

Is Customer Satisfaction Theory Relevant in the SME context?

INTRODUCTION

Small and Medium Enterprises (SMEs) account for more than ninety-nine percent of firms in Belgium and at the European level about ninety-five percent of firms are SME's, i.e. have less than 250 employees. The societal role of SMEs is widely recognized and has attracted the attention of most western governments ([Hill 2001a](#), [Hultman 1999](#), [Ghobadian and Gallear 1996](#)). Although debated, varying from study to study, and depending on the very definition of mortality and on the timeframe observed, the mortality rate of new ventures is acknowledged as being high. [Gilbert and Eyring \(2010\)](#) cite a 85% mortality rate after three years, whereas [Shepherd et al. \(2000\)](#) report a 90% rate after ten years.

The socio-economic impact of SME's going out of business is tremendous ([McLarty 1998](#)) which explains why authorities and institutions are dedicating so many resources to assist and help SME's ([Hill 2001a](#)). [Crutzen, 2009](#) showed that twenty-eight percent of bankruptcies are due to deficiencies in strategic management and among others to a misalignment with the market, underlying thus the importance of marketing. The importance of marketing within SMEs is also recognized by [Knight \(2000\)](#): «for most companies, because it tends to be the nexus of the strategic gestalt, skillful marketing strategy can be the most important requirement for success».

Among modern marketing, customer satisfaction (CS) is one major construct. It has attracted the attention of practitioners because of the popularized relationship between CS and loyalty and further between loyalty and profits ([Hallowell, 1996](#)). CS might therefore be a cornerstone for the success of SMEs and yet no comprehensive research has been dedicated to it in this context.

This paper is based on a literature review and its aim is threefold. It is first to investigate what the recommended business practices are in terms of customer satisfaction, and second to investigate whether and how SMEs apply these practices in actuality. It is third to compare both perspectives, to find out the

commonalities and differences and to propose a research agenda to advance the research on CS in the SME context.

METHODOLOGY

Conducting a comparison requires that a framework be defined to confront two perspectives, and that those perspectives be defined.

DEFINING THE PERSPECTIVES

One perspective is obvious as it is the central topic of this paper: SMEs. The other needs to encompass the recommended practices mentioned in the introduction.

To find out this perspective we chose to investigate the control part of CS, i.e. CS measurement (CSM). In his research [Lindman \(2004\)](#) found that in SMEs no customer satisfaction measures were considered necessary and [Perks and Shukla \(2008\)](#) in their study of German, Italian and French SMEs state that formal measurement systems have little relevancy in the SME context. However [Wilson 2002](#) finds that CSM is a common practice among large corporations.

[Hill 2001a](#) confirms that large corporations are fundamentally different from SMEs and that major discrepancies can be found between the two perspectives. He proposes that the dissemination of information through business graduates explains why SMEs remain behind large corporations in terms of marketing practices. Based on this, we chose to review the managerial literature to provide the second comparison perspective.

FINDING THE FRAMEWORK

Comparing perspectives also requires that comparison operators be defined. [Westbrook \(2000\)](#) stressed the topical focus on consumers in the academic study of CS which was indeed studied mainly from a consumer viewpoint, trying to define antecedents to and outcomes from CS. Oliver ([2009](#), p.16) stresses the inadequacy of the traditional attribute performance analysis and the need to «develop a greater appreciation of the consumer's thought process». He proposes seven types of comparison operators which are cognitively integrated and form the basis of a framework (see Figure 1). Comparison

operators and resulting cognition are intimately linked. The actual level of performance of an operator does not explain why it might be a problem or a benefit for the consumer. According to Oliver (2009, p. 35) «levels of performance exist only as external stimuli to consumers». It is the psychological processing of those stimuli which defines the level of (dis)satisfaction of a consumer towards a firm's offering.

Like Symanski and Henard (2001) who used this framework to guide their meta-analysis, we chose to apply it in our literature review and used six out of the seven comparison operators (the seventh being "nothing", resulting in "unappraised cognition" which by definition cannot lead to managerial recommendations). Those six operators are reviewed in the perspectives to be compared.

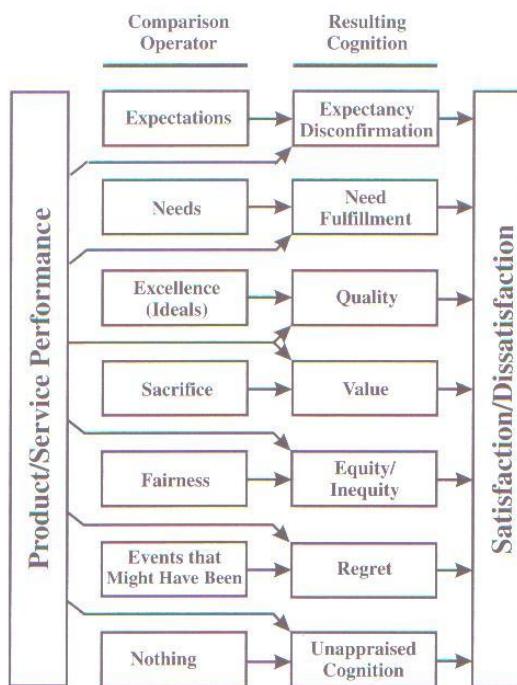


Figure 1. A framework of satisfactions antecedents (after Oliver, 2010)

CHOOSING THE LITERATURE

Using Olivier's framework requires that we first define the nature of the comparison operators as well as the resulting cognition. This is done using Oliver's own bibliography complemented with second-order references.

We were inspired by Brodie et al., as far as the review of the managerial literature is concerned and chose, unlike them, to focus on one source of practitioner's data, namely the

Harvard Business Review (HBR). Fully aware that this bias may impact our coding, we complemented it, when possible, with the "managerial recommendations" sections of the papers used in the definition of the comparison operators. HBR articles were found based on a keywords-based search in EBSCO and Google Scholar, the keywords being the comparison operators themselves. All HBR papers were analyzed, whatever their publication date, and only those pertaining to the subject of the present paper were retained. We performed a textual analysis (Silverman 2006) using a coding frame.

The starting point for the SME literature review was a review of the literature pertaining to the SME / Marketing interface in EBSCO. It was indeed found that in none of the SME and entrepreneurship journals papers had been dedicated to the comparison operators defined in Oliver's framework. This stream of literature was in first instance used to better understand how SMEs practice marketing and how it differs from textbook marketing (Carson and Gilmore 2000). Despite extensive search no paper was found on CS in the SME context. We therefore complemented our review with papers obtained from a keyword search in EBSCO and Google Scholar based on the names of the comparison operators and the presence of the terms "SME", "SMEs" or "Small and Medium Enterprise".

