A cross-industry comparison of customer satisfaction

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Abstract
Purpose – This paper seeks to identify service satisfaction measures that can be used across industries.
Design/methodology/approach – The paper attempts to identify empirically core characteristics of customer satisfaction ratings across six industries based on the ratings of 10,835 respondents within the USA. The industries included are banking and finance, retail, government, grocery stores, hospitality/sports, and restaurants.
Findings – The paper finds that banking and finance and hospitality/sports entertainment were rated highest by their patrons. Those dealing with government, general retail and moderately priced fast food restaurants received lower service satisfaction ratings. Differences were also found among respondent characteristics (i.e. age, gender, education and ethnicity/race).
Research limitations/implications – The study sample was selected from organizations readily available to the research team. Future studies based on systematic random samples would enhance the generalizability of the findings.
Originality/value – The results provide a basis from which cross industry benchmarking and the identification of best practices can be captured and used by practitioners.

Keywords Customer satisfaction, Measurement

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction
This paper seeks to identify measures that can be used across industries for purposes of assessing customer service effectiveness. Such will enable business owners, managers, decision makers and other researchers to identify best practices in customer service design. By doing so, decision makers may further improve services to their customers and gain competitive advantage.

The most widely employed models used for cross industry analysis are the American and the European Customer Satisfaction Indexes (ACSI and ECSI). These two annually produced indices provide measures of large businesses within and across industries. Reports generated by the ACSI and ECSI do not provide ratings by specific stores within a given company. Thus, in terms of their providing feedback to decision makers of specific stores within a company on a timely basis, these types of cross industry assessment tools are impractical.

There is a need for the development and use of a simpler, speedier, and more practical method to assess service satisfaction in a standardized manner both within industries and across industries that meets the needs of managers of the business units they control. The use of measures that can be validly applied in a timely manner across stores representing a variety of industries could facilitate the improvement of a conglomerate of service outlets in commonly shared business locations such as neighborhood shopping centers, business associations, and the like.

Background
It is well established that satisfied customers are key to long-term business success (Kristensen et al., 1992; Zeithaml et al., 1996; McColl-Kennedy and Schneider, 2000). Companies that have a more satisfied customer base also experience higher economic returns (Aaker and Jacobson, 1994; Bolton, 1998; Yeung et al., 2002). High consumer satisfaction leads to greater customer loyalty (Yi, 1991; Anderson and Sullivan, 1993; Boulding et al., 1993) which, in turn, leads to future revenue (Fornell, 1992; Bolton, 1998). Organizations having superior service quality have been found to be market leaders in terms of sales and long-term customer loyalty and retention (Anderson and Sullivan, 1993; Boulding et al., 1993; Eklöf and Westlund, 2002). Because of this, organizations competing in similar market niches are compelled to assess the quality of the services they provide in order to attract and retain their customers.

Customers’ expectations are derived from their own accumulation of contacts with services provided them in all walks of life. From such contacts customers accrue a generalized service expectation or standard based on their day-to-day history as customers. It is from the accumulation of these service experiences that customers establish personal standards and use them to gauge service quality. Intuitively,
they could create idiosyncratic standards of service across industries in terms of their requirements from the tangible and intangible dimensions of the services (Grönroos, 1984; Nicholls et al., 1998). That is, they might have different expectations in how they may be treated and the personal service they may expect as a customer at a banking institution than how they are likely to be treated at a concession stand at a sports event. This may include expectations of both the quality of the service setting and the personal service received. It is important to assess the relative service quality provided customers not only within industries, but across industries to identify best practices and benchmarks to facilitate the transfer of highly desired practices to less customer service oriented industries, the central purpose of this paper.

**Organization of the paper**

The paper provides a brief review of some of the relevant approaches that have been used for the measurement of customer satisfaction. It then discusses different views that have been developed in relation to the transferability of satisfaction measures across industries and outlines the research questions addressed in this investigation. The methodology used for the collection of the primary data is then outlined. In the findings section, customer ratings are reported based on statistical differences found while controlling for the possible effects of customer age, gender, education, and ethnicity/race, for such have been reported to influence customer satisfaction ratings (Gagliano and Hathcote, 1994; Tucker and Adams, 2001; Gilbert, 2003). The concluding section addresses the study limitations, managerial implications, and recommendations for further research.

**Measurement of consumer satisfaction**

The importance of measurement of customer service is well established in marketing and management literature. Yet, there is no universally accepted method or measurement scale that exists. Indeed, the measurement of consumer behavior and customer satisfaction is more exploratory in its development rather than a precise, exact science. There are several theories pertaining to the “best” method to assess customer satisfaction. Among the more dominant, (but not inclusive of all theories associated with customer satisfaction measurement) include the expectancy-disconfirmation approach, the performance-only approach, the technical and functional dichotomy approaches, the service quality versus service satisfaction approach, and the attribute importance approach (Gilbert et al., 2004). Furthermore, there are variations in the way that satisfaction is measured in terms of scales used, format of the questions and the data collection methods (Wilson, 2002).

