CHAPTER 2: LITERATURE REVIEW:

2.1 CONTRIBUTION OF SERVICE SECTOR:

Services account for almost two-thirds of the world’s total output (World Bank, 2002). Trade in services is growing faster than other areas and accounts for one-fifth of world trade (Stauss and Mang, 1999). Exports in commercial services are now growing faster than exports in merchandise goods. Currently, they account for more than 20 percent of the volume of merchandise trade (Trade & Development Center, 2003). Global trade in services has grown faster than trade in products for the past decade. Total worldwide trade in services surpassed $1.48 trillion by 2001 (OECD, 2003). Particularly, advances in information technology have vastly expanded the range of services that can be traded internationally (Braga, 1995) and the inclusion of “Generally accepted trade in services” (GATS) in the Uruguay Round has drastically reduced barriers in trade in services (Javalgi and White, 2002). This direction in world trade has resulted in an increasing trend towards globalization/internationalization of services (Cicic et al., 1999; Gronroos, 1999). Such internationalization and expansion of services has, in turn, made other industries (i.e. information technology) more innovative, diversified and sophisticated (Trade & Development Center, 2003) and resulted in the growth in the marketing of such activities as well. For the last ten years, the international marketing of services has been one of the fastest growing sectors of the world economy, vital to both developed and developing nations (Javalgi and White, 2002). Such growth is clearly evident in all developed and developing countries (Clark and Rajaratnam, 1999; Javalgi and White, 2002; Riddle, 1996; Wirtz, 2000).  

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2.2 PREVIOUS WORKS IN SERVICES:

2.2.1 Definition of Services:

Services are described as “deeds, processes, and performances” (Zeithaml & Biter, 2000). Services were defined as: “Those economic activities that typically produce an intangible product such as education, entertainment, food and lodging, transportation, insurance, trade, government, financial, real estate, medical repair and maintenance like occupations” (Heizer and Render, 1999). The concept of services is, however, so nuanced that it is hard to construct a simple definition. Nevertheless, significant effort has gone into defining this concept, primarily by classifying types of services or recognizing service characteristics that differ from goods (Chase, 1978; Lewis & Booms, 1983; Lovelock, 1980; Gröönroos, 1990; Hill, 1977; Judd, 1964; Kotler, 1980; Rathmell, 1974; Sasser et al., 1978; Shostack, 1977; Thomas, 1978; Zeithaml, Parasuraman & Berry, 1990). Customer service (CS) refers to the combination of activities offered by retailers. If taken seriously, CS is presented with the intention of enhancing service quality, so that customers perceive the shopping experience as more pleasant and even rewarding (Howardell, 2003; Levy & Weitz, 2001: 586, 587; Woodruff, 1997; Zikmund & d’Admico, 2001:331).

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102 Hyung-Jin Lee, “Factors Related To Grantee Perception of Service Quality In The Community Chest of Korea”, Submitted In Partial Fulfillment of The Requirements For The Degree of Doctor of Philosophy, Dissertation Advisor: Dr. Dennis R. Young
104 Hyung-Jin Lee, “Factors Related To Grantee Perception Of Service Quality In The Community Chest Of Korea”, Submitted In Partial Fulfillment Of The Requirements For The Degree Of Doctor Of Philosophy, Dissertation Advisor: Dr. Dennis R. Young
2.2.2 Characteristics of Services:

As against the goods sector where tangible cues exist to enable consumers to evaluate product quality, quality in the service context is explicated in terms of parameters that largely come under the domain of ‘experience’ and ‘credence’ properties and are as such difficult to measure and evaluate (Parasuraman, Zeithaml and Berry, 1985; Zeithaml and Bitner, 2001). Edvardsson et al. (2005) conclude that the most common service characteristics – intangibility, heterogeneity, inseparability and perishability (IHIP) – have most often been discussed through the lens of the service provider, not the lens of the customer.

1. Inseparability of Production and Consumption: In service industries, usually the marketer creates or performs the service at the same time as the full or partial consumption of the service takes place.

