, transformed into a powerful, commanding, influential intelligent and dynamic driving force, remains as the epitome and a true archetype of the striving towards renovation and reconstruction within all levels of organisational entities.

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“Customers may forget what you said but they’ll never forget how you made them feel.”

– Unknown

The Effect of Customer Mood on Trust in Service Failures: A Conceptual Model and Research Propositions

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Abstract

The purpose of this paper is to examine the impact of positive and negative customer mood on trust in the case of service failures. Its intention is also to propose a conceptual framework on the effect of customer mood on trust in service failures and make some useful suggestions for practitioners and target audience. Both academic and practitioner publication sources have been used with theoretic and literary support to develop a hypothesis model. The findings reveal that positive customer mood would mitigate the effects of service failures and thus help customers uphold their trust towards the firm. On the contrary, negative customer mood would aggravate the effects of service failures and therefore weaken customer's trust towards the firm. Positive customer mood may also help deal with the negative consequences of stress and anxiety during service failures. Customer mood and trust are significant to any service provider given their strong presence in service encounters and the impact they essentially have on the quality of service delivery, customer retention and profits. This discussion also provides the limitations of the study.

Keywords: Customer, Negative mood, Positive mood, Service failure, Trust, Customer lifetime value

1. Introduction

The service industry has now become a major contributor to the success of any economy worldwide (Lusch et al, 2010; Maglio and Spohrer, 2008; Gronroos, 2006). Almost anything that will be sold in future may well have an element of service attached to it. It may also be hard to imagine a twenty first century business without a component of service involved. Essentially, service failures are commonly present in many types of services, for example, in the healthcare industry. While service failures have been well recognised in academic literature, insufficient attention has been paid to the understanding of the effect of customer mood on trust in service failures. For example, Tsarenko and Strizhakova (2013) have emphasised that consumer mood during different types of service encounters should be considered for further research.

This paper aims to synthesise the understanding of how positive and negative customer mood could affect trust in the case of service failure. For instance, it is expected that positive mood would uphold trust during a service failure. The concept under investigation is service failure, while trust would be considered as the dependant variable. Both academic and practitioner publication sources have been used in this paper. The author integrates literature that covers mood, trust and service failures. The paper proceeds via discussion, argument and conceptual analysis. Through theoretic and literary support, the author has developed a hypothesis model which creates credibility and presents the arguments in a condensed and easy-to-digest format. This study will contribute to the current literature by increasing an understanding on how customer mood could potentially have an impact on customer's perception of trust towards the firm in case of service failures. This article also delivers several valuable theoretical and managerial implications for practitioners.

This paper is structured into four parts. Part one provides a brief background and purpose of the study. Part two consists of a review of literature on the subject. Part three consists of hypotheses development. In part four, the managerial implications with the limitations of the study and directions for further research are discussed. The final section of this paper has the conclusions of the study.

2. Literature Review

For over several decades, scholars have reported that people's moods influence how they behave, judge and perceive things around them (Lount, 2010; Schwartz and Clore, 1988). Mood is generally a temporary emotional state of mind (Batra and Ray, 1986). A service failure is a situation that is unpleasant, even though it may be important, and it creates a stressful or unlikable situation (Mogran and Rao, 2006).

Mood has a significant impact on people during interactions. Mood states are present in almost every service encounter. People's moods serve as information about the current circumstances, and in particular, how they perceive outcomes and view things around them (Schwartz and Clore, 1988). Therefore, it is likely that mood will drive and influence many aspects in people, including their confidence in a particular company or its employees. This line of thought is particularly relevant to negative service experiences where objective assessments of the service failure may be difficult to undertake. Hence, a customer's mood is an element that will promote many aspects such as trust or distrust towards a firm or its employees (Schoorman et al., 2007).

Different customer moods have various effects on how people behave and conduct themselves. According to Labroo and Partick (2009), a positive mood makes a person see things from a bigger perspective, which has an influence on the outcome. This suggests that a person with a positive mood may also rely on a holistic picture to form his/her trust and confidence compared to a person with a negative mood who may dwell on smaller issues due to anger and disappointment. For example, during a medical procedure where the service may not always be pleasant, a patient with a positive mood is more likely to be susceptible towards the bigger picture and take heed of the physician's comments rather than the minute details.

