# Impact of Consumer Education and Brand Knowledge on Purchase Intentions within Services Industry: A Study of Symbiotic Analysis in Mexico

#### 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 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; Triantafillidou and Siomkos, 2018).

The purpose of this study 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. The study contributes to the existing literature as no substantial research has been contributed so far towards measuring the relationship between the level of education and effectiveness of marketing of services in Mexico.

## **Review of Literature and Framework of Hypotheses**

Education, Knowledge, and Consumer Insights

The level of customer education is the key factor to measure the service quality delivered and the way it has been delivered (functional service quality). Customer education is also positively associated with customer expertise on the products and services, which are intended to be purchased. However, it has been observed that where there is a significant amount of research on customer knowledge and expertise, there is relatively less understanding of how the convergence of their knowledge with services quality determines the perceived value and satisfaction (Bell and Eisingerich, 2007). In a competitive marketplace firms tend to develop customer oriented strategies and stay compatible to the customers' knowledge. Service-driven market orientation strategy consists of six components comprising customer orientation, competitor orientation, inter-functional orientation, performance orientation, long-term orientation, and employee orientation that have a significantly strong and positive relationship with service quality (Voon, 2006). Consumer education programs can provide significant benefits, including identification of market information, complaint and consumer redress procedures, and understanding a more technology-based consumer environment (Oumlil and Williams, 2000; Colliander et al., 2016). Hence, in view of the above discussion, the hypothesis can be structured as:

H1: Consumers intend to acquire comprehensive knowledge on the contracted services to monitor efficiency of services delivery

The focus of consumer education in the global market environment has significant impact on the services industry. Firms involved in managing resources or designing options, from which consumers make choices, are in a much better position for influencing how social, cultural and

environmental resources are used. In order to actualize this potential, the firms position their services in congruence to the consumer education and develop self-efficacy, capacity for effective advocacy, and interdisciplinary collaboration. Firms also help in raising consumer awareness and the services quality of firms, and social and moral responsibilities associated with professional practice (Sibbel, 2009). Firms delivering services influence the degree of quality of services in references to the education of consumers, skills, and cognitive abilities toward reviewing the efficiency of services. Thus, services marketing firms try to build co-shopping and co-reviewing with customers of different levels of education (Sabrina, 2005). It has been observed that often consumers with high level of education develop negative perceptions on services marketing firms. These consumers resist the services firm's deceptive practices (perceived deception) on consumer's relational variables (satisfaction and loyalty intentions to the online retailer). An empirical research conducted for differentiating the various types of knowledge evidences that the relative effects of the self-assessed and objective knowledge depend on the type of information source (Samper et al., 2018). Therefore, the following hypothesis is posited:

H2 (a): Higher knowledge on the contracted services drives consumers to demand better quality of services

High power consumers have greater self-oriented action thoughts while low power consumers have greater ruminative thoughts. High power consumers expect providers to focus on the core service while low power consumers have expectations regarding the interpersonal component of service delivery. High power consumers feel more positive emotions, less negative emotions and greater satisfaction than low power consumers, but there was no difference in the expressivity of emotions. Emotion expression mediated the relationship between emotions and satisfaction for high power consumers but not for low power consumers (Menon and Bansal, 2007; Brunk, et al., 2018). Therefore, based on the foregoing review of the literature and previous research, the following hypothesis is advanced:

H2 (b): Consumers tend to acquire information on services to empower consumers for assessing the quality of services to enhance satisfaction on services delivered.

