

Chapter 6 – Interpretation

6.1. Introduction

The interpretation of the case studies first addressed to what extent the analysis aided the respondents in terms of understanding the nature of their marketing problem and recommended marketing action. The respondents' view of the underlying model, if any, were also be examined, for although this was not an explicit aim of the study, a number of respondents commented on it. Following that, the theoretical and practical implications of the model for the way that specific marketing actions were viewed within the case studies were examined.

6.2. Interpretation of the Respondent's Response to the Analysis

6.2.1. Methodological considerations

Any discussion of the strength of the support for the analysis and underlying model must be undertaken within the context of the limitations of the study. The limitations of the study affect the interpretation in two ways. Firstly, caution must be exercised in interpreting the support. This was because the nature of the study was such that it could never be clear whether any advantages delivered by the analysis were merely the result of a fresh perspective on the problem. Alternatively, the advantages may also merely result from the application of standard or cutting edge marketing practices that the respondents were not aware of. To address this concern, the reported support for the analysis was selected because it was clearly resultant from the utilization of the model.

While the results would always be somewhat ambiguous, it was also a consequence of the limitations of the study that strong support was hard to achieve. Given that the study could not directly address the utility of the model, the short period of time between the presentation of the analysis and the respondent's determination of its utility, together with the fact that respondents were not selected on their ability to bracket out their present constructions, meant that there was plenty of scope for ambiguous or even negative findings. The strength of any support should therefore be viewed with this limitation in mind.

6.2.2. Level of support from the respondents

In both the Pacific Automotive and University of New England case studies support for the utility of the analysis was forthcoming. In addition, in both cases the respondents linked the analysis to the models and reconstructions and then used the model, independent of the researcher analysis, to generate their own implications.

Ian Olton stated that "my understanding has been improved by my exposure to this theory." "The result is an improved understanding of how the different customers must view the product" and through that "my understanding of product is now enhanced". "This approach both broadens and tightens the definition of product. It broadens the definition because we now include the user's capability, situation and available resources. It tightens the definition of product as the marketer is now able to better match the needs of the customer, the customer's situation and the organisation's product or solution". "The Level of Completion Model tells the producer what to do and why, while the Goods and Service Production Model tells the producer how to do it. It is the combination of the two that provides the real power of the framework. By combining the two, producers can have a better understanding of what the consumer wants and why and then how best to go about producing that in a way that best matches consumer and producer requirements. In this way, it represents a more complete understanding of what product is not only to the consumer but also to the producer."

Mark Grahame also provided support for the analysis and model. “The Level of Completion Model explicitly provides a template to view the product from the consumer perspective” This suggests that “when used at the product or customer level there are specific product attributes or customer benefits that are also highlighted and this is what I would define as more tactical in nature”. The Goods and Services Production model “fits in with the completion model and allows me to specifically identify those attributes needing to be provided in the production or pre-sale phase, and those required in the post-sale phase”. The model “goes beyond the traditional view of product features into the area of consumer utility” and that he now saw product as a package and that that package contained all that the company did for consumers. He commented, for example, that it was now much clearer to him that his customers viewed the relationship program as part of the product they offered them. In addition, he saw the logic in viewing goods and services as the model outlined.

This was significant because a review of the definitions of product, good and service provided by the respondents indicated that they were consistent with established definitions and so different from the proposed re-conceptualisations. This demonstrated that the reconstructions were novel to the respondents but also that the nature of the analysis had convinced them of the utility of viewing them this way.

6.2.3. Conclusion of the respondents’ response

Comments such as those provided by Ian Olton and Mark Grahame supported the argument that the models provided utility in the evaluation of marketing problems. The model was understood by the two respondents who were able to articulate how it differed from existing marketing models and then they used it independent of the researcher to generate their own conclusions. While it may be argued that providing the models to the respondents during the analysis may be advocating the models, the discussion of the

model between respondent and researcher never addressed the differences between existing conceptualisations and the proposed models. This meant that such articulation by both respondents were independent of any input by the researcher, as was their use in analyzing other problems faced by their organisations.

The lack of support for the model from Scott Williams indicated, however, that, for one reason or another, such a model may not be for everyone. It was unclear why it was not of utility to Scott Williams. Scott mentions the readability of the model. Equally, it could be that such a conceptualisation was just of no utility to him or alternatively that he was unable to bracket out existing understandings and view the model from a fresh perspective. All were consistent with the notions of construct development. As they represent constructions that were shared if and when they were perceived to be of utility to those who seek to use them, no objectivity existed with respect to adoption. In fact, a lack of consistency with respect to how the utility of a new conceptualisation was viewed could be expected. In this way, the fact that Scott Williams did not see utility in the model did not undermine the argument that there may be utility in viewing product, good and service in this way for some people.

When these results were judged against Guba and Lincoln's (1989) criteria (See figure 6.2.1.) for the evaluation of reconstructions all criteria could be argued to have been met. There were strong grounds for arguing that the empirical study found the models generated new marketing insight across industries and marketing problems. It showed that the analysis of the marketing problems that came out of the utilization of the model was of utility in both understanding the situation and in generating strategic and tactical responses. Finally, the models themselves resulted in enlarged personal constructions of product, good and service and aided the respondent's understanding of how others view product, good and service and these altered and enlarged constructions empowered or prompted them to act.

Figure 6.2.1: Guba and Lincoln Criteria for the Evaluation of Reconstructions
(1989)

A reconstruction was of greater utility when it leads to:

- Ontological authenticity, enlarges personal constructions
- Educative authenticity, leads to improved understandings of constructions of other
- Catalytic authenticity, stimulates and empowers to action

6.3. The Practical and Theoretical Utility of the Model

As a form of triangulation the empirical study was designed to go beyond whether the proposed model of product, good and service resulted in a better understanding of the nature of the problem for respondents as a result of a better understanding of the nature of their product. The analysis itself was a form of validation of the model. The nature of constructs and their role in theory development was such that any conceptualisation could be expected to have profound influence on how related action was conceptualised and practiced (Zaltman et al. 1982, Hunt 1991). A test of the validity of the model was, therefore, to what extent this was evident with the proposed re-conceptualisations and to what extent these alterations were of utility to the respondents. In order to more clearly separate the contribution of the model from that which was presently accepted, a review of the relevant literature was undertaken. This was designed to establish where the conceptualisations differed, where they were similar and whether such differences broadened, deepened or changed their conceptualisation.

6.3.1. Respondent support for the implications of the model for marketing action

The case studies demonstrated that the model did have implications for a range of marketing actions and by viewing product in this way those implications have a common basis in that understanding. Support for the unifying nature of the model came from the comments of both Ian Olton and Mark Grahame. Both respondents commented on the model's utility to draw together previously disjointed actions and to demonstrate how they were related, how they should be coordinated and what should be done to facilitate them. Ian Olton stated that "a greater understanding was gained about the situation within UNE from the report. The role of the academic, the view of management and the difficulty for both parties was made clearer. Furthermore, a way to proceed was suggested." Ian Olton suggested that by using a rational, logical and systematic approach to understanding what a product meant to a consumer, some of the understanding that used to have to be researched could be uncovered. From there marketing actions could be determined that could then be tested. Mark Grahame stated that "the problem and underlying issues were defined in a new way which more clearly highlighted what actually needed to be addressed."

Interestingly, both commented on the model's relationship to the marketing mix. Previously, the marketing mix had been criticized for being too production oriented (Grönroos, 1989). One possible reason for this was identified by Mark Grahame when he commented that the marketing mix seemed to assume the product and start from there whereas this model looked to understand the product and from there the marketing mix could be applied.

6.3.2. The implications of the model for marketing actions

The case studies indicated that the model had specific implications for such marketing actions as segmentation, product development, competitive analysis, brand, positioning, promotion and strategy both individually and as the basis for a cohesive marketing program. Outlined below is a discussion of these marketing actions, what implications the application of the model had on how they could be viewed and how these implications were manifested in the case studies. The advantage of viewing the marketing actions in these ways was then explored with reference to how they have been traditionally conceptualised in the literature.

Segmentation

Implications from the level of completion aspect of the model

In viewing product as what the producer did for a consumer, which in turn was determined by the capabilities of the consumer, the market could be segmented based on the level of the capabilities of the consumer. As each pattern of capabilities required a distinct product representing a distinct level of completion, segmenting in this way meant that the segmentation criteria was directly linked to the features of the product, the process of production, the consumer's capabilities and how they would use the product.

