

Services: How Are They Viewed Throughout the World

Lawrence F. Cunningham
Clifford E. Young

Hong Kong
March 2006

Central Question: How do people perceive services around the world

- Why are we interested?
 - Management (normative) classification
 - Customer-based classification
 - Cross-cultural comparison
 - Service positioning
 - Marketing strategy

Goods versus Services: A comparison

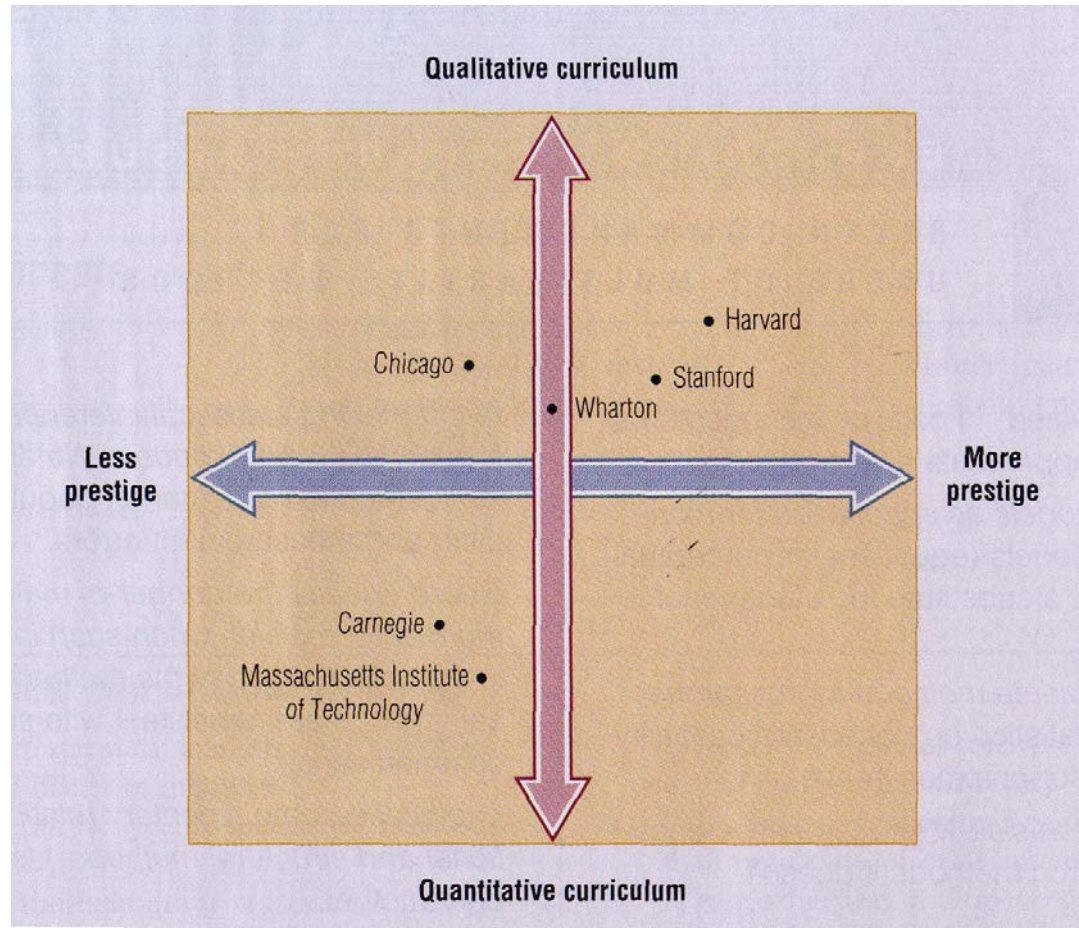
- Goods
 - Tangible
 - Standardized
 - Product Separation from Consumption
 - Nonperishable
- Services
 - Intangible
 - Heterogeneous
 - Simultaneous production and consumption
 - Perishable