Branding and Pricing Determinants

The value of commercial expertise is one of the most important determinants of both consumer satisfaction and identification of their services provider. Besides, corporate social responsibility contributes to building consumer identification with the company which is positively correlated to satisfaction too. Satisfaction thus is considered as both an affective and cognitive consumer response in the services industry which, along with identification, finally determines the attitudinal loyalty a consumer shows towards their provider (Perez et al, 2012). Buyers often communicate positive and negative purchasing experiences through word-of-mouth and social media, which creates special problems and opportunities to position products and services for marketers. Price mavenism that is associated with price-information searching and price-sharing behavior, is often considered a negative dimension of price (Byun and Sternquist, 2010). Some consumers have a tendency to be especially involved in the marketplace. They acquire information about many kinds of products, places to shop, and other facets of the market; and they engage in many product related conversations with other consumers to share their knowledge. These consumers 'market mavens' to denote their enthusiasm for shopping, buying, and talking to others (Goldsmith et al, 2006, Sheehan, and Ittersum, 2018). Females prefer a brick and mortar environment and are likely to seek information at such retailers, even when similar products are available online. However, males evaluate online offers better than identical store offers, and are less inclined to engage in channel transition. The evaluations of online offers show positive relationship to price knowledge, whereas a reverse pattern of results is obtained for retail offers (Chandrashekeran and Suri, 2012). In reference to the above discussion, hypothesis may be framed as:

H3 (a): Consumers are sensitive to the price of services and express their perceptions among peers on purchase intentions

It is no longer enough to evaluate the price-quality relationship, but the whole life-cycle of commodities has to be traced. Bargain of commodities requires many skills, but the bargain of services requires new skills. The bargain of services requires consumer to be able to manage and evaluate skills bargained and increases administrative work. The educational system is challenged to teach these things more extensively and effectively to consumers. The consumption education in the context of growing information and communication technology may be understood as a pivot in transforming consumers' behavior and producing additional capabilities for the consumer to become a rational buyer of products and services (McGregor, 2007). There are several variables for measurement needed to qualify a person's product-price knowledge. It has been observed that the behavioral factors like price consciousness, the use of a shopping list, and shopping frequency, and brand confidence actively influence in one's productprice knowledge, even though the impact structure is not uniform (Pechtl, 2008). Buyers search differently on premium price products and simultaneously they compare also low price products. This behavior depends on the search costs of the purchase situation and the knowledge of the buyer involved (Smith, 2000, Argo and Dahl, 2018). Considering the discussion on consumer behavior on pricing of services, the following hypothesis has been constituted in the study:

H3 (b): Consumers tend to acquire knowledge on product specific pricing from alternate source to determine decision on purchasing services

# Consumers' Knowledge and Quality Perception

Consumers with good level of knowledge and education perceive that quality is the key to assessing whether or not the industry provides the desired service. Consumers hold the key to business survival and success. However, there is a gap between managers' perceptions of consumers' expectations and actual consumers' expectations. The main implication for the digital entertainment and communication industry is for managers to develop strategies which will meet consumers' expectations of service quality. The knowledge-based customer service automation system incorporates various artificial intelligence technologies such as case-based reasoning, which is used for achieving four perspectives of knowledge acquisition, service logistics, and customer service automation and performance measurement, respectively (Cheung

et al, 2006). Consumers of services have expectations about what they will receive from the delivery system. These expectations are beliefs about future events which, when compared with the perceived actual service delivered, are presumed to influence satisfaction and assessments of overall service quality (Coye, 2004, Price et al., 2018). In view of the discussion in the pre-text, hypothesis may be advanced as:

H4 (a): As consumers acquire higher knowledge on services contracted,

they turn more conscious on the quality of services

H4 (b): Cognitive barrier of consumers for switching the services will

increase as the perceived services quality and satisfaction increase

In emerging markets, most consumers who have technical knowledge in the specific services could help the firms in developing the services competitive, attractive, and potential in generating revenue as well as offer high value to the consumers. Firms must involve consumers in developing such co-creation. Firms should also aim at low-income segments and cater to consumers' tendency to buy a lot of the cheapest services. In order to stay ahead in the competition firms should develop their service stores into centers of learning, where shoppers can fill the gaps in their product knowledge (D'Andrea et al, 2010). Services quality is a sustainable source for the firms to gain competitive advantage in the services sector. Service quality drives differentiation and adds value to service offerings and is a tool to win strategic competitive advantage. Firms in competitive marketplace intend to impart consumer education as part of a package of service quality initiatives and Feeling crowded in a shopping environment can decrease consumers' evaluations of a product or service and lower customer satisfaction (Huang et al., 2018). Hence, the hypothesis may be framed as:

H5: Firms develop sustainable services packages co-creating with consumers and deliver higher satisfaction consumers

