A Multi-Industry Analysis of Service Fairness Themes from the Professional Female Viewpoint

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Abstract

Women make 85 per cent of all purchase decisions and services marketing research suggests that gender differences exist and are most influential in determining customer satisfaction with service encounters (Iacobucci and Ostrom, 1993). This qualitative study used the Critical Incident Technique (CIT) and sought to investigate the service industries where women feel most dissatisfied and identified themes of unfairness which explain women’s dissatisfaction with service. This study found women were most dissatisfied with the fairness of service in the automotive industry. Two new themes related to service fairness were uncovered: informational un/fairness and sexist/non-sexist behaviours. This study is among the first to use the CIT to study how gender issues and unfair treatment themes influence service performance perceptions and service evaluations.

Introduction

The twenty first century saw the largest cultural change of our time as the economic power of women began to increase (Banikarim, 2010). It makes economical sense to focus on females as consumers of services. Women around the world control 85% of household spending (Silverstein and Sayre, 2009). In Australia, women spend $0.90 in every household dollar, and between 70–90 per cent of all household financial decisions are made by women, with 40 per cent of all properties bought by women (Szoke, 2011). In the automobile industry, for example, women buy more than 50 per cent of all new cars and influence 85 per cent of all new care purchases (Dychtwald 2010). Given women make the majority of all purchase decisions, including big-ticket items, it makes sense to focus on their satisfaction and perceptions with services. The services sector accounts for about three-quarters of Australia’s GDP and retail, healthcare and finance are three of the biggest sectors within this category (Australian Bureau of Statistics 2007).

Services marketing research suggests that gender differences exist and are most influential in determining customer satisfaction with service encounters (Iacobucci and Ostrom, 1993). Gender researchers have attributed gender differences between men and women to a variety of social and biological factors (Putrevu, 2001). One of the oldest stereotypes of women is their interpersonal sensitivity: women are assigned to the socio-economic domain of activity as compared to the task or instrumental domain associated with men (Putrevu, 2001). Social Role Theory (Eagly, 1987) suggests that the division of labour between the sexes creates gender-role expectations, which then lead to differences in social behaviour and personality. According to this theory men and women possess attributes suited for the roles that
they typically occupy. Men are more assertive and aggressive because historically they have been more likely to assume positions of leadership. Women, on the other hand, have not played these roles and thus do not develop these characteristics.

Despite being the decision maker in most purchases in Australia (Szoke 2011), it appears that women are dissatisfied in many cases. For example, in the Australian automotive industry, where most car buyers are women, a report found that women perceive low levels of justice when purchasing or servicing a vehicle (The way ahead: women and the motor vehicle industry 2001). The 2001 study looked to determine how women were treated as customers buying cars and as service or repair customers. The study found that 51 percent of women said they did not enjoy the car buying experience and 24 percent said the salesperson didn’t understand it was their buying decision. It also discovered that 49 of women percent indicated dissatisfaction with having their car serviced 36 percent said that being a female had a bearing on how they were treated (The way ahead: women and the motor vehicle industry 2001). Ten years after the 2011 study, are women now more satisfied with their service experiences, for example when with buying and servicing their car?

Previous studies have found that interactional fairness to be more relevant amongst women compared to men (McColl-Kennedy et al., 2003; Carlson, 1971). For example women are more likely than men to advocate good interpersonal relationships, open communication channels and democracy, particularly in a service encounter setting. Interactional justice has been linked to satisfaction, word of mouth and purchase intent (Maxham and Netemeyer 2002). Therefore it makes sense to study women’s sense of service fairness.

The purpose of this study, which uses the Critical Incident Technique (CIT), is to:

• Investigate the service industries where women feel most dissatisfied in Australia
• Identify themes of unfairness which explain women’s dissatisfaction with service.

