

SERVICES INADEQUACIES IN MARKETING TEXTBOOKS: PLANNING, RESEARCH, AND CONSUMER BEHAVIOR

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ABSTRACT

Even though the past ten years have seen a virtual explosion in the concern of services marketing, marketing principles textbooks still tend to reflect the traditional goods orientation. In order to contrast the services literature with current textbook treatment of services, the planning, research, and consumer behavior chapters of several contemporary textbooks are examined for services consideration, and compared with examples of services marketing literature in those areas. Textbook authors are encouraged to update their material so as to better prepare students for their future vocations.

INTRODUCTION

The marketing discipline has become increasingly concerned with services, as evidenced by the explosion in services marketing literature in the past decade (Fisk and Tansuhaj 1985), and the 1982 creation of a Services Marketing Division within the American Marketing Association. This is reflective of the national economy, where two-thirds of current employment, and 90% of newly-created jobs, are in services (Heskett 1986).

Despite the increasing importance of services to marketers, current marketing textbooks still tend to reflect the traditional perspective of "getting the goods to market" (Lichtenthal and Beik 1984), hence do not adequately describe the world encountered by the students reading those texts. The purpose of this article is to extend the work of Orsini (1988) in contrasting the level of service consideration in marketing textbooks with the level existing in the services literature. It will do this by pointing out some of the many areas where the marketing of goods differs from the marketing of services, and citing some of the relevant literature.

METHODOLOGY

The complete investigation of marketing principles textbooks for services and goods differences is beyond the scope of this study. However, to serve as an illustration of areas warranting further elaboration, three concepts are discussed in some detail below: services differences as pertains to planning, to research, and to consumer behavior.

Twenty current editions of marketing principles textbooks were examined, so as to arrive at an overview of services consideration from the perspective of textbook authors. This overview was then compared to selected areas of the services marketing literature which elaborates on or, in some cases, contradicts that overview. The primary focus of the literature selected is on that which is five to ten years old, so as to

point out that which was available at the time the textbooks were written.

While 20 textbooks is not an exhaustive list, it does represent most of the current marketing principles textbooks available (a recent issue of Marketing News carried advertisements for 23 texts by 14 publishers). The list of 20 textbooks examined, and a summary of their individual treatment of the items considered, may be obtained upon request from the author.

BACKGROUND

The majority of the services literature contends that there are substantial differences between the marketing of goods and the marketing of services (e.g., Berry 1980). The economic importance of services makes it imperative for marketing students, as future managers, to be able to comprehend and deal with these differences.

There is some contention in the services literature regarding the importance of differences between goods and services; these contentions appear to be reflected in the variety of treatments of services by marketing principles texts. For example, some of the texts devote a whole chapter to services, while others devote only a few pages. The latter "low profile" approach is a reflection of several authors who contend that differences between goods and services are small compared to the many other differences among the various product classes (e.g., Enis and Roering 1981).

It should be noted, however, that the services differences indicated in the expanding literature are reflected in a trend toward increasing the consideration of services in marketing principles textbooks. Examination of textbooks of even a decade ago reveals little discussion of any kind regarding services, reflecting of the historic focus of the discipline on goods.

The definition of product provides an indicator of the services treatment in the texts. While most of these texts use "product" as a generic term for both goods and services, some frequently refer to goods as "products." While making a point of defining product as consisting of both goods and services may seem trivial, there can frequently be a confusion of terms, insofar as most of our marketing concepts have been derived based on studies of goods marketing. For example, while the concept of the product life cycle may be equally applicable to both goods and services, using the term "products" in the physical distribution chapter is certainly problematic. To the business student taking the required course in marketing, but who is not a marketing major, this situation may be more than trivial. It may not only cause confusion, but also lead to a poor impression of the discipline and those who practice it.

PLANNING

Marketing planning, the process of determining courses of action to achieve organization objectives, is composed of both strategic and tactical planning. The process consists of determining objectives, analyzing organizational resources and environmental factors, determining marketing objectives, and formulating marketing plans.

