6 Customer Satisfaction

Ruth N. Bolton

"To satisfy the customer is the mission and purpose of every business."
−Peter F. Drucker (1973, p. 79)

Customer Satisfaction Is Crucial to Business Success

Relationships with customers are market-based assets of the firm, where the role of marketing is to effectively manage its customer portfolio. Marketing strategy entails offering competitive value-propositions, co-creating value with customers and other market entities, and managing relationships to capture value for shareholders (Srivastava, Shervani, and Fahey, 1998; 1999; Tarasi et al., 2011; Vargo and Lusch, 2008). Marketers are tasked with creating, maintaining and enhancing customer relationships to improve business performance, so customer metrics that link to profitability and shareholder value are crucial (Berger et al., 2002).

Managers rely on a variety of business metrics for different purposes (Kaplan and Norton, 1996; *Wall Street Journal*, 2017; Zeithaml et al., 2006), but customer satisfaction has the best track record from the perspective of both academics and managers (Mittal and Frennea, 2010; Morgan, Anderson and Mittal, 2005). Customer satisfaction can be assessed for all products, services, including nonprofit, and public services; it is clearly understood by respondents; and its meaning is easy to communicate to managers (Gupta and Zeithaml, 2006). There is a vast stream of academic research demonstrating that improvement in customer satisfaction increases firms' financial performance by making customer acquisition easier, increasing customer retention and margins, and thereby increasing customer lifetime value (Gupta, Lehmann and Stuart, 2004; Gupta and Zeithaml, 2006; Morgan and Rego, 2006).

Academic research has demonstrated that customer satisfaction is a useful predictor in models of individual and aggregate purchase behavior – usually performing better than purchase intentions or willingness to recommend (Fornell, Rust and Dekimpe, 2010; Gupta and Zeithaml, 2006; Keiningham et al., 2007; Morgan and Rego, 2006). This finding may seem surprising, because customer satisfaction is a retrospective evaluation, whereas measures of intentions are forward-looking. However, survey questions about purchase intentions are

9781138489080_pi-465.indd 91 17-Aug-20 9:08:16 PM

hypothetical; they require customers to consider uncertain future events and contingency factors. Customers' intentions do not always align well with their future purchase behavior (Mittal and Kamakura, 2001; Morwitz, Steckel and Gupta, 2007; Seiders et al., 2005; Voss, Godfrey and Seiders, 2010). In general, managers should rely on multiple customer metrics to satisfy different information requirements.

This chapter begins by defining customer satisfaction, clarifying its relationship to other marketing constructs, identifying its antecedents and describing how it is measured. Next, it discusses the role of customer satisfaction in marketing strategy – focusing on how increases in satisfaction lead to increases in customer acquisition, retention and margins. Then, it outlines seven major strategies for achieving higher customer satisfaction levels. Last, it identifies key principles that can guide firms in allocating resources to customer satisfaction programs versus other investments. This chapter concludes by identifying three key areas where additional customer satisfaction research is needed.

What Is Customer Satisfaction?

"Satisfaction is 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 level of under- or over-fulfillment" (Oliver, 1997, p. 13). Customer satisfaction is a holistic response to a consumption or usage experience; this feature distinguishes it from:

- Quality – which focuses on performance
- Value – which entails a comparison of benefits and costs
- Attitudes toward the brand – which can exist without consumption

It is also distinct from related constructs, such as regret (Tsiros and Mittal, 2000). Rigorous research on customer satisfaction spans four decades, so researchers are well-advised to seek out Oliver's (2014) book on the topic.

Customer satisfaction is a retrospective evaluation of a consumption experience. Specifically, unlike some evaluations (e.g., perceived quality), the customer cannot provide an assessment unless a consumption experience has taken place (which might include a purchase). In contrast, customer engagement is generally considered to encompass non-purchase behaviors toward a brand or firm that result from motivational drivers, such as word-of-mouth activity and helping other customers (Van Doorn et al., 2010). Customer satisfaction is a necessary step in loyalty formation, defined as an underlying predisposition to consistently rebuy a preferred brand (good or service) despite opportunities to switch to another brand. In an important conceptual paper, Oliver (1999) observes that satisfaction becomes less significant as loyalty builds through other mechanisms, such as social bonding at the institutional and personal level. For this reason, he argues that loyalty cannot be achieved by many organizations because of the nature of the product category or consumer disinterest.

Antecedents of Customer Satisfaction

A key ingredient of customer satisfaction is expectancy disconfirmation – that is, a customer's comparison of his/her experiences with what he/she expected (Szymanski and Henard, 2001). A customer's assessment can be favorable (better than expected), same as expected or unfavorable (worse than expected), where expectations can be predictive ("will"), normative ("should") or ideal ("desired"). Customer satisfaction depends on customers' perceptions of performance (e.g., ease of use) and their expectations, as well as expectancy disconfirmation. Expectations can act as forward assimilation agents – so that customers' perceptions have a confirmatory bias − and expectancy disconfirmation can be dimension-specific (Oliver and Burke, 1999). Customer satisfaction also depends on perceptions of justice (sometimes termed equity or fairness) and affect (or emotions or mood) as well as causal attributions.

Numerous studies have investigated how elements of the consumption experience – with varying levels of abstraction − contribute to customer satisfaction. Early research tended to focus on affective responses such as pleasure/displeasure, cognitive perceptions of attribute-level performance, such as quality, and sensory impressions such as retail atmospherics (e.g., Churchill and Surprenant, 1982; Spies, Hesse and Loesch, 1997; Wirtz, Mattila and Tan, 2000). Recently, marketers have embraced a broader conceptualization of the customer experience that incorporates cognitive, emotional, behavioral, sensory and social responses across multiple touchpoints and over time (Lemon and Verhoef, 2016; Verhoef et al., 2009). In general, customer satisfaction research has not (yet) considered social and behavioral dimensions of the consumption experience (Oliver, 1999). This area is ripe for further research. For example, how can firms achieve consistency and integration within the customer experience to better satisfy customers?

