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The Impact of Cultural Similarity on the International Distribution Management*

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Abstract

Purpose – This research approaches to the new niche market of medical tourism to investigate how factors of cultural similarity influence the international distribution management. This study also estimates the interaction effects of distribution channel on the relationships of facility attributes and customers' destination choice behavior.
Research design, data, and methodology - We collected the sample of 881 potential customers from the more economically developed regions in China. Regression analysis is used to confirm the relationships in the research model.
Results - The result shows that cultural similarity plays an important moderating role in the relationships of facility attributes and destination choice intention. For instance, power distance and masculinity interact with the distribution facility characteristics of medical quality and reputation to influence customers' selection of the destination country. Individualism, powder distance, and masculinity play moderating roles when social environment affects destination choice intention. Especially, all the elements of cultural similarity moderate the relationships between travel cost and destination choice intention. This research also proves that depending on distribution channel, determinants of distribution facility are the critical predictors of intention to select the medical service outside of China.
Conclusions - The study enables managers to develop the more effective strategies reflecting the interaction effects of cultural similarity and distribution channel on customers' decision-making process.

Keywords: Cultural Similarity, Facility Attributes, Distribution Channel, Destination Choice Intention, Distribution Management.

JEL Classifications: I15, M16, M31, Z32.

1. Introduction

With the fast economic growth of China, the Chinese customers' individual disposable income has been increasing quickly during last ten years. The newly-rich middle class prefers to seek leisure and service overseas which has resulted in the explosive growth of Chinese outbound tourism market. According to Wu and Liang (2017), the number of travelers has achieved 125 million in 2015, increasing 9.4% as compared to 2014 and 312.9% over 2005. All the total Chinese visitors spending have achieved 261 billion, taking 10% in the worldwide tourism market. Especially, from 2010, as the rapid development of higher technology, more and more mainland Chinese started to seek service of health care abroad because they can access the distribution facilities easily through online sites or app stores. According to the report in 2016 presented by the Chinese leading Website, Ctrip, about 500,000 Chinese users of this site have left China so as to seek a better medical service abroad (Meesak, 2016). The number is predicted to be 800,000 by 2020 (Juwai, 2016). The sustainable growth of Chinese outbound market has attracted practitioners and scholars to explore factors influencing customers' intention to select a specific service facility overseas.

In the earlier literature, a large body of research has argued that in order to understand medical customers' behavior we need to verify the effects of quality and cost associated with the distribution facility on their destination selection decision (Heung, Kucukusta, & Song, 2010). This opinion is similar with the citation by Turner (2007). Moreover, Turner (2007) pointed that distribution channel

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based on higher technology makes medical facilities provide services remotely, including outsourcing them in foreign countries. Based on this suggestion, Smith and Forgione (2007) insisted that distribution channel may work as a moderator and have a critical effect on customers' decision-making process. However, few evidences can be found in the literature. Therefore, the first major objective of this study is to confirm the moderating role of distribution channel in the destination choice decision process.

Currently, these issues mentioned above are often analyzed with tourism facility determinants along with cultural similarity. Xu and Jiang (2010) defined cultural similarity as the similarity of cultural backgrounds between the host country and the customers' home country. Cultural similarity is important especially in the international distribution management field because customers always tend to compare the service providers in terms of their own familiarity (Hofstede, 1980, 1984). When customers perceive the cultural similarity, they are likely to select the facility providers. This suggestion was supported by Connell (2006, 2013). And later, Zhang, Seo, and Lee (2013) constructed cultural similarity as a single item. With a survey data collected from the native Chinese customers, they found that the Chinese customers tend to choose Korea as the medical destination due to the similar cultural background. Yu and Ko (2012) also empirically proved that the cultural similarity should affect the customers' behavior. However, they did not investigate how the culture similarity precisely works in the decision-making process. Hofstede (1984) did cite that the effects of cultural similarity could be reflected by the four factors of power distance, uncertainty avoidance, individualism versus collectivism, and masculinity versus femininity. Thus, Polsa, Wei, Saaksjarvi, and Pei (2013) empirically explored the influences of these elements on international medical service. However, some scholars such as Ma, Wang, and Hao (2012) believe cultural similarity should play an important moderating role in decision process. Unfortunately, the empirical evidences are very rare. Therefore, this research is to verify the interaction effects of cultural similarity in evaluating destination countries, which is the other main objective of this study.

