Antecedents and Outcomes of Customer Satisfaction: A Comprehensive Review

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Abstract

Understanding the antecedents and outcome variables of customer satisfaction is become an important issue, since there are few comprehensive studies conducted related to the various antecedent and outcome variables of customer satisfaction as a whole. Therefore, the main aims of this qualitative study are to investigate and to build two comprehensive models related to the antecedent and outcome variables of customer satisfaction with the various literature supports. Importantly, the comprehensive and complex models contributes to the existing literature and enhances the future studies, which are related in both online and offline customer satisfaction contexts.

Keyword: customer satisfaction, antecedents, outcomes, variables, comprehensive model

1. Introduction

Customer satisfaction construct has been considered as fundamental to marketing for over the three decades. Keith (1960) defines marketing as satisfying the needs and desires of the consumer, and this definition for marketing emphasizes the significance of customer satisfaction. Further, customer satisfaction is vital for each organization to get competitive advantage resulting in customers less sensitive to price change, less marketing expenditure, financial performance, higher profit, shareholder value, return on investment, positive word-of-mouth, consumer based retailer equity, firm based brand equity, customer loyalty, purchase intention, repeat-purchase intention and customer retention (Bearden & Teel, 1983; Fornell, 1992; Hallowell, 1996; Fornell, Johnson, Anderson, Cha, & Bryant 1996; Anderson, Fornell, & Rust, 1997; Brady & Robertson, 2001; Nilssona, Johnsonb, & Gustafsson, 2001; Rust, Moorman, & Dickson, 2002; Anderson, Fornell, & Mazvancheryl, 2004; Matzler, Hinterhuber, Daxer, & Huber 2005; Al-Hawari & Ward, 2006; Fornell, Mithas, Morgeson, & Krishnan 2006; Pappu & Quester, 2006; Lin, Wu, & Chang, 2011; Torres & Tribo, 2011; Thusyanthy & Senthilnathan, 2012). Nevertheless, physical evidence, employee interaction, product, place, promotion, people, process, delivery performance, supplier know-how, personal interaction, brand personality, brand experience, adaptive selling, dominance, employee satisfaction, customer orientation of service employees, organizational culture, service convenience, perceived value, personality factors, equity, customer based brand equity, customer expertise, customer’s experience and service quality (e.g., Johnson & Fornell, 1991; Andreassen, 2000; Yelkur, 2000; Nilssona et al., 2001; Naser, 2002; Sureshehandar, Rajendran, & Anantharaman, 2002; Hennig-Thurau, 2004; Lai, 2004; Gillespie, Denison, Haaland, Smerek, & Neale 2008; Brakus, Schmitt, & Zaramtonello, 2009; Cater & Cate, 2009; Padma, Rajendran, & Lokahari, 2010; Santouridis & Trivellas, 2010; Nam, Ekinci, & Whyatt, 2011; AmyPoh, Saludin, & Mukaidono, 2012; Evanschitzky, Sharma, & Prykop, 2012; Jeon & Choi, 2012; Sarker, Ainin, & Begum, 2012; Thusyanthy & Senthilnathan, 2012; Kaura, 2013; Mucai, Mbaeh, & Noor, 2013; Islam, Kassim, Ali, & Sadiq 2014; Jani & Han, 2014; White, 2015) have been identified as antecedents affecting customer satisfaction in previous studies. Although the preceding discussions indicate many antecedent and outcome variables are associated with customer satisfaction, there are few comprehensive studies conducted related to these various antecedent and outcome variables of customer satisfaction as a whole. This is considered as the gap and the current study attempts to fill the gap in the literature. Therefore, the main purposes of this study are to investigate and to build two comprehensive models related to the relationship variables (i.e., both antecedent and outcome variables) of customer satisfaction (see Figure 1 and Figure 2). Notably, these
comprehensive models’ creation format is consistent with the previous studies (Rukshani & Senthilnathan, 2013; Thusyanthy, 2014; Thusyanthy & Tharanikaran, 2015; Karunakaran & Thusyanthy, 2016).

The rest of the study is organized as follows: the next section gives the definitions for customer satisfaction, followed by its antecedents and outcomes. The final section offers the conclusion.

2. Customer Satisfaction

2.1 Definitions of Customer Satisfaction

One of the basic and important goals of any organization is to create high level of customer satisfaction. Howard and Sheth (1969) define satisfaction as ‘the buyer’s cognitive state of being adequately or inadequately rewarded for the sacrifice he has undergone’. According to Rust and Oliver (1994) customer satisfaction is an extent to which a person believes that an experience creates positive feelings. Oliver (1997) also defines customer satisfaction as:

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 levels of under- or over-fulfillment.


