

WHAT DO BUSINESS STUDENTS HAVE TO SAY ABOUT SERVICES MARKETING?

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ABSTRACT

This article looks at the topic of students' awareness and knowledge of the service industry and about services marketing as an academic topic. In addition interest in learning more about the subject and opinions they have about services marketing as a career path are explored. A group of undergraduate business students at one university, in a principles of marketing course, whom have not been introduced to the topic in the class are the focus of the study.

INTRODUCTION

Since the late 1970's the topic of Services Marketing has gained momentum both in terms of articles and text books written about the subject and concern expressed by many of the academicians and professionals working in service industries (Shostack 1977, Thomas 1978, Berry 1980, Levitt 1981, Enis 1981, Langeard, Bateson, Lovelock, and Eiglier 1981, Gronroos 1982, Cowell 1984, Johnson, Scheuing and Gaida 1986, Lovelock 1988, Bateson 1989, Lovelock 1989, and Berry and Parasuraman 1991). In addition a great number of universities have either introduced a separate marketing course on the topic or have integrated the subject into marketing courses currently being offered (Hansen 1987). Also in the past couple of years a few articles have discussed the need for the offering of one or more services marketing courses at either the graduate or undergraduate level at universities across the country (George 1986, Warren 1991). Finally, one set of authors has just recently discussed three possible alternatives to the introduction of service marketing into a marketing curriculum (Wedell and Kress 1992). However none of the articles, this author has read, has either looked at or addressed the opinions of business students concerning services marketing.

Because of the seemingly complete lack of research on business

students' perception of services marketing this author undertook a study to try to learn what it might be. The research plan was to look at a group of undergraduate business students who have yet to be introduced to the subject in a Principles of Marketing class. While very exploratory in nature, the results will hopefully provide some valuable baseline information concerning undergraduate business students' awareness, knowledge, and interest in learning more about the subject of services marketing and opinions they have about the field as a career path.

METHODOLOGY

The method used in this research consisted of a series of five consecutive steps.

The first step in the process of approaching this topic was to search the current literature particularly on marketing education to see if any studies on the topic had been done and reported.

The second step consisted of developing a set of guidelines for the study. With the input of the three faculty and this authors own concerns a set of research objectives was generated which were to guide the primary data collection efforts. They were as follows:

Objective 1. To determine the levels of awareness and knowledge among business students with respect both to industries that market services verses those that market products and the concept of services marketing;

Objective 2. To learn from where and how this awareness and knowledge may have arisen;

Objective 3. To ascertain the level of interest in courses and careers in services marketing; and

Objective 4. To determine if the demographic and academic factors concerning the students may have affected their awareness, knowledge and attitudes about services marketing.

The third step consisted of generating an instrument to collect the research information. The questionnaire consisted of four parts, including sections with questions addressing the four objectives listed above.

Step four consisted of the decisions concerning who should be in the sample. It was decided that it should be administered to business students who had finished their core business courses but before they got into the courses in their major beyond the principles courses. In addition, it was felt that the students needed to be questioned before they had a section on services marketing in their Principles of Marketing course.

Step five was the actual data collection. The refined instrument was administered to two large sections of a Principles of Marketing course, with the permission of the instructor, early in the semester before the instructor had assigned or discussed the chapter on services marketing. A total of 345 questionnaires were distributed at the beginning of the two class sessions and the students were given about 15 minutes to complete the questionnaire. Almost 300 were returned and then the process of identifying appropriate respondents' questionnaires began. First, all non-business majors responses (72) were eliminated; then a rough edit for completeness was done and 19 more were eliminated; and finally a more complete edit was done for a "seriousness check" of reasonable and valid answers and 7 were also eliminated. A total of 200 usable questionnaires was the result and these were coded and processed.

RESULTS

The results of the questions relating to objective one on student awareness and knowledge of services verses manufacturing industries and services marketing are presented below.

The findings to the question "What is the first name that comes to mind of an industry that markets services?" (up to five responses were permitted) provided an extremely long list. The top ten service industries presented in descending order were as follows. Personal services industry being the run away "top-of-the-mind" most frequent response with almost 80 percent of the respondents listing the industry. Lumped in this category were hair cuts, massages, manicures, tanning, and make-up among others. Next was the financial services industry with 62 percent and this included banks, credit unions, stock brokers, savings and loans to mention a few. Then restaurants with about 40 percent. The health care industry was next with 28 percent and included everything from doctors and nurses to hospitals to HMO's. The travel industry garnered 25 percent as did the public service industry category including the likes of public utility firms, police and fire departments, libraries, and schools. Next at 24 percent was the communications industry which included telephone companies, radio and TV stations, and even newspaper companies. The legal industry garnered about 22 percent. Finally the retail industry included major department store chains, convenience stores, and various other chain and independent retail outlets was tied at 20 percent with the hotel and resort industry.

To the question "Approximately what percent of all firms in the U.S. in 1991 were involved primarily in providing services?" since that figure was approximately seventy percent almost two-thirds of the students' answers were within ten percent of the correct answer.