# **Study Design**

In order to measure the interrelationship between the knowledge of consumers and services quality in the telecommunication and entertainment firms, respondents including both men and

women between the age group of 25-60 years were selected. The study was conducted among the customers of 2 major firms in each telecommunication and satellite entertainment service provider firms. The selected firms for the study were catering to consumers of the A/B, C+ and C demographic segments. The data was collected on 31 variables that were closely related towards influencing the information and knowledge building, services efficiency, and cognitive attributes of consumers. These variables include various perspectives of consumer knowledge, empowerment, brand value, services delivery, services efficiency, and consumer satisfaction in marketing of services to consumers for gaining optimal market share of firms. The data sets were categorized into the relational and economic variables selected for the study as illustrated in Table 1

#### //Table 1 about here//

Data was collected from 247 respondents purposively selected, who were the customers of the selected services companies in Mexico City, administering a semi-structured questionnaire. Of the total sample respondents, men constituted 46.16 percent and women represented 53.84 percent. The data of 22 respondents (8.90 percent of total sample size) were omitted from the data analysis due to paucity of information. The respondents were involved in buying products and services from the telecommunication and satellite entertainment service provider firms in Mexico. In all, the data of 225 observations were analyzed in the study. It has been found that the overall response rate in the survey was 91.03 percent. The data collected from respondents were tested for its reliability applying the Cronbach Alfa test. Variables derived from test instruments are declared to be reliable only when they provide stable and reliable responses over a repeated administration of the test. The test results showed high reliability ( $\alpha = 0.81$ ) on an average for all observations included for analysis in reference to all variables pooled under different segments.

Questionnaires were initially drafted in English and later translated in Spanish for use in Mexico. Items were modified to fit the Spanish language, and to accommodate all customers and questionnaires were double back-translated (Churchill Jr., 1979). A pilot test showed that consumers understood the questions correctly. Questionnaires were administered by the undergraduate students of marketing program. In translating some questions, the technique of

equivalence or reformulation has been used to give a correct sense to the sentence. Seven sources of influence included consumer education, fellow consumers, product knowledge, awareness on innovation and technology, product experience, competitive advantage (e.g. price, promotion, and post-sales services) and inter-personal experience with the salespeople. Six impersonal sources of influence included social network contents, product information brochures, Internet, do-it-yourself experience, and store displays. Respondents were asked to indicate on a four-point Likert scale (1-Totally agree; 4-Totally disagree) when they make a purchase decision on fashion apparel. Much research in academia uses a five-point scale because researchers believe that it may produce more reliable or valid results. However, the response format of this study used a four-point scale because the researchers believed that deleting the neutral point might result in more accurate responses.

## Construct of Measures and Data Validation

The constructs of the study were measured using reflective indicators showing effects on the core variables. The role of consumer education on service efficiency in reference to entertainment and telecommunication services is derived from 18-variables segment comprising consumer knowledge on services, empowerment, brand value, and consumer satisfaction related variables (VS<sub>1</sub>, VS<sub>2</sub>, and VS<sub>5</sub>). The efficiency of services delivered was measured with 13-variables (services delivery-VS<sub>3</sub> and services efficiency led variables-VS<sub>4</sub>) on a self-appraisal perceptual scale derived originally on the basis of focus group analysis as referred in the pretext.

Constructs related to the role of consumer education and cognitive factors determining the services performance (VS<sub>1</sub>, and VS<sub>2</sub>) were measured using 13-variable 'self-appraisal perceptual scale' comprising services information, trustworthiness, social value, empowerment, innovativeness, value and lifestyle, corporate reputation, and sustainability of services. Construct of services efficiency (VS<sub>4</sub>) was measured in reference to 13-variable 'self-appraisal perceptual scale' consisting of services differentiation, delivery, services quality, services bundling, pricing and competitive advantage. The perceptional behavior of consumers that supports the value generation and helps in developing purchase intentions (VS<sub>5</sub>) were measured using 5 variables including need, belief, satisfaction, switching behavior, and purchase intentions. Other variables

were selected on the basis of focus group discussion. All reflective constructs for all variable segments of the study were analyzed through the factor analysis model as a single confirmatory test. The goodness-of-fit statistics<sup>1</sup> comprising chi-square statistics (6.31), root mean square error of approximation (0.158), Tucker-Lewis fit index (0.725), comparative fit index (0.831) and incremental fit index (0.714) indicate that the model used for analysis in the study fits the data adequately. All variables were loaded significantly on their corresponding segments which revealed significant p-value at 0.01 to 0.05 levels.

