CONSUMER SATISFACTION IN THE PLACE MARKETING

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INTRODUCTION

We can approach the satisfaction of the local residents from two sides. One of those can be identified as the peak of the regional competitiveness pyramid model [Lengyel 2006], the enhancement of the local residents’ quality of life and living standards, which is also the aim of the place marketing. The other one comes from the marketing communication side, under the notion that local residents are the ambassadors of settlements and their image will also form that of the settlement, ultimately what appears in the heads of consumers about the place. As the communication of the local residents formally cannot be regulated, the managers of the settlements have to strive for more satisfied local residents, since the satisfied residents will not damage the reputation of the settlement for others (e.g. for tourists). Last but not least it is important to mention that satisfied local residents will not have the desire to move to other settlements, thus the settlement could hold on to these residents as a “loyal consumers”.

The aim of the study is to highlight to the importance of consumer satisfaction in the place marketing, and to explore models belonging to the basic models of consumer satisfaction that focus on examining the residents’ satisfaction.

CONSUMER SATISFACTION

According to the literature there are three main fields that are dealing with satisfaction: sociology and human ecology, psychology, and marketing. The human ecology focuses on the natural and physical environment where the consumer lives, while psychology examines the overall life satisfaction [Insch and Florek 2008]. In the field of marketing,
consumer satisfaction often appears in the literature of consumer behavior. According to Peter and Olson [1987] consumer satisfaction is when the consumers are satisfied with a product or brand, which they would like to buy on another occasion as well, and would like to share their positive experiences regarding the product or the brand. Its opposite is dissatisfaction, which comes into existence when the consumers’ expectations before the purchase are confuted afterwards. Namely, if there disparity between the real and the expected product, the consumer will not want to purchase again, he or she will have complaints against the product or service and would like to replace it [Peter and Olson 1987]. According to Kenesei and Kolos [2014] we can talk about satisfied consumers when the experience exceeded the expectations. This judgement is subjective, namely the consumer satisfaction or dissatisfaction is determined according to the attitudes, which may further evolve within the consumers after the purchasing of the product [Solomon et al. 2006]. We can speak about consumer satisfaction in the place marketing as well, although settlements have many more complex and unique features that differentiate them from products. The present study is focusing on the local residents which is one of place marketing’s three main target groups (namely local residents, tourists and entrepreneurs). The satisfaction of the local residents with the settlement is partly depending on the perceived quality of different, interrelated environments. Such environments are the social, cultural, economic and natural [Insch and Florek 2008].

CONSUMER SATISFACTION AND THE CONNECTED MODELS’ EXAMINATION IN THE PLACE MARKETING

Basic models in connection with satisfaction

On the apropos of consumer satisfaction we may find models in connection with that topic in the literature. Hereinafter the basic models in connection with satisfaction and the satisfaction models which are connected to the place marketing will be presented. Among the basic models in connection with satisfaction the European and American customer satisfaction examinations will be under scrutiny as well. In their word usage the phrase of customer satisfaction is in the majority, but at the same time, in the course of examination of the models it will be clear that this is actually a synonym with the phrase of consumer satisfaction. This means that the customer who is purchasing is also the consumer of the product. Thus henceforth the study will not make a distinction between the phrase of customer and consumer in the case of examination of satisfaction models.