2.2 Antecedents Associated with Customer Satisfaction

There can be widely reported antecedents of customer satisfaction include service quality, service convenience, perceived value, personality factors, brand personality, brand experience, employee satisfaction, adaptive selling, dominance, customer orientation of service employees, equity, customer based brand equity, customer expertise, customer’s experience, marketing mix and extended marketing mix elements, delivery performance, supplier know-how, personal interaction and organizational culture (e.g., Pugh et al., 1983; Johnson & Fornell, 1991; Oliver, 1993; Andreassen, 2000; Yelkur, 2000; Naser, 2002; Hennig-Thurau, 2004; Gountas & Gountas, 2007; Gillespie et al., 2008; Brakus et al., 2009; Cater & Cater, 2009; Hu, Kandampully, & Juwaeheer, 2009; Nam et al., 2011; AmyPoh et al., 2012; Evanschitzky et al., 2012; Thusyanthy & Senthilnathan, 2012; Kaura, 2013; Mucai et al., 2013; Jani & Han, 2014; Yuen & Thai, 2015).

Justice theory emerges from equity theory (Adams, 1965) and social exchange theory (Blau, 1960), and other empirical evidences in the literature suggest that service quality and its dimensions such as, reliability, speed, responsiveness, value, empathy, service architecture, convenience service encounter, employee service criteria and customer focus are the antecedents of customer satisfaction (Oliver, 1993; Dabholkar, Shepherd, & Thorpe, 2000; Heung, Wong, & Qu, 2002; Sureshchandar et al., 2002; Ekinci, Dawes, & Massey, 2008; Lien & Kao, 2008; Awan, Bukhari, & Iqbal, 2011; Tan, 2014; Yuen & Thai, 2015). Indeed, Kaura (2013) indicates that service quality dimensions namely, employee behaviour and information technology, and the dimensions of service convenience namely, decision convenience, access convenience, transaction convenience, benefit convenience and post - benefit convenience, are as antecedents have positive impact on customer satisfaction for public sector banks in India. Subsequently, previous studies have suggested that service quality and perceived value affect on customer satisfaction (Lai, 2004; Hu et al., 2009; Adeola & Adebisi, 2014). However, some studies imply that this perceived value moderates the relationships between service quality and customer satisfaction (e.g., Ismail, Abdullah, & Francis, 2009a; Ismail, Alli, & Abdullah, 2009b; Raza, Siddiquei, & Awan, 2012), whereas Malik (2012) argues perceived value does act as a mediating variable in the relationship between service quality and customer satisfaction.

According to Orth, Limon, and Rose (2010), and Jani and Han (2014) personality factors, especially Big Five Factors that include openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism have influence on customer satisfaction, while Gountas and Gountas (2007) argue that Jungian personality factors of thinking, material, feeling, and intuitive impact on customer satisfaction. Nevertheless, Brakus et al. 2009 assert that brand personality dimensions including, ruggedness, sophistication, competence, excitement, sincerity, and brand experience and its dimensions-sensory, affective, intellectual, behavioural experiences affect consumer satisfaction.
Analysis of past studies suggests that employee satisfaction leads to customer satisfaction (Pugh et al., 1983; Jeon & Choi, 2012). Further, both employee satisfaction and adaptive selling positively impact customer satisfaction, while dominance is negatively related to customer satisfaction (Evanschitzky et al., 2012). Notably, Jeon and Choi (2012) argue that self efficiency and corporate orientation moderate the impact of employee satisfaction on customer satisfaction. Nevertheless, Hennig-Thurau (2004) asserts that customer orientation of service employees, consisting of employees’ technical skills, social skills, motivation, and decision-making power has a positive influence on customer satisfaction.

According to the equity theory roots from exchange, dissonance, and social comparison theories, an individual’s satisfaction or dissatisfaction judgment is based on the comparison of input against output, and compare them with other people in the same condition (Adams, 1965; Adams & Freedman, 1976; Huseman, Hatfield, & Miles, 1987; Oliver & Swan, 1989; Oliver, 1997; Andreassen, 2000). Therefore, as consistent with equity theory it is possible to argue that equity have a significant impact on customer satisfaction (Andreassen, 2000; Naser, 2002). In addition, customer based brand equity and its five dimensions namely, physical quality, staff behaviour, ideal self-congruence, brand identification and lifestyle-congruence are found to have positive impact on customer satisfaction (Nam et al., 2011). Furthermore, customer expertise and its dimensions namely, expertise and familiarity (Alba & Hutchinson, 1987) are negatively related to customer satisfaction (Naser, 2002). In addition, customers’ experience with the products and services leads to customer satisfaction (Johnston & Fornell, 1991).