Measurement of Customer Satisfaction

Customer satisfaction can be measured at a transaction level (e.g., a single touchpoint) or cumulatively (i.e., over a period), depending on the marketer's purpose. Overall customer satisfaction is frequently measured by a single item scale with endpoints of very satisfied and very dissatisfied, but multi-item scales are also available. A single item is often adequate to measure customer assessments of a single target (e.g., service encounter, firm or brand) when the purpose is prediction (Bergkvist and Rossiter, 2007). An odd number of points is desirable for a satisfaction scale because a customer can be neutral. The number of points is usually five to seven, depending on the method of survey administration (online, phone or offline) and study context (field versus lab). Oliver (2006) provides recommendations regarding measurement and scaling for academics.

Mittal and Frennea (2010) offer additional insights that will be helpful to practitioners.

Customer attitudes measured by survey ratings can be remarkably stable over time. It can be difficult to assess the effects of customer satisfaction improvements without longitudinal data (Bolton and Drew, 1991). Satisfaction ratings are somewhat more sensitive to firm actions, and disconfirmation ratings are especially helpful for detecting changes in customers' perceptions. Firms usually track average satisfaction ratings, "top box" ratings (percentage very satisfied) or "top two box" ratings (percentage very/somewhat satisfied). Since dissatisfied customers often exit from the relationship, customer satisfaction data is skewed, such that most customers respond favorably. This feature must be taken into account in reports and analysis; relationships with other variables will frequently be nonlinear. Morgan, Anderson and Mittal (2005) report that there is wide variation in the analytical sophistication of firms that seek to derive meaning from customer satisfaction data. However, managers generally agree that dissemination of customer satisfaction data within the firm – both horizontally and vertically – is a key ingredient of business success.

Customers' expectations regarding their experience can be at varying degrees of abstraction. For example, a customer might say that the firm should be "responsive" (a high level of abstraction) or that the firm should respond to all inquiries within 24 hours (a concrete level). Customer satisfaction strategies must be made concrete to be actionable (Gupta and Zeithaml, 2006, p. 730). Hence, surveys typically measure the antecedents of customer satisfaction through concrete questions about the product offering.

The Role of Customer Satisfaction in Marketing Strategy

Marketing strategy is sometimes summarized as "Find and Keep the Best Customers." From this standpoint, customer satisfaction is a powerful source of sustainable competitive advantage in the marketplace (e.g., Anderson, Fornell and Lehmann, 1994; Anderson, Fornell and Mazvancheryl, 2004; Bolton, Lemon and Verhoef, 2004[BIB]~~-020;~~ Gustafsson, Johnson and Roos, 2005). Table 6.1 describes different mechanisms through which customer satisfaction influences profitability and shareholder value (Aksoy et al., 2008). They can be classified as offensive versus defensive strategies as well as according to how they influence customer equity or firm value (Rust, Lemon and Zeithaml, 2004). Managers often consider improvements in customer satisfaction as a defensive strategy aimed at customer retention – that is, keeping customers from defecting through strategies such as complaint management (Fornell and Wernerfelt, 1987; Rust and Zahorik, 1993). However, a striking feature of Table 6.1 is that improvements in customer satisfaction can be an offensive strategy; high customer satisfaction helps firms acquire customers (potentially drawn from competitors) and increase profit margins. For example, L. L. Bean is widely recognized for satisfying customers and prospering financially in a highly competitive retail landscape.

Customer satisfaction increases margins by increasing product usage levels, product upgrades and (generally) share of wallet (Anderson and Mittal, 2000; Bolton, 1998; Bolton and Lemon, 1999; Bolton, Lemon and Verhoef, 2008; Verhoef, 2003). At the same time, it lowers customers' cash flow variability at a given level of cash flow – thereby reducing the firm's risk for a given level of return (Fornell et al., 2006; Fornell, Morgeson and Hult, 2016; Luo, Homburg and Wieseke, 2010; Tuli and Bharadwaj, 2009). For example, firms with high levels of satisfaction exhibit smaller price corrections and higher returns after periods of changing consumer sentiment (Merrin, Hoffmann and Pennings, 2013). Customer satisfaction facilitates customer acquisition, because highly satisfied customers engage in word of mouth that is more positive, and they are willing to pay more. At the same time, it makes future advertising and promotion more efficient and effective as well as mediating corporate social responsibility efforts.

Improvements in customer satisfaction lead to longer customer–firm relationships and less abandonment of products and services already purchased. In particular, a vast stream of research shows that service recovery efforts can improve customer satisfaction after a service failure, thereby increasing customer retention (Smith and Bolton, 1998; Smith, Bolton and Wagner, 1999). Higher satisfaction levels also create an "insulation effect", whereby the link between satisfaction and purchase intentions/behavior becomes stronger. The strength of this link is diminished when procedural and relational switching costs are high and magnified when financial switching costs are high.

Satisfaction Traps

Naturally, these marketing strategies can only be successful when firm actions are effective in raising satisfaction levels. Unfortunately, higher (lower) market share is sometimes accompanied by lower (higher) customer satisfaction, because growing firms may face capacity challenges (Gijsenberg and Verhoef, 2019) or customers' tastes become more diverse (and thus harder to satisfy) as the size of the customer base increases (Anderson, Fornell and Lehmann, 1994; Rego, Morgan and Fornell, 2013). A key solution is to customize offerings to market segments, thereby increasing satisfaction. In addition, firms that increase their financial leverage will decrease their customer satisfaction levels, where the extent of leverage moderates the relationship between satisfaction and firm value (Malshe and Agarwal, 2015). One reason may be that – in pursuit of cost savings – firms (inadvertently) cut activities that are valued by customers.