To examine the consumer satisfaction the American Customer Satisfaction Index (ACSI) was established in 1994 which was developed under the leadership of Claes Fornell in the American Michigan University as an improvement of the Swedish Customer Satisfaction Barometer (SCSB), created in 1989. Six variables were examined in the multivariable model: customer expectation, perceived quality, perceived value, customer satisfaction, customer complaints, and customer loyalty. The model is considered a “cause-effect” model where the causes, namely the customer expectations, the perceived quality and the perceived value induce customer satisfaction, which is located in the middle of the model, the outcome appears on the right side of the model, as the element of customer
complaints and customer loyalty. The latter includes the customer behavior and price tolerance. The customer expectations include prior consumer experiences and other non-experience based information, such as advertisement, word-of-mouth, and company forecast; which serve as a basis for the consumer to judge the quality of the offered product/service. After consuming the product/service, the consumer could evaluate the perceived quality according to how fitting it was to his/her needs. A key difference from the Swedish model is that the perceived value appears in the ACSI. This perceived value is relative for the consumer, not necessarily related to the paid cash value, in other words the price will not be the determinant for the customer in the course of a following purchase decision, rather the extra benefit which the product could generate for him/her. The perceived value serves as the scale of quality which could change depending on how important the given good is for the customer. These all could generate satisfaction, which leads to customer loyalty, namely the customer will be loyal to the product/service and will purchase in the future as well, even with different prices (price tolerance). In case the consumer is not satisfied, he/she will have complaints in connection with the product/service [WWW 2, WWW 3]. In the methodology description of creating the index, the primary goal to estimate the effect of the ACSI to the customer loyalty was mentioned, which plays an important role in the course of the companies’ present and future business performance. The index is adaptable in several fields, like in the private sector, in the industrial sector (considering the product and the service quality as input factor), government agencies (including governmental services), and nonprofit organizations (in their case the aim is to gain the consumer trust) [American…, 2005].

After the creation of the American Customer Satisfaction Index, an index was established in Europe that measures the consumer satisfaction as well. The aim of the European Customer Satisfaction Index (ECSI) is to describe the consumer behavior, the measure and description of the satisfaction, which could help to companies to correct their performance. The index could be used in different sectors, moreover it is appropriate to compare sectors and countries as well [Cassel and Eklöf 2001]. The index was later renamed to European Performance Satisfaction Index (EPSI), the change referring to this performance-based examination as well. Compared to the ACSI, certain changes were implemented into the model: On one hand image got into the model as a latent variable which influences the customer expectations and the loyalty. On the other hand the occurrence frequency of complaints as the effect of the satisfaction was evicted from the model [WWW 5].

The Norwegian Customer Satisfaction Barometer (NCSB) took the former satisfaction models into consideration, but at the same time it carried out significant innovations creating the new model. Instead of the previously appearing value, they included price, while instead of the customer expectations, the corporate image got inserted into the model as a consequence of satisfaction. The latter means they measured of the corporate and brand image related customer perception. The corporate image and the loyalty represents the relationship commitment. The model includes the direct effects of the price on loyalty, furthermore includes complaint handling, which has an effect to the loyalty and the satisfaction as well [Johnson et al. 2001].

Kano [1984] created a model, which was completely different from the previous models to examine consumer satisfaction. The multi-dimensional model shows the single
factors, depending on satisfaction and execution, altogether sorted into five categories. The model highlights that not every factor, product characteristic means the same satisfaction for the consumer [WWW 1]. The single factors contribute in a different way to consumer satisfaction, namely they could have asymmetrical effects [Marien 2016]. One of them is the basic requirements factor which contains “must be” functions that are evident for the consumers [WWW 4]. If this element has positive performance, in that case consumers are neutral, meaning solely they are not dissatisfied, but at the same time if it is poor, its performance is negative, they will be dissatisfied. These “must be” factors are important because if the product/service does not satisfy the consumer expectations, he/she will not interested to at all [Matzler and Hinterhuber 1998]. In the case of “one-dimensional” factor the higher the performance is, the bigger the consumer satisfaction will be, and vice versa. The name of the factor points at the linear, direct proportion connection. The “attractive” factor evokes excitement, gives unexpected performance to the consumer which could generate positive reaction. The more function the product has, the more satisfied the consumer will be, at the same time having no further functions, will not make the consumer dissatisfied. Bigger satisfaction may only be generated once the product performs all the basic requirements. The “indifferent” factors (in which case is unimportant how much energy we invest in their performance) will not interest the consumers, they will be neutral towards them. These lay in the middle of the satisfaction dimension, in the break-even point of the horizontal axis. Regarding the “reverse” factors the consumers are dismissive. The best practice is to not have these factors turn up, as their presence is undesired [Walden et al. 1993, Sauerwein et al. 1996, Matzler and Hinterhuber 1998, WWW 4].

