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# An Assessment of Millennial Generation Customer Satisfaction in the Industrial Business-to-Business Market Sector

**Dr. Rod Flanigan**

**Dr. Gregory Benson**

**Mr. Dale Porter**

## ABSTRACT

Existing research on customer satisfaction is often positioned within the consumer goods market segment. Customer satisfaction in the industrial products, business-to-business (B2B) market is much less researched and understood. As the millennial generation continues to enter the workplace, an entirely new level of B2B customer expectations should be considered, examined, and met. Using qualitative research methodology, this study examines the perceptions of industrial product distributors, as well as their B2B millennial customers, as they relate to customer satisfaction. The results of the study revealed that millennial customers want to work with industrial distribution companies that are easy to do business with. The notion of "ease of doing business" is more than just having good product quality or good service; it reaches across all boundaries of B2B customer interaction. As the millennial generation continues to enter the workforce, expectations change. Millennials expect a "digital" kind of performance in the workplace. Antecedents to customer satisfaction for the millennial generation include real-time information for everything from product pricing, delivery, inventory, product specifications, and problem solving. Failure to recognize these B2B, millennial generation customer expectations may result in lower customer satisfaction and may ultimately impact customer loyalty. This study helps to further understand B2B, millennial generation customer expectations of the industrial distribution market.

## INTRODUCTION

While there has been interest in the B2B customer satisfaction paradigm for decades, customer satisfaction is not static. As markets, products, buyers, technology, and cultures continue to evolve, so, too, do the requirements for B2B customer satisfaction. Furthermore, as the quality, reliability, and availability of globally manufactured industrial products continues to improve and filter down to the local level, it becomes increasingly difficult to differentiate an industrial distribution company's value proposition based solely on product differentiation, quality, reliability, and/or availability. The intersection of improved product quality, reliability, and availability, combined with the blurred lines that vendor reduction programs, JIT inventory requirements, and the constant pressure to lower prices places an even greater emphasis on the role of customer satisfaction in attracting and retaining customers in the industrial products market sector.

It is generally understood in consumer markets that positive customer satisfaction is a meaningful determinant of customer loyalty, and repeat sales (Fornell, Johnson, Anderson, Cha, & Bryant, 1996). Understanding that the customer satisfaction construct provides meaningful insight into customer loyalty and buying behavior (Ravald & Grönroos, 1996), practitioners and researchers, alike, continue to seek further understanding and clarity into the concept of customer satisfaction. But are consumer markets, and associated customer satisfaction in those markets, similar to B2B markets for industrial products? Ongoing research has shown that satisfaction in the consumer market is far different than that in the business-to-business market (Homburg & Rudolph, 2001; Oliver, 2010). Gross (1997) suggested that the satisfaction paradigm in a consumer market is nothing like a business-to-business market and should be replaced with a value construct that is a better gauge of outcomes in a business environment.

According to recent population projections by the United States Census Bureau, in the United States alone the millennial generation, otherwise known as Gen Y, born between 1981-2000, reached an estimated 75.3 million people in 2014, surpassing the population of Baby Boomers, born between 1946-1964 (Fry, 2015). Millennials will make up 50% of American workforce by 2020 (Ismail & Lu 2014; Lynch, 2008) and will have a large influence on purchasing decisions. The drastic

change in workplace demographics resulting from the influx of millennial generation workers that has already occurred, will have a significant impact on B2B transactions and perceptions of customer satisfaction. Millennials are more engaged in current media outlets, which suggests that “new media will become even more integrated into work processes” (Bott, Faulk, Guntupalli, Devaraj, & Holmes, 2011, p. 98).

The millennial generation has grown up in the digital age; they are accustomed to searching, sharing, and acquiring information from the internet (Khan, 2009). Millennials who grew up on cell phones and social media sites, comfortable with all forms of technology, are quick to research product quality, features/benefits, availability, and price of consumer products prior to purchase (Bleedorn, 2013). As the largest consumer group in the history of the United States, their presence will have a profound impact at all levels of the supply chain (Kim & Ammeter, 2008). Since buying habits developed as retail consumers often carry over to the workplace, it is reasonable to expect that the technological expertise of the millennial generation will significantly influence marketing strategies for many companies (Hanford, 2005; Valentine & Powers, 2013).

Today, a growing number of purchasing professionals prefer to use the internet as a quick, easy source for searching and acquiring material. These purchasing professionals want to have full access to product pricing and availability, to have the ability to place orders quickly, and to efficiently check the status of existing orders. Industrial distributors, however, have taken much longer than other markets to meet the demands of purchasing professionals. In a recent survey of industrial distributors, it was found that 90% of these companies purchase materials online, while only 56% of the same companies generate web-based revenue (Industrial Distribution, 2016). These antecedents to customer satisfaction are illustrative of the changing dynamics in understanding the role of customer satisfaction in establishing competitive advantage (Kim & Ammeter, 2008).