Firms sometimes undertake so-called improvements that are not valued by customers (Rust and Oliver, 2000). The introduction of self-service technology can be particularly problematic (Meuter et al., 2000). For example, a firm might introduce technology to make customer service representatives more effective and efficient – only to find that it acts as a barrier to the representative establishing rapport with the customer (Giebelhausen et al., 2014). Moreover, customers have a "self-serving bias" whereby their satisfaction is higher when they participate in co-production or co-creation processes (Bendapudi and Leone, 2003; Bolton and Saxena-Iyer, 2009).

Strategies for Achieving Higher Customer Satisfaction

Managers can increase customer satisfaction by developing a broad and deep understanding of the drivers of customer satisfaction for their firm. In their meta-analysis, Szymanski and Henard (2001) found that disconfirmation and perceived fairness (i.e., equity or justice) are most strongly related to satisfaction – so it makes sense to start with these two drivers. Customers are satisfied when their experience is better than expected (favorable disconfirmation), so it is important to conduct research to *identify customer expectations and ways to exceed them*. For this reason, a market orientation that emphasizes innovation is central to improving customer satisfaction and (ultimately) firm value (Slater and Narver, 1998). For example, Netherlands-based ING combines a customer-centric approach with novel applications of technology that benefit both customers and shareholders.

To exceed expectations, firms must *improve customers' perceptions* of their experience on salient dimensions: cognitive, emotional, behavioral, sensory and social responses across a variety of touchpoints and over time. "A rising tide lifts all boats", so that, when firms improve their customers' experiences on a specific dimension, customers' expectations for their next experience will be higher on this dimension. When core aspects of the customer experience are similar across firms within an industry (as they often are in mature markets), firms must focus on "small details" that make big differences to customers (Bolton et al., 2014). For example, after-sales service has become increasingly important to automobile owners in India. Small details are likely to be emotional, sensory or social, because physical attributes are easily imitated by the competition.[1]

There are many studies showing that *employee satisfaction* and commitment to the organization are linked to customer satisfaction, and vice versa (e.g., Korschun, Bhattacharya and Swain, 2014). To foster employee and customer satisfaction, managers aim to develop cultural norms within the organization that encourage and support customer satisfaction. For example, Marriott Corporation is widely admired for its human resource practices that contribute to ~~employee~~ and ~~customer~~ job satisfaction. Since satisfaction is context-specific, there is no "one size fits all" set of guidelines for how employees can improve satisfaction; customization is key. For this reason, firms must carefully assess the optimal use of technology (e.g., self-service technology) intended to improve employee productivity and standardize business processes.

Many firms offer *loyalty programs* as a way to learn about customers and customize offerings to fit their needs and improve their satisfaction. Loyalty programs can act as a buffer, so that members overlook or discount unfavorable comparisons. As a general heuristic, loyalty programs that offer social rewards such as status (e.g., first in line at the airline check-in counter) are preferable to programs that offer economic rewards (e.g., price discounts). The latter are likely to engender price sensitivity rather than increase satisfaction. For example, Sephora's Beauty Insider program provides product samples, makeovers and luxury treatments as customer rewards.

Customer satisfaction increases when perceptions of price fairness increase (Bolton and Lemon, 1999). Price is the most powerful tool in marketers' tool kit, but it must be used with caution. With that caveat, there are a number of ways to *improve customers' perceptions of price fairness* by educating customers about differences among product offerings, making favorable comparisons and aligning price increases with cost increases (Bolton and Alba, 2006). For example, Southwest Airlines emphasizes "transfarency" – with no unexpected fees (e.g., for baggage). Customer satisfaction also depends on three dimensions of perceived justice: distributive (or economic), procedural (such as first-come, first-served) and interactional (i.e., fairness of processes).

Satisfaction is strongly connected to trust (Garbarino and Johnson, 1999). Marketing strategies that pursue customer satisfaction tend to depend on large amounts of (digital) information about customers that may raise privacy concerns for individuals (Berger et al., 2002). Hence, fairness necessitates a commitment to transparency, respect for privacy and trust building (Bart et al., 2005). Managers can address customers' privacy concerns and increase their satisfaction by developing procedures that are fair and by being transparent about their processes. For example, IBM is helping firms use blockchain technology to create transparency throughout an ecosystem or value chain.

Negative perceptions of the customer experience have a greater effect on customer satisfaction than positive perceptions (e.g., Anderson and Sullivan, 1993; Mittal, Ross and Baldasare, 1998). With the advent of social media, firms must be alert to *eliminate or mitigate negative perceptions* as quickly as possible to avoid negative word of mouth. Since no firm can always achieve this aim, managers should have contingency plans for when failures occur. For example, the firm should act fast, issue an apology and explanation, attempt to restore the customer–firm relationship by providing redress, etc. For example, Ford Motor Company trains all employees in how to respond to service failures. Consistently with attribution theory, customers assess who is responsible when there is a discrepancy between expectations and perceptions of the experience (Tsiros, Mittal and Ross, 2004). Hence, managers should *offer information about the cause of discrepancies* (e.g., when an airplane is delayed by bad weather).

