

SERVICES MARKETING: AN EMPIRICAL STUDY

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This paper is addressed to the problems and potentials associated with the phenomenal growth of the service sector of the economy over the last few decades or so. Seemingly, the main body of marketing literature, with a few exceptions, has by-passed the characteristics of services marketing. A strong "goods" orientation pervades the marketing concept. Occasionally, one comes across a journal article¹ on services marketing^{2,3} which sounds like a cry in the wilderness. More recently, some marketing texts⁴ have devoted a chapter or so on services marketing. This approach seems to view "services" as an addendum to the main body of "goods" marketing and not as an integral and growing component of the common body of marketing knowledge.

The growth in the service sector incidentally, is not peculiar to the U.S. economy alone; it is a characteristic of affluent economies all over the world. In fact, the growth in services is a natural process of economic development as was recognized by Colin Clark, the famous British economist, decades ago. Therefore services marketing is worthy of study at the domestic, as well as international level.

The scope of this study is limited to identifying some of the service needs of women which have originated as a result of the following structural changes in our society:

1. Women now comprise a larger portion of the workforce than ever before.
2. More and more women are becoming single heads of households.
3. With more income for discretionary spending and fewer non-working hours, women need services which they themselves cannot or do not want to provide.

To identify the service needs of working women, a questionnaire was developed and subsequently completed by one hundred thirty one (131) working women in an affluent Northshore suburb of Chicago. It is implicit that the selection of participants was purposive rather than random.

These women have high disposable incomes and knowing what they need, want, and demand in the service area can be translated into profits for service providers. The questionnaire included a five point Likert type scale. Respondents were asked to circle their agreement or disagreement with a need for various listed services. A response of 1 indicated strong disagreement and a response of 5, strong agreement. In computing the responses only 4's and 5's were combined, since these two responses indicated strongest need and would be of most interest to entrepreneurs. Thirty six questions about various service needs was included in the questionnaire.

While it may not be profitable to service some of the expressed needs, there are several potential businesses which have a ready, willing, and able clientele.

POTENTIAL PROFITABLE AREAS:

1. A computer based use of the Transportation Model for plotting service call routes could cut the service call wait from a whole day to within a two-hour period. Any business offering such a service could immediately capture a larger share of the market from competitors. This could currently be adapted by existing businesses with service departments; or it could be a new business established to provide the computerized routing to a series of existing business with service departments. There is pent-up demand for a whole range of services offered outside the 9 to 5, Monday through Friday schemata. This includes doctors, dentists, lawyers, banks, libraries, etc.
2. There is a profitable side business available to the ailing new car dealers. To meet the need for loaner cars, these dealers could convert unsalable trade-ins to rentals for their service departments' customers. Any dealer who does this could have all the service business that could be handled. Alternatively, locating a used car rental agency in the vicinity of automobile dealers could be a profitable new business.
3. Anyone who can develop a viable alternative to existing public transportation is likely to become financially independent quickly.
4. There is a great opportunity for a new business in career and financial counseling for the new generation of career women.
5. Firms specializing in evening and weekend courses for adults should have no difficulty in attracting customers, especially as colleges and universities are closing new enrollments. The demand is there for business courses, but state universities and colleges are financially strapped. Their only alternative to decreasing state funding is to stop accepting the increasing numbers of people applying for admission, a majority of which are adults wanting to return to school.
6. The entrepreneur who can develop a computer package to allow workers in selected fields to work from their homes via remote computer terminals will create a revolution in the workplace, such as to stagger the imagination. Just imagine--no more traffic congestion, no more pollution, no more office politics! The industrial revolution will have come full circle--it began when work was removed from the home and relocated in the factories; and it can end with work now being removed from the workplace to be completed in the home.

One of the fascinating findings of this study was what women did not express need for. Only 33 of the 131 women surveyed expressed a strong need for computerized shopping. Neither did this group of women express a great need for cooking services (39 of 131). This research illuminates the changing life styles and demands of women of the 80's with incomes.