The data collected from respondents was tested for its reliability applying the Cronbach Alfa test. Variables derived from test instruments are declared to be reliable only when they provide stable and reliable responses over a repeated administration of the test. The test results showed acceptable reliability level ( $\alpha = 0.722$ ) on an average for all observations included for analysis in reference to all variables pooled under different segments.

## **Model Specification**

In order to measure customer satisfaction  $C_{sat}^{ti}$  the major independent variables selected for the analysis include consumers' purchase intentions  $C_{bi}$ , acquired knowledge on price advantages  $B_{sp}$ , and efficiency of services  $S_{eff}^{jti}$ . Initial robust weighting matrix and optimal weighting matrix were employed using the equation to measure the variations on the knowledge acquired by the consumers and intentions to purchase services as discussed in the pre-text:

$$C_{sat}^{ti} = \frac{\mu b'}{\mu k} (C_{bi}^t) \left[ \tau (y_1 + y_2 + y_3 + \varepsilon_n) B_{sp} \right]^{ti} \left[ \lim_{i \to \infty} \left( S_{eff}^{jti} + \frac{1}{i} \right)^i \right]$$
 (1)

The above equation represents the response of consumers to services marketed in a given market j for product i,  $(\mu)$  denotes the consumer preference for the services in reference to services

<sup>&</sup>lt;sup>1</sup> The goodness-of-fit statistics that the Tucker-Lewis index (TLI) also known as the Bentler-Bonett non-normed fit index (NNFI), comparative fit index (CFI) and incremental fit index (IFI) tend to range between 0 and 1, with values close to 1 indicating a good fit. The TLI (NNFI) has the advantage of reflecting the model fit very well for all sample sizes. It is observed in past empirical studies these indices need to have values above 0.9 before the corresponding model can even be considered moderately adequate.

delivery time (b') and knowledge acquired on services contracted (k),  $(\gamma_1)$  represents the trust on the firm,  $(\gamma_2)$  denotes inclination towards buying decision persuaded by innovation and technology associated with the services,  $(\gamma_3)$  shows the buying behavior derived by the operational efficiency of services, and  $(\tau)$  refers to the structural parameter relating to the endogenous variables to one another.

Ordinary Least Square (OLS) method has been employed to the data sets to measure the customer value for buying in shopping malls (dependent variable) in reference to the above discussed physical, cognitive and economic variable (independent variables) has been computed using the construct as below:

$$S_{eff}^{jti} = \alpha + \beta_1 \left( C_{kno}^i \right) + \beta_2 (Q_{ser}^i) + \beta_3 \left( S_{del}^i \right) + \beta_4 \left( B_{sp} \right) + \beta_5 (R_{bs}) + \beta_6 (C_{bi}) + \beta_7 (C_{sat}) + \beta_8 (C_{swt}) + \varepsilon \tag{2} \label{eq:seff}$$

In the above equation, the error term is denoted by  $\varepsilon$  in the above equation. The model explains that the service efficiency stimulates purchase intentions of consumers in reference to consumer knowledge, services attraction, and value for money. However, services efficiency generates brand reputation and consumer loyalty in the competition marketplace.

#### **Results and Discussion**

The data analysis has been carried on using AMOS 19 version. The descriptive statistics of the database is presented in Table 2.

It has been observed during the study that the firms offering entertainment and telecommunication services in the study region do not educate the consumers prior to selling the services. On the contrary inquisitive consumers get themselves educated on the services offed by the firms in acquiring knowledge from the available resources such as information available on the Internet, social media, and through peer interactions on buying experiences. The estimation of the constructs has been carried out using the equation 5 and the results of estimations are exhibited in Table 3.