We conduct the research using the data from Chinese customers of medical tourism and find some interesting results related to the interaction effects of cultural similarity and distribution channel. This study would contribute to the academic development for understanding factors influencing customers' behavior in the field of medical tourism. Furthermore, the research also would provide useful information for international distribution managers to develop effective strategies.

2. Literature Review

The concept of medical tourism has begun with Europe wealthy citizens traveling to spas for health or healing in the seventeenth century. In the most recent years, customers prefer to travel long distances abroad for dental or surgical care with a body or mind relaxation simultaneously (Connell, 2006). This new niche market of medical tourism has been growing rapidly enough for destinations to develop this industry. However, academic knowledge about factors influencing the contemporary behavior is sparse. Along with the existing literature emphasizing the importance of higher quality and lower cost associated with the distribution facility (Turner, 2007), in the international market, the similarity of culture between the customers' own country and the host one is described as the key element to estimate the popularity of this phenomenon (Connell, 2006; Sobo, 2009).

2.1. Cultural similarity

As the foundation of most culture studies, Hofstede (1980) defined the culture as the collective programming of the mind which distinguished the members of one group or society from those of another. In line with this study, Kim (1991) conceptualized cultural similarity as the degree that one party perceives another party as similar to them in perceptual and behavioral patterns. The concept of cultural similarity is very complex. Before considering the way that culture similarity affects customers' behavior, it is necessary to analyze the elements of cultural variation.

Hofstede (1984) labeled the scope of culture as power distance, uncertainty avoidance, individualism versus collectivism, and masculinity versus femininity. Power distance refers to the degree to which customers of a society accept that power and the status are distributed unequally. Uncertainty avoidance represents the degree to which customers in a country are threatened by the uncertain and ambiguity situations. Individualism and its counterpart collectivism is the degree to which a society emphasized the preference of the individual rather than that of the group. Finally, masculinity and its opposite femininity refers to the extent to which a society traditional masculine values such as competitiveness, assertiveness, achievement, ambition, and high earnings, as opposed to feminine ones such as nurturing, helping others, putting relationships with people before money, not showing off, and minding the quality of life (Hofstede, 1980).

Since the 1980s, the construct of cultural similarity has long been used to estimate international management (e.g., Dastane & Lee, 2016; Hojabri, Eftekhar, Sharifi, & Hatamian, 2014; Potluri, Ansari, Challa, & Puttam, 2014), intercultural communication (e.g., Matzler, Strobl, Stokburger-Sauer, Bobovnicky, & Bauer, 2016), and social psychology (e.g., Markus & Kitayama, 1991). Especially, rather than the direct effects of cultural similarity on outcomes, currently, researchers attempted to estimate its moderating role in various fields. For instance, Xu and Jiang (2010) empirically studied the interaction effects of cultural similarity in the

effectiveness of leadership training. Ma, Wang, and Hao (2012) also made efforts to verify the moderating role of cultural similarity in customers' product judgment and willingness to buy foreign products. In the international health care environment, Yu and Ko (2012) collected the data to explain cross-culture effects on destination choice, but they were not able to explain the dimensions of cultural similarity in the process. Polsa et al. (2013) explained the effects of culture similarity (power distance, uncertainty avoidance, individualism versus collectivism) on assessing health service in the national level, but they failed to explore the moderating role of cultural similarity in the decision process. All these studies indicated culture similarity works as an important factor when deciding where to receive medical treatment abroad, but unfortunately, empirical research on its role in this context has not been much conducted and documented. We propose that the elements of cultural similarity interact with the important facility determinants and affect customers' destination choice decision.

2.2. Distribution facility attributes

According to scholars such as Heung, Kucukusta, and Song (2010), the distribution facility attributes of medical tourism are constructed by medical determinants and travel elements, which may positively affect the decision of customers to select the service abroad.