2. Intangibility of Service: Many services are essentially intangible. The consumer cannot see, feel, hear, smell, or touch the product before it is purchased.

3. Perishability: Unused capacity cannot be stored for future use; and

4. Heterogeneity (or variability) Services involve people, and people are all different. There is a strong possibility that the same enquiry would be answered slightly differently by different people (or even by the same person at different times).

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2.2.3 Emergence of Services Marketing as a Subject:

In the 1930s, Converse (1930) stressed the importance of services in the field of marketing. Other early research efforts in services date back to the 1960s (Gustafson and Ricard, 1964; Rathmell, 1966; Donabedian, 1966; Hutchinson and Stolle, 1968; Stephenson and Willet, 1969). Since, then there has been an increasing interest in research in the field (Fisk et al., 1993; Berry and Parasuraman, 1993). Services marketing did not emerge as a distinct research discipline until the late 1970s (Fisk et al., 1993; Berry and Parasuraman, 1993) and marketing research before this had largely relied on single-item measures (Bruner and Hensel, 1993a, b; Churchill, 1979; Peter, 1979; Jacoby, 1978).  

2.2.4 Difference in Service Quality Measurement for “Goods” Retailers and “Services” Retailers:

Because of the fundamental differences between goods and services, marketing academicians make a distinction between goods retailing (e.g. department stores, boutiques) and service firms (e.g. airlines, restaurants). According to Berry (1986), it would be more helpful to classify them as either “goods” or “services” retailers. Even so, virtually all “goods” retailers still offer some form of service to facilitate the sale of goods. Thus, retailing environments differ from primarily goods retailers with some customer services, to retailers with primarily services focus with little or no goods offered.

2.3 Previous Works in Quality:

Quality has been defined (Taylor and Baker, 1994) as superiority or excellence (Zeithaml, 1988), or, as the consumer’s overall impression of the relative

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inferiority/superiority of the organization and its services (Bitner and Hubbert, 1994; Keinningham et al., 1994-95).

2.4 Previous Works in Service Quality:

2.4.1 Introduction:

The business environment is becoming increasingly hostile and unforgiving. Intense competition from both domestic and foreign companies, coupled with an increasing awareness of consumer rights, has led to greater expectations and demands by customers (Smith, 1989; Sellers, 1990).

2.4.2 Definition of Service Quality:

Service quality by its very nature is an elusive, indistinct and abstract concept. Consumers do not easily articulate their requirements; also there are difficulties in delimiting and measuring the concept. As a result only a handful of researchers have operationalised the concept (Parasuraman, Zeithaml and Berry, 1985, 1988; Brown and Swartz, 1989; Carman, 1990; Bolton and Drew, 1991; Cronin and Taylor, 1992; Babukus and Boller, 1992; Teas, 1993, 1994). Quality has been defined differently by different authors. Some prominent definitions include ‘conformance to requirements’ (Crosby, 1984), ‘fitness for use’ (Juran, 1988) or ‘one that satisfies the customer’ (Eiglier and Langeard, 1987). As per the Japanese production philosophy, quality implies ‘zero defects’ in the firm’s offerings. Parasuraman, Zeithaml and Berry (1988) defined service quality as ‘a global judgment, or attitude, relating to the superiority of the service’, and explicated it as involving evaluations of the outcome (i.e., what the customer actually receives from service) and process of service act


Scholars have defined the service concept in many different ways. Most often activities, deeds, processes and interactions are used when defining the concept of service (Solomon et al., 1985; Lovelock, 1991; Zeithaml and Bitner, 2003; Vargo and Lusch, 2004). Ghobadian et al. (1994) posit that most of the service quality definitions fall within the “customer led” category. Juran (1999) elaborates the definition of customer led quality as “features of products which meet customers’ needs and thereby provide customer satisfaction.” By definition, service quality is an attitude developed over all previous encounters with a service firm (Bitner, 1990; Bolton and Drew, 1991a; Parasuraman, 1988; Parasuraman et al., 1985). In the seminal work of Gronroos (1982), service quality is defined as “the outcome of an evaluation process where the consumer compares his expectations with the service he perceived he has received.” Service quality is usually defined as the customer’s impression of the relative inferiority/superiority of a service provider and its services (Bitner and Hubert, 1994) and is often considered similar to the customer’s overall attitude towards the company (Parasuraman et al., 1988; Zeithaml, 1988; Bitner, 1990).

