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경영학석사학위논문

## When do you trust your doctor more?

- A cross-cultural study of the role of  
demographic homophily in the context of  
service provider-customer interaction -

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# Abstract

## When do you trust your doctor more?

### - A cross-cultural study of the role of demographic homophily in the context of service provider-customer interaction -

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This research studies the role of demographic homophily in the medical service context. It suggests that demographic homophily between the customer and the service provider has a positive effect on trust, which then leads to customer loyalty. Meanwhile, there is a mediating effect of clarity of communication and moderating effect of cultural background on the relationship between demographic homophily and trust. For a cross-cultural study, this research compares Korean and German consumers who are clearly distinguished in the aspect of collectivism-individualism and femininity-masculinity of the society. By investigating the significance of demographic homophily and the impact of cultural background, this research contributes to service marketing field both academically and practically.

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**keywords : homophily, cross-culture, service marketing, trust, loyalty**  
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# 1. Introduction

In the context of medical service, communication between the service provider, which usually refers to doctors, and the customer, that is, the patients, is more important and critical than any other services in that it deals with health issues which vary from small, miscellaneous ones to fatal, emergent ones. Furthermore, the feeling of trust, which is derived from the effective interactions and clear communication between two parties, is what the patients are seeking for from their own doctors. In many health care services, customer and provider interactions are extensive and repeated (Dellande, Gilly and Graham 2004). Therefore, this research seeks to identify and study what helps customers to feel clarity of communication and trust, the relations between these two factors, and the result of trust customer has towards the service provider, specifically in medical service environment. Furthermore, the impact of cultural background on customer and provider interactions will be studied.

The service marketing literature has explored customer-service provider relationships more thoroughly than other marketing research streams because of the unique characteristics of both relationships and services (Bendapudi and Berry 1997). While there are many factors which are known to contribute to building trust towards service provider, in service settings where the customer expects to have extensive and repeated interactions with the service provider, customers are expected to anticipate better service from demographically homophilous people because they are more

comfortable interacting with them than those who don't have much similarity with themselves (Fisher, Gainer and Bristor 1997). The present research would focus on this demographic homophily as an antecedent factor of perceived easiness of communication, which then leads to the customer's trust. According to the literature, homophily promotes attitude change and/or cooperation in two ways: by clarity of communication and by trust and liking (Dellande, Gilly and Graham 2004). And trust is assumed to enhance customer loyalty to the service as underlying loyalty is known to be always trust, a willingness to act without calculating immediately cost and benefits, which means loyalty to a brand involves trusting it (O'Shaughnessy 1992).

Although the effect which perceived homophily has on perceived clarity of communication and trust is known to be a universal phenomenon, it is also expected that cultural background may have an impact on the degree of the effect of perceived homophily. According to Hofstede's theory of cultural differences among nations, individualism-collectivism and masculinity-femininity of the society are main dimensions which distinguish one nation from another. These two dimensions are used to describe the relationship between people, self-concept, communication, and values of each nation. And as South Korea and Germany are in opposite sides when it comes to these two dimensions, this research assumes that these two are to be appropriate subjects to examine the impact of cultural difference on customer and service provider interactions. Therefore, this research

compares Korean and German consumer groups in the context of medical service focusing on demographic homophily.

## **2. Theoretical Framework**

### **2.1. Homophily**

Relations between communication source and receiver account for many aspects of communication, such as credibility, empathy, attraction, etc., and ultimately the effectiveness of communication (Rogers and Bhowmik 1970). One of the most obvious and fundamental of human communication is that the exchange of messages most frequently occurs between a source and a receiver who are alike, similar, homophilous. Also widely assumed is that communicators who are perceived as similar to their audiences are more likely to affect persuasion than those sources that are seen as dissimilar (Bersheid 1966). And this is based on cumulative studies which are suggesting that people are tend to be more favorable to people who are similar to themselves.

Homophily is the degree to which people in a dyad are similar on certain attributes, such as demographic variables, attitude, beliefs, and values (Touhey 1974). McPherson, Smith-Louvin and Cook (2001) defines homophily as the principle that a contact between similar people occurs at a higher rate than among dissimilar people. The pervasive fact of homophily means that cultural, behavioral, genetic,

or material information that flows through networks will tend to be localized. In other words, homophily implies that distance in terms of social characteristics translates into network distance, the number of relationships through which a piece of information must travel to connect two individuals (McPherson, Smith-Louvin and Cook 2001).

