

# Measuring Customer Satisfaction In The Fast Food Industry:

## A cross-national approach



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Oral Summary  
International Services Marketing

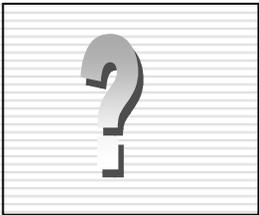
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## Overview:

1. Authors and outline of the text
2. Research objectives
3. Methodology and Instruments
4. Factorial Findings
5. Managerial Implications
6. Conclusion
7. Discussion



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- Aim of the paper:
  - development and validation of a scale for the measurement of customer satisfaction within the international fast food industry
  - Cross-cultural investigation of fast food industry
  - Examines various approaches for measurement of customer satisfaction
  - Identifies two empirically derived measures of customer satisfaction applicable to cross cultural analysis
  - Managerial implications and recommendations
  
- Style: scientific and statistical

## 2. Research Objectives (I)

- American Customer Satisfaction Index (ACSI) and European Customer Satisfaction Index (ECSI)
  - Intangible economic indicators
  - Conducts analyses of customer service quality in 35 separate industries, 190 companies and government agencies on a scale of 1 to 100
  - Post-consumption assessment by the user about the product or service gained
  - Uses expectancy confirmation-disconfirmation approach: focuses on service comparisons with customers prior expectations
- The CSI's are useful for large companies and industries
  - But: not useful for one product line within a company or grouping of specific stores
  - no information which the management of a specific retail store can use to gauge and improve its own service quality
  - far too complicated

- Development of universally valid instrument for the measurement of customer satisfaction
- development of a simpler and user friendly method to access the satisfaction construct
- performance only approach is more satisfactory method for measuring customer satisfaction
- Customer Satisfaction Survey,
  - measures customers' satisfaction immediately following service episode (no bias)
  - Two measures empirically derived:
    - Satisfaction with personal service (SatPers)
    - Satisfaction with the service setting (SatSett)
  - Suits fast food industry well, because assessments are easy to obtain

### 3. Methodology and Instruments:

- **Customer Satisfaction Survey (Original Study)**
  - Five point scale (1= strongly disagree; 5= strongly agree)
  - Consists of 18 statements (17 address service, 1 overall service quality)
  - Original study: 22.000 consumers representing financial, hospitality, competitive, sports, book, health care, other retail and government industries (cross industrial)
  - Results: Service Components
    - Personal Service (SatPers) and Service Setting (SatSett)
  
- **International Fast Food Study (Replication Study):**
  - Application of same methods with which SatPers and SatSett were originally derived
  - Restaurants: Burger King, Checkers, Kentucky Fried Chicken, McDonald's Taco Bell and Wendy's (cross national)
  - Questions asked by student teams to customers immediately after they had received their fast food orders
  - Fast food restaurants in the immediate areas of urban centered universities involved

(1) Can common measures be used to identify the relative service satisfaction effectiveness of franchised fast food establishments across international boundaries in English-speaking countries on a real time, practical basis?

(2) Do the results of this customer satisfaction survey of internationally franchised fast food establishments approximate the findings of the more sophisticated ACSI findings of the same fast food establishments within the USA?

Fast food restaurants	 i'm lovin' it™	 Wendy's OLD FASHIONED HAMBURGERS®	 BURGER KING®	 KFC	 TACO BELL	 Checkers® BURGERS • FRIES • COLAS
n= 41	11	4	14	7	4	1
n= 5136	2399	1581	585	571		
Countries						
	USA	Jamaica	Scotland	Wales		