A Managerial Dilemma: Consistency versus Variability in Business Processes

Customers often prefer experiences with lower performance levels when they promise greater consistency or certainty (Rust et al., 1999). Since customers are sensitive to disconfirmation, it is important to reduce variability in business processes that can cause dissatisfaction. However, this strategy poses a challenge. Variability in processes that causes *unfavorable* disconfirmation should be eliminated, such as reducing waiting times. However, variability in processes that causes *favorable* disconfirmation should be encouraged, such as spending extra time to help a customer (Bolton, Lemon and Bramlett, 2006)! For this reason, managers should resist the temptation to completely standardize offerings and (instead) *provide latitude for customization*. These trade-offs are especially critical as firms use technology to automate business processes and reduce labor costs (Rust and Huang, 2012).

Resource Allocation: Should Firms Delight Customers?

Research suggests that firms should delight customers – even if it raises repurchase expectations – because satisfied customers are a competitive advantage in the marketplace (Rust and Oliver, 2000). However, there is a trade-off between creating value by satisfying customers – which may be costly − and capturing value for the firm – which requires efficiency. Research has shown that a *dual emphasis* on customer satisfaction and efficiency is essential to a firm's long-term financial success (Swaminatha et al., 2014). However, the process of a achieving a dual emphasis – balancing customer satisfaction and efficiency – is challenging for most firms (Mittal et al., 2005).

A dual emphasis helps managers avoid underspending and overspending; both can be dangerous. Often, firms treat customer service or other business processes as cost centers rather than recognizing their ability to contribute to customer satisfaction and profitability. For example, firms may attempt to minimize delivery costs when reliable and responsive service satisfies customers. A firm that capitalizes on this oversight (such as Amazon Prime delivery) has a competitive advantage in the marketplace. Overspending occurs when managers invest in activities that don't contribute to customer satisfaction. For example, access to 24×7 customer service may only be valued by some market segments and need not be offered to all customers. For example, Disney creates outstanding customer experiences – but its backstage facilities and services are efficient, not lavish. Overspending is especially likely when firms fail to leverage satisfaction research and voice of the customer methodologies.

The effectiveness of a firm's customer satisfaction improvement efforts depends on organizational and market contingencies. Fortunately, there are numerous tools to help firms identify satisfaction drivers that contribute to customer acquisition, retention, margins and (ultimately) firm value. Bolton (2016) provides an extensive treatment of this topic. Firms should begin by collecting customer satisfaction survey data for each market segment. These data can then be linked to other customer data, including brand, business process and financial metrics, through statistical models. In this way, a firm's managers can link customer satisfaction to marketing strategy and business outcomes.

Satisfaction: New Frontiers

Customer satisfaction is an important theoretical construct in academic research and a valuable metric (at both the strategic and the tactical level) for marketing managers. Despite an immense body of knowledge on this topic, there are (at least) three important avenues for future research.

First, as noted earlier, most customer satisfaction research was conducted when marketers conceptualized the customer experience as primarily cognitive, affective and sensory. However, in the past decade, marketers have embraced a broader conceptualization of the customer experience that includes cognitive, affective, sensory, social and behavioral dimensions. Hence, future research is required to understand how the social and behavioral dimensions of the customer's experience influence – or are influenced by – his/her satisfaction. In addition, there is a new emphasis on the role of contextual factors (e.g., characteristics of the store/website/channel, culture, economic climate and competition) in moderating the antecedents of customer experiences (Verhoef et al., 2009). Hence, customer satisfaction research is needed to investigate how contextual factors magnify or diminish the importance of all satisfaction antecedents.

Second, many aspects of the marketplace are undergoing dramatic changes, including customer-facing technology, global demographics (an aging and urbanized population), climate change and so forth. At present, very little is known about how to create satisfied customers in this new environment. For example, customers' consumption experiences are increasingly likely to include interactions with automated voice response, artificial intelligence, augmented or virtual reality, organizational processes driven by advanced analytics and so forth. Bolton et al. (2018) have advanced a research agenda in this domain organized around a key research question: How can organizations integrate the physical, digital and social realms to create experiences that are satisfying for customers? Future research should study customer satisfaction at the intersection of these three domains, rather than within a single domain.

Third, many thought leaders believe that marketing research and practice has an important role to play in analyzing the opportunities and challenges facing business and society (see: www.rrbm.network). This perspective has three distinct implications. Scholars should broaden the outcomes they study to consider trade-offs among customer satisfaction, business productivity, shareholder value, societal goals and bioenvironmental outcomes (Bolton, 2019). In addition, they should expand their studies of how firm decisions are linked to customer satisfaction and business success to simultaneously study how these same decisions influence the welfare of other stakeholder groups (including technology suppliers and network partners). For example, there is research that links employee satisfaction to customer satisfaction and other organizational outcomes (Bowen and Schneider, 2014; Brown and Lam, 2008). However, research is needed to study how decisions that influence customer satisfaction affect the nature of employees' work, their health and well-being, and the prosperity of the community. Last, scholars should study the impact of firm decisions involving customer satisfaction on a much broader set of outcomes, relevant to actors in retail ecosystems and local and global communities. For example, technology-enabled fulfillment strategies are satisfying for customers in the short run (e.g., same-day delivery) but have a negative impact on the bio-environment in the long run (increasing waste and energy usage). Research could generate knowledge that helps customers, firms and regulatory bodies make better-informed decisions.

Table 6.1 The Role of Customer Satisfaction in Marketing Strategy.