Social scientists who systematically observed group formation and network ties in the 1920s and 30s noted that school children formed friendships and play groups at higher rates if they were similar on demographic characteristics (Bott 1928). Extensive investigation of homophily has also indicated that homophily ultimately derives trust from various favorable feelings the subject has towards the person who is homophilous. In other words, similar sources are alleged to be more credible than dissimilar sources. Homophily leads to trust, respect, and/or in-group feelings (Simon, Berkowitz and Moyer 1970). Crosby, Evans, and Cowles (1990) asserted that in goal-interdependent contexts, similarity may be a cue for expecting the other party to facilitate one's goals. It is clearly demonstrated in other studies as well that similarities along such dimensions as attitude, background, and conceptual style will lead to the reduction of uncertainty whereas dissimilarities along such dimensions will lead to increases in uncertainty (Berger and Calabrese 1975). It also explains the phenomenon that in a free-choice situation, when a source can interact with any one of a number of different receivers, there is a strong tendency for the source to select the one who is like himself. To sum up, when the source and receiver share common meanings,

attitudes, and beliefs, and a mutual code, communication between them is likely to be more effective. Therefore, most individuals enjoy the comfort of interacting with others who are similar in social status, education, beliefs, etc, because interaction with those who are quite different from themselves requires more effort to make communication effective (Rogers and Bhowmik 1970). Among numerous attributes, the present research will mainly focus on demographic homophily in this study, as it is the most applicable factor to the service environments (i.e. assigning a doctor of the same gender to the customer). Based on the previous literatures, I assume that the customers who regard themselves to be more similar to the service provider will trust him/her more.

**H1:** The customer will trust the service provider more when he/she perceives more demographic homophily to the service provider.

## **2.2. Clarity of communication**

And now moving focus to the effectiveness of communication itself, a great many researches have suggested that when the receiver perceives him- or her-self as similar to the source of the message, communication between the two is more effective in shaping or changing attitudes. That is, communication is more accurate and efficient (Simpson, Christiansen and Simples 2000). It is also proved that when a greater degree of homophily exists between communicators, they are more likely to share common meanings for

the messages they exchange (Rogers, Ratzan and Payne 2001). It is even more evident when it comes to the context of medical service where often the two individuals are not only unlike in medical expertise but also in gender, age, cultural/linguistic background, and other personal/demographic factors. And when such a high degree of heterophily - the degree to which two individuals who communicate are dissimilar - is present, communication is often ineffective. The more heterophilous a patient and a service provider are, the less effective their communication, as they are less likely to share common meanings for the messages that they exchange. One problem of health illiteracy is the communication gap between individuals who are least expert concerning health and medicine, and the providers who possess this expertise (Rogers and Bhowmik 1970). Therefore, it can be assumed that the more homophilous a patient and a doctor are, the more effective and clearer their communication, as they are more likely to share common meanings.

It is widely known that in general, good communication should affect all aspects of the relationship, but largely trust, satisfaction, and loyalty. "Good" is defined as effective, helpful, positive, easy, useful, clear, and pleasant. The service provider provides information in such a way that the customer personally benefits with a minimum of effort necessary to decode the communication and determine its utility (Ball, Coelho and Machás 2004). Morgan and Hunt (1994) also proposed that communication was an antecedent of trust, along with shared values and lack of opportunistic behavior. Therefore, it can be

assumed that clarity of communication, which is derived from perceived homophily between patient and doctor will lead to trust the patient has towards the doctor.

**H2:** Clarity of communication mediates demographic homophily and trust.

### **2.3. Cultural Background**

The globalization of service industries compels service providers to pay attention to customers' cultural background. Culture is often applied to explain specific consumer behaviors such as preference, choice or attitude in the economical behavior standpoint. Although it is also true that globalization and interactions are reducing the difference which cultural background used to bring about, it is still considered as one of the most prominent factors which shape an individual's behavior, attitude, belief, thoughts, value, and most of other personal attributes. Although the effect which perceived homophily has on clarity of communication and trust is regarded as a universal phenomenon, it is also assumed that cultural background will have an impact on the degree of the effect of perceived homophily.

According to Hofstede's theory of cultural differences among nations, which is one of the most frequently cited research in the field of cross-cultural study, each nation can be distinguished concerning cultural background based on four dimensions: Individualism

-Collectivism, Masculinity-Femininity, Uncertainty Avoidance, and Power distance (Hofstede 1983). The present research will focus on Individualism-Collectivism and Masculinity-Femininity dimensions and distinguish two subject groups in that these two are most typical index to distinguish two different nations.

### *Individualism-Collectivism*

Hofstede (1980) defined individualism as a focus on rights above duties, a concern for oneself and immediate family, an emphasis on personal autonomy and self-fulfillment, and the basing of one's identity on one's personal accomplishments. Schwartz (1990) defined individualistic societies as fundamentally contractual, consisting of narrow primary groups and negotiated social relations, with specific obligations and expectations focusing on achieving status. The core element of individualism is the assumption that individuals are independent of one another. From this core, a number of plausible consequences or implications of individualism can be discerned, such as self-concept, well-being, attribution style, and relationality (Oyserman, Coon and Kimmelmeier 2009). For example, in individualistic culture which includes most of Western cultures, there is a faith in the inherent separateness of distinct persons. Achieving the cultural goal of independence requires construing oneself as an individual whose behavior is organized and made meaningful primarily by reference to one's own internal repertoire of thoughts, feelings, and action, rather than by reference to thoughts, feelings,

and actions of others. The essential aspect of this view involves a conception of the self as an autonomous, independent person (Markus and Kitayama 1991; Triandis 2001). Also, individualism implies that judgment, reasoning, and causal inference are generally oriented toward the person rather than the situation or social context because the decontextualized self is assumed to be a stable, causal nexus (Choi, Nisbett and Norenzayan 1999; Miller 1984; Morris and Peng 1994).