2.4.3 Importance of Service Quality:

As a critical measure of organizational performance, service quality remains at the forefront of both the marketing literature generally, and in the services marketing literature specifically (Jensen and Markland, 1996). Service quality is the most dominating themes of research in services (Fisk et al., 1993). Technical superiority

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is not, by itself, a guarantee of business success. The new marketing philosophy and strategies (Ennew et al., 1990; Chorafas, 1999; Harrison, 2000) place special emphasis on the recognition of customer needs and expectations in an effort to provide a high level of quality services (Parasuraman et al., 1985).\textsuperscript{121} According to Berry et al. (1988), service quality has become a great differentiator and the most powerful competitive weapon which many leading service organisations possess.\textsuperscript{122} Research has found empirical support for the relationship between perceived service quality and business performance (Athanassopoulos et al., 2001; Caruana et al., 1995), probably reflecting the difficulty to imitate (e.g. Hise and Gabel, 1995).\textsuperscript{123} The relationships are said to maximise profits for service providers and safeguard against uncertainty for the buyer of services (Holland, 1992, 1993; Turnbull and Gibbs, 1987).\textsuperscript{124} Service quality is considered as a vehicle to increase value for the consumer and ensure consumer satisfaction (Sivadas and Baker-Prewitt, 2000). It also helps positioning in a competitive environment (Mehta et al., 2000); and retention and patronage (Yavas, et al., 1997).\textsuperscript{125} Quality has come to be recognized as a strategic tool for attaining operational efficiency and improved business performance (Anderson and Zeithaml, 1984; Babakus and Boller, 1992; Garvin, 1983; Phillips, Chang and Buzzell, 1983).\textsuperscript{126} Service quality has been seen as indicators of business performance (Hurley & Estelami, 1998).\textsuperscript{127} In the total quality

\textsuperscript{122} Dr. Anupam Das, Dr. Gour C. Saha, Nanda L. Banik, “Retail Service Quality Scale: Examining Applicability In A Transition Economy”, POMS 19th Annual Conference La Jolla, California, U.S.A., May 9 To May 12, 2008
\textsuperscript{125} Dr. Anupam Das, Dr. Gour C. Saha, Nanda L. Banik, “Retail Service Quality Scale: Examining Applicability In A Transition Economy”, POMS 19th Annual Conference La Jolla, California, U.S.A., May 9 To May 12, 2008
management literature, Deming (1998) and Crosby (1980) emphasise the advantage of quality in two different ways. Deming (1998) advocates that organisations need to create consistency of purpose towards improvement of products and services with an emphasis on improvement in quality to become competitive, stay in business and provide jobs. Deming (1998) argues that quality pays off in the forms of increased profit and reduced cost. Conversely, Crosby (1980) states that ‘quality is free’ by arguing that the benefits of supplying quality products and services pay off in the form of business profits which are worth more than the money spent on quality improvement programmes.128

2.4.4 Research in Service Quality:

In service quality research – although Donabedian (1966) had introduced a construct of service quality in the 1960s – multi-item measures emerged only in the early 1980s (Lehtinen and Lehtinen, 1982; Gronroos, 1984).129 During its infancy, service quality research based its foresight on consumer behaviour and the confirmation/disconfirmation paradigm (Gronroos 1992). According to this paradigm, as customers consume a product, they compare the quality they have experienced to that of their prior expectations (Swan and Comb, 1976), which leads to an emotional reaction manifested in the satisfaction/dissatisfaction with the products and services purchased (Woodruff et al., 1983).130 With greater choice and increasing awareness, Indian consumers are more demanding of quality service (Angur, Natarajan and Jahera, 1999) and players can no longer afford to neglect customer service issues (Firoz and Maghrabi, 1994, Kassem, 1989).131

