

Controlling uncertainty: Why do consumers need to believe in certain service providers?

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Consumers evaluate services and make decisions based on the level of uncertainty associated with a product—the greater the uncertainty, the more likely it is they will need to have faith in a company and focus on its unique offerings, according to a new study in the *Journal of Consumer Research*.

"Some services can be evaluated with actual experience, whereas other services are difficult to evaluate even with experience—they have to be taken on faith. Services taken on faith are more difficult to evaluate, and are usually perceived to have greater [uncertainty](#) and higher risks associated with them," write authors Jin Sun (University of International Business and Economics, China), Hean Tat Keh (University of Queensland), and Angela Y. Lee (Kellogg School of Management, Northwestern University).

Most products can be evaluated by actual experience. But this is not always true for services. For example, when you are buying a product such as a car, you can take it out for a test drive before making the purchase. But when deciding on a service such as surgery, it is impossible to get a trial operation before deciding on a surgeon; consumers must rely on more nebulous features such as reputation.

The authors found that [consumers](#) tend to [focus](#) on unique features only when they are evaluating services based on faith and it is the greater uncertainty associated with this type of service relative to services based on experience that undermines consumer confidence and in turn

increases the focus on unique versus standard attributes.

"[Service](#) providers such as retail banks should focus on improving features that can easily be compared with their competitors. For example, staying open longer or offering more competitive interest rates. As for services such as those provided by insurance companies, the best strategy would be to create innovative and distinctive [features](#) such as personalized consulting services," the authors conclude.

More information: Jin Sun, Hean Tat Keh, and Angela Y. Lee. "The Effect of Attribute Alignability on Service Evaluation: The Moderating Role of Uncertainty." *Journal of Consumer Research*: December 2012.

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