On the other hand, Collectivists are described as closely linked individuals who view themselves primarily as parts of a whole, be it a family, a network of co-workers, a tribe, or a nation who are mainly motivated by norms and duties imposed by the collective entity (Triandis 1995). The core element of collectivism is the assumption that groups bind and mutually obligate individuals. From this core, theorists discern a number of plausible consequences or implications of collectivism (Oyserman, Coon and Kemmelmeier 2009). According to Schwartz's definition (1990), collectivist societies where social units with common fate, goals, and values are centralized are communal societies characterized by diffuse and mutual obligations and expectations based on ascribed statuses. When it comes to self-concept, collectivistic cultures which include most of non-Western cultures insist on the fundamental connectedness of human beings to each other. As the self becomes more meaningful and complete within the appropriate social relationship, people feel more comfortable to be homophilous and less differentiated from others.

This is because these societies focus on fundamental connectedness of human beings to each other. Therefore, people are likely to maintain this interdependence among individuals, which make people positively correlated with social support and with low levels of alienation and anomie (Markus and Kitayama 1991; Triandis 2001). Unlike individualism, definitions of collectivism suggest that social context, situational constraints, and social roles figure prominently in person perception and causal reasoning (Miller 1984; Morris and Peng 1994).

### ***Masculinity-Femininity***

Hofstede (1984) describes that masculine cultures use the biological existence of two sexes to define very different social roles for men and women. They expect men to be assertive, ambitious, and competitive, to strive for material success, and to respect whatever is big, strong, and fast, while they expect women to serve and to care for the nonmaterial quality of life, for children, and for the weak. Men are expected to dominate in all settings and independence, and machismo is considered ideal. On the other hand, feminine cultures define relatively overlapping social roles for the sexes, in which neither men nor women need to be ambitious or competitive, and both sexes may go for a different quality of life than material success and may respect whatever is small, weak, and slow. And interdependence and unisex is viewed ideal.

In his study of national cultures in four dimensions (1983), Hofstede suggested index values and rank of 50 countries on each dimension.

The present research will choose South Korea and Germany as its subjects of cross-cultural study, as the index in both dimensions - individualism and masculinity - of these two countries shows clear difference. Regarding Individualism, the index of South Korea is 18, which ranks it as 11<sup>th</sup> low level of individualistic society, while that of Germany is 67 with a rank of 36. When it comes to masculinity, South Korea is ranked as 13<sup>th</sup> low level of masculine society with index of 39, while Germany is ranked as 42<sup>nd</sup> with the index of 66. Therefore, this research assumes that South Korea and Germany has different social characteristics in the perspective of individualism and masculinity.

According to Hofstede's connotations of the Individualism-Collectivism and Masculinity-Femininity dimension (1984), Koreans are born with "we" consciousness and therefore one's identity is based in the social system which emphasizes belonging to organization and idealizes membership. Group decisions have priority to individual, personal decisions and to be harmonized to the group and maintain interdependence among individuals, one has to be more homophilous and less unique so that he or she is less differentiated from others as being better or more outstanding than others are not considered proper. On the other hand, Germans are born and raised to have "I" consciousness which emphasizes identity based in the individual. Everybody is supposed to take care of him/herself and emotional independence is critical. As individual initiative and achievement to be the best among the group is considered ideal and

valuable, expressing one's uniqueness is important. Therefore, it can be assumed that demographic homophily which gives people strong sense of belonging is more important to Koreans than it is to Germans, that is, Koreans will be more sensitive to the feeling of homophily. The tendency to find it more comfortable and easy to communicate with people who are similar and to have more trust to those who are homophilous will be stronger among Koreans than among Germans.