STRUCTURE OF THE PAPER

Based on the above this paper is therefore divided in four parts. In the first part we review the CS construct, its antecedents and its outcomes and explain why it deserves attention. In the second part we explore how the CS construct was translated in the managerial literature and in the third part we review the literature on the entrepreneurship and SME / marketing interface to find out how entrepreneurs and SMEs practice CS in actuality. Finally, in the discussion, we confront the managerial and the entrepreneurial perspectives to show the existing discrepancies and commonalities.

THE MARKETING LITERATURE ON CUSTOMER SATISFACTION

CS is one of the major constructs of modern marketing. Oliver (2009) defined satisfaction as «the consumer's fulfillment response [...], a judgment that a product/service feature, or the product or service itself, provided (or is providing) a *pleasurable* level of consumption-

related fulfillment, including levels of under- or over-fulfillment».

Several perspectives of satisfaction ([Oliver, 2009](#)) co-exist: the consumer's perspective, the firm's perspective, the industry perspective and the societal perspective. The behavioral content of the consumer's satisfaction has been extensively researched by marketing scholars whereas the firm's perspective was mainly studied from a loyalty-profitability viewpoint. The industry perspective is reflected in satisfaction indexes such as the American Satisfaction Index (ASI) and finally the societal perspective was researched more in the sociology and HR fields

CS was however mainly studied from a consumer perspective ([Westbrook 2000](#)) and has found a series of antecedents to and outcomes from satisfaction ([Oliver 2009](#)). Besides positive word-of-mouth it is thought that increased satisfaction leads also to higher loyalty which in turn leads to higher profits ([Hallowell 1996](#); [Kumar et al 2008](#); [Anderson and Mittal 2000](#)). It is through this relationship that CS was popularized and attracted the attention of practitioners.

ANTECEDENTS OF SATISFACTION

Along the years numerous theoretical models of the satisfaction process have been developed and tested. The importance of several antecedents has been confirmed, including expectations, disconfirmation ([Oliver and DeSarbo 1988](#)), performance, experience-based norms, equity/fairness, affect/emotion, desires congruency. [Szymanski and Henard \(2001\)](#) used the framework by Oliver to guide their meta-analysis and found that equity and disconfirmation are most strongly related to customer satisfaction on average.

Expectations. Expectations not only cover anticipated future performance but can be of higher-order depending on what the consumer is focusing on. Expectations are forged in the consumer's mind by a series of external sources such as advertising, third-party information and/or recommendation, product cues and by internal sources, namely the consumer's own experience with the product or service. The confirmation bias posits that expectations predispose the consumer's future satisfaction.

The role of expectations has traditionally been modeled in one or two ways: the role of

expectations as anticipations, and as comparative referents ([Szymanski and Henard, 2001](#)). When actual performance is not subject to assessment or comparison, expectations have a direct influence on satisfaction. When a comparison takes place, the expectancy disconfirmation construct applies.

Expectancy disconfirmation. The expectancy disconfirmation mode is widely acknowledged for its relevance and the percentage of variance it explains in the CS construct. In the expectancy disconfirmation model the consumer was believed to form expectations of product performance characteristics prior to purchase. ([Oliver 1980](#)). The comparison process is based on using a better-than, worse-than heuristic ([Oliver, Rust and Varki 1997](#)) and eventually results in positive disconfirmation when performance exceeds expectations, simple confirmation if it meets expectations and negative disconfirmation when expectations exceed actual performance. ([Oliver 1977, 1981](#)). Confirmation and positive disconfirmation are assumed to lead to satisfaction whereas negative disconfirmation is an antecedent of dissatisfaction.

According to [Oliver \(2009\)](#) meeting expectations will at best result in avoiding dissatisfaction; extreme disconfirmations will induce exceptional emotional states (either positive or negative) which have been reported to be linked to loyalty ([Vanhamme and Snelders, 2001](#)).

Needs. [Oliver \(2009\)](#) draws parallels between the Maslow's needs theory, the Herzberg's two-factor analysis and the Kano approach to satisfiers and dissatisfiers to shed light on a consumer perspective of need satisfaction theory. Product and services would possess three kinds of characteristics with the potential of influencing satisfaction/dissatisfaction. Monovalent dissatisfiers are those attributes which, when flawed, cause consumer's dissatisfaction. Monovalent satisfiers on the contrary fulfill higher-order needs and have the potential of influencing satisfaction. Bivalent satisfiers are attributes which can cause both satisfaction and dissatisfaction. Customers needs are however difficult to investigate, ninety-five percent of needs being unconscious or latent ([Zaltman 2003](#)). The use of various qualitative methodologies help discover those needs ([Rosenthal and Capper 2006](#); [Zaltman 2003](#)) but remain seldom used in business context.

Value. Customer value is a concept of fundamental concern and recognized as an underlying source of competitive advantage. The American Marketing Association definition of marketing was altered to include the notion of customer value.

[Payne and Holt \(2001\)](#) analyzed in an extensive research the different concepts of value and distinguished nine core streams of research on value theory which can be divided into three main groups: key influences, recent perspectives and newer developments. Customer satisfaction is addressed under the key influences together with service quality because the academic work on these subjects is concerned with the definition, measurement and evaluation of value output.

Recent perspectives on value encompass creating and delivering superior customer value, value of the customer, and customer-perceived value. Work carried out on creating and delivering superior customer value states that the success of a firm depends on its ability to deliver to the customers what is of value to them. [Gale \(1994\)](#) and [Naumann \(1995\)](#) proposed models to manage customer value. Gale concluded that superior quality is essential to remain competitive but Naumann found that quality was not enough and proposed his "customer value triad" model based on product quality, service quality and value-based prices. Whereas value of the customer is a firm-centric concept concerned with the value of the firm (it will be dealt with in the next section on the practitioner's perspective), customer-perceived value is more customer-centric and defined by [Woodruff \(1997\)](#) as a « customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequence arising from use that facilitate (or block) achieving the customer's goals and purpose in use situations ». Customer-perceived value was introduced as an evolution of customer satisfaction measurement which, in those scholars' view, was too firm-centric. According to [Payne and Holt \(2001\)](#) the customer-perceived value is important because it links desired product or service attributes and performances to desired consequences within the usage context, as well providing a linkage to the customers' goals and purposes.

Newer developments emphasize the role of relationship in value creation. [Wilson and Jantrania \(1994\)](#) stressed that any relationship creates value for both parties. According to [Grönroos \(1997\)](#) value is created and delivered over time as the relationship develops.

Although a theory of customer value and customer value creation and delivery is still in development, customer value was shown to be a «complex bundle of product and service based benefits» and to be leveraged by co-creation processes by both buyers and sellers. ([Little 2004](#)). The latest perspectives on customer value confirm the role of co-creation processes ([Little 2004](#)) and reinforce [Normann and Ramirez \(1993\)](#) anticipated value constellation concept.

