

# THE STANDARDS ISSUE IN CS/D RESEARCH: A HISTORICAL PERSPECTIVE

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## ABSTRACT

This paper explores the nature and treatment of standards of comparison in past consumer (dis)satisfaction research. Several dimensions of standards are discussed (i.e., type/source, nature, level, and perceptual distinctiveness) which serve to differentiate between standards. Based on these dimensions, the implications of using different standards on interpreting CS/D data, CS/D measurement, diagnosing CS/D information, and CS/D theory are discussed.

## INTRODUCTION

It has been fascinating to watch how the popularity of the topic of consumer (dis)satisfaction (CS/D) has changed over the past several decades. In spite of the fact that the marketing concept positioned CS/D as a key business concern back in the 1950s, research on its meaning, causes and relationship to other consumer behaviors seems to be only about two decades old (Hunt 1983). Equally surprising, business practice has demonstrated a serious interest in CS/D measurement only in the past decade. For instance, the American Marketing Association conducted its first annual practitioners' conference on CS/D just three years ago. Presently, practitioners cannot seem to get enough information on how to design, implement and use CS/D measurement systems.

No doubt, global competition facing many organizations in the U.S. and elsewhere has been a major factor in the recent snowballing of interest in CS/D. It has become common knowledge that it is far less expensive to keep a current customer than to attract a new one (Fornell and Wernerfelt 1987, Reichheld and Sasser 1990). This fact provides a powerful incentive to practitioners to

find out how to keep a current customer in the fold. Enhancing customer satisfaction seems to be the answer. Of course, there are others interested in CS/D for other reasons (e.g., public policy), but the trend is the same -- the popularity of the topic is at an all time high.

The focus for acquiring CS/D knowledge has quickly moved from prediction and description to also include diagnosis. Much of the academic research over the past two decades has been devoted to developing and testing CS/D theory. Similarly, as business practice expands its uses of CS/D data, managements want to be able to diagnose reasons for attained levels of customer (dis)satisfaction. Thus, in both realms the premium has been on improving understanding of the phenomenon and what drives it. For this reason, it is important to periodically assess what has been accomplished with regard to diagnosis.

The purpose of this paper is to look back at the progress that has been made concerning one important driver of CS/D -- standards of comparison. The history of CS/D research on standards has been quite uneven and puzzling. While many types of standards have been proposed, only one of these -- expectations-- has dominated both theory and practice. There is some question about whether this domination is helping or hindering the advancement of CS/D knowledge. This issue is explored by tracing standards research over the past two decades.

## CS/D AS A COMPARATIVE PHENOMENON

One of the few aspects of CS/D on which there is widespread agreement is that the state of (dis)satisfaction is a reaction to a comparison (Oliver 1989). The comparison involves a perceived experience, such as using a product,

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receiving service from a retailer, or interacting with a salesperson, and some standard. Consumers are thought to compare perceived experience with the standard, noting whether there is a difference. (Dis)satisfaction is the evaluative reaction to that difference perception and can be cognitive (e.g., good or bad for me) and/or emotional (e.g., pleasing, happy, disgusting to me).

Disconfirmation theory is probably the most widely acknowledged description of the comparison process. In its typical form, expectations are posited as the comparison standard. Thus, disconfirmation refers to whether perceived performance falls below, equals, or exceeds expectations. Other theories, such as equity theory, can also be positioned as describing comparisons, though the comparison standard and process are different (Oliver and DeSarbo 1988).

Interestingly, the literature is very flexible concerning the concept of perceived experience. It refers to a wide variety of different types of experiences that consumers have with sellers, as indicated above. More controversial has been the nature of the standard against which that experience is compared. Periodically, new standards concepts are proposed, and empirical research more often than not indicates support (e.g., Summers and Granbois 1977; Swan and Trawick 1979; Cadotte, Woodruff, and Jenkins 1987, and Tse and Wilton 1988). Yet, there seems to be a pervasive tendency to overlook this work and return to expectancy disconfirmation theory which identifies expectations as the standard for evaluating perceived performance. Apparently, both academics and practitioners are ignoring Olander's (1977) early warning about interpreting CS/D measures:

The essence of all these theories is that satisfaction is believed to be judged relative to a criterion whose level differs among individuals and groups according as previous experience and/or achievements in other spheres of life and/or the situation of comparable social groups differs (p. 413) ... There is seldom, if ever, a yardstick which is common to different groups or which stays put over time. Is it then possible for a policymaker -- or anybody else -- to make

much sense out of satisfaction ratings as measures of society's achievements (p. 415)?