Fairness is defined as “a customer's perception of the degree of justice in a service firm's behaviour” (Seiders and Berry, 1998). Although there can be subtle differences in the distinction of what is fair and just, in common usage both of the terms are interchangeable (Sheppard, Lewicki and Minton, 1992). Customers’ sense of service fairness can be applied to three different types of justice, according to the literature to date. The three types of justice are distributive, procedural and interactional justice (Seiders and Berry, 1998). Distributive justice refers to the outcome of a decision or an exchange. Procedural justice indicates the process used to generate that outcome. Interactional justice equates to the interpersonal treatment people receive during this process. This also has an effect on procedural justice judgements.

There are a limited number of studies which assess service fairness from women’s perspectives, although studies have looked at sex differences in service satisfaction (e.g. Voss and Cova, 2006). Other studies have looked at gender differences with regards to the impact of time on satisfaction and behavioural intention (for example, Bendall-Lyon and Powers, 2002). However, within services marketing literature it appears the CIT has not been used to specifically address themes of fairness or as a tool to address female concerns regarding service encounters. Service fairness studies
have generally focused on service complaints or service recovery rather than the broader context of critical incidents.

**Research Methodology**

The CIT, originally outlined by Flanagan (1954) in an organisational psychology context, was deemed the most appropriate tool to use for discovering underlying sources of satisfaction and dissatisfaction in service encounters (Bitner, Booms and Tetreault 1990). A qualitative interview procedure, the CIT facilitates the investigation of significant occurrences identified by the respondent, the way they are managed, and the outcomes in terms of perceived effects. The objective is to gain understanding of the incident from the perspective of the individual (Chell 1998).

Using CIT, this study analyses the responses of professional women to determine service unfairness themes leading to dissatisfaction resulting from unfair service. This research determines if any patterns arise as to the types of industries. From a managerial perspective, the study provides insight into the situations where and why women are left dissatisfied because of unfair treatment in a service encounter.

Previous research efforts have demonstrated the ability of applying CIT to determine service failure and recovery, customer evaluation of service and service delivery (Gremler 2004). Gremler conducted the last known review of CIT within services in 2004. Gremler (2004) reported that CIT had been applied to 141 different studies with the majority related to customer evaluations of service, service quality and customer satisfaction. Since then, there have been a limited number of studies using CIT but one recent study looked at customers with disabilities’ experience of services, using the CIT approach (Baker Holland & Kaufman-Scarborough, 2007). This study is among the first to use CIT to study gender as a segmentation variable in determining customer dis/satisfaction by way of recalling an unfair service experience.

Advantages of using the CIT method in services marketing studies include that the data is in the respondent’s own words and it can be used to generate an accurate and in-depth record of events. “Critical incidents can also be easily communicated to customer-contact personnel, particularly when describing what behaviours to do and not to do in order to satisfy customers “(Gremler, 2004, 66)

Using the framework developed by Flanagan (1954); Bitner, Booms and Tetreault (1990) and Brush and Sweeney (1996), the Critical Incident Technique (CIT) was used and respondents were asked the following questions:

Please think of a service encounter where you felt you were treated unfairly or where you had a negative service experience. What type of service did it entail?

What specific circumstances led up to this encounter? Exactly what did the firm/employee say? How would you rate your level of satisfaction with this encounter? What exactly made you feel this way? Descriptive information including the type of service (Brush and Sweeney, 1996).

In this study, data was collected from professional women over a period of one week, using an online e-mail survey to subscribers to a large Australian database of working and professional women. Responses to the open-ended questions, using the CIT, were
coded and grouped according to key themes that appear. Independent judges (two marketing academics) then reviewed the themes separately. Disagreements in coding for any themes were resolved by discussing key terms and jointly reviewing themes until an agreement reached. This study focuses on the fairness perceptions of professional women when consuming services, asking them to report a negative or unfair service experience they have encountered. They were asked to report any incident, which they classed that they were treated unfairly and could have occurred in any number of service industries. A total of 209 usable surveys were returned.

Results

Silverstein and Sayre’s (2009) study discovered that women are most dissatisfied with the service they receive from financial services, healthcare and automotive services. While this study confirms this, retail services, telecommunications and hospitality were also mentioned frequently, and rated more frequent as a negative service experience in front of healthcare.