All in all, a linear connection may be found with satisfaction in the case of “one-dimensional” factors, and reversely, nonlinear connection in the case of “must be” and “attractive” factors.

MODELS IN CONNECTION WITH SATISFACTION IN THE PLACE MARKETING

In the following, the major satisfaction models from the perspective of the place marketing will be presented. The aim is to collect models which try to present the satisfaction from multiple aspects, from the point of view of local residents.

Speare [1974] approached the local residents’ satisfaction from the aspect of mobility. During the examination he found that the individual and household characteristics, the location characteristics (housing, job, neighborhood, region), and social bonds all have effect on the relative satisfaction, ultimately being responsible on resident’s consideration whether to stay or move.

Insch and Florek [2008] started out from the American Customer Satisfaction Index to delineate their own model. In the marketing literature we can distinguish between two type of satisfactions: transaction-specific and cumulative satisfaction [Bitner and Hubbert 1994]. The transaction-specific satisfaction stands for the evaluation concerning any given transaction situation [Horváth 2001]. The cumulative satisfaction means the evaluation of overall different transactions, where the entirety of the purchasing and
Consumer satisfaction in the place marketing

consuming process gets evaluated, taking the time of purchasing and consuming into consideration [Mittal et al. 1998, Horváth 2001]. The ACSI starts out from the cumulative satisfaction conception which accompanies the whole empirical process from the idea to the decision-making [Lervik-Olsen and Johnson 2003, American…, 2005, Insch and Florek 2008]. In the case of place marketing, the Insch and Florek [2008] model is important because the place attachment appears in the process as the result of the satisfaction with the place. Essentially, this is fitting to the customer loyalty appearing in the ACSI model, since anyone who is satisfied with his or her residence, will stay and the urge to migrate will not appear.

Zenker et al. [2009] examined the residents’ satisfaction according to four factors: urbanity and diversity, nature and recreation, job chances and cost-efficiency. They established the Citizen Satisfaction Index (CSI) which was formed by the 21 elements that influenced the aforementioned four factors. The urbanity and diversity covers the size and range of the offered services (e.g.: city image, wide range of cultural activities and shopping opportunities), the general atmosphere, the different cultures, the openness and tolerance of a city. The nature and recreation includes the environmental elements (rivers’, watersides’ pollution, tranquility of the place, parks, open areas and other areas for recreation and for outdoor activities. The cost-efficiency refers to the cost of living, the general price level, the availability of apartments and houses and the rental costs. Furthermore the model shows that there is connection between the satisfaction and the commitment. The reason why this is important is that if the individual is committed to the settlement, it could generate attachment which could largely increase the will to stay in the place.

Yuksel et al. [2010] approached the satisfaction from a psychological viewpoint, which was influenced by such factors like place identity, affective attachment, and place dependence. The satisfaction also influenced loyalty and its affective, cognitive, and conative aspects.

Though Sarker et al. [2012] did not create their own model but they approached the consumer satisfaction from the viewpoint of the marketing mix. The service marketing’s 7P was in their examination: product, price, place, promotion, people, process, physical evidences. In the course of the survey they examined the satisfaction of tourists, and among them local university students, towards East Lake found in the city of Wuhan, China.