Theoretically, the issue is significant because different types of standards may yield different levels against which perceived experience is compared. Furthermore, the source of the standard, such as experience with competing products, may provide useful diagnostic insights into how to influence CS/D. In business practice, the same issue appears in the design of CS/D measurement systems. The framing of satisfaction questions may include direct reference to a standard. As Olander (1977) suggested, it is quite likely that the responses will be sensitive to this framing. The authors are familiar with one instance where a company changed the wording of a disconfirmation question by asking respondents to rate perceived brand performance relative to that of a competitor instead of relative to expected performance, and got different results. If (dis)satisfaction ratings are dependent on which standard is used, then the historical commitment to expectancy disconfirmation by academics and practitioners may be detrimental to advancing knowledge critical to understanding CS/D.

## DIVERSITY OF PROPOSED STANDARDS

### Types/Sources of Standards

**Expectations.** While the notion of disconfirmation as a comparison outcome is quite consistent across studies, the type of standard proposed has, at best, an inconsistent history. Expectations has clearly been the predominate standard in theory and practice. However, the conceptual definition of expectations has varied. Some have applied a narrow definition of expectations as a belief about future performance of the focal object (Olson and Dover 1979). This belief may be derived from personal experience, advertising, or word of mouth (LaTour and Peat 1979). Others have in mind a much broader notion that imply standards with levels of performance different from that expected from the focal object. For example, Miller (1977) developed expectation categories, such as ideal, minimum tolerable, and deserved, that clearly would lead to different comparison standard levels.

Since there is confusion as to exactly what expectations means, it is surprising that this concept has remained so popular as a way to conceptualize comparison standards.

**Equity.** Equity theory applied to CS/D has become accepted as an alternative way to conceptualize how comparisons work (Oliver and DeSarbo 1988). With some imagination, this theory can be repositioned as explaining more general disconfirmation comparisons. Equity is a type of standard that consumers may use for appraising the interaction with a seller. (Dis)satisfaction is the evaluation of the difference between a consumer's perceived benefit/cost ratio from that interaction and the standard represented by the seller's corresponding ratio. Equity disconfirmation has been supported empirically, though it applies primarily to social interactions (Oliver and Swan 1989).

**Experienced-based Norms.** Experience-based norms is another type of standard proposed in the literature (Woodruff, Cadotte, and Jenkins 1983). This standard recognizes that consumers often have experiences with more than the focal object, such as those with other brands, other products, and/or other services. These broad experiences are likely to play a role in disconfirmation comparisons. For instance, the typical or last received performance of a favorite brand may set the standard for appraising perceived performance of the focal brand. In general, there can be several different norms standards against which perceived performance may be compared, both across consumers as well as within the same consumer, each determined by previous experience with a different product or brand. Also, experience-based norms raise the possibility of multiple standards being used by the same consumer.

This concept is relatively new, and there is only one study that tested its validity (Cadotte, Woodruff and Jenkins 1987). The results were supportive, but the jury is still out on whether experience-based norms are a useful way to conceptualize standards. It is, however, one of several paths in the literature leading away from dependence on expectations as the predominate standards concept.

**Desires/values.** Westbrook and Reilly (1983) offered a very interesting perspective on standards when they argued that a consumers' desires or values may influence the appraisal of perceived performance. Their theoretical argument was compelling, but the empirical results of the study did not provide support. Even though Westbrook and Reilly (1983) argued that measurement problems were probably the cause for the lack of support, this path appeared to become a dead end. More recently, however, Olshavsky and Spreng (1989) and Clemons and Woodruff (1991) have renewed interest in this kind of standard. For example, Clemons and Woodruff (1991) theorize that values are likely to be applied through means-end linkages to consequences. That is, consumers have a notion of the desired consequences for achieving a value. Desired consequences become the standard for comparing perceived consequences attained from a use occasion. Research is going on currently to explore this idea.

**Ideal.** There is some indication that people may have a kind of ideal as a comparison standard. Miller (1977) raised this possibility in his expectations categorization scheme mentioned above. Further evidence comes from a qualitative study of the meaning of (dis)satisfaction (Gardial, et. al. 1991). In indepth interviews, informants frequently mentioned that they "got what they wanted," or "it did what it was supposed to do." While "wanted" and "supposed to do" are vague as to what the level is, and informants could not always verbalize what they meant, these terms do suggest that consumers have some understanding of what an experience should ideally be.

It is tempting to think that this ideal is the same thing as expectations. Yet, there are reasons why a consumer may participate in an experience where they expected something less (more) than what was wanted or supposed to happen. For example, an out of stock of a favorite brand may lead to buying and using a known, but less preferred brand. The performance of this brand may be less than (greater than) what was wanted, even though it performed as expected.