The link between value and satisfaction lies in the comparison between performance outcomes and value-based sacrifices. Quality is found to be an antecedent of value and value an antecedent of satisfaction ([Oliver 2009](#), p. 200). Yet quality is a complex concept that needs to be further defined to understand the meaning of value.

Quality. Quality is to be understood from the consumer's perspective, i.e. how consumers form quality judgments.

Quality and satisfaction is not one and the same thing. Quality can be perceived without being experienced, quality assessment are based on cues whereas satisfaction can be judged based on any dimension even if it is not quality related ([Oliver 2009](#), p.176). Quality judgments are based on the perception of what an ideal or excellent standard might be, whereas satisfaction judgments might be exempt of such ideal references. Affect is absent in the quality judgment and conceptual antecedents are more rarely found than in satisfaction judgments. Finally quality judgments last longer than satisfaction judgments.

The service component was found to be an important antecedent of consumer's satisfaction and service quality has therefore received particular attention. The gap model ([Parasuraman et al. 1985](#)) and SERVQUAL ([Parasuraman et al., 1988](#)) were the starting point of two decades of research. According to [Woodall \(2001\)](#) "service quality has effectively become SERVQUAL and vice versa" and the validity of SERVQUAL has indeed been acknowledged in a variety of settings ([Carrillat et al. 2009](#)). Limitations of the SERVQUAL model have however been shown by some authors. [Parasuraman et al. \(1985\)](#) defined through focus groups ten dimensions of service quality and in a later refinement of their research reduced them to five ([Parasuraman et al., 1988, 1991](#)). Those five facets of the service quality are tangibles (physical installations, equipment and personal appearance), reliability (the ability to constantly

deliver the same level of service), responsiveness (the employees' willingness to help customers and provide prompt service), assurance (employees' knowledge and courtesy and ability to inspire trust and confidence), empathy (the personalization of the interaction between the employee and the customer). These dimensions focus on the human aspects of the service delivery as well as on tangible aspects of the firm ([Lenka et al. 2010](#)). The validity of these dimensions was assessed in first instance within five business contexts ([Parasuraman et al. 1988](#)) and later in five additional companies ([Parasuraman et al. 1991](#)). Despite the recognition of the SERVQUAL scale and researches too numerous to cite which applied this instrument to various industries and settings, critics emerged regarding the relevance of the dimensions ([Sánchez-Hernández et al. 2009](#)). Rooted in the shift operating from transactional to relational marketing, [Price et al. \(1995\)](#) criticized SERVQUAL focus on functional aspects whereas the relational part of it was neglected. They proposed to add relational dimensions to the model: duration, affective content and spatial proximity (EAI encounters). Although the quality antecedent is often associated to service quality, i.e. to the delivery part of the product or service, the actual performance of this product or service are also part of the consumer's assessment on quality.

Equity and Inequity. [Oliver \(2009\)](#) classifies equity / inequity as one of the cognitive mechanism affecting customer satisfaction or dissatisfaction. Olivier describes equity as "fairness, rightness, or deservingness comparison to other entities, whether real or imaginary, individual or collective, person or nonperson".

Equity is a construct which can intervenes before the consumption process or after the consumption has taken place. When in the Alpha phase (predecision) which is characterized by a decision conflict in the consumer's cognitive process, equity is associated to price (un)fairness perception. When in the Delta phase (usage and postusage) equity intervenes as a cognitive process mediating the actual performance and the regret, guilt, resignation feelings generated through it ([Oliver 2009](#)). It is then mainly concerned with complaints management.

Drawing on previous research which proved the effect of price unfairness perceptions on customer dissatisfaction ([Campbell 1999; Huppertz, Arenson, and Evans 1978; Martins](#)

[1995; Oliver and Swan 1989a,b\), Xia, Monroe and Cox \(2004\)](#) suggest that price fairness perceptions influence assessments of product value and customer satisfaction.

They classify the antecedents of price unfairness perception into four groups: the variables that specify the context of the comparative transactions, information that provides reasons why a certain price is set, information retrieved from previous transactions and general knowledge or beliefs about sellers' practices.

Price unfairness can have two types of emotional outcome: feelings of uneasiness or guilt in case of an advantaged inequality, or feelings of disappointment, anger, or outrage in case of a disadvantaged inequality. Those feelings determine the type of actions that buyers may take when they perceive prices as fair or unfair: no-action in an advantaged or slightly disadvantaged context, self-protection when buyers are upset because of an inequality they perceive as unacceptable, revenge «when a strong negative emotion, such as anger or outrage, occurs with a perception of price unfairness» ([Xia, Monroe and Cox 2004](#))

The importance of complaint management is widely acknowledged to mitigate the negative effects of negative emotions.

When faced with a complaint companies have only two alternatives: ignore it ([Wirtz and Mattila 2004](#)) or deal with it. [Hirschman \(1970\)](#) calls these feedback mechanisms exit and voice. The latter option was very early recognized as an antecedent of satisfaction and percolated largely in the practitioner sphere ([Hart, Heskett and Sasser 1990](#)). The perceived justice framework helped further understand the underlying constructs of complaints management ([Goodwin and Ross 1992, Tax et al. 1998](#)) and was later enriched with informational justice ([Mattila and Crange, 2005](#)). Perceived justice is classically divided into three main constructs: distributive justice or "the extent to which customers feel they have been treated fairly with respect to the final recovery outcome" ([Maxham III and Netemeyer, 2002](#)), procedural justice or the fairness of policies and procedures used in the recovery process and interactional justice, the perceived fairness in the interaction with the agent who dealt with the complaint.

[Orsingher et al. \(2010\)](#) concluded that distributive justice had in general a statistically greater effect on satisfaction than, respectively, interactional justice and procedural justice. This conclusion must be nuanced by the individual studies carried out over time. The

elements of the justice construct were tested alone or in combination in various studies and depending on the context of the research studies show inconsistent results ([Rio-Lanza et al. 2009](#)). Although [Teo and Lim \(2001\)](#) for instance concluded on the predominance of distributive justice, [McKoll-Kennedy and Sparks \(2003\)](#) found a predominant role of interactional justice, [Oliver \(2009\)](#) advocates a predominant role of interactional justice too, and [Rio-Lanza et al. \(2009\)](#) of procedural justice. This suggests that the setting must be taken into account and that general rules do not apply. The role of culture was stressed ([Goodwin and Verhage 1989; Laroche et al. 2004](#)) as well as the influence of sex (male/female) on the effectiveness of the recovery process ([Gruber et al. 2009](#)).