2.4.5 Importance of Service Quality in Retail:

The retail service environment is becoming increasingly competitive and is characterised by the presence of domestic as well as foreign players, frequent mergers and acquisitions and sophisticated and demanding customers who have higher levels of expectations from service providers (Dabholkar et al., 1996). Therefore, service providers need to differentiate their service offerings by meeting the needs of their customers better, improving customer satisfaction and by delivering service quality that is higher than that provided by the competition (Bitner and Hubbert, 1994; Kohli and Jaworski, 1990; Reichheld and Sasser, 1990). In the retail context, perceptions of service encounters accumulate over time and a customer’s relationship with an organization are a continuation of exchanges or interactions both past and present” (Czepiel, 1990). When customers evaluate retail service, they compare their perceptions of the service they receive with their expectations. Customers are satisfied when the perceived service meets or exceeds their expectations. They’re dissatisfied when they feel the service falls below their expectations (Levy and Weitz, 2005). To date, many studies on service quality relied on service quality construct and scale by Parasuraman et al. (1988). However, its application to the retail industry may not be appropriate for service quality in retailing industry seems to be different from other services (Kaul, 2005; Dabholka et al, 1996). In retail setting, especially retail stores where there is a mix of product and service, retailers are likely to have impact on service quality more than on product quality (Dabholkar et al., 1996). As retailers can create such effects, service quality plays a significant strategic role in creating quality perceptions. Daskalopoulou and Petrou (2005) found that service quality influences the retail store performance. Existing evidence from previous research showed the importance of consumers’ service quality perception on consumers’ shopping behaviors. Researchers suggested that service quality offered by retail stores is a significant

determinant for consumers’ purchase decisions at the stores (Anon., 1985; Doyle, 1987; Shycon, 1992), perceived value and willingness to buy (Sweeney et al., 1997), customer satisfaction (Berry et al., 1988; Boulding et al., 1993; Duffy and Ketchand, 1998; Fornell et al., 1996; Jun et al., 2004; Sivadas and Baker-Prewitt, 2000; Taylor and Baker, 1994) and customer retention (Bennett and Higgins, 1988; Dabhokar et al., 1995; Parasuraman and Grewal, 2000; Yong, 2000).

2.4.6 Previous Works in Perceived Service Quality:

As service quality relates to meeting customers’ needs, one has to look at “perceived service quality” in order to understand consumers (Arnauld et al., 2002). Grönroos (1984) and Parasuraman et al., (1985) looks at perceived quality of service as the difference between customers’ expectation and their perceptions of the actual service received. Other researchers look at perceived service quality as an attitude. Arnauld et al., (2002) defined perceived quality “whether in reference to a product or service” as “the consumers’ evaluative judgment about an entity’s overall excellence or superiority in providing desired benefits”.

Perceived service quality has been defined as the consumer’s global attitude or judgement of the overall excellence or superiority of the service. Perceived service quality results from comparisons by consumers of expectations with their perceptions of service delivered by the suppliers (Lewis et al., 1994; Takeuchi and Quelch, 1983; Zeithaml, 1988). Consumer perception is an approximation of reality. Consumer mind tries to make sense out of the stimuli to which they are exposed. Perception is the way in which an individual interprets stimuli received by the senses. Perception is defined as, “A process through which consumers make sense out of the world” by Runyon (1977). In a broad sense, Wilkie W. L., (1986)

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mentioned that the topic of perception is concerned with the translation from the external, physical world to the internal, mental world that each of us actually experiences.