Marketing mix elements namely, product, price, place and promotion (i.e., 4Ps) and extended marketing mix elements people, process and physical evidence (i.e., extended 3Ps) are the antecedents of customer satisfaction (Yelkur, 2000; Amy Poh et al., 2012; Thusyanthy & Senthilnathan, 2012; Mucai et al., 2013). Moreover, Cater and Cater (2009) imply that customer satisfaction to be negatively affected by price, whilst positively by delivery performance, supplier know-how and personal interaction. Further, organizational culture along with the four dimensions: involvement, consistency, adaptability, and mission relates significantly and positively to customer satisfaction (Gillespie et al., 2008).

The summarized description for the above mentioned antecedents of customer satisfaction are shown in the Table 1.

### Table 1. Antecedents of customer satisfaction

<table>
<thead>
<tr>
<th>Antecedents of customer satisfaction</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service quality → customer satisfaction</td>
<td>Oliver (1993); Dabholkar et al. (2000); Heung et al. (2002); Sureshchandar et al. (2002); Ekinci et al. (2008); Lien and Kao (2008); Awan et al. (2011); Tan (2014); Yuen and Thai (2015)</td>
</tr>
<tr>
<td>Service quality and service convenience → customer satisfaction</td>
<td>Kaura (2013)</td>
</tr>
<tr>
<td>Service quality and perceived value → customer satisfaction</td>
<td>Lai (2004); Hu et al. (2009); Adeola and Adebiyi (2014)</td>
</tr>
<tr>
<td>Personality factors → customer satisfaction</td>
<td>Gountas and Gountas (2007); Orth et al. (2010); Jani and Han (2014)</td>
</tr>
<tr>
<td>Brand personality and brand experience → customer satisfaction</td>
<td>Brakus et al. (2009)</td>
</tr>
<tr>
<td>Employee satisfaction → customer satisfaction</td>
<td>Pugh et al. (1983); Jeon and Choi (2012)</td>
</tr>
<tr>
<td>Employee satisfaction, adaptive selling and dominance → customer satisfaction</td>
<td>Evanschitzky et al. (2012)</td>
</tr>
<tr>
<td>Equity → customer satisfaction</td>
<td>Andreassen (2000); Naser (2002)</td>
</tr>
<tr>
<td>Customer based brand equity → customer satisfaction</td>
<td>Nam et al. (2011)</td>
</tr>
<tr>
<td>Customers’ experience → customer satisfaction</td>
<td>Johnson and Fornell (1991)</td>
</tr>
<tr>
<td>Marketing mix elements (7Ps) → customer satisfaction</td>
<td>Yelkur (2000); Amy Poh et al. (2012); Thusyanthy and Senthilnathan (2012); Mucai et al. (2013)</td>
</tr>
<tr>
<td>Price, delivery performance, supplier know-how and personal interaction → customer satisfaction</td>
<td>Cater and Cater (2009)</td>
</tr>
<tr>
<td>Organizational culture → customer satisfaction</td>
<td>Gillespie et al. 2008</td>
</tr>
</tbody>
</table>

Although the preceding scientific studies address various antecedents of customer satisfaction, past studies also have investigated different outcomes of customer satisfaction.
2.3 Outcomes Associated with Customer Satisfaction

Analysis of scientific literature suggests that customer satisfaction is an important driver of financial performance, profitability, shareholder value, return on investment, price sensitivity, customer loyalty, consumer based retailer equity, firm based brand equity, word-of-mouth, purchase intention, repeat-purchase intention and customer retention (e.g., Fornell, 1992; Hallowell, 1996; Anderson et al., 1997; Soderlund, 1998; Cronin, Brady, & Hult, 2000; Rust et al., 2002; Matzler et al., 2005; Stock, 2005; Gustaffsson, Johnson, & Roos, 2006; Pappu & Quester, 2006; Walsh, Evanschitzky, & Wunderlich, 2008; Torres & Tribo, 2011; Tuu & Olsen, 2012).