Regret. Regret is a «backward looking emotion signaling an unfavorable evaluation of a decision» ([Zeelenberg and Pieters 2007a](#)). Experiments on postpurchase regret have shown the occurrence of hot emotions such as anger ([Gilovich, Medvec and Kahneman 1998](#)) which [Oliver \(2009\)](#) sees as satisfaction-related antecedents. Antecedents of regret can be found in the difficulty of a given choice made by the consumer. Difficulty can take three forms ([Oliver 2009](#)): certainty on the options available and closeness of the decision, uncertainty around each option, vast number of options available. Like regret, hindsight bias is anchored in comparison process and can moderate the feeling of regret. [Oliver \(2009\)](#) defines hindsight bias as «a retrospective increase in the foresight odds that a particular event (or nonevent) will occur – after it is observed to have occurred». [Zwick, Pieters and Baumgartner \(1995\)](#) have proved the moderating effect of hindsight bias on the expectancy-disconfirmation model, thus proving its effect on satisfaction.

In spite of advances in the field, [Oliver \(2009\)](#) notes that this research area remains largely unexplored. Practitioners could benefit from further advances which may help find ways to avoid regret in the postpurchase phase.

“If we served you well, tell others.
If we didn’t, tell us”
- Nordstrom, Inc. -

OUTCOMES OF SATISFACTION

It is beyond the scope of this paper to give a comprehensive overview of satisfaction outcomes. References too numerous to cite

have studied positive and negative outcomes. [Szymanski and Henard \(2001\)](#) identified (negative) word-of-mouth (WOM), complaining behavior and repurchase intentions but did not mention positive WOM. [Oliver \(2009\)](#) distinguishes short-term from long-term outcomes.

Short-term outcomes are mainly emotion-driven and consist in complaining behavior, similar in its form to negative WOM, and positive WOM. [Oliver \(2009\)](#) finds that even satisfied consumers will find little reason to communicate with the seller on their satisfaction or discontentment. The observed overwhelming proportion of silent customers (either satisfied or dissatisfied) tends to confirm this. Following [Hirschman's \(1970\)](#) “Exit, Voice and Loyalty” framework, customers choose either to be silent or to express (i.e. voice) their complaints or satisfaction to the firm. The firm then gets an opportunity to redress the situation (in case of discontentment) and to transform the dissatisfied customer in a satisfied customer. This was previously described in the equity section.

The main long-term outcome of customer satisfaction is loyalty or re-patronizing intention.

[Oliver \(2009\)](#) divides repurchasing intention into four phases: *cognitive loyalty* which is a cognitive link with the brand that elicits a preference in the consumer's mind, *affective loyalty* which is the development of an attitude towards the brand after repeated cumulative positively satisfying experiences, *conative loyalty* which denotes the consumer's commitment to repurchase, and finally *action loyalty* when previously developed intentions are translated into acts.

It is obviously conative loyalty which firms are interested in. However, as noted by [Oliver \(2009\)](#) the construct linking loyalty and profit is far from being evident. For the time being we will hold this construct for true to enable the further elaboration of this paper.

THE MANAGERIAL PERSPECTIVE

“Customer satisfaction” is used as a powerful enabler to introduce tools, processes and ideas aiming at improving it. From Balanced Scorecard ([Olson and Slater 2002](#)) to IT ([McAfee and Brynjolfsson 2008](#)) through employee branding ([Miles and Mangold 2005](#)) and innovation processes ([Worthington, Collins](#)

[and Hitt 2009](#)), various fields of research seek inspiration in the CS theory. The vastness of topics only makes it more difficult to grasp the concept in its entirety. We re-use the [Oliver's \(2009\)](#) framework to structure our review.

Value. Managing customer value is one possible firm perspective, the other one is obviously *creating* value for the customer.

Our literature review focused on the second and the performed coding (see Table 4) provides an overview of key subjects pertaining to the value-creation process. We followed [Silverman \(2006, p.141\)](#) methodology to find the frequency of occurrences and rank the themes. Whereas monetary value is obviously the most recurrent term, co-creation comes second.

The importance of co-creation is emphasized by [Little \(2004\)](#) who found that value creation processes are leveraged by co-creation. According to [Wikström \(1996\)](#) the market is evolving towards «a much closer relationship between producer and consumer» and is therefore focusing on interactions at different stages. The very purpose of interactions he says is that «from this interaction and co-operation in time and space, a value emerges that is the result of co-production». [Prahalad & Ramaswamy \(2000\)](#) define four opportunities of value co-creation for firms: engage in dialogue with customers (which creates “knowledge, see Table 4), mobilize communities, manage customer diversity (“customization”, see Table 4) and co-create personalized experiences with customers (“customer experience”, see Table 4). Consistent with the idea of knowledge building and customization, [Payne, Storbacka and Frow \(2008\)](#) see co-creation under the perspective of the dialogue and personalization and define five types of co-creation processes: emotional engagement of customers in advertising, self-service, customer experience, self-selection of a process to solve a customer's problem, co-design of products.

For firms co-creation seems therefore to be recommended as an entry point enabling to tackle several of the value-creation process summarized in Table 4.

Equity. It is under the form of complaint management that equity has received the most attention ([Barlow and Møller 1996](#)). Business books and articles too numerous to cite use the actual deficiencies of service providers

([Johnston and Mehra 2002](#)) to provide guidelines and rules to follow.

[Tax et al. \(1998\)](#) reviewed the underlying components of the justice construct and provided advices regarding how to leverage the different constructs of the perceived justice framework. They outlined the importance of effort and empathy for interactional justice, of time/speed, responsibility and follow-up for procedural justice, and of apology and compensation for distributive justice. Given that the complaining behavior assumes a direct contact between the complainant and the firm, authors have advocated the training ([Hart, Heskett and Sasser 1990](#)) and an empowerment of the employees ([Davidow 2003, Tax et al. 1998, Boshoff and Leong 1998, Hart, Heskett and Sasser 1990](#)). Given the research questions still open ([Orsingher et al., 2010](#)) and the difficulty to generalize results ([Rio-Lanza et al., 2009](#)), the recurrent managerial recommendations of training and empowering employees seem to be illusory. The empowerment process assumes indeed that employees have been trained first, which in turn requires that a training content has been defined. As a matter of fact [Smith et al. \(2010\)](#) proposed that research be carried out to identify forms of training or technology that establish desirable climates within which employees are able to enact successful service recoveries.

Using [Tax et al. \(1998\)](#) overview we classified the antecedents (see Table 1) according to the perceived justice framework. Although, as mentioned earlier, no consensus exists on which antecedents explain the most variance in the satisfaction outcome ([Rio-Lanza et al., 2009](#)), there is no doubt however that addressing customers complaints professionally has an impact on customer's satisfaction ([Stokes and Lomax 2001](#)). This dimension is reflected in the MARKOR scale) which measures firm's market orientation and market orientation in turn was shown to influence positively business performance ([Morgan, Vorhies and Mason 2009](#)).

The price fairness dimension in the equity framework received less attention in the business literature, perhaps because it is more difficult to translate in general rules. [Xia et al. \(2004\)](#) provides a framework to understand the dimensions impacting (un)fairness perceptions as well as recommendations for pricing managers (see Table 3).