The study of consumer perception is an element of largely unconscious processes of consumer behavior. Perceptions serve as the base of consumers’ action and reaction, not the objective reality. Schiffman & Kanuk (2007) have put in plain words that for each consumer, reality is personal phenomenon and it is based on consumer’s needs, wants, values, and personal experiences. Hence, for marketers, consumer perceptions are much more important than their knowledge of objective reality. Because consumers make decisions and take actions based on what they perceive as reality, it is essential to describe the term perception and the related concepts that influence the consumers to buy. Schiffman & Kanuk (2007) described perception as, “the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world.” In the simplest term Young (1961) defined “to perceive is to observe through the senses.”

2.4.7 Previous Works on relationship between Service Quality and Culture:

Feinburg & de Ruyter (1995) pointed the importance of adapting the definition of service quality in different cultures. Ueltschy & Krampf (2001) contended that differences in culture affect measure of quality in a service sector. They encapsulated service quality measures as “culturally sensitive” and “may not perform properly or comparatively in a culturally diverse group domestically or abroad”. Cultural factors are said to have greater influence on people’s evaluation of services than on their evaluations of physical goods due to involvement of customer contact and interaction with employees while a service is delivered (Mattila, 1999). Feinburg & de Ruyter (1995) postulated that the differences “require adapting service quality to an international setting”. Furthermore, the service quality

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dimensions that are critical most to consumers vary according to culture and industry (Winsted, 1999).

2.4.8 Previous Works in Overall Service Quality:

Within the services marketing literature, overall service quality is normally not viewed as a separate construct but treated as an aggregate construct whereby the individual dimensions are summed to obtain an estimate of overall service quality (Dabholkar et al., 2000; Sachdev and Verma, 2004; Zhou, 2004). Previous research studies have also utilised direct measures of overall service quality using either a single item or multiple item statements (Dabholkar et al., 2000). However, given the fact that the overall service quality does involve some distinct dimensions (Dabholkar et al., 1996; Llosa et al., 1998; Parasuraman et al., 1988, 2005), the aggregate approach may not always be desirable especially in relation to customer satisfaction (Zhou, 2004) and loyalty (Bloemer et al., 1999) where a dimension-specific analysis may provide more diagnostic value for the improvement of service quality (Bloemer et al., 1999; Sachdev and Verma, 2004; Zhou, 2004). This is also in line with Brady and Cronin (2001), who argued that customers form their perceptions of a firm’s performance by evaluating each of the dimensions which then lead to an overall service quality perception.

2.5 Previous Works in Consumer Satisfaction:

2.5.1 Previous Works in Defining Consumer Satisfaction:

Despite extensive research in the years since Cardozo’s (1965) classic article, researchers have yet to develop a consensual definition of consumer satisfaction. Based on the perception that satisfaction has been defined, most research focuses on testing models of consumer satisfaction (e.g., Mano and Oliver 1993; Oliver 1993; Oliver and DeSarbo 1988; Spreng, MacKenzie, and Olshavsky 1996; Tse and Wilton 1988) while definitional considerations have received little attention. As a result, the

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literature is replete with different conceptual and operational definitions of consumer satisfaction. As Peterson and Wilson (1992) suggest, "Studies of customer satisfaction are perhaps best characterized by their lack of definitional and methodological standardization". During the early 1980’s, customer satisfaction increased in popularity as a topic. Since that time it has been well explored in the marketing literature (Cadotte, Woodruff, & Jenkins, 1987; Churchill & Surprenant, 1982; Erevelles & Leavitt, 1992; Oliva, Oliver, & MacMillan, 1992; Oliver, 1980; Oliver & DeSarbo, 1988; Oliver & Swan, 1989; Tse & Wilton, 1988). The disconfirmation paradigm (Oliver, 1977, 1980) is the most widely used and explored measure of customer satisfaction.

Customer satisfaction (CS) is increasingly becoming a corporate strategy (Reichheld and Sasser, 1990; Rust and Zahorik, 1993), the bedrock of business success (Drucker, 1973), the cornerstone of relationship marketing and management (Claycomb and Martin, 2002), and the influencer of organisational competitive advantage (Anderson et al., 1994). Under the rubrics of defensive marketing strategy (Fornell and Wernerfelt, 1987, 1988), the importance of CS has been underscored by business practitioners. Empirically, recent research supports the notion that there is a positive relationship between CS and corporate financial performance (Reichheld and Sasser, 1990; Rust and Zahorik, 1993; Anderson et al., 1997).