2.2.1. Medical characteristics

Customers decide to travel overseas for medical care because they perceive that medical service and the supported facilities delivered in their own country are inferior to those available from some international countries. This may be due to the superior medical technology, equipment, and reputation of certain international hospitals or some professional doctors in a specific field (Glions, Baeten, Helble, & Maarse, 2010).

Medical quality is a crucial predictor of customers' intention to visit the more advanced countries. Medical quality consists of technical quality and functional quality (Babakus & Mangold, 1992; Parasuraman, Zeithaml, & Berry, 1985, 1988). The technical quality is defined as the degree of the technical and procedural accuracy or the compliance of professional specifications (Lam, 1997). The functional quality is the manner in which medical service is delivered to the customers (Babakus & Mangold, 1992). The quality of medical care is the core of destination choice (Choi, Cho, Lee, Lee, & Kim, 2004; Lam, 1997). However, it is not easy for customers to know beforehand which service quality is higher than the others due to their lack of experience. Therefore, the medical reputation becomes the most important factor available for most customers (Miller & May, 2006). It is because the reputation is mainly built by the quality of medical care in general (Keller & Lehmann, 2006). Herbig and Milewicz (1993) conceptualize the medical reputation as the integrated estimation of the consistency of a health facility with a time lag effect. When the medical facility has a reputation believed, it may influence customers' attitude or intention positively (Connell, 2006; 2013). Customers' destination choice intention may also associate with the medical cost, which is the out-of-pocket cost paid by patients (Gooding, 2000). Generally, the customers sensitive to the price are much concerned with the effectiveness of their monetary investment (Lyon, 1999).

2.2.2. Travel attractiveness

Along with the aspect of medical competency, most scholars have accepted that the destination attractiveness is the key attribute for medical tourists (e.g., Cronch, 2011; Gearing, Swart, & Var, 1974; Zhang & Lee, 2015). Attractiveness refers to the capability of a destination to satisfy customers' specific needs (Hu & Ritchie, 1993; Kim, 1998). The more attractiveness of a destination is, the more likely the customers are to have a service in the host country. When estimating the role of attractiveness in evaluating the destination countries, we need to understand the primary elements of attractiveness (Gearing, Swart, & Var, 1974). Reviewing the literature about tourism, Crouch and Ritchie (1999) categorized the resources of tourism into the core attractions and the supported infrastructure such as travel cost, accessibility, and social environmental considerations.

Attractions of a destination are the key motivations for tourism. Without attractions, tourism is meaningless. Travel attractions include cultural products, history, ethnicity and so on (Kozak & Rimmington, 1998). They also indicated that cost related to a travel such as transportation cost and food cost is also a crucial determinant. Furthermore, Hu and Ritchie (1993) proposed that the accessibility of the service destination influences the intention to select a country. Crouch and Ritchie (1999) stated that the social environmental factors such as safety and security are basically required when making a decision.

2.3. Distribution channel

Accordingly, the distribution channel such as traditional travel agents, online and app intermediaries, or outsourcing facilities is also important in the decision-making process. These distribution channels can reduce the uncertainty for most customers who are lack of experience to evaluate the service overseas (Smith & Forgione, 2007; Turner, 2007). Obviously, the behavior of offline travel agency users is significantly different from those who prefer online Websites or app stores. However, the literature did not provide evidences how distribution channel works in the process of decision-making. We categorize these channels as offline distribution stores, online sites, and other types of stores to explore their effects on customers' choice behavior.

3. Research Model

There are two dimensions in the distribution facility of medical tourism, which are medical characteristics and travel attractiveness. The medical competency such as medical quality, cost, and reputation is important when medical tourists evaluate destination countries. The tourism attributes of travel attractions, travel cost, accessibility, and social environment also influence customers' destination choice intention. And the effects of these factors on destination choice intention are expected to vary depending on distribution channel. Three types of distribution channel are considered in this study, which are offline channels, online sites, and other types of channels.

