

Consumers' Perceptions of Service Employees



Inferences about the Service Firm / Brand

Shashi Matta



AMA Sheth Consortium 2007

## Doctoral Student to Assistant Professor

- Doctoral student at USC
- First research project not in Services; On biases in volume judgments
- Started thinking about services in my second year
  - Social Psychology Seminar Classes
  - As a Research Assistant, for Valerie Folkes



AMA Sheth Consortium 2007

## Consumer Behavior in Services

### Effects of Consumers' Stereotypes

- Effect of Gender Stereotypes
- Employee Labels and Typicality
- Gender and Ethnic Stereotypes
- Effects of a Counter-stereotypical source on product evaluation
- Consumers' Trait Stereotypes of Competence and Warmth
- Consumers' Perceptions of Off-shored Service Providers

### Inferences about the Service Firm

- Perceived Cohesiveness of Firms
- Diagnosticity of Information in Products / Services
- Consumers vs. Potential Employees: Evaluations of the Firm



AMA Sheth Consortium 2007

## Effects of Atypical Service Providers on Firm Perceptions

Valerie Folkes & Shashi Matta



AMA Sheth Consortium 2007

## Why is Employee Typicality Important?

- Induction - Consumers often build their impressions of firms starting from their experience with an individual service employee and then generalizing to the service firm
- How does information about an individual service employee influence perceptions of the service firm? Does this differ depending on whether the employee is typical or atypical in the firm?
- Social psychological research on inferences about a group from individual group members

## Typicality Perceptions and Induction

- A group member's typicality refers to "the extent to which the individual has attributes that are associated with the group as a whole"  
(Lambert & Wyer 1990)
- Information about a fraternity member's political orientation was used to make inferences about others in the same fraternity more when the individual was typical than when atypical  
(Rothbart & Lewis 1988)
- Implications for a Service Firm Context?

## Sources of Perceptions that a Service Employee is Atypical

- Linguistic: Titles, Labels, Designations
- Visual: Distinctive Uniforms, Offices
- Often, these distinctions serve important organizational goals
  - Increasing employee commitment
  - Conveying standards of behavior
  - Rewarding Employees
- Do these actions have marketing implications? i.e., are consumers' evaluations affected?



AMA Sheth Consortium 2007

## Effect of Service Employee Typicality on Perceptions of the Firm

- Inferences about an atypical employee's service performance do not affect consumers' perceptions of the service firm as much as inferences about a typical employee's service performance
- Inferences about an individual employee's service performance affect consumers' perceptions of the firm, regardless of employee typicality



AMA Sheth Consortium 2007

## Typicality Affects Induction

- Atypical individuals are perceptually isolated (Hewstone and Lord 1998)
- Perceptual isolation of atypical employee decreases likelihood of integration of information about employee into impression of the firm
- E.g., excellent performance by an employee who is typical would lead to more positive inferences about the firm than excellent performance by an atypical employee



AMA Sheth Consortium 2007

## Typicality Does Not Affect Induction

- Perceivers weigh observations about a theory-incongruent category member at least as heavily, and often more heavily than those about a theory-congruent category member (Heit 1994; 1998)
- Firms are cohesive entities, and more perceived to be more cohesive (Lickel et al 2001) than social groups or hypothetical groups
- Further support from research on occupational / gender stereotypes (Matta & Folkes 2005)



AMA Sheth Consortium 2007

## Hypothesis 1

Inferences about a service employee's competence influences consumers' evaluations of the service firm regardless of the employee's typicality



AMA Sheth Consortium 2007

## Hypothesis 2

A service firm with an atypical (outstanding) employee who delivers excellent service should be perceived as superior to a service firm with a typical (regular) employee who delivers the same level of service



AMA Sheth Consortium 2007

## Hypothesis 3

An atypical (outstanding) employee differentiates the service firm to a greater extent when compared to a typical (regular) employee.

Rationale: A group with atypical members is less subject to stereotypical perceptions but instead fosters a more differentiated characterization of it (Park, Ryan and Judd, 1992)