//Table 3 about here//

Large number of consumers contract the entertainment services through telemarketing. Consumers attracted towards the entertainment( $\gamma_1 = 0.731, p < 0.01$ ) telecommunication ( $\gamma_1 = 0.742, p < 0.01$ ) services contracted as customer services offered through telemarketing are trustworthy. The innovation and technology associated with the services stimulate purchase intentions of consumers and drive buying decision on entertainment  $(\gamma_2 = 0.834, p < 0.01)$  and telecommunication  $(\gamma_2 = 0.851, p < 0.01)$  services offered through telemarketing. It has been observed that marketing of entertainment services through is less preferred by the customers as time taken for delivering entertainment services ( $\mu b' = 0.439, p < 0.05$ ) through the virtual platform is longer and faulty while consumers do not prefer to stand on long queues ( $\mu b' = 0.280, p < 0.10$ ) in the customer services centers to contract telecommunication services. However, analyzing information through Internet on the services in order to build purchase intention by the consumers for entertainment ( $\mu k = 0.535, p < 0.05$ ) and from the customer service centers for telecommunication services ( $\mu k = 0.591, p < 0.05$ ) has significant impact on gaining knowledge on the services offered. The behavior of consumers towards buying entertainment  $(\gamma_3 = 0.633, p < 0.01)$  and telecommunication  $(\gamma_3 = 0.737, p < 0.01)$  services is highly influenced by the operational efficiency of services when contracted through telemarketing as compared to the other marketing outlets. It has been observed during the study that consumers under low-involvement conditions tend to reach deeper levels of information processing that develop lower levels of buying arousal among consumers. Involvement is a complex construct which encompasses many different dimensions such as value for money, competitive advantage, perceived risk and customer services (Rajagopal, 2011). Each of these dimensions lead to different effects, and comprehension of advertising message also determines the extent of information processing.

The results presented in Table 3 indicate that consumers with acquired knowledge on services intending to purchase, measure the level of satisfaction  $(C_{sat}^{it})$  by analyzing the trust in service provider, innovation and technology inputs in the services offered, and the degree of operational efficiency. The results indicate that the level of customer satisfaction of the services procured is higher in telemarketing channel for entertainment  $(C_{sat}^{it} = 0.669, p < 0.01)$  and telecommunication  $(C_{sat}^{it} = 0.751, p < 0.01)$  services as compared to the other marketing

outlets. However consumers attempt to acquire information from alternate sources, most effectively through word of mouth for analyzing efficiency of services offered. Accordingly, consumers reach deeper levels of information processing under low involvement using their knowledge on sales promotions to determine the level of perceived risk (Van Raaij et al, 2001). Mexican services firms operate in restrained market competition and cannot afford losing a customer. Hence, orders for services are randomly accepted in order to keep serving the customers. As a result and as an effort to compensate for possible financial losses due to this volatility, Mexican retail services segment as a common practice takes on more work orders than they can normally complete on time causing dissatisfaction among consumers and trigger switching behavior (Elahee and Brooks, 2004). In view of the above analysis, the results have been found consistent with hypotheses  $\mathbf{H_{1}}, \mathbf{H_{2(a)}}$  and  $\mathbf{H_{2(b)}}$ .

#### //Table 4 about here//

The measures of core constructs are presented in the Table 4, which reveals that consumers acquire adequate information on the services to be contracted ( $C^i_{kno} = 0.816, p < 0.01$ ). The attraction of the services to the consumers ( $A^{ti}_{ser} = 0.633, p < 0.01$ ) depends on services efficiency and the extent of information available on the services. The results reveal that the higher the services efficiency ( $S^i_{eff} = 0.738, p0 < 0.01$ ) the higher the services attraction. It has been observed during the study and also supported by the results that efficiency of services leads to customer satisfaction ( $C^i_{sat} = 0.794, p < 0.01$ ) and reduces the possibilities of services switching ( $C^i_{swt} = 0.275, p < 0.10$ ) for the specific services (i) in a given time(t). Accordingly, the results presented above support the hypothesis  $\mathbf{H}_{4(b)}$ .

