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The customer is always right: Improving the customer entitlement inventory

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Retailers put a great deal of effort into optimizing the in-store experience they offer. They want to make sure that the retail experience meets their customers' needs and expectations, and that they are spending resources wisely. To do this, they need accurate ways to measure and assess the priorities and preferences of the customers who visit their stores.

To help this endeavor, marketing and psychology researchers H.C. Boyd and J.E. Helms proposed the concept of customer entitlement, which they defined as "the extent to which a customer expects special treatment in retail environments."

Customer entitlement reflects an individual customer's sense of being special and deserving of immediate attention, or her feeling that a store she chooses should comply immediately with her needs.

Messrs. Boyd and Helms also developed the Customer Entitlement Inventory (CEI), a tool for gauging customer entitlement.

The CEI is a set of nine declarations that customers read and then rate their agreement on a seven-point scale ranging from "strongly disagree" to "strongly agree." It includes statements such as "In this modern age of technology, I should be able to ask a salesperson any question and have it answered instantly," "I desire absolute empathy from a store clerk when I have a problem," "I absolutely believe in the saying the customer is always right," "In some real sense, I feel that a store's personnel should cater to my every whim," "As a valuable customer, I have earned the right to deal exclusively with a store's most talented staff members" and "I don't care if a store clerk is a rookie, he or she ought to know how well a given product works."

The result of the CEI is a single number that, in theory, represents the level of the respondent's level of entitlement.

Customizing customer service

Firms who use the CEI can assess the level of customer entitlement in their target market, allowing them to tailor the retail experience to suit.

Customers' sense of entitlement has a direct influence on their expectations, which in turn determines their satisfaction or dissatisfaction with a particular retail experience.

Falling short of expectations could result in customers becoming assertive or even aggressive, which damages sales if other customers see them behaving in this negative way.

However, special treatment can be equally damaging if it generates feelings of discrimination or a sense of being neglected among non-privileged customers. It can even have a negative impact on the privileged customer themselves.

Some feel embarrassed if they are given special treatment in front of other shoppers, while others feel indebted to

the firm, which spoils the advantages they are given.

The CEI tells retailers what sort of treatment their customers expect, so they can get the balance right in terms of the service they provide. They do not want to spend too much money over satisfying less profitable customers. Nor do they want to under-satisfy the more valuable shoppers.

Instead, they want to use their resources as effectively as possible, using the most efficient means of communication and selecting the employees who are most likely to be able to satisfy the customers with whom they deal.

Give customers the "I am special" feeling

We wanted to discover how well the CEI functioned in this task, so we tested it on 203 French shoppers. But our experiment did not replicate the results that Messrs. Boyd and Helms found in their earlier study.

We found that the data we gathered suggested a problem with the CEI.

When we analyzed our data statistically, it did not bear out a simple, one-dimensional relationship between customer entitlement and a single CEI number. Instead, it suggested that customer entitlement had two factors that it was bi-dimensional.

Following further analysis, we discovered that the first five statements in the CEI describe demanding customers, while the other four describe intransigent customers.

Demanding customers are those who expect top-quality service, while intransigent customers are those who are intolerant or impatient when faced with problems.

However, this bi-dimensional picture is still not complete.

Psychological researchers have established that entitlement is partly about a sense of distinction, superiority or special treatment.

Those who feel entitled are convinced that they deserve something more or better than other people are getting.

So it follows that any measure of entitlement should assess whether people feel this way.

We realized that only one of the statements in the CEI embodied a sense of distinction ("as a valuable customer I have earned the right to deal exclusively with a store's most talented staff members"). The rest reflect an expectation of good service in general, not better or special service for the individual respondent.

So the CEI, in its present form, does not capture the "I am special" aspect of customer entitlement, just the "I expect good service" aspect.

However, our results might have reflected specific aspects of the French culture or consumer mindset.

So we retested the CEI with a sample of 210 US shoppers, this time with four new statements, verified by experts and designed to assess the distinction component of consumer entitlement.

The new statements included, "I don't like feeling like an average customer" and "I like to have privileges other consumers do not have."

Just as in the French sample, the pattern of demand and intransigence emerged, proving that this was not specific to French shoppers.

However, following analysis, the U.S. data also supported the third factor we had identified: the idea of distinction.

So this result showed that cultural factors do not affect the validity of the three factors.

DEMAND, INTRANSIGENCE and distinction are likely to be the three key factors in customer entitlement anywhere in the world. It also confirmed that our revised version of the CEI was a better measure of customer entitlement than the original.

Our improved version of the CEI will help marketers to understand consumers' reactions to their customer-service initiatives more clearly, so they can focus their efforts and target their resources where they will do most good.

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