In general, it is agreed that customer satisfaction measurement is a post-consumption assessment by the user about the product or service gained (Churchill and Surprenant, 1982; Yüksel and Rimmington, 1998). Also, there is a general agreement that the closer the assessment is to the actual service encounter, the more accurate the assessment of the service quality, itself. As stated by Mittal et al. (1999), attributes that are experienced closer to the time of the customer’s final evaluation tend to influence the customers’ overall ratings more than do those attributes that were more distant in time between the service encounter and the customer’s rating.

Some researchers may use a single item measure to capture service satisfaction (i.e. Yüksel and Rimmington, 1998; Leisen and Vance, 2001). However, it is generally accepted that customer satisfaction measurement is a complex construct, and the use of multi-item scales is preferred, as such provides greater insight about consumer satisfaction from the perspective of the consumer than is possible from a single item measure, per se. Multi item measures can provide empirically based levels of scale reliability that are not possible with a single item measure. Therefore, multi-item measures describing various aspects from which consumer satisfaction may be derived are preferred in order to help explain the construct of service satisfaction in a valid way (Nunnally, 1967). Brief reviews of some of the more dominant approaches to measuring customer satisfaction are presented below.

**Confirmation-disconfirmation approach**

This method is based on a comparison of the customer’s expectations versus what the customer actually experienced (Yüksel and Rimmington, 1998). A tool of particular note is the Customer Satisfaction Index (CSI), which is widely used in the USA (ACSI) and Europe (ECSI). It has been extensively applied (Fornell et al., 1996; Anderson and Fornell, 2000; Martensen et al., 2000; Dermanov and Eklöf, 2001; Fornell, 2001; Eklöf and Westlund, 2002; Yeung et al., 2002). The CSI scores pertaining to customer satisfaction function as intangible economic indicators, and are used to monitor the financial viability of companies, industries and international trade unions (Anderson and Fornell, 2000; Fornell, 2001). They serve as gross assessments of the viability of large economic blocs in the USA and Europe.

The CSI method is based on predictive models that are comprised of prior customer expectations, perceived quality based on the customers’ post service assessments, and the customers’ perceived value (product versus price) which lead to the creation of a customer satisfaction index (CSI) score ranging from 0-100. The post service assessments are completed by telephone and are comprised of the customers’ ratings on three criteria: overall quality, reliability, and meeting the customers’ needs. The national CSI’s measure the quality of goods and services as experienced by those who consume them. An individual firm’s CSI represents its served market’s (i.e. customer’s) overall evaluation of the total purchase and consumption experience, both actual and anticipated (Anderson and Fornell, 2000).

**Performance-only approach**

This method measures service features related to transitional-specific service satisfaction (both technical and functional). One such performance approach method reported in the literature is the Customer Satisfaction Survey (Gilbert et al., 1997; Nicholls et al., 1998). The instrument measures customers’ satisfaction immediately following a service episode. It includes technical and functional transition-specific features, as well as service quality and service satisfaction measures. It consists of two measures that were empirically derived through factor analysis applications: satisfaction with personal service (SatPers) and satisfaction with the service setting (SatSett). Each of these two factors
was validated from a cross section of industries within the USA. The two are generic to most industries rather than specific to any one industry, meaning they could possibly be applied to assess service quality in most cross industry settings. Essentially, these two measures were focused on the customer’s “personal reaction to the service delivery and to the environment in which it is delivered.” The measures are based on the perceived quality of service and product features experienced in the service encounter much like the SERVPERF model (Cronin and Taylor, 1992).

Overall satisfaction
Jones and Suh (2000) suggest that two distinct “types” of consumer satisfaction exist – the transaction specific and overall satisfaction. Transaction specific satisfaction is related to a specific encounter with the organization, whereas overall satisfaction is a cumulative construct summing satisfaction with specific products/services of the organization with various other facets of the company (Garbarino and Johnson, 1999). The overall rating resembles a more general attitude the customer has toward the specific products or services provided by the organization. It is more like a stored evaluation in one’s memory than an on-the-spot evaluation. Such an overall impression is relatively stable over time and less sensitive to question order effects or other transition specific reactions on the part of the customer (Auh et al., 2003).

Cross-industry satisfaction measurement: the pros and cons
Practitioners and theorists alike have expressed interest in cross industry applications of customer service measurement (Naylor and Bardi-Kleiser, 2002; Yüksel and Yüksel, 2002), while others have focused on customer satisfaction measurement across national boundaries (Frazer-Winsted, 1999; Crotts and Erdmann, 2000; Spreng and Chiou, 2000; Chen-Yu et al., 2001). Practitioners have much to gain by finding ways to compare customer satisfaction across industries and cultures, for they could not only gauge performance within their industries, but from such measures they could also identify superior practices that attract customers in other industries. By doing so, they may be enabled to expand their understanding, working assumptions, and ability to satisfy the customers (potential and current) whose satisfaction they rely on to remain in business.