//Table 5 about here//

The impact of consumer education on purchase intentions of services through different channels has been analyzed in reference to the data on various functional variables in Table 5. Consumers who have updated knowledge on the services, which they intend to contract, expect higher quality of services. However, the perceived quality of services among consumers differs across the services channels. The results exhibited in the Table 5 indicate that perceived services quality in all services marketing channels is statistically significant except on virtual channel for purchasing entertainment services  $(Q_{ser}^i = 0.229)$ . However delivery of telecommunication

services were found significant through the telemarketing  $(S_{del}^i = 0.756, p < 0.01)$  and customer services centers  $(S_{del}^i = 0.722, p < 0.01)$ . Consumers acquire adequate knowledge on services pricing from all marketing channels to determine their purchase intention. The results presented in the above Table indicate that the higher the price advantages of services [ENT –  $TM(B_{sp} = 0.623, p < 0.01)$ ] the stronger the purchase intentions [ENT –  $TM(B_{sp} = 0.630, p < 0.01)$ ] in entertainment service product. Similar inference can be drawn to measure the purchase intentions of consumers towards telecommunication services through the telemarketing [TELCO –  $CSC(C_{bt} = 0.561, p < 0.05)$ ] channel and customer service center [TELCO –  $CSC(C_{bt} = 0.617, p < 0.01)$ ]. Consumers also gain awareness about the brand reputation on services offered to determine their purchase intentions. Hence, the results discussed above are consistent with the hypotheses  $H_{3(a)}$ ,  $H_{3(b)}$ , and  $H_{4(b)}$ .

# //Table 6 about here//

The correlation matrix of peripheral variables of construct is exhibited in the Table 6 which reveals that the availability of information on services offered builds trust among consumers about the services intended to be purchased  $(V_2, V_1: r = 00.621, p < 0.01)$  and trust on specific service products help consumers to perceive higher brand value  $(V_1, V_5: r = 00.742, p < 0.01)$ . Trustworthiness of services has positive implication on enhancing social value  $(V_1, V_3: r = 00.748, p < 0.01)$  and strengthening the consumer intentions to purchase services  $(V_3, V_7: r = 0.675, p < 0.01)$ . Consumers reinforce their intentions towards buying services as they learn price advantages  $(V_6, V_7: r = 0.819, p < 0.01)$  and association of innovation and technology  $(V_4, V_1: r = 0.396, p < 0.10)$  with the services. Firms develop sustainable services packages integrating services information, innovation and technology, and price advantage over competing services. Integration of these variables in marketing of services helps the service providing firms in co-creating the social and brand value with consumers and deliver higher satisfaction to them. Accordingly, the results discussed above are found consistent with the hypotheses  $\mathbf{H}_{3(a)}$ ,  $\mathbf{H}_{3(b)}$ , and  $\mathbf{H}_{5}$ .

#### **Managerial Implications**

Consumer education and counseling should be introduced by the services firms for specific services like health, education, telecommunication, finance etc. Such support on the consumer

education would enhance information analysis and decision making abilities. Most of the services firms are of the view that there exists high demand for services like entertainment, telecommunication, transport, education, health, banking, and insurance and believe that services can be sold easily to the stressed consumers, which is not a correct notion in the growing market competition. However, marketing professionals have often oversimplified the problem of building successful services brands by educating the consumers on the services offered by the firm, the customer relations can play an important strategic role. During the study consumers suggested that they were influenced in making decisions to buy services provided the firms shared vital information on brand value, services attributes, price, consumer benefits, and periodical upgrade of services through customer interactive activities involving employees of the firm in educating the consumers. Such initiatives by the services marketing firms would make the consumer feel a greater sense of value for money and trust towards their employees to stay long the firm and narrow down the options of services switching.

Consumers' knowledge on services offered by the firm may be enhanced by strengthening the information dissemination through various Internet platforms. The most common and cost-effective approach to marketing on-line is search-term marketing, service, or related features of the services. This type of marketing involves low search costs and high information diffusion on search-oriented Web sites such as Yahoo!, Google, Lycos, MSN and many others. The idea is that there is no better time to try to drive a consumer to the relevant Web site than when the consumer has just searched for an alternate service. It is important for the services marketing firms to attain efficiency in services delivery with quality. Managers should ensure that the quality of decision making will generate tactical as well as long run relations with the consumers so the firm can gain competitive advantage over other firms. Firms should establish Face-to-face contacts to learn quickly and easily about the need, problems, and functional issues associated with the consumers for hiring the services.