<table>
<thead>
<tr>
<th>Service Industry</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>40</td>
</tr>
<tr>
<td>Retail</td>
<td>36</td>
</tr>
<tr>
<td>Banking/Financial</td>
<td>32</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>20</td>
</tr>
<tr>
<td>Hospitality</td>
<td>19</td>
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<tr>
<td>Healthcare</td>
<td>12</td>
</tr>
<tr>
<td>Fitness</td>
<td>11</td>
</tr>
<tr>
<td>Transport</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>32</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>209</strong></td>
</tr>
</tbody>
</table>

Respondents were most commonly dissatisfied with automotive services. Respondents described that their scenarios within the automotive industry involved either purchasing a new/used car in a dealership or getting the car serviced. Within these critical incident descriptions five core themes emerged: misleading information (9 incidents reported); staff attitude, including sexist behaviour (9 incidents reported); faulty product (5 incidents reported); staff only spoke to male guest (4 incidents reported); customers made to feel unimportant (3 incidents reported).

In particular within the automotive industry, “sexist” behaviour was a theme which carried across these categories. For example: “The sales person was arrogant and condescending towards myself and my mother. Presumed we didn’t know anything about vehicles. Questioned our finance and was basically unpleasant to talk too.”

The second most frequent service identified was retail service, with 36 women reporting they had experience unfair or negative service. Within these critical incident descriptions three core themes emerged: Made to feel unimportant (11 incidents reported); staff attitude – rudeness (6 incidents reported); company policy (4 incidents reported).
The third most identified service industry was the banking/financial sector with 32 women reporting negative incidents. It became prevalent whilst coding the banking and financial scenarios that most respondents felt that procedural fairness had the greatest impact on their negative service encounter. Within these critical incident descriptions four core themes emerged: Customers made to feel unimportant (8 incidents reported); staff attitude (6 incidents reported); hidden costs (6 incidents reported); information inadequacy (5 incidents reported); company policies (3 incidents reported).

The service encounter scenarios provided a great insight as to the common areas where women feel they are most dissatisfied with due to unfair treatment. Respondents illustrated that the established fairness dimensions of distributive, procedural and informational were all relevant in the automotive, retail and banking/financial industries but not the others. This exercise also gave light to other themes and possible dimensions of fairness which affect women when consuming services. The core themes that emerged across all of the different scenarios and industries described under CIT were: customers were made to feel unimportant, hidden costs, company policies, staff attitudes (sexist and rudeness) and information inadequacy. This study found two new themes related to justice: informational unfairness and sexist/non-sexist behaviours. Informational fairness can be defined as being the ability to give customers all of the facts, correct information and, conversely, where incorrect information results in a negative outcome; and sexist/non-sexist behaviour: where staff negatively treated a consumer (female) based on a stereotype of their gender or, in contrast, gender bias was not present.

Discussion, limitations and future research

Whilst the CIT was deemed the most appropriate tool for this paper, more in-depth qualitative research is needed to uncover clearer understandings of service unfairness. The qualitative research highlights the importance of being given adequate information. Previous gender literature explores women’s need for information seeking and processing and this study confirms the link between dissatisfaction and lack of appropriate information. The managerial implications are significant. Managers should consider monitoring and improve the training of staff to ensure that personnel do not engage in sexist and condescending/rude behaviours. In the male dominated automotive industry, affirmative action may be required to bring more female staff into the field. Indeed more women are being hired, according to a recent Australian Financial Review article (see McKeith, 2010). Managers need to ensure that staff understands company policies and procedures from a top down approach, with many women reporting being told inconsistent advice and information. Information provision policies should be set so that women access information more easily, including readable pamphlets, brochures and websites and help-lines. For example, a recently launched website, autochic.com.au, is a site aimed solely at women car buyers. The study provides insight into the situations where women are left dissatisfied with service encounters. The study also sheds further light on the key reasons why females experience lower satisfaction with services in Australia. In 2011, with women making most purchases, companies concerned with managing customer service satisfaction would do well to learn more about where and why so many women are still unhappy with the service they receive.
References