Methodology

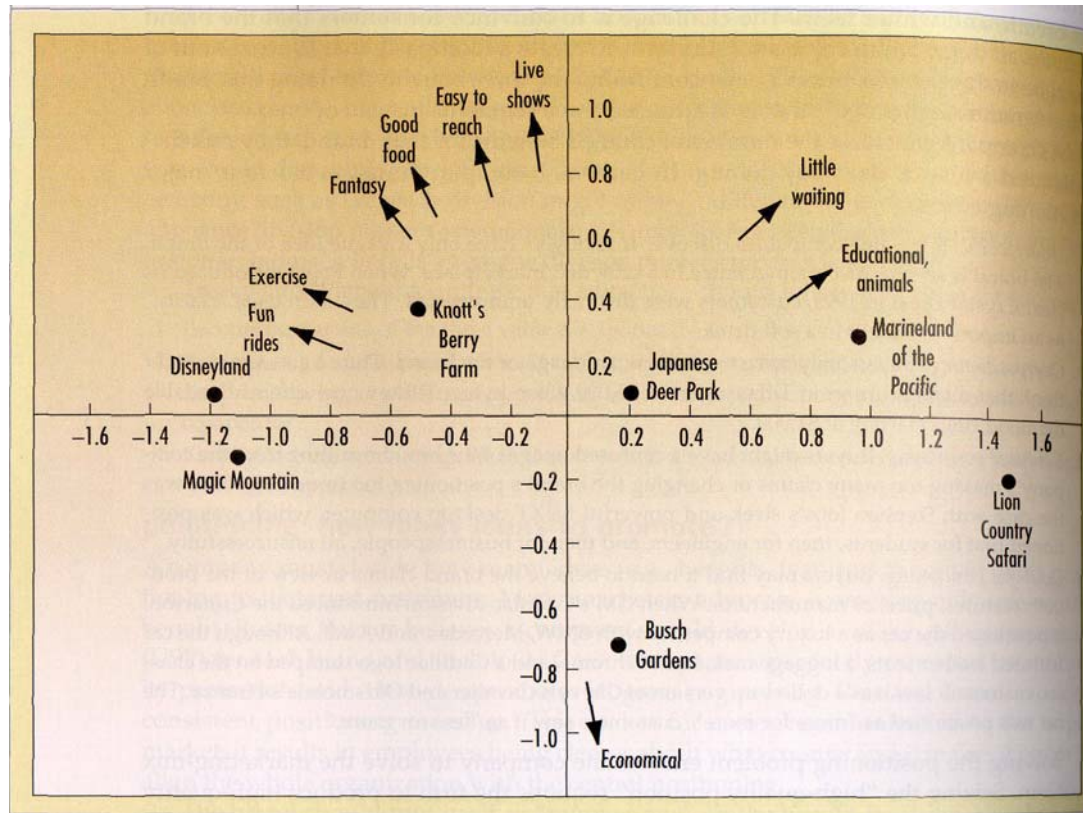
- **Multi-dimensional Scaling**

- Constructs multi-dimensional map of goods/services and/or classifications
- MDS can be used on a variety of data, using different models and allowing different assumptions about the level of measurement.

Perception of 6 Grad Business Schools



Theme Parks Mapped on Classifications



Research Samples

- Mid-career business school students
- High sample equivalency
 - Gender
 - Marital status
 - Education
 - Age
 - Income
- Similar to real-world consumers

