

## The Influence of Cultural Values' Variations on the Service Customization: Evidence from Egyptian Tourism & Hospitality Sector

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### ABSTRACT

This study provides insights into the relationship between studying the differences among Cultural Values and customization of Services or Packages' offerings by hotels or by Travel agents. Studying the variations of Cultural values among top visitors (nationalities) to Egypt provides better understanding of the needs and habits of the tourists so that both Travel & Hospitality can provide targeted valuable services to tourists from different cultural backgrounds. A questionnaire addressed to managers and workers in hotels and travel agents in Egypt, to gather information on the impact of providing customized services according to the changes in the cultural values on customer satisfaction, and to measure the effectiveness of the application of a proposed model to the Egyptian hotels and travel agents. The data were analyzed using the Statistical Package for Social Sciences (SPSS), by using a variety of techniques, including descriptive statistics, confirmatory factor analysis. The results showed acceptance of all the hypotheses of the study.

**KEY WORDS:** Cultural values, Service Customization, Hotels, Travel Agents.

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### RESEARCH PROBLEMS

The problems that face most of the hotels and travel agents are how to enhance their managerial actions when planning services for their target market, or to fulfill the needs of customers from diverse cultural backgrounds. This can be achieved through better understanding of different cultures as well as understanding of the influence this might have when tailoring services for different types of cultural groups. The research questions are:

- a) Are customers with cultural variations satisfied with fixed standard packages in hotels and travel agents more than customized package?
- b) Do the variations in cultural values lead to customizing services offering in hotels and travel agents?
- c) How to verify the application of the proposed model to Egyptian hotels and travel agents?

### RESEARCH OBJECTIVES

The objectives of the study are:

- a) To assess the satisfaction of customers' cultural variations with the fixed standard packages versus the customized package.
- b) To measure the effect of customizing service offerings in hotels and travel agents to match the variations in cultural values.
- c) To propose a model for customizing services that could be applicable to the Egyptian hotels and travel agents.

### RESEARCH HYPOTHESES

- a) Customizing service offerings in hotels and travel agents according to cultural variations increases customers' satisfaction.
- b) Culturally different customers prefer customized packages more than fixed standard packages.
- c) The proposed model is applicable to the Egyptian hotels and travel agents.

## BACKGROUND

Cultural limitations can be such a troublesome and challenging mission to work across. In fact, Cultures vary in demographics, dialects, nonverbal correspondences and beliefs. As the market of tourism today is becoming more and more difficult a business sector, all multinational Travel Agents and hospitality organizations are forcefully working past the outskirts of their countries. The issue is normally not whether to knock another nation's but it's more about how to do it <sup>(1)</sup>. That's why numerous organizations are trying harder and harder to better comprehend their objective clients in the context of operating as a multinational company.

The objective of the international Tourism industry has definitely turned out to be the culturally diverse tourist. Right now, the top generating market of tourists out to the world is Asia. Central and Eastern Europe follow in being evolving markets along with Latin America. A healthier comprehending of the cultural variations among the aforementioned tourists' markets and also specifying how these markets will perceive the outer culture and practice the necessary exchange is the biggest business challenge. Thus, destabilizing tourist destinations' endeavors in accomplishing or reaching their objectives can be a result of overlooking cultural variations among global tourists' markets and the effect the national culture might have on their behavior or even the decision to purchase a tour with its enclosed services <sup>(2)</sup>.

### Categories of Cultures in Travel & Tourism

Culture can be categorized into various sorts when it comes to Tourism: tourist culture, host culture, and tourism culture. The latter alludes to the home nation culture that visitors bring with them when travelling across different nations for business or for holidays. The culture of a tourist impacts and adds to clarifying his behavior. Despite visitors might behave in a variant way far from home, their culture relies upon the "residual culture," which clarifies how voyagers from various cultures act <sup>(3)</sup>.

The host culture is the culture that the tourists are interacting with in the host country<sup>(3)</sup>. This host culture is the national culture of people providing local services and facilities to tourists. Tourism culture is the result of the attitudes of all participants enrolled in the process of tourism. Thus, the combination of the residual and host cultures along with tourists results in the formation of tourism culture. It is a culture with unique nature for every destination <sup>(4)</sup>.

### The influence of Core Cultural Values on the Tourist Behavior

Cultural values are usually regarded as the valuable and worthy standards and rules <sup>(5)</sup>. Any sort of culture is usually characterized by values and norms which also embrace moral, psychological and spiritual phenomena. Thus, the pillars of the socially anticipated behavior are always such norms and values <sup>(2)</sup>. The individuals' beliefs, actions and thoughts are always affected by the changes in values and that might lead to many divergences, disparities and conflicts. Hence, cultural norms and values play an important role in adjusting and amending the ethics and manners at work <sup>(6)</sup>.

Customer behaviour is heavily influenced by the cultural background. For example; styles of the Asian service are mostly concentrated on people in comparison to the west where there is high value of efficient service. The Asian consumers are aspiring to high quality service even for services of low cost <sup>(7)</sup>. In contrast to the Western consumers who do not care for the interpersonal service if competent or saving tie or not, the Asian consumers greatly consider the impersonal relationships and the interaction between the customers and employees <sup>(7)</sup>. While examining the consumers' services experiences in a diverse multicultural society in Australia, it is mentioned that <sup>(8)</sup> based on the verbal and non-verbal behaviors of the service provider, customers of different cultures understand that they are inequitable service recipients and accordingly have low satisfaction levels.

Therefore, it is highly important to be able to perceive the diverse and various cultural behaviours and their values. Behavior and consumption are strongly influenced by various values of different cultures. A classification plan formulated of three extensive forms of cultural values is given: (1) *other-oriented*, (2) *environment-oriented* and (3) *self-oriented*. The cultural values that are greatly affecting Tourist behavior can be categorized in one of these three general categories <sup>(9)</sup>.

### **Cultural Misinterpretations in providing Hospitality and Travel Services:**

While providing customers of the tourism and travel industries with services, there are usually cultural misinterpretations. Biasness towards one's culture plays a vital role in letting the customers become frustrated and annoyed from the offered service. Misinterpreting culture can also have an influence on the staff's service: For example, waiters of Egyptian origin might cultivate negative approaches towards tourists from Europe who do not pay any tips. No tipping is experienced in Europe; tips are there in the check; 15–20%. That's why European travelling abroad should remember the tipping acts in some countries. As well as in America, "to forget to tip" may not develop good prints of the European travelers in America and this will have a negative impact on the host-guest relationship. Similarly, Americans providing services will have bad impression when asking for tips from European customers <sup>(2)</sup>.

