

CONSUMER RESEARCH IN THE SERVICE SECTOR

R. Nagaraj¹ A. M. Suresh²

Introduction :

A number of articles in recent years have pointed out the unique features one encounters when studying the service sector. Some of these differences are in degree. For example, Stiff and Pollack (1982) point out that service business are more often apt to be of small scale and locally owned and as a consequence, service industries often have lower concentration ratios. Of relevance to the consumer behaviour researcher is the fact that services involve intangible rather than tangible attributes. For instance, rental of motel room does involve tangible factors like the temporary use of a bed, dresser, and a swimming pool plus "Permanent" consumption of tangible goods such as food and liquor, soaps and shampoos. However, one also gains access to intangibles such as ambience, location, reservation assistance and staff friendliness or competence.

Another difference between the product and service sectors of interest to the consumer behaviour researcher are differences in kind. For example, the purchase of many services involves both consumption and production on the part of consumers. "Purchase" of an education clearly requires a good deal of production on the part of the student. As students are often told, 'the more you put into a course [produce], the more you get out of it [consume]." What is crucial is that in buying such services as a movie, concert, psychiatric care or home improvement tool rental, the quality of the service can be materially affected by the consumer's own input.

Further, because many services are created in the process of consumption, this means that, by definition, they cannot be protested in advance of purchase. One typically cannot practice visiting a doctor, getting a television required, or staying at an out-of-town hotel.

Implications of Consumer Behaviour Research

The differences outlined above raise both interesting research issues for consumer behaviour theorists and specific cautions about carrying out any kind of research in these growing areas. They also suggest several interesting practical implications. We shall touch briefly on each of these characteristics in turn.

Intangible attributes

The fact that services involve features that do not have a physical counterpart

1. Faculty Member, Department of Management studies,
JNN College of Engineering, Shimoga, Karnataka, E-mail: nagarajrn@yahoo.co.in

2. HOD, MBA, Dayanad Sagar College of Management & Information Technology, Kumaraswamy Layout,
Bangalore, Karnataka, E-mail : shansur66@yahoo.co.in

means, of course, that for such features consumers cannot examine objective measurements of likely performance. As a consequence, they must rely either on the evaluations and recommendations of others – including formal consumer advisor groups – or on their own personal investigations. Where the latter is used, an interesting set of research questions then involves consumers' use of cues as surrogate predictors of performance. Basic questions to be asked are :

1. What cues do consumers in fact use to evaluate service offerings?
2. Do these cues vary significantly across service categories?
3. Do given consumers tend to use the same cues for all services or do the cues vary by service type?
4. Can consumers be segmented on the basis of the types of cues they prefer to use?
5. Do consumer' preferences for cues vary with their personality traits, past experience with the service, general confidence as consumers, education, or social class?

While these are questions that have been studied before in the product sector, their heightened salience in the service sector recommends replications of the product studies to see if important differences appear in this new context.

The importance of intangible features in service purchase decisions also makes it imperative that in any such decisions researchers learn how each consumer perceives the service offering since the nature of that offering is very much in the eye of the consumer, even more so than is the case for products. For this reason also, it may often be desirable in the analysis of the service when aggregating responses or otherwise trying to segment services and/or consumers.

Consumers as Producers

If one recognizes that consumers are involved as producers for many services, then to define the service, to predict whether it will be purchased (and from which supplier) and to understand how consumers evaluate the outcome of the transaction, one must study the consumer's role in the process. This would include, where possible, both subjective and objective measurements of this role.

Such research could have very important practical as well as theoretical implications. For example, it may be that given service suppliers may be able to segment their offering to tap new markets. For examples, traditional, auto or appliance repair outlets might set aside certain spaces or certain times of the week for those who wish to do the repair work themselves. Or alternatively, they might offer different levels of service assistance from complete hands – off through minimal guidance to complete hands-on intervention, again depending on the consumer's preferences for involvement – and possibly his or her trust in the service supplier or reactions to the supplier's schedule of charges. Such a modular approach to service offering would also seem to be applicable to home repair, home construction, and legal and medical care. In the

near term, case studies of any services now offering such modular systems and the different kinds of consumers they serve would prove particularly instructive.

A second area in which considerations of consumer involvement in service production is important is at the evaluation stage of the process. The more that the consumer is an active producer of the service; the more important is become to understand his or her perceptions of each party's relative contribution to the outcome. Again, both objective and subjective measures should be taken. For example, although a consumer may clearly have some active role in the process (e.g., education) by objective standards, it may be that he or she for whatever psychological reasons, perceives the success or failure of the outcome to be solely attributable to the supplier.

Lack of Trialability

When the consumer cannot pretest a service, the decision to purchase is probably one of the clearest cases we have of consumer risk-taking. Again, it would seem that a systematic programme of research ascertaining consumer risk-reduction strategies as they vary across consumers, services and situations would be extremely valuable from both a practical and theoretical standpoint.

To conclude, the present movement toward carving out a special interest area for services within the field of marketing suggests a number of possibilities for expanding our theories about consumer behaviour and our ability to provide practical guidance to service suppliers. In particular, the unique role of consumers in service production, the intangible character of many services and the impossibility of trial in many service situations, all require renewed attention to old issues in marketing – i.e., defining the offering, understanding the nature of the risks involved, and identifying the cues consumers use to predict performance. These characteristics also raise one important new issue – understanding how the consumer views his or her own role as it affects the overall evaluation of the outcome of the service. It is hoped that all of these topics will receive the attention to their potential contributions to the general field of marketing research.

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