If the market knew what capabilities distinct groups of consumers had, then products could be developed to match those capabilities. In this way, the size of the segments or market that a product was aimed at was determined by the number of people with the skill, infrastructure, time and other materials necessary to use the product and who desired the outcome attributes of that product.

In a similar way, this aspect of the model also aided in product line decisions. A company could increase the efficiencies of production across a total line of products by concentrating on one outcome need and altering the level of completion. As each product variation would relate to a distinct level of capability, each segment could be regarded as unique thereby aiding in managing cannibalisation.

This form of segmentation was demonstrated in all three case studies. For example, the UNE case study identified that international students had lower capabilities, in terms of language and social networks, than did Australian students and therefore would require a product where the university helped them more or in other words was higher in process attributes. The university case study also highlighted that vocationally orientated students were likely to be outcome orientated while non vocationally orientated students were more likely to focus on process enjoyment. The implication of this being that vocationally orientated students would be more receptive to higher levels of process attributes as they aid them in achieving the desired outcome. UNE's internal undergraduate market was also argued to be different from those of metropolitan universities in term of the nature and extent of process attributes required. This was primarily because most UNE internal students had to move to attend UNE whereas this was not the case with metropolitan universities. This meant that these students would require more help in completing their study, primarily in terms of lifestyle facilitation and support networks. As these were part of what the university could do for them they fall within the product offering umbrella of the model. This indicated that three markets, all studying degrees at UNE, could be seen to be different in terms of their capabilities and therefore the level of process attributes they desire.

The use of the completion aspect of the model to segment was also demonstrated through the Petals case study. It was argued that the levels of capabilities of the wholesalers were higher than for the retailers in adopting the new business model and so they would require a different overall product, lower in process attributes. This was similar to the Ashdown case study. Small and large organisations were differentiated based on their

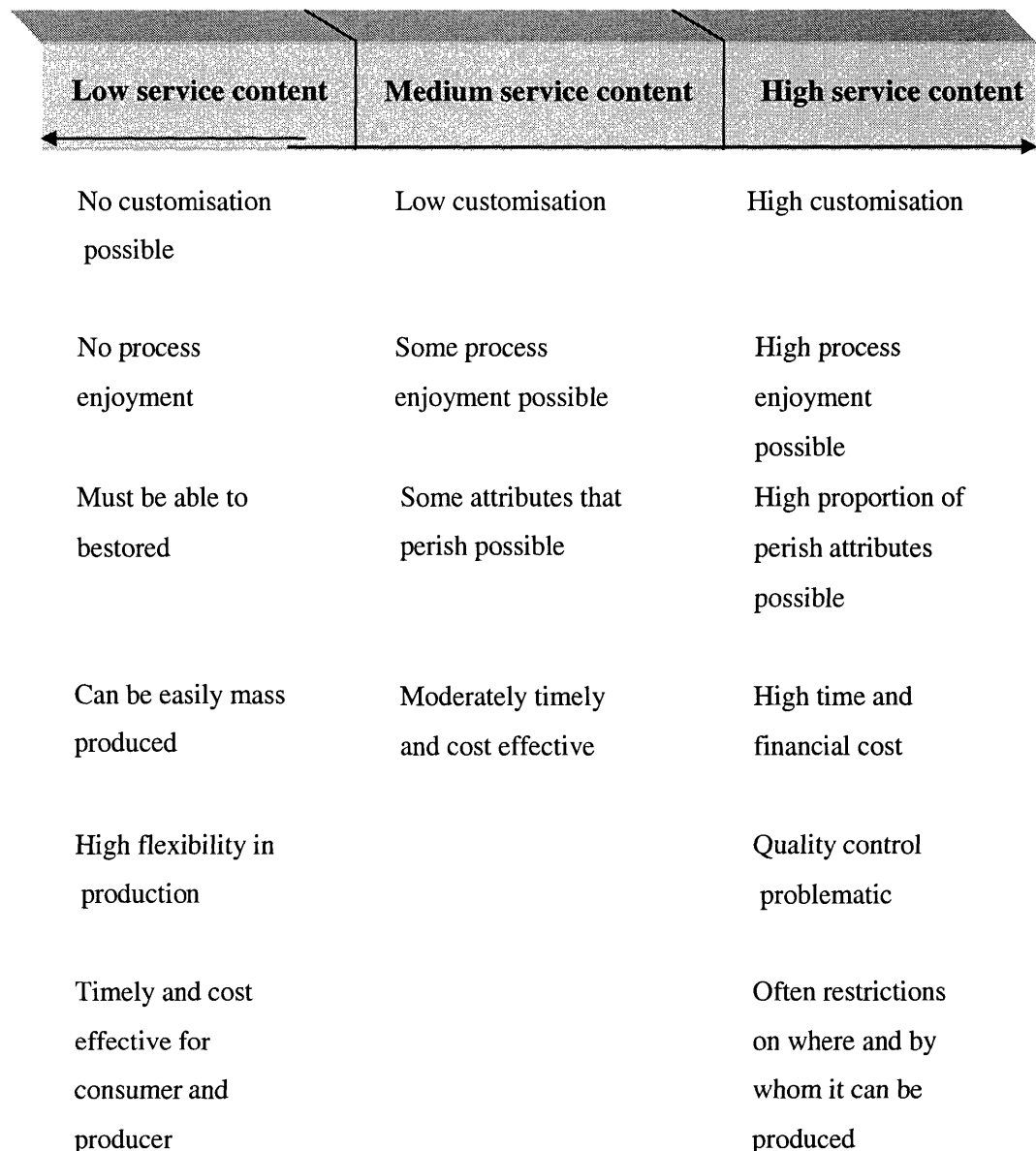
level of capabilities to not only carry out their own back office functions but also with respect to their adoption of the Sparky system. This led to the recommendation that products which differed in terms of the level of process attributes included should be offered to these different markets.

Implications from the level of the goods and services component of the model

The goods and service component of the model was also used in the case studies to segment the market. Segmentation, in this respect, was based on how much service production was desired. This in turn was informed by how much customisation each customer wanted, how much process enjoyment they wanted or the importance of the attributes that perish quickly. In this way, products could be developed that ranged from low service content, meeting the needs of those that did not want customisation or process enjoyment attributes, either because their needs were not unique enough or because they were price or time sensitive, to high service content products that contained a high degree of customisation, process enjoyment and or a high proportion of attributes that perished quickly. Products that meet the same basic need could be placed on a service content continuum (see figure 6.3.1.).

Figure 6.3.1: Service Content Continuum

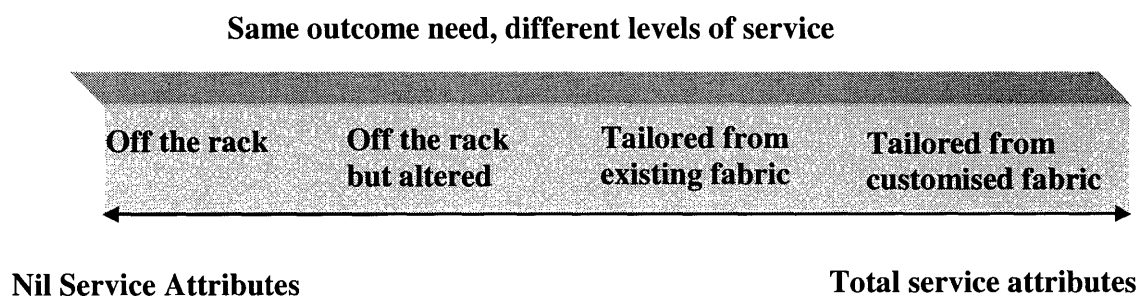
Characteristics of Good and Service Segments



Clothing could be used as an example of how a market could be segmented based on good and service component of a product as conceptualised this model. At the low service end of the continuum was buying off the rack. There were set sizes and styles and so little customisation. The consumer had to take what was already produced.

Alternatively, they could have a tailor or seamstress produce it for them. By doing this they could have the garment customised to their shape and fashion needs. They may even get satisfaction from the fact that someone was doing it for them, there may be process enjoyment. The first option was cheaper and quicker but contains no customisation. The second option was more expensive and time consuming but the process could be enjoyed and the outcome was customised to their individual needs. These two types of customers therefore represented distinct segments that could be targeted with distinct types of products (see figure 6.3.2.).