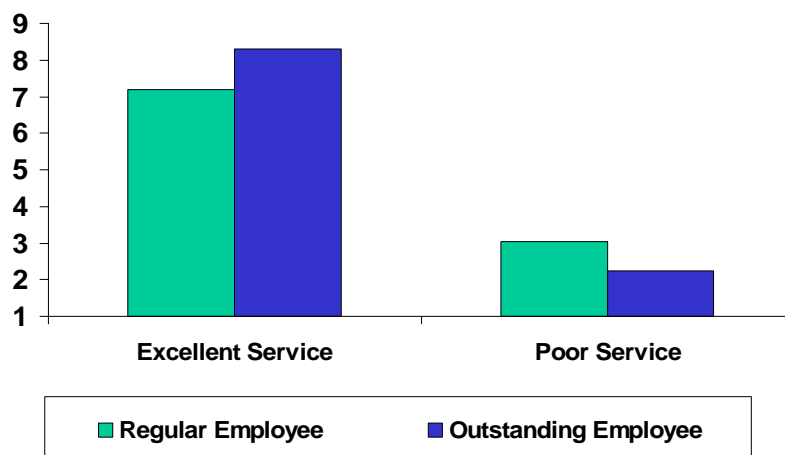
## Study 1: Typical vs. Atypical

- 2 X 2 design manipulating service performance (excellent vs. poor), and employee label (regular vs. outstanding)
- Respondents (N = 98) listened to an audio-taped conversation
- Manipulations:
  - Service Performance (script)
  - Employee Label
- Key Measures:
  - Service Competence of Individual Employee
  - Firm Superiority
  - Firm Differentiation

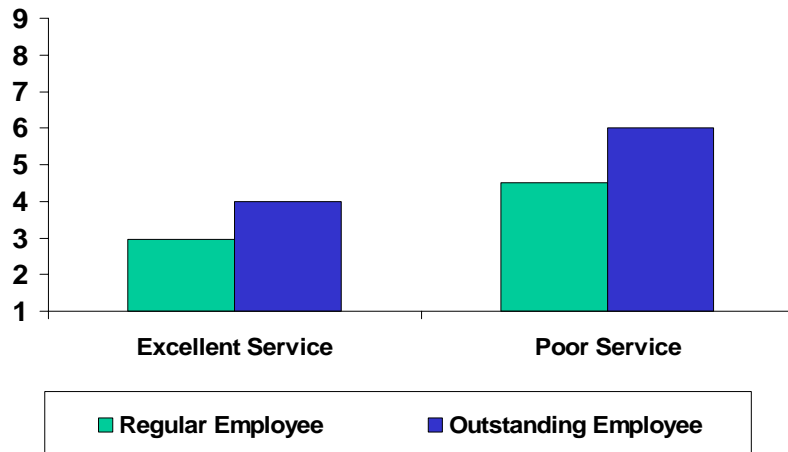
## Pretests

- Pretest confirmed regular employee (3yr) to be significantly more typical than outstanding employee
- Audiotape of excellently performing service provider was perceived as significantly better service delivery than audiotape of poorly performing service provider

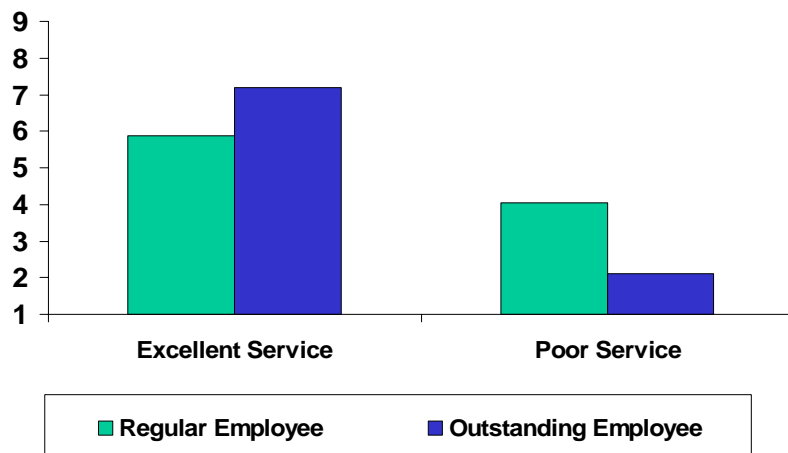
## Service Employee's Competence



## Service Firm Differentiation



## Service Firm Superiority



## Hypotheses for Study 2

**Hypothesis 4:** Inferences about an atypical employee's service performance influence firm superiority judgments only when the atypical employee's label suggests high cohesiveness with the firm (e.g., trainee), but not when the atypical employee's label suggests low cohesiveness with the firm (e.g., temp)

**Hypothesis 5:** An atypical employee whose label suggests high cohesiveness with the firm differentiates the firm more than an atypical employee whose label suggests low cohesiveness with the firm



