

Chapter 15

Role of Consumer Knowledge in Developing Purchase Intentions and Driving Services Efficiency across Marketing Channels in Mexico

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ABSTRACT

This study is carried out in Mexico with an objective to analyse empirically the role of education in a transforming services marketing strategies of the firms. The study is carried on in Mexico through pragmatic investigation among the consumers subscribing to the communication and entertainment services. The analysis of primary data is developed around the theory of action that demonstrates the skills and confidence of individuals or groups towards making decision in acquiring or hiring services to improve their quality of life. The results of the study reveal that knowledge acquired on the services and value perceived by the consumers play key role in determining the intentions to purchases services. This study meticulously rows several arguments on how consumers with high level of education scrutinize the benefits offered by the firms marketing their communication and entertainment services, and build their value propositions on the services bought or contracted.

INTRODUCTION

Most firms are shifting their marketing philosophy to customer orientation by offering quality services in order to acquire and retain customers in increasing global competition. Through building personal relationships with the existing and potential customers, firms look towards inculcating the customer loyalty. However, developing relations appears to be challenging with educated customers as they are inquisitive, explorative, and meticulous in seeking information and solutions through services offered by

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the firms. Customer centric firms focus on providing the customer services across the table giving access to comprehensive information that can satisfy the emerging issues of the customers. Such attention to detail requires well-trained and alert salespeople and efficient back office personnel. The competitive services marketing firms drive efforts to cultivate relationship competencies by ways of articulating their reasons for customer satisfaction, learn to build pro-customer rationale in resolving post-sales issues, build and retain alliances with more powerful customers, and excel in co-creating business culture within their customers (Isenberg, 2008).

In services marketing firms, loyalty is influenced by the existing knowledge of consumers and was found to be positively and significantly related to quality of information, right to information, and organizational competencies. Customer education was found to be positively associated with customer knowledge or expertise on the products or services. The customer education significantly affects customer loyalty and service quality delivered by the firms (Bell & Eisingerich, 2007). It has been observed that a service firm with customer orientation approach increases relationship quality while a low profile selling approach decreases relationship quality. The relationship quality significantly affects the possibilities of customers' future retention. Firms should emphasize on training employees on customer orientation, which would add additional value to a firm's service offering and influence acquisition and retention of the customers (Huang, 2008).

The expansion in retailing activities using new routes to markets and marketing technologies often demand higher education of consumers to develop compatibility in the selling and buying process. Such need generates increasing consumer knowledge on marketing tools in order to make optimum decisions. While focusing on consumer education, the services marketing issues are considered by the firms as market driven approach (Drummond, 2004). Service quality has attracted considerable attention among the global firms, and marketing services to consumers with high education profile has been considered as a value driven strategy by the firms to serve the premium and middle level consumer segments. It is argued that consumer education is a powerful quality that enables marketing strategy in variety of service contexts to stay competitive and derive higher customer values (Burton, 2002).

The purpose of this article is to analyze empirically the role of education in transforming services marketing strategies of the firms. The basic argument of this article is that the level of education among consumers empowers the consumers' behavior of acceptance or rejection to the services offered by the firms based on the knowledge, peer experience, brand value, competitive advantage, and operational efficiency of the services. The study is carried out in Mexico through pragmatic investigation among the consumers subscribing to the communication and entertainment services. The analysis of primary data is developed around the theory of action that demonstrates the skills and confidence of individuals or groups towards making decision in acquiring or hiring services to improve their quality of life. This study meticulously rows several arguments on how consumers with high level of education scrutinize the benefits offered by the firms marketing their communication and entertainment services, and build their value propositions on the services bought or contracted. This article concludes upon analyzing the data that the firms with indistinct information and unclear marketing strategies fail to create higher and sustainable customer value with the consumers having high educational profile than those having low educational background.

This article also considers the services marketing in reference to quality of services and customer education initiatives that are delivered by the firms. More specifically, the article explores the moderating effects of the increasing levels of customer expertise, which is seen as the outcome of customer education on the relative importance of service quality delivered in determining the customer value.

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