This research is positioned within the industrial, business-to-business industrial products market sector. Industrial products may include everything from machine tools, to construction related products, to automation/motion control products, to power transmission products, and other

associated products. Many manufacturers of industrial products go to market through industrial distributors, who are experts in their local markets. These industrial distributors continue to look for ways to gain a competitive advantage on others with similar products. As the millennial generation continues to enter the workforce, their presence will have a guiding influence on how industrial distributors meet customer needs. The purpose of this study was to gain a better understanding of how millennial aged customers in the industrial products, B2B market sector view customer satisfaction as it relates to industrial, B2B products and services. Based upon findings from this study, a new B2B industrial customer satisfaction conceptual model is proposed.

### LITERATURE REVIEW

Customer satisfaction has become a fashionable research topic over the past several decades. The customer satisfaction construct has been widely debated, researched, and discussed by both scholars and practitioners, and in the process numerous customer satisfaction models have been proposed. Examples of customer satisfaction definitions include:

- A post-purchase evaluation of product quality given pre-purchase expectations (Kotler, 1991).
- Favorability of the individual's subjective evaluation (Westbrook, 1980).
- Summary of a psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience (Oliver, 1981).
- Satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, included levels of under- or over-fulfillment (Oliver, 2010).

The topic of customer satisfaction crosses all boundaries of culture, market segments, products, business models, and generations. Millennial generation consumers have added to the level of complexity in the customer satisfaction models. Millennials are known to be self-sufficient and

independent (Williams & Page, 2011). They are comfortable with technology, using their smart phones and other devices to conduct business, not because they want to necessarily avoid human interaction, but perhaps most importantly because they want to save time and avoid human error (Mayock, 2014). Understanding the determinants to customer satisfaction for these millennial customers is becoming increasingly important as greater numbers of millennials enter the workforce.

Historically, research has found that as markets become more competitive, greater emphasis is placed on customer satisfaction as a means of competitive advantage (Anderson, Fornell, & Lehman, 1994). Customer satisfaction constructs play an important and visible role in the development of marketing strategy for many companies (Eggert & Ulaga, 2002). The literature generally accepts such satisfaction constructs as strong predictors of customer behavior for the intention of repeat purchasing of products and services, as well as customer loyalty (Liljander & Strandvik, 1995; Ravalid & Grönroos, 1996).

Tikkanen, Alajoutsijärvi, & Tähtinen, (2000) considered B2B relationships, as well as other contextual components, in the evaluation of customer satisfaction in a business environment. They found that customer satisfaction in an industrial buyer-seller setting was influenced not only by the relationship between the salesperson and the buyer, but also by the relationship factors between other departments within the organization. Homburg and Rudolph (2001) pointed out that there was no comprehensive customer satisfaction data specifically targeted at the industrial market segment. The very complex nature of the customer/supplier relationship in the industrial marketplace is difficult to operationalize. Not only are there personal consumer behavior perceptions, but there are also corporate policies to contend with. Reliance upon single item measures is simply not comprehensive enough to gauge overall customer satisfaction in an industrial market setting (Andreassen, 2000; Qualls & Rosa, 1995). The literature demonstrates that customer satisfaction is a very complex network of internal and external relationships that may include relationships within all organizational levels of the business-to-business supply chain.

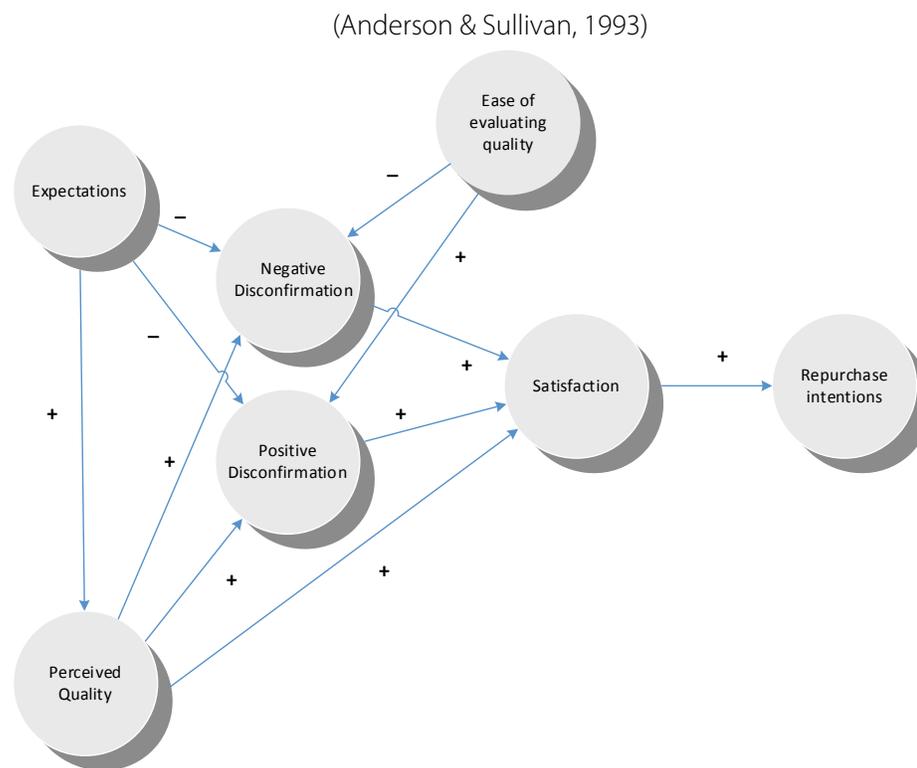
Hakansson (1982) was among the first to recognize the importance of the customer/supplier relationship in the industrial marketplace.