Marketing Strategy	*Source**
Offensive Marketing	
Higher Margins	
Customers who have higher satisfaction levels have higher cash flow levels and lower cash flow variability (i.e., higher return and lower risk).	Gruca and Rego, 2005; Tarasi et al., 2013
The link between firms' customer satisfaction levels and their financial performance is stronger when firms achieve a dual emphasis on revenue expansion and cost efficiencies.	Mittal et al., 2005
Highly satisfied customers subsequently have higher product usage levels and they are more likely to purchase upgrades.	Berger et al., 2002; Bolton and Lemon, 1999; Bolton, Lemon and Verhoef, 2008
Changes in customer satisfaction are positively associated with changes in their share of wallet over time, moderated by income and length of relationship. The relationship is stronger at higher customer satisfaction levels.	Cooil et al., 2007; Keiningham, Perkins-Munn and Evans 2003
Customer Acquisition	
Highly satisfied customers engage in more positive word of mouth and recommendations than less satisfied customers.	Anderson, 1998
Customers who have higher levels of cumulative satisfaction are subsequently willing to pay more than customers who have lower levels.	Homburg, Koschate and Hoyer, 2004
Customer satisfaction boosts the efficiency of future advertising and promotion expenditures (thereby saving marketing costs). It also increases brand equity.	Luo and Homburg, 2007; Pappu and Quester, 2006
Customer satisfaction partially mediates the effect of corporate social responsibility on firm market value.	Luo and Bhattacharya, 2006
Defensive Marketing	
Customer Retention	
Customers who have higher levels of cumulative satisfaction subsequently have longer relationships with the firm, where the strength of this association depends on the length of customers' prior experience with the organization.	Bolton, 1998
Although customer satisfaction with existing services does not always lead to the purchase of new services, lower satisfaction may result in the abandonment of services already purchased.	Verhoef, Franses and Hoekstra, 2001
The elasticity of repurchase intentions with respect to satisfaction is lower for firms that provide high satisfaction, creating a long-run reputation effect that insulates firms, which consistently provide high satisfaction.	Anderson and Sullivan, 1993

Table 6.1 Cont.

Marketing Strategy	*Source**
Customer Switching to Competitors	
Procedural and relational switching costs mitigate the association between customers' satisfaction and repurchase intentions/behavior, whereas financial switching costs enhance it.	Blut et al., 2015
Customers are more sensitive to unfavorable comparisons of their satisfaction with a firm versus its competition than they are to favorable comparisons, but members of a firm's loyalty reward program overlook or discount unfavorable comparisons.	Bolton, Kannan and Bramlett, 2000
Customer satisfaction increases employee satisfaction and vice versa.	Harter, Schmidt and Hayes, 2002; Zablah et al., 2016
Firms with higher levels of customer satisfaction exhibit smaller price corrections and higher returns after periods of high investor sentiment. Firms operating in industries that are more concentrated are better able to convert satisfaction into reduced cash flow variability (i.e., reducing the risk associated with the customer portfolio).	Gruca and Rego, 2005; Merrin, Hoffmann and Pennings, 2013

*Due to the large volume of satisfaction research, this table is not exhaustive. It reports exemplar studies and (when possible) meta-analyses or articles with extensive reviews of the literature.

Note

1 Consistently with this finding, marketers distinguish between social and economic resources in business-to-business exchanges (Bolton and Lemon, 1999; Bolton, Smith and Wagner, 2003) and hedonic and utilitarian resources in consumer–firm exchanges (Mano and Oliver, 1993). However, we cannot say that "soft" (i.e., social and hedonic) resources are more important than "hard" resources in enhancing customer satisfaction.

References

Aksoy, L., Cooil, B., Groening, C. and Keiningham, T.L. (2008) "The long-term stock market valuation of customer satisfaction", *Journal of Marketing,* 72(4), pp.105–122.

Anderson, E.W. (1998) "Customer satisfaction and word of mouth", *Journal of Service Research*, 1(1), pp.5–17.

Anderson, E.W. and Mittal, V. (2000) "Strengthening the satisfaction-profit chain", *Journal of Service Research*, 3(2), pp.107–120.

Anderson, E.W. and Sullivan, M.W. (1993) "The antecedents and consequences of customer satisfaction for firms", *Marketing Science*, 12(2), pp.125–143.

Anderson, E.W., Fornell, C. and Lehmann, D.R. (1994) "Customer satisfaction, market share, and profitability: Findings from Sweden", *The Journal of Marketing*, 58(3), pp.53–66.