Quality. The managerial literature is rich of recommendations as far as quality is concerned. Whereas the marketing literature understands quality from the consumer's perspective and in particular the service part of the transaction between the seller and the buyer, the managerial literature takes a broader look at it. Ensuring service quality is obviously one major topic which, on the one hand, instilled reflection on the operational prerequisites to deliver the quality of service expected by the consumer, and on the other hand has been inspired by research on employee satisfaction ([Heskett et al 1994](#)). It is however not the only one. In [Oliver's \(2009\)](#) framework, service/product performance influences directly the resulting cognition. It follows that monitoring and controlling the quality of the service/product performance is another major stream of literature. As [Lenka et al. \(2010\)](#) puts it «Customer satisfaction is the main focus of quality management initiatives that depends on the service quality offered by the employees, technology and the physical evidence of the firm, along with the service product, price and several other factors» and [Simester et al. \(2000\)](#) showed the link between quality improvement and enduring customer satisfaction.

It is in this context that quality management doctrines like TQM (Total Quality Management), JIT (Just In Time) and TPM (Total Productive Maintenance) have gotten increasing awareness ([Cua et al. 2001](#)). Since JIT and TPM are more manufacturing-focused our attention will in first instance be directed at TQM. [Cua et al. \(2001\)](#) define TQM as «a manufacturing program aimed at continuously improving and sustaining quality products and processes by capitalizing on the involvement of management, workforce, suppliers, and customers, in order to meet or exceed customer expectations». TQM is based on eight principles which cover the functional aspects as well as the relational part of quality: customer focus, leadership, employee involvement, process approach, system approach, continuous improvement, decisions based on facts, relationship with supplier's mutual benefits. In that sense it addresses [Price et al. \(1995\)](#) concerns that the relational part was not covered in the SERVQUAL instrument.

Quality management practices rely on soft and hard aspects ([Lenka et al. 2010](#)). [Rahman and Bullock \(2005\)](#) studied the impact of soft TQM on the diffusion of hard TQM. They found that both soft and hard aspects of quality

management practices influence positively organizational performance which was measured in terms of customer satisfaction, productivity and on-time delivery. The existence of TQM management procedures within a firm is therefore likely to contribute to consumer satisfaction.

Soft aspects of TQM include employees' affective commitment and job satisfaction ([Lenka et al. 2010](#)) and [Heskett et al. \(1994\)](#) linked the latter to customer satisfaction. They found that internal service quality is an antecedent for employee satisfaction. The description they make of internal service quality applies to soft as well as hard TQM aspects: «Internal quality is measured by the feelings that employees have towards their jobs, colleagues and companies».

One of the soft aspects emphasized by [Ghobadian and Gallear \(1996\)](#) is that of cultural change which they identified as a prerequisite suggested by practitioners for successful TQM implementation.

Whereas employee rewards and recognition, interaction between employees, workplace and job design can be qualified of soft TQM aspects, service delivery system and tools for serving customers are related to technology utilization and classified therefore under hard TQM aspects. [Heskett et al. \(1994\)](#) recognize also the importance of leadership. [Lenka et al. \(2010\)](#) stress that an effective leadership style of managers is essential for quality management programs to be implemented. Leadership and quality of supervision also impact positively employees' performance and job satisfaction ([Burke 2001](#)). The existence of soft and hard TQM aspects within a firm is hence likely to enhance employees' satisfaction and customer satisfaction in turn.

Needs. Understanding and serving customers' needs is at the heart of business' success as it is a driver of competitiveness ([Menor, Tatikonda and Sampson 2002](#)). Developing and bringing products and services to the market that fulfill those needs is critical and various streams of research help set the foundation for understanding and serving customers needs from a firm's perspective.

Rooted in the innovation literature, New Service Development (NSD) and New Product Development (NPD) provide a first angle to look at ([Zomerdijk and Voss 2011; Menor, Tatikonda and Sampson 2002](#)). Zaltman (2003) recalls that 95% of customers' needs are unconscious and can not be readily expressed by respondents, thus acknowledging the need for adequate

surveying techniques. Consistent with the qualitative methodology used by [Herstatt and Von Hippel \(1991\)](#), [Oliver \(2009\)](#) suggests to use qualitative techniques to understand customers' needs. Not using such techniques leads firms to assessing the key performance dimensions

Expectations. Our review based on the terms "customers' expectations" or "customer expectations" left us with 16 papers proposing ways to manage customers' expectations (see Table 2). We can distinguish two main ways of managing customers' expectations which we call reactive and proactive. Reactive ways are centered on the product or service and aim at meeting or exceeding expectations by focusing on all aspects of the delivery process; proactive ways aim at shaping ([Prahalad and Ramaswamy 2000](#)) customers' expectations before the consumption of the product or service takes place.

Some common directions emerge from the analysis process. Customers' expectations are seen to evolve along market trends and innovations. Firms are therefore called to benchmark their products or services against the competition and assess continuously market trends to cope with changing customers' expectations.

[Prahalad and Ramaswamy \(2000\)](#) propose that firms must not remain passive but on the contrary can influence the way the market and the customers' expectations will evolve. They propose that the firm can take an active role in the public debate and can shape customers' expectations by educating them.

[Oliver \(2009, p.107\)](#) offers complementary recommendations when he notes that «management must instill high (but not ideal) expectations and provide a product or service that is able to exceed them». Exceeding expectations is central in Oliver's CS theory as meeting expectations is a suboptimal proposition which at best will stave off dissatisfaction ([Oliver 2009, p.108](#)). Managing surprise can therefore be seen as a tactic to manage the unexpected and foster greater satisfaction ([Vanhamme and Snelders 2001](#)). Surprise can for instance take the form of unexpected and free services or products. The firm which adopts such a tactic takes however the risk to increase future expectations and fail to deliver on them.

Regret. The literature on regret is itself still pretty new ([Oliver 2009](#)) and despite extensive searches and discussion with experts in the field we could find only few starting point for

further examination. One is contained in Oliver's concluding comment in his chapter on regret ([Oliver 2009, p.254](#)): «it may help managers use regret to their advantage and perhaps, also to that of consumers. Generally consumers seek to avoid regret, and anything management can do to minimize it will aid purchasing». The idea suggested by the author is that price and service guarantees provided by the seller will obviate the consumer's need for a comparison with other alternatives, thus reducing the probability for regret.