Some argue that it is very difficult to develop a reliable and valid measure to capture satisfaction in all industries (Wilson, 2002). Yet, others contend that there is a great need for such a measure for purposes of continuous benchmarking and improvement. Indeed, practitioners need to have universally accepted scales to measure user satisfaction across industries, for such standardized measures will enable them to gauge the relative effectiveness of their own organization when compared with the performance of their competitors. Such benchmarking is a continuous process of measuring the practices of practitioner’s own organizations against those of their toughest competitors, as well as with those recognized as leaders of other industries (Black and Gregersen, 1999).

The ACSI and the ECSI have been developed to aid practitioners in their need for information they can use to gauge the performance of their organizations within and among specific industries. The CSI conducts annual analyses of customer service quality in at least 35 separate industries, 190 companies, and government agencies. In their analyses across various industries, the researchers often argue that their model, their scales, and their measurement seem to be sufficiently flexible for application in different industries (Greenholt et al., 2000), and that customer expectations have negligible impact on the formation of satisfaction (Martensen et al., 2000).

There are other examples using less complicated measures than that of the CSI, wherein it is possible for practitioners to apply more real time, cross industry customer satisfaction indicators. Some studies reported in the literature revealed that the same measures could be used to capture satisfaction for sectors with certain similarities. Nicholls et al. (1998) were able to compare hospitality-oriented and sports-oriented businesses using the identically same customer satisfaction measures. Additionally, in their exploratory research, Nicholls et al. (1998) investigated measures that might be used to gauge customer satisfaction in five public and five private sectors, and their findings revealed promising cross industry applications. Furthermore, McDougall and Levesque (2000) investigated the role of the service quality “promise,” the perceived value, and the relational service quality (the delivery) in the determination of customer satisfaction in four service sectors. Their investigation revealed that all of these determinants were found to have statistically significant effects on overall service satisfaction.

On the other hand, the findings of some researchers are less supportive of the efficacy of cross-industry customer satisfaction comparisons (Winsted, 1999; de Ruyter and Wetzel, 2000; Behbo, 2000; Dermanov and Eklöf, 2001). Their findings suggest that consumers’ assessments of service quality can be idiosyncratic to specific service industries. Hence, it could be suggested that the use of the same scale to measure the level of satisfaction with various service offerings is not advisable, since the dimensions that are evaluated by the consumers during such an analysis of service offerings may vary among the services, themselves.

Research problem
As indicated in the review of the above studies, there appear to be identifiable schools of thought in relation to the measurement of customer satisfaction across industries. One school proposes that the same, reliable and valid measures could be used in all contexts (across industries and across national boundaries). Some identified with this school of thinking suggest that given that the industries under investigation and the customer base have certain similarities, the same measurement can be used across industries. However, the antithesis of the pro cross-industry measurement school suggests that the formation of satisfaction is so highly dependent on unique organizational contexts that generic measures are not useful, and specific measurements should be developed to capture the construct every time that one attempts to examine customer satisfaction in a given service situation.

Hypotheses
Based on the different views expressed by researchers in the past, this study aims to test two relevant research hypotheses:

\[ H_1 \]

Specific measures can be used across various service industries to capture the level of customers’ satisfaction with services provided.
**Methodology**

**Data collection instrument**

The Customer Satisfaction Survey (Gilbert et al., 1997) is the preferred approach to measure satisfaction in this study. This is because of its greater reliability and validity compared to the disconfirmation approach where the difference between the customer’s expectations and quality perceptions are estimated (Boullusar et al., 2000; Parasuraman et al., 1996). When measuring across five public and five private sector industries, the findings of Nicholls et al. (1998) revealed that the SatPers factor was reported to have a Cronbach reliability alpha of 0.89 while the SatSett factor had a reliability alpha of 0.74. Convergent validity $r$ correlations with an overall statement of customer product and service satisfaction were 0.77 and 0.65, respectively. The two measures from this instrument appear to be well suited as a starting point to measure customer satisfaction across a broader, more diverse and larger set of industries.

The Customer Satisfaction Survey employs a five-point Likert-type rating scale ($1 =$ strongly disagree; $5 =$ strongly agree) and consists of 18 statements. A total of 17 of these statements address service and product features, and the 18th statement is a criterion statement pertaining to overall service quality. (Tests for convergent validity are accomplished by the measurement of the association between variables 1 through 17, and the factors derived from them, and the criterion statement.)

The multiple option, polar adjective type scale was used in this study for purposes of increasing the power of measurement. Binary (agree/disagree) scales that are sometimes used in customer satisfaction tools, impede measurement precision, validity, and predictive power of the findings, and are likely to be poor (Anderson and Fornell, 2000). Examples of statements in the Customer Satisfaction Survey that the customer respondents were asked to indicate the extents to which they disagree or agree include:

- The place is neat and clean.
- The employees treat me as a valued customer.
- There is easy access to the organization’s services.
- They take time to understand my needs.

**Data gathering procedure**

Trained interviewers and supervised graduate and undergraduate students were employed to administer the Customer Satisfaction Survey to patrons of business and government organizations representing six different industries. The organizations were based primarily in Dade (Miami) and Broward (Fort Lauderdale) Florida, with some limited sampling from a government agency in Denver, Colorado, and a large banking and finance organization in the Sacramento, California area. The agencies selected in the sample were based on convenience and availability. The surveys were administered in these agencies to randomly selected patrons immediately after they had completed their service encounter. No monetary incentives were given to the respondents. Respondent participation was based solely on their willingness to participate in the survey when requested to do so by those trained interviewers who approached them.