**H3a:** Cultural background moderates the effect demographic homophily has on perceived clarity of communication

**H3b:** Cultural background moderates the effect demographic homophily has on trust

## **2.4. Customer Loyalty**

There has been a great deal of discussion to define loyalty or similar constructs such as commitment (Dick and Basu 1994; Oliver 1999). For example, commitment has been defined as the desire to continue a relationship, along with the willingness to work towards that continuance and the expectation that the relationship will continue (Wilson 1995). Loyalty creates increased profit through enhanced revenues, reduced costs to acquire customers, lower customer-price sensitivity, and decreased costs to serve customers familiar with a firm's service delivery system (Hallowell 1995). And this is also related to customer satisfaction, which is the result of a customer's

perception of the value received in a transaction or relationship - where value equals perceived service quality relative to price and customer acquisition costs (Blanchard and Galloway 1994) - relative to the value expected from transactions or relationships with competing vendors (Zeithaml et al 1990). Similar definitions exist for loyalty and a common approach is to distinguish between a consumer's attitudinal loyalty and behavioral loyalty (Dick and Basu 1994). Behavioral loyalty means repeated transactions or percentage of total transactions in the category, or total expenditure in the category, while attitudinal loyalty is often defined as both positive affect toward the relationship's continuance, and the desire to continue to remain in the relationship, and is sometimes defined equivalently with relationship commitment (Morgan and Hunt 1994). This research will focus on attitudinal loyalty which is measure by questionnaire methods.

A great deal of researches have revealed various determinants which derive customer loyalty, and trust has been one of the factors the service providers have concentrated on as the growing importance of relationship marketing has heightened interest in the role of trust in fostering strong relationship between customer and brand (Sirdeshmusk, Singh and Sabol 2014). Brand-loyal consumers may be willing to pay more for a brand because they perceive some unique value in the brand that no alternative can provide (Jacoby and Chestnut 1978; Pessemier 1959), and this uniqueness may derive from greater trust in the reliability of a brand or from more favorable

affect when customers use the brand (Sirdeshmusk, Singh and Sabol 2014). Berry (1996) asserted that the inherent nature of services, coupled with abundant mistrust in America, positions trust as perhaps the single most powerful relationship marketing tool available to a company. According to Zeithaml, Berry and Parasuraman (1996), customer loyalty is indicated by an intention to perform a diverse set of behaviors that signal a motivation to maintain a relationship with the focal firm. More directly, Reichheld and Scheffer (2000) observed that “you must first gain the trust of customers to gain the loyalty”. This empirical observation is supported by reciprocity arguments that when providers act in a way that builds consumer trust, the perceived risk with the specific service provider is likely reduced, enabling the consumer to make confident predictions about the provider’s future behaviors (Mayer, Davis and Schoorman 1995; Morgan and Hunt 1994). O’Shaughnessy (1992) also asserted that underlying loyalty is always trust, a willingness to act without calculating immediate costs and benefits, which means loyalty to a brand involves trusting it. That is, those who are not willing to trust a provider in a competitive marketplace are unlikely to be loyal (Coelho and Machas 2003). Based on all these findings from the previous literatures, it can be assumed that trust customer has toward the service provider will lead to customer loyalty to the service provider or the brand.

**H4:** Trust has a positive effect on customer loyalty

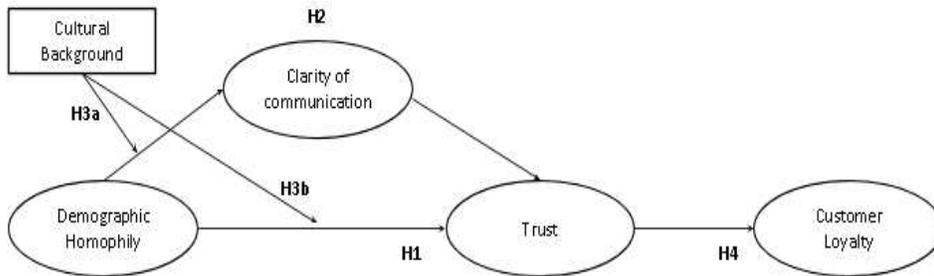


Figure 1. Hypotheses model

### 3. Method and Procedure

To study the effect demographic homophily between customer and provider has on trust and customer loyalty, and the moderation and mediation effect of two variables, quantitative research with questionnaire was conducted. For experimental design, written scenario was used to manipulate the participants.

#### *Sample*

For sampling, 2 x 2 between-subject design was used, that is, demographic homophilous-heterophilous and cultural background (Individualism/Masculinity-Collectivism/Femininity). The subjects were Koreans and Germans; 109 Koreans (74% of Female; 36% of Male; Mean age=32) and 70 Germans (41% of Female; 59% of Male; Mean age=26). Subjects in each culture group were assigned randomly to one of two scenarios and then asked to answer questions including manipulation check. Also asked were their ages and genders.

### ***Manipulation***

Scenario was used to manipulate subjects to perceive homophily or heterophily to the service provider. In the *homophily* scenario (see Appendix 1), the participant visits dermatology where the participant is introduced to a new doctor. While consulting with the doctor, the participant finds out that they two have many things in common, such as gender, hometown, school, current residence, and religion. On the other hand in the *heterophily* scenario (see Appendix 1), the participant finds out that the doctor is different from him- or herself regarding gender, hometown, school, current residence, and religion. Two scenarios are assuming two opposite situations. The scenarios were first written in English and then translated into Korean and German based on double-back translation method (Brislin1980).