[Zeelenberg and Pieters \(2007\)](#) propose strategies to reduce regret but those are consumers' strategies and not firms' strategies. However the authors recall that avoiding risk is a way to avoid regret because the outcome will equal the expectation in that case. Forging expectations in the consumer's mind may therefore be an indirect way to influence the feeling of regret, in particular «less specific expectations can be a way of avoiding disappointment»

Measurement of customer satisfaction. CS measurement (CSM) is a much debated topic. Consistent with [Wilson \(2002\)](#) who notices that CSM has become an end in itself, [Westbrook \(2000\)](#) asks for instance whether measuring customer satisfaction is really worth the effort. [Piercy and Neil \(1995\)](#) and [Sharma et al. \(1999\)](#) take however a more radical view and the latter even state it is one of a firm's most important goals. [Muffatto and Panizzolo \(1995\)](#) recall that CSM can be used to assess economic performance at the country level and confirm its importance.

In spite of this debate CSM has undergone a dramatic growth and has been widely implemented ([Wilson 2002](#)) making it a common practice among large corporations.

From a theoretical perspective, the measurement results enable a firm to identify changes in the performance criteria, find its causes, and take corrective actions ([Sharma et al. 1999](#)). It follows that CSM must be used to eliminate deviations and, according to control theory, serves the purpose of helping detecting early signals which give the firm the opportunity to maintain or increase its customers' satisfaction and detect shifts in customers' requirements ([Day, 1994](#)). [Wilson \(2002\)](#) in his survey of large retail corporations' marketing managers suggest that the CSM weaknesses be tackled with complementary methods such as mystery shoppers and staff surveys.

THE ENTREPRENEURIAL AND SME REALITIES

Consistent with [Hill \(2001a\)](#) we distinguish entrepreneurial marketing from SME marketing. We investigated two streams of information: entrepreneurship-related research where we found concepts and ideas pertaining to customer satisfaction; SME-related literature and in particular case studies where information was found regarding the actual practices of SMEs.

The entrepreneurial perspective: when dissatisfaction meets opportunity

The explanation for the discovery of opportunities is an important part of the domain of entrepreneurship research ([Shane 2000](#)). Austrian economics challenge the view that a homogeneous sample of people will discover the same opportunities. Rather they think that the range of opportunities people can discover depends on their prior knowledge ([Shane 2000, Venkataraman 1997](#)).

Conform with [Shane \(2000\)](#), [Ramachandran \(2003\)](#) argues that opportunity recognition also depends on the ability to detect specific problems in the market which are source of customer dissatisfaction. Extending the definition of Kirzner and in line with [McMullen and Shepherd \(2006\)](#), one would say that the opportunity recognition stage is about becoming aware of a discrepancy between the consumer's needs and the market offer. According to [Ramachandran \(2003\)](#) it is «when needs are expressed as desires, which are either not met or are only met in part, entrepreneurial opportunity arises». This can be put in parallel with Oliver's view on needs as antecedents of satisfaction when he says that «needs are more aligned with deficit» ([Oliver 2009](#), p.138). Fulfilling *needs* brings restoration whereas fulfilling *wants* brings a desired enhancement. The opportunity seems to be found in this enhancement.

Drawing on Porter's value chain, [Ramachandran \(2003\)](#) introduces a concept of Customer Dissatisfaction Elimination (CDE) chain which finds its roots in the linkages between the elements of the value chain. It is at the linkage that dissatisfaction is most likely to be detected and that opportunities can arise.

From the above it can be said that the customer (dis)satisfaction theory plays an important role in an entrepreneurial setting because it is an antecedent of opportunity

recognition, the first step of the entrepreneurial process.

The SME perspective

The importance of marketing in the SME setting is acknowledged by scholars ([Knight 2000](#)) as well as by practitioners ([Hills and LaForge 1992](#)). Since we found no specific research on how CS is actually applied in SMEs, i.e. how customer satisfaction is understood and practiced by entrepreneurs and SME managers, we started by searching the literature on the SME / marketing interface in order to get a general overview and then searched for SME-relevant information on the different comparison operators of the Oliver's framework.

The SME/Marketing interface. It may be hypothesized that "customer satisfaction" skills are in fact the product of an array of other entrepreneurial / SME-specific competences, just like «SME marketing competencies are not stand-alone activities [but] clusters of other competencies and skills» ([Hill, 2001b](#)) which would justify the usefulness of studying the SME/Marketing interface to reveal its peculiarities.

[Wahlberg and Strandberg](#) propose that SMEs practice a relationship-type marketing characterized by four dimensions: (1) personalization of the relations, (2) long-term dimension of the relationships with the clients, (3) limited number of business relations and local focus of the business, (4) co-creation-enabled value-creating process (consistent with [Little 2004](#)). This relationship-type of marketing can be seen as being aligned with the networking dimension of the [Carson and Gilmore \(2000\)](#) model. The latter is completed with Innovative Marketing, Competency Marketing, and the relevant adaptation of textbook marketing to form Carson and Gilmore's "Marketing in context".

Networking and marketing textbook adaptation are therefore two perspectives which may enrich our understanding our CS practices within SMEs.

In the networking perspective the dependency of the SME on a few clients emphasizes the importance of the relationship and the entrepreneur / manager will naturally be collecting signals on the customers' satisfaction ([Perks and Shukla 2008](#)). Such signals are for instance captured in [Cromie and Birley's \(1994\)](#) definition of networking when they state that SME owners-managers

use networking to «[find] out how customers might react to a new service or product». Those signals, along with the willingness and need to develop long-term relationships, will motivate him/her to correct any misalignment with the customer's needs. The competency to use those signals is based on experiential learning ([Carson and Gilmore 2000](#)).

Regret / Expectations. Although expectancy disconfirmation is seen as a cornerstone of customer satisfaction we couldn't find any research on this particular antecedent within the SME context. Neither could find literature on the management of customer regret.

Quality. Companies implementing TQM are promised superior performance and profits ([Beheshti and Lollar 2003](#), [Ghobadian and Gallear 1996](#)). Although the impact of TQM on the financial performance of large companies is well assessed and acknowledged ([Watson 2003](#)), results in the SME context are contradictory. [Salaheldin \(2009\)](#) found a positive correlation between TQM implementation and the operational and the organizational performance. [Watson \(2003\)](#) concludes that there is no evidence of positive correlation between TQM and financial performance, whereas [Demirbag et al. \(2006\)](#) find a correlation only between TQM and organizational performance.

[Tannock et al. \(2002\)](#) found two kinds of impediment in their sample of Thai SMEs: management problems (lack of commitment, understanding and resources) and Information/Awareness problems (lack of awareness of quality problems and indicators, lack of statistical process awareness, lack of information on potential improvement areas, poor information integrity). However [Ghobadian and Gallear \(1996\)](#) show that the TQM concept can be applied with success within a SME setting, which is consistent with the development of planning practices within SMEs observed by [Hill \(2001a\)](#).

[Sun and Cheng \(2002\)](#) studied the TQM implementation within 180 Norwegian firms and concluded that SMEs are primarily implementing TQM because of external pressure (market or customer demand) rather than internal decision, and that TQM practices are informal and people-oriented rather than structured and process-oriented. [Erginol \(2010\)](#) found similar results with Turkish SMEs and showed that customer focus and system approach are better managed than continuous improvement, employee involvement and factual decisions. This reinforce the idea that SMEs practice a relationship-based marketing.