Responses were considered invalid cases if the respondent’s ratings did not vary, i.e. having answered every statement the same (i.e. answered with all “5”s or all “1”s, or the like). In such cases, they were deemed invalid and were removed from the sample. Likewise, if a respondent did not fully complete the survey (i.e. failed to respond to more than 10 percent of the 18 statements in the survey), the survey was not included in the analysis.

The sampling procedure was based on a systematic probability sampling approach—one of the most prevalently employed types of sampling techniques. The sampling objective of the researchers was to secure a degree of “economic efficiency” within a short time period while attempting to attain representativeness through systematic sampling of available customer service establishments representing the six industries included in this study. Once the sampling was initiated at each service site, the surveyors employed a skip interval approach when selecting the customers to be included in the sample. This procedure ensured sufficient randomness in the sample to approximate a known and equal probability of any person in the population being selected into the sample. Note: no precise record was kept pertaining to the percent of customers who declined to complete the questionnaire or failed to respond to the questionnaire in a valid manner. Based on discussions with members of the survey teams, it is estimated that about 20 percent refused to complete the survey or were omitted because of their inability to answer the questionnaire due to language or reading handicaps. It is estimated that less than 5 percent of the questionnaires were invalidated due to incomplete responses. (In the future, accurate records of these rejection rates will need to be kept and reported.)

In this study, 10,993 customers were sampled representing six industries: banking and finance (16 banks and credit unions, $n = 3,230$); retail (eight stores, $n = 876$); government service (16 state, local and federal agencies, $n = 2,111$); grocery stores (nine establishments, $n = 1,724$); hospitality (ten cruise ships, sports and entertainment establishments, $n = 1,755$); and restaurants (16 restaurants and fast food establishments, $n = 1,297$).

Within the banking and finance industry were a credit union and established banks having branches where customers walked in to make their transactions. The retail sample included typical stores such as office or home depot, car rentals, sports clothing and equipment outlets, and the like. The government industry included federal, state and local public organizations such as social security, department of motor vehicles, and planning and zoning that served end user customers who had direct personal contact with the government agencies as recipients of service. The grocery store industry included typical large grocery chain stores. The hospitality industry included organizations such as thoroughbred horse racing establishments, arcades, and cruise ship lines. The restaurants consisted mainly of fast food establishments such as McDonald’s, Burger King, and the like, as well as some other moderately priced steak houses and family owned cafes.

Four demographic characteristics of the respondents were also captured. They include age ($1 \leq 40$, $2 = 40$ and over); gender ($1 =$ male; $2 =$ female); education ($1 \leq$ two years of
college; 2 = two years of college and above); and ethnicity/race (1 = non-Caucasian; 2 = Caucasian).

Table I reveals the distribution of age, gender, education and ethnicity/race among the six industries analyzed.

Significant differences in demographic characteristics among the respondents in all six industries were found to exist by age, gender, education, and ethnicity/race. The data indicate that the respondents from the restaurant and retail industries were younger than the others. Females were notably more likely than males to represent the sample from the retail industry, while males were more highly represented in the hospitality/sports industry. Those consumers in restaurant, hospitality/sports, and retail industries tended to have lower education, while those in banking and finance, government, and grocery store industries tended to have higher education. In terms of ethnicity/race composition, non-Caucasians tended to be more highly represented in all but the hospitality/sports industry. Thus, these differences in demographic composition by industry were viewed to be important to be analyzed in terms of any mediating effects they might have on differences in ratings identified by industry on each of the two customer satisfaction measures.

Findings

Although the scales used in this paper have been taken from the literature, before employing them for comparative purposes their reliability in this specific context has to be determined. The Cronbach alpha of the SatPers is 0.91, while the value for the SatSett is 0.78. They are both in excess of the 0.70 benchmark. In Tables II and III, the reliability of the scales is confirmed by the Pearson inter-correlation of the items included in this scale, which are all positive, high and significant at a 0.001 level. Furthermore, the item-to-total correlation for all items is very close or higher than the suggested 0.50 benchmark (see Bearden and Netemeyer, 1999). All items contribute to the robustness of the scales is confirmed by the MANOVA and MANCOVA statistical applications were administered to assess the difference in respondent ratings by industry when controlling for age, gender, education and ethnicity/race. Table V reveals the results from the MANOVA and MANCOVA applications. It identifies the estimated adjusted means for each industry after accounting for the four demographic characteristics.