Two alternatives are to be put into consideration for this misinterpretation. First, customers are not like us. They come from different cultures and they cannot be satisfied well, so this needs to be neglected. Second, is to know more about their cultures and check what to do to satisfy them. It has been noticed that foreign customers have the intention to settle for less and this facilitates the way of pleasing them with low efforts exerted. Many service providers nowadays consider the great effect of culture on the service provided once the competition across the globe increased. Although studies done on the effect of culture on providing hotel services are not much, but because its importance has been shown, the growth of studies in this specific area is currently growing fast <sup>(10)</sup>.

Travelers, service providers as well as national citizens should have the sense of awareness of the variations among cultures and this will lead to avoiding any cultural issues. The social interaction between the employees and the customers deeply affects the understanding of the customers of the quality of the service provided and the way they are satisfied with it. Thus hospitality and tourism industries ought to care so much about the varieties of cultures and how to manage this in the relationship of the employees and the customers. Perceiving the differences among cultures and being able to deal with it is considered a great factor of the success of the market of tourism.

Furthermore, any service provided in the field of hospitality & tourism will be strongly influenced by the culture of the service providers and the tourists themselves along with the way they are treated properly <sup>(11)</sup> <sup>(12)</sup>. Acceptable issues within cultures where individualism prevails like the American or the British cultures are not similar to cultures of collectivism as the Chinese and Japanese cultures. For example, the anticipation of the guests in China is usually neglected by the host. The guests in China are always guided and are provided with specific tour programs by the host; the Chinese host doesn't allow his guests to find out about their life the way they want. According to Chinese hosts, courteousness could be achieved when they occupy the time of their guests. On the other side, the perception of the European tourists or those tourists coming from America regarding such courtesy and the way of hospitalizing them is different; they would think that this is interfering with their private lives and they will not feel comfortable. On the contrary, the service providers in Japan for example (i.e. hosts) perceive the expectations of their guests beforehand and try to highly meet them <sup>(13)</sup>. In Japan, they have this perception that the hosts should understand very well about the guests' wants and expectations. European tourists and those coming from the West will feel frustrated by this behavior as they usually feel that they are conscious enough of their own wants and what they need. Tourists

from the West do not feel at ease with the way the Japanese hosts are using in hospitalizing them. On the contrary the Japanese tourists do not feel comfort with the style of the West in hosting them and of not expecting their needs beforehand and letting them have 'free time'; this affects the satisfaction of the Japanese. Thus, the anticipations of the guests and hosts that emerged from different cultures would not lead to positive understandings <sup>(2)</sup>.

As passengers; Japanese, Koreans, Chinese and Americans are a way different from each other while buying from the duty-free, obtaining reading stuff with them and asking for extra foodstuff and drinks. As for instance, travellers from Japan represent extreme respect while treating the staff members at the airlines; while passengers from China and Korea have many requests frequently and that make the staff hampered from their other tasks <sup>(14)</sup>.

### **Tourists' behavior in a Cross-cultural Market**

The integration of many countries in the wide market across the globe is shown while passengers from different parts of the world are travelling. As a result, they are exposed to various cultures across societies, exchange cultures and interacts socially. The point is that tourism and hospitality are developing in a society of many cultures that gets the likenesses and the variances together even in the attitude of workers themselves through the boundaries of cultures. Organizations working in these fields are operating in an extremely complicated multi-cultural atmosphere and they have to perceive the concept of culture and how national and domestic culture plays a great role, and understand the effect of the hosts - i.e.: employees - and the attitude of the guests, i.e. tourists <sup>(15)</sup>.

Tourists' behavior notion could be ascribed to being related to the behavior and attitudes of the consumers. Consumer behavior is considered the attitude the customer shows while selecting, buying, consuming, as well as assessing services, products, concepts, in addition to proficiencies in which they assume that they are going to meet what they desire and need. The attitude the consumer shows in the process of formulating decisions while being confronted by various substitutes and selections is called 'consumer behavior' <sup>(2)</sup>.

From the perspectives of Travel Agents & Hotels; to perceive the behavior of tourists across cultures is of extreme importance as this could ease knowing more about tourists internationally, being aware of the variations between tourists and nationals, planning an influential marketing strategy that focuses on certain international tourists' groups. The larger the variances amid markets of international tourists, the extra worthwhile it is to make use of divergent as well as strategies abiding by the culture of each and every market. When the standards, principles and traditions of culture vary in certain markets, at that time, an extremely personalized strategy of marketing should be created for every market. In contrast, there is a sort of resemblances among cultures in the tourists markets, at that time, an identical strategy of marketing should be applied to each and every market <sup>(2)</sup>.

Recognizing resemblances and discrepancies of cultures of the worldwide tourism market permits marketers to comprehend that the behavior of tourists is inevitably related to culture and that tourist behavior is deeply affected by culture as well as the procedures of the entire business. Knowing the contextual culture of the target market, if it is different from other cultures or similar this will eliminate the errors that might occur across cultures in management and marketing in addition to improving the tourists' satisfaction in holidays, enhance the demand of tourists for travelling, increase the profits from this industry and accordingly will help in the prosperity of the Hospitality & tourism business <sup>(2)</sup>.

### **The Significance of studying the Cultural Behavior in providing Hospitality & Travel Services:**

Studying variant cultures is the most imminent factor for improving hospitality and tourism. The majority of the worldwide tourists are coming from everywhere. Specially, tourists from Asia and East of Europe are growing. All people providing the service should perceive the international cultural difference among

tourists of various backgrounds. Service providers who are well aware of the differences among cultures and languages other than English are going to flourish <sup>(2)</sup>.

Therefore, the travel agents have to understand more about the tourists by dialogues that express the different cultures background. The culture and behavior of the tourists must be studied and understood very well. The most significant basic of succeeding is transforming this market to a get-together forum for having dialogues amongst the tourists, the firm, the tourists' societies and groups. By this framework of creating values, chances for meeting tourists' needs and achieving better experience of travelling will be accomplished. Furthermore, a profound understanding of the society and meeting the desires and preferences of the consumers in social media that would differ across cultures are of extreme importance <sup>(16)</sup>.