Anderson, E.W., Fornell, C. and Mazvancheryl, S.K. (2004) "Customer satisfaction and shareholder value", *Journal of Marketing*, 68(4), pp.172–185.
Bart, Y, Shankar, V., Sultan, F. and Urban, G.L. (2005) "Are the drivers and role of online trust the same for all web sites and consumers? A large-scale exploratory empirical study", *Journal of Marketing*, 69(4), pp. 133–152.
Bendapudi, N. and Leone, R.P. (2003) "Psychological implications of customer participation in co-production", *Journal of Marketing*, 67(1), pp.14–28.
Berger, P.D., Bolton, R.N., Bowman, D., Briggs, E., Kumar, V., Parasuraman, A. and Terry, C. (2002) "Marketing actions and the value of customer assets: A framework for customer asset management", *Journal of Service Research*, 5(1), pp.39–54.
Bergkvist, L. and Rossiter, J.R. (2007) "The predictive validity of multiple-item versus single-item measures of the same constructs", *Journal of Marketing Research*, 44(2), pp.175–184.
Blut, M., Frennea, C.M., Mittal, V. and Mothersbaugh, D.L. (2015) "How procedural, financial and relational switching costs affect customer satisfaction, repurchase intentions, and repurchase behavior: A meta-analysis", *International Journal of Research in Marketing*, 32(2), pp.226–229.
Bolton, L.E. and Alba, J.W. (2006) "Price fairness: Good and service differences and the role of vendor costs", *Journal of Consumer Research*, 33(2), pp.258–265.
Bolton, R.N. (1998) "A dynamic model of the duration of the customer's relationship with a continuous service provider: The role of satisfaction", *Marketing Science*, 17(1), pp.45–65.
Bolton, R.N. (2016) *Service Excellence: Creating Customer Experiences that Build Relationships.* 1st edn. New York, NY: Business Expert Press.
Bolton, R.N. (2019) "Responsible research in retailing: Is your research useful?", *Journal of Retailing*, 95(3), pp.3–8.
Bolton, R.N. and Drew, J.H. (1991) "A longitudinal analysis of the impact of service changes on customer attitudes", *The Journal of Marketing*, 55(1), pp.1–9.
Bolton, R.N., Gustafsson, A., McColl-Kennedy, J., Sirianni, N.J. and Tse, D.K. (2014) "Small details that make big differences: A radical approach to consumption experience as a firm's differentiating strategy", *Journal of Service Management*, 25(2), pp.253–274.
Bolton, R.N., Kannan, P. and Bramlett, M.D. (2000) "Implications of loyalty program membership and service experiences for customer retention and value", *Journal of the Academy of Marketing Science*, 28(1), pp.95–108.
Bolton, R.N. and Lemon, K.N. (1999) "A dynamic model of customers' usage of services: Usage as an antecedent and consequence of satisfaction", *Journal of Marketing Research*, pp.171–186.
Bolton, R.N., Lemon, K.N. and Bramlett, M.D. (2006) "The effect of service experiences over time on a supplier's retention of business customers", *Management Science*, 52(12), pp.1811–1823.
Bolton, R.N., Lemon, K.N. and Verhoef, P.C. (2004) "The theoretical underpinnings of customer asset management: A framework and propositions for future research", *Journal of the Academy of Marketing Science*, 32(3), pp.271–293.
Bolton, R.N., Lemon, K.N. and Verhoef, P.C. (2008) "Expanding business-to-business customer relationships: Modeling the customer's upgrade decision", *Journal of Marketing*, 72(1), pp.46–64.
Bolton, R.N., McColl-Kennedy, J.R., Cheung, L., Gallan, A.S., Orsingher, C., Witell, L. and Zaki, M. (2018) "Customer experience challenges: Bringing together digital, physical and social realms", *Journal of Service Management*, 29(5), pp.776–804.

Bolton, R.N. and Saxena-Iyer, S. (2009) "Interactive services: A framework, synthesis and research directions", *Journal of Interactive Marketing*, 23(1), pp.91–104.
Bolton, R.N., Smith, A.K. and Wagner, J (2003) "Striking the right balance: Designing service to enhance business-to-business relationships", *Journal of Service Research*, 5(4), pp.271–291.
Bowen, D.E. and Schneider, B. (2014) "A service climate synthesis and future research agenda", *Journal of Service Research*, 17(1), pp.5–22.
Brown, S.P. and Lam, S.K. (2008) "A meta-analysis of relationships linking employee satisfaction to customer responses", *Journal of Retailing*, 84(3), pp.243–255.
Churchill Jr, G.A., and Surprenant, C.(1982) "An investigation into the determinants of customer satisfaction", *Journal of Marketing Research*, pp.491–504.
Cooil, B., Keiningham, T.L., Aksoy, L. and Hsu, M. (2007) "A longitudinal analysis of customer satisfaction and share of wallet: Investigating the moderating effect of customer characteristics", *Journal of Marketing*, 71(1), pp.67–83.
Drucker, P.F. (1973) *Management*. 1st edn. New York, NY: Harper & Row.
Fornell, C., Mithas, S., Morgeson III, F.V. and Krishnan, M.S. (2006) "Customer satisfaction and stock prices: High returns, low risk", *Journal of Marketing*, 70(1), pp.3–14.
Fornell, C., Morgeson III, F.V. and Hult, T. (2016) "Stock returns on customer satisfaction do beat the market: Gauging the effect of a marketing intangible", *Journal of Marketing*, 80(5), pp.92–107.
Fornell, C., Rust, R.T. and Dekimpe, M.G. (2010) "The effect of customer satisfaction on consumer spending growth", *Journal of Marketing Research*, 47(1), pp.28–35.
Fornell, C. and Wernerfelt, B. (1987) "Defensive marketing strategy by customer complaint management: A theoretical analysis", *Journal of Marketing Research*, 24(4), pp.337–346.
Garbarino, E. and Johnson, M.S. (1999) "The different roles of satisfaction, trust, and commitment in customer relationships", *Journal of Marketing*, 63(2), pp.70–87.
Giebelhausen, M., Robinson, S.G., Sirianni, N.J. and Brady, M.K. (2014) "Touch versus tech: When technology functions as a barrier or a benefit to service encounters", *Journal of Marketing*, 78(4), pp.113–124.
Gijsenberg, M.J. and Verhoef, P.C. (2019) "Moving forward: The role of marketing in fostering public transport usage", *Journal of Public Policy & Marketing*, 38(3), pp.354–371.
Gruca, T.S. and Rego, L.L. (2005) "Customer satisfaction, cash flow, and shareholder value", *Journal of Marketing*, 69(3), pp.115–130.
Gupta, S., Hanssens, D., Hardie, B., Kahn, W., Kumar, V., Lin, N., Ravishanker, N. and Sriram, S. "Modeling customer lifetime value", *Journal of Service Research,* 9(2), pp.139–155.
Gupta, S., Lehmann, D.R. and Stuart, J.A. (2004) "Valuing customers", *Journal of Marketing Research*, 41(1), pp.7–18.
Gupta, S. and Zeithaml, V. (2006) "Customer metrics and their impact on financial performance", *Marketing Science*, 25(6), pp.718–739.
Gustafsson, A., Johnson, M.D. and Roos, I. (2005) "The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention", *Journal of Marketing*, 69(4), pp.210–218.
Harter, J.K., Schmidt, F.L. and Hayes, T.L. (2002) "Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis", *Journal of Applied Psychology*, 87(2), p.268.
Homburg, C., Koschate, N. and Hoyer, W.D. (2005) "Do satisfied customers really pay more? A study of the relationship between customer satisfaction and willingness to pay", *Journal of Marketing*, 69(2), pp.84–96.