Rust et al. (2002) affirm that firms can achieve higher financial return along with its underlying focus on customer satisfaction. In other words, customer satisfaction has an impact on financial performance. Specifically, Hallowell (1996), Yeung and Ennew (2000), and Luo and Homburg (2007) suggest firm’s profitability is a significant outcome of customer satisfaction. Matzler et al. (2005) remark that there is a positive relationship between customer satisfaction and shareholder value. Further, both customer satisfaction and productivity are positively related with return on investment for products and services (Anderson et al., 1997). Stock (2005) highlights that inverse relationship between customer satisfaction and price sensitivity (i.e., when the customers are satisfied with the products or services and they are less sensitive for the price).

Empirical studies demonstrate that customer satisfaction produces a stronger customer loyalty (Fornell, 1992; Rust & Zahorik, 1993; Jones & Sasser, 1995; Back & Parks, 2003; Yoon & Uysal, 2005). Indeed, Brunner, Stocklin, and Opwis (2008) suggest that both customer satisfaction and image have impact on customer loyalty. Moreover, according to associative network memory model is applied from cognitive psychology, there is a positive relationship exist between customer satisfaction and consumer based retailer equity, where consumer based retailer equity consist of four dimensions namely, retailer awareness, retailer associations, retailer perceived quality, and retailer loyalty (Pappu & Quester, 2006). In addition, Torres and Tribo (2011) remark that direct positive effect move from customer satisfaction to firm based brand equity. On the other hand, Nam et al. (2011) shows customer satisfaction mediates the relationship between customer based brand equity and customer loyalty.

Soderlund (1998) argues that customer satisfaction produces positive word-of-mouth, whilst dissatisfied customers transmits negative word-of-mouth. On the other hand, previous marketing studies affirm customer satisfaction creates positive purchase intention towards products or services (Walsh et al., 2008; Tuu & Olsen, 2012). According to Cronin et al. (2000) and Kuo, Hu, and Yang (2013), there is a positive association between customer satisfaction and repeat-purchase intention. Further, Kuo et al. (2013) also state that in the context of online shopping, word-of-mouth positively moderate the relationship between customer satisfaction and repeat-purchase intention. It is important to note that this customer satisfaction ultimately creates customer retention (Hansemann & Albinsson, 2004; Gustaffsson et al., 2006).

As can be discussed in the above, the outcomes associated with customer satisfaction are presented in the Table 2.

<table>
<thead>
<tr>
<th>Outcomes of customer satisfaction</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction→financial performance</td>
<td>Rust et al. (2002)</td>
</tr>
<tr>
<td>Customer satisfaction→profitability</td>
<td>Hallowell (1996); Yeung and Ennew (2000); Luo and Homburg (2007)</td>
</tr>
<tr>
<td>Customer satisfaction→shareholder value</td>
<td>Matzler et al. (2005)</td>
</tr>
<tr>
<td>Customer satisfaction→return on investment</td>
<td>Anderson et al. (1997)</td>
</tr>
<tr>
<td>Customer satisfaction→price sensitivity</td>
<td>Stock (2005)</td>
</tr>
<tr>
<td>Customer satisfaction→customer loyalty</td>
<td>Fornell (1992); Rust and Zahorik (1993); Jones and Sasser (1995); Back and Parks (2003); Yoon and Uysal (2005); Brunner et al. (2008)</td>
</tr>
<tr>
<td>Customer satisfaction→consumer based retailer equity</td>
<td>Pappu and Quester (2006)</td>
</tr>
<tr>
<td>Customer satisfaction→firm based brand equity</td>
<td>Torres and Tribo (2011)</td>
</tr>
<tr>
<td>Customer satisfaction→word-of-mouth</td>
<td>Soderlund (1998)</td>
</tr>
<tr>
<td>Customer satisfaction→purchase intention</td>
<td>Walsh et al., (2008); Tuu and Olsen (2012)</td>
</tr>
<tr>
<td>Customer satisfaction→repeat-purchase intention</td>
<td>Cronin et al. (2000); Kuo et al. (2013)</td>
</tr>
<tr>
<td>Customer satisfaction→customer retention</td>
<td>Hansemann and Albinsson (2004); Gustaffsson et al. (2006)</td>
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</tbody>
</table>
3. Conclusion

The preceding comprehensive review gives descriptions for various antecedent and outcome variables of customer satisfaction from past studies. Further, service quality, service convenience, perceived value, personality factors, brand personality, brand experience, employee satisfaction, adaptive selling, dominance, customer orientation of service employees, equity, customer based brand equity, customer expertise, customer’s experience, marketing mix and extended marketing mix elements, delivery performance, supplier know-how, personal interaction and organizational culture are identified as antecedents of customer satisfaction. In addition, several variables are identified as outcomes of customer satisfaction, namely, financial performance, shareholder value, return on investment, price sensitivity, customer loyalty, consumer based retailer equity, firm based brand equity, word-of-mouth, purchase intention, repeat-purchase intention and customer retention.