Na et al. (1999) view satisfaction as a consequence of strong associations or images. Satisfied customers experience “a pleasurable level of consumption-related fulfillment” (Oliver, 1997). In the context of retailing, Bloemer and Ruyter (1998)

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141 Joan L. Giese, And Joseph A. Cote, Defining Consumer Satisfaction, Academy of Marketing Science Review, Vol. 2000, No. 1
142 Denver Eugene Severt, The Customer’s Path To Loyalty: A Partial Test of The Relationships Of Prior Experience, Justice, and Customer Satisfaction, Dissertation Submitted To The Faculty of The Virginia Polytechnic Institute and State University In Partial Fulfillment of The Requirements For The Degree Of Doctor of Philosophy
define satisfaction as “the outcome of the subjective evaluation that the chosen alternative (the store) meets or exceeds expectations”.  

Satisfaction is a consumer’s post-purchase evaluation of the overall service experience. It is an affective reaction (Menon and Dubé, 2000) in which the consumer’s needs, desires and expectations during the course of the service experience have been met or exceeded (Lovelock, 2001). Several studies seem to conclude that satisfaction is an affective construct rather than a cognitive construct (Oliver, 1997; Olsen, 2002). Rust and Oliver (1994) further defined satisfaction as the “customer’s fulfillment response,” which is an evaluation as well as an emotion-based response to a service. It is an indication of the customer’s belief on the probability of a service leading to a positive feeling.

2.5.2 The Distinction between Service Quality and Customer Satisfaction:

A review of the emerging literature suggests that there appears to be relative consensus among marketing researchers that service quality and customer satisfaction are separate constructs which is unique and share a close relationship (Cronin and Taylor, 1992; Oliver, 1993). Most researchers in the services field have maintained that these constructs are distinct (Bitner, 1990; Carman, 1990; Boulding et al., 1993; Spreng and Mackoy, 1996).

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145 Binta Abu Bakar, Felix Mavondo And Val Clulow (2005), Customer Satisfaction With Supermarket Retail Shopping, Bridging Marketing Theory And Practice: Anzac Conference, Australian And New Zealand Marketing Academy Conference 2001, Auckland, New Zealand, 3-5 December 2001
147 Yap Sheau Fen And Kew Mei Lian, Service Quality And Customer Satisfaction: Antecedents Of Customer’s Re-Patronage Intentions, Sunway Academic Journal 4, Pg 59-74
Comparing two related constructs, Parasuraman et al. (1988) conceptualized perceived service quality as a long-run overall evaluation about a service, whereas satisfaction is a transaction-specific evaluation. Two schools of thought exist regarding the direction of causality between service quality and customer satisfaction. Bolton and Drew (1991b) also proposed that satisfaction leads to service quality. An unresolved issue in the research of service quality is whether customer satisfaction leads to service quality, or vice versa. Based on these conceptualizations, Parasuraman et al. (1988) posited that incidents of satisfaction over time result in perceptions of service quality. Rust and Oliver (1994) view

<table>
<thead>
<tr>
<th>Customer satisfaction</th>
<th>Service Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction can result from any dimension, whether or not it is quality related.</td>
<td>The dimensions underlying quality judgments are rather specific.</td>
</tr>
<tr>
<td>Customer satisfaction judgments can be formed by a large number of non-quality issues, such as needs, equity, perceptions of fairness.</td>
<td>Expectations for quality are based on ideals or perceptions of excellence.</td>
</tr>
<tr>
<td>Customer satisfaction is believed to have more conceptual antecedents.</td>
<td>Service quality has less conceptual Antecedents.</td>
</tr>
<tr>
<td>Satisfaction judgments do require Experience with the service or provider.</td>
<td>Quality perceptions do not require Experience with the service or provider.</td>
</tr>
</tbody>
</table>