Figure 6.3.2 : Service Content Continuum for Clothing Example



Segmenting in this way was demonstrated in the University of New England case study where different markets were identified with different service needs. This was evident with respect to the offshore international market where the provision of service attributes was deemed to be too costly to the institution. It was also evident with respect to vocational versus non vocational students. It was argued that the outcome of a vocational degree needed to be standardised in order to fit within the processes of employers. This meant that less customisation would be required than for non vocational students whose outcome was not required to be as standard and where their own idiosyncratic needs led to customisation and where a greater desire for process enjoyment naturally lent itself to service production.

The two components of the model could be combined to form a segmentation tool that viewed product as a whole. Markets could be segmented based on the capabilities of the market which then feed into the nature of the features of the product. The goods/service component could then be used to discern, within the segment, how the consumer wanted it to be produced. This would mean that there would be specific completion segments further broken down into degree of service production desired.

Relationship to the literature

These implications for segmentation were consistent with what was reported in the literature as they did not challenge the accepted notion of segmentation but rather added characteristics not at present identified. Turan Senguder (2003), in his review of consumer and business segmentation approaches, argued that segmentation was usually based on similar purchase behaviours. In this way, the use of consumer capabilities and level and type of service production desired was consistent with the segmentation literature. However, they differed in that neither consumer capabilities, nor whether specific attributes should be produced as service or good attributes were identified as ways that a market could be segmented. Senguder (2003) argued that the most common segmentation approaches included physical attributes segmentation criteria which included geographic, demographic and socioeconomic categories. In addition, there were behavioural attributes criteria including psychographics, product usage, perceptions and preferences, situations and occasions and media exposure. Then there were other criteria such as brand loyalty and readiness stage. In the product usage criteria where, arguably, capabilities would be found, Senguder (2003) lists buy or no but decisions and past purchase behaviour. This all indicated that while the use of capabilities and level and type of service production to segment the market was consistent with accepted segmentation approaches these criteria were presently not in use.

The advantage of segmenting based on capabilities was that the segmentation characteristic was directly linked to the consumer's ability to use the product and so was meaningful at a profound level. If a consumer did not have the capabilities to utilise the product then regardless of the attraction of the need that it satisfied, the consumer would not be interested. A further advantage was that this basis of segmentation feed directly into product development in that it specified the nature of attributes that each segment would require.

Product development

Implications from the level of completion aspect of the model

Once a segment with common capabilities had been identified, the model could be used to develop products that not only met the outcome needs of the segment but which matched their capabilities. In this sense the model implied that product development should not only take the final need that the consumer wanted satisfied into consideration but also the capabilities of the consumer. This was demonstrated in all three case studies. With respect to the Petals case study, it was argued that the retailer market had lower capabilities than the wholesaler market in such areas as computer and general management skills. It was a conclusion of the analysis that, while the model offered both parties significant benefits, that in order for the retailers to realise those benefits the model and or the Petals organisation would need to provide more aid in the form of process attributes in order for them to utilise it. Through the addition of more process attributes it was argued that the potential size of the market for the product would be increased as more people could use the product and so be in a position to buy it.

With respect to the UNE case study, it was argued that with the vocational segment, the outcome desired was the facilitation of employment. To aid this, increased process attributes were recommended such as aiding them completing their studies as well as aiding them gain employment. With respect to the Ashdown case study, the service

centre concept where the same outcome need of serviced car was delivered at numerous levels representing different levels of help provided by the centre to the consumer, demonstrated the notion of same outcome need but with different producer roles.

Relationship to the literature

This dimension of product development was not evident in current understandings of product development. Current models of product development did not take the capabilities of the consumer in mind explicitly when designing new products. While it was recognised that new product development in services needed to be different from goods that difference was generally to do with the separation of core service attributes from the service delivery system (Johne and Storey 1998, Lovelock 1996, Cowell 1984). For both goods and services the concept of idea generation remained the same (Kelly and Storey 2000). The aspect of the traditional product development process most similar to the implications of the model was that ideas for new products could come from customers and their new or changing needs (Stasch, Lonsdale and LaVenka 1992, Kelly and Storey 2000). Need in this sense was generally associated with the outcome. If the reasons for the failure of new products were examined it was clear that a lack of capabilities to utilise the product was not one of the reasons given for the failure (Kotler 2000).

The advantage of this added dimension of product development was that it took a more consumer orientated approach to product development as it took both capabilities and needs into consideration and was more likely to result in a product that a consumer could use. It acknowledged that products were not need satisfying in themselves but rather needed to be used in some way to realise that potential. The capabilities to use the product, therefore, were critical in determining whether or not the product did have the potential to satisfy their need or whether the consumer's lack of capabilities prevented it from being potentially need satisfying.

Of course, most product development was incremental rather than profound. The identification of this component of product aided in that process as well. Products with the same need satisfying potential could be managed to reflect changes in consumer capabilities or different segments in the market. This was demonstrated in the case studies, particularly the UNE one, where the same basic product needed to be altered to reflect differences in the different segments capabilities. This also had product line implications where products with the same basic need satisfying potential could be offered to different segments based on different levels of completion or process attributes. The advantage of this was that efficiencies could be gained from offering a product that satisfied the same basic need but prevented cannibalisation by making sure each product in the line matched differing capability profiles.

Implications for product management from the good and service component of the model

The goods and services aspect of the model was also demonstrated to aid the product management process. By viewing goods and services in terms of when production was carried out, it could be seen that they were interrelated. They were, in effect, the same production carried out at different times. Therefore, the marketer could maximise the value of the product to the consumer by manipulating which attributes were produced as services attributes and which as goods attributes. This aided the efficiency of production, which in turn maximised the efficient use of resources for both producer and consumer. In this way, the ideal mix of goods and service attributes could be achieved that provided the level of customisation or process enjoyment attributes the consumer wanted but that did not produce other attributes using the time and financially costly service production.

Refiguring production to optimise service content worked both ways. Goods production could also move to service production where the consumer wanted a higher level of customisation, for example, where the consumer passed up a pre-made meal at a cafeteria for a hamburger of their design at the local take-away. Alternatively, consumers may

want more service production where problems in the attribute perishing were evident, as in the same example or where they wanted some form of process enjoyment that was at present not evident, for example, in choosing to go to the movies rather than buying a video, or going to see a band rather than buying a CD.

The advantage, with respect to product development, from viewing goods and services in this way was that it enabled goods and services to be viewed as interrelated enabling production to move between them. This had the advantage of increasing the efficiency of resource allocation, enabling the delivery of greater value through an ideal configuration of goods and service attributes which matched the consumer's desire for customisation and process enjoyment but at the same time maximized good production. From a producer's perspective, it could act to maximize the size of the segment in terms of increasing physical and temporal access, where service production was not warranted.

Relationship to the literature

The services and goods component of the model was consistent with the literature in that the level of service production led to altered outcomes and it was the need for such outcomes that led to the choice of service or good. While in general it was consistent with the literature, the alteration in the conceptualisation of good and service meant that the shifting of attribute production between good and service to match consumer need for customisation or process enjoyment was novel.

6.3.3. Utilising the model as a whole in product management

UNE's case study demonstrated how the model as a whole could be used to manage the product offering. It was argued that the present use of lectures as the main provider of service attributes was not justified in that it satisfied little if any of the criteria for service production. There was no customisation, the content did not perish and there was

generally little process enjoyment. At the same time it had all the additional costs of service production as the producer and consumer had to be present in real time. By shifting service production to goods production, prerecording lectures and placing them on the internet, benefits would accrue to both parties with little loss. This would increase the size of the market as anyone, anywhere, at anytime could access the lecture. It would increase quality through being able to edit the lectures before they went online, they could be used for several years thereby lowering the cost to the institution. The convenience to the student would be increased by being able to access the lecture at anytime and more than once. Value would be increased by this together with the ability to manipulate this as a database. The provision of service attributes could then be concentrated on the tutorial/practical/residential school aspect of the product where customised attention, coupled with process attributes that aided the learning process could add value. Such process attributes could be linked to the core service, as in aids to learning, or through the facilitation of the process such as making the arrangements to attend schools or in doing more for them with respect to the administration surrounding the product.

By moving the production of the educational attributes between good and service in this way it could be seen that, from the producer's perspective, the size of the market was increased, the quality increased and regulated, time and money were saved which could then be applied to providing additional service and process attributes that increased value and acted as a potential competitive advantage.