In conclusion TQM approaches can be successfully implemented by SMEs which however cannot always be promised tangible results in return. SMEs will face some hurdles in the implementation path and some of the key characteristics of SMEs, like their relationship-based marketing style, will affect the results obtained in the end.

Equity. Two main topics were identified as belonging to equity: price fairness and complaint management.

Price fairness perception can be discussed pretty quickly as SMEs are forced to cope with pricing practices of the market and to follow the established norms ([Carson and Gilmore 2000](#)). The conformity to market norms associated to the relative marginal differentiation of most SMEs ([Carson 1998](#), [Carson and Gilmore 2000](#)) will result in SMEs not having control over their pricing and the resulting customer's fairness perception.

The complaint management process in SMEs remains understudied and we could find only one case study dealing with the subject within the WOM construct ([Stokes and Lomax 2001](#)). Although complaints management was found to be profitable by large corporations the authors recognized that it was however unlikely to be found important by small business owners. Their case study shows however that even small firms can have processes in place to manage complaints. This may be seen as consistent with [Hill \(2001b\)](#) who sees SMEs changing as they become populated by business graduates bringing with them the techniques inspired by large firms they learned at school.

Due to the relationship-based type of marketing practiced by entrepreneurs and SMEs alike, complaints are more likely to be handled in person rather than within a formal process. As customer satisfaction ranks number one on SMEs priorities ([Arlow and Ackelsberg 1991](#)) one may assume that the SME owner-manager or the entrepreneur will be keen on finding a solution to the problem posed by the customer.

Value. The creation and delivery of value by SME managers was studied by [Little \(2004\)](#). Consistent with the co-creation approach, three value approaches were suggested which followed the broadening of relationships, from dyadic buyer-seller relationships to "value constellations" ([Normann and Ramirez 1993](#)): Transactional, Relational, and Systemic. Little

found support for these “value postures” and showed that the position of the employee influenced their perception of customer value. The three postures could be extended to five: Transactional, Hybrid-Transitional, Relational, Network and Systemic whereas the systemic posture only applied to firms with a social aim. The study of the value-creation and delivery processes showed differences in the underlying resource-based factors and the different degrees of co-creation, but also commonalities in the perception of value expressed by managers. Little found a strong link between some crucial resources (relationships, knowledge and solution-delivering brands) and proposed an explanation stressing service quality, co-creation ability through relationships (acknowledging thus the networking theory made by [Gilmore et al. 2001](#) and [Lindman 2004](#)) and the appropriate knowledge and service / product mix.

Needs. While satisfying and fulfilling needs is a core competency required for venture success it is also intimately linked to opportunity recognition. To borrow the title of a paper by [Carson and Gilmore \(2000\)](#), the purpose of this section is therefore not to deal with the “What” but with the “How”, i.e. how entrepreneurs and SMEs owners-managers deal with customers’ needs.

In his qualitative research on UK SMEs in the agro-food sector, [Hill \(2001b\)](#) found that «sales people in SMEs, whilst sales driven, actually do focus to a large extent on the needs of the customer». He advocates that this is different from conventional marketing textbook which focuses on seller’s needs. [Hill \(2001a, 2001b\)](#) concludes on the similarities existing between sales orientation of SMEs and their marketing practices. The sales orientation-customer orientation (SOCO) literature provides hence a new insight into the customer satisfaction topic. SOCO is composed of two factors: sales orientation when people are engaged in selling activities, and customer-orientation which is defined as an orientation to understand the customer’s individual needs ([Jaramillo et al. 2007](#)) and to focus on long-term customer’s satisfaction ([Saxe and Weitz 1982](#)). Hill’s ([2001b](#)) statement can therefore be reformulated the following way: sales people in SMEs are sales oriented and customer-oriented.

Whereas the link between SOCO and customer satisfaction was shown in the car selling business by [Goff et al. \(1997\)](#), the central question remains whether sales people

in SMEs are more customer-oriented than sales people in larger firms.

Measurement of satisfaction. We found only two case studies on the measurement of customer satisfaction within firms ([Westbrook 2000; Morgan, Anderson and Mittal 2005](#)) but only the research by Morgan et al. could be exploited within the SME context, the case study of Westbrook being a large corporation. [Morgan et al. \(2005\)](#) studied a sample of thirty-eight firms ranging from small (6) to large (24) through medium (8). The proportion of small and medium enterprises in the sample represented 37%. The authors found that «many firms were collecting CS-related data of multiple kinds and through multiple scanning activities». Although such practices are common for large corporations, the authors’ findings are rather unusual for SMEs. [Lindman \(2001\)](#) as well as [Perks and Shukla \(2008\)](#) argue in their research on, respectively, finish and UK B2B SMEs, that formal CS measurement procedures make no sense in the SME context.

The practice of measuring CS is relatively rare in a SME setting and is more typical of large corporations’ practices. However [Hill \(2001b\)](#) recall that formal marketing planning (and as such CS measurement can be seen as a component of marketing planning) is becoming popular among SMEs as those companies have become populated by business graduates who try to instill practices learned at school. Hill found that SME engaged in «fairly sophisticated marketing planning» and that SMEs not performing such activities were becoming the exception rather than the norm.

DISCUSSION

[Hill \(2001a\)](#) states that «today it is widely accepted that small businesses are not just “little big businesses”» and recognizes the fundamental differences which exist with larger corporations. [Ghobadian and Gallear \(1996\)](#) further state that «management concepts appropriate to the needs of large organizations may prove ineffective in SMEs [and that the] application of unmodified concepts developed in large organizations by SMEs is likely to produce adverse results».

These commentaries along with other examples pave the way for putting in light the dichotomies existing between the managerial literature, tailored for and anchored in large corporations, and the reality of SMEs.

Structuring the discussion from the less to the most dichotomic topics, we first noticed that the discourse on quality practices, and in

particular on TQM, seems to apply with equal relevance to SMEs and large corporations. The motivators seem however different but the need for quality procedures keeps propagating at the pace of business graduates populating SMEs. [Ghobadian and Gallear \(1996\)](#) even argues that the cultural change heralded by «Gurus of quality and many practitioners» was easier to make in SMEs than in large corporations.

Regret management remains understudied and has not led to field research. It is possibly not managed consciously in either large corporations or SME and the lack of managerial recommendations on the subject did obviously not lead to the discovery of discrepancies.

More problematic were the assessment of customers' needs and the management of expectancies which, although they are different antecedents of CS by nature, can be implemented in similar ways. The managerial literature calls for the use of tools to anticipate market trends and expectations, of complex techniques to detect unmet customers' needs, and of segmentation to guide product and service development. The reality of SMEs shows however that efficient market research in SMEs remains the exception ([Hills and LaForge 1992](#)) and that entrepreneurs rely on intuition and previous experience to detect unmet needs, i.e. opportunities.