Hakansson (1982) stated that:

“In industrial marketing settings, the relationship between buyer and seller is frequently long term, close and involving a complex pattern of interaction between and within each company. The marketers’ and buyers’ task in this case may have more to do with maintaining these relationships than with making a straightforward sale or purchase.”

Much of the customer satisfaction research has been heavily influenced by the disconfirmation paradigm (Oliver, 1980; Parasuraman, Zeithaml, & Berry, 1985). The disconfirmation paradigm suggests that a customer’s level of satisfaction is developed overtime and is a result of a comparative analysis, whether quantitative or anecdotal, based, in part, upon a particular level of expectation. Common antecedents to customer satisfaction are perceived quality, expectations, relationships, performance, and disconfirmation of expectations (Szymanski & Henard, 2001). Figure 1 represents an analytical framework showing the interdependent relationship of the components of the expectancy-disconfirmation paradigm (Anderson & Sullivan, 1993). Oliver (1980) described the expectancy-disconfirmation process as one where a customer has developed their expectations based on prior experience, then their acquisition of the product reveals a certain perceived quality, and finally the perceived quality will either confirm or deny the customer’s original expectations. When a product and/or service meets the customer’s expectations, the customer is positively satisfied, and when the same product and/or service does not meet the customer’s expectations, it is negatively disconfirming. Furthermore, if the product and/or service exceeds the customer’s expectations, it is positively disconfirming to the customer.

FIGURE 1: SATISFACTION AS A FUNCTION OF PERCEIVED QUALITY AND DISCONFIRMATION



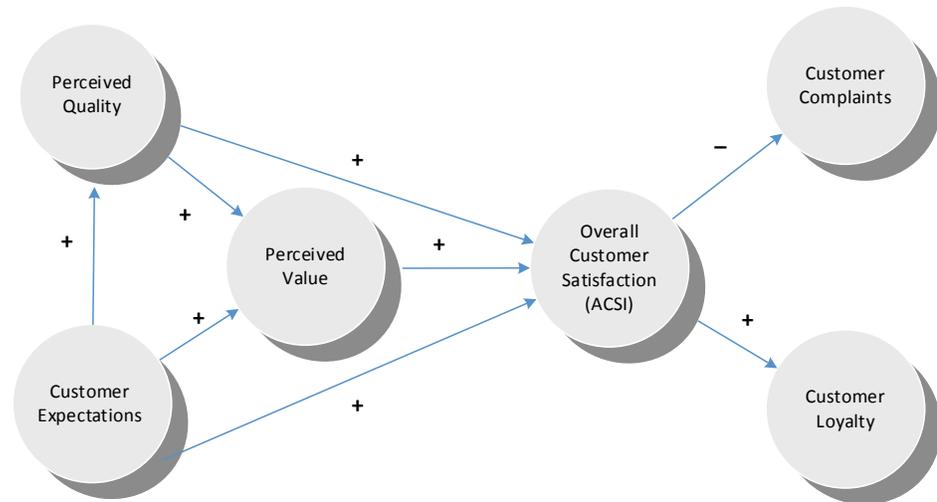
At about the same time, Davis (1989) developed what is known as the Perceived Ease of Use (PEU) model. Davis (1989) defines PEU as “the degree to which a person believes that using a particular system would be free of effort”, and that the PEU, combined with the perceived usefulness of the technology, will correlate to increased computer usage. While this model was developed specifically to determine computer user behavior, the notion of perceived ease of use has transferred into other customer satisfaction models.

Informed, in part, by the aforementioned disconfirmation paradigm, Fornell et al. (1996) developed the American Customer Satisfaction Index (ACSI). This model builds on the disconfirmation theory, as well as the notion proposed by Anderson et al. (1994) which stated that overall customer satisfaction is directly related to a company’s past, present, and future performance. As shown in Figure 2, the ACSI model identifies a customer’s perceived quality, perceived expectations, and perceived value as the primary sources for overall customer satisfaction. Anderson et al. (1994)

suggested that “this predictive role of expectations also suggests that it should have a positive effect on overall customer satisfaction.” The ACSI model suggested that customer satisfaction was a significant contributor to customer loyalty. In other words, when customer expectations are met in a positive fashion, there is an increased likelihood of greater customer loyalty.