### **The Connection of amidst Service Customization, Cultural Values & Tourist Behavior**

A Service Customization is known “as the ability to provide your customers with anything they want profitably, any time they want it, anywhere they want it, any way they want it” <sup>(17) (18)</sup>. Moreover, this concept was well-defined <sup>(17)</sup> as “the use of flexible processes and organizational structures to produce varied and often individually customized products and services at the low-cost of a standardized, mass-production product”. In addition, Customization is a notion that clarifies the degree of individual likings and how consumers feel that they have a special exclusive treatment <sup>(19) (20) (21)</sup>.

In fact, in nowadays market Service Customization offers those who are providing services with lots of assistances. It reaches a compromise between the features of the service and the desires of the consumers. Moreover, it escalates the degree of the quality of service understood by the customers, and it offers exclusiveness to various cultural necessities <sup>(19) (20) (21)</sup>.

Creating *loyalty* to the destination is the greatest challenge that service providers should achieve through offering an exclusive service to tourists from different backgrounds. From another perspective, this is going to escalate the competitive edge among service providers – i.e. hotels – on the long run. That's why competition will be enlarged among all service providers as well as creating “loyalty” is an obligation for those providing services in tourism and hospitality. Thus studying the value of different cultures is going to help those responsible for providing the service – i.e. managers – as this will aid them to modify the quality of their service to meet the customers' wants and desires; so the degree of loyalty of clients will be elevated and they will “repeat visitations” as all their expectations have been met <sup>(22)</sup>.

As service providers invest so much in personalized packaging, they usually surprise their clients with things they want but have not inquired about <sup>(23)</sup>. Once the clients arrive, service providers are able to perceive the specific values they aspire to. They are confident and capable enough of satisfying the earlier recognized actions which match their fondness and likings based on their specific cultures <sup>(22)</sup>.

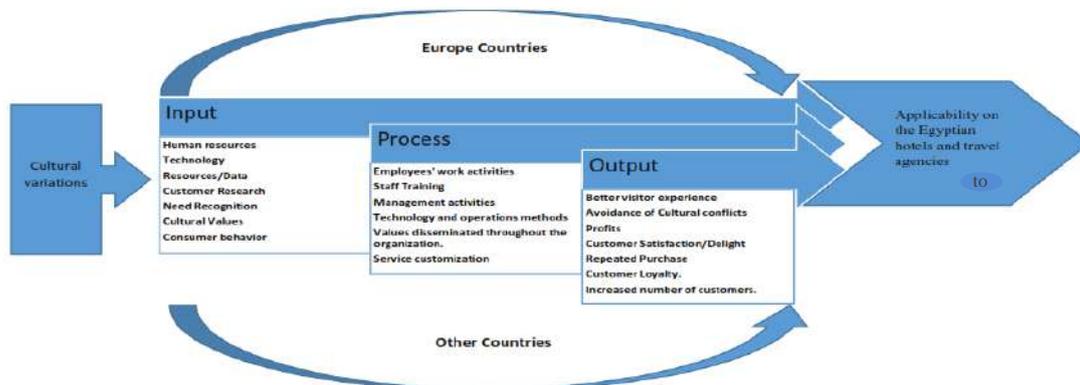
Certain types of technology have been used to develop the degree of personalization provided to tourists. Specifically, reservations have not been as complex as used to be; applications on mobile phones and certain websites can simply do so by displaying the traveler's information and his/her past bookings' info. Moreover, notifications and recommendations could be received by tourists constructed through their schedules and their present place. Similarly, certain sites on the internet for tourists to provide their reviews are there to sustain travel companies with certain comprehensions on how they perform and if the desires and preferences of the culturally different travelers are met or not. As for example, asking travellers to contact the travel agency to have a unique customized scheme will be great, as well as, offering some choices for travelers like the adjustable or the fixed plan will be effective <sup>(19) (20) (21)</sup>.

**RESEARCH METHODOLOGY**

A questionnaire was designed and directed to managers of hotels and travel agents located in Egypt, to pick up information on the effect of customizing service offerings in hotels and travel agents to match the variations in cultural values and its effect on customer satisfaction, and to measure the applicability of a proposed model to the Egyptian hotels and travel agents. Judgmental sample included 200 questionnaires distributed among facility administrators, department heads, and general managers, in Great Cairo, Alexandria, Luxor and Aswan, Hurghada, and Sharm El-Shaikh. Our responses were 130; nine questionnaires were excluded for in-validity; 121 questionnaires were valid with response rate of 60.5%, which is statistically acceptable for analysis. Data obtained was analyzed by using Statistical Package for Social Sciences (SPSS). Frequencies and percentages were made for all the questions, a combination of different techniques were used including descriptive statistics, Confirmatory factor analysis.

**THE PROPOSED MODEL**

It is essential to identify the key constructs of the proposed model. For the Input stage it must contain: (Human resources, Technology, Resources/Data, Customer Research, Need Recognition, Cultural Values, and Consumer Behavior). For the Process stage it has: (Employees' Work Activities, Staff Training, Management Activities, Technology and Operations Methods, Values disseminated throughout the organization, Service Customization). Finally for the Output stage of the proposed model, it is expected to have: (Better visitor experience, Avoidance of Cultural conflicts, Profits, Customer Satisfaction/Delight, Repeated Purchase, Customer Loyalty, Increased number of customers). These must be measured to assess the applicability of this model at the Egyptian hotels and travel agents.



**Figure (1): The Proposed Model**

**RESULTS AND DISCUSSION**

Table (1) Organizations Respondents

Organizations	Frequency	Percent
Travel agents	37	30.6
Hotels	84	69.4
Total	121	100.0

The respondents' frequencies varied between Travel agents (approx. 31%) and hotels (69%) in order to research main pillars of the Travel and hospitality sector.

Table (2) Occupations of Respondents

Occupations	Frequency	Percent
Director	3	2.5
Executive	18	14.9
Manager	29	24.0
Supervisor	15	12.4
General staff	56	46.3
Total	121	100.0

Occupations of respondents were directors, executives, managers, supervisors and general staff, in order to cover all staff levels involved in serving visitors who are in direct contact with different types of visitors with their different cultural backgrounds. Table (3) Types of Individual Guests

Types of Individual Guests	Frequency	Percent
Local guests	2	1.7
Foreign guests	22	18.2
Both local and foreign guests	97	80.2
Total	121	100.0

Table (4) Types of Corporate Guests

Types of Corporate Guests	Frequency	Percent
Corporate guests	2	1.7
Tourists	47	38.8
Both corporate guests and tourists	72	59.5
Total	121	100.0

Table (5) Locations of Respondents

Location	Frequency	Percent
Cairo	80	66.1
Alexandria	8	6.6

Aswan	5	4.1
Hurghada	14	11.6
Sharm El Shaikh	14	11.6
Total	121	100.0

Cairo came at the top of destinations as being the core in most travel itineraries and visits.