# Conclusion

This study discusses the role of consumer knowledge in developing intentions towards purchasing services of entertainment and telecommunication, which are essential in today's socio-economic lifestyle. The study reveals that consumers attempt to acquire information from

various sources on the services offered by the firms. Consumers analyze the operational efficiency of the services and competitive advantages in reference to price, delivery of services, quality of services, and value for money upon purchase of services. The results of the study reveal that consumers intend to acquire comprehensive knowledge on the contracted services to monitor efficiency of services delivery and as consumers acquire higher knowledge on the contracted services they intend to demand better quality of services. The study observed that consumers are sensitive to the price of services and express their perceptions among peers on purchase intentions. However, consumers who are dissatisfied with the services offered are induced to switch the services from the present service provider. The study reveals that most services marketing firms do not give priority to the consumer education on services and refrain from complying with the pre-sales promises that prompts switching behavior among the consumers. The discussions in the study also divulge that purchase intentions on services are largely driven by services attractions, inter-personal influences, consumer-employee relations and comparative gains. Major factors that affect shopping purchase intentions include services innovation and technology, services upgrades, virtual support, brand value, and price.

Like many other empirical studies this research might also have some limitations in reference to sampling, data collection and generalization of the findings. The samples drawn for the study may not be enough to generalize the study results. However, results of the study may indicate similar pattern of shopping behavior of urban consumers in shopping malls also in reference to other Latin American markets. The findings are limited to Mexican consumers and convenience sampling. Other limitations include the qualitative variables used in the study which might have reflected on making some causal statements. However, future studies could avoid these limitations by using data from several countries, representative samples, and additional variables.

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Table 1: Variables chosen for the study

Variables by Category	Information a	nd Knowledge	Service	Cognitive Attributes		
Analytical Segments	Empowerment Brand Value $(VS_1-8)$ $(VS_2-5)$		Knowledge- Services Delivery (VS <sub>3</sub> -6)	Services Delivery- Services Efficiency (VS <sub>4</sub> -7)	Knowledge-Services Efficiency- Consumer Satisfaction (VS <sub>5</sub> -5)	
Hypotheses setting	$H_{1(a)}, H_{2(b)}$	$H_{2(a)}, H_5$	$H_{3(b)}, H_{4(a)}$	H <sub>3(a)</sub>	$H_{(3(a)}, H_{4(b)}, H_5$	
Description of variables selected for data collection	Services information Trustworthiness Period of association Communicability Social value Knowledge acquisition Empowerment	Innovativeness Technology Value and lifestyle Corporate reputation Sustainability	Monitoring Services differentiation Services attributes Services delivery Services quality Services bundling	Services deliverables Service pricing Customer relations Competitive advantage Operational values - Sincerity - Value addition - competence	Need Consumer Beliefs Consumer satisfaction Switching behavior Purchase intention	

VS= Variable Segment with number of variables in the segment

Table 2 : Descriptive Statistics for the Selected Variable Groups for the Study

Variable Groups	Knowledge- Empowerment (VS <sub>1</sub> -8)	Services Knowledge- Brand Value (VS <sub>2</sub> -5)	Knowledge- Services Delivery (VS <sub>3</sub> -6)	Services Delivery- Services Efficiency (VS <sub>4</sub> - 7)	Knowledge- Services Efficiency - Consumer Satisfaction (VS <sub>5</sub> -5)	
Sample Size	225	225	225	225	225	
Mean	5.379	6.631	7.583	5.291	5.836	
Standard Deviation	0.874	0.649	0.627	0.882	0.614	
Standard Error	0.082	0.073	0.051	0.066	0.068	
Skewness	-0.846	-1.022	-0.739	-0.670	-0.843	
Sample Variance	0.654	0.496	0.584	0.754	0.504	
Factor Loading Communalities	4.317	3.728	4.294	5.039	4.521	
Data reliability test- Cronbach (α) scores	0.82	0.73	0.87	0.81	0.77	

VS=Variable Segment. Figures in parentheses indicate number of variables

Table 3 Estimations of Structural Equations

(n=225)