Services Classifications

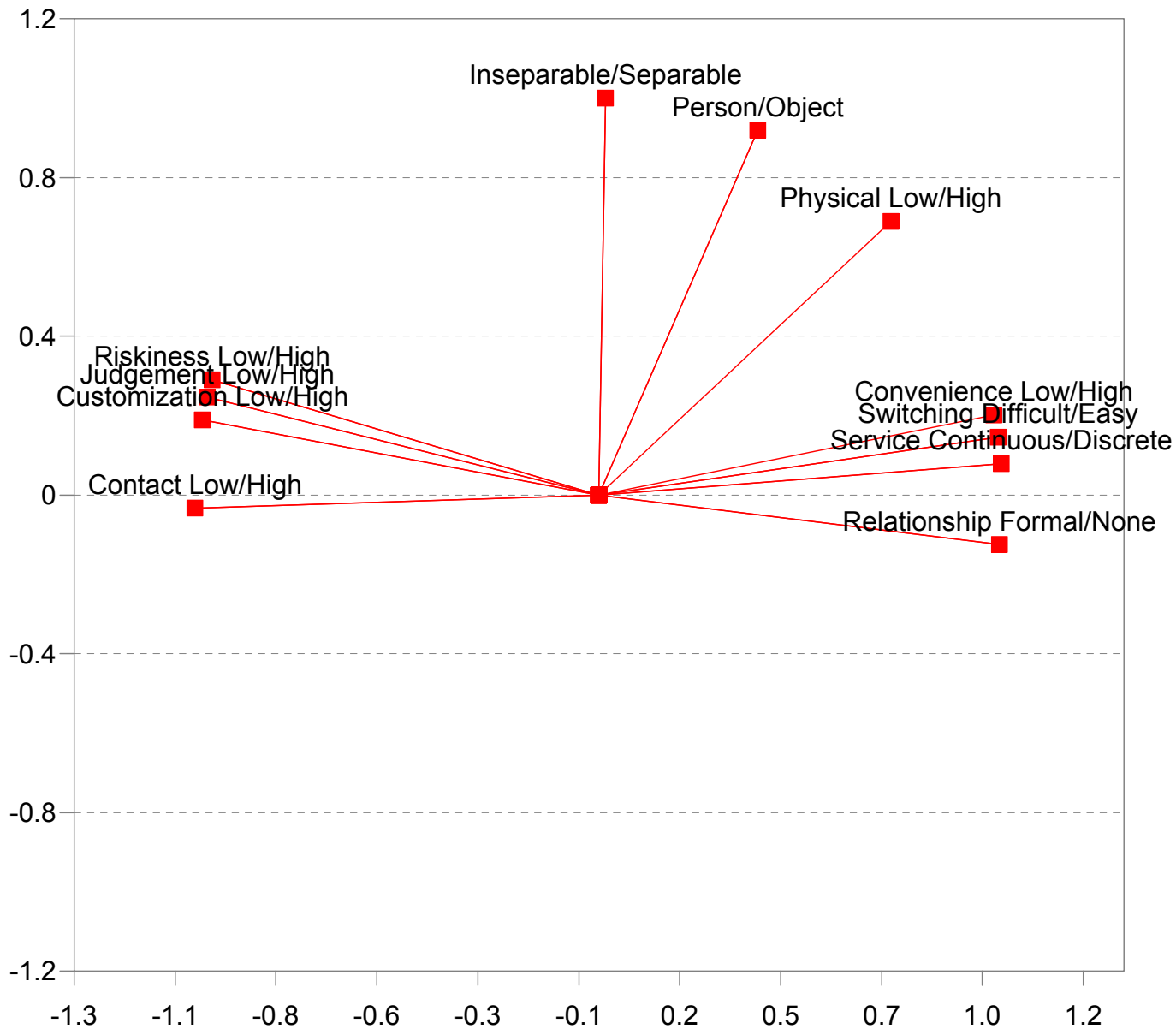
- Physicality of product
- Customer-employee contact level
- Production-consumption separability
- Riskiness
- Ease of Switching
- Service performed on person or object
- Formal or non-formal relationship
- Continuous or discreet transaction
- Level of customization
- Level of judgement by provider
- Convenience level