Table (6) Guests Nationalities

Country	Frequency	Percent
Russia	81	66.9
Germany	21	17.4
UK	57	47.1
Italy	58	47.9
France	59	48.8
Poland	13	10.7
Japan	7	5.8
China	12	9.9
Gulf Countries	15	12.4

Table (7) Descriptive Statistics

	cv	Mean	Std. Deviation
q1.1	24.83	3.3802	0.83921
q1.2	17.88	3.5868	0.64122
q1.3	50.58	2.6694	1.35024
q1.4	43.88	2.7603	1.21123
q1.5	16.63	3.5537	0.59091
q1.6	36.41	3.413	1.2428
q1_1_6	15.08	3.23	0.487
q2.1	30.37	3.1983	0.97142
q2.2	32.40	3.2314	1.04690

q2.3	32.06	3.4380	1.10221
q2_1_3	29.45	3.29	0.969
q3.1	24.31	4.0248	0.97863
q4.1	16.70	4.3306	0.72328
q4.2	18.46	4.0413	0.74606
q4_1_2	16.01	4.19	0.671
q5.1.1	15.24	4.0992	0.62457
q5.1.2	15.90	4.0744	0.64763
q5.1.3	18.32	3.9421	0.72224
q5.1.4	16.46	4.0000	0.65828
q5.1.5	16.46	4.0000	0.65828
q5.1.6	17.92	3.9752	0.71254
q5.1.7	14.57	4.0992	0.59728
q5_1_1_7	11.54	4.03	0.465
q5.2.1	14.96	4.1322	0.61836
q5.2.2	13.82	3.9339	0.54368
q5.2.3	16.80	3.8430	0.64560
q5.2.4	17.05	3.8099	0.64954
q5.2.5	15.49	3.9091	0.60553
q5_2_1_5	11.09	3.93	0.436
q5.3.1	16.61	3.8347	0.63701
q5.3.2	17.65	3.8843	0.68544
q5.3.3	16.83	3.8595	0.64943
q5.3.4	15.96	3.9504	0.63049
q5.3.5	14.72	4.0165	0.59138

q5.3.6	13.69	4.0000	0.54772
q5.3.7	13.14	3.9917	0.52434
q5_3_1_7	11.04	3.93	0.434
q6	15.76	3.8430	0.60564
Valid N (listwise)	121		

Q1- Customers' satisfaction

Q2- Customizing Service offerings

Q3- Preference of customized versus fixed standard tourism packages

Q4- Cultural differences among customers'

Q5- Proposed model

1- Input

2- Process

3- Output

Q6- Applicability to the Egyptian hotels and travel agencies

According to the Descriptive statistics in table (7), it can be concluded that the most three homogeneous variables are the group of questions representing the output of the proposed model, followed by the group of questions of the process of the proposed model, and finally the group of questions of the input of the proposed model with a coefficient of variation of (11.04%), (11.09%), (11.54%) respectively. Then the next three homogeneous variables are the group of questions representing customer satisfaction, then the group of questions representing the applicability of the proposed model to the Egyptian hotels and travel agencies, finally the group of questions of the Cultural differences among customers' with a coefficient of variation of (15.08%), (15.76%), (16.01%) respectively.

Confirmatory factor analysis (CFA) was first conducted to test how well the measured variables represent the constructs. The key advantage is that the researcher can analytically test a conceptually grounded theory explaining how the different tested items represent the most important business measures. When CFA results are combined with construct validity tests, the researcher can obtain a better understanding of the quality of their measures. The construct validity is the extent to which a set of measured items actually measures the construct. The model fit is assessed in terms of ten indices: Normed Chi-Square with cut-off values less than (5), goodness-of-fit index (GFI), Adjusted Goodness of Fit Index (AGFI), Normed Fit Index (NFI), Relative Fit Index (RFI), Incremental Fit Index (IFI), Tucker Lewis Index (TLI), Comparative Fit Index (CFI), Root Mean Square Residual Approximation (RMSEA), Root Mean Square Residual (RMR), and the average variance extracted with cut-off values greater than (0.5). A model is considered to be satisfactory if the possible range of GFI values is 0 to 1, with higher values indicating better fit. In the past, GFI values of greater than 0.90 typically were considered good. Others argue that 0.95 should be used. Recent development of other fit indices has led to a decline in usage. Also the CFI is normed so that values range between 0 and 1, with higher values indicating better fit. A "good" RMSEA value is debatable. Although previous research had sometimes pointed to a cutoff value of .05 or .08, more recent research points to the fact that drawing an absolute cutoff for RMSEA is inadvisable<sup>(24)</sup>.

The researcher conducted both initial Confirmatory factor analysis and final Confirmatory factor analysis with the fit measured variables representing the constructs, as the following:

Table (8): Confirmatory Factor Analysis by standardized and unstandardized regression weights

Path			Standardized estimate	Unstandardized estimate	S.E.	t_test:	Significant level
q1.3	<---	Q1	.893	1.000			
q1.4	<---	Q1	.898	.902	.061	14.668	0.001***
q1.6	<---	Q1	.808	.832	.071	11.805	0.001***
q2.1	<---	Q2	.903	1.000			
q2.2	<---	Q2	.942	1.124	.066	17.128	0.001***
q2.3	<---	Q2	.844	1.060	.080	13.268	0.001***
q5.1.1	<---	Q5_1	.802	1.000			
q5.1.2	<---	Q5_1	.858	1.110	.109	10.162	0.001***
q5.1.3	<---	Q5_1	.803	1.158	.123	9.438	0.001***
q5.1.4	<---	Q5_1	.594	.781	.119	6.587	0.001***
q5.1.7	<---	Q5_1	.600	.716	.107	6.669	0.001***
q5.2.3	<---	Q5_2	.660	.779	.103	7.541	0.001***
q5.2.2	<---	Q5_2	.769	.764	.085	8.983	0.001***
q5.2.1	<---	Q5_2	.885	1.000			
q5.3.1	<---	Q5_3	.733	1.000			
q5.3.2	<---	Q5_3	.713	1.047	.146	7.179	0.001***
q5.3.3	<---	Q5_3	.762	1.059	.139	7.623	0.001***
q5.3.4	<---	Q5_3	.662	.893	.134	6.679	0.001***
q5.3.5	<---	Q5_3	.627	.793	.125	6.334	0.001***
q5.3.6	<---	Q5_3	.602	.706	.116	6.085	0.001***
q4.1	<---	Q4	.765	1.000			
q4.2	<---	Q4	.875	1.179	.164	7.207	0.001***

\*\*\* Significant at level less than (0.001).

