

STRATEGIC IMPLICATIONS OF DIFFERENCES BETWEEN GOODS AND SERVICES:  
AN EMPIRICAL ANALYSIS OF INFORMATION SOURCE IMPORTANCE

Joseph L. Orsini  
Loyola Marymount University

Recently, both educators and practitioners have expressed an increasing interest in the distinctive differences between the marketing of goods and the marketing of services. Despite this apparent trend toward acceptance of the marketing of services as being different from the marketing of goods, substantial doubt exists, on the part of many marketers, as to the importance of the differences. This doubt is understandable, since the vast preponderance of the literature on marketing services is conceptual in nature, and virtually none of the articles in the major marketing journals have empirically addressed the issue from the consumer's perspective. This dearth of empirical investigation is a serious shortcoming in the literature, and constitutes an impediment to progress.

The purpose of this study was to select a variety of goods and services and examine them empirically for distinctive differences between goods and services. The particular item of distinctiveness selected was the importance of different sources of information. This is relevant to consumer behavior, while also being pertinent for formulation marketing strategy. For example, the finding that consumers rely heavily on salespersons for product information would indicate adopting a marketing strategy which places a high level of importance on salesperson performance and control. In addition to the goods/services classification, other possible causes of information source importance were examined simultaneously to determine the unique contribution of the goods/services taxonomy.

Classification of the variety of sources of information available to consumers utilized the approach devised by Andreasen (1968). His five categories of sources of consumer information are:

- direct observation or experience (examining or using the product)
- impersonal advocate (advertisements)
- impersonal independent (professional articles, radio or television programs not controlled by the marketer)
- personal advocate (salespersons, clerks)
- personal independent (friends, family, associates)

Combining two of the external sources of information, personal independent and impersonal independent, constitutes the definition of "guidance sources", a term used in the following hypotheses:

- H1: Guidance sources are more important for services than goods.
- H2: Guidance sources are more important for high price type of products than for low price type of products.

- H3: Guidance sources are more important for products of high evaluation difficulty (termed experience products) and least important for products of low evaluation difficulty (termed search products).
- H4: Guidance sources are more important for infrequently purchased products than frequently purchased products.

Results of the dummy variable regression analysis indicated that guidance sources are more important for high price products than low price products, more important for services than for goods, and more important for experience products than search products. Purchase frequency was not found to be significant, perhaps because the instruction to the subjects to evaluate a new brand of the product class obviated the effect of experience with purchases of the product class.

The purpose of the exploratory research is to investigate an area with the intent of determining whether or not more detailed study is warranted. To that end, this study appears to have served its purpose. However, although correspondent results of this study were in accord with the results of previous related research, due to shortcomings with respect to subject selection (MBA students), and product selection (subjective rather than random), any findings produced are tentative.

Confirmation of these findings by more focused research would indicate important strategic implications for marketing managers of services, effecting such areas as product development and advertising. With respect to product development, the greater variability of services production (Eiglier and Langeard 1977), combined with higher word of mouth importance, indicates greater marketer concern for consumer satisfaction is warranted. The satisfied consumer may not only be a repeat purchaser, but the generator (or repressor) of additional customers. Methods for obtaining rapid feedback information on satisfaction should be developed, and production personnel should possess the capability and authority to make field changes in service production.

Services advertising has previously been addressed by Shostock (1971) who admonishes the use of highly tangible portrayals of intangible services. The results of this study would indicate the wisdom of greater use of advertising for services which follows the advise of Dichter (1966) to simulate and stimulate word of mouth communication.

#### References

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