Services

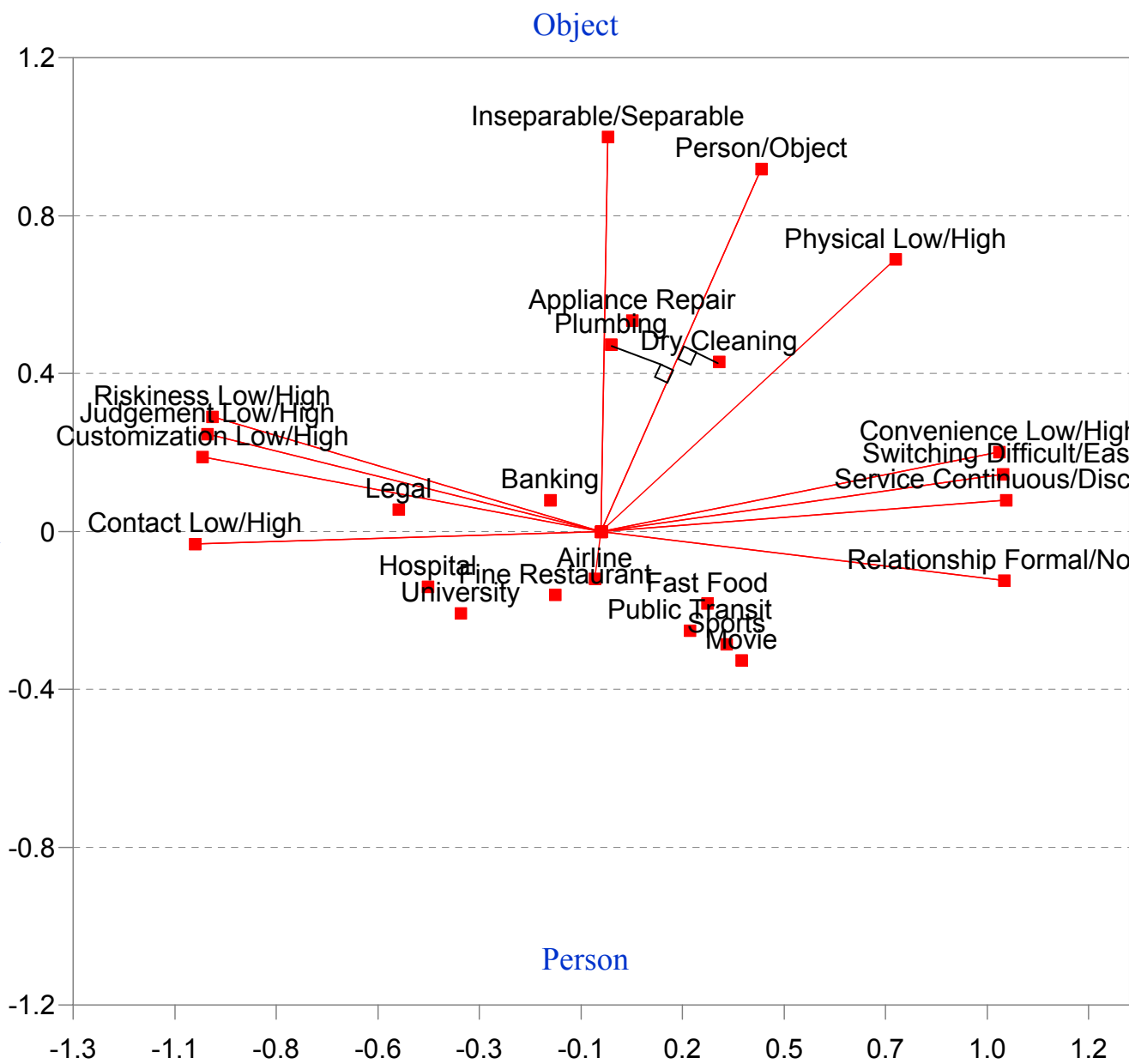
- Commercial airlines
- Hospitals
- University education
- Dry cleaning
- Banking
- Spectator Sports
- Fast-food restaurants
- Movie theaters
- Plumbing
- Legal services
- Public transit
- Fine restaurants
- Appliance repair