Trust refers to a firm reliance on something (Moorman et al., 1992), or the belief and confidence a customer has towards a firm and its employees. Customer satisfaction may be the bottom line; however customers must rely on and trust the company to build long lasting relationships. Customers can be satisfied with the processes or offer, but may not necessarily have the desired trust and association. When service performance fails to meet customer expectations, it can potentially destroy a customer's confidence, loyalty, satisfaction, belief and reliance towards the firm (Mitra et al., 1999). Therefore,

the phenomenon of trust towards the firm is of fundamental importance to service providers especially during service failures.

Customer's mood has a significant impact on trust in service failures. The frame of mind, either positive or negative can have an effect in determining whether a customer will have faith or confidence in a particular company or its employees especially after experiencing a service failure. Schimmack and Diener (1997) have suggested that people with a positive mood are expected to lean towards a positive side during service situations. This suggests individuals with a positive mood are expected to be more optimistic during service encounters, which can include service failures, and this is likely to have a similar impact on the trust and confidence of an individual towards the firm. For example, a positive mood may mitigate the effects of a service failure and thus facilitate in maintaining the customer's trust towards the firm. Therefore, a customer's trust towards a firm could change during service failures, and a positive or a negative mood can have an influence on its transformation.

Forgas and East (2008) mention that customers who experience a negative mood are less likely to bestow their trust on something as opposed to customers with a positive mood. This indicates that a negative state of mind is not expected to provide relief during service encounters including service failures, and this would have a weakening effect on a customer's trust towards the firm. Lount (2010) concluded that trust made interactions between people easy and positive mood increased people's trust and reliability towards the organisation. Myers (1992) has stated that people with good mood come out of adverse service encounters more trusting than people with a bad mood.

3. Hypotheses Development/Model

The hypotheses proposed are illustrated in Figure 1. The model proposes that mood has an impact on trust in service failures.

As discussed, a customer's mood is likely to have an effect on how they perceive trust towards the firm in the case of service failure. A positive mood should mitigate the

effects of the service failure and therefore help maintain customers' trust, as compared to customers with a negative mood. It does not appear that previous studies have adequately devoted their efforts to investigate the effects of mood on trust in service failures. Therefore, this prompts an opportunity to explore this intriguing phenomenon further.

The existing literature advocates that a customer's mood does have an impact on various interactions and experiences, and in service failures, it can have an impact on the customer's trust towards the firm. This suggests that a customer's trust in the service provider particularly in adverse services is important. People in a positive mood tend to embrace more trust and belief compared to people in less optimistic mood. Thus, a positive mood is expected to help maintain the level of trust in customers in the case of service failure.

Based on the above arguments, the following hypotheses are proposed for further research. First, it is proposed that positive customer mood will uphold customer trust in the case of service failure. Second, negative customer mood will weaken customer trust in the case of service failure.

Therefore, it is hypothesised that:

H1: Positive customer mood will uphold customer trust in the case of service failures.

H2: Negative customer mood will weaken customer trust in the case of service failures.

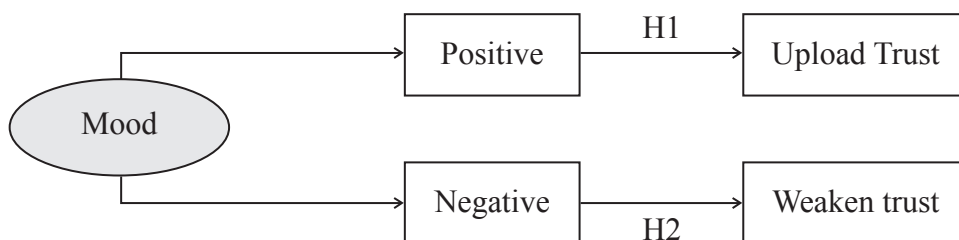


Figure 1: Proposed hypotheses mode

4. Managerial Implications

This conceptual framework and study have a number of managerial implications. First, customer mood could form an important basis for marketers to segment their group of customers. Firms can pay more attention and allocate adequate resources to customers that require further comfort, support and encouragement especially in service failures. Segmenting situations and practices (not customers only) can be beneficial as customers normally behave in a similar fashion.