From the consumer's perspective, the value was increased as it added convenience, the quality was better, access was better and the total package was more customised through additional service and process attributes in the tutorial system. That is, it increased quality and value and decreased costs for both producer and consumer through shifting production between good and service and, thereby, the inclusion of additional process attributes that aided the student in their goals.

Brand

Implications from the level of completion and good and service aspects of the model

The case studies, particularly Ashdown, had implications for how brand could be viewed. Brand was analysed within the case studies from the perspective of how it related to the nature of the total product offering and from the capabilities that underpinned their product offering. In this way, the brand was characterised in terms of whether the activity of the organisation was dominated by process or outcome attributes and whether they were service or goods in nature. Brand, in this sense, was therefore linked to the capability of the organisation, the nature of their product offering, how consumer's view them and was linked to the specific needs and capabilities of the consumer. Brand, in this sense, could then be employed as a tool to analyse competitors and their offerings which in turn provided insights into the nature of their customer base and strategic options available to them.

Internally, such an understanding of brand could be used to guide product development functions. For example, the brands of Ashdown and their main competitors were analysed from the perspective of whether their extended offering was based on the provision of good or service attributes and whether that was dominated by outcome or process attributes. It was concluded that Ashdown had a service/ process attribute oriented brand whereas their competitors had a good/outcome brand. This, in turn, provided insight into on what basis Ashdown's competitors would compete and what their reaction patterns were likely to be. For example, the model implied that brand represented capabilities and that capabilities determine action. Ashdown's competitors could not challenge a service orientated differentiation campaign, nor could they value add through inclusion of process attributes without altering their brand and developing other capabilities. They could only rely on the capabilities they had and in an undifferentiated and technically mature market, that provided them with limited scope for movement.

In this way, the analysis of brand using the model also showed why companies like Hella and Bosch were production orientated. Their brands have developed over time as being outcome and goods production orientated. They built the best bulbs and to do so they focused on the outcome of the bulb and maintained quality through goods production. As the production orientation suggested, that is fine until the technology matured for as the Product Lifecycle suggested, people started to focus on other, often service produced attributes, to differentiate between products. This meant that Ashdown could leverage off their brand strength through the provision of more process and service attributes whereas their competitors would struggle to compete on this basis, being more inclined by the nature of their capabilities to extend their good/outcome nature. In the turbulent competitive environment that Ashdown faced this indicated where a competitive advantage lay, possible competitive responses and provided direction as to where their strategic response should lie.

Relationship to the literature

This conceptualisation was consistent with existing conceptualisations of brand. Rather than challenge the nature of brand it added a dimension to the analysis of what the brand represented to the consumer. Aaker (1997) identified four brand equity asset categories, brand identity, brand name awareness, brand loyalty, and perceived quality. The perspective of brand highlighted by the application of the model related to the first dimension, brand identity which Aaker (1997 p.68) defined as “a unique set of brand associations that the brand strategist aspires to create or maintain”. Within the brand entity category Aaker included brand as product, product attributes, quality/value, product uses, product users and country of origin. This analysis clearly would fall into the brand as product attributes.

The advantage of this view of brand was that by broadening its conceptualisation to include how the producer aided the consumer in satisfying their need and then reconciling that with good and service production as ways to satisfy that need, such a

characterisation of brand was also widened. It now could include an examination of how the brand aided consumers in satisfying their needs and so was linked to the capabilities of the producer and consumer rather than just the need they want satisfied. This meant that brand could include, from the consumer's perspective, what outcome the consumer wanted, mechanisms for achieving that and the degree of service provision desired. From the producer's perspective, brand was linked to their own capabilities, to those of their competitors while at the same time linked to those of the market.

Adoption of innovation

Implications from the level of completion aspect of the model

By viewing product within an extended production process, the level of completion aspect of the model also addressed adoption of innovation issues. The implication of this model was that to understand adoption, it was important to recognise that any product forms part of an extended production process and that to change an input required the alteration of the whole process that surrounds its use. Adoption, in this sense, may well relate to how the new product features fitted in with the rest of the consumer's production processes and how the features of the innovation related to the other capabilities the consumer used in that process. In some instances the adoption of innovation may require the development of a new production process on the part of the consumer. This would, however, require specific skills in conceptualising that process and the skills, tools and motivation to implement that process. Where the consumer did not have the capability to do this, no matter how attractive the outcome attributes of the innovation were, they would not be able to adopt it. This may aid in understanding why gradual innovations were more easily accepted. The household production process did not have to alter significantly to accommodate the new product.

The implication of the model was that innovations that facilitated the migration through increased process attributes were more likely to work. Such innovations, by decreasing the level of capabilities required, would also be expected to increase the size of the segment by including those who previously could not utilise such a product. So, if a producer could aid those consumers who previously did not know how to use the product, to develop those skills, the size of the market could be increased. In addition, more complete innovations that required little processing by the consumer were more likely to be adopted, as the consumer was more likely to be able to figure out how to fit the innovations into their life and so reduce the risk associated with it.

In this sense, adoption of innovation was viewed from the perspective of the model, at least in part, to do with the nature of the product. The marketing implication of this would be that more process attributes needed to be added to the product package at the beginning of the adoption process. It suggested that products with the same need satisfying outcome would need to differ depending on the stage of the lifecycle. At the introductory stage more process attributes would be needed to facilitate adoption, however, as it went through the stages, the need for such process attributes would decrease. That is, the product lifecycle could be characterised, in part, in terms of the level of process attributes required. This suggested that issues of adoption could be addressed, in part, at the product development phase with the inclusion of process attributes that facilitated that adoption, which could then be altered as the product moved through the product life cycle or as the type of adopter changed.

This view of the adoption of innovation was demonstrated through the case studies. It was argued in the Petals analysis, that the lack of capabilities amongst florists would hinder the adoption of the business model. It was concluded that to aid adoption, Petals needed to do more for the florists, not only through the internet system but also in getting them to adopt the internet system. Either they needed to develop internet capabilities through service oriented personal selling, aimed at increasing skills, or through the

provision of computers set up so that they connect straight to the site, or were easy to navigate. Support for this view on the models implications for adoption came from Scott Williams who commented that he now had a better understanding of why it was difficult to bridge the gap between innovators and early adopters.

The UNE case study also demonstrated the model's applicability with respect to internal marketing issues. Ian Olton, the UNE respondent, claimed that he could see the utility of the model in selling and implementing change internally. He argued that this was because the model provided a rational and logical argument for change. It could be argued that this was because the model identified and explained the underlying reasons for action and provided a logical sequence of events to achieve implementation of change. While the outcome of that change would still have to be attractive, the model highlighted that the processes that surrounded what was being changed and the capabilities that were required to implement that change were significant also in the implementation of change. It was these, in addition to the attractiveness of the outcome, that needed to be articulated and communicated.

Ian Olton commented that perhaps this was one of the more important contributions the model made. One of the problems with strategy and marketing action was that the marketer had to be able to communicate it effectively to have it implemented by other people. A framework that aided in not only understanding and communicating that understanding but helped develop action was therefore of value.

Relationship to the literature

Moreau, Lehmann and Markman (2001) have argued that there has been little research on the processes underlying adoption. A number of authors have examined factors that influence adoption including the comprehension of new products (Rogers 1983, Sheth 1981) and perceptions of the product's relative advantages and risks (Bauer 1960, Rogers 1983). However, little has been done on the determinants of these factors (Moreau,

Lehmann and Markman 2001). Moreau, Lehmann and Markman (2001) argued that the key determinant of the processes underlying adoption was prior knowledge. The implication of the analysis of the case studies suggested that in addition to prior knowledge, the extent to which the product fitted within the extended processes that surrounded the use of the product, could also be argued to be a determinant of adoption.

A number of authors in services product development within the business to business market have, however, noted that new products must be consistent with the organisation's systems (Langeard, Reffait and Eigler 1986, Edvardsson and Olson 1996). This was driven out of the recognition that in services, process development was as important as the core product development.

The advantage of how the model dealt with adoption was that it linked adoption to the nature of the product, product development, segmentation, the capabilities and processes of the consumer and producer as well as to other elements of the product offering such as brand, packaging and promotion (details of which are listed below). Conceptualising product in terms of process as well as outcome enabled it to be more easily reconciled with the process of adoption. It explicitly articulated that for a product to be adopted the consumer had to have the capability to use it. Given Moreau, Lehmann and Markman (2001) argument with respect to the lack of articulation as to the underlying processes of adoption, such a characterisation, as implied by the model, broadened the factors that should be taken into consideration.