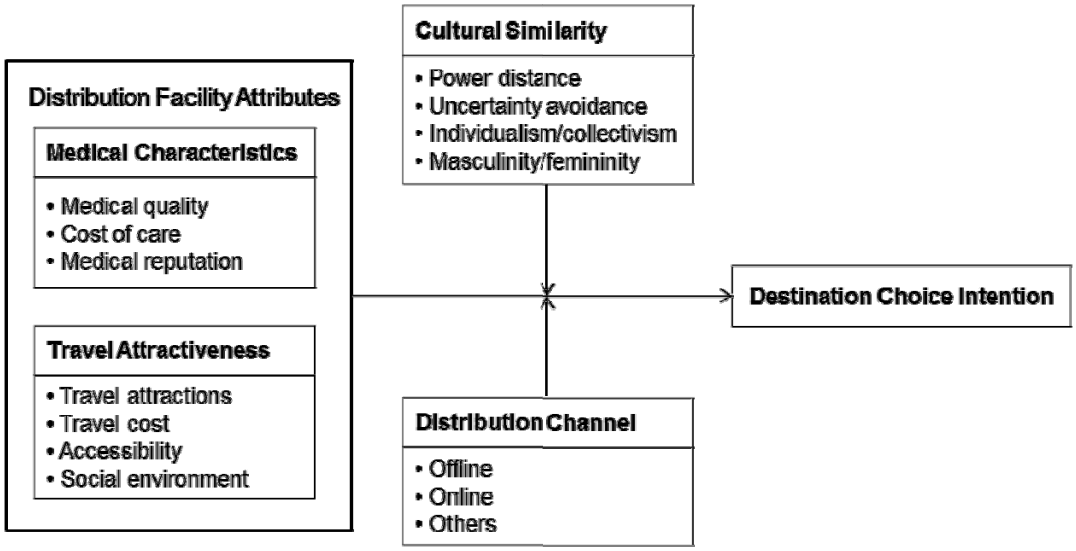
More importantly, cultural similarity is believed to have an impact on destination choice intention (e.g., Hofstede, 1980, 1984; Kim, 1991). However, its evidence is comparatively rare in the literature. We propose an empirical study investigating the cultural similarity's moderating role in the relationship of distribution facility determinants and destination choice intention. Four dimensions of cultural similarity such as power distance, uncertainty avoidance, individualism versus collectivism, and masculinity versus femininity are considered in this study. The research model is depicted in <Figure 1>.

4. Methodology

In order to verify the effects of cultural similarity on destination choice intention of international medical tourism, a structured questionnaire was developed that drawn from the previous literature. The original questionnaires were developed in English. The professional researcher fluent in both Chinese and English translated them into Chinese. A pilot test of thirty Chinese graduate students studied in Korea was conducted. With some minor adjustments from the pre-test, the modified questionnaires were distributed to 1,500 potential customers in the main regions such as Beijing, Shanghai, and Jiangsu of China. As a result, 881 (58.73%) usable surveys were collected for the main study.

The scales of cultural similarity were operationalized according to the index from Hofstede (1984), rated on a 7-point scale. The similar method was also used by Wu (2006) when he attempted to estimate Hofstede's cultural dimensions 30 years later.

In terms of the SERVQUAL measurement by Parasuraman, Zeithaml, and Berry (1985, 1988), medical quality was constructed by the up-to-date equipment, the facility convenience, the general service level, the doctor's general diagnostic skill level, and the procedural accuracy and effectiveness. In line with Gooding (2000), medical cost was measured by a single item of the average health cost. Herbig and Milewicz (1993) suggested that medical reputation can be measured by three items: the medical reputation among colleagues and friends, the medical reputation as compared to the competitors, and the general medical reputation in the market. Five items were used to measure travel attractions (Kozak & Rimmington, 1998). They are nature attractions, cultural attractions, cultural heritage, ethnic groups and cultures, and recreational attractions. They also



<Figure 1> Research Model

suggested a single item of average cost excluding medical cost be used to measure travel cost. Three items were important to measure accessibility (Hu & Ritchie, 1993), which are the accessibility to get information of the host country, the accessibility to get to the host country, and the geographical location of the host country. Social environment was measured by four items. They are the local people's attitudes, the travelling safety, the socially and politically stable level, and the openness and passion level (Crouch & Ritchie, 1999).

Destination choice intention was measured by three items, which are the preference for medical tourism in the host country, the confidence of the decision, and the recommendation intention to refer the host country to others (Fishbein & Ajzen, 2010).