According to Table (8), the researcher can conclude the following:

1. All standardized regression weights are greater than 0.50, meaning that all the measured variables, are statistically significant, i.e., the measured variables represent the constructs.
2. T- test for all the measured variables is significant at a level of significance (less than 0.001), which shows the importance of the observed variables to measuring the impact of Cultural differences among customers' on the preference of customized versus fixed standard tourist packages.
3. Squared Multiple Correlations, i.e., the average variance extracted for the variable of Q1.1, Q1.2, Q1.5, Q5.1.5, Q5.1.6, Q5.2.4, Q5.2.5, and Q5.2.6, are less than (0.50), so they were excluded from the effect of customized service offerings variables on the customers' satisfaction, preference of customized versus fixed standard tourism packages, Input of the Proposed model, Process of the Proposed model and the Applicability of the model to the Egyptian hotels and travel agents respectively.

#### Measuring the Goodness of Fit of the (CFA) model:

Table (9): The Goodness of Fit Indices in the Confirmatory Factor Analysis

Chi-Square	428.488
Degree of Freedom	194
Level of Significance	0.001
Normed Chi-Square	2.209
Root Mean Square Residual (RMR) <0.10	.042
Goodness of Fit Index (GFI)	.765
Adjusted Goodness of Fit Index (AGFI)	.694
Normed Fit Index (NFI)	.780
Relative Fit Index (RFI)	.738
Incremental Fit Index (IFI)	.867
Tucker Lewis Index (TLI)	.838
Comparative Fit Index (CFI)	.864
Root Mean Square Residual Approximation (RMSEA) <0.10	.100
The average variance extracted	0.608773

#### From table (9), it is revealed that:

1. All the goodness of fit tests of the model showed significant results i.e., the majority of indicators are acceptable limits or near to the cut-off values, meaning that the possibility of matching the actual form of the model estimated.
2. The values of Root Mean Square Residual (RMR) and Root Mean Square Residual Approximation (RMSEA) are less than (0.10), indicating a close fit of the model in relation to the degrees of freedom.

3. The mean variance extracted for all the latent constructs is 0.608773, there is adequate convergent validity.
4. Overall, the evidence of a good model fit, reliability, and convergent validity, indicates that the measurement model could be improved for testing the regression model by excluding the variable of Q1.1, Q1.2, Q1.5, Q5.1.5, Q5.1.6, Q5.2.4, Q5.2.5, and Q5.2.6, from the initial CFA.

Table (10) Reliability Test

No.	Cronbach's Alpha	No. of Measures	Validity
1	0.801	4	0.907
2	0.922	3	0.939
4	0.802	2	0.909
5.1	0.849	6	0.898
5.2	0.820	3	0807
5.3	0.839	6	0.839
Total	0.897	24	0.952

According to table (10) Cronbach's Alpha showed that the values of four components namely Customer Satisfaction, Customizing Service Offerings, Cultural differences among customers', and Proposed model with its three constructs (Input, Process, and Output) are 0.801, 0.922, 0.802, and (0.849, 0.820, 0.839) respectively, i.e. acceptable. Questions 3 and 6 have been eliminated due to the in-validity of the measures proposed by the researchers (reliability less than 0.60).

**Hypothesis 1:**

The researcher conducted both multi group analysis and final Confirmatory factor analysis with the fit measured variables representing the constructs, as follows: The confirmatory factor analysis is conducted to test how well the measured variables represent the constructs. The key advantage is that the researcher can analytically test a conceptually grounded theory explaining how different measured items of customized service offerings affect customer satisfaction. When CFA results are combined with construct validity tests, the researcher can obtain a better understanding of the quality of their measures.

**Scalar Estimates (Europe Countries - Unconstrained)**

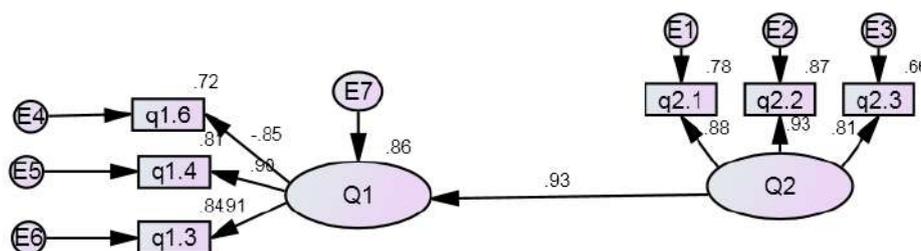


Figure (2): Confirmatory factor analysis results for Europe Countries (path diagram for the measurement model)

Table (11) shows the constructs which were initially considered to express the effect of customized service offerings variables to assess the customer satisfaction in Egyptian hotels and travel agents. The construct validity is the extent to which a set of measured items actually measures the construct. This has been computed in the Confirmatory Factor Analysis and the variables shown in the table (11) were found to be valid.

Table (11): Multi group analysis by standardized and unstandardized regression weights

Path			Standardized estimate	Unstandardized estimate	S.E.	t_test:	Significant level
Q1	<---	Q2	.928	1.389	.142	9.772	0.001***
q1.3	<---	Q1	.914	1.000			
q1.4	<---	Q1	.902	.942	.079	11.998	0.001***
q1.6	<---	Q1	-.846	-.886	.086	-10.325	0.001***
q2.1	<---	Q2	.881	1.000			
q2.2	<---	Q2	.933	1.169	.099	11.769	0.001***
q2.3	<---	Q2	.812	1.140	.127	8.965	0.001***

\*\*\* Significant at a level less than (0.001).

