

Invited Commentary

Three Thoughts on Services

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Rust and Chung should be congratulated on presenting a very nice, indeed limpid, overview and synthesis of much of the services marketing literature. Their review sparked three associations.

First, somehow when we weren't looking, the field of services marketing matured. In the spirit of philosophy of science, perhaps it's inevitable that while an academic area is forging its identity, the inquiry emphasizes distinctions between itself and the extant literature, in this case, how services differ from goods; that the budding paradigm, in order to be noticed, protests its revolutionary form. Services are more intangible, it was said, with implications of perceptions of risk, and difficulty and subjectivity in customer evaluations. Services are simultaneously produced and consumed and are therefore perishable, it was noted, with implications for more complex demand management. And services are heterogeneous, it was argued, primarily because of the interpersonal components in the service delivery system; namely, the service providers and the customers themselves.

Now, 20–25 years since those early defining days, the area of services marketing and management is sufficiently mature that many of the research questions documented in the Rust and Chung review appear to be equally applicable to goods, at least consumer packaged goods, where extensive databases offer observations of frequency and volume to allow for variance to be modeled. There still exist conceptual distinctions between goods and services, but the primary differences that are popular topics of study seem to be at the subtler tactical level. For example, the pricing questions summarized for the services literature appear to represent similar constructs with slight variations in manifestation, namely, pricing and consumer demand being functions of time of arrival,

seasonality, and bundling, concepts not unfamiliar to, indeed honed in the study of, goods.

Coinciding with the development of the content of the literature is the phenomenon of the outlets in which the work was published. The early identity issues were being framed in managerially focused journals in which industry concerns carry some import, namely, the *Journal of Marketing* and the *Journal of Service Research* (and its predecessor, the *Advances in Services Marketing and Management* series). With the development of the services literature, articles are also increasingly published in the *Journal of Consumer Research* and *Marketing Science*, where the purer theoretical discussions occur, again fitting the area's status as abstractly conceptually relevant to goods as well, along with the fact that the richer data sources allow for the rigorous theory testing and contributions required of these outlets. This integral presence will be further synergistic and advantageous, both in affording greater impact of services research on other literatures, and in continuing to strengthen and focus the services marketing questions. An analogous concern is how services topics should be taught to business students. Presumably, there is still place in our curricula for courses on services marketing, but like the previous ride of international marketing, it is a healthy sign of the adoption of the core ideas of services into the mainstream, that we see services examples used interchangeably with goods examples in introductory through capstone marketing courses.

Second, while we'd all be in accord with the authors in attributing great importance to information technology, I have some divergent concerns. I would begin by modifying the authors' first premise—the authors suggest that the growing presence of services research in the journals is a reflection of the apporportioned economy. The premise should rather state that the representation of services, and its enhanced status, in our literature were propelled by the availability of relevant data (from said information technologies) that provide the empirical contexts in which we

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formulate and test our theoretical suppositions. Services sectors were thriving before the data arose; our social science requires the latter.

The authors seem to embrace the likely futuristic scenario moving toward still further increased information technology. While the authors' demonstrable knowledge of the services literature is impressive, they're clearly less informed vis-à-vis another important literature, that of science fiction! One need not be an aficionado to know that inevitably, computers and chip implants make bad things happen; to wit, we have new forms of scoundrels (spam, virulent viruses) and bandits (identity theft). I've yet to be convinced that computers learn, because ultimately iterative convergence itself is programmed. And while there are lofty goals of artificial intelligence, there already exist patterns of base artificial stupidity. As an example, take the ever-popular recommendation agent. I love amazon.com; I really do. I think "amazon" should be pronounced: *a·māz'·in(g)*. Yet, it's quite difficult to opt out of their overriding, tailored recommendation format. When I browse for books, I want to know everything that's out there, not someone's heuristic of what they think I'll like. Algorithms based on similarity, within genre, or frighteningly to other customers with whom I probably share no other qualities, assume that customers want assistance drilling down to find more, similar products. A different assumption underlies the segment that reads voraciously and eclectically to be transported to different worlds, via travel essays of Bryson or Theroux, popular science writings on fractals or space worms, international collections of sublime prayers, or a barf check on the popular business press books. I might be a difficult case for Amazon, in that, as a final insight into my psyche, I find these questions to be of equal importance: "Will this new multivariate book explain concepts more clearly to my doctoral students than books I've assigned previously?" and "Will Stephanie Plum choose Morelli or Ranger?" Nevertheless, I didn't ask Amazon to track my preferences. Indeed, I wish they'd stop. I am an efficient and effective expert in this category, and I don't need some computer hack salesperson? sales entity? suggesting what I'd enjoy. Further, the recommendations need to be based on a better mix of the similarity between profile pattern (correlation) and profile height (distance measures), because currently we're also bombarded with simple volume-based offerings: "Dawn, we recommend the latest Harry Potter," or worse, an Oprah read.