AMA Sheth Consortium 2007

## Study 2: Boundary Condition

- 2 X 2 design manipulating service performance (excellent vs. poor), and employee label (trainee vs. temp)
- Respondents (N = 112) listened to an audio-taped conversation
- Manipulations:
  - Service Performance (script)
  - Employee Labels
- Key Measures:
  - Service Competence of Individual Employee
  - Firm Superiority
  - Firm Differentiation

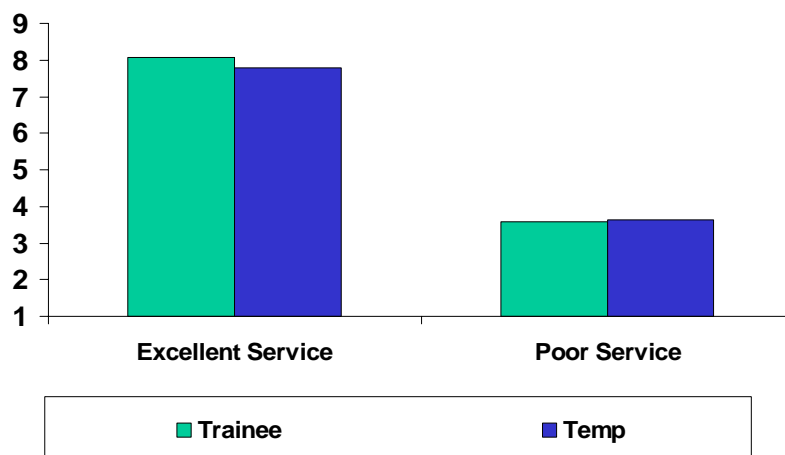


AMA Sheth Consortium 2007

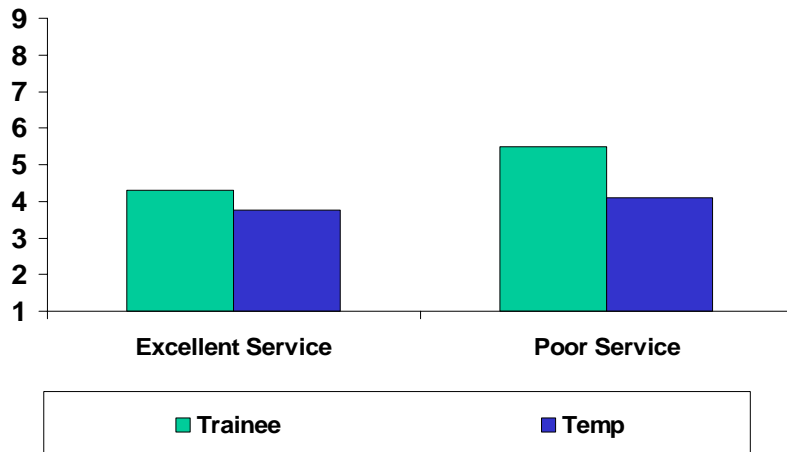
## Pretests

- Pretest confirmed similar performance expectations for trainee and temp employee
- Temp suggested low cohesiveness to the firm compared to Trainee

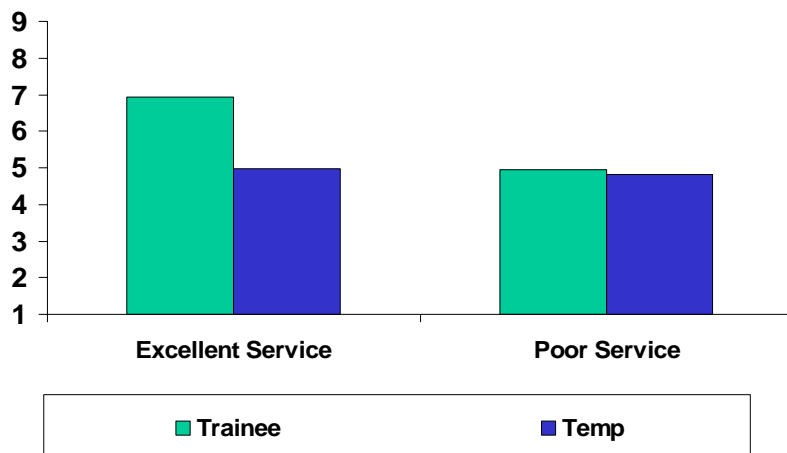
## Service Employee's Competence



## Service Firm Differentiation



## Service Firm Superiority



## Conclusions

- Employee labels have marketing implications
- Marketing should provide an input in relevant Organizational / HR decisions
- Making employee labels visible/known to customers is a strategic decision
- Atypical service providers can benefit the firm (supported by results from other studies)
- Theoretically, studies contribute to the literature on group perceptions and typicality