**FIGURE 2: THE AMERICAN CUSTOMER SATISFACTION INDEX (ACSI) MODEL**

(Fornell et al., 1996)



Shoemaker and Bowen (1998) state that the best way to understand customer expectation is to ask them about their wants and needs. To acquire knowledge about the millennial customer in the B2B industrial products market segment, the authors interviewed millennials in the industrial distribution marketplace to assess their determinants of customer satisfaction.

### PURPOSE OF THIS PAPER

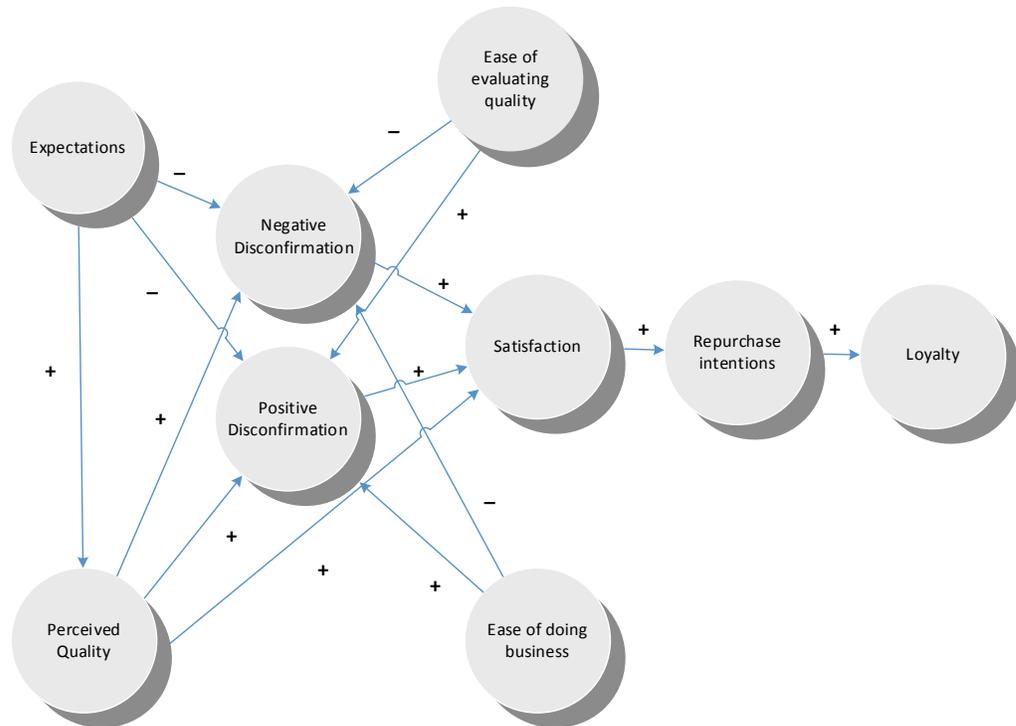
Expanding on the Davis (1989) PEU model, Anderson and Sullivan (1993) redefined the disconfirmation construct (Figure 1), to include “the ease of evaluating quality as an important moderating influence on the extent of disconfirmation.” Building on the work of both Anderson and Sullivan (1993), as well as that of Fornell et al. (1996), a new conceptual framework is proposed by the authors of this study that will accommodate millennial generation purchasing behaviors within the industrial B2B market sector. Just as Anderson and Sullivan (1993) suggested that the ease of evaluating quality can act as a moderating influence on satisfaction, the authors propose

that the “ease of doing business” can have a similar moderating influence on B2B millennial customer satisfaction, leading to customer loyalty and repurchase intentions. This notion of “ease of doing business” includes the answer to such questions as:

- How easy is it to navigate the company website to gather product information?
- Are product drawings easily downloaded to engineering drawings?
- How easy is it to place orders online?
- How easy is it to return products?
- How easy is it to get product delivery information?
- How easy is it to get technical product support?

Cunningham and Roberts' (1974) seminal work in the field of customer satisfaction found that convenience and reliability factors such as technical solutions to problems, quality control, operator training assistance, access to manufacturing facilities, and quotations helped to improve customer satisfaction in an engineering environment. When weighing these factors, as well as others, customers generally understand that convenience factors are aimed at simplifying work processes, while reliability factors generally help to reduce risk (Zolkiewski, Lewis, Yuan, & Yuan, 2007). While the Cunningham and Roberts (1974) study illustrated the importance of the aforementioned convenience factors, it could not factor in the emergence of new technology and the expectations of the millennial buyer. Just as Figure 1 shows how the ease of evaluating quality can lead to greater disconfirmation, both positive and negative, Figure 3 demonstrates how ease of doing business may also lead to greater customer disconfirmation, either positive or negative.