The MANCOVA analysis identified significant differences by industry among the ratings of the two factors when controlling for respondent age, gender, education and ethnicity/race (Wilk’s $\Lambda = 0.914$, $F_{(10, 000)} = 69.11$, $p < 0.001$). The differences identified by the Bonferroni post hoc tests revealed the following variations in ratings on the SatPers measure of customer satisfaction: Banking and finance was rated higher than all others ($p \leq 0.001$). Retail was rated higher ($p \leq 0.001$) than government, about the same as grocery stores, and lower ($p \leq 0.001$) than hospitality ($p \leq 0.030$) and restaurants ($p \leq 0.014$). Government was rated lower than each of the others ($p \leq 0.001$). Grocery stores was rated higher than government ($p \leq 0.001$) and

Table I Demographic characteristics of the study sample by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Age</th>
<th>Gender</th>
<th>Education</th>
<th>Ethnicity/race</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;40</td>
<td>≥40</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Banking/finance</td>
<td>1,526</td>
<td>51.1</td>
<td>1,463</td>
<td>48.9</td>
</tr>
<tr>
<td>Retail</td>
<td>593</td>
<td>68.4</td>
<td>274</td>
<td>31.6</td>
</tr>
<tr>
<td>Government</td>
<td>1,187</td>
<td>63.7</td>
<td>676</td>
<td>36.3</td>
</tr>
<tr>
<td>Grocery</td>
<td>899</td>
<td>56.6</td>
<td>689</td>
<td>42.4</td>
</tr>
<tr>
<td>Hospitality/sports</td>
<td>827</td>
<td>48.8</td>
<td>868</td>
<td>51.2</td>
</tr>
<tr>
<td>Restaurants</td>
<td>920</td>
<td>73</td>
<td>340</td>
<td>27</td>
</tr>
</tbody>
</table>

Chi square = 299.54
DF = 5
$p = < 0.001$
lower than banking and finance \((p < 0.001)\). Hospitality/sports was rated lower than banking and finance \((p < 0.001)\) and higher than retail \((p < 0.030)\) and government \((p < 0.001)\). Restaurants was rated lower than banking and finance \((p < 0.001)\) and higher than retail \((p < 0.014)\) and government \((p < 0.001)\).

Post hoc tests were also conducted on the ratings of the SatSett measure based on each of the six industries. Banking and finance was rated higher \((p < 0.001)\) than four of the five other industries. When compared to hospitality/sports, the banking and finance industry was also rated significantly higher, but the difference between the two was not as strong \((p = 0.039)\). Retail was rated lower than banking and finance \((p < 0.001)\) and hospitality/sports \((p < 0.001)\). Retail was rated higher than government \((p < 0.001)\). Government was rated lower than all other industry types \((p < 0.001)\). Grocery stores was rated lower than banking and finance \((p < 0.001)\) and hospitality/sports \((p < 0.001)\). It was rated higher than government \((p < 0.001)\). Hospitality/sports was rated higher

### Table II: Evaluation of the satisfaction with the personal service scale

<table>
<thead>
<tr>
<th></th>
<th>Pearson correlation</th>
<th>Item-to-total correlation</th>
<th>Cronbach alpha if item deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Provider courtesy</td>
<td>0.80</td>
<td>0.89</td>
<td></td>
</tr>
<tr>
<td>2. Timely service</td>
<td>0.70</td>
<td>0.75</td>
<td>0.90</td>
</tr>
<tr>
<td>3. Competent employees</td>
<td>0.70</td>
<td>0.65</td>
<td>0.79</td>
</tr>
<tr>
<td>4. Easy to get help</td>
<td>0.67</td>
<td>0.67</td>
<td>0.70</td>
</tr>
<tr>
<td>5. Treatment received</td>
<td>0.70</td>
<td>0.63</td>
<td>0.70</td>
</tr>
</tbody>
</table>

### Table III: Evaluation of the satisfaction with the service settings scale

<table>
<thead>
<tr>
<th></th>
<th>Pearson correlation</th>
<th>Item-to-total correlation</th>
<th>Cronbach alpha if item deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Convenient operating hours</td>
<td>0.50</td>
<td>0.78</td>
<td></td>
</tr>
<tr>
<td>2. Neat and clean place</td>
<td>0.45</td>
<td>0.60</td>
<td>0.73</td>
</tr>
<tr>
<td>3. Security within the organization</td>
<td>0.42</td>
<td>0.56</td>
<td>0.68</td>
</tr>
<tr>
<td>4. Security outside the organization</td>
<td>0.38</td>
<td>0.45</td>
<td>0.63</td>
</tr>
</tbody>
</table>

### Table IV: Analysis of variance of customer ratings by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>SatPers</th>
<th>SatSett</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sample size</td>
<td>Mean</td>
</tr>
<tr>
<td>Banking and finance</td>
<td>3,158</td>
<td>4.40</td>
</tr>
<tr>
<td>Retail</td>
<td>876</td>
<td>3.79</td>
</tr>
<tr>
<td>Government</td>
<td>2,090</td>
<td>3.54</td>
</tr>
<tr>
<td>Grocery stores</td>
<td>1,703</td>
<td>3.92</td>
</tr>
<tr>
<td>Hospitality/sports</td>
<td>1,745</td>
<td>4.08</td>
</tr>
<tr>
<td>Restaurants</td>
<td>1,263</td>
<td>3.98</td>
</tr>
<tr>
<td>Total</td>
<td>10,835</td>
<td>4.01</td>
</tr>
</tbody>
</table>