5. Results

5.1. Profile of respondents

<Table 1> Profile of respondents

Variable	Frequency	Percentage
Gender		
Female	377	42.8
Male	504	57.2
Total	881	100
Age groups		
20~29	500	56.8
30~39	257	29.2
40~49	89	10.0
50 or older	35	4.0
Total	881	100
Education level		
Less than high school	97	11.0
Undergraduate school	466	52.9
Graduate school	318	36.1
Total	881	100
Personal income monthly (exchange rate: 1:6.5)		
Under US$307.999	106	12.0
US$308-US$769.999	267	30.3
US$770-US$1,230.999	230	26.1
US$1,231-US$1,538.999	147	16.7
More than US$1,539	131	14.9
Total	881	100
Distribution channel		
Offline channels	442	50.2
Online stores	394	44.7
Other channels	45	5.1
Total	881	100

The respondent profile is addressed in <Table 1>. Of all the 881 respondents, there were 377 females (42.8%) and 504 males (57.2%). The numbers of the respondents in their twenties were 500 (56.8%), as compared to those in their thirties 257 (29.2%). Most of the respondents studied or graduated from higher education institutions, examples of 466 (52.9%) from university and 318 (36.1%) from graduate school. The personal average income per month indicated that most respondents were in the middle rich-income class (Dollar/Yuan exchange rate: 1:6.5): less than US$307.999 (12.0%), from US$308 to US$769.999 (30.3%), from US$770 to US$1,230.999 (26.1%), from US$1,231 to US$1,538.999 (16.7%), and more than US$1,539 (14.9%). Among these respondents, 442 (50.2%) used online distribution channels while 394 (44.7%) of them were more likely to use offline stores.

5.2. Factor analysis and reliability analysis

Explore factor analysis (EFA) is used to extract the underlying variables by a varimax rotation (<Table 2>). The Kaiser-Meyer-Olkin (KMO) value 0.943 (Bartlett's test of sphericity=97,113.420, $p<0.001$), is greater than 0.5, indicating the data is appreciated for the analysis (Kaiser, 1974). The eigenvalue of each variable is greater than 1 and each factor loading is greater than 0.5 (excluding the meaning of status, the need for standardization, and the appeal of precision and punctuality), which indicate the higher convergent validity (Hair, Black, Babin, Anderson, & Tatham, 2006). The Cronbach's alpha of each derived variable exceeds the guideline of 0.6, indicating a higher level of internal consistency (Nunnally, 1967).

5.3. The moderating role of distribution channel

Linear regression analysis is used to explain the moderating role of distribution channel in the decision-making process. The results are described in <Table 3>. Model 1 summarizes the results in the situations of offline channels. Model 2 addresses the results in the online distribution cases while Model 3 presents the results in other channels. In terms of F statistics, all the p-values are smaller than the suggested guideline of 0.05, thus the fitness of the regression models are confirmed.

Interestingly, medical quality is an important predictor of online customers' intention to make a decision for medical care outside of China. However, it does not work in the cases of offline and other distribution channels. Medical facilities can attract more Chinese customers desired for higher quality treatment through advertising on the Internet. Offline store users care cost of medical service. However, online customers do not care cost. Rather than online users, price competition strategies may be more effective for traditional distribution channel users. Furthermore, accessibility has an important effect on customers' decision of offline and other distribution channels, but not on the online customers. The traditional distribution owners should focus on physical distance to attract more clients.