FIGURE 3: PROPOSED NEW ANALYTICAL FRAMEWORKS FOR CUSTOMER SATISFACTION



As technology evolves, dependence on that technology may influence expectations. Davis (1989) developed the Technology Acceptance Model (TAM) which attempts to provide a causal relationship between perceived usefulness and perceived ease of use regarding computer use and adoption. What they found was that “all else being equal... an application perceived to be easier to use than another is more likely to be accepted by users” (Davis, 1989). The digital age has certainly created a new level of customer expectations in both the consumer market, as well as the B2B industrial market.

The authors believe that millennial customer satisfaction criteria should be established for the industrial, business-to-business market sector. This study seeks to develop a conceptual framework for establishing such criteria by answering the following research questions:

- How do distributors engaged in industrial, B2B sales view the satisfaction level of their millennial customers?
- What customer satisfaction factors do B2B millennial customers consider important when doing business with industrial distributors?

## METHODS

With regard to the use of qualitative case studies, Merriam (2014) noted that “the decision to focus on qualitative case studies stems from the fact that this design is chosen precisely because researchers are interested in insight, discovery, and interpretation rather than hypothesis testing.” The authors were interested in gaining new insight associated with millennial customer satisfaction in the industrial, business-to-business market sector and considered the qualitative research approach to be the appropriate research method due to the nature of the research questions being considered.

## DESIGN

Purposeful and convenience sampling strategies were used in this study to gain an understanding about the key factors influencing millennial customer satisfaction and loyalty within the industrial, business-to-business market sector. Merriam (2014) explained that the use of purposeful sampling was appropriate, because “purposeful sampling is based on the assumption that the investigator wants to discover, understand, and gain insight and therefore must select a sample from which the most can be learned.”

For purposes of this study the researchers chose to survey companies that were actively involved in recruiting students from an Industrial Distribution program at a Midwestern university. The researchers chose to limit the study to this specific population of companies because these companies provided a good cross-section of products represented in the industrial, B2B market sector. After the Institutional Review Board (IRB) approval was received from the host institution, interviews were conducted with employees from 17 industrial business-to-business distributors and a collective total of 36 of the industrial distributors’ customers. The industrial business sectors represented in this study by the business-to-business distributors and their customers included: electrical, fluid power, power-transmission, fasteners, and building supplies. Customers interviewed for this study were 100% male, which is consistent with the male dominated industrial product market sector, as defined by the U.S. Department of Labor (U.S. Department of Labor, 2010). Thirty-six of the industrial distributors’ customers were interviewed for this study, of which

31 of the customers (86%) were within the millennial age range. For purposes of this study only the responses from the 31 millennial age customers were used. Companies included in this study were selected based on the following criteria:

- All products sold by the company were associated with the industrial, business-to-business market sector. Products sold included commercial and residential construction related products, industrial MRO supplies, automation/motion control products, and other related industrial products market sector. Products sold included commercial and residential construction related products, industrial MRO supplies, automation/motion control products, and other related industrial products.
- Each company had hired, or would be hiring, students graduating from the Industrial Distribution program at the Midwestern university.
- At least three of the company's customers indicated a willingness to participate in the study.
- Industrial sector customers were either original equipment manufacturers (OEM's) or they were maintenance, repair, and operations (MRO) accounts.
- All industrial sector customers were recommended by the participating industrial, business-to-business companies.

### **DATA COLLECTION AND ANALYSIS**

The collection and analysis approach used involved three distinct, but interrelated steps: data collection, data management, and data analysis. The interview protocol used for data collection was designed to be flexible to allow adaptation to needed changes in interview questions, interview sites, and interview situations (Creswell, 2012). The same interview process was used for all industrial, business-to-business company interviewees beginning with an initial set of scripted, open-ended interview questions. Likewise, the interview process for all customer interviews was the same, beginning with a set of scripted, open-ended interview questions. Following is an example of interview questions used to collect data:

Sample of questions to the 17 industrial distributors:

- How clear is your message to your customers about converting products and services into customer solutions, and how do you do that?
- How effective are you in delivering your value proposition message to your customers?
- How do you communicate value and performance versus price to the customer?
- How does your company differentiate itself from your competition through your customer support?
- What are your key performance indicators, and how do you use these indicators to improve your business purpose performance?

Sample of questions to the 36 customers of the industrial distributors:

- How, or what, does your distributor do that distinguishes them from their competition?
- What are the advantages and disadvantages of doing business with this distributor?
- Is the distributor's value proposition message clear to you in how you can best use their products and services to serve your needs?
- How knowledgeable are the distributor's employees that assist you?
- Are you satisfied with the distributor's performance in satisfying your needs?

Follow-up probing questions were used on an as-needed basis to clarify responses to the scripted questions for both interview groups. Interviews were conducted either face-to-face or by telephone.