# 4.2 Factorial Findings (I)

Table II Factors identified by national and combined samples

Variables	Jamaica		Scotland		USA		Wales		All	
	F1	F2	F1	F2	F1	F2	F1	F2	F1	F2
1. Provider courtesy	0.73	0.23	0.81	0.21	0.81	0.20	0.76	0.38	0.78	0.24
2. Timely service	0.70	0.11	0.67	0.25	0.70	0.20	0.72	0.38	0.72	0.20
3. Competent employees	0.64	0.25	0.64	0.25	0.64	0.25	0.64	0.25	0.64	0.25
4. Easy to get help	0.64	0.25	0.64	0.25	0.64	0.25	0.64	0.25	0.64	0.25
5. Convenient operating hours	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
6. Neat and clean place	0.26	0.55	0.62	0.37	0.41	0.57	0.43	0.46	0.43	0.46
7. Treatment received	0.73	0.24	0.71	0.25	0.70	0.40	0.77	0.11	0.72	0.31
8. Easy access to service	0.31	0.46	0.48	0.42	0.41	0.56	0.62	0.37	0.45	0.49
9. Employees listen	0.62	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61
10. Security within the organization	0.24	0.69	0.24	0.69	0.24	0.69	0.24	0.69	0.24	0.69
11. Security outside the organization	0.20	0.67	0.20	0.67	0.20	0.67	0.20	0.67	0.20	0.67
12. Prompt help	0.72	0.21	0.72	0.21	0.72	0.21	0.72	0.21	0.72	0.21
13. Service costs reasonable	0.21	0.46	0.21	0.46	0.21	0.46	0.21	0.46	0.21	0.46
14. Fair treatment	0.66	0.30	0.64	0.30	0.64	0.30	0.64	0.30	0.64	0.30
15. Organization delivers what it promises	0.60	0.30	0.60	0.30	0.60	0.30	0.60	0.30	0.60	0.30
16. Helpful personnel	0.75	0.21	0.75	0.21	0.75	0.21	0.75	0.21	0.75	0.21
17. Organization backs up its promises	0.62	0.29	0.62	0.29	0.62	0.29	0.62	0.29	0.62	0.29
Eigenvalues	6.90	1.18	8.19	1.17	8.39	1.06	8.39	1.06	8.39	1.06
% of Var.	40.50	6.98	48.19	6.95	51.25	6.20	53.05	6.86	49.36	6.23
Alphas:	0.91	0.64	0.92	0.69	0.86	0.71	0.92	0.77	0.91	0.64
Pearson r	0.56	0.47	0.77	0.42	0.71	0.53	0.66	0.56	0.72	0.67
Sample size	1,581		585		2,399		571		5,136	
Fast food establishments	9		6		20		6		41	

Explains more than 40% of the overall variance for all countries (high load factor 1)

No clear load on either the two factors

Items of physical environment (high load factor 2)

Note: Only factor loadings of 0.50 or higher with split loadings of 0.35 or less are used to estimate a factor

## 4.2 Factorial Findings (II)

- In all four national samples the two factors identified in the original study (Gilbert et al.) were likewise empirically captured suggesting **measurement equivalence** across cultural boundaries
- Most of the items reflected a relative consistent consumer behavior for all countries
- Factor loadings reflected same identical service components SatPers and SatSett like in the original study
- However cross-national fast food sample is comprised of more variables that load on factor 1 (FSatPers) and has a greater reliability ( $\alpha = 0,91$ )

→ **Question 1:** „yes“ with slight modifications  
Customer satisfaction survey may be a viable tool to assess the relative satisfaction of fast food establishments in english speaking countries



- Customer satisfaction ratings (CSS vs. ACSI)  
Resulting ranking:

CSS					
ACSI					

- Customer satisfaction rankings identified in this study were identical to the ACSI's.
- Only McDonald's was rated significantly lower, Wendy's higher with F<sub>satPers</sub> and F<sub>satSett</sub>

→ **Question 2:** Customer Satisfaction Survey may be viable tool to approximate findings of ACSI



## 5. Managerial Implications

- imperative in today's business environment: use of customer satisfaction measures to improve organisational performance
- sophisticated indices assess the quality of service of large multi-product companies, industries and markets (ECSI, ACSI)
- **but:** they do not provide information on a timely useful basis as needed by managers of business enterprises in highly charged, rapidly changing niche markets like the fast food industry
- provide managers with scientifically based means to gauge the service quality of their own operations on a real-time basis and in highly practical ways

- ❑ Application of FsatPers and FsatSett can help to assess the service quality in a timely and useful manner
- ❑ Insight about the relative service and product quality of each specific restaurant
- ❑ Measurement of the reliability of service quality at each store
- ❑ Identification of best practices that can be replicated elsewhere in their business units.
- ❑ Future research is recommended to extend the application of the CSS to other industries such as banking, entertainment etc.
- ❑ to extension of study to other industries, cultures will help to improve service quality and enhance growth through increased consumerism