

## ABSTRACT

### CONSUMER PERCEPTIONS OF SERVICES CHARACTERISTICS: OBSERVATIONS AND IMPLICATIONS

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The basic assumption permeating the growing body of theoretical literature in services marketing is that there are a number of unique characteristics of services which serve to differentiate the marketing of services from that of tangible goods. Some of these characteristics directly affect managers, such as the inability to inventory services, while others impinge on the manager indirectly, by first affecting consumer behavior and subsequently requiring managerial response. An example of the latter is service intangibility decreasing consumer "browsing," thereby reducing impulse purchases. Thus, unique service characteristics are held to both directly and indirectly effect service marketers.

While the services literature constitutes a fairly sizable body, there appears to be a growing consensus on the need for systematic exploration of these unique characteristics for theory development purposes. Research issues which need to be addressed are: the desirability of looking at differences among services, rather than between goods and services; the need for looking across rather than within service industries; and the lack of empirical verification of the many hypotheses which exist in the literature.

The purposes of this study are: (1) to help establish a framework for continued services theory development by suggesting a method for study of the services characteristic-consumer behavior relationship; (2) to perform an exploratory analysis, across services, on the relationships between two prominent service characteristics and several aspects of consumer prepurchase behavior; and, (3) to suggest directions for further services marketing investigation.

A substantial number of services characteristics have been cited in the literature, some more often than others. This study focuses on two characteristics frequently held to affect the buying behavior of consumers: participation by the consumer in the production of the service offering; and heterogeneity: the inability of the service provider to produce consistent service performance and quality. Neither of these characteristics has been evaluated empirically for its effects on buyer behavior, a pervasive shortcoming in the literature.

These two service characteristics are hypothesized to have an effect on six types of prepurchase behavior. Increasing consumer participation in service production is hypothesized to lead to increasing information search effort, decreasing willingness to change service providers, increasing importance of location convenience, and increasing usage of telephone, site visit and word-of-mouth. Increasing service heterogeneity is hypothesized to lead to decreasing information search, increasing willingness to change providers, increasing importance of location convenience, and decreasing usage of tele-

phone, site visit, and word-of-mouth. Control variables analyzed consist of demographics, and alternative causes of the behavior (centrality, differentiation, price and satisfaction).

The approach used to test these hypotheses is a correlational design, with data acquired through a survey of consumers, and tested in two stages. The first stage consists of bivariate correlations between the level of perceived service characteristic and the behavior. The second stage tests the hypotheses using a multiple regression approach, where the service characteristic-behavior relationship is statistically controlled for other relevant variables (e.g., age, price). The hypotheses were tested in two stages so as to contrast the test of existing hypotheses forms (bivariate) with more complex relationships which may effect the association (multivariate).

While half of the bivariate correlation hypotheses were supported, only three of the original 12 hypotheses maintained their appropriate significance under increasingly rigorous testing conditions. Participation was related to increasing visit likelihood, but only marginally related to increasing search effort, while heterogeneity was associated with increases of brand trial willingness and convenient location importance.

In addition to the usual cautionary notes regarding the non-causal nature of correlational designs and the use of non-random samples, the low correlations found in the analysis indicate a further need for caution on the part of investigators. While the findings were statistically significant and robust, the amount of variance accounted for was small.

The findings of this study point to some further considerations for researchers interested in services marketing. Given the care taken in determining the variable measures, there may be a conceptual reason for the low level of explained variance found. It could be that services characteristics have a comparatively minor effect on consumer decision making, a viewpoint occasionally raised over the past two decades. This contention has recent empirical support from the managerial viewpoint: Zeithaml, Parasuraman, and Berry (1985) found managers were not greatly concerned with the impact of most of the services characteristics they studied, which were selected based on their consideration in the services marketing literature. Certainly further empirical research is needed in this regard.

#### REFERENCE

- Zeithaml, Valarie A., A. Parasuraman, and Leonard L. Berry (1985), "Problems and Strategies in Services Marketing," *Journal of Marketing*, 49 (Spring), 33-46.