According to Table (11), the researcher can conclude the following:

1. All standardized regression weights are greater than 0.50, meaning that all the measured variables, are statistically significant, i.e., the measured variables represent the constructs.
2. T-test for the all measured variables is significant at a level of significance (less than 0.001), which shows the importance of the observed variables to measuring the effect of customized service offerings variables on the customer satisfaction.
3. Squared Multiple Correlations, i.e., the average variance extracted for the variables of Q1.1, Q1.2, and Q1.5, are less than (0.50), so they were excluded from the effect of customized service offerings variables on the customer satisfaction.

**(Other Countries - Unconstrained)**

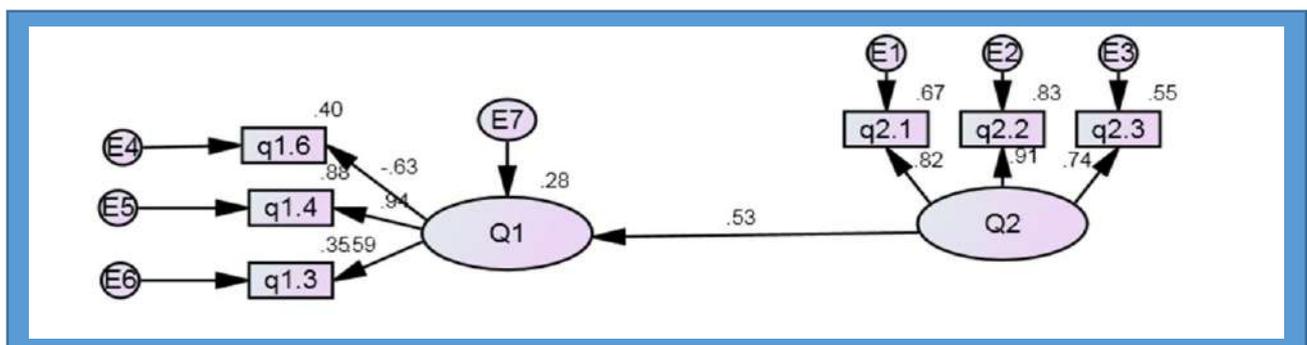


Figure (3): Confirmatory factor analysis results for Other Countries (path diagram for a measurement model)

Table (12): Multi group analysis by standardized and unstandardized regression weights

Path			Standardized estimate	Unstandardized estimate	S.E.	t_test:	Significant level
Q1	<---	Q2	.530	.474	.179	2.645	0.008
q1.3	<---	Q1	.593	1.000			
q1.4	<---	Q1	.936	1.624	.441	3.683	0.001***
q1.6	<---	Q1	-.630	-1.293	.364	-3.556	0.001***
q2.1	<---	Q2	.816	1.000			
q2.2	<---	Q2	.912	1.098	.169	6.506	0.001***
q2.3	<---	Q2	.743	.955	.172	5.561	0.001***

\*\*\* Significant at less than (0.001).

According to Table (12), the researcher can conclude the following:

1. All the standardized regression weights are greater than 0.50, which means that all the measured variables are statistically significant, i.e., the measured variables represent the constructs.
2. T-test for all the measured variables is significant at a level of significance less than (0.001), which shows the importance of the observed variables to the measure of the effect of customized service offerings variables on the customer satisfaction.
3. Squared Multiple Correlations, i.e., the average variance extracted, for the variables of Q1.1, Q1.2, and Q1.5, are less than (0.50), so they were excluded from the effect of customized service offerings variables on the customer satisfaction.

#### Measuring the Goodness of Fit of the (CFA) model:

Table (13): The Goodness of Fit Indices in the multi group analysis

Chi-Square	24.802
Degree of Freedom	16
Level of Significance	0.073
Normed Chi-Square	1.550
Root Mean Square Residual (RMR) <0.10	.046
Goodness of Fit Index (GFI)	.938
Adjusted Goodness of Fit Index (AGFI)	.838

Normed Fit Index (NFI)	.954
Relative Fit Index (RFI)	.914
Incremental Fit Index (IFI)	.983
Tucker Lewis Index (TLI)	.968
Comparative Fit Index (CFI)	.983
Root Mean Square Residual Approximation (RMSEA) <0.10	.068
The average variance extracted	0.5075
R <sup>2</sup>	86.1%

**From table (13), it is revealed that:**

1. All the goodness of fit tests of the model showed significant results, i.e., the majority of indicators are at acceptable limits or near to cut-off values, meaning the possibility of matching the actual form of the model estimated.
2. The values of Root Mean Square Residual (RMR) and Root Mean Square Residual Approximation (RMSEA) are less than (0.10) indicating a close fit of the model in relation to the degrees of freedom
3. The mean variance extracted for all the latent constructs is 0.5075, i.e., the convergent validity is adequate.
4. Overall, the evidence of a good model fit, reliability, and convergent validity, indicates that the measurement model could be improved for testing the regression model by excluding the variables Q 1.1, Q 1.2, and Q 1.5 from the initial CFA.

**From the above the researchers accept H1 as customers with cultural variations prefer and are satisfied with customized service offerings in hotels and travel agents.**

### **Hypothesis 2:**

There are many important research topics for which the dependent variable is "limited" or categorical response variable. Logistic regression is useful for situations in which you want to be able to predict the presence or absence of a characteristic or outcome based on values of a set of predictor variables. It is similar to a linear regression model but is suited to models where the dependent variable is dichotomous. Logistic regression coefficients can be used to estimate odds ratios for each of the independent variables in the model. Logistic regression is applicable to a broader range of research situations than discriminant analysis.

Table (14): logistic regression model to determine the impact of the culturally different customers on the preference of customized packages more than fixed standard packages

No	Independent Variables	Estimated coefficient	Wald test		Chi –square test		R <sup>2</sup>	Prob.
			value	Sig.	value	Sig.		
1	Constant	-3.282	3.403	0.065	2.683	0.443	15.8%	0.86
2	Q4_1_2	1.313	8.273	0.004**				0.99
CHI <sup>2</sup> Hosmer and Lemeshow Test =2.683 (SIG>0.05) CHI <sup>2</sup> model Correct classification ratio = 86.8								

\* **Parameter is significant at (.05) level**

\*\* **Parameter is significant at (.001) level**

According to logistic regression model in table (14), it can be concluded that:

**1- Chi –square test:**

The chi-square statistic is the change in the -2 log-likelihood from the previous step, block, or model. The “Model Chi-Square” statistic is used to determine whether the overall model is statistically significant. The same applies to the F test in linear regression model, since the value of "Chi-square test" is (10.515) significant at the (0.001) level, then the researcher concludes that the overall independent variables are statistically significant impacting the dependent variable, or in other words the model is fitted to logistic regression.