Kaplan, R.S. and Norton, D.P. (1996) "Using the balanced scorecard as a strategic management system", *Harvard Business Review*, January–February.

Keiningham, T.L., Cooil, B., Aksoy, L., Andreassen, T.W. and Weiner, J. (2007) "The value of different customer satisfaction and loyalty metrics in predicting customer retention, recommendation, and share-of-wallet", *Managing Service Quality: An International Journal*, 17(4), pp.361–384.

Keiningham, T.L., Perkins-Munn, T. and Evans, H. (2003) "The impact of customer satisfaction on share-of-wallet in a business-to-business environment", *Journal of Service Research*, 6(1), pp.37–50.

Korschun, D., Bhattacharya, C.B. and Swain, S.D. (2014) "Corporate social responsibility, customer orientation, and the job performance of frontline employees", *Journal of Marketing*, 78(3), pp.20–37.

Lemon, K.N. and Verhoef, P.C. (2016) "Understanding customer experience throughout the customer journey", *Journal of Marketing*, 80(6), pp.69–96.

Luo, X. and Bhattacharya, C.B. (2006) "Corporate social responsibility, customer satisfaction, and market value", *Journal of Marketing*, 70(4), pp.1–18.

Luo, X. and Homburg, C. (2007) "Neglected outcomes of customer satisfaction", *Journal of Marketing*, 71(2), pp.133–149.

Luo, X., Homburg, C. and Wieseke, J. (2010) "Customer satisfaction, analyst stock recommendations, and firm value", *Journal of Marketing Research*, 47(6), pp.1041–1058.

Malshe, A. and Agarwal, M.K. (2015) "From finance to marketing: The impact of financial leverage on customer satisfaction", *Journal of Marketing*, 79(5), pp.21–38.

Mano, H. and Oliver, R.L. (1993) "Assessing the dimensionality and structure of the consumption experience: Evaluation, feeling, and satisfaction", *Journal of Consumer Research*, 20(3), pp.451–466.

Merrin, R.P., Hoffmann, A.O.I. and Pennings, J.M.E. (2013) "Customer satisfaction as a buffer against sentimental stock-price corrections", *Marketing Letters*, 24(1), pp.13–27.

Meuter, M.L., Ostrom, A.L., Roundtree, R.I. and Bitner, M.J. (2000) "Self-service technologies: Understanding customer satisfaction with technology-based service encounters", *Journal of Marketing*, 64(3), pp.50–64.

Mittal, V., Anderson, E.W., Sayrak, A. and Tadikamalla, P. (2005) "Dual emphasis and the long-term financial impact of customer satisfaction", *Marketing Science*, 24(4), pp.544–555.

Mittal, V. and Frennea, C. (2010) *Customer Satisfaction: A Strategic Review and Guidelines for Managers*, Fast Forward Series, Cambridge, MA: Marketing Science Institute.

Mittal, V. and Kamakura, W.A. (2001) "Satisfaction, repurchase intent, and repurchase behavior: Investigating the moderating effect of customer characteristics", *Journal of Marketing Research*, 38(1), pp.131–142.

Mittal, V., Ross Jr., W. and Baldasare, P.M. (1998) "The asymmetric impact of negative and positive attribute-level performance on overall satisfaction and repurchase intentions", *The Journal of Marketing*, 62(1), pp.33–47.

Morgan, N.A., Anderson, E.W. and Mittal, V. (2005) "Understanding firms' customer satisfaction information usage", *Journal of Marketing*, 69(3), pp.131–151.

Morgan, N.A. and Rego, L.L. (2006) "The value of different customer satisfaction and loyalty metrics in predicting business performance", *Marketing Science*, 25(5), pp.426–439.

Morwitz, V.G., Steckel, J.H. and Gupta, A. (2007) "When do purchase intentions predict sales?", *International Journal of Forecasting*, 23(3), pp.347–364.

Oliver, R.L. (1997) *Satisfaction: A Behavioral Perspective on the Consumer*. New York, NY: McGraw-Hill Companies, Inc.

Oliver, R.L. (1999) "Whence Consumer Loyalty?", *Journal of Marketing*, 63(4), pp.33–44.

Oliver, R.L. (2014) *Satisfaction: A Behavioral Perspective on the Consumer*. 2nd edn. New York, NY: Routledge.

Oliver, R.L. (2006) "Customer satisfaction research", in Grover, R. and Vriens, M. (eds) *The Handbook of Marketing Research: Uses, Misuses, and Future Advances*. 1st edn. Thousand Oaks, CA: Sage Publications, Inc.

Oliver, R.L. and Burke, R.R. (1999) "Expectation processes in satisfaction formation: A field study", *Journal of Service Research*, 1(3), pp.196–214.

Pappu, R. and Quester, P. (2006) "Does customer satisfaction lead to improved brand equity? An empirical examination of two categories of retail brands", *Journal of Product & Brand Management*, 15(1), pp.4–14.

Rego, L.L., Morgan, N.A. and Fornell, C. (2013) "Reexamining the market share–customer satisfaction relationship", *Journal of Marketing*, 77(5), pp.1–20.

Rust, R.T. and Huang, M. (2012) "Optimizing service productivity", *Journal of Marketing*, 76(2), pp.47–66.

Rust, R.T., Inman, J.J., Jia, J. and Zahorik, A. (1999) "What you don't know about customer-perceived quality: The role of customer expectation distributions", *Marketing Science*, 18(1), pp.77–92.