The results of a companion question "Do you think the percent of firms involved in providing services has increased, decreased or remained the same over the past twenty years?" over ninety percent of the students gave the correct answer which is that the number of service firms have increased.

The respondents were then given standard definitions of services verses goods and services marketing and then asked two direct questions on a five point scale about the topic. When asked as to their level of awareness of services marketing, thirty-seven percent responded that they were very to extremely aware while and additional 40 percent were moderately aware. On the same line of reasoning they were also asked as to their level of knowledge of services marketing. Only eleven percent rated themselves as being very or extremely knowledgeable about services marketing 50 percent were moderately aware and 40 percent were minimally or not at all aware.

The results of the next set of questions related to Objective Two which was to determine where and how the awareness and knowledge may have been gained. That is, did they learn about services marketing in their job, in the classroom, from relatives, through casual reading or in some other way?

The first question asked was "Do they currently worked in a service industry?" Not surprisingly fifty percent said yes they did. In a companion question the remaining fifty percent were asked if they had ever worked in a service industry and eighty-three percent said yes. Therefore the combined total of those exposed to services marketing through some personal work experience was over ninety percent.

As a cross check the students were then asked to indicate in which of service industries they are or had worked. The top four industries were restaurant at 20 percent, retail at 19 percent, 16 percent with health services, banking with 10 percent and personal services at

8 percent. All other service industries listed combined represented only sixteen percent. They were also asked to indicate how long they had worked in the respective service industries and banking had the highest mean of 3.1 years with restaurants second at 2.8 years.

Next the respondents were questioned about relatives (immediate family) working in service industries. Seventy-nine percent of the respondents indicated that one or more members of their immediate family worked in a service industry. Thirty-seven percent of them said that they had a mother and thirty-three percent a father currently working in a service industry. Further, twenty-three percent had a spouse and seventy-five percent responded that they have a brother or sister currently working in a service industry.

The respondents were then asked if they had taken any marketing courses other than the one in which they were currently enrolled. Less than ten percent had and in all cases it was at another university or at a junior college. Of those, only about twenty-five percent thought they remembered hearing or learning about services marketing in the marketing classes they had taken at another university or college.

The students were also asked if services marketing was presented in any other business course and twelve percent said yes. Interesting, the only specific course mentioned was Introduction to Business, a course not offered at this institution. They were also asked if services marketing had been presented in any non-business classes and no one responded in the affirmative.

Finally, in this section, two last questions were asked about other ways they may have heard or learned about services marketing. First, sixty-nine percent said the extent they had read about services marketing was very little or not at all other than for a class. Second, they were asked "Were any other ways

that they had heard about services marketing?" and eight percent said yes, yet the only other source specifically mentioned was through professional organizations and the only organization listed was the American Marketing Association Collegiate chapter.

The next set of results came from a series of questions related to Objective Three which was to ascertain the level of interest in courses and/or careers in services marketing. These questions were asked of all the business students in the classes as past internal institutional information has indicated that many business students do not really decide upon a major or else change majors after they have taken one or more of their five "principles courses" the college requires.

The first question asked in this section of the questionnaire was to establish the respondents' knowledge about the potential of taking a course in services marketing; "Does the college of business offer any courses in services marketing?" Only thirteen percent answered the question correctly that it does. Another two percent said no and eighty-five percent were not sure.

Next they were asked, "Do they feel that such a course should be among the undergraduate marketing courses offered in the curriculum?" and fifty-one percent said "yes" while eighteen percent said "no." An additional thirty-one percent "didn't care". A follow up question was "How interested would you be in taking a course in services marketing?" Seventeen percent were "extremely or very interested" and an additional forty-nine percent were "moderately interested." Only thirty-four percent said "little or no interest."

Finally, the business students were asked to "rate their level of interest in services marketing as a potential career." Thirty percent indicated they were "extremely or very interested" while seventy percent indicated "moderately,

little or no interest".

The fourth and last objective of seeing what might affect the students attitudes and opinions about services marketing was addressed by cross-tabulating a number of the basic questions by some demographic and academic questions. Additionally the basic questions were crosstabbed with the respondents' and their relatives' work experience.

Demographic/academic questions about respondents' age, gender, class standing, and major were asked in anticipation that they might account for possible differences in answers to the basic questions. There were 74 percent of the respondents under 24 years, 48 percent females, 69 percent juniors and marketing majors made up only 20 percent of the respondents. From a check of existing information within the college, these percentages are relatively close to those for the college in general and the gender percentages were within two percent. Additionally, since only those students who have completed all of their undergraduate business requirements can take Principles of Marketing, typically only business students of junior standing or more are in the course.

The level of awareness of services marketing as differentiated from product marketing relative to the two most basic demographics of gender and age indicated no significant differences nor was there any for class standing or their major. However, their present or past employment in a service industry showed significant differences (see Table 1). Those who were working or had worked in a service industry were significantly more aware than other business majors.