Lee et al. [2012] examined the connection between festival satisfaction and destination loyalty where not only the local residents were under examination. All the while their model should also be highlighted because of their analysis on the elements. The model starts from the festival satisfaction which could influence the place attachment (place identity, social bonding, place dependence) and the destination loyalty (destination preference). The place attachment (attitudinal loyalty) is an affective element in the process, which could generate word-of-mouth, revisit intentions and destination preference, which appear as the factors of destination loyalty as conative elements. The model is important because of several reasons. On the one hand, elements, like place attachment and place identity appear in the model, which are important factors in the case of a potential resident staying process. The importance of the place identity is further enhanced by examination of other place identity models [Uzzell et al. 2002, Zenker and Petersen 2010, Marien
where satisfaction is mentioned as an important factor of place identity [Urbánne Treutz 2019]. On the other hand, the model also includes word-of-mouth as an important element in the place marketing’s marketing communication. Thirdly, it is a contradiction to the notion of some authors [Mesch and Menor 1998, Lee et al. 2012] that there is no connection between satisfaction and place attachment.

Unlike the foregoing, Adewale et al. [2018] started out from the local resident’s direct residential area in the course of the examination of their satisfaction. Their environmental psychology approach focused on the residence and its direct environment, they proceeded from the residential area’s objective factors during the research. These are the housing units’ characteristics (e.g.: housing type, number and size of bedrooms), the services in the housing units (electricity and water supplies), physical neighborhood environment (e.g.: layout of the neighborhood, communal facilities, size of open spaces, recreational facilities, general cleanliness of the environment), and social neighborhood environment (relationship with neighbors, social characteristics of neighbors, social networks in neighborhood). The socio-economic characteristics of the residents are added to these (sex, age, marital status, religious affiliations, length of stay in the residence). These all evoke subjective assessment in the individual in the case of the characteristics of the residential environment, which could generate the residential satisfaction in connection with the housing and the neighborhood environment.

Helgesen et al. [2013] examined the students’ loyalty to the town where they were studying. The satisfaction with the student town, the student town reputation, the university’s reputation and the switching costs all directly influence the loyalty towards the student town. Indirect influencing factors are the university-related antecedent, the town-related information, the town-related offerings and the town-related facility. These indirect factors are cognitive elements which influence the loyalty through intermediary variables (direct variables). The model examines the satisfaction from a different aspect than the previously discussed models. It targets the potential local residents who could ensure the future of the settlement, but all the while the model also emphasizes the loyalty towards the settlement as an effect of satisfaction, defining it as a final target aim. The presence of the reputation is an interesting factor to compare with the previous examinations. It is important, that the reputation should not only attract the students but also maintain them. The study showed that while the university’s reputation influenced the student loyalty in a positive way, the student town’s reputation, in turn, had an effect on the university’s reputation itself. These all show the importance of the reputation’s influence on loyalty. The results pointed out, that there is no direct connection between the student town reputation and the student loyalty, at the same time the student town reputation influences the loyalty in an indirect way through the university reputation. The student town satisfaction also influences the loyalty in positive way.

MEASURING CONSUMER SATISFACTION

The leaders of the settlements measure the satisfaction of local residents in connection with the place, the available services, and their expectations in many cases. To create an overall analysis we need to take the occurring aspects in the case of con-
Consumer satisfaction’s measuring into consideration. In accordance to the aggregation level, the measurement could be differentiated and undifferentiated. The factors will be measured independently in the case of the differentiated, while in the case of undifferentiated, it will be done according to a global criteria. Depending on whether a company or a consumer are asked during the measuring, we can differentiate between company oriented and consumer oriented measurements. The examination could happen in both objective and subjective manner as well. The objective measurements determine the quality of the product, which are unequivocally examinable indicators. These are such simply measurable data, that could be found from secondary research (e.g. migration rate). In the case of subjective evaluation the quality is determined by the consumer’s perception and need. In this case we can measure deficiencies which are perceived by the consumer. It has three types: feature oriented, event oriented and problem oriented measurement. During the feature oriented measurement the characteristics of a product/service are under evaluation. Through this process we can distinguish between implicit and explicit methods. The implicit feature oriented method does not directly and consistently examine the consumer satisfaction, while the explicit method does it in a straight forward manner. The latter is based on the disconfirmation paradigm, where the consumer compares his/her expectation with a standard, which could be an idea, an expectation, or a norm. The explicit method could be conducted in a previous (ex ante) and post (ex post) manner. The multifactor measuring method, the punishment – award analysis, the conjoint analysis, the decomposition method, and the reservation price method are feature oriented methods. In the case of the event oriented method the contact points between the consumer and the company, such as the experiences and the situations are in the focus, while in the case of problem oriented method focuses on the difficulties. Event oriented methods are the sequential event method, the critical event technic, and the story based method. Problem oriented methods are the problem solving method, the frequency – importance analysis and the complaint handling [Bruhn and Murmann 1998, Hofmeister Tóth et al. 2003, Bohnné Keleti 2005] (Table 1).