**Promises.** Finally, qualitative research on the meaning of (dis)satisfaction suggests another standard labeled as "sellers promises" (Woodruff,

et. al., 1991) Through communications from the seller (i.e., advertising, personal selling, packaging, etc.), consumers appear to form beliefs about what the seller promises. These promises can be used as comparison standards. For example, a promise standard is reflected in the phrase, "the product did what the seller said it would do."

At first thought, the concept of promises might seem very similar to expectations. In fact, sellers' promises are likely to be a source of expectations formation. However, suppose consumers know from personal experience that a product will not live up to a seller's promises, but the promises are made anyway. A service establishment, for instance, might have dirty restrooms and patrons know it. However, advertising promises clean premises. In this case, the disconfirmation comparison might be made with promises as the standard, not expectations alone, leading to dissatisfaction. With so many opportunities for sellers to communicate, explicitly or implicitly, promises to experienced consumers, the difference between promises and expectations as comparison standards is worth exploring.

### Other Dimensions of Standards

The history of standards research has been more explicit about the types/sources of standards than with other dimensions. Yet, the significance of standard types lies in the fact that they differ from each other across several dimensions. These other dimensions are nature of experience, level, and perceptual distinctiveness of the standard.

**Nature.** Nature of the experience refers to the kinds of things consumers want to happen to be satisfied. While there is little explicit discussion of this dimension in the CS/D literature, there appears to be common agreement on a multiattribute perspective. That is, consumers are presumed to want multiple specific experiences, each having differential importance and effect on CS/D (e.g., Cadotte and Turgeon 1988). It is common for CS/D studies to measure (dis)satisfaction on individual experiences with physical attributes and/or consequences. Interestingly, there is seldom any attempt to distinguish between attributes and consequence,

even though the means-end literature makes an important distinction between these concepts (Gutman 1982).

**Level.** A standard for each kind of experience has a level that is expected, equitable, norm-based, desired, ideal, or promised, depending on the type of standard used. Presumably, information about level of standards used by customers could be diagnostically helpful. Yet, the CS/D literature has only sporadically been concerned with when and how level should be measured. More commonly, disconfirmation measures are used that do not require that level be measured (Hausknecht 1990).

**Perceptual Distinctiveness.** There have been several references in the CS/D literature to a perceptual phenomenon referred to as "zone of indifference" (e.g., Woodruff, Cadotte, and Jenkins 1983). This concept suggests that a standard is not necessarily a point along some performance dimension, but may be a range of indistinguishable performance levels. It has been suggested that the width of the zone may vary across consumers for the same kind of performance dimension, or within a consumer for different performance dimensions (Woodruff, Cadotte, and Jenkins 1983). No empirical CS/D research has tested this idea.

### Role of Standards in Comparisons

From time to time, researchers propose that there are important differences in the way standards are being used in comparisons within or across consumers. In spite of the fact that many CS/D studies assume otherwise, there may not be a single standard being used by a consumer to appraise experiences. For instance, Cadotte, Woodruff, and Jenkins (1987) and Tse and Wilton (1988) argue that there may be multiple comparisons being made prior to a (dis)satisfaction response. For experiences occurring across multiple use occasions, consumers may change type, level, and or perceptual distinctiveness of standards. Of course, the nature of the experiences believed to be relevant may change over time as well. Previous CS/D research reveals little about these roles that standards might play in

comparisons.

### IMPLICATIONS OF HISTORICAL RESEARCH ON STANDARDS

The comparison standard controversy has important implications for advancing knowledge of the CS/D phenomenon. These concern interpretation of CS/D ratings, measurement of disconfirmation, diagnosis of CS/D causes, and linkage of CS/D to other processes. Each of these is discussed.

**CS/D Interpretation.** Perhaps it is time, once again, to heed Olander's (1977) caution that (dis)satisfaction ratings may not be easily interpretable if different comparison standards can significantly change their meaning. Suppose consumers have in memory multiple comparison standards. In this case, whatever standard came to mind at the time of the CS/D rating would at least partially determine the score. Thus, CS/D ratings would vary due to memory factors such as accessibility.

There is a potential for confusion from this interpretation problem during application of CS/D ratings to managerial assessment of a company's marketing offer. Suppose a baseline measure of CS/D is obtained. After six months of very consistent performance, management receives another CS/D measure which shows a significant shift in CS/D scores. It may be very difficult to interpret this shift since it may indicate true change in (dis)satisfaction (e.g., maybe competitors improved, changing the level of the standard used), or it may simply measure a different standard or mix of standards accessed by respondents at the moment of data collection. Each interpretation is likely to lead to different actions. Without knowing the standards applied, it would be difficult to know what to do.