Df = 5 5 5
MS = 199.44 115.15 115.15
F = 286.49 197.64 197.64
P-value = < 0.001 < 0.001 < 0.001

Note: Means are based on a 1-5 Likert-type scale (1 = strongly disagree to 5 = strongly agree)

### Table V: Differences in ratings by industry when controlling for respondent age, gender, education and ethnicity/race

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sample size</th>
<th>SatPers</th>
<th>Adjusted mean</th>
<th>Sample size</th>
<th>SatSett</th>
<th>Adjusted mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking and finance</td>
<td>2,163</td>
<td>4.43</td>
<td>4.23</td>
<td>1,238</td>
<td>4.21</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>854</td>
<td>3.88</td>
<td>3.88</td>
<td>834</td>
<td>3.96</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>1,494</td>
<td>3.39</td>
<td>3.39</td>
<td>1,494</td>
<td>3.55</td>
<td></td>
</tr>
<tr>
<td>Grocery stores</td>
<td>1,535</td>
<td>3.92</td>
<td>3.92</td>
<td>1,535</td>
<td>3.99</td>
<td></td>
</tr>
<tr>
<td>Hospitality/sports</td>
<td>1,433</td>
<td>4.00</td>
<td>4.00</td>
<td>1,433</td>
<td>4.12</td>
<td></td>
</tr>
<tr>
<td>Restaurants</td>
<td>1,206</td>
<td>4.01</td>
<td>4.01</td>
<td>1,206</td>
<td>3.91</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7,760</td>
<td>3.91</td>
<td>3.91</td>
<td>7,760</td>
<td>3.96</td>
<td></td>
</tr>
</tbody>
</table>

Notes: a Sample shrinkage from Table II is mainly due to an inability to ask about the respondents’ demographic characteristics, as the managers of some of the organizations that were involved in the study were concerned about customer reactions to them – a privacy issue; b Adjusted means calculated at means of covariates (age, gender, ethnicity/race, education); Means are based on a 1-5 Likert-type scale (1 = strongly disagree to 5 = strongly agree)
Among the greatest limitations of this study sample is that the selection of the organizations representing the various industries was not based on systematic randomization. Although the sample sizes are relatively large, much more representative data from each of the six industries are needed in order to support the generalizability of the study findings.

More accurate accounting of rejection and decline rates of customers surveyed is needed, for such information would shed added light on the potential bias of the sampling process used in this data gathering procedures employed in this study. Were there specific groups that tended to decline the invitation to complete the survey more than others? Were the interviewers more likely to gain the cooperation of certain types of respondents more than others? Did the use of the predominantly English version of the survey inadvertently serve to omit those whose first language was Spanish, Creole or Portuguese (languages often preferred by some of the potential customers in the study sample)?

The use of trained students to gather most of the data used in this study was the most convenient alternative for the principal investigators. However, although the students were trained in data gathering methods, they were not always closely supervised, and such should be more systematically adhered to in future, follow-up studies.

The sampling failed to capture information pertaining to the time of day or day of the week the data were gathered. Thus, it was not possible to match specific sampling times with customer service rating differences. The need for capturing time of day and day of week is especially pertinent to most of the industries that were included in the study sample. In this study, such data were not recorded.

The study findings are also limited by the small sampling of industries. Samples from local, state and federal governments would add to the generalizability of the findings as they pertain to government service satisfaction. Also, the study should have included a broader array of service industries, for such would add to the usefulness of the findings.

While the factors derived from the survey instrument were originally established from a broad range of industries, their accuracy could be further assured by systematically retesting them within each of the industries included in this study. Furthermore, additional analysis could help identify specific behaviors and best practices in the organizations that were rated exceptionally high so that others could gain added insight about cause-effect relationships in situations where service quality has been found to excel.

Study inferences

Service organizations that are highly dependent on the satisfaction of their customers need to establish standards from which their own customer satisfaction performance can be compared and improved on a continuous basis. It is important that such organizations not only benchmark themselves against the best practices in their own industries, but that they also transcend their own market niches and identify best practices among industries outside of their own competitive areas. By doing so, they can not only make incremental improvements based on learning from others within their industries, but they can also make quantum leaps in how they serve their customers by seeing how service is constructed and delivered by organizations working under different assumptions and business paradigms then their own.

It is the expectation of the authors of this study that this research effort provides a methodological orientation and some preliminary findings that may be useful to others interested in learning about cross-industry service quality. Two research hypotheses were tested: $H1$ – specific measures can be used across various service industries to capture the level of customers’ satisfaction with services provided; and $H2$ – the application of such measures will reveal no differences in the level of satisfaction consumers experience across service industries.

With regard to $H1$, the study provides a basis from which practitioners can measure the performance of the organizations they manage, and obtain near real time feedback that they can use to improve the personal service and the service settings of their stores or work locations. In terms of $H2$, the data analysis indicated that customer satisfaction does differ across industries, and that both the banking/finance and hospitality/sports industries seem to please their customers more than the other industries analyzed in this research undertaking.