### ***Questionnaire***

All constructs were measured on multiple seven-point Likert-type scales ranging from 1="definitely no" to 7="absolutely yes". The questionnaire consisted of four sections which included manipulation check and measurement of trust, clarity of communication, and customer loyalty (see Appendix 2).

To check if each participant was manipulated as intended, perceived similarity was measured (e.g., "Your doctor is similar to you", "Your doctor's background is similar to yours") (McCroskey and Daly 1975). Measuring items of Trust were modified from previous literatures

(e.g. "Overall you have complete trust in your doctor", "You completely trust your doctor's decisions about which treatment are best for you") (Coelho and Machas 2004; Hall, Zheng, Dugan, Camacho, Kidd, Mishra and Balkrishnan 2002). Clarity of communication was measured by four items which were also referred from related researches (e.g. "You would clearly understand what your doctor intended", "Clear and complete explanation would be provided by doctor about your health condition treatment") (Calassi, Schanberg and Ware 1992; Sharma and Patterson 1999; Sun, Keh and Lee 2012). And customer loyalty to the service provider was measured with three questions (e.g. "If there was another hospital that you could go to, you would not switch over to it", "You consider yourself to be highly loyal to this doctor") (McMullan and Gilmore 2003; Mittal and Lassar 1998).

## 4. Result

### *Manipulation Check*

To check whether each group was manipulated to perceive demographic homophily or heterophily as intended, T-test was used to compare the means of each group. Subjects in the demographic homophily situation reported significantly higher scores on the perceived demographic scale ( $M=4.05$ ) than those in the demographic heterophily situation ( $M=2.35$ ;  $p<.001$ ). Therefore, subjects were successfully manipulated as intended. However, additional manipulation check was conducted to assure that each cultural group

was fairly manipulated as well. Korean participants who were assigned to demographic homophily situation reported higher scores (M=4.04) than those in the demographic heterophily situation (M=2.23,  $p < .001$ ). German subjects in demographic homophily situation also perceived more homophily (M=4.06) than those in heterophily situation (M=2.55;  $p < .001$ ). As a result, every group was manipulated successfully enough to conduct main effects test analysis.

### ***Main Effects***

#### *Trust*

A regression analysis between demographic homophily and trust variable revealed that participants evaluated the doctor more trustworthy when they perceived themselves to be homophilous to the doctor. In other words, it showed a main effect of perceived demographic homophily (vs. heterophily) on trust ( $\beta = .56$ ,  $t = 8.90$ ,  $p = .000$ ). Therefore, Hypothesis 1 was supported (Table 1).

#### *Customer loyalty*

To test the main effect of trust on customer loyalty, a regression analysis was conducted again. The result revealed that there existed main effect ( $\beta = .63$ ,  $t = 10.79$ ,  $p = .000$ ) supporting Hypothesis 4 that participants who feel trust to the doctor also tend to have loyalty to the service provider (Table 1).

Together, these results emphasize the importance of perceiving demographic homophily to the service provider in the customer

marketing standpoint. The more the customers consider themselves to be similar to the service providers, the more they trust the providers, which then leads to customer loyalty.

**TABLE 1**  
Main Effects

Dependent Variable	Independent Variable	B	$\beta$	t	p
Trust	Demographic homophily	.53	.56	8.90***	.000
Customer loyalty	Trust	.59	.63	10.79***	.000

\*\*\*p<.001

### *Mediating Effect*

Mediation analysis (Baron and Kenny 1986) was conducted to observe if clarity of communication has a mediating effect between independent variable, perceived demographic homophily, and dependent variable, trust. As all three variables are continuous variables, regression analysis was used. The first step, which tested the effect of demographic homophily on clarity of communication showed that they were positively related ( $\beta = .47$ ,  $t = 7.03$ ,  $p = .000$ ). The second step, which was supposed to test the effect of demographic homophily on trust, was already revealed statistically significant in main effect test ( $\beta = .56$ ,  $t = 8.90$ ,  $p = .000$ ). As the last step, demographic homophily and clarity of communication were put as independent variables, and were tested if they had effect on trust. It was shown that both of the variables have a positive effect ( $\beta = .38$ ,

= 5.84, = .000; = .38, = 5.90, = .000). Therefore, clarity of communication mediates demographic homophily and trust. And as a regression coefficient of independent variable from the second step was bigger than that from the third step ( $\beta = .56 < \beta = .38$ ), clarity of communication has a partial mediating effect (Table 2). As a result, Hypothesis 2 was supported, which assumed that the customers who perceive demographic homophily to the service provider tend to trust more the provider as they feel the communication is more clear.