Rust, R.T., Lemon, K.N. and Zeithaml, V.A. (2004) "Return on marketing: Using customer equity to focus marketing strategy", *Journal of Marketing*, 68(1), pp.109–127.

Rust, R.T. and Oliver, R.L. (2000) "Should we delight the customer?", *Journal of the Academy of Marketing Science*, 28(1), pp.86.

Rust, R.T. and Zahorik, A.J. (1993) "Customer satisfaction, customer retention, and market share", *Journal of Retailing*, 69(2), pp.193–215.

Seiders, K., Voss, G.B., Grewal, D. and Godfrey, A.L. (2005) "Do satisfied customers buy more? Examining moderating influences in a retailing context", *Journal of Marketing*, 69(4), pp. 26–43.

Slater, S.F. and Narver, J.C. (1998) "Customer-led and market-oriented: Let's not confuse the two", *Strategic Management Journal*, 19(10), pp.1001–1006.

Smith, A.K. and Bolton, R.N. (1998) "An experimental investigation of customer reactions to service failure and recovery encounters: Paradox or peril?", *Journal of Service Research*, 1(1), pp.65–81.

Smith, A.K., Bolton, R.N. and Wagner, J. (1999) "A model of customer satisfaction with service encounters involving failure and recovery", *Journal of Marketing Research*, 36(3), pp.356–372.

Spies, K., Hesse, F. and Loesch, K. (1997) "Store atmosphere, mood and purchasing behavior", *International Journal of Research in Marketing*, 14(1), pp.1–17.

Srivastava, R.K., Shervani, T.A. and Fahey, L. (1998) "Market-based assets and shareholder value: A framework for analysis", *Journal of Marketing*, 62(1), pp.2–18.

Srivastava, R.K., Shervani, T.A. and Fahey, L. (1999) "Marketing, business processes, and shareholder value: An organizationally embedded view of marketing activities and the discipline of marketing", *Journal of Marketing*, 63(4), pp.168–179.

Swaminathan, V., Groening, C., Mittal, V. and Thomaz, F. (2014) "How achieving the dual goal of customer satisfaction and efficiency in mergers affects a firm's long-term financial performance", *Journal of Service Research*, 17(2), pp.182–194.

Szymanski, D.M. and Henard, D.H. (2001) "Customer satisfaction: A meta-analysis of the empirical evidence", *Journal of the Academy of Marketing Science*, 29(1), pp.16–35.

Tarasi, C.O., Bolton, R.N., Gustafsson, A. and Walker, B. (2013) "Relationship characteristics and cash flow variability: Implications for satisfaction, loyalty, and customer portfolio management", *Journal of Service Research*, 16(2), pp.121–137.

Tarasi, C.O., Bolton, R.N., Hutt, M.D. and Walker, B.A. (2011) "Balancing risk and return in a customer portfolio", *Journal of Marketing*, 75(3), pp.1–17.

Tsiros, M. and Mittal, V. (2000) "Regret: A model of its antecedents and consequences in consumer decision making", *Journal of Consumer Research*, 26(4), pp.401–417.

Tsiros, M., Mittal, V. and Ross Jr., W.T. (2004) "The role of attributions in customer satisfaction: A reexamination", *Journal of Consumer Research*, 31(2), pp.476–483.

Tuli, K.R. and Bharadwaj, S.G. (2009) "Customer satisfaction and stock returns risk", *Journal of Marketing*, 73(6), pp.184–197.

Van Doorn, J., Lemon, K.N., Mittal, V., Nass, S., Pick, D., Pirner, P. and Verhoef, P. C. (2010) "Customer engagement behavior: Theoretical foundations and research directions", *Journal of Service Research*, 13(3), pp.253–266.

Vargo, S.L. and Lusch, R.F. (2008) "Service-dominant logic: Continuing the evolution", *Journal of the Academy of Marketing Science*, 36(1), pp.1–10.

Verhoef, P.C. (2003) "Understanding the effect of customer relationship management efforts on customer retention and customer share development", *Journal of Marketing*, 67(4), pp.30–45.

Verhoef, P.C., Franses, P.H. and Hoekstra, J.C. (2001) "The impact of satisfaction and payment equity on cross-buying: A dynamic model for a multi-service provider", *Journal of Retailing*, 77(3), pp.359–378.

Verhoef, P.C., Lemon, K.N., Ananthanarayanan, P., Roggeveen, A., Tsiros, M. and Schlesinger, L.A. (2009) "Customer experience creation: Determinants, dynamics and management strategies", *Journal of Retailing*, 85(1), pp.31–41.

Voss, G.B., Godfrey, A. and Seiders, K. (2010) "How complementarity and substitution alter the customer satisfaction–repurchase link", *Journal of Marketing*, 74(6), pp.111–127.

Wall Street Journal (2017) "Methodology for the Management Top 250 Rankings", *Wall Street Journal* [Online], December 5. Available at: www.wsj.com/articles/methodology-for-the-management-top-250-company-rankings-1512482700

Wirtz, J., Mattila, A.S. and Tan, R.L. (2000) "The moderating role of target-arousal on the impact of affect on satisfaction—an examination in the context of service experiences", *Journal of Retailing*, 76(3), pp.347–365.

Zablah, A.R., Carlson, B.D., Donavan, D.T., Maxham III, J.G. and Brown, T.J. (2016) "A cross-lagged test of the association between customer satisfaction and employee job satisfaction in a relational context", *Journal of Applied Psychology*, 101(5), p.743.

Zeithaml, V.A., Bolton, R.N., Deighton, J., Keiningham, T.L., Lemon, K.N. and Petersen, A.J. (2006) "Forward-looking focus: Can firms have adaptive foresight?", *Journal of Service Research*, 9(2), pp.168–183.