<Table 2> Exploratory factor analysis and reliability tests

Variable**	Items	Cronbach's Alpha	Eigen value***	Factor loading
Medical quality	The up-to-data equipment	0.904	2.501	0.803
	The convenience facility			0.743
	The general service level (e.g., the hospital affiliated facilities)			0.657
	The doctor's general diagnosis skill			0.805
	The procedure accuracy and effectiveness			0.793
Medical reputation	The medical reputation of the host country* among colleagues and friends	0.863	1.501	0.700
	The medical reputation of the host country* comparing with its competitors			0.733
	The medical reputation of the host country* in the market			0.734
Attractions	The natural attractions	0.830	2.645	0.723
	The cultural attractions			0.773
	The cultural heritage			0.772
	The ethnic groups and cultures			0.744
	The recreational attractions			0.655
Accessibility	The accessibility to get the information about the host country*	0.649	1.108	0.665
	The accessibility to get to the host country*			0.810
	The geographical location of the host country*			0.684
Social environment	The local people's attitudes	0.797	1.427	0.734
	The traveling safety			0.705
	The socially and politically stable level			0.688
	The openness and passion level			0.715
Power distance	The acceptability of paternalistic management	0.618	1.820	0.685
	The respect for old age			0.748
	The meaning of status			delete
Uncertainty avoidance	The emotional need for formal rules to guide behavior	0.667	1.820	0.598
	The need for standardization			delete
	The rules and regularities			0.592
	The appeal of precision and punctuality			delete
Individualism/collectivism	The self-interest	0.694	2.447	0.543
	The self-actualization (e.g., individual success)			0.693
	The individual acceptance by other people			0.595
	The individual goal			0.657
Masculinity/femininity	The competition of a man than a woman	0.819	1.427	0.741
	Problems solved by a man than a woman			0.721
	The expectations of a man than a woman			0.805
	The high level position of a man than a woman			0.795
Choice intention	Preference (80%)	0.927	11.804	0.675
	Confidence strength (80%)			0.752
	Recommendation (80%)			0.731
	Preference (50%)			0.742
	Confidence strength (50%)			0.825
	Recommendation (50%)			0.806
	Preference (20%)			0.721
	Confidence strength (20%)			0.784
	Recommendation (20%)			0.791

*The host country: the US, Korea, Singapore, Thailand, or Japan.

**KMO: 0.943, Bartlett's Test of Sphericity: 97,113.420 ($p < 0.001$); total variance extracted: 62.877%.

*** Extraction Method: Principle Component Analysis.

<Table 3> The moderating role of distribution channel

Variable	Model 1 (offline)	Model 2 (Online)	Model 3 (Others)
	Coefficient	Coefficient	Coefficient
Constant	0.442	0.895	-0.869
Medical quality	-0.030	0.073†	0.119
Cost of care	-0.042*	-0.038	-0.098
Medical reputation	0.411***	0.377***	0.366***
Attractions	0.114***	0.129***	0.152*
Travel cost	-0.038†	-0.069**	0.022
Accessibility	0.129***	0.018	0.309***
Social environment	0.215***	0.151***	0.209**
N	442	394	45
Chi-square	166.788	132.856	31.320
Significance	0.000***	0.000***	0.000***
R2	0.346	0.322	0.503

†p < 0.1; *p < 0.05; **p < 0.01; ***p < 0.001

<Table 4> The interaction effects of cultural similarity

Cultural similarity	Variable		R2		△F	△F
		Step 1	Step 2	Step 3	Step 1 vs 2	Step 2 vs 3
Power distance	Medical quality	0.200	0.200	0.202	4.281*	10.482**
	Medical reputation	0.279	0.280	0.281	8.844**	5.431*
	Travel cost	0.102	0.119	0.120	85.431***	4.056*
	Social environment	0.140	0.142	0.144	10.185**	12.038**
Uncertainty avoidance	Travel cost	0.102	0.142	0.143	205.204***	6.600*
	Accessibility	0.061	0.115	0.118	269.898***	16.244***
Individualism/ collectivism	Cost of care	0.080	0.099	0.101	89.500***	9.878**
	Travel cost	0.102	0.118	0.123	81.520***	22.584***
	Accessibility	0.061	0.100	0.102	191.995***	8.667**
	Social environment	0.140	0.159	0.161	101.085***	11.488**
Masculinity/ femininity	Medical quality	0.200	0.200	0.202	2.490	10.809**
	Medical reputation	0.279	0.279	0.280	0.381	8.883**
	Travel cost	0.102	0.106	0.108	22.324***	7.825**
	Accessibility	0.061	0.062	0.064	8.174**	5.396*
	Social environment	0.140	0.140	0.143	1.452	14.622***

*p < 0.05; **p<0.01;***p<0.001.

