

Relying on customer surveys alone may mask poor service

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Customer satisfaction surveys are ubiquitous. They blip into our daily lives after dental appointments, haircuts and calls with IT. For businesses, these short questionnaires are intended to provide feedback and make improvements.

But new research demonstrates perceptions of [customer](#) service do not always align with the actual service provided. Results from three studies found consumers belonging to underrepresented racial and [ethnic groups](#)

rated poorer quality service less negatively compared to white consumers.

"Our research shows that perhaps we need to move beyond assumptions and not just rely on a five-point customer satisfaction survey to help address discrimination," said Samantha Cross, associate professor of marketing at Iowa State and co-author of the paper published in the *Journal of the Association for Consumer Research*.

Cross explained employees have assumptions as to whether someone is a viable customer, and the customer has assumptions about good service. These assumptions come from our specific backgrounds and experiences and the treatment of our wider ethno-[racial group](#) in society.

Customers who have experienced poor service more frequently in the past may have lower expectations than those who have not. Someone with an already low bar may rate an interaction with an employee as acceptable while someone with a high bar rates it as unacceptable.

Cross and her co-authors said these differences make it harder to catch unfair treatment through customer satisfaction surveys—especially in financial services.

"When you're in line at a [grocery store](#), you can see how other people are being treated and compare it to your treatment. You also have the ability to compare your experience with previous interactions at grocery stores," said Cross. "That's much harder if you're applying for a loan or buying a car for the first time."

Unlike the grocery store example, interactions with financial service providers tend to be one-on-one, behind closed doors.

The authors emphasized differences in service can have long-lasting

impacts, even when customers do not perceive discrimination. Along with the possibility of becoming desensitized, indifferent or accepting of poorer treatment, customers could miss out on a loan to start a business or face more hurdles to get a mortgage.

Three studies with mystery shopper footage

In the first study, the researchers selected nine male participants of similar age, height, body build, attractiveness and education who were all [small business owners](#) in L.A. The participants understood basic business and banking terminology and were knowledgeable about the local economy. Three were Black; three were Hispanic; three were white.

The participants wore identical clothing, including a shirt with an embedded video camera, and visited banks to request a \$60,000—\$70,000 loan for a fictional computer service business. The university institutional review board and state attorney general's office in California consented to the recording of the interactions between the study participants and bank officers. The participants were sent to multiple banks and completed a survey after each visit (e.g., level of assistance they received, types of information provided.)

Survey results from a total of 69 bank visits showed overall satisfaction was consistent across the Black, Hispanic and white participants. But when the researchers analyzed the video recordings frame-by-frame, they found significant differences in the interactions.

Black and Hispanic participants often waited longer at banks to meet with the lender and received less one-on-one time than their white counterparts. Bank loan officers, 90% of whom were white, more often gave white participants a handshake and asked their name (80%) compared to Black and Hispanic participants (63% and 66%, respectively.)

Loan officers were also more likely to offer the white participants a seat and maintain eye contact compared to the Black and Hispanic participants. White participants more often received an application, documents about the bank's interest and fees and other sales-pitch statements at the end of the meeting. In the encounters where loan officers appeared to have the same racial background as the Black and Hispanic participants, the researchers said the interactions were more welcoming and friendlier.

In the second study, the researchers showed 83 participants a 2-minute video from the first study of a strongly negative interaction with a white bank officer. The participants did not know the racial or ethnic background of the participant from the first study who was in the room with the bank officer. They then filled out a scaled survey about the behavior of the bank officer and shared their own basic demographic data.

The researchers found participants who identified as belonging to an underrepresented ethno-racial group evaluated the strongly negative service encounter less negatively than white consumers.

A similar experiment with 240 participants and two short videos (i.e., one positive encounter, the other negative) showed similar results. With the negative interaction, participants from underrepresented ethno-racial groups rated the encounter higher than white participants. With the positive interaction, there was no significant difference in the ratings.

"Research uncovers and dissects, and then we have to decide what do we do with it," said Cross.

To help ensure customers are being treated the same, Cross and her co-authors said managers could train employees to follow "behavioral scripts." This could be as simple as making sure all customers receive a

friendly greeting, wait within a certain time frame and receive the same handouts.

The researchers said employee performance evaluations could also include video or audio recordings of their interactions with customers. A third party could review the employee's tone of voice, facial expressions and other nonverbal cues to discuss improvements. Recordings could also be useful in training sessions to discuss microaggressions.

More information: Sterling A. Bone et al, Moving beyond Perceptions: Examining Service Disparities among Consumers, *Journal of the Association for Consumer Research* (2022). [DOI: 10.1086/722689](https://doi.org/10.1086/722689)

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