Services Segments		Parameters								
Shopping	Respondents	$C_{sat}^{it}$	$(\gamma_1)$	$(\gamma_2)$	$(\gamma_3)$	(β)	(μb')	(μk)	SE	Chi- Square
ENT-TM	186	0.669*	0.731*	0.834*	0.633*	0.633*	0.724*	0.622*	2.914	84.06
ENT-VS	21	0.481**	0.249	0.392**	0.422**	0.522**	0.439**	0.535*	4.618	11.72
TELCO-TM	165	0.751*	0.742*	0.851*	0.737*	0.737*	0.712*	0.521**	2487	76.20
TELCO-CSC	74	0.314+	0.331**	0.472**	0.191	0.391**	0.280+	0.591*	1.466	97.44

ENT-TM= Entertainment services purchased through telemarketing

ENT-VS= Entertainment services contracted through virtual shops

TELCO-TM = Telecommunication services purchased through telemarketing

TELCO-CSC= Telecommunication services contracted through customer services center

The sum of number of respondents in column 2 exceeds the total respondents as same respondents have contracted for more than one service

Table 4 Measures of core constructs

Constructs	Statistical Measures						
Constructs	Robust Weight	Optimal Weight					
Consumer Knowledge $(C_{kno}^i)$	$0.816^{*}$	0.790					
Services Attractiveness $(A_{ser}^{ti})$	0.633**	0.512					
Customer Satisfaction $(C_{sat}^i)$	$0.794^{*}$	0.638					
Services Switching $(C_{swt}^i)$	$0.275^{+}$	0.481					
Services Efficiency $(S_{eff}^i)$	0.783*	0.736					
Coefficient of trend variable $(\beta)$	0.571**	0.558					

p < 0.01, p < 0.05, p < 0.10

p < 0.01, p < 0.05, p < 0.10, SE = Standard Error

Table 5: Impact of Consumer Education on Services Purchase Intentions

(n=225)

A polytical variables <sup>8</sup>	Services shopping clusters						
Analytical variables <sup>a</sup>	ENT-TM	ENT-VS	TELCO-TM	TELCO-CSC			
Consumer knowledge on services $(C_{kno}^i)$	$0.619^{*}$	0.358**	0.611*	0.736*			
Perceived quality of services $(Q_{ser}^i)$	0.671*	0.229	0.717*	0.813*			
Delivery of contracted services $(S_{del}^i)$	0.425**	0.342+	0.756*	0.722*			
Knowledge on price advantages $(B_{sp})$	0.623*	0.184	0.845*	0.616*			
Awareness on brand reputation of services $(R_{bs})$	0.615*	0.187	0.317+	0.554*			
Purchase intention of consumers $(C_{bt})$	0.630*	0.284+	0.561**	0.417*			
Constant	0.1439	0.2215	0.3499	0.1079			
$\overline{R}^2$	0.573**	0.193*	0.796*	0.513**			

<sup>&</sup>lt;sup>a</sup>=Variables are described in equation (5)

Table 6: Pearson correlation matrix of principal variables of construct

(n=225)

Variables	Mean	SD	$V_1$	$V_2$	$V_3$	$V_4$	$V_5$	$V_6$	$V_7$
Trustworthiness $(V_1)$		0.816	1.000						
Information on services (V <sub>2</sub> )		1.284	0.621*	1.000					
Social value (V <sub>3</sub> )	4.62	1.193	$0.748^{*}$	0.644*	1.000				
Innovation and Technology (V <sub>4</sub> )	4.82	0.814	0.351+	0.512**	$0.745^{*}$	1.000			
Brand value (V <sub>5</sub> )	3.46	0.432	$0.742^{*}$	0.324+	$0.826^{*}$	$0.612^{*}$	1.000		
Price advantage (V <sub>6</sub> )	3.74	0.209	0.542**	0.251	$0.628^{*}$	0.623*	0.575*	1.000	
Purchase intention (V <sub>7</sub> )	2.96	0.145	0.473**	$0.791^{*}$	$0.675^{*}$	$0.396^{+}$	$0.622^{*}$	$0.819^{*}$	1.000

<sup>\*</sup>p < 0.01, \*\*p < 0.05, +p < 0.10, SD= Standard deviation

<sup>\*</sup>p < 0.01, \*\* p < 0.05, +p < 0.10