[Table 8: Customer satisfaction and Service quality, Source: Adapted from various sources: Taylor, 1993; Oliver, 1993; Rust and Oliver, 1994; Spreng and Mackoy, 1996; Choi et al., 2004; Grace and O’Cass, 2005]
quality as one of the service dimensions which make up the consumers satisfaction judgment. Many other researchers argued and empirically supported that perceived service quality is an antecedent of customer satisfaction. Cronin and Taylor (1992) reported that in their structural analysis for the causal relations among satisfaction, overall service quality, and purchase intention, the coefficients of path for service quality-satisfaction-purchase intention appeared to be all significant while the coefficients of path for satisfaction service quality purchase intention were insignificant. Spreng and MacKoy (1996) also studied the relationship between service quality and satisfaction based on their modified Oliver's (1993) satisfaction/service quality model. Their modified model fitted the data well where service quality was hypothesized to influence satisfaction. In their study, the path coefficient between two constructs appeared to be significant (t = 9.4). Other researchers (Cronin and Taylor, 1992; Reidenbach and Sandifer-Smallwood, 1990; Woodside et al., 1989) also contend that quality leads to satisfaction.

2.5.3 Service Quality in Measuring Satisfaction:

The University of Michigan's American Customer Satisfaction Index (ACSI) is a scientific standard of customer satisfaction. Increasing ACSI scores has been shown to predict loyalty, word-of-mouth recommendations, and purchase behavior. J.D. Power and Associates provides another measure of customer satisfaction, known for its top-box approach and automotive industry rankings. J. D. Power and Associates' marketing research consists primarily of consumer surveys and is publicly known for the value of its product awards. Other research and consulting firms have customer satisfaction solutions as well. These include A.T. Kearney’s Customer Satisfaction Audit process, which incorporates the Stages of Excellence framework and which helps define a company’s status against eight critically identified dimensions. One of

the newest and most innovative customer satisfaction measurement methodologies is called Gustometria. Gustometria is real time measurement of customer and employee satisfaction. Customers are invited to answer a short survey by touching the “gustometer” screen with their fingers. The responses are collected immediately by the Gustometria servers which tabulate the results in real time. Management can then log into their private website and use the sophisticated business intelligence reports which are built in to the Gustometria system.\(^{154}\)