Results, USA

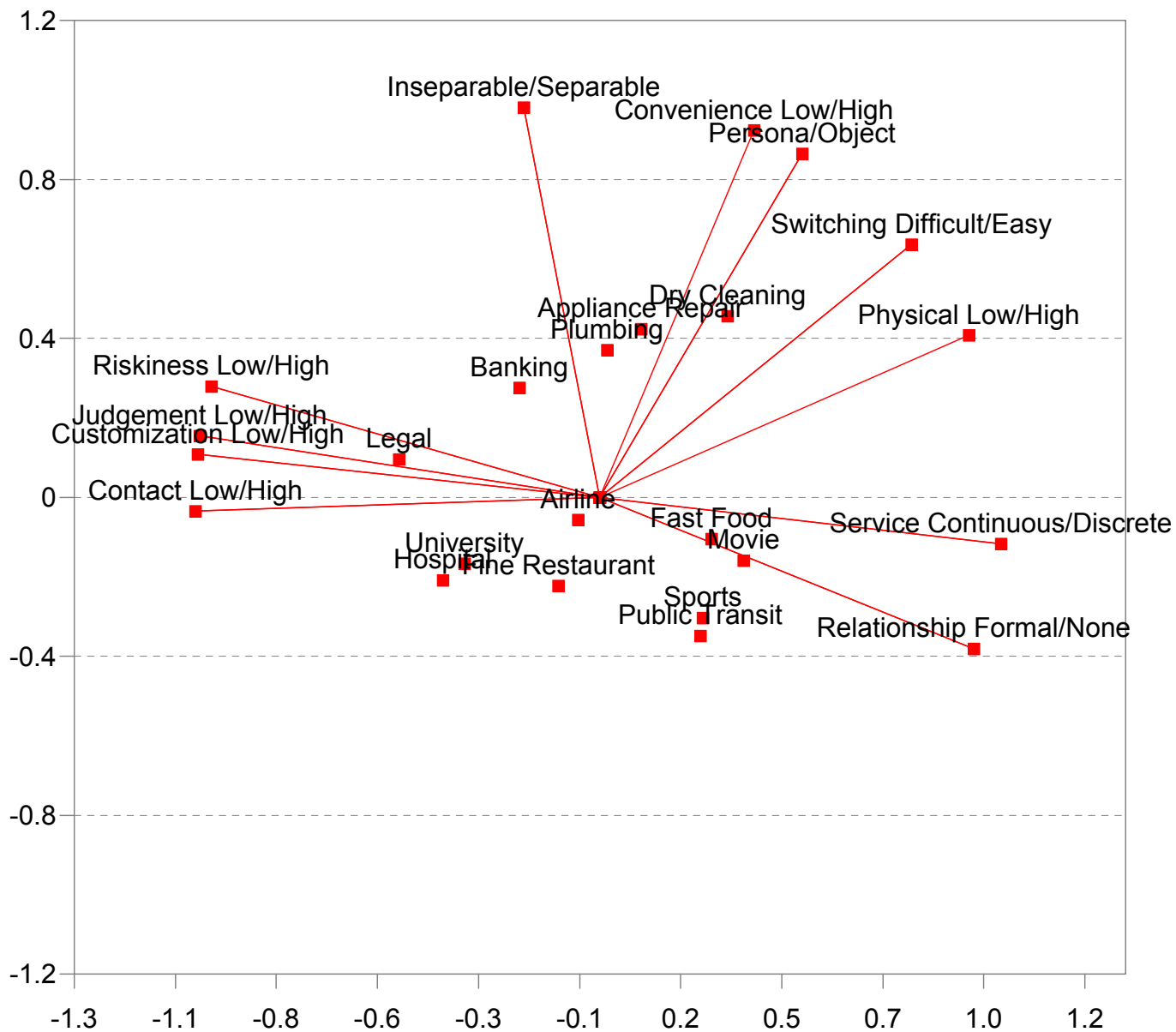
- Services were evaluated on each of the classifications
- Mean evaluations were calculated for each service on each classification and subjected to MDS
- 82% of the variance of means was accounted for by the first two factors or dimensions