Practical implications of findings

Managers’ use of customer satisfaction measures to improve organizational performance has become an imperative in today’s business environment. Satisfaction with service quality is related to bottom line results. Sophisticated indices are being developed to assess the quality of service of large, multi-product companies, industries and economic markets. Indices

(p ≤ 0.001) than all other industries except banking and finance. When compared to banking and finance, it was rated lower (p ≤ 0.039). Restaurants was rated lower than both banking and finance and hospitality/sports (p ≤ 0.001). It was rated higher than government (p ≤ 0.001).

The lower ratings identified by government organizations need to be placed in perspective with the type of customers they generally serve. As identified in their study of customer need to be placed in perspective with the type of customers rejected. The need for capturing time of day and day of week is especially with customer service rating differences. The need for

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in which their customers are able to behave as direct buyers, and have the opportunity to choose the government agency equally as good (if not better) than its private sector counterparts. Agencies in the USA federal government that serve direct buyers would include agencies such as the General Service Administration, US Office of Personnel Management’s training centers, US Parks service, or NASA weather photographic services or like organizations where customers can either purchase their services or go elsewhere for the products or services they seek.

From the discussion above it is confirmed that $H2$ is rejected.

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Practical implications of findings

Managers’ use of customer satisfaction measures to improve organizational performance has become an imperative in today’s business environment. Satisfaction with service quality is related to bottom line results. Sophisticated indices are being developed to assess the quality of service of large, multi-product companies, industries and economic markets. Indices
such as the ACSI and ECSI are engaged in broad based assessments of customer satisfaction. However, they are not likely to provide the type of information on a timely or useful basis as is needed by managers of business enterprises functioning in highly charged, rapidly changing niche markets like the international fast food industry. Thus, there remains a need to provide individual store managers scientifically based means to gauge the service quality of their own operations within their own unique market niches on a real-time basis, and in highly practical ways. The use of such measurement tools could help store managers find new ways to gain and retain customers through their own continuous improvement practices.

**Quicker, just-in-time assessments for store managers**

The application of the SatPers and the SatSett measures can aid managers to assess the service quality of their own establishments compared to others in their specific industries in a timely and useful manner. Periodic and repetitive sampling of customers’ assessments of the service quality of their businesses can enable managers to apply statistical process control and Motorola’s six sigma techniques (Messina, 1987; Reichfield and Sasser, 1990) to improve the quality of their products and services and facilitate the continuous improvement within their organizations.

**Multiple stores comparisons within the same organization**

Some companies may have several geographically dispersed stores operating within the same industry. Applications of measures such as SatPers and SatSett at each store location can enable managers to gain insight about the relative service and product quality of each specific store they manage. This would enable them to gauge the reliability of their service quality at each store and pinpoint where the greatest opportunities for improvement may exist, store by store. Such measures would also make it possible for managers of multiple stores to identify best practices that can be replicated elsewhere among their internal business units.

**Insights about government and private sector practices**

Government is charged with the expectation that it deliver products and services equally as well as the private sector. The current American presidential administration has set as its agenda the reform of federal agencies. It promotes more customer focus and market-driven approaches in the manner in which it conducts its “business,” and as a result “Citizens will recognize improved service, and performance and citizen satisfaction will increase” (US OMB, 2002, p. 14). The findings from this study that relate to service satisfaction with government agencies provide important insight into the relative friendliness of government service delivery systems used to meet the needs of its public.

**Integrating services and products from different industries**

Today, organizations identified with specific industries are merging with other high name recognition organizations that have been traditionally identified with other industries to facilitate one stop shopping at more centralized locations. For example, multi service gas stations are growing into multi service centers that cater to the needs of having broader needs be met. Some gas (petrol) stations and toll plazas are now offering name brand quick food services such as Kentucky Fried Chicken, Pizza Hut, Starbuck’s, Miami Subs, McDonald’s, Burger King, Nathan’s Hot Dogs, Dunkin Donuts, and other well known products that customers associate with other industries. Shopping malls also bundle retail with fast food restaurants. The offering of these products at such multi service outlets may, indeed, change the customers’ expectations of the products and services they have traditionally associated with these well known name brands. That is, the shopping experience at Kentucky Fried Chicken or McDonald’s offered at a multi service gas station center or a shopping mall equivalent to the products and services that are expected and experienced at the same franchises when they are functioning independently and when the shopper comes in solely for a single fast food service or product? If the customer’s accumulation of experiences of service quality at service stations has been less than that of fast food establishments, then the expectations of the service quality of franchises such as Kentucky Fried Chicken may also be lowered. Thus, the overall customers’ expectations of Kentucky Fried Chicken may be lowered because of the lower quality of service experienced at a quick service gas station. The change in perceived service quality may be influenced by the lowered (or raised) customer expectations associated with the core industry where the services of merged industries are offered. Today, United Air Lines serves food wraps prepared by Bennigan’s restaurants. The quality of service and food on United Airlines may well affect customer loyalty and more generalized expectations of the Bennigan’s food chain. Rather than permit less effective service oriented industries to dominate the service offering, practitioners may want to borrow from the practices of industries that are superior, and use them to improve the service quality of the integrating industry without lowering the standard of the products that they are integrating. Could Bennigans enable United Airlines to improve their services? Could Dunkin Donuts help change the quality of service of gas stations? This would seem to be another reason practitioners would opt to learn about service satisfaction across industries and use such knowledge to improve customer service in the systems they manage.