Little differentiation is made in the texts between planning for service organizations and planning for goods producing organizations. The substantial majority of the texts either have only a sentence or two on the issue, or no discussion at all. Those with more extensive discussion typically consider portfolio theory as being of more limited applicability to services, and discuss the difficulty of maintaining a large market share for services.

The service characteristics held to most strongly impact planning are intangibility (the lack of corporeal existence), and perishability (the simultaneous production and consumption of the service). Included in the services literature are issues of product diversification, price positioning, and advertising approach (Bateson 1979, Bell 1981, Carman and Langeard 1980, Eiglier and Langeard 1977, and Zeithaml, et al., 1985).

One of the primary unresolved problems of service managers is that of fluctuating demand (Zeithaml, et al., 1985). Unlike goods, which may usually be inventoried to achieve stability in the production process, the simultaneous production and consumption of services requires service availability specifically when and where consumption takes place. Thus, for example, empty hotel rooms cannot be saved for use at a later time. One strategy alternative is to undertake business ventures which produce services having opposite cycles, so as to smooth out overall production. Even this must be considered with care, however, as Carman and Langeard (1980) note, such diversification may lead to image and market segment inconsistency.

Simultaneity (or perishability) also results in the consumer typically being involved in the production of the product (Eiglier and Langeard 1977). This characteristic results in many substantial differences for service marketers which are not encountered by marketers of goods. Quality control, the physical environment of the "factory," its location, and divided employee loyalty, all result from this characteristic (Bell 1981, Eiglier and Langeard 1977, Schneider 1980). Complexity in the strategy of encouraging participation by the consumer, such as in self-service gas stations, has also been addressed (e.g., Langeard, et al., 1981). While enhanced participation may serve to achieve lower prices, for example, it may also require greater consumer education in service operation procedures, thus leading to further quality control problems.

Simultaneity of production and consumption also effects the structure of the organization. Most notably, with the customer participating in the

production process, marketing and production no longer have an arms-length relationship (Eiglier and Langeard 1977). This changes the goods-based tradition of separation of the marketing and production disciplines (Orsini 1987), thereby indicating the need for organization restructuring.

Part of the organization's strategy may be to require service employee producers to be more involved in the tactical planning process (Bell 1981); for example, by allowing them more flexibility in product design as they personalize the service to customers' needs. The Wendy's "have it your way" hamburger, contrasted to McDonald's uniformity, provides an example of alternative strategy approaches to this issue. However, as discussed above, whether there will be a greater involvement of marketers in service operations (Lovelock 1984), or greater awareness of service operators about marketing considerations (Sasser, Olsen and Wykoff 1978), has yet to be resolved.

RESEARCH

Marketing research, the systematic gathering, recording, and analyzing data concerning problems related to marketing, has been addressed in the texts by the consideration of types of research, and the research process. The transformation of marketing research into a marketing information system is also discussed.

Compared with planning discussions, even less differentiation of marketing research between goods and services is made. Only three of the 20 texts have even a limited discussion of services research. Further, the discussion that does exist typically only notes that research is applicable to service businesses, and points out the greater importance of "image" to service industries.

One overriding consideration for services research is that services considerations are measured through the consumer (e.g., Bateson 1979). Unlike tangible goods, which may be objectively evaluated by various physical measures, intangible services have to be measured as perceived and communicated by the user. This imposes a substantial subjective component to the research accomplished, due to both perceptual variation among consumers and user-researcher communication imperfections (Drumwright 1985). Halo effects, for example, may make evaluation of service attributes more difficult than evaluation of goods attributes (James and Carter 1977). We should expect, then, less precision in empirical studies concerning services than comparable studies concerning goods, making accurate marketing assessments more difficult.

On the positive side, however, at least for applications research, is that the participation by consumers in the production process will generally insure that service providers have contact with their customers. This will enable them to have a substantial opportunity for information gathering (Hardin 1970).

CONSUMER BEHAVIOR

Consumer behavior, the acts of individuals in obtaining and using products, consists of both external influence on consumers and personal consumer characteristics. Among the former are situations, and cultural and family influences, and among the latter are perceptions, learning, and consumer decision processes.