USA Classifications



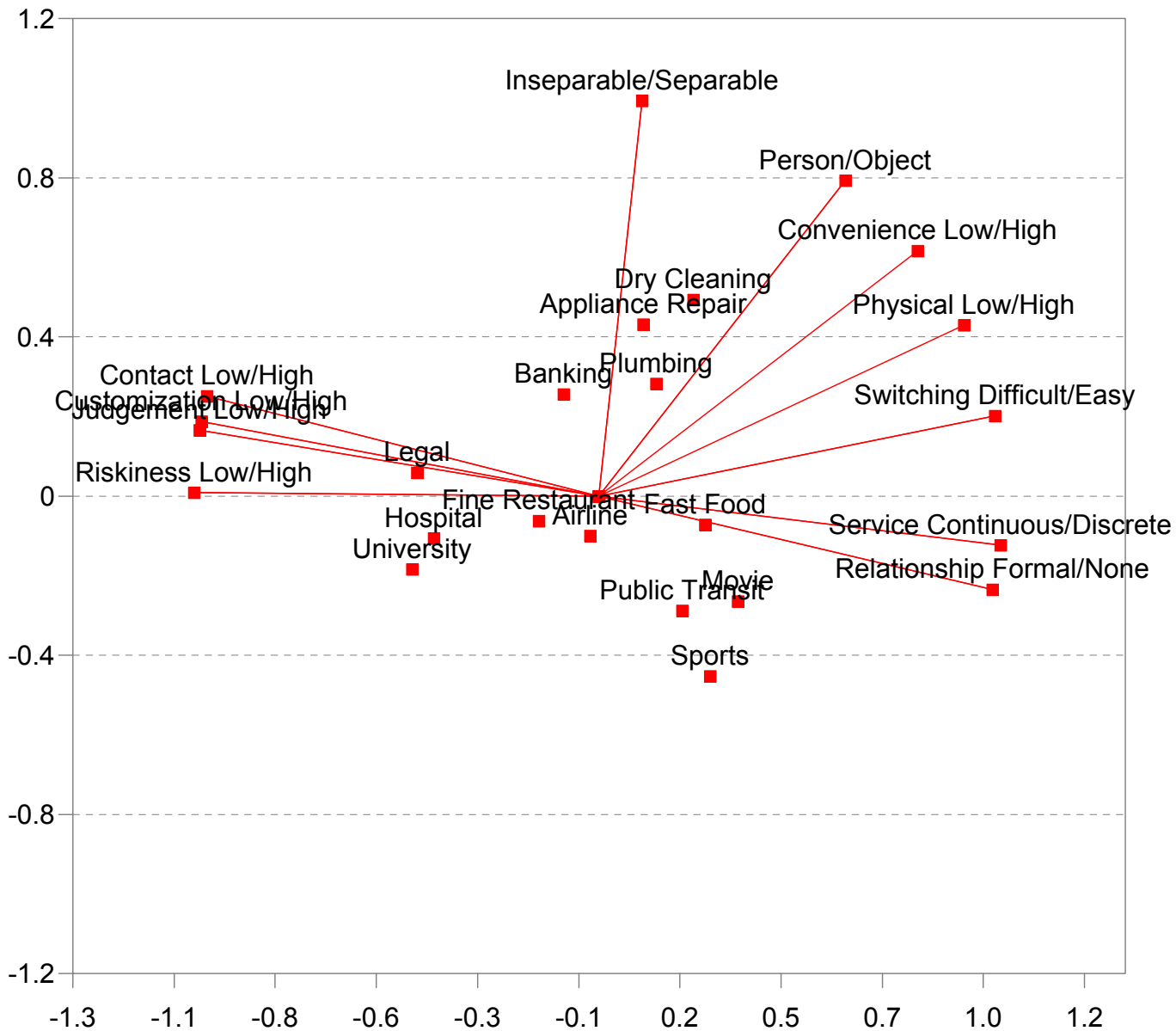
USA Services Mapped on Classifications



USA

Korea

French Services Mapped on Classifications



USA

France

Korean Services Mapped on Classifications

Conclusions

- Summary
 - Simplicity – two dimensions
 - Consistency across cultures
- Managerial Significance
 - Important ingredient in marketing opportunity analysis
 - Opportunity to reposition or determine initial positioning

A Typology of Services

	High Customization	Moderate Customization	Standardization
Service performed on object		<ul style="list-style-type: none"> •Appliance Repair •Plumbing 	<ul style="list-style-type: none"> •Dry Cleaning
Service performed on object and person	<ul style="list-style-type: none"> •Legal 	<ul style="list-style-type: none"> •Banking 	
Service performed to/for a person	<ul style="list-style-type: none"> •Hospital •University 	<ul style="list-style-type: none"> •Airline •Fine Restaurant 	<ul style="list-style-type: none"> •Fast Food •Public Transportation •Movies •Sports Events