Data management was the second step of the process. This step allowed the researchers to organize and retrieve data efficiently. While a data management system is often unique to the thought process of the researcher, it must allow data to be labeled and inventoried in a manner that is consistent for all sources of data so that information can be retrieved easily and in a timely manner (Merriam, 2014). The interview data collected for this study were manually coded using an open coding approach. The goal for using open coding is to build a descriptive, multi-dimensional preliminary framework for later analysis that is built directly from the raw data, which ensures the validity of the work (Khandkar, n.d.). Open coding was used by the researchers to

break down information collected from each of the interviews into individual “concepts” so that all the interview data can be examined more closely and compared for similarities and dissimilarities. Concepts are abstract representations of events, objects, actions, or interactions that are included in the information and they allow the researcher to group similar concepts from each interview together in order to gain a better understanding of the collective information on what is taking place. Different concepts from each interview were then marked with an identifying label or ‘code’ to identify them for additional analysis. Once all the data was initially coded, the researchers reviewed and evaluated all of the coded information to identify similarities in the coded data. As similar information was identified from different interviews, similar coded data was grouped together.

The final step of the process involved “consolidating, reducing, and interpreting what people have said and what the researcher has seen and read” (Merriam, 2014). During this step, the initial response codes were examined to determine tentative data categories that “capture[d] some recurring pattern that cut across [the] data” (Merriam, 2014).

After the tentative data category listing was developed, a folder was created for each of the tentative data categories and each piece of coded interview data was then placed into the appropriate tentative data category folder. Once all the interview data had been placed into one of the tentative data category folders, the data in the folders were once again evaluated to determine if there was an opportunity to combine tentative data category folders. This activity was repeated until no further combining of tentative data folders were possible, at which point it was determined that a mutually exclusive group of categories, or “emerging themes”, had been identified. Each of the emerging themes was assigned a name that summarized the core contents within the category in a manner that would be understandable to individuals not involved with the study.

### VERIFICATION

Did the researchers get it right? In order to answer this question in the affirmative, it was essential that a validation process was in place that “assesses the accuracy of the findings, as best described by the researcher and the participants” (Creswell, 2012). Creswell (2012) emphasized that “qualitative researchers engage in at least two [validation strategies] in any given study.” To this end, the following validation strategies were used for this research:

- *Researcher Checks.* This activity required each researcher to review the interview data, independently, to ensure there were no errors in the data analysis.
- *Triangulation.* This activity involved the cross-checking of information from several interview sources to “shed light” on emerging themes and viewpoints.
- *Rich, thick descriptions.* One of the goals of this study was to understand and report the research results. By describing the results of the study in sufficient detail, it is possible to take into account the behaviors in which people were engaged and the related understandings of those behaviors in a manner that might be of value to the individuals in other distribution companies.

### **Emerging Theme 1: Industrial business-to-business companies focused on customer service versus customer satisfaction.**

Interviews were conducted with 17 B2B, industrial distribution companies. When asked about the company’s mission or purpose for being in business and how it contributed to their customer satisfaction strategy, 14 of the 17 companies were willing to respond to this question. Of the 14 company mission statements, only three companies included the phrase (or a similar phrase) “satisfy customers” in their mission statement. Phrases that occurred more than once in company mission statements were:

- Provide great customer service
- Satisfy customers
- Provide solutions for customers
- Serve customers

When asked about their corporate values and culture and how they contributed to their customer satisfaction strategy, 27 distinct activities were collected. The following are the top five activities that were most frequently included as part of their corporate culture and values:

- Encourages the development of customer relationships
- Recruits industry experience
- Promotes a family environment
- Places the customer first
- Helpful to customer

When asked about the company's business performance metrics and how they contributed to their customer satisfaction strategy, 15 of the 17 companies provided responses to this question, and 20 separate business metrics were identified from the interview data. The most frequent responses used in measuring company performance were:

- Sales growth
- Margins
- Profitability
- Order fill rates
- Commitments to customers

When asked about how the company differentiated itself from their competitors, all seventeen companies responded to the question, which resulted in 39 different activities. The following were the activities that were most frequently identified by the respondents that differentiated their company from their competitors:

- Superior technical support
- Quality products/great products
- Understand and fix customer problems
- Experienced sales support
- Availability of products/inventory
- Delivery service

**Emerging Theme 2: B2B millennial customer connection between “ease of doing business” and level of customer satisfaction.**

When B2B millennial customers were asked to identify their overall perception of their industrial business-to-business suppliers involved in this study, only five respondents specifically stated they perceived their industrial business-to-business company was committed to customer satisfaction.

Other customer perceptions receiving more than one response were:

- Company was the best value supplier
- Projected a positive store atmosphere
- Committed to customer satisfaction
- Employed knowledgeable employees
- Focused on developing customer relationships
- Employees were honest and trustworthy
- Company provided consistent service
- Provided a wide product offering
- Provided good/excellent product technical knowledge

When customers were asked what was more important to them; supplier performance, supplier value added services, or the supplier product pricing, supplier performance was the most frequent response (nearly 50 percent greater than value added services), followed by value added services, with product pricing receiving the fewest responses.

### **Emerging Theme 3: Building personal relationships between industrial B2B company representatives and their business customers.**

When asked about the company's mission or purpose for being in business and how it contributed to their customer satisfaction strategy, only one of the 14 mission statements specifically included the phrase "development of relationships with their customers".