As with other service items, typically little textbook distinction is made regarding consumer behavior toward goods being different from their behavior towards services, in either the consumer behavior chapter or in the services portion of the text. However, those few texts which do have a more extensive services discussion provide a greater depth of discussion of consumer behavior than they do of the planning or research items.

The chief focus of theoretical services research on consumer behavior has been with regard to consumer decision processes, which are held to be different for services than for goods (e.g., Fisk 1981, Hargrove, et al., 1983). The reason for this difference is held to be that intangibility of services causes a lower level of conceptual comprehension and higher buyer uncertainty for services. This causes the consumer to have a greater latitude of acceptance for performance evaluations, satisfaction, and causal attributions (Mizersky and Weinberger 1978).

Comprehension difficulty, combined with the concept of a service as an activity rather than an object, indicates that consumer services evaluations are done by procedural scripts rather than static object attributes (Smith and Houston 1983). That is, because most services are steps undertaken by the consumer, rather than a single finished product to be evaluated, the consumer has to consider the series of activities which must be accomplished in the service consumption. Any one of these activities may be a cause for the consumer to become dissatisfied with the service. This requires greater care on the part of the producer/marketer in designing and producing the service offering, as there is no opportunity for "rework" of inadequate production.

Consumers not only evaluate services differently than goods, but may engage in a whole series of different purchase related behaviors. One issue to be addressed in the consumer behavior literature is the consumer behavior effect of the customer participating in the service production process. For example, Langeard, et al. (1981), found that willingness to select the self-service form of a product was based on psychological as well as economic considerations. Unquestionably this is a rich area for further development of consumer behavior theory.

Articles by Zeithaml (1981) and Davis, et al. (1979), illustrates much of the current thinking with respect to the consumer behavior differences between goods and services. Zeithaml (1981) contends, for example, that there are differences in information search (greater importance of personal sources and more postpurchase evaluation); different evaluation criteria (more price

importance and greater atmospheric consideration); a smaller size of the evoked set of alternative brands; slower diffusion of services innovation; greater product risk; greater propensity to switch brands; and more likelihood of attributing oneself as the cause of any service dissatisfaction rather than the producer. These affect marketing strategy with respect to information provision, pricing, and many other aspects of strategy.

Empirical and conceptual research into differences among different types of services has been less widely considered than differences between goods and services. One study which empirically considered four different services (banks, fast food, auto repair, and hair styling), determined that significant consumer behavior differences exist among these services (Dubinsky and Levy 1981). They found differences among the services, for example, with respect to use of information sources, extent of prepurchase search undertaken, differing levels of brand loyalty, different methods of service evaluation, and differing levels of perceived risk. Much work needs to be done on explanation of systematic reasons for differences found among services and related consumer behavior.

CONCLUSIONS

The unique service characteristics of intangibility, perishability (or simultaneity), and customer involvement in production point to differences between goods and services marketing with regard to basic marketing concepts, including planning, research, and consumer behavior. High sensitivity to fluctuating demand, service quality control being measured through the customer, and differing consumer evaluation processes are examples of primary areas in this regard. Although there is little empirical study on these conceptual differences, that which does exist is generally supportive of the substantial conceptual discussion which exists.

The purpose of this article is to examine the "state of the art" in marketing principles textbooks, with respect to their treatment of planning, research and consumer behavior of services, and compare that with the services marketing literature. The concern was that as an introductory marketing course is a critical one for business students, both marketing majors and those majoring in other disciplines, the course ought to reflect the most current thinking of the discipline. Further, as the first and perhaps only formal involvement of many students with the marketing discipline, care ought to be exercised in dealing with concepts and terminology so as to minimize student confusion and maximize student image of the discipline.

Most difficult, from the textbook writer's perspective, is the need to consider services concepts throughout the text rather than only in one portion. With the importance of services to students' careers, and the substantial body of services literature which points out goods and services differences, it would appear important

in conceptual understanding that the texts reflect services considerations as they are applicable in the various subject areas.

Again, the intent of this article is not to disparage any of the texts. Hopefully, the raising of this issue will lead all marketing principles textbook authors to examine and revise their approach to dealing with services. While there is still a distance to go to adequately reflect services considerations, the trend in that direction seems well underway, and deserves to be encouraged.

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