**Measurement of standards.** In those CS/D studies where the comparison standard is explicitly measured, as might occur in gathering disconfirmation data, the researcher faces a dilemma. Rather than automatically employing expectations for the focal object (brand, product, store, salesperson interaction, service encounter, etc.), a decision is needed on how to deal with the

possibility of any one or more of several standards being salient. One option is to avoid measurement of any particular standard, letting respondents choose which standard they want to use. For instance, disconfirmation scales could be developed that encourages respondents to choose which standard they think is appropriate. Of course, this measure may lose the diagnostic value of knowing what the standard is.

Another alternative is to specify one or more standards that respondents are to consider when making a scale response. Disconfirmation measures could be designed to incorporate any of the types of standards mentioned above. However, the concern here is whether any particular standards concept is most appropriate for a given respondent and situation. It would also be possible to design multiple scales, one for each type of standard, but this might make the task of answering the questions quite tedious for respondents, not to mention risking response bias across the questions. Finally, the researcher might try to determine explicitly the standard being used in (dis)satisfaction judgments. Unfortunately, no method has been developed for this purpose.

**CS/D Diagnosis.** CS/D measures can be used alone to provide an effectiveness measure for marketing. However, these measures are probably most useful when combined with other data for diagnosis. Theoretically, academics would like to understand what influences CS/D. In practice, managers would like to know why a particular CS/D level has occurred, so that appropriate action can be taken. In either case, the dominant role that expectations has played in diagnosis may have oversimplified the diagnosis task.

Undesirable levels of CS/D has usually been attributed to poor perceived performance relative to acceptable expectations, unanticipatedly high expectations, or some combination of the two. The existence of many different types of standards raises other possibilities. For instance, performance of competitive products as well as brands may cause consumers to appraise perceived performance of the focal object differently. Or changes in use situations, perhaps caused by shifts in life style, may lead to selection of new standard types as well as levels. All of these possibilities argue for learning more about how standards are

influencing CS/D ratings.

**Linkage to Other Processes.** Viewing expectations as the comparison standard has, at least implicitly, linked CS/D to pre-experience decision processes (Oliver 1980). For instance, expectations suggest that CS/D is influenced by the activity that occurred preceding purchase of a product. That is, consumers are (dis)satisfied according to whether product performance lived up to what prepurchase activities led them to expect.

Other types of comparison standards cast doubt on such a linkage. Experience-based norms suggest that CS/D is more dependent on what a consumer believes about competitive products and brands than on prepurchase activities. In this case, standards may be constructed at the time of appraisal rather than recalled from prior experience only with the focal object. In general, CS/D may be more related to value appraisal than to prepurchase expectation formation. While the latter may be quite helpful in making a purchase choice, it may have much less impact on post-use appraisal (Gardial, et. al., 1991). This possibility needs to be explored.

## SUMMARY AND CONCLUSIONS

Over the past several decades, CS/D has emerged as both an important topic for academic research, and a crucial purpose for business performance. There are at least two properties of CS/D that account for this welcome state of affairs. First, CS/D is a post-experience phenomenon. It encourages researchers and practitioners alike to pay more attention to what happens after purchases have been made. Second, theories of CS/D processes agree that the state of (dis)satisfaction is determined by a comparison of perceived experience. The comparison is essentially an appraisal of the experience and is relative to the standard chosen. Diagnostic value of CS/D, as opposed to description or prediction, lies in understanding the nature of this comparison. The nature and role of standards is central to this understanding.

The historical development of the comparison standard concept and related theory has been sporadic at best. A number of interesting paths toward new understanding of dimensions of

standards have been briefly explored, and with enough empirical support to hold promise. Yet the expectations concept continues to dominate the CS/D literature and in business applications. While there does not appear to be a compelling reason for the preoccupation with expectations, it is a fact nevertheless.

Research over the past two decades has provided a foundation on which to continue building understanding of the role of comparison standards in CS/D processes. Future research can add to this foundation by addressing at least six questions:

1. Do different types of comparison standards lead to significantly different disconfirmation and/or satisfaction responses?
2. If so, can a classification scheme be developed to reduce the many possible standards to a relatively few categories?
3. How should the standard(s) applied by an individual consumer be identified?
4. Do standards change over time in a predictable pattern?
5. Are standards recalled from previous processes or are they constructed at the time of perceived performance appraisal?
6. What accounts for individual differences in use of standards by consumers?

Answers to these questions ought to increase the diagnostic value of standards data.

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