Promotion and packaging as elements of the extended product offering

Implications from the level of completion aspect of the model

Adoption, segmentation and product management issues were also linked to promotion in the case studies. The implication of the Level of Completion component of the model for promotion was that it could be viewed in a wider sense than merely communication. The

issue of consumer capabilities was argued to not only determine the nature of the segment but also its size, being limited to those who had the capacity to use it. However, it was argued within the case studies that promotion could be used by the producer to supplement the capabilities of the consumer thereby increasing the size of the segment that could use it. This was particularly so with respect to personal selling where the personal seller could demonstrate how it worked thereby adding to the consumer's capabilities. In this way, promotion could be seen as more than communication, as being part of the product offering. For example, with the Petals case study, it was argued that personal selling could be used to deliver process attributes that aided the adoption.

The use of instructions and packaging were also argued to potentially add to the capabilities of the consumer thereby decreasing the capabilities that were needed and so increasing the size of the segment. This was demonstrated in the case study for Ashdown where not only was this technique advised with respect to increasing capabilities through labelling and packaging but was actually used to develop a product.

Implications from good and service aspect of the model

The goods and services aspect of the model also had implications for how promotion and its role in the adoption of innovation were viewed. The case studies demonstrated that promotion could be viewed in a good or service production sense, depending on whether the promotion was produced before or after the exchange had been initiated. In this way, the promotion had similar characteristics as product produced in these ways. For example, service based promotion could be customised but had corresponding temporal and financial costs. This meant that certain types of promotion were suited to certain types of circumstances. Service based promotion was suited to circumstances where a customised message or capability transfer was desirable. Goods based promotion could not be customised, however, it had the advantages of better quality control, greater geographical and temporal access and therefore increased size of the market/audience and costs reduction due to mass distribution and repeat use. This was demonstrated in the

Petals case study where service based promotion was recommended because the message needed to be customised to the audience due to their lower levels of business capabilities and a general lack of interest in developing them.

Putting the implications for both components of the model together it was demonstrated that promotion could be viewed in terms of adding process attributes and that these process attributes as well as the communication function of promotion could be produced in a service or good process oriented way depending upon the need that the promotion had to satisfy.

Relationship to the literature

This was significantly different to how promotion was dealt with in the literature. Promotion was always viewed in terms of communication. A review of the major textbooks indicated that promotion was synonymous with communication (Kotler 2000, Quester, McGuiggan, Perreault and McCarthy 2001, Peter and Donnelly 2001.) The proposed conceptualisation of product, good and service viewed promotion in a wider sense, adding a new dimension of capability facilitation which was in effect a form of training. Often the two roles were linked, the consumer would want to know if the product fitted within their own processes as well as whether they had the capabilities to do so.

The value of viewing promotion in this way was that it broadened its conceptualisation, enabling promotion to be viewed from the same perspective as other marketing actions discussed above. In viewing it this way promotion became an element of what the producer did for the consumer and so linked in with consumer and producer capabilities and processes, could be articulated as an element of the product offering and included in

such marketing actions as product and market development, adoption of innovation and segmentation. In a similar way, distribution could be conceptualised as doing something for the consumer and so regarded as a process attribute and therefore part of the product offering.

With respect to the goods and services aspect of the model, the major difference to established notions of promotion was that it was more explicitly linked to product. If all marketing activity was doing something for the consumer, in this case communicating and providing capabilities, then it too became part of the product offering and so could be viewed in terms of whether it was good or service in nature. This meant that promotion could be managed within the product function with the model aiding decisions as to when promotion should be produced as a service or good.

6.3.4. The use of the total model as the basis for coordinating marketing action

One practical illustration of the power of the total model to explore a phenomenon and provide an understanding that was greater than the sum of parts, related its treatment of the internet. The novel insights were largely generated by explicitly taking into consideration capabilities at both a producer and consumer level and viewing production of those attributes as a process that could be undertaken in a good or service orientated way.

The internet

In his interview with the researcher, Ian Olton argued that while marketers knew that the internet delivered superior efficiencies, to his mind marketing did not really have a handle on why. He went on to suggest that the model, as a whole, illuminated this issue somewhat. The total model suggested that superior efficiencies could be delivered

because the internet could deliver both process and outcome attributes and service and good production attributes at a small extended cost to the consumer and producer. The power lay, therefore, in the fact that the internet could provide the spectrum of product offering from low process/high good component products right up to high process, high service component products.

The combination of process and service attributes meant that the internet could deliver customised process attributes that perfectly matched idiosyncratic capabilities. That is, through the internet, a company could provide customised products that suited a consumer's idiosyncratic capabilities and at no more cost than mass-produced attributes. This meant that the company had access to a much larger market not restricted by having to position in terms of a specific level of capabilities evident in the market. In addition, the ability of the internet to match the process attributes of a product to individual consumer capabilities meant that companies could use it to increase their own efficiencies by importing the capabilities they lacked but required. This could be achieved through either using the internet as an internal capability, which sourced and then matched the capabilities needed or as consumers themselves gaining access to products that did the same. Either way the adaptive powers of the internet allowed companies to match their product offering to the capabilities of the market as well as to supplement their own capabilities and all at a low cost.

While customised solutions could be offered, goods production could be used to deliver information based product components that could be produced once but consumed many times. The ability to deliver product offerings that ranged from highly customised service and process orientated products to low customised goods oriented products together with the low barriers to entry meant that all companies had access to a business model that was far superior to any they could afford generally. This was also due to the fact that much of the customisation capabilities of the internet had been produced in a goods oriented way. They formed part of the programming. This meant that companies did not have to have such capabilities residing in their staff, to be applied in person, to individual consumer needs.

One of the reasons why service production was more expensive was that often it had to be carried out by people and they had to be skilled in that area and they could apply it once, going through the process for each new consumer. With a goods oriented software based system this meant that companies now had access to a business model that provided at one end, cheaply produced goods components that could be accessed, often at little expense to them, right up to highly customised products at the other end without having to develop the skills or take the time to do it personally. So for example, Amazon had such a business model. There were copious amounts of goods based information that consumers could access that was cheap for Amazon to produce, particularly when that cost was spread over all users, but was of value to consumers. At the same time, the system allowed for customised service orientated solutions through ordering and information search facilities, which were facilitated by preset, and so goods produced programming. In addition, the model allowed for a range of process attributes that matched any consumer's level of capabilities.

In effect, Amazon had such a sophisticated business model that consumers would only need to use a portion of it. This meant, of course, that the internet lowered the barrier to entry as it provided every business with a business model that was more than any customer would or could use. This meant that there was no competitive advantage in developing or delivering a superior business model, as was the case in the non-internet business world.

6.4. Interpretation conclusion

The three case studies demonstrated that the model provided a basis for the development of coordinated marketing action as well as having implications for how a range of marketing actions were conceptualised. Those implications were consistent in nature to the literature adding dimensions to the existing understanding. In conceptualising product as a process as well as an outcome that could be undertaken either in a service or good mode, a richer understanding of product was presented which focused on how a producer

satisfied a need, in terms of what they did and when, which fed directly into segmentation and which in turn fed into product development and management. The level of capabilities of a consumer, together with their need for service produced attributes could be used to segment the market and as the basis for the identification of product attributes. These process attributes, could then be manipulated throughout the product lifecycle of the product to facilitate adoption, altering with segment and adopter category needs. In a similar way, the nature of product, including outcome and process attributes and good and service attributes, could be used to evaluate the character of the brand, which could be used as the basis of a competitive analysis and as the basis of strategic decisions. In this way, as determined by the model, the nature of a company's product could be utilised for the development of a coordinated marketing action plan.

Chapter 7 – Discussion

7.1. Implications of the Model for Theory/Construct Development

The literature review highlighted that theory development was particularly important to any discipline. As a basis for theory development, metalanguage played a pivotal role as the discipline conceptualised central constructs within their own idiosyncratic frame of reference. The heavy reliance in marketing on borrowing from other disciplines had meant that theoretical and metalanguage development was particularly important. This was because metalanguage formed the basis of a wide range of related theoretical developments. Poorly constructed metalanguage could affect a wide range of marketing theory beyond the specific nature of the construct. The dominance of consumer behaviour in marketing theory development has arguably led to a concentration on the consumer and a subsequent lack of attention being paid to the producer (Richard Lutz 1979).