When asked about their corporate values and culture and how they contributed to their customer satisfaction strategy, 14 of the 17 companies did not specifically mention that "building relationships with customers" was part of their company values and/or culture.

When asked about how the company differentiated itself from their competitors, only one response out of the 39 different activities provided by the 17 companies stated that their differentiation strategy included "establishing a relationship with their customers."

When asked about the company's business performance metrics, only two companies stated specifically that "developing customer relationships" was a specific expectation or metric.

When B2B millennial customers were asked to identify their overall perception of their industrial B2B suppliers' involved in this study, only three of the 31 customers specifically stated they perceived their industrial B2B company was focused on developing customer relationships.

### **DISCUSSION**

The data revealed that, with few exceptions, B2B millennial customers preferred to work with industrial distribution companies that are "easy to do business with." This finding is what led to the development of the proposed conceptual model shown in Figure 3. Based on the B2B millennial customers' interview responses, they want access to real-time shipping information, current pricing information, product availability/inventory levels, access to product specifications, and any other information required to help their business operate smoothly and efficiently. In

other words, the notion of “ease of doing business”, as demonstrated in Figure 3, is more than an industrial, business-to-business company simply having good product quality or good service; it reaches across all boundaries of customer/supplier relational interaction.

What became clear during the data analysis was that millennials had an entirely new perspective on expectations, and thus, customer satisfaction. The B2B millennial customers interviewed for this study seemed to illustrate that while the Anderson & Sullivan (1993) disconfirmation model is accurate, in terms of expectations and satisfaction, the theory may need to be modified as millennials have a new level of customer expectations. As consumers, millennials are conditioned to believe that they can go to the internet and find anything they want, when they want it, and at an acceptable price. It was discovered from the interview data analysis that personal consumer buying expectations and behavior of millennials transferred into their business workplace and the expectations and behaviors they had regarding their companies’ industrial, business-to-business suppliers was heavily influenced by their own consumer buying expectations and experiences. Many of the B2B millennial customers interviewed mentioned that one of the more significant expectations they had was to be able to purchase products from a company that was “easy to do business with.” In other words, B2B millennial customers wanted to be able to:

- Purchase needed products and services online.
- Follow-up on their orders online.
- Receive accurate and competitive pricing online.
- Receive shipping and delivery information online.
- Do all of the aforementioned tasks without having to talk with their industrial, business-to-business supplier unless they desired to. In other words, they wanted more control in the process of acquiring information and products, without having to rely upon an outside salesman to provide additional information.

As the millennial generation continues to have a growing influence on the workforce, expectations will continue to change. This generation who has grown up in a digital age, expects “digital” kind of performance in the workplace. Antecedents to customer satisfaction for the millennial generation

includes real-time information for everything from pricing, to delivery, to problem solving. In the B2B industrial products market sector, it is incumbent upon companies to understand their customers, and understand customer expectations. As the literature shows, meeting or exceeding customer expectations can lead to positive disconfirmation; this positive disconfirmation can lead to customer satisfaction; and customer satisfaction has a positive relationship with customer loyalty (Helgesen, 2006). Overall, the findings from this study seem to support the original disconfirmation paradigm.

For the authors, the notion of industrial B2B millennial customers relying less on relationships and more on technology to gather information was an interesting, and enlightening finding. While it was beyond the scope of this study to analyze why B2B millennial customers are now relying less on vendor/supplier relationships, a possible interpretation of the information could be that these customers do not have the ability or time to establish strong relationships; do not consider supplier relationships to be a strategic priority; or, may have not experienced any significant benefit in establishing a relationship with their industrial products supplier. This could be an opportunity for future research.

This study helps further the understanding of B2B millennial customer expectations in the industrial, business-to-business products market. The proposed conceptual framework, as shown in Figure 3, highlights the importance of not only having good quality products and procedures, but just as importantly all the other pieces of the organization must make it easy for B2B millennial customers to do business with an industrial distribution company.

### IMPLICATIONS FOR BUSINESS EXECUTIVES

**The Evolution of Customer Satisfaction.** There has been a lot of talk, in the literature and in the press, about the importance of product quality, customer service, customer relationships, product delivery times/schedules, and a host of other issues that affect customer satisfaction. Theoretical models have been developed to try to capture all these components of customer satisfaction. But these early models of customer satisfaction are not, and cannot be static. As markets, products, buyers, technology, and cultures evolve, so, too, do the requirements for customer satisfaction

change. Furthermore, as the quality, reliability, and availability of globally manufactured products continues to improve and to filter down to the local level, it becomes increasingly difficult to differentiate a company's value proposition based solely on product quality, reliability, and/or availability. The intersection of improved quality, reliability, and availability versus the constant pressure to lower prices places an even greater emphasis on the role of customer satisfaction in attracting and retaining customers.