**2- Hosmer and Lemeshow Test:**

At each step, there is a goodness-of-fit test of the null hypothesis that the model adequately fits the data. If the null is true, then the statistical value will have an approximately chi-square distribution with the displayed degrees of freedom. Since the significance of the test is greater less than (0.05), then the model adequately fits the data.

**3- The Classification table:**

The classification table helps to assess the performance of the model by cross tabulating the observed response categories with the predicted response categories. For each case, the predicted response is the category treated as 1, if that category's predicted probability is greater than the user-specified cutoff. Cells on the diagonal are correct predictions, with (86.9%), whereas Cells off the diagonal are incorrect predictions.

**4- Coefficient of determination:**

The Independent Variables accepted in the model explain 15.8% of the total variation of log odds ratio or logit model ,i.e., dependent variable, dividends payment, the rest percent due to either the random error in the regression model or other Independent Variables excluded from the regression model. Larger pseudo r-square statistics indicate that most of the variation is explained by the model, to a maximum of 1.

**5- Wald test:**

This test is useful for determining the significant value of each of the individual independent variable coefficient in the logistic regression model. The ratio of B to S.E. squared is equal to the Wald statistic. If the Wald statistic is significant (i.e., less than 0.05) then the parameter is useful to the model. The significant independent variable is the variations in cultural value which is significant at less than (0.01).

**6- Probability event:**

The Probability event of each independent variable is the odd ratio divided by Odd ratio plus one, and then the important variable is the variations in cultural value with probabilities (0.99).

**7- Logistic Regression model:**

$$\text{logit}(p_i) = \ln \left( \frac{p_i}{1 - p_i} \right) = \beta_0 + \beta_1 x_{1,i} + \dots + \beta_k x_{k,i}.$$

$$P(Y) = \left[ 1 + e^{-(-3.282+1.313q4_{-1-2})} \right]^{-1}$$

By substituting the value of the independent variable (the variations in cultural value), then the dependent variable (preference of customized service packages) can be predicted.

**From the above the researchers accept H2; as customized packages are found to be more preferable than fixed standard packages among the variations in cultural value.**

**Hypothesis 3**

Table (15) Pearson correlation matrix

constructs	q6	q5_3_1_7	q5_2_1_5	q5_1_1_7
q6	1			
q5_1_1_7	***0.590	1		
q5_2_1_5	*.436	** .543	1	
q5_3_1_7	***0.556	** .480	** .505	1

\* Significant at less than (0.05).

\*\* Significant at less than (0.01).

\*\*\* Significant at less than (0.001).

Pearson correlation matrix was used to measure the significance of linear relationship between the constructs of the proposed model and the applicability to the Egyptian hotels and travel agents.

According to Pearson correlation matrix (the above table15):

1. There are significant positive linear relationships between the constructs of the proposed model and the applicability to the Egyptian hotels and travel agents at a Significance level less than (0.001).
2. There are significant positive linear relationships between the proposed model and the applicability to the Egyptian hotels and travel agents at a Significance level less than (0.05).

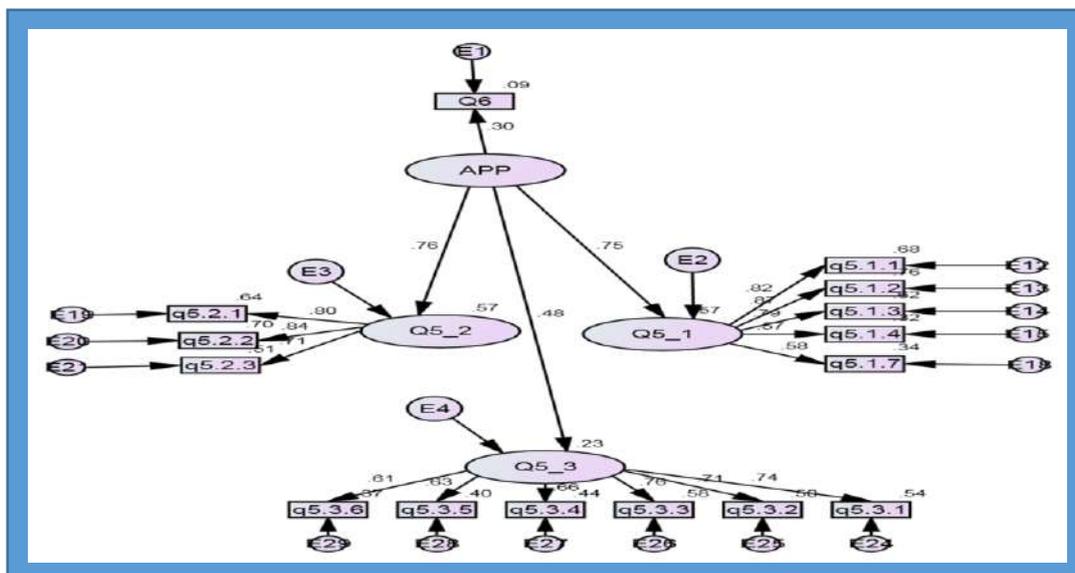


Figure (4): The initial Confirmatory factor analysis for the measurement model

Table (16) Confirmatory Factor Analysis by standardized and unstandardized regression weights

Path			Standardized estimate	Unstandardized estimate	S.E.	t_test	Significant level
q1.3	<---	Q1	.893	1.000			
q1.4	<---	Q1	.898	.902	.061	14.668	0.001***
Q5_2	<---	APP	.755	2.089	.835	2.502	.012
Q5_1	<---	APP	.754	2.159	.863	2.501	.012
Q5_3	<---	APP	.477	1.245	.543	2.293	.022
q5.1.1	<---	Q5_1	.822	1.000			
q5.1.2	<---	Q5_1	.872	1.099	.103	10.697	0.001***
q5.1.3	<---	Q5_1	.787	1.106	.116	9.501	0.001***
q5.1.4	<---	Q5_1	.566	.725	.115	6.322	0.001***
q5.1.7	<---	Q5_1	.583	.678	.104	6.551	0.001***
q5.2.3	<---	Q5_2	.715	.930	.122	7.657	0.001***
q5.2.2	<---	Q5_2	.835	.916	.107	8.574	0.001***
q5.2.1	<---	Q5_2	.802	1.000			
q5.3.1	<---	Q5_3	.735	1.000			
q5.3.2	<---	Q5_3	.706	1.033	.145	7.107	0.001***
q5.3.3	<---	Q5_3	.760	1.054	.139	7.604	0.001***
q5.3.4	<---	Q5_3	.663	.892	.133	6.690	0.001***
q5.3.5	<---	Q5_3	.629	.795	.125	6.359	0.001***
q5.3.6	<---	Q5_3	.606	.709	.116	6.130	0.001***
Q6	<---	APP	.296	1.000			

\*\*\* Significant at less than (0.001).