Second, this study also advocates that customers with a negative mood may not confer the same level of trust to the service provider, as compared to customers with a positive mood. This suggests that companies pay more attention to build adequate levels of trust with such customers, which could help provide some sort of a buffer to maintain customer confidence. For example, service providers could take a cautious preliminary approach and discuss the service options and the possible outcomes expected from a particular service to the customer. After-sales follow-ups and any related support may also prove useful in such cases. It may also be helpful to assign the same employees or team to work with customers who may possibly have a negative mood, as this would provide more security and ultimately help to uphold trust.

Third, this research stresses that no customer should be regarded as a bad customer. There are no bad customers, only ineffective business models. It's the business model that is a problem, not the customers if it is unprofitable. Thus customers with adverse moods should never be deserted as they can become very profitable. Their lifetime value should always be examined with its potential, and essentially, how service providers could possibly capitalise and improve on them. Firms can change customer behaviour to increase profits.

Finally, improved customer trust towards the firm would also facilitate positive encounters that would not only assist in providing better service delivery and quality, but also form a good basis of building a solid brand and company image. Service quality is strongly associated with the emotional state and outcome of the customer's mind. These implications could also filter down to improved customer satisfaction, loyalty, profits and positive word of mouth.

5. Limitations and future directions

A number of limitations are acknowledged. First, this study cannot be generalised to all settings and contexts. The types of services and situations may be different, including the severity of service failure. The characteristics of customers relating to social, cultural and personality attributes may also be different. Therefore, this study may not essentially portray a true picture of the effects of customer mood relating to customer trust in the wider context.

Second, the measurement of mood is also a restraint. This study does not differentiate between qualitatively diverse kinds of mood, which includes for example, grief, frustration, anger or guiltiness. Bosmans and Baumgartner (2005) have stated that qualitatively diverse types of moods influence an individual's actions, ideas, opinions and outcomes. Furthermore, different types of mood (for example happiness) maybe difficult to capture, and therefore, it could be challenging to identify and exploit its effects realistically and effectively.

Third, further practical in- depth studies on customer mood and trust is certainly needed. Prior research has been undertaken on the theoretical developments of these intriguing phenomenon (e.g. Gillespie and Dietz, 2009; Kim et al., 2004, 2006), however inadequate research exists which empirically investigate these issues. Additional studies could examine the effects of service failures on customers and the company, an area which is highly under-researched. These effects are likely to work very differently and therefore could be a valuable contribution to the current literature. For example, this study suggests customers that are subject to service failures would require more support and resources to buffer its negative effects and produce positive service perceptions. However we have limited knowledge of what these provisions would be in different situations and circumstances to produce a meaningful effect.

Finally, different types of customer moods such as happiness or sadness may be hard to capture. Therefore, subsequent research could make an attempt to examine these customer moods which could prove very helpful to service providers in areas of service design, development, delivery and control.

6. Conclusion

The purpose of this study was to synthesise the understanding of how positive and negative customer mood can affect customer trust in the case of service failure. Mood matters in service failures as it has an influence on customers trust towards the firm. The findings reveal that positive customer mood would mitigate the effects of service failures and thus help customers uphold their trust towards the firm. On the contrary, negative customer mood would aggravate the effects of service failures and thus weaken customer's trust towards the firm. Positive customer mood may also help deal with the negative consequences of stress and anxiety during service failures.

Customer mood and trust are very significant to any service provider. Therefore it is absolutely essential that customers are incorporated as inputs to the value creation process; not as outputs or end products which product oriented companies perceive them to be. It should be understood that service providers are extensions of customer processes; customers are not extensions of them. This study also contributes to scholarly and practitioner literature by adding knowledge on the effects of mood on trust in the case of service failures.

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