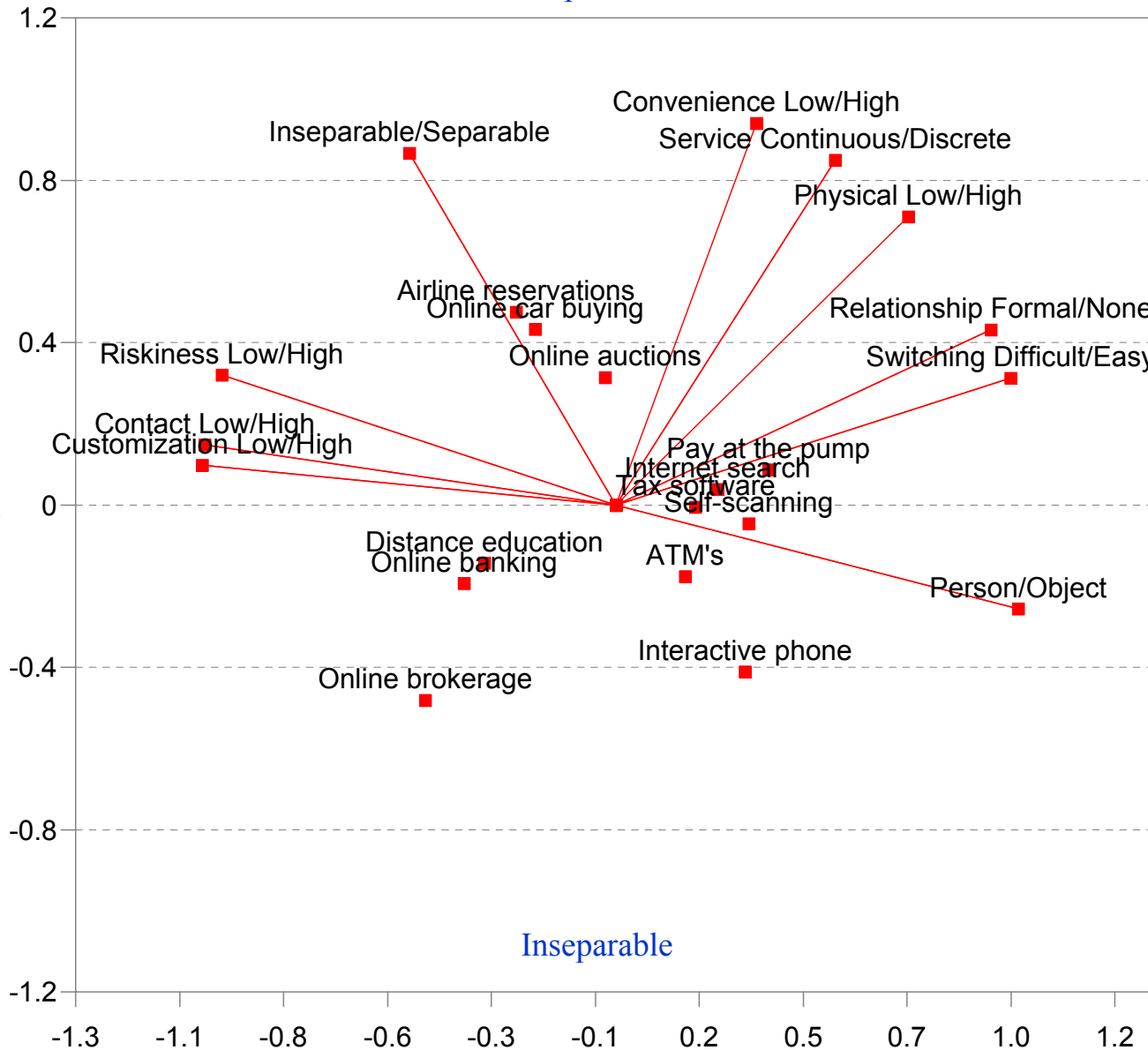
Self-Services Technologies (SSTs)

- Same classifications
- Selection of SST services
- US sample only

Self-Service Technologies (SSTs)

- Online banking
- Distance education
- Airline reservations
- Tax software
- Retail self-scanning
- Online auctions
- Pay at the pump
- ATM's
- Online brokerage
- Interactive phone
- Internet search
- Online car buying

Separable



Standardization

Customization

Inseparable



SSTs Mapped onto Classifications

A Typology of SSTs

	Customized	Standardized
Separable from product/service	<ul style="list-style-type: none"> •Airline Reservations •Online Car Buying •Online Auctions 	
Moderately separable	<ul style="list-style-type: none"> •Distance Education •Online Banking 	<ul style="list-style-type: none"> •Pay at the pump •Retail self-scanning •Internet search •Tax software •ATMs
Inseparable from product/service	<ul style="list-style-type: none"> •Online Brokerage 	<ul style="list-style-type: none"> •Interactive phone

Future Research Needs

- Learning relationship with companies
 - Provide information about how their services are positioned.
 - Provide companies with information on opportunities for positioning and repositioning services and new self-service technologies
 - Provide a framework for service perceptions in all cross-cultural environments, international and domestic.

Questions?