The level of knowledge of services marketing relative to the same variables also showed a significant difference for those who had worked in a service industry and also the students' major (see Table 1). Those who had worked in service

industries in the past were more knowledgeable as were marketing majors versus all other business majors.

The degree of interest in taking a service marketing course was also cross-tabulated using the above variables and the level of awareness and knowledge of the students concerning services marketing. The only demographic that showed a significant difference was major while both the level awareness and knowledge showed a significant difference the greater the awareness/knowledge the greater the interest as was also true for marketing majors versus all other business majors (see Table 12).

Finally, the degree of interest in services marketing as a career was cross-tabulated with all the above mentioned independent variables but only major and age showed a significant difference (see Table 1). Both the marketing majors and older respondents had a greater interest in a career in services marketing.

CONCLUSIONS

Undergraduate students at this institution seem to realize the importance of the service sector of our economy and the fact that it is growing. About a third also have a very high level of awareness of services marketing and about a tenth feel very knowledgeable about the subject. So, one could conclude that while services marketing may be a "hot" topic among marketing practitioners and educators its importance has not been communicated to business students.

Half of this business student population are currently working in one of the service industries. Of those not currently employed in a service industry, over eighty percent had been sometime in the past so most all are having or have had some experience with services marketing even though they may not have thought of it exactly that way. Additionally, almost eighty percent have a family member working in a

service industry where there is a great likelihood that some information exchange about services industries has taken place. At this institution there seems to be little discussion of services marketing taking place in any non-marketing courses, at least, that has made any lasting impression on the students. In addition, the students do not seem to read much about services marketing in a non-academic context. Finally, they have not heard about the subject in other ways as well, except through student organizations. So, it would appear that business students' primary base of learning about services marketing has likely been through their or family members' work experience in service industries.

While few of these institutions' business students are aware of there being a services marketing course currently being offered, the majority feel one should be offered in the marketing curriculum. Further, over half are moderately or more interested in taking such a course. This is surprising given that only a fifth of all business students are declared marketing majors. This must be a function of their curiosity for only about a third seem to be very interested in a career in services marketing.

Some, but not many, of the findings relative to the first three objectives seem to be explained by any of the demographics or academic variables used in the study. Neither gender nor class standing seem to be a critical variable relative to any of the three variables about services marketing: awareness, knowledge, or attitudes. Age seems to be a factor only in business students' interest in a career in services marketing. Present or past employment impacts their awareness and knowledge of the subject area. The students' major is the best predictor of their awareness, knowledge, and attitudes toward services marketing. Finally, interest in taking a course in services marketing is going to be related to business students' awareness and knowledge of the

topic.

This study has provided some interesting results, and at the same time it raises a number of questions for future research that would prove equally valuable. For example, given the growth of service industries that even the students are conscious of, why isn't services marketing introduced earlier in business courses? Further, does the interest indicated in a services marketing course by the respondents actually mean they really want a separate course or just more information about the subject injected into all courses? Are there other variables that explain the results related to Objectives One and Three. Would the answers of freshman and sophomore business students differ from those of junior and senior business students? Would non-business students answers differ substantially from those of business students? Does the students saying they are very or extremely or even moderately familiar with services marketing really mean that they are or is their perception reality?

Other spinoff questions that are worthy of study on this topic include: (1) are this institution's business student' awareness, knowledge and opinions representative of a much larger universe of business students nationally; (2) do schools that still offer Introduction to Business including services marketing as a topic presented to students and if so how does this effect their attitudes towards the subject; (3) what do these findings mean relative to the suggestions make by Wedell and Kress an introducing services into a marketing curriculum; (4) and if service industries do continue to increase as a percentage of all industries in our country, how should colleges of business approach this phenomenon so as to better prepare our students for careers in the twenty-first century?

This exploratory study has just scratched the surface of a topic that is only bound to become more

important. If our institutions of higher learning are going to be on the cutting edge of sharing with our students what is happening in the business world we must give more than lip service to service industries and introduce services marketing concepts at an earlier point in the business curriculum.

TABLE 1

BUSINESS MAJORS AWARENESS, KNOWLEDGE, AND INTEREST RELATIVE TO SERVICES MARKETING BASED ON RESPONDENTS PROFILE

<u>Awareness of Services Marketing</u>	
Variable	Critical Value
Present Work Exp.	.0037**
Past Work Exp.	.0102*

<u>Knowledge of Services Marketing</u>	
Variable	Critical Value
Major	.0095**
Past Work Exp.	.0065**

<u>Interest in taking a Services Marketing Course</u>	
Variable	Critical Value
Major	.0001**
Awareness	.0049**
Knowledge	.0280*

<u>Interest in a career in Services Marketing</u>	
Variable	Critical Value
Age	.0437*
Major	.0266*

Critical Chi Square Variables

* alpha \leq .05

** alpha \leq .01

REFERENCES

References available upon request.