One area where the effect of borrowing was argued to be particularly apparent was how product was conceptualised. A review of the literature indicated that little had been written specifically on the construct from a marketing perspective and what had been written tended to concentrate on its need-satisfying meaning to the consumer. Leading scholars of services marketing have also highlighted that the conceptualisation of good and service were problematic. Lovelock (2000) argued that the discipline should move away from simplistic definitions and create new conceptual frameworks. Other authors argued for a greater link with the notion of product. Parsu Parasuraman (2000), when asked for advice on the future development of services marketing, argued for a better understanding of product while Evert Gummesson (2000) also linked services with the wider meaning of product in arguing that a clear understanding of what goods and service were was not apparent and that the relationship of the two needed to be explored and placed within a wider context of value creation.

A review of the constructs of good and service revealed that there was a good deal of confusion as to what they were. However, a few definitional conventions were commonly in use. Goods were generally viewed as tangible outputs of production while services were intangible processes or acts. In addition, three other distinguishing characteristics, heterogeneity, inseparability and perishability were commonly used to differentiate between goods and services. However, the use of these characteristics had come under increased criticism from senior services marketing academics as being overly simplistic generalisations (Lovelock 2000, Gummesson 2000).

When the basis for the commonly utilised definitional device of goods as tangible outputs and services as intangible processes were examined by the researcher it was concluded that viewing products as the output of production and services as the production process itself was flawed. There were no criteria contained within the definitions to indicate when a product should be viewed in terms of its outcome and when in terms of its process. This meant that products had been categorized into good and service based on some criteria that had never been articulated.

The utility of the present conceptualisations in the development of services marketing theory and practice suggested that the best place to start in refining the conceptualisations of good and service was when should a product be viewed in terms of the outcome and when in terms of the process. Working off an understanding of product as combinations of good and service attributes, it was argued that goods attributes were those that were finalized before the exchange had been initiated and services attributes were those that were produced after the exchange has been initiated. This implied that goods and services could be the same process carried out at a different time relative to the initiation of the exchange. In addition, both good and service attributes should be viewed in terms of both process and outcomes. By viewing good and service attributes in this way, distinctive characteristics of each were identified. Service attributes could be customised whereas goods attributes could not. It was possible with service attributes to have attributes that related to process enjoyment as was the case with live sport or music and that where there were attributes that perished quickly, it was best to produce them close to the exchange.

While service attributes had these advantages there were disadvantages as well. There was higher temporal and financial costs associated with service production as these attributes had to be produced in a specific time and place and after the exchange had been initiated. The quality of such attributes was harder to control and they were harder for the consumer to evaluate for reasons well documented in the services literature. This meant that service production, under this model, was generally only justified when there was a need for customisation, process enjoyment or the attributes perished quickly. As all attributes could be produced in a service fashion, management could shift production between good and service for other reasons such as irregular demand. Such a conceptualisation of good and service addressed many of the concerns identified. It provided a criterion which consistently identified when attributes should be viewed as goods or services attributes thereby allowing for mutually exclusive categories. By doing so it articulated the nature of the relationship between good and service and placed them within a context of value creation and the exchange.

On a theoretical level, given the re-conceptualisation was undertaken in a symbiotic rather than dialectic spirit, together with the importance of the distinguishing characteristics as quasi definitional devices and the nature of the criticism levels at them in recent years, it could be argued that a measure of the face validity of the reconstructions would be whether they aided in illuminating the nature of the difficulties with the distinguishing characteristics. This was a valid test given that the criticism levelled at the distinguishing characteristics only ever pointed out their generalised nature as characterised through the identification of exceptions and not the underlying nature of the problem. Further, given their importance and central role in the development of the field any reconstruction that argued for greater utility would necessarily need to provide a superior understanding of the nature of such differentiating characteristics, illuminating why and under what circumstances they were generalisations. Listed below are the implications of the model as a whole for the differential characteristics as well as other common definitional devices used to understand the nature of services and goods.

7.1.1. Implications for the nature of the ‘distinguishing characteristics’ of services

Intangibility

While Gummesson (2000) and Lovelock (2000) dismissed intangibility and the other distinguishing characteristics as generalisations, they maintained that services were processes. The model implied that this was only half the case. Both goods and service involved processes and both involved outcomes. Some of the outcomes of service production were tangible such as the case with restaurants and some were intangible as was the case with insurance. The reason why most good production were tangible was that the consumer had to take it away and input it into their own need satisfying processes. This generally implied a physical manifestation, however, that was not necessarily so. Electronic databases were not tangible nor were they processes. In this way, intangibility could be seen to be a generalised characteristic of a lot of goods produced attributes but not the most important difference between goods and services.

Inseparability:

The implications of the model were consistent with Lovelock’s (2000) view that, while inseparability was a characteristic of some services, it was not something that was generalisable across all services. The implication of the model was that if goods and service were viewed as the same process carried out at different times relative to the initiation of the exchange, then there was no inherent reason why the production and consumption of services were inseparable. It was true of some sorts of service, such as process type services like live performances and where the service production was being carried out with respect to bodily needs such hair cuts. Other services, however, led on to the creation of tools or infrastructure that, as continual service flows, were consumed on an ongoing basis and after the service production had been completed. Still other service

production resulted in what could be described as non-durable output. These also need not be consumed while the production took place. I could get someone to bake a cake for me, in which case it was service production. However, there was no need for me to eat it there. I could bring it home and consume it in the same way that I would consume a cake made through goods production. It remained that it was only those services where the core component of the service was process enjoyment, or where the service related to immediate personal needs that production and consumption were inseparable.

Heterogeneity:

The implications of the model once again supported the concerns of researchers that the heterogeneity characteristic was a generalisation. It was true that where the justification for service production was customisation, then necessarily such services were heterogeneous. However, when the justification was process enjoyment or the perishable nature of service attributes then there was no reason why services would be heterogeneous and, in fact, it was more likely for efficiency reasons that they were not. Sport was a mass produced service. Hundreds of thousands of people could receive the same service. Non-customised services were also evident when the output of production was highly perishable and so could not be made before the exchange was initiated and where that output did not need to be customised. A hamburger from McDonalds was an example of this, though whether it was produced before or after the exchange was often variable. Additionally, non-customised service production could occur when producers were concerned about demand fluctuations, in which case aspects of goods production could be moved to service production to ensure that excess production did not occur.

Perishability:

The implication of the proposed model also challenged the notion of perishability. As was the case with the other distinguishing characteristics, the notion of perishability was also not universal to all service production. Perishability was characteristic of the process

services but not in service production where the output was a durable or a non-durable. If you get someone to build you a chair, the output was no more perishable than if the chair was made through goods production. This was a similar conclusion to Lovelock (2000) but differs in a significant way. Lovelock (2000) viewed service as a process so the outcome was not part of it, whereas with the proposed re-conceptualisation the outcome and process were part of both good and service.

Co-production

The proposed model also had implications for other widely accepted notions of service marketing. With respect to co-production, the model implied that co-production was only evident in those services where the driving force behind service production was customisation and to some degree process enjoyment services where crowd interaction was a component of the total experience. While customisation was one of the key reasons for service production, it was not the only one. Where service production was carried out for reasons of process enjoyment and the crowd took no part in it, such as televised race meetings or because of the perishable nature of the service component there was no reason why the consumer would be a co-producer.

Grönroos' "Consuming the Process"

The proposed conceptualisation of good and service also had implications for Grönroos (1998) notion of good and service. Grönroos (1998) argued that goods were the output of production while services were the production process itself. With services, Grönroos argued that the consumer consumed the process itself while the consumer of a good consumed the output of production and this was the key difference between goods and services. The implication of this proposed re-conceptualisation of good and service was that this was only the case with services where the core component was process enjoyment such as sport, live music and drama. As it was asserted within the proposed re-

conceptualisation that good and service production was the same process carried out at a different time relative to the initiation of the exchange or relationship, service production could result in the same output as goods production. This meant that with the service component of products, consumers consumed the output of production processes rather than the process in all cases except process enjoyment type service components.

7.1.2. The implications for related marketing actions

Not only did the re-conceptualisation of good and service have implications for how the definitional devices were viewed but also for how a range of marketing actions were viewed. The role of constructs in theory was such that they underpinned theory development in the discipline as a whole. This meant that alterations in the conceptualisation of core constructs of a discipline could be expected to have implications for how a range of marketing actions were conceptualised. As the development of the reconstruction was undertaken in a way consistent with much of the literature it could be expected that both alterations in the conceptualisations of marketing actions together with other differences consistent with the literature could be expected.