### TABLE 1. The systematization criteria to the quality and satisfaction measurement

<table>
<thead>
<tr>
<th>Criteria</th>
<th>The base of the measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregation level</td>
<td>differentiated</td>
</tr>
<tr>
<td></td>
<td>undifferentiated</td>
</tr>
<tr>
<td>Perspective</td>
<td>customer oriented</td>
</tr>
<tr>
<td></td>
<td>company oriented</td>
</tr>
<tr>
<td>Evaluation</td>
<td>objective</td>
</tr>
<tr>
<td></td>
<td>subjective</td>
</tr>
<tr>
<td>Method</td>
<td>feature oriented</td>
</tr>
<tr>
<td></td>
<td>event oriented</td>
</tr>
<tr>
<td></td>
<td>problem oriented</td>
</tr>
<tr>
<td>Dimension</td>
<td>one-dimensional</td>
</tr>
<tr>
<td></td>
<td>multi-dimensional</td>
</tr>
</tbody>
</table>

Source: Bruhn and Murmann [1998].

The satisfaction models in connection with place marketing were examined according to the criteria in the Table 2.
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Name of the model</th>
<th>Elements of the model</th>
<th>Previous models, studies</th>
<th>Main orientation</th>
<th>Perspective</th>
<th>Evaluation</th>
<th>Method</th>
<th>Dimension</th>
</tr>
</thead>
</table>
| Speare [1974]  | Model for the First Stage of Mobility Decision-Making: The Determinants of Who Considers Moving | – the individual and household characteristics  
– the location characteristics (housing, job, neighbourhood, region)  
– social bonds  
– relative satisfaction  
– considering moving | moving models, studies | moving | customer | subjective | event oriented | multidimensional |
| Kano [1984]    | Kano-model                                              | – “must be”  
– “one-dimensional”  
– “attractive”  
– “indifferent”  
– „reverse” | satisfaction execution | satisfaction | customer | subjective | event oriented | multidimensional |
– perceived quality  
– customer satisfaction  
– customer complaints  
– customer loyalty | loyalty | loyalty | customer | subjective | event oriented | multidimensional |
– perceived quality  
– perceived value  
– customer satisfaction  
– customer complaints  
– customer loyalty | Swedish Customer Satisfaction Barometer (SCSB) | loyalty | customer | subjective | event oriented | multidimensional |
– customer expectations  
– product quality  
– service quality  
– perceived value  
– customer satisfaction  
– customer loyalty | American Customer Satisfaction Index (ACSI) | loyalty | customer | subjective | event oriented | multidimensional |
| Insch and Florek [2008] | Model of resident place satisfaction                    | – residents’ expectations  
– perceived quality  
– perceived value  
– place satisfaction  
– place attachment | American Customer Satisfaction Index (ACSI) | consumer’s experiences, expectations | customer | subjective | event oriented | multidimensional |
<table>
<thead>
<tr>
<th>Authors</th>
<th>Study Title</th>
<th>Factors</th>
<th>Customer Focus</th>
<th>Event Oriented</th>
<th>Multidimensional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zenker et al.</td>
<td>Citizen Satisfaction Index (CSI)</td>
<td>urbanity and diversity, nature and recreation, job chances, cost-efficiency, satisfaction, commitment</td>
<td>local resident</td>
<td>customer</td>
<td>subjective</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>event oriented</td>
<td>multidimensional</td>
</tr>
<tr>
<td>Yuksel et al.</td>
<td>Relationships among attachment, satisfaction and loyalty</td>
<td>place identity, affective attachment, place dependence, satisfaction, cognitive loyalty, conative loyalty, affective loyalty</td>
<td>psychological factors</td>
<td>customer</td>
<td>subjective</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>event oriented</td>
<td>multidimensional</td>
</tr>
<tr>
<td>Lee et al.</td>
<td>The festival satisfaction final structural model</td>
<td>festival satisfaction, place attachment, place identity, place dependence, destination loyalty, word-of-mouth, word-of-mouth, destination preference</td>
<td>Jorgensen – Stedman [2001]</td>
<td>festival visitors</td>
<td>customer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>subjective</td>
<td>event oriented</td>
</tr>
<tr>
<td>Sarker et al.</td>
<td>No own model</td>
<td>product, price, place, promotion, people, process, physical evidence</td>
<td>marketing mix, service marketing’s 7P</td>
<td>marketing mix</td>
<td>customer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>subjective</td>
<td>event oriented</td>
</tr>
<tr>
<td>Helgesen et al.</td>
<td>Student town loyalty</td>
<td>university college reputation, student town reputation, student town satisfaction, switching costs</td>
<td>National Consumer Satisfaction Indexes (NCSI models)</td>
<td>potential residents</td>
<td>customer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>subjective</td>
<td>event oriented</td>
</tr>
<tr>
<td>Adewale et al.</td>
<td>Residential satisfaction</td>
<td>housing units’ characteristics, services in the housing units, physical neighbourhood environment, social neighbourhood environment</td>
<td>environmental psychology, residential environment</td>
<td>customer</td>
<td>objective</td>
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<td></td>
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Source: the Author.
CONCLUSIONS