Shaping proactively customers' expectations seems even more reserved to large corporations as the techniques suggested in the managerial literature involve influencing the market as a whole. The latter may be reserved to breakthrough innovators. This is far of being the norm in SMEs which rely often on marginal incremental innovations.

Complaint management is an area which has been very much researched and where managerial recommendations are numerous. Although the basic tenants of CS in service recovery are known and have successfully been translated into procedures in large corporations, SMEs seem to remain closed to such practices. Exceptions known to this author exist but the lack of SME-related academic research tends to suggest that this be the extreme minority. One possible explanation for this is the importance of networking in the construction of a SME ([Lindman 2004](#), [Carson and Gilmore 2000](#)), and the closeness of entrepreneurs to their clients. This may force entrepreneurs to find solutions to complaints.

Finally the issue of CS measurement provides another vivid example of the gap between large and small firms. Whereas [Morgan, Anderson and Mittal \(2005\)](#) found that many firms (including the 37% of small and medium firms in their sample) «collect CS-related data of multiple kinds and through multiple scanning activities», [Perks and Shukla \(2008\)](#) note that «the case evidence indicates that formal measurement systems have little if any relevancy in the context of medium-sized enterprises». And as [Lindman \(2004\)](#) notes in the conclusion of his study of fifteen SMEs «For all firms, no customer satisfaction measures were considered necessary».

Where these dichotomies are coming from is not answered yet although the explanation needs certainly be found in the nature of SME itself. [Carson \(1998\)](#) adopted also a confrontational methodology when comparing the reality of entrepreneurial motivation with the theoretical literature view and delivers a striking example related to customer satisfaction when he writes: «both entrepreneurs and marketers will extol the virtues of customer focus and the importance of customer satisfaction when asked the question 'What is the most important factor in your business?', but privately they will raise issues of cash and money, sales and profit before concerning themselves with customer service/satisfaction».

CONCLUSION

The aim of this paper was to confront two perspectives on CS, namely the managerial perspective as reflected in large corporations and the SME perspective, and to investigate whether and how SMEs apply recommended CS practices. From the discussion above it becomes clear that in terms of CS, large corporations and SMEs remain two different worlds apart. Unlike previous empirical research which suggested that SMEs and large corporations are fundamentally different, we showed the two perspectives are convergent for some of the comparison operators (for instance quality management and co-creation based value generation).

It remains however that other recommendations from the managerial literature seems either not to be applied in SMEs (needs fulfillment, complaint management, CS measurement) or even not to be applicable (shaping customers' expectations), stressing therefore the need to adapt those recommendations to the specificities of SMEs.

One may also wonder whether SMEs can really benefit from CS theory and which role, if applied, those recommended practices can play in a SME marketing approach. Given the outweighed number of SMEs, this may put into question the relevance of CS at a general level where less than 1% of firms have more than 250 employees.

LIMITATIONS

The review of the managerial literature is a first limitation of our literature review. It is based indeed only on one source, which however is a peer-reviewed journal. Following the methodology of [Brodie et al.](#) (forthcoming) and sharing their belief that “unofficial” sources (blogs, websites, ...) contain also worthwhile information for the researcher, we should in a second step identify more thoroughly the different possible sources and proceed with a discourse analysis.

The textual analysis and resulting coding was performed by this author only. Following the advices by [Silverman et al. \(2007\)](#) and [Schneider \(2001\)](#) the reliability of the results would have been improved if crossed coding by several researchers had been carried out which was, unfortunately, not possible for this research. In terms of further triangulation also, a feedback may be asked by means of interviews with practitioners ([Gagnon 2005](#)) to ensure the consistency and reliability of the coding.

We also believe that an effort should be made in locating additional case studies in the SME setting from other streams of literature and gain access to unpublished literature.

Finally we are fully conscious that the Oliver's (2009) framework used to structure the whole literature review may be incomplete as far as antecedents are concerned. Recent perspectives on co-creation ([Vargo and Lusch 2004](#), [Brodie et al.](#)) may help to shed light on new ways to induce emotion-based satisfaction and complete the framework and the findings of this first exploratory paper.

FURTHER RESEARCH

In terms of complaint management two recommendations emerge in all researches, namely the need to train employees who are in contact with the customers and to empower them. These two topics have been regularly cited in the academic and practitioners' literature used for our review so that one can wonder whether firms have really learned from them. At a more general level the sensitivity of firms to customers' complaining behaviors can be enhanced by their proximity with customers and one possible research hypothesis would

be that SME managers-owners / entrepreneurs are more sensitive than managers of larger corporations because of their very proximity with the customers.

Possible future research avenues include the following. (1) Do firms in general train and empower employees to solve complaints? (2) Can differences be noticed between SMEs and large corporations? At the SME level (3) do differences exist between the B2B and B2C industries since more service encounters would be expected in the latter? Finally (4) do SME owners-managers / entrepreneurs have a higher sensitivity and willingness to deal with complaints than managers of larger corporations?

In terms of regret and expectancy (disconfirmation), one possible further research topic may be to study if / how SME owners-managers / entrepreneurs deal with expectations, in particular if avoiding customer's regret is one of their concerns.

As far as customers' needs are concerned, researchers in the SME field stress the highly developed capacity of SME owners-managers and entrepreneurs alike to be sensitive to their customers' needs. One possible further research would be to assess whether differences exist between the customer orientation of sales people in SMEs and in larger corporations. An assessment by way of the SOCO scale would be one possibility.

Given the different value postures which develop along the SME's growth path, one interesting research topic would be to study whether the evolving nature of the value concept is accompanied by a similar evolution in other antecedents of satisfaction like quality practices, complaint management practices or expectancy management.

Last but not least, customer satisfaction measurement offers still another research topic. [Morgan, Anderson and Mittal \(2005\)](#) stress that little is known about firms' usage of Customer Satisfaction Information (CSI). Their results contradict those by [Perks and Shukla \(1998\)](#) and [Lindman \(2004\)](#). This contradiction suggests a sample bias and urge for a further investigation of SMEs' practices.

Furthermore [Morgan, Anderson and Mittal \(2005\)](#) pioneered the research on actual CSIU but CSI remains the control outcome of a customer satisfaction strategy which begins with the proposal of products and services aiming at fulfilling customers' needs. The value chain-based framework used by [McLarty \(1998\)](#) and [Ramachandran \(2003\)](#) provides a model the dimensions of which can be used to qualitatively assess practices used by SMEs to discover unserved needs.

Finally regret and disappointment, although studied in psychological experiments, have not conducted to field research on how firms actually manage and prevent those feelings (be in large corporations or in SMEs).

An agenda for further research is presented in Table 5.

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