**TABLE 2**  
Mediating Effects

Dependent Variable	Independent Variable	B	$\beta$	t	p
Clarity of communication	Demographic homophily	.36	.47	7.03***	.000
Trust	Demographic homophily	.36	.38	5.83***	.000
	Clarity of communication	.47	.38	5.90***	.000

\*\*\*p<.001

### *Moderating Effect*

Then the moderating effect of cultural background on the relationship between demographic homophily and trust was tested. As these two variables are revealed to be partially mediated by clarity of communication, two hypotheses were assumed: cultural background moderates the effect demographic homophily has on the mediator, clarity of communication; cultural background directly moderates the

relationship between demographic homophily and trust. Before the analysis, the moderator variable, cultural background, was converted into a dummy variable (0 = Cultural background: Korea; 1= Cultural background: Germany), which was then also used to create interaction term with independent variable, demographic homophily.

The first regression analysis was to test the moderating effect cultural background has on the demographic homophily-clarity of communication relationship. The result revealed that there was no moderating effect: the change in  $R^2$  was 0%, which means there was no increase in the variation explained by the addition of the interaction term. And it was not statistically significant either (F change = .03,  $p > .05$ ). Therefore, cultural background doesn't moderate the effect demographic homophily has on clarity of communication, and Hypothesis 3a was not supported (Table 3a). In other words, the tendency to perceive clarity of communication with similar people was not stronger among Korean consumers than German consumers.

**TABLE 3a**  
Moderating Effects

Dependent variable	Model	Predictor	$R^2$	$R^2$ Change	F Change	P
Clarity of communication	1	a. Homophily	.225	.225	60.897	.000
		b. Cultural background				
	2	a. Homophily	.225	.000	20.110	.856
		b. Cultural background				
		c. Homophily *				
		Cultural background				

The second analysis conducted the moderating effect of cultural background on the relationship between demographic homophily and trust, and it showed that there was a moderating effect. The change in  $R^2$  was 2%, which was statistically significant as well ( $\beta = -.37$ ,  $t = -2.21$ ,  $p < .05$ ). Cultural background was revealed to moderate the effect demographic homophily has on trust, which supported Hypotheses 3b (Table 3b).

Together, this moderation analysis confirmed that depending on the cultural background, the degree demographic homophily affects trust can be changed, while it doesn't change the degree of the effect demographic homophily has on clarity of communication.

**TABLE 3b**  
Moderating Effects

Dependent variable	Model	Predictor	$R^2$	$R^2$ Change	F Change	P
Trust	1	a. Homophily				
		b. Cultural background	.314	.314	40.266	.000
	2	a. Homophily				
		b. Cultural background	.333	.019	4.872*	.029
		c. Homophily * Cultural background				

\* $< .05$

## 5. Discussion

The findings from this research confirm that the demographic homophily between the service provider and customer actually plays an important role in service marketing environment affecting several variables which are highly emphasized in the market. It also suggests considerable number of practical implications which can be applied to the service market whose importance is growing fast, though there still exist some methodological limitations in this study. Several further researches can be suggested from this research in the field of service marketing, cross-culture, and psychology.

### *Trust*

As Simon, Berkowitz and Moyer have already proposed, it was revealed that homophily leads to trust. In the situation where the customer shares a number of common backgrounds with the service provider, the customer tends to have more trust. To the questions which were to measure whether the respondent could completely trust in the doctor and his/her decision for treatment, those who were manipulated to perceive demographic homophily to the doctor reported higher scores. That is, when the doctor is similar to the patient, the patient finds it unnecessary to be cautious in that relationship and believes that the doctor only considers what is best for him- or her-self. They feel more comfortable with the doctors who are similar to themselves than those who are not. Although only demographic homophily was investigated in this study, it can be also

assumed that attitudinal homophily will have similar effect on the customers' trust in the service provider as similar to demographic homophily, attitudinal homophily is also known to have people consider the other person to be more intelligent, better informed and more moral which derives likeability and trust (Rogers and Bhowmik 1970). The contribution of this study is that it revealed that the positive effect of demographic homophily on trust is also significant in the context of medical service, the field which has been relatively less investigated than other service context but still whose importance is getting bigger and bigger.

#### *Clarity of Communication*

One of the biggest contributions of this research is that clarity of communication was revealed to partially mediate the demographic homophily and trust between the customer and service provider. Though it had been already widely known that people tend to like and trust more others who are similar to themselves, the linkage between the two variables was not really clear. This research found out that people find it more easy and comfortable to communicate with similar people than those who are not, which then leads to trust. It reconfirmed the previous study which had proved that when a greater degree of homophily exists between communicators, they are more likely to share common meanings for the messages they exchange (Rogers, Ratzan and Payne 2001). Morgan and Hunt (1994) also proposed that communication was an antecedent of trust, along

with shared values and lack of opportunistic behavior. As communication is more critically highlighted in medical service context than any other service environment, this finding again suggests the significance of demographic homophily between the medical service provider and customer. It could also be assumed that there are other variables which mediate demographic homophily and trust.