The technology makes possible customization, but I don't agree with the authors in describing that as "personalized interactions." It is simply the case that the machines now have the capacity to increase the

combinatorics of choice, which the behavioral literature has been showing can backfire. While linearly we'd predict that a greater number of options should be experienced as freeing and valued, allowing for a closer fit to one's unique ideal, instead, more is not better—it overwhelms the consumer, inducing a paralysis of choice instead of a delight in luxuriating in the plethora of options.

Yet, if customization is illusory, the pricing implications are the more disturbing. It's natural that pricing is a popular area of study, both given the heritage of *Marketing Science*, as well as the fact that it is easily the most measurable of the Ps. However, a chill goes through me when people speak of personalized pricing in the same breath that they utter "consumer welfare." Pardon my cynicism, but it's been well borne out that pricing algorithms don't tend to optimize in the customer's direction.

Still, what a funny tension.... While technology has its limits, most intelligent, busy, and introverted customers (e.g., academics) prefer a reliable machine to a variable front-line service provider: an ATM versus a teller? Absolutely. A kiosk instead of an airline or car rental employee? Woohoo. Yet, when marketers speak of "customer relationship," the phrase always gives me pause. An ATM isn't capable of passion, love or anger, or spasms of giggles (have you ever *seen* the Shugan boys?—they're charming, infectious gigglers—something about an apple not falling far from the tree...). So it will always be human creativity that takes us to new heights, and then we'll program machines to complete those new steps without error, freeing us to soar still higher.

Finally, with all the study focusing on services marketing, why is it the case that customer service is still so bad? We've been publishing up a flurry, and when we speak of impact, we turn to fallible measures of citations (preposterous, given that we are normally rather intelligent). Instead, a real challenge would be to work on the deplorable state of customer service, to eke up quality levels.

In this same spirit of "Haven't we accomplished more?," when I read the sections on customer satisfaction and retention, I heard musical strains from Paul Simon's *Kodachrome*, "Everything looks worse in black and white." I have high regard for all that the services marketing and management research has achieved, but the summation in this review seemed to conclude bare elaborations on simple economic and psychological principles—that people will purchase what they value and what they have liked. Hmm.

So where do we go from here? Christopher Lovelock's lead text on *Services Marketing* has trained us all to hold both operations and human resources as more integral to marketing for services than is

traditionally true of marketing for goods. These additional components are naturally addressed more frequently in literatures other than our own, but we've not done a good job at exploring the boundaries. Regarding operations, we are collectively astoundingly good at engineering. If we knew what comprised a good service delivery system, per industry, per segment, we could surely build it. So, what are the characteristics of the ideals we should and could attain? Regarding human resources, we are remarkable at higher education but perhaps more lax in

inspiration, sustained performance, and actualization. If the essence of service is being helpful to others, perhaps this individualistic society cannot achieve an admirable level of service. Or, perhaps it isn't individualism so much as variance in levels of spirituality and a sense of connectedness with others whom we should serve. Such long-instantiated cultural norms are nearly impossible to change; on the other hand, people are remarkably adaptive to behavioral reinforcements. We can achieve any goal—why isn't superior customer service a priority?