It is generally understood in consumer markets that positive customer satisfaction is a meaningful determinant of customer loyalty, and repeat sales. But is customer satisfaction in a consumer market similar to customer satisfaction in a B2B market? Ongoing research has shown that satisfaction in the consumer market is far different than that in the business-to-business market. Research has demonstrated that customer satisfaction in a consumer market is nothing like a B2B market and should be replaced with a value construct that is a better gauge of outcomes in a business environment. Understanding that the customer satisfaction construct provides meaningful insight into customer loyalty and buying behavior, it is important for industrial B2B owners to understand the influence and impact of customer satisfaction with the upcoming millennial generation of industrial customers, and apply the principles to their marketing strategy.

**The Millennial Generation.** The marketing strategy of any B2B company today must take into account the millennial generation, and the industrial market sector is no exception. As the largest consumer group in the history of the United States, the presence of millennials will have a profound impact at all levels of the supply chain. The millennial generation has grown up in the digital age and they are accustomed to searching, sharing, and acquiring information from the internet. Millennials are quick to research product quality, availability, and price of consumer products prior to purchase. As consumers, millennials are conditioned to believe that they can go to the internet and find anything they want, when they want it, and at an acceptable price. It was discovered from the interview data analysis that personal consumer buying expectations and behavior of millennials transferred into their business workplace and the expectations and behaviors they had regarding their companies' industrial, B2B suppliers was heavily influenced by their own consumer buying expectations and experiences. Many of the B2B millennial customers interviewed mentioned that one of the more significant expectations they had was to be able

to purchase products from a company that was easy to do business with. Since buying habits developed as retail consumers often carry over to the workplace, it is reasonable to expect that the technological expertise of the millennial generation will, in large part, determine marketing strategies for many companies.

The interview data used in this study were of the B2B millennial customer generation. The data from the study supports the notion that the millennial generation has different expectations than those identified in previous customer satisfaction models. For example, no longer is perceived product quality, alone, enough to generate satisfaction in the industrial, business-to-business environment.

### **LIMITATIONS**

The authors recognize that the data contained herein may not be generalizable to all other market segments. Business-to-business sales of industrial products and services represent a unique market segment; therefore, the results found in this study may not apply to other markets. Some have argued that the sort of customer satisfaction surveys discussed herein only rate customer satisfaction and/or performance by existing customers, and does not take into account the opinions of past customers, potential customers, and other non-customers in the analysis (Gale, 1994). In this study, 17 industrial distributors were interviewed, along with a total of 31 of their B2B millennial customers. To gain access to these customers, the distributors recommended the customers to interview, as well as specific customer representatives. Because each customer was hand selected by the distributor, it was possible that only "good" distributor customers were identified for the interview.

### **FUTURE RESEARCH**

Based on the researchers' review of literature, little has been written about B2B millennial customer satisfaction criteria associated with industrial, business-to-business product sales. Further research may be conducted to determine if an improved awareness and understanding of B2B millennial customer behavior may be translated into an improved customer satisfaction performance of suppliers and customer satisfaction experience by B2B millennial customers in the industrial products market sector. Future research should be focused on the millennial generation and how their technological acumen affects customer satisfaction models.

## CONCLUSION

The data from this research implies that no one factor in dealing with an industrial business millennial customer determines their satisfaction. Customer satisfaction in the industrial, B2B market segment is very complex, and multi-faceted. What is clear, however, is that millennial business customers in this study prefer to work with companies that are easy to do business with. When they pick up the phone to ask for help, they expect someone to answer who is capable of helping them. These customers have neither the time, nor the interest, in establishing relationships with salespeople who cannot add value to the process. Many companies today are trying to do more, with less (people). Technology allows purchasing professionals to conduct their day-to-day business very efficiently. The millennial generation is quite comfortable conducting business via smart phones, tablets, computers, and other electronic media devices. If technology will help them to be more efficient, they will use it.

The information from this study has revealed that millennial business customers want to work with a company/supplier that is easy to do business with. This translates to companies having modern, state-of-the-art information portals wherein these customers can access all the information they need. If pricing information can be accessed on a company website, it is more efficient than having to pick up the phone and call the supplier. Millennial customers want access to real-time shipping and/or delivery information. They want to know current inventory levels, both locally and nationally. These business customers want to have product specification information readily available. The more information that is visible to a B2B millennial customer, the more satisfied that customer will be. However, it is more than just having available information. The notion of "ease of doing business" means that not only should the information be available, it should be easy to access. A supplier web site and/or customer portal must be easy to navigate.

It is clear that this sort of research is not causal, especially in light of the complexity of the customer satisfaction model in the industrial, business-to-business market sector. What we do know, from this and other related research, is that if a company is difficult to do business with, it will negatively affect customer loyalty, which affects repeat business and thus overall sales. To help gain, and retain, customers businesses must develop policies, processes, and systems that make it easy for a customer to gather information and conduct business with a supplier. This simple step will help promote customer satisfaction and loyalty.

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