**Table 9: A Summary of the Research done in Defining Consumer Satisfaction**

<table>
<thead>
<tr>
<th>Source</th>
<th>Conceptual Definition</th>
<th>Response</th>
<th>Focus</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oliver 1997</td>
<td>The consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under-or over fulfillment.</td>
<td>Fulfillment response/ judgment</td>
<td>Product or service</td>
<td>During consumption</td>
</tr>
<tr>
<td>Halstead, Hartman, and Schmidt 1994</td>
<td>A transaction-specific affective response resulting from the customer’s comparison of product performance to some prepurchase standard (e.g., Hunt 1977; Oliver 1989).</td>
<td>Affective response</td>
<td>Product performance compared to some prepurchase standard</td>
<td>During or after consumption</td>
</tr>
<tr>
<td>Mano and Oliver 1993</td>
<td>(Product satisfaction) is an attitude-like post consumption evaluative judgment (Hunt 1977) varying along the hedonic continuum (Oliver 1989; Westbrook and Oliver 1991).</td>
<td>Attitude - evaluative judgment Varying along the hedonic continuum</td>
<td>Product</td>
<td>Post consumption</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Author and Year</th>
<th>Concept/Definition</th>
<th>Context and Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fornell 1992</td>
<td>An overall post purchase evaluation.</td>
<td>Overall post purchase perceived product performance compared with pre-purchase expectations.</td>
</tr>
<tr>
<td>Oliver 1992</td>
<td>Examined whether satisfaction was an emotion. Concluded that satisfaction is a summary attribute phenomenon coexisting with other consumption emotions.</td>
<td>Summary attribute phenomenon coexisting with other consumption emotions.</td>
</tr>
<tr>
<td>Westbrook and Oliver 1991</td>
<td>A post choice evaluative judgment concerning a specific purchase selection (Day 1984).</td>
<td>Evaluative judgment during consumption.</td>
</tr>
<tr>
<td>Oliver and Swan 1989</td>
<td>No conceptual definition (with the salesperson) a function of fairness, preference, and disconfirmation.</td>
<td>Salesperson during purchase.</td>
</tr>
<tr>
<td>Tse and Wilton 1988</td>
<td>The consumer’s response to the evaluation of the perceived discrepancy between prior expectations (or some norm of performance) and the actual performance of the product as perceived after its consumption.</td>
<td>Response to the evaluation during consumption.</td>
</tr>
<tr>
<td>Cadotte, Woodruff and Jenkins 1987</td>
<td>Conceptualized as a feeling developed from an evaluation of the use experience.</td>
<td>Feeling developed from an evaluation during consumption.</td>
</tr>
<tr>
<td>Year</td>
<td>Author(s)</td>
<td>Definition</td>
</tr>
<tr>
<td>------</td>
<td>-----------</td>
<td>------------</td>
</tr>
<tr>
<td>1984</td>
<td>Day</td>
<td>The evaluative response to the current consumption event...the consumer’s response in a particular consumption experience to the evaluation of the perceived discrepancy between prior expectations (or some other norm of performance) and the actual performance of the product perceived after its acquisition.</td>
</tr>
<tr>
<td>1983</td>
<td>Bearden and Teel</td>
<td>No conceptual definition. A function of consumer expectations operationalised as product attribute beliefs (Olson and Dover 1979) and disconfirmation.</td>
</tr>
<tr>
<td>1983</td>
<td>Westbrook and Reilly</td>
<td>An emotional response to the experiences provided by and associated with particular products or services purchased, retail outlets, or even molar patterns of behavior such as shopping and buyer behavior, as well as the overall marketplace (p. 256). An emotional response triggered by a cognitive evaluative process in which the perceptions of (or beliefs about) an object, action, or condition are compared to one’s values (or needs, wants, desires) (p. 258).</td>
</tr>
<tr>
<td>Source</td>
<td>Definition</td>
<td>Outcome</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Churchill and Surprenant 1982</td>
<td>Conceptually, an outcome of purchase and use resulting from the buyer’s comparison of the rewards and costs of the purchase relative to anticipated consequences. Operationally, similar to attitude in that it can be assessed as a summation of satisfactions with various attributes (p. 493).</td>
<td>Outcome</td>
</tr>
<tr>
<td>Oliver 1981</td>
<td>An evaluation of the surprise inherent in a product acquisition and/or consumption experience. In essence, the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer’s prior feelings about the consumption experience (p. 27).</td>
<td>Evaluation Summary psychological state Emotion</td>
</tr>
<tr>
<td>Swan, Trawick and Carroll 1980</td>
<td>A conscious evaluation or cognitive judgment that the product has performed relatively well or poorly or that the product was suitable or unsuitable for its use/purpose. Another dimension of satisfaction involves effect of feelings toward the product (p. 17).</td>
<td>Conscious evaluation or cognitive judgment Another dimension involves effect of feelings</td>
</tr>
<tr>
<td>Westbrook 1980</td>
<td>Refers to the favorability of the individual’s subjective evaluation of the various outcomes and experiences associated with using or consuming it (product) (Hunt 1977) (p. 49).</td>
<td>Favorability of the individual’s subjective evaluation</td>
</tr>
<tr>
<td>Hunt 1977</td>
<td>A kind of stepping away from an experience and evaluating it... the evaluation rendered that the experience was at least as good as it was supposed to be (p. 459).</td>
<td>A kind of stepping away from an experience and evaluating it</td>
</tr>
<tr>
<td>Howard and Sheth 1969</td>
<td>The buyer’s cognitive state of being adequately or inadequately rewarded for the sacrifices he has undergone (p. 145).</td>
<td>Cognitive state of being</td>
</tr>
</tbody>
</table>