### *Cultural Background*

This research started with two assumptions: cultural background will moderate the effect demographic homophily has on clarity of communication; cultural background will moderate the effect demographic homophily has on trust. And it was confirmed that cultural background significantly moderated only the direct effect demographic homophily has on trust, but not the mediating effect of clarity of communication. In other words, people from collectivistic and feminine culture (Korea) tend to have more trust in others when they are similar to themselves while this tendency is weaker in individualistic, masculine culture (Germany). This result was already predictable from the study of Hofstede (1980) and others, as in Korea where the self becomes more meaningful and complete within the appropriate social relationship, people feel more comfortable to be homophilous and less differentiated from others because to be harmonized to the group and maintain interdependence among individuals, one has to be more homophilous and less unique so that

he or she is less differentiated from others as being better or more outstanding than others are not considered proper. On the other hand, German culture, like most of other Western cultures, emphasizes a faith in the inherent separateness of distinct persons and expressing one's uniqueness, as individual initiative and achievement to be the best among the group is considered ideal and valuable. This provides enough explanation for the result of this study where Korean people showed stronger tendency of having trust in those who are similar to themselves than German people did.

#### *Customer Loyalty*

Loyalty has been one of the traditional variables the researchers as well as practitioners have focused on as it is directly linked to the revisit, repurchase and sales. And this study confirmed the positive relationship between trust and loyalty which was proved to be significant in medical service context as well. As Reichheld and Scheffer (2000) asserted directly, "you must first gain the trust of customers to gain the loyalty".

#### *Limitations & Further Research*

In spite of its significant contributions to service marketing literature, there are still limitations in this research which provide insights for further research. First, only demographic homophily was investigated in this study, although there are still other dimensions which make people perceive homophily to others. For example, attitudinal

homophily is also known to have an effect on people's attitude towards others. According to Byrne (1960), a stranger who is known to have attitudes similar to those of the subject is better liked than a stranger with attitudes dissimilar to those of the subject, and a stranger who is known to have attitudes similar to those of the subject is judged to be more intelligent, better informed, more moral, and better adjusted than a stranger with attitudes dissimilar to those of the subject. Therefore, further research can investigate whether other dimensions of homophily such as attitudinal homophily also show the same effect on trust and customer loyalty as demographic homophily.

Second, this study is not revealing the relative importance of each demographic factor. In other words, among demographic factors applied in this study - gender, hometown, school, residential area, and religion - there must be some factors which had more effect than others. And this impact of each factor could also vary between gender, age, or culture groups. It would be able to give more profound and insightful implications for the practitioners if the factor which has more significant role to derive trust and loyalty from the customers in each consumer segment is revealed. Moreover, age which is one of the most common demographic factors was not included in this study for the methodological reason. In further research, other demographic factors should be included while investigating the impact weight of each factor for the better understanding of consumers' tendency and sensitivity regarding

homophily. Furthermore, it can also be studied whether certain age group or gender group is more sensitive to specific demographic factors, which will be practically applied to market segmentation.

Third, this research is assuming the medical service context where the patients usually have strong trust on the doctors due to their professionalism. Although it was still clear that demographic homophily increases the customers' trust on the service providers, it may show weaker tendency or different result if other service context such as hair salon or moving service where specialty is less highlighted is assumed. Therefore, futur research can investigate whether the demographic homophily has the same effect in different contexts of service.

Fourth, it is widely known and investigated that homophily not only leads to trust but also to attraction, which actually is also known to be mediated by clarity of communication. For example, Newcomb suggests that attraction between persons is a function of the extent to which reciprocal rewards are present in their interaction; these rewards frequently derive from interaction in which source and receiver attitudes toward message content are homophilous (Rogers and Bhowmik 1970), while Quality of communication was found to be related to attraction and the desire to see the other again. Its importance, however, was greater for women than for men and greater for friendship attraction than for romantic attraction (Sprecher and Duck 1994). With the slight revise in this study, the effect demographic homophily has on attraction the customer feels towards

the service provider can be studied.

Fifth, relationship age between the service provider and customer can be a prospective moderator which determines the degree of trust. Although it was assumed that the customer was visiting the doctor for the first time, the relationship age can moderate the effect demographic homophily has on trust. Further research can investigate other potential moderators.

### *Implications*

The findings from this research provide implications for marketing practitioners especially in the field of service marketing by highlighting the importance of perceived demographic homophily between the service provider and customer. The result of this study shows that customers tend to have more trust and loyalty to those who are similar to themselves as they feel the ease of communication. It implies that providing the customers with the options can enhance the customers' satisfaction with overall service. For example, hospitals or clinics with several doctors can provide the profiles of doctors and let the patients make a choice of the doctor. It can also be applied to other service contexts.

Furthermore, mediating role of clarity of communication implies that enhancing perceived clarity of communication can be one of the strategies which can directly increase the customers' trust. It can be practiced in various ways, such as providing extra visual materials or consulting service to the patients.

In addition, the cross-cultural study reveals that the significance of demographic homophily is different in each cultural group, which has an important implication for the globalizing service market. For instance, as Korea has gained its fame for plastic surgery, medical tour to Korea is getting popular among other Asian people. Even though the cultural difference among these countries might be less than what was revealed from this study, it is still meaningful to consider the cultural background the customers have for better service and customer satisfaction.