All in all, we can state, that the satisfaction plays an important role in the examination of settlements. We may find the basis of the general satisfaction models in the models which examined the local residents. Such was the concept of the Insch and Florek [2008] model, which was based on the American Customer Satisfaction Index, or the European Customer Satisfaction Index which mentioned image as an influencing factor, which returned in the form of reputation in the model outlined by Helgesen et al. [2013]. Different viewpoints revealed themselves in the models, and as a result of their examination we can state, that these models conduct their processes mostly through subjective methodology, where the analysis of consumer expectations and the received service (satisfaction with the place) appears in almost every occasion. We may examine the satisfaction from multiple aspects (e.g.: physical environment, social bonds, settlement’s facilities, offerings), that make an appearance in most models, but at the same time we can find such cases where unique factors may also appear, like reputation or the elements of the 7P. Multiple models show that satisfaction may be interconnected with place attachment [Insch and Florek 2008, Yuksel et al. 2010, Lee et al. 2012], place identity [Yuksel et al. 2010, Lee et al. 2012] or with loyalty [Yuksel et al. 2010, Helgesen et al. 2012, Lee et al. 2012] which is also linked to place attachment. Collecting these factors could generate a basis to design a resident-satisfaction model in the future.

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Summary. The consumer satisfaction is under perspicacious examination, where the basic models will be presented in connection with consumer satisfaction. The study will also touch on the satisfaction models in the place marketing. One important target group of the place marketing is the local residents, and it is becoming more and more important to maintain them, and gain new potential residents. In case satisfaction emerges in the residents, we can maintain them locally, creating a loyal consumer group. Reputation or having personal experiences towards local events or tuition institutions could be extremely important for potential local residents, which may further build the positive image towards the settlement. These expectations and obtained values will also be compared by the consumer, ultimately making him/her satisfied or dissatisfied. The measurement criteria of these models will be assessed, which will be used to summarize all examined models in a table accordingly.

Key words: consumer satisfaction, place marketing, models

JEL: M310

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