On the other hand, whether the distribution channel is online or not, medical reputation affects customers' destination choice intention positively. Chinese customers prefer the host country with better reputation of medical service. Significant results can be also found in the relationships among travel attractions, social environment, and destination choice intention. Travel cost also matters in the cases of online and offline distribution channels. Attractive travel products should be accessed to medical facilities in engaging customers' intention to visit the host country.

5.4. The interaction effects of cultural similarity

Moderated regression analysis is used to confirm the moderating role of cultural similarity in the decision process. The increments of F statistics between steps 2 and 3 are the most important citations to confirm the interaction effects of cultural similarity. In this study, there are 4 elements of cultual similarity and 7 main factors of distribution facility attributes. Therefore, with 28 (4 × 7) regression analysis, the statistically significant results are summarized in <Table 4>.

In detail, according to the increases of F statistics between steps 2 and 3, power distance and masculinity are estimated to interact with medical characteristics such as medical quality and reputation to affect destination choice intention for medical tourism overseas. The effects of medical quality and reputation on choice intention may vary when power distance and masculinity in the host country are perceived to be similar as compared to China. Similarly, individualism plays an important moderating role in the relationship between medical cost and intention to select a

destination. Meanwhile, individualism, powder distance, and masculinity have interaction effects on the relationships between social environment and destination choice intention. Moreover, individualism, uncertainty avoidance, and masculinity interact with accessibility and affect destination choice intention. Especially, each element of cultural similarity plays an important moderating role in the relationship between travel cost and destination choice intention.

6. Conclusions

This research is to verify the moderating role of cultural similarity and distribution channel in the destination choice process. With data collected from the native Chinese regions, some interesting findings can be concluded as follows.

First, distribution channel works as the important moderator in the choice decision process, which is consistent with the previous study of Smith and Forgione (2007) and Turner (2007). Chinese customers' decision vary according to the distribution channel. Second, with the moderating role of the distribution channel, facility attributes of medicine and tourism are confirmed to influence customers' intention to select a service in the international health care environment. The results are consistent with the literature such as Glions et al. (2010), Gearing, Swart, and Var (1974), and Zhang, Seo, and Lee (2013). Finally, cultural similarity elements interact with facility determinants and affect the destination choice intention, which is cited by Ma, Wang, and Hao (2012), and Polsa et al. (2013). For instance, power distance and masculinity play important moderating roles in the decision-making process.

According to the findings, this study is valuable for distribution managers to make a useful strategy in attracting potential Chinese customers for developing the industry of medical tourism. First, distribution channel is important in the destination choice process. Global managers should use distribute channel as a descriptive variable to segment the Chinese outbound market. Second, we find medical characteristics such as reputation and travel attributes are the important predictors depending on distribution channel. Practitioners should consider distribution channel effects and make efforts to improve reputation of health facilities or access travel facilities to illness treatment as a package product in order to take a competitive advantage in this market. For example, online sites or app stores should emphasize higher quality to attract Chinese customers. Offline agencies may use lower cost of care strategy to promote the service. In fact, in order to built a great medical reputation, facilities in Thailand like Bumrungrad international hospital have attempted to improve service quality to satisfy the well-known international certification of JCI (Joint Commission International). Finally, the Chinese customers seem to be easily attracted by the host country with the similar culture background. Marketers should focus on cultural similarity effects to make an implication strategy for financial profit growth. For instance, paternalistic management system can be considered to import into the facility for upgrading the Chinese customers' perception of the host country. Ideally, respecting older is also a good method. Clearly, formal rules and standardization can decrease the uncertainty of the host country and increase the attractiveness for Chinese customers. Additionally, managers can also consider improving the host country image of masculinity to make sure the positive decision of Chinese customers.

Some limitations exist in this research to generalize the findings. These limitations provide objectives for future studies. The retrospective data are recognized as the first limitation. China is a multicultural country. It is difficult to generalize the findings by a single group in China. For future study, a big data should be collected from more regions in China. The second limitation is that the study concerns on the four dimensions to estimate the interaction effects of cultural similarity in the national level. As stated by Hofstede (1984), cultural similarity is a broader conception, it should be understood from various aspects. Future research should attempt to estimate impacts of cultural similarity in different levels with more factors, which may be much more meaningful for the development of medical tourism practically and theoretically.

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