### *Conclusions*

This research studied the role of demographic homophily in the medical service context. It suggests that demographic homophily between the customer and the service provider has a positive effect on trust, which then leads to customer loyalty. Meanwhile, there is a mediating effect of clarity of communication and moderating effect of cultural background on the relationship between demographic homophily and trust. For a cross-cultural study, this research compares Korean and German consumers who are clearly distinguished in the aspect of collectivism-individualism and femininity-masculinity of the society. By investigating the significance of demographic homophily and the impact of cultural background, this research contributes to service marketing field both academically and practically.

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## [Appendix 1]

### 1A. Scenario - homophily

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You visited dermatology as you recently had skin trouble which you hadn't ever had before. As it was your first visit to this hospital, you were introduced to a doctor you hadn't had any information beforehand.

As entering the room, you noticed photo on the wall which looked quite familiar. From the name, **you guessed the doctor to be the opposite sex from you, but you realized that it was a wrong guess.** While greeting to each other and talking about the photo, you found out that it was the photo of **the doctor's hometown where you were born and grown up as well.** Talking about your hometown, you two also realized that you were **graduated from the same highschool.** Moreover, you two **were living in the same neighborhood currently,** though you didn't know each other. Also noticed from the books on the shelves was that **he had the same religion a syou.**

After this small talk, you explained to the doctor your symptoms, were diagnosed, got some prescriptions for treatment, and then left the room.

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## 1B. Scenario - Heterophily

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You visited dermatology as you recently had skin trouble which you hadn't ever had before and which seemed getting worse. As it was your first visit to this hospital, you were introduced to a doctor you hadn't had any information beforehand.

As entering the room, you noticed an exotic photo on the wall. From the name, **you guessed the doctor to be the same sex with you, but you realized that it was a wrong guess.** While greeting to each other and talking about the photo you saw, you found out that it is the photo of the doctor's hometown in a **foreign country where you had never been to, and that he grew up there, and came just a few years before.** Also added was that the doctor was commuting **from the town which is quite far, and which you haven't heard of.** From the books on the shelves, **you thought he had the same religion as you, but his answer was no.**

After this small talk, you explained to the doctor your symptoms, were diagnosed, got some prescription for treatment, and then left the room.

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## [Appendix 2]

### Questionnaire

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#### **Perceived Similarity**

(McCroskey and Daly 1975)

1. Your doctor is similar to you
2. Your doctor is like you
3. Your doctor's background is similar to yours

#### **Trust**

(Coelho and Machas 2004; Hall, Zheng, Dugan, Camacho, Kidd, Mishra and Balkrishnan 2002)

1. Overall you have complete trust in your doctor
2. Your doctor only thinks about what is best for you
3. You completely trust your doctor's decisions about which treatments are best for you
4. You find it unnecessary to be cautious in dealing with your doctor

#### **Clarity of Communication**

(Galassi, Schanberg and Ware 1992; Sharma and Patterson 1999; Sun, Keh and Lee 2012)

1. You would clearly understand what your doctor intended
2. Clear and complete explanation would be provided by doctor about your health condition and treatment
3. Your doctor never hesitate to give you as much information as you would like to have
4. It is not difficult at all for you to tell about new symptoms or

ask how treatment is going

**Customer Loyalty**

(McMullan and Gilmore 2003; Mittal and Lassar 1998)

1. If there was another hospital that you could go to, you would not switch over to it
  2. You consider yourself to be highly loyal to this doctor
  3. You intend to maintain your relationship indefinitely with this doctor
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## 요 약

### 문화 집단 간의 비교를 통한 서비스 제공자-고객 관계에 미치는 인구통계학적 유사성의 영향 연구

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본 논문은 의료 서비스 환경에서 서비스 제공자인 의사와 고객인 환자 사이의 관계에 인구통계학적 유사성이 미치는 영향을 연구한다. 서비스 제공자와 고객 사이의 인구통계학적 유사성은 고객의 신뢰도를 높이고 이것은 궁극적으로 고객의 충성도를 이끌어 낼 것이라고 가정한다. 또한 의사소통의 명확성이 인구통계학적 유사성과 신뢰도를 매개하는 역할을 할 것이다. 한편, 집단주의/개인주의 및 남성성/여성성의 측면에서 확연하게 구분되는 두 문화 집단인 한국 소비자 집단과 독일 소비자 집단의 비교를 통해 문화적 배경이 본 논문의 주 효과에 미치는 조절 효과를 분석한다. 인구통계학적 유사성이 서비스 환경에 미치는 영향을 연구함으로써 서비스 마케팅 분야에 다차원적인 학문적, 실무적인 시사점을 제시한다.

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주요어: 유사성, 문화비교연구, 서비스 마케팅, 신뢰도, 충성도  
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