The case studies demonstrated that the reconstruction of good and service did result in alternative conceptualisations of a range of marketing action which were positively received by two of the three respondents. By viewing good and service as interrelated and defining them in respect to the exchange and value creation, additional insights into the nature of such marketing actions as segmentation, product development, brand and promotion were identified. One of the main reasons for this was that the proposed reconstructions linked more explicitly into consumer motivations about such issues as customisation, process enjoyment, and temporal and financial costs. By linking goods and services, such an understanding could be used by the producer to alter their product offering to match these requirements. The goods and service component of the model was

consistent with present understandings of good and service and their practical implications. Rather than challenge existing understandings it looked to develop a deeper understanding of them and in the process unite them with each other and with product in general.

7.1.3. Implications of the model for how product is viewed

It was a further aim of the study to not only reconcile good with service but also good and service with product in general in an attempt to work towards a unified model of value creation. While the marketing literature on product was limited and focused on products as potential need satisfying attributes, other literature from marketing and related disciplines provided insights into how product could be conceptualised such that it took both producer and consumer into account within the context of value creation and exchange. Work undertaken by Alderson (1957) and Solomon (1983), within marketing, and Muth (1966) and Becker (1965) within economics, indicated that products were not need satisfying in themselves, they were rather inputs into what was termed a household production process. The literature on utility from economics also indicated that utility related to not just the need that was satisfied but also whether the consumer could use the product to realise the potential utility. From this base, the author argued that rather than viewing products in terms of the outcome the consumer desired that it may be of utility to view it in terms of what the producer did for the consumer. In doing so, it explicitly acknowledged the role of the producer and consumer, the nature of the value creation and conceptualised it within the context of the exchange. It acknowledged that products were inputs into further processes and provided a basis for integrating goods and services with products within a value creating context. Products were what the producer did for the consumer which could be further broken down into the production of attributes before the consumer initiates the exchange (goods attributes) and those produced after (service attributes).

In conceptualising product in this way, it also provided a basis for viewing a range of marketing activity from both producer and consumer perspectives by conceptualising them as aspects of what the producer did for the consumer. In conceptualising product in such a way it was recognised that what the producer did for the consumer was determined by the capabilities of the consumer together with the level of control they wanted over the outcome. In this way, the conceptualisation of product was not only widened to include the role of the producer and the nature of value creation within the context of exchange but also deepened by including consideration of the consumer's capabilities to use the product to realise the desired outcome. Such a conceptualisation not only took into consideration the need the consumer utilised the product to satisfy but also their capacity to utilise it. This was demonstrated through the case studies to have implications for understanding segmentation, product management, adoption of innovation, promotion and brand.

7.1.4. Reconciling the model as a whole with the aim of the re-conceptualisation

While for ease of communication the two components of the model have at times been discussed separately, they form a unified whole that provided an understanding of product that united goods and services with each other and with product in general. This aim was guided by concern in the literature for the disjointed nature of the conceptualisations of product, good and service. Gummesson's (2000) comments at the beginning of the thesis perhaps summed up the theoretical desires expressed in the literature regarding the notions of product, good and service. It encapsulated the notion of a better articulation of what goods and services were, as well as a better articulation of what a product was within a specific marketing context. The model therefore could be evaluated against Gummesson's (2000 p.121) comments as a guide to its face validity. Gummesson stated; (we need to) "see services as part of a value offering and go a step further to consider the interdependence between goods and services and to find a more adequate terminology". "We need to look at the whole offering or better the value that is

created. In services this clearly must be done through both production and consumption. But we lack the concepts. We do not know what services are, nor do we know what goods are in a more generic sense.” He went on to argue that “We need a generic theory of value-creating offerings”.

The model demonstrated the interdependence of good and service by conceptualising them as the same process but carried out at different times relative to the exchange. In this way it articulated the relationship of the two to each other as well as to product in general. By linking it to product, the model linked goods and services to the value offering. Product was conceptualised as that aspect of a need satisfying process undertaken for a consumer. That aspect of the process undertaken by the producer before the consumer arrives was the goods component and that aspect completed after they initiate the exchange the service component. It went on to articulate the nature of the value contribution of each. Service production added value to the process where customisation was desired, where the attributes of the process perished quickly or where there was a component of process enjoyment. Goods production added value for those aspects of the total product where the justification for service production was not evident. This added value by making that component less costly in terms of time and money, ensured consistent quality and provided greater physical and temporal access to the product. Product in general was viewed in terms of value creation because it was conceptualised in terms of doing something for the consumer that would be of value in their process of need satisfaction. In this way, product, good and service were all conceptualised with respect to both producer and consumer. In summary, therefore, by combining the two, producers could have a better understanding of what the consumer wanted and why and then how best to go about producing that in a way that best matched consumer and producer requirements.

While it is not claimed that the model represents a generic theory of value creation, it is argued that it goes some way towards this goal through conceptualising the metalanguage that could be used in the development of such a model, thereby addressing the need for adequate terminology.

The case studies demonstrated that the model could be used to gain a better understanding of the consumer and their needs and in the organisation of production. The combined model was more than the sum of parts. Both aspects had practical implications for the same marketing actions but added depth in different ways. So, for example, product development could be viewed from the perspective of product in general in which case it explored the need that the consumer wanted satisfied, and what features needed to be built in so they matched the capabilities of the consumer. It could also be viewed from the perspective of what goods and services were argued to be and in doing so provided insight into how they should be produced. Is there a need for customisation or process improvement or could the production be undertaken in the absence of the consumer and so aid in quality control and the evaluation, while at the same time lowering the financial and temporal costs? In this way, the model as a whole provided a unifying understanding of product that aided a range of marketing actions.

7.2. Further Research

The present study was exploratory in nature, as was consistent with this type of metalanguage development. Because of this there were significant limitations in the case studies that affected what could be generalised about the results. While the case studies did demonstrate that the model had implications for how a range of marketing action could be viewed, there was no way that any firm statement of utility could be made beyond that they were of utility to a couple of marketing practitioners. Such re-conceptualisations were never really right or wrong. They were adopted if people saw utility in them. Given the potential that such a model could provide utility in not only how product, good and service were viewed but also how related marketing actions were viewed, further research should concentrate on validating such utility across industries and marketing actions. The central nature of product to the discipline of marketing meant that, theoretically, any re-conceptualisation of it is likely to influence the spectrum of marketing action. A test of whether this is true and what influence, if any, it would have should also be pursued.

The present study, for reasons of scope, control and time, concentrated on practitioner judgements as to whether such actions would be of utility. Perhaps the best way to judge the practical utility of the model would therefore be through the study of the application of the model in practice.

Of course, marketing is more than practitioners. The utility of the reconstruction should also be explored within the academic community to ascertain whether viewing product, good and service in this way is of utility to them and what the theoretical implications of that would be.

The shared nature of constructs are such that any re-conceptualisation, such as that presented in this thesis, need not be representative of how the constructs are viewed to be of utility. It would therefore be interesting to explore to what extent the re-conceptualisations were novel amongst academics, practitioners and particularly consumers.

Such a conceptualisation that draws so heavily on the economic literature of the consumption context may also have implications for that literature.

Chapter 8 – Conclusion

This thesis addressed the important issue of how the marketing constructs of product, good and service were conceptualised. A review of the literature indicated the importance of theory, constructs and metalanguage to the development of any discipline (Hunt 1991, Zaltman et al 1984, Bagozzi 1986). In marketing this was argued to be particularly so and that there had tended to be a concentration on empirical testing rather than theory development (Leone and Schults 1984, Gronroos 1997). One area where this criticism was apparent was with respect to what service and goods were. Over the years that the services marketing field had been active, numerous commentators had noted that there was confusion as to what goods and services were and as a reflection of that confusion, numerous definitional devices were used (Gummesson 2000, Zeithaml and Bitner 2003). While these devices were used in a definitional way they were, however, more classificational in nature identifying distinguishing characteristics of services which had implications for how services should be marketed. While of late there had been growing concern with the generalised nature of these devices such commentators that commented on the deficiencies in present conceptualisations of goods and services had not addressed the underlying nature of the problems nor provided alternative understandings of these constructs (Lovelock 2000, Gummesson 2000).