To extend and facilitate further studies two comprehensive models are presented to show the antecedents and outcome variables of customer satisfaction with the literature support (see Figure 1 and Figure 2). Importantly, this study uses previous literatures in bank marketing, business and industrial marketing, business to business marketing, business research, consumer research, economic psychology, hospitality management, information systems, Islamic marketing, management, marketing, professional service marketing, quality and service sciences, retailing, service industry, service industry management, services marketing, service quality, social and humanistic sciences, strategic marketing, tourism management, tourism research, travel and tourism marketing, and work and organizational psychology (e.g., Pugh et al., 1983; Johnson & Fornell, 1991; Oliver, 1993; Rust & Zahorik, 1993; Hallowell, 1996; Soderlund, 1998; Andreassen, 2000; Dabholkar et al., 2000; Yelkur, 2000; Yeung & Ennew, 2000; Heung et al., 2002; Naser, 2002; Rust et al., 2002; Sureshchandar et al., 2002; Back & Parks, 2003; Hansemark & Albinsson, 2004; Hennig-Thurau, 2004; Lai, 2004; Stock, 2005; Yoon & Uysal, 2005; Gustaffsson et al., 2006; Gountas & Gountas, 2007; Luo & Homburg, 2007; Ekinci et al., 2008; Gillespie et al., 2008; Walsh et al., 2008; Brakus et al., 2009; Cater & Cater, 2009; Hu et al., 2009; Cronin et al., 2000; Orth et al., 2010; Awan et al., 2011; Nam et al., 2011; Torres & Tribo, 2011; AmyPoh et al., 2012; Evanschitzky et al., 2012; Jeon & Choi, 2012; Kaura, 2013; Mucai et al., 2013; Adeola & Adebiyi, 2014; Yuen & Thai, 2015) to review the antecedent and outcome variables associate with customer satisfaction and to formulate comprehensive models. Therefore, this study will assist the customer satisfaction related future studies. In fact, this study can be further extended by considering other relevant antecedent and outcome variables to customer satisfaction, excluding the constructs and dimensions, which are considered for this study. Moreover, in the electronic context, customer satisfaction is considered as a critical factor (Anderson & Srinivasan, 2003; Ankit, 2011), and thus, the future studies can be extended by incorporate the antecedent and outcome variables for electronic customer satisfaction.
In Figure 1, the numbers (and signs) in a circle indicate respective references as indicated below.

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<tbody>
<tr>
<td>1</td>
<td>Oliver (1993)</td>
<td>19</td>
<td>Jani &amp; Han (2014)</td>
</tr>
<tr>
<td>2</td>
<td>Dabholkar et al. (2000)</td>
<td>20</td>
<td>Gountas &amp; Gountas (2007)</td>
</tr>
<tr>
<td>3</td>
<td>Heung et al. (2002)</td>
<td>21</td>
<td>Brakus et al. (2009)</td>
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<tr>
<td>4</td>
<td>Sureshchandar et al. (2002)</td>
<td>22</td>
<td>Pugh et al. (1983)</td>
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<td>10</td>
<td>Kaura (2013)</td>
<td>28</td>
<td>Nam et al. (2011)</td>
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<tr>
<td>14</td>
<td>Ismail et al. (2009a)</td>
<td>32</td>
<td>AmyPoh et al. (2012)</td>
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<tr>
<td>15</td>
<td>Ismail et al. (2009b)</td>
<td>33</td>
<td>Thusyanth &amp; Senthilnathan (2012)</td>
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<tr>
<td>16</td>
<td>Raza et al. (2012)</td>
<td>34</td>
<td>Mucai et al. (2013)</td>
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<tr>
<td>18</td>
<td>Orth et al. (2010)</td>
<td>36</td>
<td>Gillespie et al. (2008)</td>
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</tbody>
</table>
In Figure 2, the numbers (and signs) in a circle indicate respective references as indicated below.
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References


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