**Summary and conclusions**

The perception of customer service quality has well been demonstrated to be key to customer retention and the long-term financial success of most organizations. Yet, consumer satisfaction is derived from the customer’s comparison of the customer’s actual experience with a service episode contrasted with the customer’s service expectation. Such expectations are derived from both ideal and comparative standards – what should service be and what can the customer realistically expect based on what the customer has previously experienced. Ultimately the answers to these two questions are idiosyncratic – they are uniquely defined from person to person, contact by contact.

It is known that service quality varies within industries, and, because of this, organizations competing in similar market niches are compelled to monitor both the practices of their competitors and their own behavior in order to attract and retain their customers. Unlike marketing experts and business strategists, most customers do not cognitively classify their service experiences and service expectations based on particular market niches. Rather, they accumulate a
generalized service expectation or standard based on their day-to-day history as customers.

This study has attempted to provide added insight into the significant variance in service quality from the eye of the customer. It also sharpened the focus on some types of industries that seem to do better than others.

The study has surfaced some evidence that service satisfaction may also vary as a result of customers’ biographical characteristics. While the causes for such differences are not known, such differences in satisfaction may be indicative of an unequal level of service quality that is provided those in some industries or organizations. Indeed, organizations are charged with the obligation to be culturally competent, and the data may indicate that more needs to be done to assure that this organizational obligation is realized.

The implications of analysis of cross industry satisfaction ratings hold great promise for measuring the service quality of service outlets such as neighborhood shopping centers, consisting of multiple industries, best in class-type benchmarking, development of industry specific standards, and user friendly methods for managers of business enterprises to gauge the quality of their services and products to further their own continuous improvement efforts. Quite possibly the study has also helped identify an important area for future research in consumer behavior that merits added attention.

References


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quality are market leaders in terms of sales and long-term customer loyalty.

Knowing that is the easy bit. The hard bit is finding out just what your customers think, and the even harder part is trying to find out how their opinions match those of competitors’ customers. To make the problem even tougher, managers also have to be aware that customers tend to have different expectations for different experiences.

For instance, they might have a different expectation of having a Starbucks coffee in a retail store than buying one at a gas station. If the experience at the gas station is good or bad, does the nature of the service encounter count as a plus or minus for the coffee company or the fuel station? Similarly, if you are served up a well-known branded snack on an airline, does the airline go up or down in the customer’s estimation depending on the snack – or vice versa?

And if customers have different expectations of the quality of service they might get at bank than at a concession stand at a sports event, why?

It is a complicated subject and no wonder that there is no universally accepted method or measurement scale that exists. Indeed, the measurement of consumer behavior and customer satisfaction is more exploratory in its development rather than a precise, exact science. Yet the importance of measurement of customer service is well-established in marketing and management literature.

What is needed is a simple, fast and accurate way of assessing service satisfaction in a standardized manner both within and across industries that meets the needs of managers of the business units they control. G. Ronald Gilbert and Cleopatra Veloutsou say: “The use of measures that can be validly applied in a timely manner across stores representing a variety of industries could facilitate the improvement of a conglomerate of service outlets in commonly shared business locations such as neighborhood shopping centers, business associations, and the like.”

There are, of course, the widely used American and the European Customer Satisfaction Indexes (ACSI and ECSI), both produced annually, but impractical in terms of providing the timely and specific feedback needed by managers of business enterprises functioning in highly charged, rapidly changing niche markets like the international fast food industry. The central purpose of the paper is to assess the relative service quality provided, not just within industries, but also across industries, so the best practices and benchmarks that are identified can be transferred to organizations which have lower standards.

Assessing the opinions of nearly 11,000 customers of banking and finance, retail, government, grocery stores, hospitality/sports and restaurant service providers, Gilbert and Veloutsou concluded that specific measures can be used across various service industries to capture the level of customers’ satisfaction with services provided, the consequence being that cross-industry benchmarking and the identification of best practices can be captured and used by practitioners.

Unlike marketing experts and business strategists, most customers do not cognitively classify their service experiences and service expectations based on particular market niches. Rather, they accumulate a generalized service expectation or standard based on their day-to-day history as customers.

There remains a need to provide individual store managers with scientifically based means to gauge the service quality of their own operations within their own unique market niches on a real-time basis, and in highly practical ways. The use of such measurement tools could help them find new ways to gain and retain customers through their own continuous improvement practices.

The application of satisfaction with personal service (SatPers) and satisfaction with the service setting (SatSett) can aid managers to assess the service quality of their own establishments compared with others in their specific industries in a timely and useful manner. Periodic and repetitive sampling of customers’ assessments of the service quality of their businesses can enable managers to apply statistical process control and Motorola’s six sigma techniques to improve the quality of their products and services and facilitate their continuous improvement.

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(A précis of the article “A cross-industry comparison of customer satisfaction”. Supplied by Marketing Consultants for Emerald.)