To address this issue the researcher utilised Shelby Hunt's (1991) criteria for the evaluation of classifications. Through this process it was argued that the commonly used definition of services as intangible acts and goods as tangible outcomes was flawed because it could be argued that as both goods and services were products and the result of production that both contained processes and outcomes. While both contained processes and outcomes each was only viewed in terms of one of them. Goods were viewed as outcomes and services as processes without any criteria to determine when a product should be viewed in terms of a process, and so as a service, and when as the outcome/output of production, or as a good.

In addressing this, a symbiotic rather dialectical approach was undertaken in that the re-conceptualisation of good and service was built upon what was already known (Zaltman et al 1982). In doing so it was argued that when a product was viewed as a combination of both good and service attributes, it was always the case that the good component was produced before the exchange had been initiated and the service component after. From this recognition came the conceptualisation of good as all aspects of a product produced before the exchange had been initiated and services as all that which was produced after. In effect, this meant that goods and services were the same process undertaken at different times relative to the exchange and so, for the most part, production of product attributes could be shifted between good to service production to match consumer and producer needs. In conceptualising good and service in this way it was argued that each had particular characteristics which linked into consumer needs and determined the nature of their value creation. Services could be customised, there could be process enjoyment built into them and service production was necessary when an attribute perished quickly. Goods production could not be customised nor include process enjoyment but provided value to the consumer through increased quality through the ability of the producer to regulate quality control. Goods production was also of a lower financial and temporal cost to the consumer due to efficiencies of production and the fact that they did not have to wait for it to be produced. In addition, all physically based components produced before the consumer initiated the exchange had greater geographical distribution as they did not require both producer and consumer to be present in a specific location for production to occur.

Central to an understanding of good and service and of particular importance in itself was marketing's notion of what a product was. As goods and services were categories of product and as present conceptualisations of both product and good and service did not articulate clearly the relationship between the three constructs, a review of its conceptualisation was justified on the grounds of developing a thorough understanding of good and service and their relationship to each other. A review of the literature indicated, however, that while product was a central construct to the discipline very little had been

written on it explicitly. Given the nature of theory and metalanguage development this had potentially profound implications for not only how product and the associated constructs of good and service were conceptualised but also to how a range of marketing actions were likely to have been conceptualised (Hunt 1991, Zaltman et al 1982).

A review of what had been written on product within the marketing literature highlighted that, apart from a few studies which explored the meaning of product to the consumer from a Structural Interactionist perspective, very little had been written on it (Saren and Tzokas 1998, Solomon 1983). Most of what had been written on product was contained in a few lines in marketing textbooks. The one major exception to this was Kotler's (1972) Augmented product, which was in itself heavily influenced by Levitt's (1969) Total Product Concept. A review of the Augmented Product concept indicated a number of things. Firstly, such an understanding did not address the issue of what the nature of the relationship of good and service to product was very effectively and so some re-conceptualisation was justified to address this in itself.

Secondly, the understanding of product that the Augmented Product concept encapsulated was broader and more sophisticated than what was contained in the marketing literature. This indicated that marketing had borrowed a lot of its understanding of product from other disciplines. While there were good arguments for borrowing in theory development, there were also a number of limitations (Murray, Evers and Swinder 1995, Leone and Schultz 1984). While much could be learned from other disciplines which studied the same basic phenomena it needed to be recognised that each of these disciplines viewed that phenomena from their own perspective (Zaltman et al 1982). Marketing's focus on the exchange meant that it had a unique perspective with respect to what product was, one that included both the producer and consumer within a context of value creation and exchange (Bagozzi 1975, 1979, Houston 1994). Other disciplines, from which understandings were borrowed, however, either had an emphasis on the consumer, as was the case with sociology and psychology and their study of

consumption or the producer as was the case with economics and their focus on production. Heavy and uncritical borrowing from other disciplines therefore meant that it was likely that product had not been systematically conceptualised from a marketing perspective.

Lutz (1979), for one, argued that marketing theory development had tended to have a consumer bias reflecting the emphasis of fields from which marketing had borrowed. An examination of definitions of product from major marketing textbooks indicated that this could also be argued specifically with respect to how product was conceptualised. Most textbook definitions conceptualised product in terms of the satisfactions a consumer received upon consumption, that products were potentially need satisfying attributes (Peter and Donnelly 2004, McCarthy, Perreault and Quester 1997). It was argued that this represented a consumer bias and that this bias was at least in part due to the heavy reliance on understandings of product borrowed from disciplines with a focus on the consumer.

While uncritical borrowing could lead to conceptualisations which were biased towards the emphasis of the disciplines from which they were borrowed, critical borrowing was recognised as a valuable learning device (Zaltman 1999, Firat 1997). With this in mind a review of the literature associated with the phenomena of product was undertaken in order to provide perspective for the re-conceptualisation of product, as in the case of exchange or factors that were of relevance but as yet not incorporated into a marketing understanding of product, as was the case with the fields of consumption, production and utility. Such a review highlighted that as exchange had been argued to be marketing's niche then product, from a marketing perspective, needed to incorporate both consumer and producer and do so within a context of value creation and exchange. A review of the literature from utility, value, consumption and production indicated that there was a strong argument to view product from a process as well as outcome perspective. Numerous authors had identified that products were inputs into further processes and that value was tied to the product's ability to be used as well as the need that it was used to

satisfy (Muth 1966, Becker 1965, Alderson 1957). This indicated that in taking a perspective that included both consumer and producer and value creation, product had another dimension beyond the psychological satisfaction that it provided on consumption. Product had a process dimension.

Working off this basis the researcher argued that products could be viewed in terms of a process and it was through viewing it this way that a marketing specific conceptualisation of product was possible. The researcher conceptualised product as being an unfinished need satisfying process that the producer undertook for the consumer. In effect, product was argued to be what a producer/marketer did for the consumer rather than what the consumer wanted to get out of its consumption. By viewing it as a process as well as an outcome, product was conceptualised as part of the consumer's production process and so the relationship of consumer to producer, together with the nature of value creation were identified and articulated all within the context of exchange.

Such a conceptualisation also allowed good and service to be reconciled with product. All constructs were conceptualised as being part of the same process which the producer had in common with the consumer. Product was that aspect of the process undertaken by the producer for the consumer. That aspect undertaken before the consumer initiated the exchange represented good attributes and those attributes produced after the exchange had been initiated service attributes.

A case study methodology was utilised to test the utility of the re-conceptualisations of service, good and product. Marketing problems from three organisations were evaluated using the re-conceptualised model of product, including good and service components. These case studies aimed to test whether the re-conceptualisations resulted in a better understanding of the problem through a better understanding of the nature of product, good and service and whether that better understanding resulted in marketing action that had not been contemplated before and was of utility. This last aspect came out of the recognition of the role that constructs played in the development of the discipline as a whole. If constructs were profoundly important in the development of a discipline then it

could be expected that re-conceptualisations of three core constructs of the discipline would result in alterations to the conceptualisations of a number of marketing actions. Such alterations could be either consistent with the literature, broadening its scope, or different to present conceptualisations, challenging their nature. This then became a test of the face validity of the model.

While significant limitations existed with the test of the utility of the model, as a whole the results indicated that there was potential utility in viewing product good and service in this way. On a theoretical level, the proposed re-conceptualisations could be argued to have satisfied the criticisms of present conceptualisations and do so within a framework that had been identified as being appropriate to marketing, ie taking both producer and consumer into consideration and within the contexts of value creation and exchange. At face level the model reconciled good with service, identifying their relationship to each other. Goods and services were also reconciled with the nature of product which in turn was conceptualised in terms of value creation and the exchange by explicitly recognizing the role of both producer and consumer. By conceptualising it this way, implications for a range of marketing activity were identified.

In the end, however, the nature of re-constructions are such that their utility is subjective. It is recognised that a lot of this is conjecture. However, as Bagozzi (1984) argued, theory development was about doing before knowing and so inherently risky. Any inductive process includes a conceptual leap of faith. The utility of the re-conceptualisation contained within this thesis can only be determined through its use. It is of value if it is shared and people find it of value. Not all will. However, this study indicated that it has potential. It satisfied the criticism levelled at product, good and service. It was conceptualised within a framework that had been argued to be the most appropriate to marketing. It had been put into application across industries and marketing problems, providing new insight to the respondents and finally was found to be of utility to two of the three respondents. There are strong grounds, therefore, to argue that it is novel and potentially of value to the marketing discipline.