According to Table (16), the researcher can conclude the following:

All the standardized regression weights are greater than 0.50, meaning that all the measured variables, are statistically significant, i.e., the measured variables represent the constructs.

T- test for all the measured variables is significant at a level of significance less than (0.001), which shows the importance of the observed variables in measuring the impact of the proposed model and the applicability to the Egyptian hotels and travel agents on the organizational affective commitment.

Squared Multiple Correlations ,i.e., average variance extracted, for the variables of Q1.1, Q1.2, Q1.5, Q1.6, Q5.15, Q5.1.6, and Q5.3.7 are less than (0.50), so they were excluded from the Customers' satisfaction, Input of the Proposed model, and Output of the Proposed model.

### Measuring the Goodness of Fit of the (CFA) model:

Table (17): The Goodness of Fit Indices in the Confirmatory Factor Analysis

Chi-Square	245.513
Degree of Freedom	87
Level of Significance	0.001
Normed Chi-Square	2.822
Root Mean Square Residual (RMR) <0.10	.036
Goodness of Fit Index (GFI)	.790
Adjusted Goodness of Fit Index (AGFI)	.710
Normed Fit Index (NFI)	.737
Relative Fit Index (RFI)	.682
Incremental Fit Index (IFI)	.813
Tucker Lewis Index (TLI)	.769
Comparative Fit Index (CFI)	.808
Root Mean Square Residual Approximation (RMSEA) <0.10	.123
The average variance extracted	0.508
$R^2_{q5-3}=22.7\%$ , $R^2_{q5-2}=57.1\%$ , $R^2_{q5-1}=56.8\%$	

**From table (17), it is revealed that:**

1. All the goodness of fit tests of the model showed significant results i.e., the majority of indicators are at acceptable limits or near to cut-off values, meaning the possibility of matching the actual form of the model estimated.
2. the values of Root Mean Square Residual (RMR) and Root Mean Square Residual Approximation (RMSEA) are less than (0.10), indicating a close fit of the model in relation to the degrees of freedom
3. The mean variance extracted for all the latent constructs is 0.508, i.e., there is adequate convergent validity.

4. Overall, the evidence of a good model fit, reliability, and convergent validity, indicates that the measurement model could be improved for testing the regression model by excluding the variables of Q1.1, Q1.2, Q1.5, Q1.6, Q5.15, Q5.1.6, and Q5.3.7 from the initial CFA.

**From the above the researchers accept H3 and the proposed model could be applied to the Egyptian hotels and travel agents.**

## RECOMMENDATIONS

More research on this topic is recommended, as better development of the proposed Model is probable by applying it to top nationalities one by one and main inbound markets to Egypt as a tourist destination. This is necessary to avoid cultural conflicts and dissatisfaction between the host and tourist by customizing the product offering to customers.

To better understand tourist behaviors, it is recommended to research more for their needs through studying cultures by religion, subculture and type of culture in tourism or even the factors that affect customers' decision to choose Egypt as a destination.

As for the Model; Cross-cultural training for employees and involved service providers who have to deal directly with customers is recommended along with developing training manuals for hotel employees to be more aware of cultural differences. Upgrading the skills and knowledge of managers in the international hospitality industry is recommended in order to acknowledge the differences that arise on account of cultural diversity and to enhance their performance as they become closer to meeting the cultural expectations of their customers and gaining a competitive edge towards their competitors.

Continuous measurement of customer satisfaction of hotel guests using cultural aspects is compulsory to provide services in accordance with these cultural variations that differ from a nationality to another.

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### المخلص باللغة العربية

تقدم هذه الدراسة نظرة ثاقبة في العلاقة بين الاختلافات في القيم الثقافية وتخصيص خدمات أو عروض تتناسب مع تلك الاختلافات، ومقارنة بين درجة تفضيل العملاء لهذه العروض التي تتناسب معهم على إختلاف ثقافتهم وبين درجة تفضيل العروض المعدة مسبقاً والتي لا تراعي الإختلافات الثقافية بين هؤلاء العملاء على إختلاف جنسياتهم. وقد بنيت هذه الدراسة على ثلاثة فروض أساسية وهي: -

(أ) العملاء على إختلاف ثقافتهم وجنسياتهم يفضلون عروضاً تتناسب معهم أكثر من تلك المعدة مسبقاً من قبل وكلاء السفر والفنادق؛

(ب) تقديم وتخصيص عروض وخدمات من خلال وكلاء السفر والفنادق تراعي المتغيرات الثقافية يزيد من رضا العملاء؛

(ج) النموذج المقترح يمكن تطبيقه على وكلاء السفر والفنادق المصرية.

اعتمد منهج الدراسة على تصميم استمارة استبيان موجهة إلى المدراء والعاملين بالفنادق ووكلاء السفر في مصر، لتجميع المعلومات حول تأثير تقديم خدماتهم مع التغيرات في القيم الثقافية وتأثيرها في رضا العملاء، وقياس فاعلية تطبيق النموذج المقترح على الفنادق المصرية ووكلاء السفر. شملت عينة البحث 200 استمارة وزعت على المدراء التنفيذيين ورؤساء الأقسام، ومدراء العموم، في القاهرة الكبرى والإسكندرية والأقصر وأسوان والغردقة وشرم الشيخ، وذلك في فنادق ووكلاء السفر بمصر. تم تحليل البيانات التي تم الحصول عليها باستخدام الحزمة الإحصائية للعلوم الاجتماعية (SPSS10). قدمت التكرارات والنسب المئوية لجميع الأسئلة، واستخدمت مجموعة من التقنيات المختلفة بما في ذلك الإحصاء الوصفي، التحليل العاملي التوكيدي.